



NDLAMBE LOCAL MUNICIPALITY

DRAFT ANNUAL REPORT

(Version 2)

2023/2024



Ndlambe Municipality

046 604 5500

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Table of Contents

CHAPTER ONE: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	4
1.1 MAYOR'S FOREWORD	4
1.2 MUNICIPAL MANAGER FOREWORD.....	7
1.3 MUNICIPAL OVERVIEW	12
1.4 SERVICE DELIVERY OVERVIEW.....	18
CHAPTER 2: GOVERNANCE.....	19
2. INTRODUCTION TO GOVERNANCE	19
2.1 COMPONENT A: INTRODUCTION TO POLITICAL AND GOVERNANCE	19
2.1.1 POLITICAL GOVERNANCE	20
2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE	26
2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	26
2.2.1 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS	26
2.2.2 INTERGOVERNMENTAL RELATIONS	27
2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	27
2.3.1 PUBLIC MEETINGS, COMMUNICATION, PARTICIPATION AND FORUMS	27
2.4 COMPONENT D: CORPORATE GOVERNANCE CORPORATE GOVERNANCE OVERVIEW.....	28
2.4.1 RISK MANAGEMENT.....	28
2.4.2 ANTI-CORRUPTION AND FRAUD.....	29
2.4.3 SUPPLY CHAIN MANAGEMENT	29
2.4.4 BY-LAWS	31
2.4.5 Municipal Website.....	31
2.4.6 Public Satisfaction on Municipal Services	32
CHAPTER THREE: SERVICE DELIVERY PERFORMANCE.....	33
3.1 COMPONENT A: BASIC SERVICES	33
3.1.1 WATER AND SANITATION	33
3.1.2 ELECTRICITY.....	40
3.1.3 HOUSING	45
3.2 COMPONENT B: ROAD TRANSPORT	49
3.2.1 ROADS	50
3.2.2 STORMWATER (STORMWATER DRAINAGE)	51
3.2.3 FLEET MANAGEMENT	55
3.3 COMPONENT C: PLANNING AND DEVELOPMENT	57
3.3.1 PLANNING IN SPATIAL.....	57
3.3.2 PROJECT MANAGEMENT UNIT	61
3.3.3 LOCAL ECONOMIC DEVELOPMENT (KPA 3).....	63
3.4 COMPONENT D: COMMUNITY AND SOCIAL SERVICES	75
3.4.1 INTRODUCTION TO LIBRARIES; ARCHIVES; COMMUNITY	75

3.4.2 CEMETERIES AND CREMATORIALS.....	77
3.5 COMPONENT E: ENVIRONMENTAL PROTECTION	78
3.5.1 POLLUTION CONTROL	78
3.5.2 BIO-DIVERSITY AND LANDSCAPE	79
3.6.10 ENVIRONMENTAL COMPLIANCE (incl EDUCATION)	83
3.6 ENVIRONMENTAL HEALTH	85
3.6.1 BACKGROUND	85
3.6.2 FOOD QUALITY CONTROL – INSPECTION OF FOOD PREMISES	86
3.6.3 WATER QUALITY MONITORING	87
3.6.4 HEALTH SURVEILLANCE OF PREMISES.....	90
3.6.5 ANNUAL LANDFILL SITE: EXTERNAL VALUATIONS	92
3.6.6 SECURITY SERVICES.....	93
3.6.7 TRAFFIC SERVICES.....	94
3.6.8 FIRE AND EMERGENCY SERVICES.....	96
3.6.9 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER).....	98
3.6.10 BY-LAW COMPLIANCE.....	99
3.6.11 ORGANISATIONAL SCORECARD	105
CHAPTER 4: ORGANISATIONAL DEVELOPMENT	111
4.1 COMPONENT A: ORGANISATIONAL DEVELOPMENT	111
4.1.1 INTRODUCTION TO HUMAN RESOURCE SERVICES	111
4.1.2 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	112
4.2 COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE.....	113
4.2.1 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT	113
4.2.2 POLICIES	113
4.2.3 INJURIES, SICKNESS AND SUSPENSIONS.....	115
4.3 COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	116
4.3.1 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT	116
CHAPTER 5: FINANCIAL PERFORMANCE.....	124
CHAPTER 6: AUDITOR-GENERAL AUDIT FINDING	135
ANNEXURE	
ANNEXURE A.....	ORGANISATIONAL STRUCTURE (ORGANOGRAM)
ANNEXURE B.....	AUDITOR GENERAL'S REPORT
APPENDICE	
APPENDIX A.....	COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE
APPENDIX B.....	COMMITTEE AND COMMITTEE PURPOSE
APPENDIX C.....	ADMINISTRATIVE STRUCTURE
APPENDIX D.....	FUNCTIONS OF MUNICIPALITY
APPENDIX E.....	WARD REPORTING
APPENDIX F.....	WARD INFORMATION

APPENDIX G.....	RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE
APPENDIX H.....	LONG TERM CONTRACTS
APPENDIX I	SERVICE PROVIDER PERFORMANCE SCHEDULE
APPENDIX J.....	DISCLOSURE OF FINANCIAL INTEREST
APPENDIX K	REVENUE COLLECTION PERFORMANCE
APPENDIX L.....	CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG
APPENDIX M.	CAPITAL BUDGET EXPENDITURE
APPENDIX N.....	CAPITAL PROGRAMME BY PROJECT CURRENT YEAR
APPENDIX O.....	CAPITAL PROGRAMME BY PROJECT WARD CURRENT YEAR
APPENDIX P.....	SERVICE CONNECTION BACKLOGS AT SCHOOL AND CLINIC
APPENDIX Q.....	SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION
APPENDIX R.....	DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY
APPENDIX S.....	DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71
APPENDIX T.....	NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT
VOLUME 2.....	ANNUAL FINANCIAL STATEMENTS
VOLUME 3.....	DRAFT ANNUAL PERFORMANCE REPORT 2023/2024

CHAPTER ONE: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 MAYOR'S FOREWORD

As the Mayor of Ndlambe Municipality, it is both an honour and a privilege to present, on behalf of the municipality and all its dedicated stakeholders, the Draft Annual Report for the 2023/2024 financial year. This report reflects our collective efforts and commitment to serve our community, showcasing the progress we have made together and the challenges we have overcome in pursuit of a better life for all our residents.

The municipality is not exempt from the pervasive challenges that confront other municipalities, provincial governments, and the national government, most notably those related to socio-economic issues such as unemployment, social and economic inequality, and poverty. The municipality is also grappling with infrastructure-related challenges. Nevertheless, the municipality's proactive measures to tackle these challenges have significantly mitigated their adverse effects on our communities. It is commendable that, through exemplary and efficient governance, the municipality has steadfastly adhered to its core mandate of delivering essential services of quality to our residents in a sustainable manner, despite the myriad obstacles encountered along the way.

The municipality's diligent initiatives stem from a thorough reassessment and refinement of its strategic objectives, informed by historical insights and aligned with the prevailing socio-economic context. These objectives are in harmony with key frameworks, including the Provincial Growth and Development Strategy, the National Development Plan, the National Spatial Development Framework, and the National Key Performance Areas. By integrating these strategic goals into the operational plans of all directorates and the individual performance management systems, the municipality ensures that all efforts are systematically focused on achieving the established targets and desired outcomes.

The Integrated Development Plan (IDP) serves as a critical framework for municipal governance, ensuring compliance from both administration and councillors. Its institutionalisation has enhanced community involvement in the formulation process, emphasising its importance. Stakeholder participation throughout the IDP phases leads to the Mayoral Imbizo and strategic planning sessions. Strategic objectives from the IDP are reflected in senior managers' performance scorecards, allowing for effective compliance monitoring. Exceptional performance is rewarded with bonuses, while underperformance is managed through development plans. For nearly a decade, senior managers have consistently achieved at least a 100% performance rating, with many aiming for 130% or more.

The below-mentioned strategic goals and guiding objectives of the municipality should be used as a yardstick when reading and interrogating this draft Annual Report:

Strategic Goal 1	1. A premier place to work and do business
Strategic Objectives	1.1. Improve the governance of the Municipality
	1.2. Improve financial viability of the municipality
	1.3. Develop state-of-the-art innovative physical and technological infrastructure

	1.4. Create a comfortable remote working environment and develop new economy skills
Strategic Goal 2	2. Destination of choice for laid-back living for families
Strategic Objectives	2.1. Provide sustainable, efficient, cost effective, adequate and affordable services to all our citizens
	2.2. Provide efficient and effective public & private health services
	2.3. Create a pleasant, safe and secure living environment for all our citizens
	2.4. Mainstreaming of vulnerable groups into our growing society
Strategic Goal 3	3. Tourist destination of choice for people who love natural and cultural heritage, adventure, and water sports
Strategic Objectives	3.1. Preserve the natural beautiful environment, cultural heritage, and biodiversity
	3.2. Develop a cultural heritage, and biodiversity economy
	3.3. Develop and support adventure and extreme water sports
	3.4. Enable more events which attract visitors to NLM

The Performance Management System (PMS) facilitates the oversight of strategic goal implementation and budget allocation within the municipality. Key Performance Indicators (KPIs) and targets have been established for each strategic outcome, with ongoing measurement and monitoring conducted throughout the fiscal year. All pertinent data is recorded in an electronic performance management system, enabling continuous performance oversight. This proactive approach serves as an early warning mechanism, allowing for timely corrective actions as needed to enhance service delivery and achieve municipal objectives.

It is imperative to prioritise the maintenance and enhancement of performance across all operational areas. We are committed to fostering a robust culture of service delivery while ensuring sound fiscal management and administrative integrity. Our focus will be on sustaining municipal efficacy in delivering essential services, facilitating local economic development, advancing infrastructure projects, and promoting good governance. We will diligently address community needs within the framework of existing resources and infrastructure constraints to support sustainable growth and responsible governance in our municipality.

The achievement of service delivery targets and deliverables must be assessed in conjunction with the municipality's financial performance and compliance with municipal legislation. A critical determinant of financial health is the payment behaviour of ratepayers and customers. However, the recovery of debt in areas where Eskom provides power directly to residents presents ongoing challenges. Insufficient

revenue hampers the delivery of essential services and the maintenance or upgrading of infrastructure, including roads, electricity, water, and sewerage systems.

The Municipality has made significant strides in basic service delivery, ensuring that 100% of registered urban residential properties have access to minimum service levels or higher. Nevertheless, there remain informal settlements and backyard dwellers lacking formal access to services. In response, the Municipality provides gel stoves and fuel as alternative energy sources for these communities. Additionally, informal settlements receive skip bins for refuse collection. To further support registered indigent and low-income households, the Municipality offers monthly subsidies for basic utilities, including sewerage, refuse removal, water, and electricity. Indigent households benefit from 50 kWh of free electricity, 6 kilolitres of water, and complimentary refuse removal services. Furthermore, households with properties valued at less than R350,000 are granted free sanitation services and exemption from property rates.

Vandalism and theft have emerged as escalating concerns within the municipality, imposing substantial financial burdens annually. It is imperative to initiate a comprehensive educational campaign aimed at mitigating this issue and informing communities that vandalism adversely affects their own welfare. The involvement and cooperation of ward councillors and committee members will be crucial in this initiative.

The Municipality continually enhances its public participation efforts, not merely for compliance but to promote good governance. These initiatives include the establishment of Ward Committees, the engagement of Community Development Workers, ward-based planning, and community outreach programs, such as Mayoral Imbizos, forums, and Report Back meetings. These platforms are instrumental in providing updates on service delivery issues raised by the community.

CONCLUSION

The 2023/24 financial year was a challenging period for the local government sphere, especially with the power crisis that forced the municipality to find alternative ways to continue providing services. We are grateful that the government has restored electricity and that loadshedding is a thing of the past. Testament to the professionalism and dedication of all the municipality's staff members who never allowed these hindrances taking place to distract them from their responsibilities, or diminish their determination, to serve the people of Ndlambe Municipality.

I would like to express my gratitude to the Executive Committee and all the Councillors for their contribution and commitment towards realizing the Vision and making a difference in the lives of all in Ndlambe. I would also like to thank the Management team and staff members for their support during the year. Most importantly, I wish to thank the ratepayers, civic organisations and all stakeholders and individuals who continue to support us in our endeavours to change our local municipality for the better. Without your commitment and support, the achievements to be outlined in this report would not have been possible.

CLLR K C NCAMISO



MAYOR

1.2 MUNICIPAL MANAGER FOREWORD

The Annual Report for the fiscal year 2023/2024 provides a thorough evaluation of the Ndlambe Local Municipality's (NLM) performance in relation to its strategic objectives, as aligned with the Integrated Development Plan (IDP), municipal budget, and broader Provincial and National governmental directives. The report highlights substantial achievements across various programmes and projects that have been strategically implemented to enhance service delivery for the community and stakeholders. It underscores the municipality's dedication to advancing the quality of life for residents while ensuring compliance with established legislative and regulatory frameworks, affirming its commitment to effective governance.

The constitutional framework governing local government in South Africa is articulated in various sections, including Section 151, which establishes municipalities, Section 152, which delineates the objectives of local government, and Section 156, which specifies the powers and functions of municipalities. Additionally, the Municipal Systems Act No. 32 of 2000 outlines essential principles and processes for municipalities to advance the social and economic development of local communities. Importantly, Section 154 of the Constitution emphasizes cooperative governance, mandating both national and provincial governments to support local authorities in their service delivery mandates, recognising that municipalities operate at the forefront of service provision. The following sections will address specific service delivery challenges faced by municipalities.

The five-year Integrated Development Plan (IDP) undergoes an annual review to assess priorities and existing plans in relation to the available budget and resources. Consequently, tailored IDP strategic objectives are established for each financial year to reflect realistic targets. To ensure the effective attainment of these objectives, a Service Delivery and Budget Implementation Plan (SDBIP) is developed for the entire organization, with specific alignment to both the IDP and budgetary considerations. Compliance with the Municipal Standard Chart of Accounts (MSCOA) is imperative, and our municipality is among the few that successfully adheres to these standards in its budgeting process.

In Ndlambe Municipality, performance targets for each Section 56 Director are developed in alignment with the Service Delivery and Budget Implementation Plan (SDBIP), the Integrated Development Plan (IDP), and the municipal budget. This process culminates in the creation of scorecards for each directorate, ensuring that service delivery objectives are consistently aligned with higher-level strategic frameworks.

One of the distinguishing features of Ndlambe Municipality is its stable political and administrative environment. This stability can be attributed to the consistent retention of Section 56 and 57 managers over nearly five terms, coupled with the municipality's prompt response in filling senior managerial vacancies. Currently, all senior management positions are occupied, further contributing to the operational continuity and effectiveness of the municipality. This combination of factors, including a stable leadership structure and proactive management practices, has significantly enhanced the municipality's ability to deliver on its strategic objectives and maintain a high level of service delivery.

The municipality has demonstrated significant progress in achieving the objectives outlined in the Integrated Development Plan (IDP), which will be further detailed in the forthcoming Organisational Scorecard section of this report. Enhanced capacity and support from intergovernmental collaboration have facilitated the efficient execution of our constitutional obligations. Noteworthy projects implemented during this period include:

PROJECT	BUDGET	EXPENDITURE TO DATE	BALANCE	%
Upgrading of Xhanti street Bathurst	R 4 890 801.39	R 0.00	R 4 890 801.39	100%
Upgrading of Zola street in Bathurst	R 2 906 498.62	R 0.00	R 2 906 498.62	100%
Upgrading of kwanokqubela main road	R 1 300 000.00	R 548 968.20	R 751 031.80	100%
Thornhill Ministerial Housing Project MIG: Balance phase 2 Contract 1 Link Water Infrastructure	R8 057 124,90	R 0.00	R 8 057 124.90	100%
Upgrading of Solomon Mahlangu Road phase 2	R 2 243 838.08	R 192 956.70	R 2 050 881.38	100%
Upgrading of Mamityi Gidana Sportsfield	R 10 959 937.01	R 0.00	R 10 959 937.01	100%
PMU ADMIN.	R 1 597 800.00	R 1 597 800	R 0	100%
Total Amounts	R 29 819 000.01			

Despite many achievements, challenges always abound and as a result the following areas will receive particular focus:

Water – especially during festive season in particular in Port Alfred, Bushmansrivermouth and Kenton-On-Sea which areas are visited the most by tourists during this period. Alexandria water supply remains a challenge and the municipality aims to increase water capacity to the area hence the upgrade of the Cannon Rocks RO plant, finishing up of Amatola contract 14 & 15 project and the boreholes water from neighbouring farmer to the reservoir. Amatola Water is given support by a technical team composed of Ndlambe, Department of Water and Sanitation and Local technical people from both Bushmansrivermouth and Kenton-On-Sea.

Port Alfred is going through acute water challenges due to drought. The Department of Water and Sanitation and Co-operative Governance and Traditional Affairs funded an RO plant for Port Alfred which amounted to R100 million (one hundred million rands). A private company is also selling RO plant water to the municipality. Boreholes do augment water to Port Alfred. Trucks are also carting water especially to high lying areas. The Sarel Hayward dam is steadily getting water from the weir through an additional dedicated pump.

Sanitation – the sewage system of the municipality is aging at a very fast pace. It is unfortunate that the municipality has water challenges because it follows that one will have problems with sewerage. The recycling of sewerage in the Port Alfred RO plant is negatively affected by the inadequate sewerage caused by the drought and spillage in the system. The rivers are at risk of being contaminated by sewerage and that becomes a health hazard to river users, species and has a back lash on tourism. The municipality has implemented various sanitation projects during the financial year to ameliorate the sanitation crisis.

Roads are continuously maintained however it is very difficult to keep pace with the rate in which they

are aging given our financial situation. Council has taken a stance to pave roads, and this is ongoing and is visible in Ndlambe as whole. A portion of MIG is used to pave roads.

SMME development – the municipality does not compromise in giving work to the SMME's as part of local economic development and job creation despite the many challenges this puts on the administration.

Electricity - The municipality has outsourced the maintenance of electricity, and the service provider is doing well. Indigent households are provided with free electricity which is 50KW per month and 6 kilo litres of water each month. Houses in particular squatter areas have been provided with gel stoves in the meantime as means of alternative energy. Department of Human Settlement has funded the municipality to upgrade informal settlements with electricity, standpipes and roads. Loadshedding primarily has affected service delivery especially on water and sewerage.

Building Control remains a serious challenge in the area especially in the townships where people are building without following the building regulations and as a result of this there is a potential that the municipality may be losing a lot of revenue and the households who are contravening the building regulations are exposed to danger because they are living in houses that have not been approved by the relevant authorities. The municipality is channelling all efforts to overcome this challenge as it is one of the highest risk areas. The fact that the Department of Human Settlements do not fully involve the municipality when building RDP houses is another challenge hence houses are dilapidated.

Cemeteries – the municipality is facing a pressing challenge as its cemeteries approach capacity due to rising mortality rates linked to health crises, rapid urbanization, and demographic changes within the local population. In response, the relevant department is actively pursuing the acquisition of additional land for burial sites. To extend the usage of existing cemeteries, the municipality is promoting alternative burial practices, particularly in townships, which may include unconventional methods such as the interment of multiple individuals in a single grave and cremation. Furthermore, the municipality has allocated funds for an Environmental Impact Assessment (EIA) in Port Alfred and is set to commence this process shortly. It is noteworthy that in Kenton-on-Sea, there is currently no municipally owned land available for cemetery expansion, necessitating negotiations with adjacent private landowners for potential land acquisition.

Waste Management remains a huge challenge for the municipality. The costs associated with managing the sites are quite huge. We are hoping that our partnership with the Federation of Canadian Municipalities will bring about some form of assistance when it comes to the waste management. The municipality having done cost benefit analysis resolved that this service be outsourced in particular landfill site management. This is over a period of three (3) years. However, a long term lasting solution is to secure yellow fleet so that the municipality can have capacity to manage its waste properly. Council has to consider a portion of Municipal Infrastructure Grant (MIG) for this purpose as COGTA is now considering applications in this regard. Clean governance s one of the fundamental requirement that justifies a well run municipality and the spinoffs of that is the attraction of funds / grants from other spheres of government.

Ndlambe municipality prides itself of getting an unqualified audit report in 2023/2024. The municipality is liquid and as a result of that it can pay its creditors within 30 days especially the big ones like ESKOM, Telkom and Amatola Water. The municipality has no loans or used any bank credits as a result of not being able to service its debt. As much as the collection rate is 87% on average the municipality is liquid although it is striving to achieve 95% which is a norm for assurance on liquidity.

The municipality has identified eighteen (18) high risk areas, however only five (5) high risk areas will be lifted. Those are supply chain management, traffic services and revenue, infrastructure – water losses, revenue – indigent, fleet management. There are control measures put in place which tuned.

Responsible employees are identified. Those responsible employees in turn appoint risk champions who will deal with this on daily basis and report back to those who delegated in intervals. The internal audit unit submit progress report to the Audit Committee from time to time. The risk register is a moving target in the sense that what may be a risk currently may not be in the future or vice versa hence reviewal of the risk is very important. A truncated register is depicted below.

No:	Division/Section	Fraud Risk Description	Root cause	Current Control processes in place to mitigate the risk exposure	Action to Improve Management of the Risk Exposure
1	SCM - Procurement	Possible cover coating flouting of the procurement process	1. Decentralised procurement process 2. Collusion	1. Units request quotes independently 2. SCM module activated (covers SOD element)	1. Centralisation of procurement process 2. SCM awareness/refresher training
2	Traffic Department	Bribing of traffic officers Illegal Connections	1. Greed 2. There is opportunity to conduct fraud 3. Collusion between traffic officers and commuters/drivers on the road 4. Unethical behavior	1. Prenumbered traffic fine books 2. Traffic bylaws / Road traffic Act 3. Traffic officers in place 4. Working in teams	1. Continuous implementation of traffic teams 2. Training of traffic officers on legislation
3	Infrastructure - Water Losses		1. Inability by communities to afford water and electricity 2. Inaccurate reading of meters 3. Possible Collusion by officials 4. Unethical conduct 5. Vandalism 6. Aged infrastructure 7. Inadequate raw water sources that leads to water carting	1. Reconciliation conducted (2. Meter readers 3. Plumbers in place for water leaks 4. Replacement of old water meters 5. Replacement of cables 6. Replace old electricity meters 7. Use of prepaid system 8. Analysis of purchases 9. Analysis of reading (conventional meters)	1. Install water management device 2. Continuous monitoring of water meters
4	Revenue - Indigents	Fraudulent Applicants receiving indigent benefits	1. Employees receiving kickbacks 2. Applicants submitting fraudulent applications 3. No system in place to verify the authenticity of information submitted	1. Segregation of duties is in place 2. Checklist guiding what should be on the indigent application is in place 3. Indigent Policy	
5	Fleet Management	Abuse of municipal assets (fleet)	1. Lack of supervision on allocation and movement of fleet 2. No standardised procedure for fleet management 3. Non alignment of trips to job cards	1. Fleet Manager is in place 2. Log books are in place 3. Incident and accident reports are completed and submitted 4. Fleet management policy 5. Tracking system in place	1. Establish a Loss Control Committee 2. Benchmark fleet control system 3. Review/Update and enforce fleet management policy 4. Procurement of new tracking system

The significance of an annual report in fostering an accountable, participatory, and development-oriented local government cannot be overstated. As we conclude the 2023/2024 financial year and in accordance with Section 127 of the Municipal Finance Management Act, 2003 (Act 56 of 2003), we must present a draft annual report within the stipulated timelines. This report serves not only as a compliance requirement but also as a critical assessment of the municipality's performance during the review period. I extend my sincere gratitude to all those who contributed to making the 2023/2024 year a success, particularly the Mayor, the Executive Committee, the Speaker, Councillors, the Audit and Performance Committee, management, staff, and all stakeholders for their unwavering support and commitment.

ADV R DUMEZWENI

A handwritten signature in black ink, appearing to be 'Adv R Dumezweni', is written over a horizontal dotted line. The signature is stylized and extends above and below the line.

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MUNICIPAL MANAGER

1.3 MUNICIPAL OVERVIEW

The Ndlambe municipality, as a Category B municipality performs such municipal functions as enshrined in the Constitution of the Republic of South Africa, 1996. In particular these are listed in Schedule 4 part B & Schedule 5 part B. These include:

Air pollution	Water & sanitation services limited to potable water supply systems and domestic waste-water and sewerage disposal systems
Building regulations	Beaches and amusement facilities
Electricity	Billboards and display of advertisements in public places
Fighting services	Cemeteries and funeral parlours
Local tourism	Cleansing
Municipal Planning	Control of public nuisances
Municipal Health Services	Control of undertaking that sell liquor to the public
Jetties & Piers	Facilities for accommodation, care and burial of animals
Stormwater management system	Fencing and fences
Trading regulations	Traffic and parking
Licensing and control of undertaking that sell food to the public	Municipal roads
Local amenities	Noise pollution
Local sport facilities	Pounds
Municipal parks and recreation	Public places
Refuse removal, refuse dumps and solid waste disposal	Street trading
Street Lighting	

Ndlambe municipality also performs other functions that may be delegated to it by another sphere of government.

The Ndlambe municipal area falls within the Eastern Coastal Zone (one of the areas within the Sarah Baartman District Municipality that has similar geographical characteristics and requires similar geographical guidance). This area can be described as an area with:

- A pristine coastal area;
- Well preserved river mouths and inter-tidal areas;
- Diverse vegetation;
- A relatively low density development along the coast; and
- Major tourism potential

The following is the presentation and analysis of key Ndlambe municipal population and household statistics as provided in the Stats SA Community Survey, 2016. A comparison of this data with Census 2011 is provided in the next page.

SUMMARY OF KEY DEMOGRAPHIC AND SOCIO-ECONOMIC HIGHLIGHTS OF NDLAMBE MUNICIPALITY

Demographics	2022		2016	
	Number	Percent	Number	Percent
Population	87 797		63 180	
Population growth				0.6
Population profile				
Black African	59 740	68.2	52 697	83.4
Coloured	6 624	7.6	5 077	8.0
Indian or Asian	328	0.4	136	0.2
White	20 150	23	5 271	8.3
Other	825	0.9		
Population density				
Population by home language				
Afrikaans			6 102	9.8
English			4 963	8.0
IsiXhosa			50 486	81.3
IsiZulu			115	0.2
Sesotho			34	0.1
Other			391	0.6
Number of households	32440		20 818	
Households size	2.7		3.0	
Gender				
Male	41 327	47.1	30 096	47.6
Female	46 470	52.9	33 084	52.4
Age				
0 - 14	18 684	21.3	17 697	28.0
15 - 34	24 357	27.7	20 192	32.0
35 - 64	31 538	35.9	17 373	27.5
65 +	13217	15.1	7 919	12.5

Household Services	2022		2016	
	Number	Percent	Number	Percent
Access to housing				
Formal	29493	90.9	18 589	89.3
Traditional	273	0.8	856	4.1
Informal	2593	8.0	1 315	6.3
Other	80	0.2	58	0.3
Access to water				
Access to piped water	31570	97.3	18 721	89.9
No Access to pipedwater	870	2.7	2 097	10.1
Access to sanitation				
Flush toilet	27591	85.1	15 977	76.7
Chemical	619	1.9		0.0
Pit toilet	2930	9.0	2 116	10.2
Bucket	702	2.2	174	0.8
Other	332	1.0		
None	265	0.8	828	4.0
Energy for lighting				
Electricity	30308	93.4	18 506	90.8
Other	2034	6.3	1 881	9.2
None	99	0.3		
Energy for cooking				
Electricity	17103	52.7	17 846	86.1
Other	15053	47.3	2 887	13.9
Access to refuse removal				
Removed by local authority at least once a week	29268	90.2	18 544	89.1
Removed by local authority less often	172	0.5	121	0.6
Communal refusedump	346	1.1	352	1.7
Own refuse dump	1368	4.2	1 230	5.9
No rubbish disposal	376	1.2	512	2.5

Ratio	2022		2016	
	Number	Percent	Number	Percent
Dependency ratio		57.1		59.7
Poverty head count ratio		0.0		0.0
Sex ratio		88.9		97.6

Infrastructure	2011		2016	
	Number	Percent	Number	Percent
Access to telephone lines	3 591	18.3	2 409	12.1
Access to cellular phones	15 769	80.4	18 030	87.9
Access to Internet	5 871	29.9	1 863	9.3

Education	2022		2016	
	Number	Percent	Number	Percent
Level of education (20+)				
No schooling	3697	6.3	2 998	7.4
Some primary	6697	11.5	7 212	17.8
Completed primary	3002	5.1	2 817	6.9
Some secondary	19556	33.5	15 047	37.1
Grade 12/Matric	16485	28.2	9 479	23.4
Higher	8509	14.6	2 974	7.3
Other	504	0.9	59	0.1

Employment	2022	
	Number	Percent
Employed		63.7
Unemployed		39.5
Employment by industry		
Formal		45.7
Informal		54.3
Private Households		
Economically active population		
Labour force participation rate		67
Absorption rate		38.3
Unemployment rate		39

Rating of quality of municipal services	2011		2016	
	Number	Percent	Number	Percent
Water (good)			11 283	55.2
Electricity supply (good)			14 873	77.9
Sanitation (good)			12 073	62.9

Refuse removal (good)			13 966	70.3

Agriculture	2011		2016	
	Number	Percent	Number	Percent
Agricultural households			2 602.0	12.5
Cattle				
1 - 10			307	72.1
11 - 100			51	12.0
100+			68	16.0
Total			426	100.0
Sheep				
1 - 10			26	51.0
11 - 100			25	49.0
100+			0	0.0
Total			51	100.0
Goat				
1 - 10			142	44.9
11 - 100			159	50.3
100+			15	4.7
Total			316	100.0
Type of agric activity				
Livestock production			1 111.0	51.0
Poultry production			850.0	43.3
Vegetable production			1 072.0	70.4
Other			590.0	9.9

SOURCE: Stats SA, Census 2011 & Community Survey 2016

POPULATION

According to the 2022 Census conducted by Statistics South Africa the Ndlambe municipality has a population of 87 797 occupying an estimated 32 440 households. Ndlambe accounts for 16.5% of the inhabitants living in the Sarah Baartman District. The extent of Ndlambe municipal area covers an area of one thousand eight hundred and forty square kilometres (1 840.63km²) which was delimited into ten wards with a total of twenty elected councillors.

POPULATION, EXTENT OF AREA KM² AND POPULATION DENSITY

StatsSA 2022	Sarah Baartman District Municipality	Ndlambe Local Municipality
Total Population 2022	533 253	87 797
Area km ²	58 243.3 km ²	1 840.63 km ²

SOURCE: Stats SA, 2022

Geographically Ndlambe makes up 3.2% of the District municipality's landmass, with a relatively high population density of 47 per km², which is four times higher than the District average of 9 persons per km².

POPULATION GROWTH RATE (Source: StatsSA 2022)

Population Growth over time	2011	2022	% Growth 2011 to 2022	% Growth p.a.
Ndlambe	61 176	87 797	43.5	4.35
Sarah Baartman	450 584	533 253	18.4	1.84
Eastern Cape	6 562 053	7 230 204	10.2	1.02

The population which totalled 87 797 in 2022 increased by 26 621 people over a 11-year period. This is reflective of a 43.5% total population growth rate in Ndlambe from 2011 to 2022, which is higher than the Provincial growth and the growth rate accrued for Sarah Baartman District Municipal area over the same period.

POPULATION BY AGE GROUP AND GENDER

Age Range	Males	Percentage Males	Females	Percentage Females
85+	376	0.4	661	0.8
80-84	756	0.9	1033	1.2
75-79	1071	1.2	1411	1.6
70-74	1538	1.8	2052	2.3
65-69	1912	2.2	2407	2.7
60-64	1905	2.2	2719	3.1
55-59	2068	2.4	2734	3.1
50-54	2134	2.4	2833	3.2
45-49	2330	2.7	2778	3.2
40-44	2611	3	2898	3.3
35-39	3094	3.5	3434	3.9
30-34	3119	3.6	3369	3.8
25-29	3057	3.5	3234	3.7
20-24	2871	3.3	2659	3
15-19	2993	3.4	3055	3.5
10-14	3362	3.8	3404	3.9
05-09	2962	3.4	2757	3.1
0-4	3168	3.6	3031	3.5

SOURCE: StatsSA, 2022



FIGURE: SEX AND AGE DISTRIBUTION
SOURCE: StatsSA, 2022

The Census 2022 data suggests a total population of 87 797 compared to the Census 2011 data which suggested a total population and a total number of households of 61 176. When one compares Census 2022 population data with Census 2011, the population of Ndlambe has increased by a margin of 26 621 persons and this represents a percentage increase of 43.5 percent. This could be attributed to an influx of people from the surrounding areas to look for job opportunities in the new industries that have emerged in the municipal area. Also, the Thornhill housing development has attracted some individuals who were living outside Ndlambe to come back and settle in their newly built RDP homes. Another contributor to this population growth is the migration of people from inland towns and cities to the coast. This influx also impacts negatively on the unemployment rate which currently stands at 39 percent.

The bulk of the migration patterns being experienced within the Municipality are due to holiday makers (approximately 33 000) in the peak season. The influx of seasonal holiday makers equates to approximately 56% of the permanent resident population and places tremendous pressure on the available infrastructure of the area. There is a small migration impact on the agricultural sector related to the harvesting of chicory and pineapples, which has no effect on the immediate service delivery as these activities take place on private land. It does, however, impact on the Municipality in the longer term as some migrant labour decides to remain once the seasonal work is completed. Although undocumented, the Municipality is also dealing with an influx of farm workers to urban centres as well as people from neighbouring municipalities seeking new economic opportunities. This is placing increasing pressure on the housing delivery program and efforts to eradicate informal settlements.

Population Per Ward

The table below highlights population distribution per ward in Ndlambe Municipality:

POPULATION AND NUMBER OF HOUSEHOLDS

DEMOGRAPHICS NDLAMBE LOCAL MUNICIPALITY											
	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Ward 10	Grand Total
Population	5712	6948	6489	5194	6317	8990	5394	4333	6385	5415	61176
Households	1627	2069	2167	1879	2134	2477	1631	1360	2108	1880	19331

Source: StatsSA 2011

1.4 SERVICE DELIVERY OVERVIEW

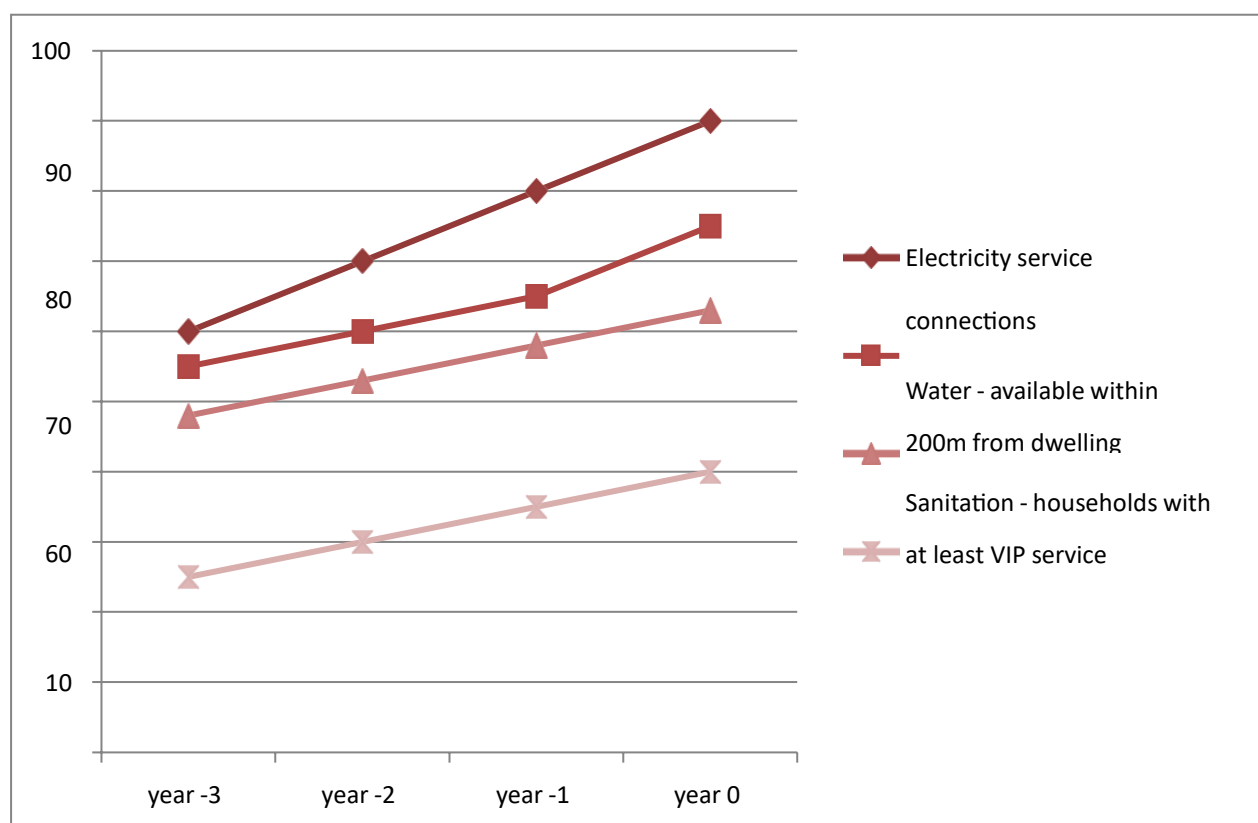
SERVICE DELIVERY INTRODUCTION

Basic service delivery achievements have been noteworthy and are continuing. Council has acknowledged that the biggest stumbling block to transformation and development within the municipal area has been suitable access to sufficient water. Council then embarked on a multi-year strategy to improve the water supply to the consumer base of Ndlambe Municipality. Implementation of these projects is underway. Other recent service delivery achievements include the various improvements and upgrades to various Wastewater Treatment Works, Technical upgrades to sewerage systems maintenance competency within staff.

Challenges include the following:

- Increasing unemployment Levels;
- Increasing migration from rural agricultural sector to urban nodes
- Cost of service delivery when revenue base is considered;
- Ageing infrastructure operating in physically aggressive environment.

PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES



COMMENT ON ACCESS TO BASIC SERVICES

It is a well-known fact that the reliability of the yields and the quality of the water from the respective water sources is in general inadequate. Furthermore the capacity of the bulk infrastructure is also inadequate especially during peak holiday seasons when holiday makers flock to the coastal resort town and the demand for municipal water supply cannot be met. This challenge is being addressed through grant funded projects. The present status quo results in many of the households in the area augmenting the Municipal supplies by establishing private rainwater harvesting facilities, which Council encourages and enforces within the building plan application process. All formal erven have access to

basic services, which includes, water, sanitation, electricity refuse removal and road access. There are various levels of service but in all cases the minimum levels of service are exceeded.

CHAPTER 2: GOVERNANCE

2. INTRODUCTION TO GOVERNANCE

Governance is examined under the following four (4) components:

Component A: Political and Administrative Governance

Component B: Intergovernmental Relations

Component C: Public Accountability and Participation

Component D: Corporate Governance

Each of these components is required to function optimally and the high levels of interaction and interdependence that is required to occur between these components, will impact positively on organizational & operational effectiveness overall.

2.1 COMPONENT A: INTRODUCTION TO POLITICAL AND GOVERNANCE

By necessity and design, formal political and administrative frameworks and infrastructure have been created both internally and externally in order to facilitate operational performance. To this end the required policy has been created and updated; structures (political and administrative) have been created and implemented, procedures and compliance prescriptions have been developed to aid and direct day-to-day operations; and an infrastructure and support system has been created. All of these ensure that operations occur in a sound and effective manner. In every instance, efforts are continuously made to meet community needs in an ordered and structured manner, while ensuring optimum levels of efficiency and effectiveness.

Ndlambe Municipality's operational focus is determined by its strategic objectives as reflected within its Integrated Development Plan (IDP). These objectives are initially translated into the performance targets that are reflected within the Service Delivery and Budget Integration Plan (SDBIP). These targets are translated further on an operational level by being cascaded into operational and management targets within the relevant performance scorecards within each directorate. This process facilitates that performance targets are monitored and met over a designated period of time and in the manner prescribed. The successful achievement of these objectives is dependent on the available resources i.e. operational, human and financial.

FUNCTIONS OF THE POLITICAL ARM:

- Advocating and protecting the needs of the community and in this manner, facilitating the possibility of a better quality of life for all; and
- Communicating effectively and involving all members of the community in decision– making wherever practical and possible, in order to give new meaning to the concept of a “people-centred government”

FUNCTIONS OF THE ADMINISTRATIVE ARM:

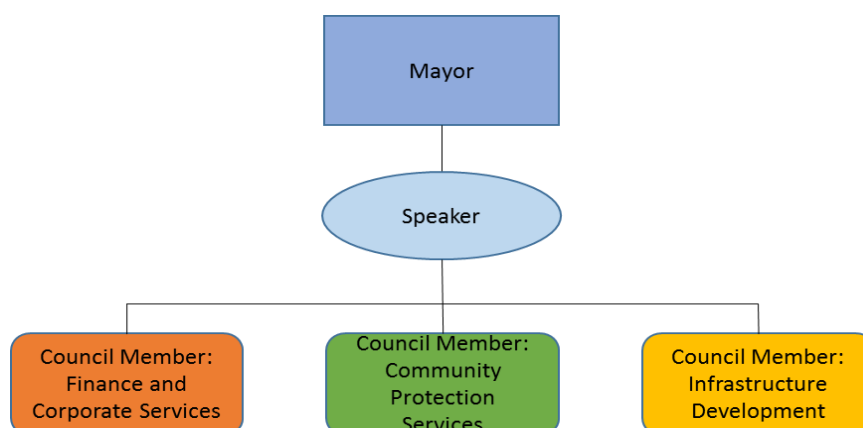
- Ensuring that there is sufficient infrastructure (human capital, resources, policies and procedures) in order to ensure that the strategic objectives can be met through effective management and control of operations, service delivery and matters of compliance; and
- Providing a supportive and administrative role and function overall.

2.1.1 POLITICAL GOVERNANCE

Introduction to Political Governance

As per the Municipal Structures Act, Act No. 117 of 1998, Ndlambe Municipality has a Collective Executive System. In terms of this and as depicted within the diagram below, it presents as a democratically elected Category B municipality with a structure that is categorized by elected Ward Councillors and Proportional Representative Councillors.

POLITICAL STRUCTURE OF THE MUNICIPALITY



Portfolio Councillors are allocated to oversee the functioning of each directorate including the Office of the Municipal Manager, thus enhancing the oversight role. By so doing, formal decision making is enhanced. In this manner, Councillors are better placed to make “informed decisions” and appropriate recommendations to Council for final approval where necessary.

COUNCILLORS

The Council has 20 seats (10 Proportional Representative (PR) Councillors and 10 Ward Councillors). All seats in the Council are filled. The Speaker is the Chairperson of Council. The party-political and demographic representation of Councillors is reflected in the table below:

Political Party	Number of Councillors	Gender of Distribution	
		Male	Female
African National Congress (ANC)	11	9	2
Democratic Alliance (DA)	6	4	2
Economic Freedom Fighters (EFF)	3	2	1
TOTAL	20	15	5

The Mayor of the Ndlambe Local Municipality is the Hon Cllr KC Ncamiso and the speaker is Cllr A Marasi. The Portfolio Councillor for Infrastructure Development is Cllr. S Dyakala, Community and Protection Services is Cllr. N Memani and the Portfolio Councillor for Finance is Cllr. S Venene and Corporate Services is Cllr Ncamiso.

LIST OF COUNCILLORS AND POLITICAL PARTY REPRESENTATIVES:

Initials and Surname	Political Party
Councillor K C Ncamiso (Mayor)	African National Congress
Councillor A L Marasi (Speaker)	African National Congress
Councillor A Nyumka	African National Congress
Councillor P Khungwayo	African National Congress
Councillor Z Myali	African National Congress
Councillor S Kolosa	African National Congress
Councillor M Sweli	African National Congress
Councillor T Dyakala	African National Congress
Councillor S Zweni	African National Congress
Councillor A Bukani	African National Congress
Councillor S Melani	African National Congress
Councillor S Venene	Democratic Alliance
Councillor N Haynes	Democratic Alliance
Councillor Y P Kani	Democratic Alliance
Councillor T Mbekela	Democratic Alliance
Councillor E Walker	Democratic Alliance
Councillor W Johannes	Democratic Alliance
Councillor X Runeli	Economic Freedom Fighters
Cllr M Mgweba	Economic Freedom Fighters
Cllr N Memani	Economic Freedom Fighters

ADMINISTRATIVE RESPONSIBILITIES OF COUNCILLORS/COUNCIL

- Attendance of Council meetings (quarterly) and Special Council meetings (convened to address urgent issues – requiring urgent attention/action);
- Political decisions are taken regarding service delivery;
- Provision of an oversight role regarding Council;
- Compliance with Chapter 3 of the Municipal Systems Act, (Act No. 32 of 2000). It is legislated and understood that the executive and legislative authority of a municipality lies with the Council and Council is required to take all the decisions of the municipality subject to s59.

COMMITTEES OF COUNCIL EXECUTIVE COUNCIL (EXCO)

Councillor K C Ncamiso	Mayor, Chairperson & Portfolio Head: Corporate Services	African National Congress
Councillor T Dyakala	Portfolio Head: Infrastructural Development	African National Congress
Councillor S Venene	Portfolio Head: Finance	Democratic Alliance
Councillor N Memani	Portfolio Head: Community and Protection Services	Economic Freedom Fighters

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Councillor A Nyumka	Chairperson	African National Congress
Councillor N Haynes	Member	Democratic Alliance
Councillor M Sweli	Member	African National Congress
Councillor M Mgweba	Member	Economic Freedom Fighters
Councillor A Bukani	Member	African National Congress

Functions of MPAC

- Provision of an oversight role in respect of the administration and executive committee of the council;
- Reviewing the municipal / municipal entity's quarterly, mid-year and annual reports and providing an oversight report on the Annual Report for consideration by Council;
- Assisting Council to maintain oversight over the implementation of the Supply Chain Management Policy;
- Examining the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluating the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- Promoting good governance, transparency and accountability on the use of municipal resources;
- Examining the Mid-Year Review documents in line with the Integrated Development Plan (IDP); and
- Recommending or undertaking any investigation that falls within the scope of this committee's responsibilities/ area of competence.

To fulfil its functions MPAC may/is required to:

- Seek / have access to any information required from any councillor/employee;
- Report to council on the activities of the committee;
- Perform any other function assigned to the committee through a resolution of Council;
- Call upon the accounting officer of the municipality or the chairperson of the municipal entity to provide information or clarity;
- Request the support of the internal and external auditors when necessary;
- Engage directly with the public and consider public comments when received;
- Have permanent referral with regard to the following reports:
 - Mid-year /In-year s72reports
 - Annual Financial Statements
 - Reports of Auditor General and audit committee
 - Any other financial audit report from the municipality
 - Information on compliance in terms of sections 128 and or sections 133 of the MFMA
 - Information in respect of any disciplinary action taken in terms of MFMA on matters serving or having been served before the committee; and
 - Performance information of the municipality.

Note:

- As with the previous year, the annual work plan was drafted and implemented;
- Oversight was provided as prescribed and in terms of any other issues deemed necessary;
- The oversight report for 2023/2024 as part of the Annual Report will be drafted and tabled to Council. This report will incorporate comments and recommendations on management's action plans developed in order to address findings raised by the Auditor General in its audit report

AUDIT COMMITTEE

Committee Responsibilities and Performance

- The Audit Committee was established in terms of s166 of the MFMA 56 of 2003 and is comprised of four (4) independent members;
- This Committee is bound by the Council approved Audit Committee's Charter;
- The Committee performs an advisory function and role for the municipality and is directly accountable to Council. In this regard, it plays a key role in ensuring that there is accountability and transparency within the organization;
- The quarterly performance information is required to be reviewed in terms of compliance;
- The unaudited financial statements are required to be reviewed prior to submission to the Auditor – General as per prescriptions of compliance;
- The committee is required to provide an objective view on the effectiveness of the municipality's risk management processes during each quarter in terms of compliance and specific feedback is then required to be provided to the Accounting Officer and Council in this regard;
- The committee is responsible for oversight on the integrity of financial controls, combined assurance, compliance management and meaningful integrated reporting to stakeholders;
- The committee is required to discharge its responsibilities by using workdone/information received from the internal audit unit and other information presented to it by the management at its quarterly meetings;
- The committee minutes contain comments, resolutions and reports on work performed by the internal audit and the committee, and these are required to be approved during the quarterly meetings; and
- Approved internal audit reports are required to be distributed quarterly to the Accounting Officer, the Mayor and the chairperson of the Municipal Public Accounts Committee (MPAC) for notification and to management for action.

The Audit Committee was constituted as follows:

MEMBER	POSITION
Mr D M Pillay	Chairperson
Prof. W Plaatjies	Ordinary Member
Ms B Nqadolo	Ordinary Member

Note: A Manager: Internal Audit and 2 Internal Auditors facilitate the audit function in- house.

WARD COMMITTEES ESTABLISHMENT AND FUNCTIONALITY

Ward Committees were established in terms of section 73 of the Municipal Structures Act 117 of 1998.

PURPOSE

As per s74 of the Municipal Structures Act 117 of 1998, the purpose of these committees is to assist Municipal Councils in ensuring that ward issues are properly communicated to Council and are catered for should there be a need for a budget to address such issues. These meetings are required to provide opportunities to report to the Speaker on issues of interest to the municipality which are taking place in their wards. This has assisted the municipality in ensuring that public participation is enhanced and accountability of the municipality is not compromised.

During 2022/2023 Ward Committee meetings were held in all 10 wards on different dates and for each quarter. These meetings were attended by community members. Issues raised by ward committees are reported quarterly to the Executive Committee and Council. From the results thereof, it appears that these meetings and this method of communication appears successful with issues being resolved. This system ensures that council is kept current on all issues raised within Ward Committee meetings.

WARD COMMITTEES AND THEIR MEMBERS

	WARD 1
Nr.	Name and Surname
1.	Lulu R Jikolo
2.	Boyce Wandisile Jonga
3.	Sithembe Moko
4.	Boyce Stefano
5.	Mzolisi Centani (Cengani?)
6.	Jan Paul Smit
7.	P M Stutt
8.	Luyanda E.Z.Z Titi
9.	Zameka Dlakwe
10.	Siphosethu Njoli

	WARD 2
Nr.	Name and Surname
1.	Nobesuthu Vuso
2.	Catherine Coetzee
3.	Ian King
4.	Trevor Moko
5.	Hendrik September
6.	Thembisile Ketelo
7.	Ziyanda Funani- Magubela
8.	Lonwabo Mkhele
9.	Nomasomi Lawu
10.	Boniswa Kana

	WARD 3
Nr.	Name and Surname
1	Selda Masimla
2	Nomatslake Zozi
3	Akhona Gqupu
4	Nomangesi Tshukulane
5	Lindeka Nela
6	Thembisile Bili
7	Malibongwe Mangele
8	Susan Muirhead

	WARD 4
Nr.	Name and Surname
1.	Dumisa Kinqana
2.	Mvulakazi Magopheni
3.	Ntobeko Magwaxaza
4.	Nomachina Xanise
5.	Ntombise Dumezweni
6.	Walia Roux
7	Mzwandile Nobadula
8	Adrian Purdon

	WARD 5
Nr.	Name and Surname
1.	Xolelani Nyamla
2.	Zameka Minyelela
3.	Bulelwa Draai
4.	Xolisile Krala
5.	Mtehethe Manyathi
6.	Sivuyile Memani
7.	Simon Blauw
8.	C Dewey
9.	C Boyd
10.	Siphokazi Mkrakra

	WARD 6
Nr.	Name and Surname
1.	Roslyn Baartjies
2.	Bukelwa Ntolokwana
3.	Terri Harrewyn
4.	Clive Naido
5.	Bonilile Hendele
6.	Lionard Trolip
7.	Theodore Willemse
8.	Rob James Crothall
9.	Raymond Schenk
10	Bandile Nomlomo

	WARD 7
Nr.	Name and Surname
1.	Mila Hoyi
2.	Babalwa Vulindlu
3.	Thembisa Boo
4.	Thembekile George
5.	Nomawethu Feni.
6.	Thembisa Mpoli
7.	Linda Makinana
8.	Nkosiyethu Madotyeni
9.	Zukiswa Bavuma
10.	Xolelwa Konza

	WARD 8
Nr.	Name and Surname
1.	Anathi Mandilakhe Beja
2.	Zikhona Nesi
3.	Bongani Qhakamfana
4.	Nandipha Precious Sakata
5.	Nobendiba Ncumani
6.	Xolani Bukani
7.	Samkelo Buzani
8.	Sinethemba Matyumza
9.	Nomaxabiso Ngece

	WARD 9
Nr.	Name and Surname
1.	Luyanda Tambo
2.	Luvuyo Sonanzi
3.	Mziwethu Mafani
4.	Bonani Gareth Nginase
5.	Ntomboxolo Jali
6.	Lulama Maduba
7.	Bonani Mhomho
8.	Sandiswa Tokota
9.	Mandlakazi Plaatjie
10.	Mbulelo Kiti

	WARD 10
Nr.	Name and Surname
1.	Lindsay Ann Luppnow-Burrow
2.	Stuart Boucher
3.	Richard Pryce
4.	Clinton Millard
5.	Zweli Nkwinti
6.	Antony D. de Bruin
7.	Ann Edwards
8.	Stuart Furstenburg
9.	Daniel Lodewyk Slabbert
10.	Dawie Van Wyk

COMMUNITY DEVELOPMENT WORKERS (CDWs)

Community Development Workers are required to interact with the community and identify households in need and to ensure that community relationships are nurtured so that community participation, support and correct utilization of services occur as a result of effective marketing.

Functioning of CDW's

- All CDW's are required to undergo the appropriate training (ensuring that they clearly understand their role and purpose);
- Issues and observations noted, are forwarded monthly to the municipality via the Speakers Office.

CDW's report to the relevant government department by utilizing designated reporting mechanisms in an effort to obtain required support and assistance for particular households. CDW's report on their activities performed, while detailing challenges experienced within the communities in which they work – with a view to resolving these at higher levels.

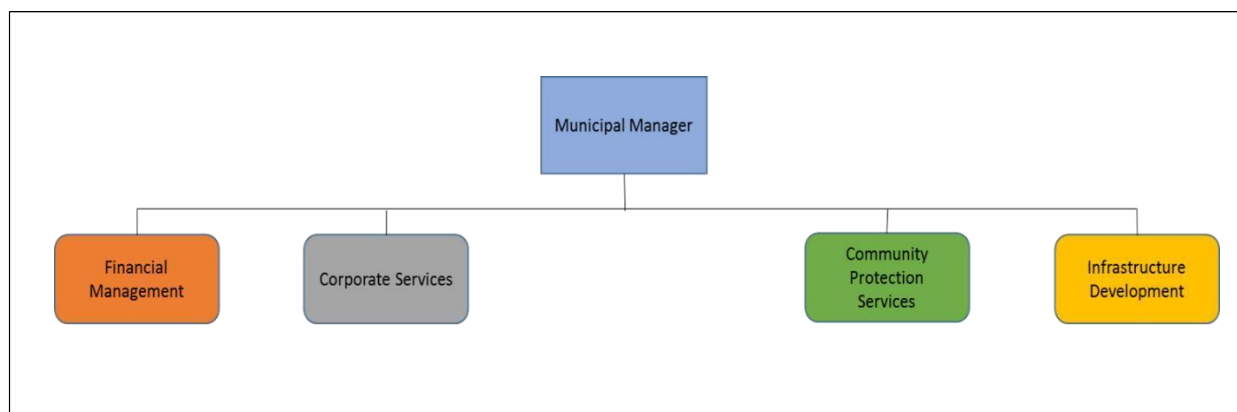
While this programme has achieved great success through its marketing campaigns, it is hampered by the lack of transport and telecommunications that would enable CDW's to ensure that the requested services reached the required families.

2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

Introduction to Administrative Governance

The functional structure representing administrative governance is reflected as follows:

Basic Organisational Structure



Within the Ndlambe Local Municipality, there are four departments that report to the municipal manager (Adv. Rolly Dumezweni) namely; Financial Management (CFO: Mr Mlungisi Klaas), Corporate Services (Director: Ms Lazola Maneli-Payi), Community Protection Services (Director: Ms Nombulelo Booysen-Willy) and Infrastructure Development (Director: Dr Noluthando Vithi- Masiza).

The political leadership and the administration complement each other to achieve the objectives of the IDP. The organogram of the municipality showing filled, vacant funded and unfunded and proposed positions will be attached when the IDP goes to Council.

2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2.1 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

It is recognized that organizations benefit from both individual and shared experiences. In this manner, opportunities are created for organizations to share and learn from each other and to develop more effective skills in handling day to day operations and specific challenges.

Efforts to improve and facilitate these relationships have led to the development of IGR (intergovernmental relations) structures which have been put in place and are driven at the local level. The IGR Forum has been established in order to formally promote and to improve this process. In order to govern and facilitate this process further, an Intergovernmental Relations Terms of Reference were developed by the municipality.

EXISTING AND FUNCTIONAL STRUCTURES

Additionally, the following structures exist to enhance IGR:

- District Municipal Managers Forum
- District Mayor;s Forum (DIMAFU)
- MUNIMEC Meetings
 - Attended by the Mayor and Municipal Manager

- Driven and Coordinated by the MEC for Co-operative Governance and Traditional Affairs (to evaluate the performance of government programmes)
- Presidential Hotline
The Presidential Hotline continues unabated. This hotline is to be commended for all its efforts and achievements over the last two years in particular; Regular monthly reporting on issues raised and resolved/failure to resolve have been provided as required.
- IDP Representative Forum
These are held in order to consult with Sector Departments and in order to link IDP processes; and it is to be noted that all required meetings were held as planned.

2.2.2 INTERGOVERNMENTAL RELATIONS

National Intergovernmental Structures

All the programmes that are developed by Ndlambe Municipality are derived from the legislative policies that are approved by National and Provincial Government.

Provincial Intergovernmental Structures

Munimec meetings are attended as and when scheduled.

2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Every year formal opportunities are created in order to provide the public with opportunities to input into organizational objectives and the manner in which services need to be and are addressed. In addition, they are given opportunities to “interact” with information regarding service delivery, operational and financial performance (IDP and Budget meetings, SDBIP reporting, Performance and Annual Reports and the like). In this manner, a “people centered” organization is created – one in which the needs of the community are noted and plans are made to address these through processes of interaction and inclusion.

The IDP Process and Budget Plan are just a few of the structures that have been created in order to ensure that public participation occurs effectively—ensuring that the needs of the public are met.

2.3.1 PUBLIC MEETINGS, COMMUNICATION, PARTICIPATION AND FORUMS

Historically, it is noted that the Communication Plan and Strategy was adopted and implemented successfully.

Communication continues through Ward Committee meetings, radio talk shows, social and printed media. Additionally, the Presidential Hotline and the manual receipt of complaints are also being utilized in order to address all complaints received from communities and other stakeholders.

In an effort to heighten the success of customer care initiatives, the municipality has established a Customer Care Unit to deal with issues and/or complaints raised by communities. Mayoral outreaches provide a forum for community complaints and it is here that many community complaints are received. The Customer Relations Officer register the complaints in the Complaints Register, facilitating that this is then formally handled.

Efforts to improve public participation and communication have involved the extensive use of other communication media. These include:

- Newspapers;
- Broadcast and social media such as: advertising of Mayoral Outreaches and in order to communicate with the community generally.
- IDP/Budget consultations occur in order to collect community needs and to report on needs. These meetings usually include ratepayers, community members, ward committees and other interest groups applicable to these wards.

Initiation Forum:

The initiation forum meets twice a year during the initiation seasons (June as well as December) to look into initiation-related issues, to provide training sessions and workshops for traditional nurses and traditional assistant nurses. The main aim is to ensure that the initiation period is free of any health-related issues and the avoidance of deaths.

Round Table Meetings:

Round table meetings are convened by Cogta on a quarterly basis. The main purpose of these meetings is to strengthen relations between the various spheres of government and sector departments, additionally the implementation of state-related programmes.

Communications Forum:

This forum meets quarterly in order to discuss issues relating to communications within the region. It consists of local municipal communicators, GCIS and local media representatives.

Ward Committees:

As s73 structures (as per s73 of the Municipal Structures Act, Act 117 of 1998) these have been created in order to facilitate ward communication with Council.

2.4 COMPONENT D: CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW

Corporate Governance is required to ensure that all legislative prescriptions are adhered to and in so doing to ensure that the rights of all stakeholders are protected.

Governance and compliance issues are required to be managed in the strictest sense. The administrative arm and related/designated human resources are required to ensure that all prescriptions (legal / policy prescriptions) are adhered to as prescribed, in order to ensure that the organization functions effectively and minimizes/eradicates all identified aspects of risk.

2.4.1 RISK MANAGEMENT

Section 62(i)(c) of the Municipal Finance Management Act prescribes that formal risk management is a matter of compliance. In terms of this, it is required that all municipalities develop and adopt an effective, efficient and transparent system of risk management.

It is acknowledged that the failure to identify and manage identified risks will impact negatively on the organisation (financially and operationally). Costs and the negative impact of failing to manage cannot be justified, particularly if the risk had been noted and no appropriate action was taken. The lack of appropriate action would reflect as poor business practice and poor management overall. The “fall out” in respect of this would include extreme costs to the organisation, audit queries and possible audit qualifications. The Internal Audit Committee is required to provide oversight on matters of risk – especially in respect of the top five risks identified. This oversight is provided while evaluating the perceived and actual risk experienced. In a recognized manner, approved processes of measurement, reporting and control are undertaken to manage risk effectively.

2.4.2 ANTI-CORRUPTION AND FRAUD

Council adopted Anti-corruption and fraud policy which is reviewed from time to time so as to align it with amendments in legislations like Prevention and Combating of Corrupt Activities Act No.12 of 2004, Promotion of Access to Information Act (No.2 of 2000), Financial Intelligence Centre Act No. 38 of 2001 etc. Council has also adopted whistle blowing policy which is also reviewed from time to time.

Council has also established MPAC, Audit Committee and Disciplinary Board to do oversight and also investigate matters where there is suspected malice to the public purse. These committees report to Council which is the powerhouse. Council would appoint forensic investigation on some matters of serious nature. The case in point is when in June 2023 the municipal offices were burnt down, and it was suspected that this was an internal job.

The administration as led by the Municipal Manager appoints tribunals when employees are subjected to disciplinary hearings as directed by the South African Local Government Bargaining Council Collective Agreement. The case in point are the three employees who worked in the burnt traffic department offices. They were suspended and are subjected to disciplinary hearings. They are not the only ones. That is the modus operandi of the municipality to all employees including those that are involved in corruption and fraud.

The unfortunate thing is that the municipality do not have a hideout for whistleblowers except to protect those by remaining anonymous. There is also no security or protection of any kind, and this is a serious and dangerous gap in the execution of these policies. This is a matter that must be looked at closely by Council as much as it will be very expensive to execute.

2.4.3 SUPPLY CHAIN MANAGEMENT

Supply Chain Management Policy – Paragraph 6(3)(a) and 6(4) Report

Extracted from the SCM Policy as approved by Council:

“6. Oversight role of the council

(3) For the purposes of such oversight, the accounting officer must –

*(a) within 30 days of the end of each **financial year**, submit a report on the implementation of this policy to the council through its mayor;*

(b) whenever there are serious and material problems in the implementation of this policy, immediately submit a report thereon to the council through its mayor.

*(4) The accounting officer must, within 10 days of the end of **each quarter**, submit a report on the implementation of this policy to the mayor.*

(5) The aforesaid reports must be made public in accordance with section 21A of the Municipal Systems Act.”

1. Staffing Matters

During the 2023/2024 Financial Year, the department operated with seven (7) permanent employees, which included the SCM Manager who was appointed in August 2023 and two (2) officials to establish the Contract Management unit within SCM.

Four employees were appointed on a contract basis to supplement the staff complement within the unit, this was to assist with acquisition-related duties due to the migration of SCM processes from decentralised to centralised process.

The recruitment process for the position of Acquisition Officer has been completed and the incumbent will resume duties on 01 July 2024. The job evaluation processes for the positions of the Buyers have been completed, and the remaining positions are to be concluded during the 2024/2025 financial year.

2. Office Infrastructure

Office infrastructure is a key component that contributes to the productivity and efficiency of the staff. As such the SCM offices have been extended to ensure that the office of the SCM Manager and Contract Management staff are housed in one building. Furthermore, the staff have been provided with the relevant tools of trade to enable them to execute their duties. However, there have been noted challenges regarding the use of the office printer for large-scale scanning of tender documents, as such the unit requires a high-volume scanner/printer.

Furthermore, there have been challenges related to the downtime of the telephone system and internet connectivity within the unit, this has a negative impact on the execution of duties and increases the turnaround time to source quotations, generate purchase orders and communication with stakeholders.

3. Decentralised Supply Chain Processes

Following the Council resolution, the SCM functions have been centralised to the Office of the CFO, where the SCM unit performs the sourcing of quotations. The user departments have been provided with training on the use of the municipal financial management system Munsoft, to enable the automation of the requisition process. A commodity database is being developed and continuously updated to cater to departmental needs.

4. Ndlambe Municipality Supplier Database

By amendment to the Supply Chain Management Policy, the municipality's supplier database, with effect from 1 July 2016, has become, de facto, the Central Supplier Database (see below).

5. Web-Based Central Supplier Database (CSD)

With effect from 1 July 2016, Municipalities started using the CSD supplier number starting with (MAAA) which is auto generated by the Central Database System after successful registration and validation of the prospective provider as a mandatory requirement as part of listing criteria for accrediting prospective provider in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations. This means that the requirement for Ndlambe Municipality to operate and maintain a separate supplier database has fallen away, as all organs of state (including municipalities) must, make exclusive use of suppliers who are registered on the CSD.

To this end:

- An amendment to the Supply Chain Management Policy of the municipality, in line with the recommendations of the National Treasury regarding compulsory CSD registration, was approved by the Council.
- SCMU officials have been assisting local potential suppliers to register on the CSD.
- Prospective internal users of the CSD, can be registered by the Supply Chain Manager. This is an ongoing process.

6. Minimum Competency Levels

Section 119(1) of the MFMA states that: "The accounting officer and all other officials of a municipality or municipal entity involved in the implementation of the supply chain management policy of the municipality or municipal entity must meet the prescribed competency levels."

Both the Head: Supply Chain Management and Acquisition Officer must therefore comply with the requirements of the National Treasury: Local Government: Municipal Finance Management Act: Municipal Regulations on Minimum Competency Levels in this regard. The SCM Head,

Senior Buyer, Buyers, Contracts Management Officer, and Contracts Management Clerk have attained this requirement.

7. Munsoft System

MunSoft procurement system has been implemented, manual and automated requisition processes have been done parallel due to the migration of the SCM process from decentralised to a centralised system. The manual requisitions shall be discontinued once the full commodity database is developed.

8. Deviations from SCM Processes

Although tendering procedures and many other provisions of the Supply Chain Management Policy were adhered to, deviations were approved for goods and services in accordance to the provisions of Section 36 of the SCM Regulations and Para 39 of Ndlambe Municipality's SCM Policy). Internal controls have been strengthened where a SCM review of the conditions of the deviations is undertaken to ensure they meet the requirements of Section 36 of the SCM Regulations and Para 39 of Ndlambe Municipality's SCM Policy. This is an effort to reduce the number of deviations approved that are not compliant to SCM legislation and reduce the reliance of user departments on deviations as a means of avoiding the normal procurement processes.

2.4.4 BY-LAWS

The municipality has a number of by-laws that it needs to review but financial constraints have been experienced. During 2023/2024 the municipality started the process of reviewing three of its by-laws namely: Commonage By-law, Impoundment of animals By-law and Public nuisance and keeping of animals By-law. The institution has planned to start the process of reviewing all its by-law in the 2024/2025 financial year.

- Spatial Planning and Land use Management Bylaw
- Street Trading Bylaw
- Stormwater management Bylaw
- Sporting Facilities Bylaw
- Roads and Traffic Bylaw
- Solid Waste Disposal
- Areodome Bylaw
- Commonage Bylaw
- Electricity Bylaw
- Outdoor advertising Bylaw
- Public amenities Bylaw
- Water supply and sanitation Bylaw
- Customer Care revenue management Bylaw
- Fences and Fencing Bylaw
- Funeral Parlour Cemeteries Bylaw

2.4.5 MUNICIPAL WEBSITE

The municipality has a functional website, but it requires regular updating for ease of information access and to market the municipality. The website was developed in order to improve communication with communities. The website needs to be revisited and perhaps redesigned and updated timeously for purposes of meaningful information dissemination.

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL	
Documents published on the Municipality's Website	Yes /No
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
All budget-related documents:	Yes
All budget-related policies	Yes
Annual report	Yes
The annual performance agreements for the municipal manager and other senior managers are placed on the website.	Yes
The date these agreements were posted on the website is shown	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	No
All supply chain management contracts above R30 000	No
An information statement of capital assets that have been disposed	No
Contracts which impose a financial obligation on the municipality beyond 3 years	No
All quarterly reports tabled in council	Yes
Public invitations for formal price quotations	Yes
Public invitations for competitive bids	Yes
The number of quarterly reports tabled to council on the implementation of the budget	No
Oversight reports	Yes
Monthly budget statement	No
Mid-year budget and performance assessment	Yes
The IDP is placed on the website	Yes
The SDBIP is placed on the website	Yes
Strategy (LED)	No
Delegations	No
Internal Audit charter	No
Audit Committee charter	No
Risk Management Policy	No

2.4.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

In an effort to provide opportunities for Customers to rate municipality and/or to complain, address issues of concern the following tools/opportunities are provided:

- Complaint boxes have been installed at designated Community Halls within the municipal jurisdiction;

- The Customer Care section has further developed a Customer Complaints Register for all external complaints (including calls, walk-ins and anonymous complaints).
- The Presidential Hotline is provided to ease the resolution and reporting of complaints; and
- The public are encouraged within all public participation initiatives to use these opportunities to discuss and resolve issues. Notwithstanding these efforts, the suggestion boxes are not fully utilised as the communities prefer face-to-face interactions with staff members at the Customer Care Unit.

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

3.1 COMPONENT A: BASIC SERVICES

3.1.1 WATER AND SANITATION

WATER

The Regulator for all Water and Sanitation Services is the Department of Water and Sanitation. Compliance monitoring and process control management oversight is done by this department.

Ndlambe Local Municipality is located within the Sarah Baartman District Municipality and is home to some 87 797 people. The Ndlambe Municipality (NM) is the legislated Water Services Authority for the area.

Ndlambe Municipality was appointed to act as both the Water Services Authority and Water Services Provider and fulfils both of these functions. However, the institutional arrangements profile consists of the following bulk & retail functions listed below:

Water Services Authority: Ndlambe Municipality, with Community Protection Services doing all water quality control monitoring operations.

Water Services Provider: Ndlambe Municipality, with Infrastructural Development doing all water provision, with the exception of the following operations:

- **Alexandria Water Supply:** *P&S Consulting Engineers* has been appointed to provide bulk water within a Water Services Support agreement.
- **Kenton/Bushmans Water Supply:** *Amatola Water Board* has been appointed to provide bulk water within a Water Services Provider agreement.
- **Cannon Rocks/Boknes Water Supply:** *P&S Consulting Engineers* has been appointed to provide bulk water within a Water Services Support agreement.
- **5ML RO Plant in Port Alfred:** *Nuwater* has been appointed to operate, maintain, and manage the Reverse Osmosis Plant.

All other Water Supply Systems are managed and operated by Ndlambe Municipality's Infrastructural Development Directorate, as the Water Services Provider. These include the following Water Supply Systems:

- Port Alfred Water Supply System
- Kleinemonde Water Supply System
- Bathurst Water Supply System
- Cannon Rocks / Boknes Water Supply

Ndlambe Municipality operates and maintains all water supply systems within both Water Services Authority and Water Services Provider functions, with the exception of the Amatola Water Board

(previously Albany Coast Water Board) supply footprint, where bulk water is supplied by the Amatola Water Board.

There are six (6) local water supply schemes which service the main settlements within the area. Port Alfred, Seafeld and Bathurst are all fed mainly from surface water, ground water and desalinated water through the Reverse Osmosis plant schemes whilst Boesmansriviermond, Kenton on Sea, Alexandria, Boknestrand and Cannon Rocks are supplied from ground water scheme. Boesmansriviermond, Marselle, Klipfontein and Kenton on Sea augment their groundwater supplies with desalinated water through the Reverse Osmosis plant situated at Boesmansriviermond. The towns of Cannon Rocks and Boknes receive Reverse Osmosis processed water from saline borehole sources.

Potable treated water is piped to all formal urban communities within Ndlambe, and is available to the vast majority of households. However, some of the Bathurst, Martindale and Trappes Valley communities still rely on rainwater and private boreholes. The latter are considered for municipal supply within the IDP.

Where informal settlements occur, such as the Braakfontein Farm commonage on the periphery of Alexandria, tankers transport water to strategically placed communal tanks, which are accessible to those who need water. The area of Bathurst is getting its water supply from the Golden Ridge dam and the abstraction of water from the Lushington River to ensure continuous supply of water for the area.

Port Alfred area is getting water from Sarel Hayward dam which is fed by Kowie River Weir, Central belt boreholes, East bank dunes, 2ML/day seawater reverse osmosis plant. There is also 3ML/day reclamation plant that is in place but is not yet in operation due to insufficient inflow from the wastewater treatment plant. However there are various projects that are in progress which aims at addressing the shortage of wastewater for the reclamation plant. The municipality has signed a contract with the service provider where the municipality is getting 1ML/day seawater RO plant, this has also increased the water supply in the Port Alfred area.

The high lying areas in Port Alfred are still struggling to get water continuously due to low levels from our sources, but the situation is better than before as residents can get water for a longer duration than before. However, those high lying areas which do not receive water, has communal water storage tanks that are placed in strategic areas and these tanks are filled through water tankers daily to ensure the availability of water. The water tankers collect water from communities with more reliable water sources such as Cannon Rocks and Kleinemonde. The municipality has a minimum of 8 trucks that have been operating throughout the 2022/2023 financial, whereby two of the water trucks are Ndlambe internal trucks, five trucks were donated on temporary basis by either the Department of Water and Sanitation, Amatola Water or COGTA. The municipality would also hire additional trucks as and when the need would arise throughout the year.

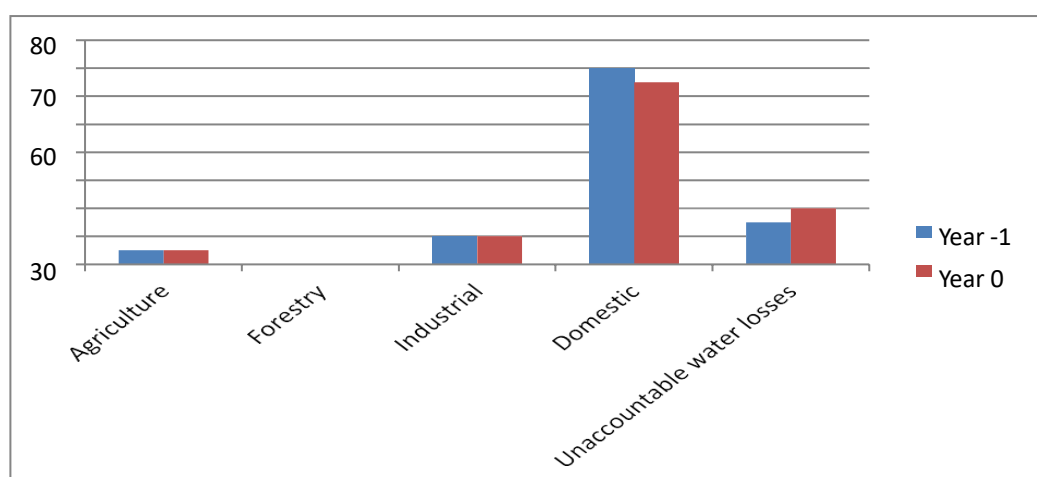
The water shortages have adversely affected the municipality's water quality supply, thus compelling the municipality to embark on projects that will not only increase the water quantity but improve the water quality to ensure that we supply water is complying with the SANS 241 standards.

The municipality has a dedicated WCDM team that investigate water leaks throughout Ndlambe to minimize the water losses in conjunction with the existing maintenance teams who deals with daily maintenance issues and attending to water leaks in main water lines and reticulation network. Subsequently, this has started to yield some improvement on the Municipality's Non-Revenue Water Status.

Through RBIG, UISP, MIG, OTP, WSIG & COGTA-MDGR funding, the municipality has managed to implement the following projects in the 2023/2024 financial year:

- Thornhill Ministerial Housing Project MIG: Balance phase 2 Contract 1 Link Water Infrastructure.
- Completion of Construction of 2.6 ML Thornhill Elevated Tower, Sewer Pump Station and Pumping Main – Water.
- Upgrade of the Nemato WWTW
- Refurbishment of Bathurst water treatment plant - Water
- Water Conservation and Water Management (Installation of booster pumps, Zonal Valves, bulk water meters, air valves, pressure relief valves and security tampering proof) in various locations in Ndlambe.

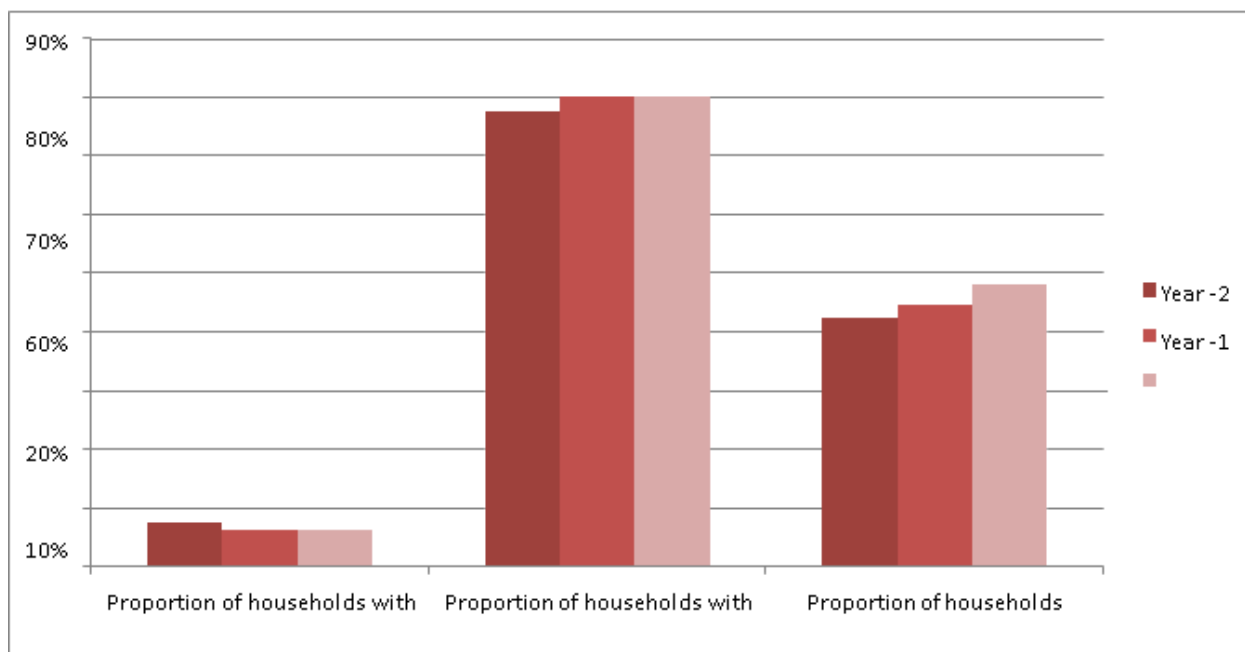
Total Estimated Proportional Use of Municipal Supplied Water by Sector					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	5	0	10	70	15
Year 0	5	0	10	65	20



Water Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)				
Piped water inside dwelling	546	655	846	7432
Piped water outside yard (but not in dwelling)	865	456	486	9649
Using public tap (within 200m from dwelling)	486	465	546	1866
Other water supply (within 200m)				42
Minimum Service Level and above sub – total	1897	1576	1878	18989
Minimum Service Level and above percentage	80%	80%	76%	90%
Water: (below min level)				
Using public tap (more than 200m from dwelling)				560
Other water supply (more than 200m from dwelling)	486	486	486	757
No water supply				
Below Minimum Service Level sub-total	486	486	486	1317
Below Minimum Service Level Percentage	20%	20%	24%	26%
Total number of households*	2,476	2,384	2,062	1.876
* _ To include informal settlements				

Indigent Households – Water Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total Households	7696	8448	8905			9618
Households below minimum service level	0	0	0			0
Proportion of households below minimum service level	0	0	0			1866
Informal Settlements						
Estimated Total Households	1500	1000	1000			1000
Households below minimum service level	500	250	250			250
Proportion of households below minimum service level	33%	25%	25%			25%

ACCESS TO WATER



Employees: Water Service					
	Year -1	Year 0			
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	26	30	26	4	
4-6	31	34	31	3	
7-9	8	8	8	0	
10-12	1	2	1	1	
13-15	0	0	0	0	
16-18	3	3	3	0	
19-20	0	0	0	0	
Total	69	77	69	8	2%

SANITATION:

Ndlambe Municipality operates and maintains all sewerage systems within both Water Services Authority and Water Services Provider functions. Water-borne sewerage is available to the majority of households.

The Ndlambe Municipality Council has determined that water-borne sewerage be the minimum level of service to the consumer base. This decision, although well intended, places tremendous strain on the available water resources. Leaking toilets have been identified as a leading reason for water loss. Astute management practice is being instilled within the unit responsible for operation and maintenance of these systems.

There are five (5) wastewater treatment works being fed from water-borne sewerage systems which service the following communities:

1. Wentzel Park, Alexandria and Kwanonqobela
2. Marselle and Harmony Park
3. Ekuphumleni
4. Port Alfred and Nemato
5. Nolukhanyo

The provision of sewerage services excluding reticulation infrastructure includes a large proportion of the households in Ndlambe. Water-borne sanitation services are not available to several communities, who rely on conservancy tanks and septic tank sewerage systems. Ndlambe provides the service for the removal of sewerage using a fleet of sanitation vacuum tankers. These vehicles and their operational staff are under continuous pressure to deliver services. Breakdowns, due to an aged fleet, create backlogs and a dissatisfied consumer base.

The following communities still rely either solely on septic tank / soakaway systems or conservancy tanks or to some lesser degree:

1. Cannon Rocks
2. Boknes
3. Boesmansriviermond
4. Riversbend
5. Kenton-On-Sea
6. Seafield
7. Bathurst
8. Port Alfred and Nelson Mandela Township

These households are serviced by a fleet of sanitation tankers, several of which are well beyond their expected operating lifespan. Financial constraints dictate that Ndlambe must make decision to deal with this fleet. Ndlambe Municipality has managed to purchase sanitation vacuum tankers on the following financial years:

2021/22 – 2 Trucks

2022/23 – 3 Trucks

2023/24 – 0 Trucks

The municipality currently has six sanitation trucks but most of the time only three running due to the age and breakdowns on the two trucks. However, the municipality would also hire additional trucks as and when the need would arise throughout the year.

All municipal toilet facilities, change rooms and other ablution facilities not connected to water-borne sewerage pipes are serviced by this fleet. Blockages are also attended to, often resulting from the inappropriate utilisation of the service. It is the objective of the Council to achieve and sustain “Green Drop” status throughout all of Ndlambe. This is a compliance monitoring system which is managed and implemented by the Department of Water and Sanitation. This quality and service goal is being achieved by improving management performance, which should lead to acceptable discharge water quality.

The limited water in the Port Alfred resulted to most blockages experienced and the municipality is working tirelessly to attend to these within accepted time. The municipality’s Waste Water Infrastructure is aging and struggling to cope with the recent increase in population, therefore this compromises our wastewater treatment quality results and the Green Drop’s compliance status.

The municipality has also embarked on the following sanitation projects in the 2023/24 financial year to address the sewerage infrastructure challenges that are encountered in Ndlambe and improvement of our green drop status:

- Completion of Construction of 2.6 ML Thornhill Elevated Tower, Sewer Pump Station and Pumping Main – Water.
- Pumping Main and Gravity line from Mabela and Mswela pump station
- Gravity Sewer Line from Wharf Street to Thornhill pump station
- Port Alfred Sewage Pump station Upgrades
- Thornhill Ministerial Housing Project Phase 2 Link Sanitation Services - Portion 1: Pump station and pumping main
- Upgrading of Sewer System in Port Alfred - Phase 1
- Upgrading of the Klipfontein and Alexandria Sanitation Infrastructure.

The refurbishment of pump stations will reduce the occurrence of pump overflows and direct everything to the Wastewater treatment works designed for the disposal while the retrofitting will reduce water losses. Subsequently the above mentioned project will yield improvement towards the municipality’s green drop status.

Part of the projects that were implemented through WSIG were the ‘Upgrading of Station Hill: Sewer Pipeline’ in carnation where the municipality was experiencing regular sewerage spillages. After the project was implemented all the spillages in the area are no longer existing. While the projects that aim to upgrade the various sewerage infrastructure in Port Alfred will assist in preventing sewer spillages and reticulating sufficient sewer effluent to the waste water treatment works.

Bulk sewer services projects is also under construction to ensure there is enough bulk sewer available for the proposed housing projects in Thornhill and Marselle.

COMMENT ON WATER AND SANITATION SERVICES PERFORMANCE OVERALL:

Performance of water services and the provision thereof has seen improvements on many fronts when one considers the IDP objectives and goals. Achieving targets are fund-related. Grants received are limited. Internal capital funds have not been available. The need exceeds the available funds, so the challenge has been to make a greater impact and improvements as much as possible within the available resource base.

The Municipality is committed to improving water service provision in its region despite the recent water service challenges, which include the following challenges and remedial action:

- Insufficient supply quantity to meet the growing demand

- Remedial actions include various Water Conservation projects. Ndlambe Municipality has established a WCDM team that consist of plumbers and general workers from internal staff that has started piloting the conservation of water in areas of Alexandria, Marselle and Kenton on Sea. Water conservation and demand management practices are continually being assessed and improved, as funds become available.
- A drought relief and WCDM projects are continuously implemented, which are aimed at dealing the refurbishment of existing water infrastructure such as Meter & Valve replacement, pump station refurbishment.
- Aged infrastructure operating within extreme environmental conditions.
 - Remedial actions include that the entire infrastructural “as-built” within this sector is being assessed within a master plan.
- Poor quality of low-cost house plumbing leads to leaks and subsequent loss.
 - Remedial actions include loss control and the addressing of leaks in indigent households. This has been done on a wide scale throughout Ndlambe.
 - Future low-cost house design will focus on the quality of all water and sanitation fittings included in the house construction.
- Source quality, where the main phenomena affecting the quality of the water in the region is the materialization (or salination) of the water in the main catchments due to the geology (marine origin) of the area.
 - Remedial actions include the establishment and operation of Reverse Osmosis Technology, which, although expensive, is effective in addressing salinity issues and is now operational in Cannon Rocks, Boknes, Kenton-On-Sea and Boesmansriviermond.
- Massive peaks in demand, due to the transient nature of this consumer base.
 - Bulk storage reservoirs have been prioritised within the Water Services Plan. Funding channels have been provided and prioritised projects have begun implementation.
- The municipality continue to submit business plans in order deal with both water and sanitation infrastructure required projects.

It is the intention of the municipality to achieve and sustain “Blue Drop Status” within water services provision. This is a compliance monitoring system managed and implemented by the Department of Water and Sanitation, as the regulator. Ndlambe Municipality has, as a result of the above, identified a need for the development of an Infrastructure Master Plan for water services (water and sanitation). Funding has been allocated to the Ndlambe Municipality by the Development Bank of South Africa (DBSA). The objective of the project is to develop a water service infrastructure master plan with associated as built drawings of the existing infrastructure.

3.1.2 ELECTRICITY

Electrical supply, at a basic Level of Service, is achieved and continues to improve. Housing projects do not get the go-ahead for implementation until such time as bulk services are installed, which includes electricity supply. Escalating cost of supply is a worrying factor, as affordability and sustainability of supply is under pressure. The Ndlambe Municipal Electrical Network Audit Report was prepared and submitted, highlighting component requirements, backlogs and strategic planning for future supply provision parameters.

Ndlambe Municipality renders electrical services in the towns of Port Alfred and Alexandria. Eskom supplies electricity in bulk to both components. Port Alfred town has one 11-kilovolt-supply point and Alexandria has one 11-kilovolt- supply point. Eskom supplies electricity to the rural areas outside

Ndlambe, also Boknes, Cannon Rocks, Bushmans River, Marselle, Bathurst, Nemato, Alexandria, Ekuphumleni, Station Hill and Kleinemonde.

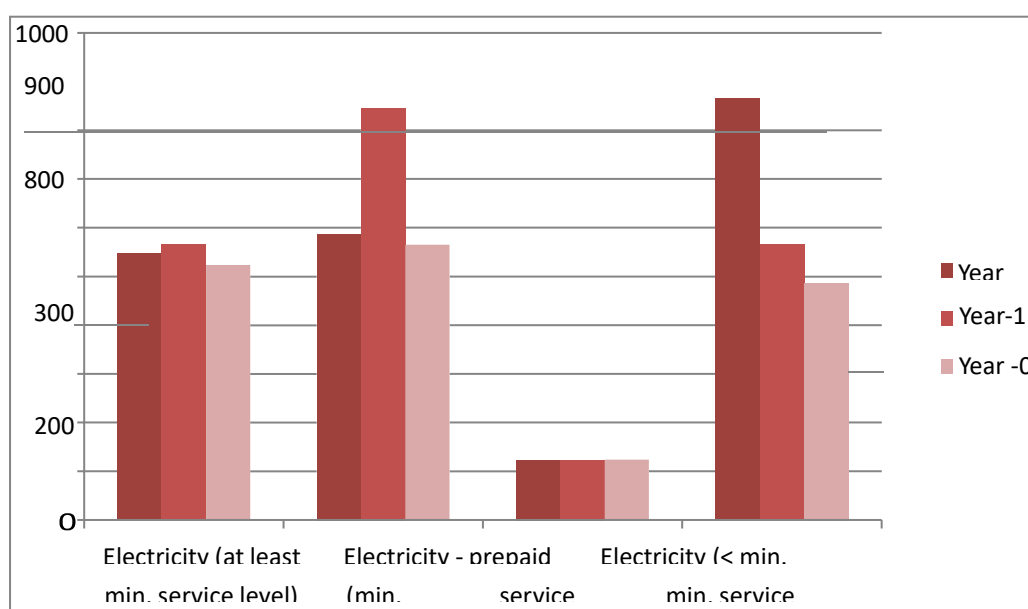
Ndlambe Municipality buys electricity in bulk from Eskom and is responsible for the distribution thereof within its approved areas of supply, under license from the National Electricity Regulator. Electricity is taken from Eskom at two intake substations, i.e. Port Alfred and Alexandria, and redistributed to the end consumer through a series of cables, lines and substations.

The infrastructure directorate is responsible, and employs a service provider, namely, CDR ELECTRICAL (PTY) LTD, for:

- The construction and maintenance of the distribution network as well as providing new infrastructure to ensure a reliable and affordable supply of electricity to all;
- The effective management of revenue by ensuring all electricity supplied is billed for and reducing losses in order to cover operating and capital expenses;
- The provision of a reliable and acceptable level of public lighting to improve the safety and living standards of residents, including street and public lighting for Boknes, Cannon Rocks, Bushmans River, Marselle, Bathurst, Nemato, Alexandria, Ekuphumleni, Station Hill and Kleinemonde.

The challenge experienced is a streetlight backlog in the areas that were formally under Eskom's management. The Municipality is dealing with this. Management of public lighting, including high mast lights, is normally shopped out to an annual tender service provider.

The electrical supply to Port Alfred is of a high standard. The electrical supply to Alexandria, inclusive of Wentzel Park, needs upgrading. In Port Alfred there are still numerous medium voltage feeders which were laid many years ago. These have now become inadequate to carry the required increasing load and requires upgrading as it also prevents safe management practice. However, the municipality will continue to seek for funding application to upgrade this infrastructure.



Households – Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total Households	N/A	N/A	16684			N/A
Households below minimum service level			1866			
Proportion of households below minimum service level						
Informal Settlements Only in ESKOM Supply Area						
Total Households	To Be Established	To Be Established	To Be Established			To Be Established
Households ts below minimum service						
Proportion of households ts below minimum service level						

Electricity Service Policy Objectives Taken from the IDP									
Service objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
Service Indicators		Target	Actual	Target		Actual	Target	Target	
(i)		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objectives : That Ndlambe community has access to a reliable and consistent supply of electricity and street lights, as provided by CDR and Eskom									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)
4335	0	509	509	509	0	29	0	1000	0

Electricity Service Policy Objectives Taken from the IDP									
Service objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
Service Indicators		Target	Actual	Target		Actual	Target	Target	
(i)		(ii)	*Previous year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current year (viii)	*Current year (ix)
Service Objectives : That Ndlambe community has access to a reliable and consistent supply of electricity and street lights, as provided by CDR and ESKOM									
To provide free basic alternative energy to all indigent households with no electricity by 30 June 2015	All registered indigents		1261		All registered indigents	2636			

Employees: Electricity Service					
	Year -1	Year 0			
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	2	1	1	
4-6					
7-9	0	1	0	1	
10-12	1	1	1	1	
13-15					
16-18					
19-20					
Total	2	4	2	3	

Financial Performance Year 0: Electricity Services (R'000)					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to budget
Total Operational Revenue	38 344 135	54 404 169	55 069 306	54 404 169	
Expenditure:	34 631 435	50 792 779		51 833 420	
Employees	378 570	471 720		118 028	
Repairs and Maintenance	3 334 130	1 672 520		729 349	
Other					
Total operational Expenditure	38 344 135	54 404 169		54 404 169	
Net Operational Expenditure					

Although there is an urgent need for capital expenditure there are presently no funds available to address this need.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Power supply characteristics in the areas supplied by Eskom are not ideal. Surges and spikes in power supply have a negative impact on equipment and machinery. Even though measures are taken to reduce the impact of the above, there is still regular damage to pumps and motors. This is due to being at the end of the Eskom supply line.

This component includes: roads; transport; and waste water (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

Ndlambe Municipality manages road alignments which are within the urban footprints of the Spatial Development Plan. Management includes operations, maintenance, upgrades and refurbishment. All other alignments are managed by other sector departments, including Department of Roads and SANRAL, these include both surfaced and gravel roads.

There is the Ndlambe Roads Forum, which meets on a regular basis and is well represented by stakeholder groups within the district.

The major alignment and road artery runs through Ndlambe from east to west is the R72, the management of which falls under SANRAL. This road is a vital link between the two development nodes of Coega outside Port Elizabeth and the IDZ on the outskirts of East London. The route contributes to the economy of the municipality and provides access to the heart of the Sunshine Coast, being Port Alfred and surrounds, thereby bringing tourists and visitors on an ever-increasing scale.

It is a well-known and measured fact that the road network servicing Ndlambe Municipality is in a poor state. A general shortage of maintenance staff, necessary to maintain in excess of 280km of surfaced and gravel roads, is a continual challenge. The table below indicates the extent of the road network in the various towns within Ndlambe.

It was established in this study that an amount of approximately R10 million per annum was required for road maintenance. Given the lack of internal capital budget, the municipality is faced with a mammoth uphill task of maintaining the road network, with an escalating backlog but is doing the best it can to upgrade the roads.

3.1.3 HOUSING

INTRODUCTION TO HOUSING

The Ndlambe Municipality's strategy for the provision of subsidised housing is to eliminate housing backlogs and to provide appropriate housing for those who cannot provide for themselves. Intensive projects have been implemented in the past, additionally in Year 2017 new projects were initiated. These are dependent on the provision of basic services prior to top-structure and for which basic service projects are currently underway.

There are areas where subsidised housing backlogs are growing, due to several factors. Migratory trends have seen an influx of indigent people into the area. Disaggregation of families into more than one housing unit has also resulted in expanding backlogs.

The top 3 service delivery priorities for Council have been water, sanitation and road priorities. The impact of these projects has been that essential upgrades and improvements have taken place during Year 0 which will enable stalled subsidised housing projects to be revisited. These projects were stalled due to the lack of sufficient bulk services.

The Ndlambe Municipality identifies and responds to those communities that are living in poverty by providing land and certain essential services to decrease the deficiencies in basic service delivery. There is a housing section within the Infrastructural Development Directorate, which has satellite offices in Alexandria, Kenton-on-Sea and Boesmansriviermond. The level and extent of service provision is as support to the Dept Human Settlement and to assist the indigent with the application process for a subsidised house.

Expanded housing requires expanded bulk services. The cost of renewing and upgrading core infrastructure to maintain the demand for housing is a continual challenge. This balance affects net demand in the municipality as project lists need to be prioritised for implementation. Ndlambe

Municipality is responding well to the challenges created, by ensuring adequate bulk services are available and that indigent registers are maintained.

Expenditure on housing is done by the Department of Human Settlement and is facilitated by Ndlambe Municipality.

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3			
Year -2			
Year -1	21769	9009	41%
Year 0	21769	9009	41%

Housing Service Policy Objectives Taken from the IDP									
Service objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
Service Indicators		Target	Actual	Target		Actual	Target	Target	
(i)		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objectives : Adequate shelter for all people throughout Ndlambe with specific emphasis on low income households.									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	613 additional houses (Planned)	0 additional houses	0 additional houses	0 additional houses (Planned)	0 additional houses			
Kenton on Sea Housing project	488 new houses built	564	455	564	33	488(Stalled by unavailability of land)	0		76
Completion of Bushman 269	5 New Houses	20		29		29 Complete			
Nemato 120	0 (Slab/Foundation phase)	120		120		85 Complete (Project Blocked)			

Employees: Housing Service					
	Year -1	Year 0			
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts)
0-3			2		
4-6					
7-9					
10-12	5	6	5	1	83%
13-15	0	0	0	0	0%
16-18	1	1	1	0	0%
19-20					
Total	7	8	9	1	15%

The funding for houses is directly from human settlement as stipulated in the constitution, Council only manages projects.

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure is a challenge, especially within the context of affordability. Recent standards and norms in subsidised housing practice have tended towards Breaking New Ground Projects, such as has been implemented in Thornhill, Port Alfred. This development could only go ahead once bulk services were installed and available. As a result, only 509 of 5000 houses were built in the first phase, awaiting bulk services for the balance of houses. There is an addition 523 planned (Thornhill) which will be implemented in the 2024/2025 financial year.

In Kenton on Sea the bulk is completed, 488 out of 564 housing units have been built. The only hindrance to complete the 564 is the non-availability of sites but Ndlambe Municipality and the Department of Human Settlements have purchased the South Gorah Farm which will unlock service sites for completion of the project and creating opportunities for further housing development initiatives.

Many municipalities, including Ndlambe Municipality, have started the process of formalising informal settlements. Ndlambe has started the process of designing and planning Informal Settlements around its jurisdiction. Planning and organising the informal areas have many advantages inter alia the following:

- A positive, legible urban structure that integrates the settlement with its surrounds;
- A safer integrated public realm;
- Emergency and services vehicular access and egress roads;
- Safe and convenient paths for movement of people on foot;
- Open space, where achievable, for essential community facilities that may proceed the formal upgrading process;
- Better located and maintained basic municipal utility services.
- The successful re-blocking of an informal settlements aim to-
- Reduce the risk of fire developing and spreading quickly over large areas

The following Informal Settlements have been approved by the department of Human Settlements:

INFORMAL SETTLEMENT	SITES	WATER TANKS	TOILETS	WHEELIE-BINS	OTHER ACHIEVEMENTS
Cricket Field	136	40	79	130	
New Rest	556	388	377	390	1KM Access Road
Ezidonkini	79	27	79	55	
Byso	50	27		50	
Nomzamo/ Marselle	500	195	195	390	
Klipfontein	50	50	50	50	
Brakfontein	335	290	290	290	2,5 KM of paved roads is under construction

Funding has been approved and will be available via HDA who will act as funding manager on behalf of the provincial department of Human Settlements.

New Informal Settlements have been approved by the department of Human Settlements:

INFORMAL SETTLEMENT	SITES	WATER TANKS	TOILETS	WHEELIE-BINS	OTHER ACHIEVEMENTS
Potyopayi	20	0	0	0	Planned for 2024/25
Ndokwenza	193	0	0	390	Planned for 2024/25
Horseplay	212	0	0	55	Planned for 2024/25
Bathurst	354	0	0	50	Planned for 2024/25
Boknes Road-Alexandria	400	0	0	390	Planned for 2024/25

3.2 COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

Ndlambe Municipality manages road alignments which are within the urban footprints of the Spatial Development Plan. Management includes operations, maintenance, upgrades and refurbishment. All other alignments are managed by other sector departments, including Department of Roads and SANRAL. These include both surfaced and gravel roads.

There is the Ndlambe Roads Forum, which meets on a regular basis and is well represented by stakeholder groups within the district.

The major alignment and road artery which runs through Ndlambe from east to west is the R72, the management of which falls under SANRAL. This road is a vital link between the two development nodes of Coega outside Port Elizabeth and the IDZ on the outskirts of East London. The route contributes to the economy of the municipality and provides access to the heart of the Sunshine Coast, being Port Alfred and surrounds, thereby bringing tourists and visitors on an ever-increasing scale.

It is a well-known and measured fact that the road network servicing Ndlambe Municipality is in a poor state. A general shortage of maintenance staff, necessary to maintain in excess of 280km of surfaced and gravel roads, is a continual challenge. The table below indicates the extent of the road network in the various towns within Ndlambe.

In 2004 Ndlambe received a grant from the DBSA and commissioned Consulting Engineers, Stewart Scott Inc. to prepare a Roads Management Programme. The report, received in 2005, indicates that an amount in excess of R400 million was required to address essential road maintenance backlogs. An additional sum was also determined for capital investment in order to upgrade the existing road network and to establish new alignments.

It was established in this study that an amount of approximately R10 million per annum was required for road maintenance. Given the lack of internal capital budget, the municipality is faced with a mammoth uphill task of maintaining the road network, with an escalating backlog but is doing the best it can to upgrade the roads.

3.2.1 ROADS

INTRODUCTION TO ROADS

Ndlambe Municipality faces numerous challenges when it comes to road maintenance services. However, intensive upgrades have recently been achieved from previous financial years even in the 2022/23 financial year. For 2023/24 financial year, the municipality embarked on the following road construction projects through MIG grant funding:

- Upgrading of Kwanokqubela main road
- Upgrading of Solomon Mahlangu Road phase 2
- Upgrading of Xhanti Street Bathurst
- Upgrading of Zola Street in Bathurst
- Upgrading of Mjuza Street in Marselle
- Upgrading of Protea Crescent in Station- hill
- Upgrading of Westbourne Road

In addition to the above projects, the municipality also received grant funding from COGTA in order to rehabilitate the following roads which were severely affected by the floods experienced in September 2023;

- Refurbishment of Road Ekuphumleni: Anglers' Way
- Refurbishment of Road Port Alfred: Magongo Street
- Refurbishment of Road Port Alfred: Mbabela Street
- Refurbishment of Road Port Alfred: Ntini Street
- Refurbishment of Road Port Alfred: Sagwityi Street
- Street Outfall Stormwater Drainage
- Construction of Newrest link (Port Alfred)
- Construction of Klipfontein Link Roads
- Construction of Erf 96 internal roads in Marselle.
- Graveling of internal roads in Braakfontein.

Routine maintenance (day to day pothole repair, repair and unblocking of drains and blading of gravel roads) expenditure for 2024/2025 was R22.1 million. The actual expenditure was R 25.5 million, a shortfall of almost 23%. The periodic maintenance (Slurry sealing of surfaced roads and regaveling of gravel roads) is recommended to have been in the order of R7.8M for the current year in review and in the order of R30M to date since the recommended implementation of the road management programme. Subsequently, due to budgetary constraints this scale of implementation has been impossible. The above figures would have been adequate just to maintain the status quo with regard to the condition of the road transportation network.

Based on these figures, our 172km of surfaced roads and 140km of gravel roads represent an asset on the ground with a replacement value in the order of R 500 million rand. Easily the single most valuable asset owned by the municipality. Given that the average design lifespan of a road is in the order of 10 – 25 years and given that this can be drawn out to 30 – 50 years with adequate and timeous remedial and maintenance actions, it is clear from the above that the single biggest challenge with regards to the road network is to secure adequate funding from internal or external sources. This will be to reverse the

deterioration of the current network and to enable the municipality to embark on a realistic upgrading programme for the social and economic benefit of all residents and visitors.

The ongoing periods of relatively heavy and sustained rainfall has impacted negatively on all road surfaces, mainly due to the poor or complete lack of stormwater drainage infrastructure. There has been a rapid deterioration in riding surfaces, as a result.

The municipality is also introduced a slurry sealing operation, where critical roads that always develops, potholes are sealed to minimize the development of potholes on surfaced roads. Limited funding for roads rehabilitation and upgrading is a challenge for the municipality as the condition of our roads become worse as their life span is overdue.

Gravel Road Infrastructure (kilometres)				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar/block paving	Gravel roads graded/maintained
Year -2 (2022/24)	135.78	0	1.86	73 km
Year -1 (2022/23)	137,64	0	1.86	137,64 km
Year 0 (2021/22)	138,14	0	9	54.4km

Tarred Road Infrastructure					
	Total tarred roads	New roads tarred	Existing tar roads re-tarred	Existing tar roads sheeted	Tar roads maintained
Year -2 (2022/24)	150.62	1.8	2.0km	0	186km
Year -1 (2022/23)	150.62	1.86	02.25	0	123km
Year 0 (2021/22)	148,76	0	0	0	148,76km

3.2.2 STORMWATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The floods which occurred in September 2023 highlighted the reality of how marginal and in places how completely absent stormwater infrastructure is within the various urban footprints of Ndlambe Municipality. Township development practice did not always consider appropriate stormwater infrastructure, due to affordability and pressing need to house the homeless, bulk infrastructure such as water and Sanitation. This backlog is real and growing, due to the absence of funding required to address this situation. Existing infrastructure, especially underground reticulation, is mostly undersized or completely absent.

The municipality has a challenge of eroding gravel roads during heavy rains and stormwater pipes get blocked by the eroded material. The upgrading of these gravel roads will be a solution in order to control the stormwater with limited solids/ material to stormwater system, but again limited funding is a challenge to address this problem.

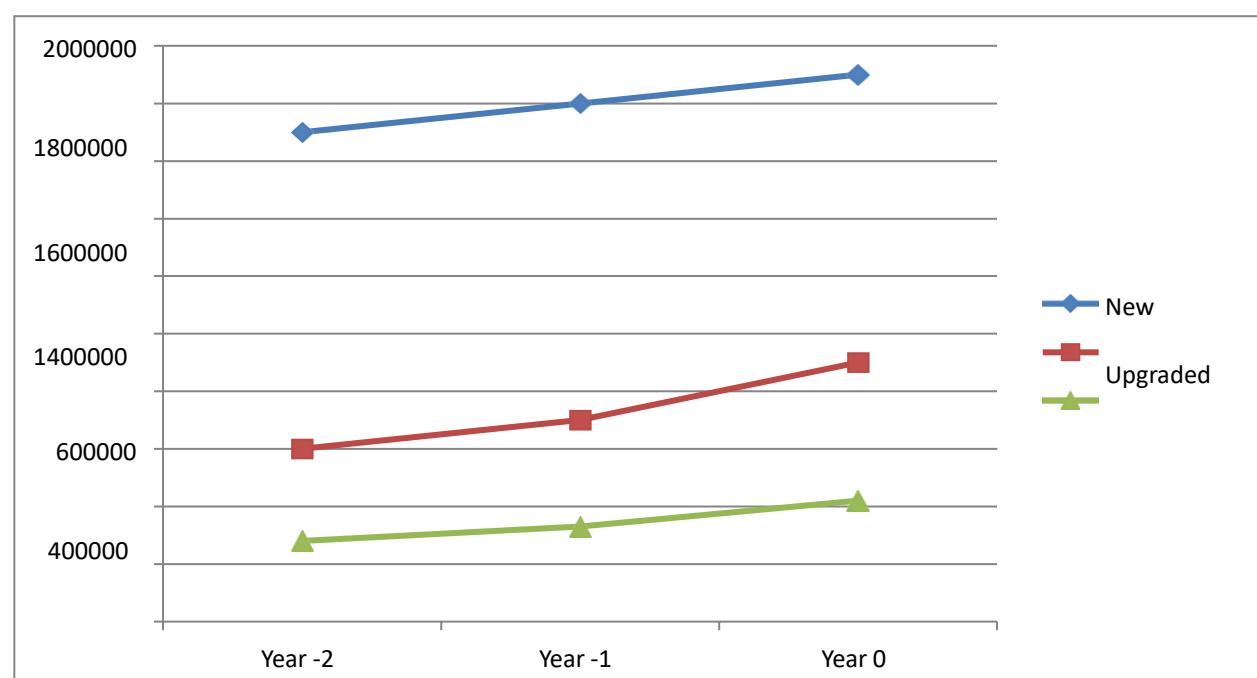
Stormwater Master Plans have been solicited and these will be prioritised and implemented as and when funding allows. These will be linked to dovetail with the planned road maintenance plan, as discussed previously.

Subsequent to the flood disaster which occurred in September 2023, the Municipality received funding from the disaster grant funded by COGTA in order to implement the following stormwater related project:

- Reburishment of Boknes:Daniel Scheepers Street Outfall Stormwater Drainage

The below tables and graphs illustrates our the municipality's status quo in terms of the maintenance and upgrading of storm water infrastructure in Ndlambe Local Municipality:

Stormwater Infrastructure				
	Total Stormwater measures	New Stormwater measures	Stormwater measures upgrade	Stormwater measures maintained
Year -2	115,40	115,40	0	65,24
Year -1	125,56	125,56	10,16	75,17
Year 0	125,56	125,56	0	68.50
Cost of construction / maintenance				
	Stormwater Measures			
	New	Upgraded	Maintained	
Year -2				
Year -1				
Year 0	Included in roads, above	Included in roads, above	1 341 510	



Stormwater Policy Objectives Taken from the IDP									
Service objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
Service Indicators		Target	Actual	Target		Actual	Target	Target	
(i)		*Previous year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current year (viii)	*Current year (ix)	*Following year (x)
Service Objectives : Community of Ndlambe has safe and efficient stormwater management, to minimise the risk of flooding and collateral damage.									
Development of fully integrated stormwater management systems including wetlands and natural water courses	Phasing in of systems	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Completion (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining

Employees: Stormwater Service					
	Year -1	Year 0			
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	16	26	16	10	63%
4-6					
7-9					
10-12	1	1	1		
13-15					
16-18					
19-20					
Total	17	27	17	10	63%

Financial Performance Year 0: Stormwater Services (R'000)					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to budget
Total Operational Revenue	1 050 870	1 341 510		1 341 510	
Expenditure:	672 790	838 280		838 280	
Employees	60 000	63 000		63 000	
Repairs and Maintenance	318 080	440 230		440 230	
Other					
Total operational Expenditure	1 050 870	1 341 510		1 341 510	
Net Operational Expenditure					

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Historically, town plans were developed by the respective Local Town Councils. These towns concentrated on developing the business areas as residential properties were seen as being holiday accommodation. Stormwater drainage performance does not achieve expectations due to various factors, which can be considered as follows:

- Sub-surface stormwater infrastructure is costly to install and was rarely considered in the urban development of communities within Ndlambe Municipality;
- Former subsidised housing projects did not prioritise the establishment and implementation of stormwater systems and it is now with hindsight that this oversight is so glaring;
- Consecutive development has exacerbated the lack of stormwater drainage insufficiencies.
- Stormwater Master Plans were previously not considered within the urban development criteria.

The municipality is in process of developing storm-water maintenance plan with the assistance by Sarah Bartman District Municipality; this will assist the municipality to source funding in order to deal with storm-water issues.

3.2.3 FLEET MANAGEMENT

Municipal transport is provided strictly for official services only and is not to be used for private purposes. Council will provide transport to on-duty employees in accordance with its normal operational requirements, as well as in specific circumstances approved by the relevant director. The municipality has a shortage of fleet due to lack of internal capital budget. Furthermore, extended downtime of fleet when it is in the workshop is another hindrance to service delivery.

Despite the above challenges and financial constraints, the municipality has procured the following new fleet for the 2023/24 financial year:

- 1 x Water Truck (Fire Department)
- 1 x Hino Fire truck (Fire Department)
- 2 x 4x4 bakkie (Fire Department)
- 3 x 4x4 bakkies (CPS & Infrastructure Department)
- 5 x 2x4 bakkies

Fleet Management Policy Objectives Taken from the IDP									
Service objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
Service Indicators		Target	Actual	Target		Actual	Target	Target	
		*Previous year		*Previous Year	*Current Year (vi)		*Current year (viii)	*Current year (ix)	*Following year (x)
(i)		(iii)	(iv)	(v)		(vii)			
Service Objectives : Ensure an effective fleet management system, to include maintenance, refurbishment, procurement and disposal of fleet related resources owned, managed and maintained by the Ndlambe municipal workshop									
Ensure an effective fleet management system, to include maintenance, refurbishment, procurement and disposal of fleet related resources owned, managed and maintained by the Ndlambe municipal workshop			There is an effective fleet management in place. The policy has been updated and will go to council for adoption			There is an effective fleet management in place. The policy has been updated and will go to council for adoption			

3.3 COMPONENT C: PLANNING AND DEVELOPMENT

3.3.1 PLANNING IN SPATIAL

INTRODUCTION TO SPATIAL PLANNING

The revision of planning legislation pertaining to governance of spatial planning and land use management in municipalities commenced several years ago with the enactment of the Spatial Planning and Land Use Management Act (SPLUMA), Act 16 of 2013. Since the introduction of SPLUMA, Ndlambe Municipality has undertaken measures to ensure compliance with the Act. To this end, the municipality has established its Municipal Planning Tribunal and Appeal Authority, and has adopted an Integrated Land Use Scheme, 2019. Additionally, Ndlambe Municipality has also approved and gazetted its Spatial Planning and Land Use Management By-law, 2016. In 2023, the municipality completed a review of its Spatial Development Framework to ensure alignment with the provisions set out in SPLUMA.

STAFF CAPACITY IN THE TOWN PLANNING OFFICE

The table below details the employees level working within the Town Planning Office. These staff members play a vital role in the successful implementation of the Spatial Planning and Land Use Management Act (SPLUMA). Their responsibilities include processing land development applications, conducting assessments, and ensuring that all proposals comply with the relevant planning regulations. The expertise and dedication of these professionals are essential in facilitating effective land use management and promoting sustainable development within the municipality. Their work not only supports regulatory compliance but also contributes to the overall development goals of the municipality.

Employees: Town Planning					
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	Nil	Nil	Nil	Nil	Nil
4-6	Nil	Nil	Nil	Nil	Nil
7-9	1	1	1	Nil	100%
10-12	1	1	1	Nil	100%
13-15	1	1	1	Nil	100%
16-18	1	1	1	Nil	100%
19-20	Nil	Nil	Nil	Nil	Nil
Total	4	4	4	-	-

SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The SDF also functions as a marketing tool to facilitate public and private partnerships in the implementation of projects and to assist to bring about economic and social regeneration of the various towns and settlements. It also:

- provides a long-term vision of the spatial development of the municipality
- aligns the municipality's spatial development goals, strategies and policies with relevant national and provincial spatial principles, strategies and policies;
- guides the proposals contained in the more detailed local plans which cover a shorter planning time frame and the preparation of Local Spatial Development Plans (LSDF's);
- helps to spatially coordinate, prioritise and align public investment in the municipality's five-year Integrated Development Plan (IDP);
- directs private investment by identifying areas that are suitable for urban development, areas where the impacts of development needs to be managed, and areas that are not suited for urban development;

- identifies strategies to prevent indiscriminate loss and degradation of critical biodiversity areas, and to ensure the necessary level of protection for the remaining areas;
- provides policy guidance to direct decision-making on the nature, form, scale and location of urban development, land use change, infrastructure development, disaster mitigation and environmental resource protection.

A Spatial Development Framework (SDF) is to a large extent influenced by the following legislation:

- The Local Government: Municipal Systems Act (Act No. 32 of 2000);
- The Spatial Planning and Land Use Management Act (Act No. 16 of 2013).

The reviewed SDF gives effect to the development principles contained in the Spatial Planning & Land Use Management Act (Act No. 16) of 2013 including:

- Spatial Justice;
- Spatial Sustainability;
- Efficiency;
- Spatial Resilience; and
- Good Administration

NDLAMBE SPATIAL DEVELOPMENT FRAMEWORK (SDF), 2023

The 2013 Ndlambe Municipality's Spatial Development Framework (SDF) was reviewed. A service provider was appointed in July 2020 to review the Ndlambe SDF. The progress on the review of the SDF has been hampered by the COVID-19 Pandemic and a lengthy public participation process coupled with many engagements. The project has been finalized and the SDF was approved and adopted by Council in May 2023. The SDF was then Gazetted and came into effect from 1 July 2023.

SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (ACT NO. 16 OF 2013)

The Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA) was promulgated on 5 August 2013 and its Regulations to came into effect on 1 July 2015. The objects of the Act are the following:

- Provide for a uniform, effective and comprehensive system of spatial planning and land use management for the Republic;
- Ensure that the system of spatial planning and land use management promotes social and economic inclusion;
- Provide for development principles and norms and standards;
- Provide for the sustainable and efficient use of land;
- Provide for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government; and
- Redress the imbalances of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

SPLUMA IMPLEMENTATION PROGRESS

In relation to the implementation of SPLUMA, the Municipality has made significant progress in enforcing the Act. The table below outlines the progress achieved in relation to the provisions of SPLUMA.

Table 1: SPLUMA Compliance Table for Ndlambe Municipality

SPLUMA REQUIREMENTS	COMPLIANCE%	NDLAMBE STATUS	COMMENTS
Approved & Gazetted SPLUMA By-law	100%	By-law Approved & Adopted By Council. Gazetted on 4 February 2016.	Complied
Appointed Authorized Official	100%	Council Appointed Authorized Official: Director Infrastructure.	Complied
Land Use Applications Categorized	100%	Council Approved and Adopted Re-categorized Land Use Applications in October 2023. Category 1 Applications are considered by the Tribunal and Category 2 Applications are considered by the Authorized Official.	Complied
MPT Established	100%	Ndlambe has its Tribunal fully functional and operational Considering Category 1 Applications. The establishment 100% compliant with SPLUMA requirements.	Complied
Appeal Authority Established	100%	Council confirmed that the Executive Committee will be the Appeal Authority for Ndlambe. The Appeal Authority has been re-established by Council in March 2022. Technical Advisers for the AA appointed. The Appeal Authority has been trained.	Complied
Integrated Land Use Schemes	100%	The new Integrated Land Use Scheme has been approved and adopted by Council and further Gazetted in the Provincial Gazette and came into operation effective from 1 June 2019.	Complied
SPLUMA Compliant SDF	100%	The SDF has been approved and adopted by Council on 31 May 2023. The SPLUMA compliant SDF has been adopted and will come into operation from 1 July 2023.	Complied
Town Planning Personnel Capacity	100%	- 2 Registered Professional Planners - 1 Admin Officer	Complied

		1 x Town Planning Technician and MPT Administrator	

INTEGRATED LAND USE SCHEME

In terms of Section 24 of the Spatial Planning and Land Use Management Act (Act 16 of 2013) all municipalities are required to adopt and approve a single Land Use Scheme for its entire area within five (5) years from the commencement of the Act. The Ndlambe Integrated Land Use Scheme was approved and adopted by Council on the 27th of March 2019 and was thereafter gazetted in the Provincial gazette. The commencement of the Ndlambe Integrated Land Use Scheme, 2019 was the 1st of June 2019.

POLICY FORMULATION

There has been an increasing need for policy formulation in the town planning department, however due to capacity issues within the section it has been a challenge to ensure that policy formulation is prioritized as there needs to be proper SPLUMA compliant systems in place. The following policies are policies that the section need to draft:

- Land Use Management Policy.
- Geographical Name Change Policy.
- Telecommunication Mast Policy.
- Tavern Policy.
- House Shop Policy.

SYSTEMS

Systems deal with the establishment of planning processes and procedures. These can only be effectively instituted if there is a personnel appointed by the municipality. Planning has a lot of administration that needs to be done by personnel with the necessary qualifications and skills. It has been apparent in most planning judgments that planning decisions are not set aside by courts because they are wrong decisions but because of PAJA where administration process was not procedurally done fairly and correct. It is easy to have systems in place but without the necessary tools and personnel to do the work, there is little that can be done. The Municipality has appointed a service provider to develop an integrated property and spatial information system and the system used is OVVIO. The aim of the system is supposed to have less paper and ensure that everything is done on the system. The Ovvio system also has spatial data that is being utilised for administering effective spatial planning and land use management by the Town Planning Office.

3.3.2 PROJECT MANAGEMENT UNIT

ROLES AND RESPONSIBILITIES – PMU

Responsible for the implementation, monitoring, evaluation and reporting sequences of outcomes associated with programmes designed to accomplish key service delivery objectives with respect to town and spatial planning, and through the co-ordination of technical and administrative operations against departmental, statutory and audit guidelines in order to ensure that service delivery is strategically managed and maintained in accordance with laid legislated standards.

MUNICIPAL INFRASTRUCTURE GRANT PROJECTS (PMU)

No	Financial Year	Allocation	PROGRESS
1	2023/2024	R 29 819 000.01	100% Completed
2	2024/2025	R 31 238 000.00	0% Completed
3	2025/2026	R 32 611 000.00	0% Completed

ALLOCATIONS FOR THE THREE YEAR MTEF CYCLE

Projects for 2023/2024 financial year MIG

PROJECT	BUDGET	EXPENDITURE TO DATE	BALANCE	%
Upgrading of Xhanti street Bathurst	R 4 890 801.39	R 0.00	R 4 890 801.39	100%
Upgrading of Zola street in Bathurst	R 2 906 498.62	R 0.00	R 2 906 498.62	100%
Upgrading of kwanokqubela main road	R 1 300 000.00	R 548 968.20	R 751 031.80	100%
Thornhill Ministerial Housing Project MIG: Balance phase 2 Contract 1 Link Water Infrastructure	R8 057 124,90	R 0.00	R 8 057 124.90	100%
Upgrading of Solomon Mahlangu Road phase 2	R 2 243 838.08	R 192 956.70	R 2 050 881.38	100%
Upgrading of Mamityi Gidana Sportsfield	R 10 959 937.01	R 0.00	R 10 959 937.01	100%
PMU ADMIN.	R 1 597 800.00	R 1 597 800	R 0	100%
Total Amounts	R 29 819 000.01			

List of Projects for 2024/2025 financial year MIG

PROJECT NAME	WARD	SECTOR	BUDGET
Outfall Sewers:Thornhill Link Sanitation Service Portion 1	8,7,9&10	Sanitation	R7 899 072.88
Upgrading of Mamityi Gidana Sportsfield	8,9	Sports field	R648 738.57
Upgrading of Mjuza Street in Marselle	3	Roads	R239 121.00
Upgrading of Protea crescent in Station- hill	6	Roads	R3 313 396.14
Upgrading of Tana Square in Kenton on Sea	4	Roads	R5 500 000.00
Upgrading of Koti Street in Bathurst	5	Roads	R3 358 453.44
Upgrading of Mbundwini Road in Nemato	8	Roads	R2 185 000.00
Upgrading of Atherstone Road	10	Roads	R6 532 317.97
PMU 5%	N/A	Roads	R1 561 900.00
TOTAL			R 31 238 000.00

List of Projects for 2025/2026 financial year MIG

PROJECT NAME	WARD	SECTOR	BUDGET
Upgrading of Atherstone Road	10	Roads	R 5 122 218.55
Upgrading of Mswela road in Nemato	9	Roads	R 4 185 000.00
Upgrading of Gladiola Street road in Alexandria	2	Roads	R 4 137 483.46
Development of Infrastructure Asset Managemet	All Wards	Roads	R 1 630 550.00
Rehabilitation of Mbundwini road in Nemato phase 2	8	Roads	R 2 875 000.00
Upgrading of phandle street Alexandria	1	Roads	R 4 137 483.46
Bathurst Waste water Treatment Works and Bulk sewer Reticulation	5	Sanitation	R 8 199 912.79

PMU 5%	N/a	N/a	R 5 122 218.55
TOTAL			R 32 611 000.00

List of Projects for 2022/2023 financial year EPWP

PROJECT	BUDGET	EXPENDITURE TO DATE	BALANCE	%
Upgrading of Westbourne road phase 1	R 1486 000.00	R 1486 000.00	R 0	100%
Total Amounts	R 1486 000.00			

List of Proposed Projects for 2024/2025 financial year EPWP

PROJECT	WARD	SECTOR	BUDGET
Upgrading of Westbourne road phase 1	R 1 317 000.00	Roads	R 1 314 000.00
Total Amounts	R 1 317 000.00		

3.3.3 LOCAL ECONOMIC DEVELOPMENT (KPA 3)

Local Economic Development (LED) has been identified as a key means of improving the economic prospects of South African citizens. The purpose of LED is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.

Ndlambe Municipality is land locked between four Municipalities namely Nelson Mandela Metro, Makana, Ngqushwa and Buffalo City Metro. Ndlambe Local Municipality is a predominantly rural area with agriculture and tourism dominating the economy. It encompasses the towns of Kenton-on-Sea, Boknes, Bathurst, Boesmansriviermond, Alexandria and Cannon Rocks.

The recently released population statistics by Stats SA indicates that Ndlambe has a population of 61 176 out of which youth unemployment is generally high especially in the townships. Unemployment is at 30.3% as per 2011 statistics. The Key economic sectors for the Ndlambe Municipal area are:

- Tourism and Heritage
- Agriculture
- Services sector
- Enterprise Development

The employment within Ndlambe is largely spread across the following economic sectors: government, agriculture, and services industry. Government and the agricultural Industry has for quite some time

been the contributors in employment. Agriculture is less diversified with key farming activities being Dairy Farming, Beef Farming, Chicory, and Pineapple Farming. Most of the farming activities within the area are pursued by white farmers with black communities being the mere providers of labour. This is largely due to unaffordable high costs of production in farming in particular chicory production.

The Agricultural industry has in the past 10 years been in a state of decline the chicory industry has been the hardest hit with many farmers either shutting down operations or switching over to other commodities like beef farming. The decline in any of the key sectors always has a direct negative impact in the townships in terms of jobs losses and employment. Government has for the past few years started land acquisition initiatives by buying farms to settle groups of farmers or communities to take over some of the white owned farms. The land acquisitions through the Land Reform Programme have not been a great success, in many instances farms bought on behalf of communities and or farming groups started declining thus shedding more jobs with declining productivity. Government owned land and that owned by the municipality e.g. commonages is hardly commercialised or used productively to benefit local communities in a sustainable manner.

As part of a strategy to revive the contribution of the agricultural sector in the local economy, the municipality undertook to invite potential funders and DFI's to visit the declining projects requesting to be resuscitated. Amongst those was National Empowerment Fund (NEF) that expressed interest to assist. The LED section is busy with the process and requirements of the NEF.

REVEIWL OF LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGY

Local Economic Development (LED) is supported by various legislative frameworks and policies aimed at empowering municipalities to drive economic growth and development at the local level.

The establishment of the Local Economic Development within municipalities is guided by these prescripts. It is essential for municipalities to promote economic growth, attract investment, support small businesses, foster innovation, and achieve broader social and environmental goals, all of which contribute to the well-being and prosperity of the local community. The LED Strategy provides a clear direction for economic development initiatives within the municipality. It outlines goals, objectives, and action plans to stimulate economic growth, attract investment, and create jobs.

In partnership with the Department of Cooperative Governance and Traditional Affairs in the province (Cogta-EC) we embarked on the process of reviewing the current LED Strategy to ensure that it is relevant and responsive to the current changing economic conditions, evolving community needs, opportunities, and the economic landscape. The process of reviewal will assist in the enhancement and effectiveness towards promoting local economic growth and prosperity of the municipality.

The final document will be presented to the Municipal Council for approval as soon as it is complete.

SPECIAL PROGRAMMES

- **LED Strategy**

Assisted was solicited from COGTA-EC to assist the municipality with the development of the LED Strategy to be able to facilitate growth and development of the area focusing on the natural resources that Ndlambe is endowed with. The LED Strategy will also assist in bringing potential investors into the area. A Draft document has been received, at this point we are currently finalising the process of filling in the gaps and soliciting inputs and comments from relevant stakeholders. Upon finalisation of the process the Strategy will be tabled to Council for adoption.

- **Maritime Youth Development Programme (MYDP)**

South African Maritime Safety Authority (SAMSA) is interested in partnering with the municipality on implementing the NDP-Vision 2023. The plan focuses on creating employment opportunities that seek to create jobs and expand the economy to absorb labour and address the youth unemployment. South African Maritime Safety Authority (SAMSA) as a government agency mandated amongst other strategies to promote transformation, decent number of jobs, entrepreneurs and localisation expressed willingness and commitment to partner with the LED Unit to assist local youth to access job opportunities through their Maritime Youth Development Programme (MYDP).

In a developmental municipality, the Local Economic Development (LED) Unit is responsible for implementing strategies and initiatives that stimulate local economic activity, create jobs, and improve the overall quality of life for residents. It is on this basis that partnership with SAMSA is critical. The Maritime Youth Development Programme (MYDP) will open a window of opportunities to our local youth such as Ship Cruises. There are also various ways in which the Ship Cruise programme can significantly contribute to the growth and development of our coastal communities and economies, whilst equally playing an important role in the ocean economy.

- **Partnerships with SANParks**

Fisherman's Development Programme it involves capacitation, provision of fishing equipment to local fishermen and granting of fishing permits. Arts and Craft also, capacity building and marketing through SANParks curio shops. Currently having cooperatives from Kenton on Sea, Alexandria and Marselle that are part of the programme and also farms identified from the local area for economic infrastructural development.

- **Lighting of the Bridge**

The Cacadu Development Agency has committed to assist the municipality to have the iconic bridge cleaned and have lights. We are grateful for the assistance as it has been battling to get assistance in this regard. We are hopeful that it will change the image of our town.

- **Small Town Revitalisation**

In implementing the Provincial Small Town Development Framework aligned to the Integrated Urban Development Framework and Provincial Spatial Development Framework whose primary purpose is to better coordinate initiatives aimed at the revitalization of small towns. The department nominated Ndlambe Local Municipality to support the implementation of the programme. The nature of support ranges from the development of small-town master and precinct plans, general cleaning and beautification initiatives, maintenance of road infrastructure through potholes repair as well as paving pedestrian walkways and streets within small towns. The project is focusing on two areas in Ndlambe, being Alexandria and Port Alfred.

1. IMPACT OF THE PROJECT FOR THE MUNICIPALITY

Port Alfred Precinct Plan -Central Waterfront Precinct

- The Master Plan identified the CBD, the Civic Centre node, and the East Bank of the Kowie River between the bridges as the primary business, tourism and service precinct of the Town and surrounding region.
- The precinct is central to the Town and functions as the Town's and Region's heart and de facto Gateway.
- Collectively these areas represent the brand of the Town and the Ndlambe Municipality.
- The areas require upgrading and redevelopment to capitalise on and leverage existing business, sport and recreation, civic and community, tourism and infrastructure services.
- assets to boost the potential community building and economic development value they possess for the Town and Municipality.
- As the "heart" of the Town, the Central Waterfront Precinct should be planned and designed to optimise equitable access to and distribution of its inherent economic development and social upliftment opportunities.
- It must be made accessible and attractive to residents, tourists and through traffic as a destination and a "portal" to explore the attributes, experiences and opportunities of the Town the Region.

Alexandria Precinct Plan- The High Street

- The Master Plan indicates that the portion of Main Road 72 running through Alexandria and forming the business "High Street" and "gateway" into the town and surrounding region and requires focus regarding initiating redevelopment as part of the Town's turnaround strategy.
- The areas within the Precinct require upgrading and redevelopment to capitalise on and leverage existing business, civic and community, tourism, and infrastructure

services assets to reignite the community building and economic development value they possess for the Town and Municipality.

- The Precinct needs to be designed as a “funnel” to capture the varied economic market potential associated with the through traffic.
- It should expose the traffic to the attributes of the town and region and provide opportunities for access to, marketing and distribution of local economic development and social upliftment opportunities.
- It must be a place that provides the space for residents to collaborate and generate ideas and opportunities for development as well as provide an attractive marketplace that captures economic value from passing traffic.

The proposed developments:

- Chicory Square.
- Heritage lanes.
- Church Forecourt.
- Retail strip and
- Gateways.

Attached to the plans for both Alexandria and Port Alfred is a costed Business plan with projects that can be implemented in the short, medium, and long term.

1. SMME DEVELOPMENT

Small, Medium, and Micro Enterprises (SMMEs) play a vital role in the local community, contributing significantly to economic development, job creation, and social stability. In pursuing this realisation the following activities have been undertaken,

- **Business Registrations**

The Unit has been experiencing serious delays with Business registrations in particular cooperatives. The turnaround time for finalising registrations is quite lengthy. This has been reported to CIPRO in Pretoria several times with no success. We are hoping that their system will be back in full speed for quick processing of registrations.

- **Ndlambe Arts and Craft Co-operatives**

In partnership with the Department of Agriculture, Land Reform and Rural Development, 45 beneficiaries made up of cooperatives from Bathurst, Marselle and Kenton on Sea have been supported with capacity building trainings involving, Basic and Advanced Sewing Skills to improve the quality of their garments. They have also been assisted with working space through provision of containers. The containers have been electrified and slabs around the containers have been completed.

The municipality through the LED Section has assisted the project with servicing of all their sewing machines to get maximum performance of the machines whilst also increasing their production levels.

AGRICULTURAL DEVELOPMENT

- **Chicory Production**

This industry has been hit hard by the current economic downturn, however after various attempts to salvage the industry, the Department of Rural Development and Agrarian Reform in the province has committed funding for the next five years to promote chicory producers to maximise their production. We are hopeful that the commitment will bring back the stability which will also benefit the chicory producers and the community of Alexandria and surrounding areas. However, the burning issue is the non-confirmation of the factory acquisition by the potential buyers.

The situation has also taught us not to focus on a single commodity but explore other commodities to guard against situations of this nature.

- **Alexandria Beef Abattoir Project**

As a way of assisting the municipality on the effects of the current economic downturn the country is confronted with, the municipality being responsible for ensuring economic growth within the area, it became necessary to urgently develop a vehicle to assist in retaining and reviving the local economic growth. Unlike other municipalities that are endowed with mineral resources to generate employment opportunities, Ndlambe has none of those. In pursuit of its mandate to create conducive economic environment, creative ways to help revive and retain the economic growth of the area must be explored.

The Alexandria Beef Abattoir Project is but one of those economic initiatives that can bring economic benefits to the local community. Even with the many relief schemes that were set up to assist small businesses during the COVID-19 Lockdown, local small businesses closed shop with Chicory SA in Alexandria being one of those after being in the area for more than five decades. Majority of Alexandria communities were reliant on CSA for employment, with it being closed, scores of local people are facing a bleak future with no possibility of employment.

A vigorous drive towards building effective and sustainable economic initiatives is seen as an intervention to give hope to the community of Alexandria. To this end, the municipality engaged services of a consultant to provide transaction advisory services for the establishment of the Alexandria Beef Abattoir also analysis of the business plan that was submitted by the Alexandria Commercial Farmers for assistance. Upon perusal and scrutiny, it transpired that the Alexandria Commercial Farmers did not follow the required process in having a B-BEE partner on board. As part of complying with accepted business principles relating to advancing the transformation and enhancement of participation of Black people in the South African economy (B-BEE) a Shareholder Agreement for the B-BEE partner with Alexandria Beef Project owners had to be developed. The Shareholding Agreement is currently with the lawyers of the Alexandria Commercial Farmers for inputs.

There is also a hurdle in respect of Water Use License application for the project.

- **Marselle Piggery Project**

The agricultural industry has for quite some time been a contributor to employment in the Ndlambe area. Pig farming business is a profitable business, as such many local people are striving to make money. However, to build a successful, sustainable pig farming business, you require sufficient knowledge of how to efficiently raise the pigs, good management skills, and a good piggery business plan.

The municipality is currently in partnership with the Marselle piggery farming cooperative to increase the scale of pig production. Pig production can be a lucrative business, providing income for people, venture into the market of piggery business by providing locals, however the pigsty requires proper designs and specifications. To this end, the municipality has identified Erf 1 in Marselle as the potential site and pegging has been concluded and structural designs finalised. BoQ costed based on the site plans. The construction to commence and anticipating by end November 2024 the project be completed.

SMME DEVELOPMENT

Small, Medium, and Micro Enterprises (SMMEs) play a crucial role in fostering economic sustainability and growth within local communities. In recognizing their significance, various initiatives and support mechanisms have been implemented by the municipality to nurture the growth of these enterprises. These mechanisms include, even though not limited to:

- Financial Assistance
- Capacity Building
- Market Access
- Regulatory Support

Even though not always, these interventions assist in Job Creation, Community Development, Innovation, and creativity and enhancing economic resilience. Despite the interventions offered to promote expansion and retention of the local enterprises, there are challenges such as, Access to funding, Skills Development and Market penetration that create serious barriers to emerging businesses. The municipality has gone beyond the call in some instances offering to assist with payment of advance rentals to relieve the enterprise from operational costs.

Supporting SMME development is integral to promoting economic sustainability and growth at the local level. By addressing key challenges and implementing effective support mechanisms, governments, organizations, and communities can empower SMMEs to thrive, thereby fostering a resilient and vibrant economy. It is worth noting that there have been funding organisations that have been sympathetic to the plight of development of, such as NYDA, ECDC, Department of Economic Development, Environmental Affairs, Department of Rural Development, Department of Agriculture and the Sarah

Baartman District Municipality. SMME's. Continued collaboration and innovation are essential to maximize the impact of SMME support initiatives and ensure long-term economic prosperity.

DEVELOPMENT OF SMALL BUSINESS POLICIES

Policies play an important role in the development of small businesses in municipalities by creating an environment that fosters growth, innovation and sustainability. Local government plays a vital role in shaping these policies, and their commitment to supporting small businesses can have far-reaching positive effects on the overall economy. These are the policies that have been developed to assist in the development of small businesses:

- Business Licence Policy
- SMME Policy
- Funding Policy

TOURISM AND HERITAGE

2. TOURISM AND HERITAGE DEVELOPMENT

Integrating tourism and heritage into Local Economic Development strategies offers a multifaceted approach to economic growth. It leverages cultural assets to create economic value, fosters community pride and identity, and promotes sustainable development. Tourism and heritage are significant in the Local Economic Development (LED) of a local municipality for several key reasons. Their integration into LED strategies can drive economic growth, job creation, and community development while preserving cultural and historical assets.

- **EMnyameni Music Festival**

EMnyameni Music Festival will be staged on the 28th of September 2024 at Alexandria. The organisers have been supported and payment has been made to ensure that they secure artists and do the necessary preparations in time. Will be awaiting a report after the event as part of promoting transparency and cooperative governance.

- **ECawa Music Festival**

Annually in December, the municipality has a music festival hosted by a service provider. The festival seeks to achieve the following objectives:

1. To stimulate economic growth within the municipal jurisdiction through attracting visitors and encouraging local business participation.
2. To showcase and promote local talent and cultural diversity.
3. To create a platform for community engagement and cohesion.

The festival's success translated into a substantial boost for the economy of Ndlambe in particular the township economy. The contribution was through the following factors:

1. Increased business activity

2. Tourism and Hospitality

1. Increased business activity

The event is a catalyst for increased consumer spending and benefits several establishments across various sectors. Local food vendors, informal traders, local businesses, and retail outlets report a surge in sales during the festival period.

2. Tourism and Hospitality

The success of the festival highlights the importance of effective planning, community engagement, and the transformative power of music in bringing people together. The influx of visitors impacts positively on the hospitality sector, with local hotels being fully booked for the day prior the festival and festival day. This translates to heightened occupancy rates and increased revenue.

- **Port Alfred Gospel**

Gospel festivals are more than just music events. They serve as powerful vehicles for local economic development, they attract visitors to the area, create jobs for local residents, support local businesses and enrich the social fabric of the community. Investing in such events is a strategic move towards fostering economic growth and enhancing community spirit.

- **Heritage Sites Mapping**

Part of our activities as reflected in the Scorecard is to develop a register for Heritage Sites within the municipality. The register will be able to provide us with data in respect of Heritage Sites within the area, their status, ownership and declaration. To achieve this activity, the Cacadu Development Agency appointed a service provider to undertake the mapping of all Heritage Sites and stakeholder sessions were held with various stakeholders within the tourism and heritage sector.

In Ndlambe 12 Stakeholders attended, the report has been concluded, reflecting 18 Provincial Heritage sites in the area, however Chungwa's Grave has not been included. We intend to include it after it has been declared and graded. This is being done with the assistance of South African Heritage Agency.

The identification of these Heritage Sites is intended to establish the potential each site has in the contribution of tourism within the area. These cultural assets when properly maintained and looked well after can create economic value, fosters community pride and identity, and promote sustainable development of our local municipality.

- **Upgrading of Chief Chungwa's Grave**

The LED Unit as part of promoting and developing tourism products through preserving our heritage approached the Eastern Cape Provincial Heritage Resources Authority (ECPRA) to ensure that Chungwa's grave is recognised and preserved. Due to the history associated with Chief Chungwa, his grave would qualify to be included in the list of recognised Heritage Sites both nationally and provincially.

SANParks committed to upgrade the grave in line with other graves with similar relevance that have been upgraded. Designs have been shared with the family for approval and what to be inscribed on the Interpretive boards.

The Chungwa Royal family has since forwarded a concept document with projects proposed in honour of Chief Chungwa. Amongst the proposed projects is the hosting of the Chungwa Memorial Lecture which they want both the District Municipality and Ndlambe Municipality to commit.

Jobs created during Year 0 by LED initiatives (Excluding EPWP projects)				
Total jobs created / Top 3 initiatives	Jobs Created No.	Jobs lost / displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created / lost
Total (all initiatives)	6 initiatives	45 jobs lost	494 jobs created and CWP	CWP Registers
Year -2	6	30 (closure of CSA)	43	CWP Registers, Time Sheets
Year -1	4	Due to the current economic climate pandemic which left many business enterprises closed, the municipality took a conscious decision to assist and support local business enterprises through provision of start-up capital.	Due to the current economic climate pandemic the municipality took a conscious decision to assist and support local business enterprises through provision of start-up capital.	CWP Registers and Time Sheets
Year 0	5	N/A		EPWP Contracts and Time Sheets

Job Creation through EPWP projects

Details		EPWP Projects		Jobs created through EPWP projectsNo.	
		No.			
Year -1		7 EPWP Projects		147	
Year 0					
Employees: Local Economic Development Service					
	Year -1	Year 0			
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a %of total posts) %
6	2	2	2	0	
7-9	0	0	0	0	
10-12	1	2	1	2	
13-15	1	1	1	0	
16-18	1	1	1	0	
Total	5	5	5	2	

The following Cooperatives and local businesses have been assisted for funding, machinery and equipment:

PROJECT NAME	DESCRIPTION	WARD	TARGET
Alexandria Easter Tournament	Sport	1 & 2	Youth
Piggery	Agriculture	1& 2	All ages
Hair Products	Beauty Salon/Product Testing	2	Youth
Links Royal House		9	All ages
6185 Barbershop	Barbershop	2	Youth
Lhozar General Trading	Entertainment	9	Youth
Thandwayoo Consultant	Consultant	6	Youth
Klipfontein Livestock Farmers	Agriculture	3	Male
Amanzi Festival	Tourism	10	Male
C And J Tyres	Manufacture	10	Male
Kenton Mobile Kitchen		4	Women
Kenton Hawkers	Hawkers	4	Women
Gorah Farm	Agriculture	4	All ages
VMap Trading	Sewing	5	Women
Konza Wellington	Maintenance	6	Male

Libitex Trading	Equipment	10	Male
Glam And Glow	Fashion	8	Women
Yonz Trading	Tourism/Accommodation	10	Women
Nabho Trading	Catering	9	Youth
Bongolwethu Primary Cooperative	Equipment	4	Youth
Yannick Trading Spares	Mechanic	2	Male
Kavod Enterprise	Sewing	9	Youth
Siyanceda Trading	Equipment	9	Women
Fodini Trading	Transport	2	Male
Kawayan Cafe	Retail	10	Women
T.F.Bete	Hawker	4	Women
Zinto Trading	Bakery	9	Youth
Sarah Baartman Football Club	Sport	5	Youth
Nemato Youth	Sport	9	Youth
Zoelegacy Trading	Catering	7	Youth
Caro Solutions	Equipment	7	Male
Bathurst Welding	Welding	5	Male
Ndzima Entertainment	Entertainment	7	Youth
Sarah Baartman Netball	Sport	1 & 2	Youth
Ndlambe Tigers Rugby	Sport	10	Male
Z.M Enterprise	Ice Machine	4	Youth
Cannon Rocks Cabins	Accommodation	1	Mixed
Mthombowempilo Chicory	Chicory	1	Male
Siphilise Sewing Cooperative	Art and Craft	2	Women
Wentzell Park Cooperative	Piglets	2	All ages
Kruisfontein Coop	Support on Tags/Medicine	1 & 2	All ages
Department Of Small Business	Support on Materials/Equipment	All Wards	All ages
Forrest Hill Farm	Agriculture	3	Male
Hlahlabone Trading	Boat Builder	4	Male
Nemato Engineering	Engineer	6	Male
Marwanqana Coop	Piggery	4	Youth
Ms Dumezweni Coop	Piggery	4	Women
Masiphathisane Co-op	Agriculture	5	Mixed
Umthombo Co-op	Agriculture	1	Mixed
Ndlambe Fishery Cooperatives(Alex, Marselle	Fishing/ Ocean's Economy	1,2,3,4	Mixed
Masarheni Co-op	Agriculture	8	Male
Marselle Piggery Project	Agriculture	3	Mixed

INTERGOVERNMENTAL RELATIONS

Intergovernmental relations play a crucial role in promoting LED programmes through fostering coordination, collaboration and cooperation. Effective and successful LED Strategy requires robust intergovernmental relations that leverage the strengths and resources of various governmental departments and developmental agencies at all levels. Collaborative approaches result in effective economic initiatives and innovations.

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The LED Section is an important section of the municipality as it has a mandate of promoting and improving economic growth of the municipality for the benefit of residents. To provide an honest comment on the performance of the LED, such will involve examining various indicators and factors such as contribution in the economic growth of the municipality, investment attraction into the area, business growth within the area, the relations between the local stakeholders and the extent of the community engagement on potential and current economic initiatives in the area. The LED Section, however, continues to evolve and meet the needs of the community. Whilst there is always an issue of limited resources versus the community needs, the allocation of resources within the section is earnestly considered in an area where there are no industries and mineral resources to create employment.

3.4 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.4.1 INTRODUCTION TO LIBRARIES; ARCHIVES; COMMUNITY

Ndlambe Libraries are gradually progressing in terms of services and diversity of patrons, and we currently have three mini-libraries which serve the visually impaired patrons within the Ndlambe district; they are found in Alexandria, Ekuphumleni and Port Alfred. The Libraries in Ndlambe Municipality have taken the role of promoting education by assisting schools to improve their pass-rate, and we also provide catering and transport for extra classes on Saturdays.

Library services have improved immensely as there are more newspapers offered than before, for example the libraries now have Sunday Times and City Press available as a result of community requests. Services also include Tablets in addition to computers; there is also Wifi available in libraries. This demonstrates improved technological progression in Ndlambe Libraries. Libraries are also now offering e-books to patrons.

CIRCULATION OF LIBRARY MATERIALS

All Functional nine Ndlambe Municipal Libraries have migrated to Brocade Library System and some are still transferring their members and books that were on the manual system onto the Brocade Library System. Statistics for the Ndlambe Libraries for the whole year are as follows:

LIBRARIES	CIRCULATION
ALEXANDRIA	3859
BUSHMANS	1158
KENTON	3647
EKUPHUMLENI	284

PORT ALFRED	3899
BATHURST	819
FREESTONE	254
DR. I. K. MABINDISA	1617
KwaNonkqubela	19 043
Total Circulation for Ndlambe libraries 23/24	19 043

LIBRARY STRUCTURES

Library Structures in the form of Book Clubs for any age group and Library Committees are part of Ndlambe Municipal Libraries. This ensures that the community can be part of the needs' analysis of Library services.

SCHOOL INTERVENTION PROGRAMME

As stated in the introduction, these are extra classes provided by the Municipality on weekends to improve the matric pass rate of Ndlambe Municipality. This initiative involved an agreement between the Municipality and the Nelson Mandela University where Third Year Level students tutor Ndlambe Municipal learners with subjects that need upgrading – this was interrupted due to C19 and have been re-resurrected in the form of assistance with Saturday classes and special learning camps.

COMPUTER / LAPTOP HUBS

Two sponsorship programmes facilitated by the Kariega Foundation via bbd as Facilitator, have resulted in the establishment of two computer hubs being established in the Marselle/BRM Library and the Ekuphumleni Library.

These hubs offer 14 and 17 laptop hubs respectively which offer the communities modules in Maths, Science, English and Robotics. Updated Children's sections have also been added to these projects.

AWARENESS PROGRAMMES

One way of Library Promotion and Marketing is through awareness programs or events where Ndlambe Municipal Libraries take services to the communities through outreach programs.

Outreach Programs include the following:

- South African Library Week: Celebrated in March of every year
- World Book Day: Celebrated in April of every year
- World Play Day: Celebrated in May
- Career Day: done in May
- Mandela Day: July
- Holiday Programs: During School Recess
- The National Book Week, previously held in September annually, has been replaced by National Literacy Week
- Spelling Bee: Celebrated in October
- Youth Empowerment Event: Celebrated in December

- World Aids Day Event: Celebrated in December
- Funda Mzansi which takes place locally, in a District forum as well as a Provincial forum.

The above Outreach programmes exclude the individual awareness programmes performed.

3.4.2 CEMETERIES AND CREMATORIUMS

INTRODUCTION TO CEMETRIES

This service falls under Parks and Recreation Section. The municipality is currently under pressure due to unavailability of land for cemeteries. In terms of the revised SDF there is a need to identify new cemeteries but this will require environmental impact assessments and identification of land.

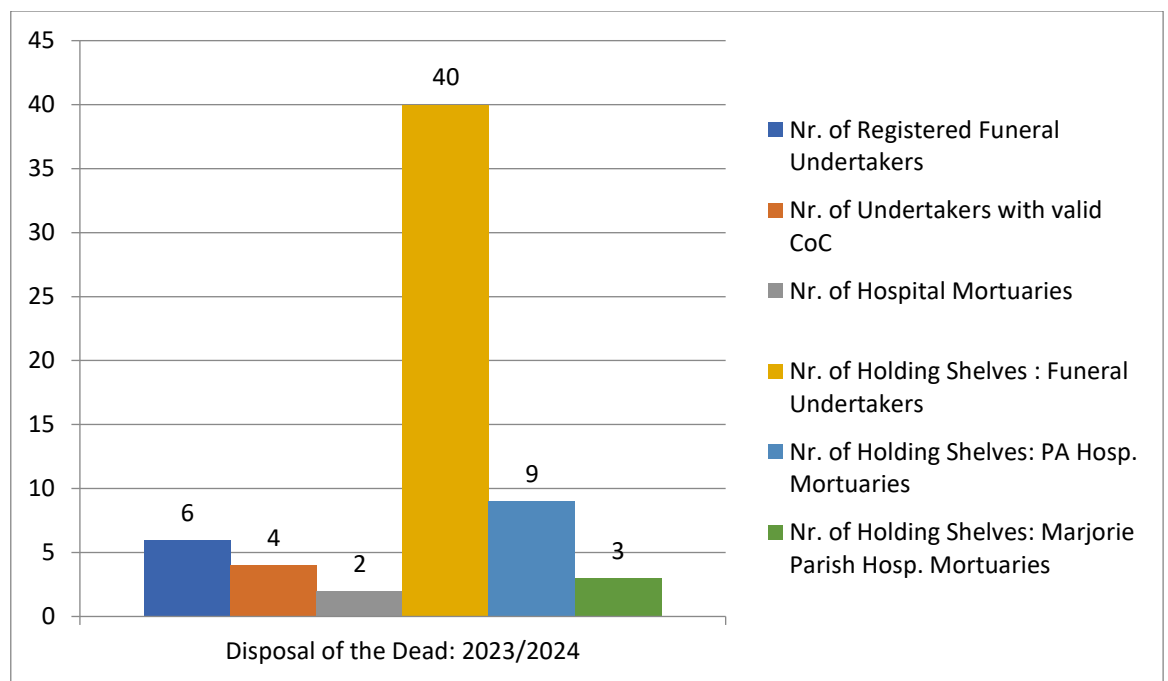
All cemeteries throughout the municipality are cleaned on a regular basis as and when required. The cemeteries are reaching capacity and once the land disposal policy process is completed land needs to be identified for cemetery space and the necessary EIA and legislative requirements be followed. .

The municipality does not have its own crematorium facility and as such individuals utilise the services of funeral parlours.

DISPOSAL OF THE DEAD

All funeral parlours or undertakers are inspected to ascertain that the premises are in compliance with the applicable legislation, which is Regulation 363 relating to the management of human remains including any other regulations relating to applicable health standards.

Graph below: Illustration of information relating to disposal of the dead



COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIUMS OVERALL:

- There is no staff specifically employed for “Cemeteries” – these employees fall under “Parks & Recreation”;

- There are no posts in the Organogram allocated for “Cemeteries”
- A consultant has been appointed and is currently conducting an EIA for 2 cemeteries, one on a portion of Kruisfontein far, Alexandria and another on a portion of Mill Farm, Port Alfred. The Environmental Impact Assessment studies are to be completed by the 3rd term of the 2024/2025 financial year.

REFUSE REMOVAL SERVICES

16929 formal +4632 informal households = 21 561 households

REFUSE REMOVAL NDLAMBE MUNICIPALITY			
GREATER AREA	COMMUNITY	WARD	Nr of HOUSEHOLDS
Greater Port Alfred			
Monday	Town of Port Alfred	10	872
Tuesday	Nemato	7-9	709
	East Bank / Bottom West	10	861
Wednesday	Saltlei / Station Hill	10, 6	1119
	Nemato	7-9	695
Thursday	Ndlovini	7-9	1595
	Thornhill	6	500
Thursday / Friday	Businesses in PA	10	*
TOTAL			6351

REFUSE REMOVAL NDLAMBE MUNICIPALITY			
GREATER AREA	COMMUNITY	WARD	Nr of HOUSEHOLDS
Bushman's River Mouth			
Monday	Riversbend / Harmony Park	3	487
Tuesday	Old Bushmans (Town)	3	254
Wednesday	Half Marselle / River Rd	3	581
Thursday	Rest of Marselle	3	750
Friday	Businesses, Bins & Beach	3	35
Kenton-on-Sea			
Monday	Kenton Businesses	4	36
Monday	Kenton Town	4	146
Tuesday	Kenton Residence	4	387
Wednesday	Kenton Residence	4	375
Thursday	Ekuphumleni	4	820
Friday	Businesses, Bins & Beach	4	36
TOTAL			3800

REFUSE REMOVAL NDLAMBE MUNICIPALITY			
GREATER AREA	COMMUNITY	WARD	Nr of HOUSEHOLDS
Greater Alexandria			
	Town of Alexandria	1	273
	KwaNonquela	1	1987
	Wentzel Park	2	736
Boknes / Cannon Rocks			
	Boknes	2	350
	Cannon Rocks	2	250
Greater Bathurst			
	Town of Bathurst	5	205*
	Nolukhanyo	5	856
	Freestone	5	918
Seafield / Kleinemonde			
	Seafield / Kleinemonde	6	235
Informal settlements			
			4632
TOTAL			10 442

A TOTAL OF 21 561 HOUSEHOLDS (INCL BUSINESSES) ARE SERVICED WEEKLY

3.5 COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

3.5.1 POLLUTION CONTROL

- There is no staff employed for pollution control – the Environmental Health Practitioners are carrying out this function with the assistance of the cleansing and Environmental Law and Beach and Reserve management teams;
- There are no posts in the Organogram specifically for pollution control;
- There is no budget allocated specifically for pollution control.

3.5.2 BIO-DIVERSITY AND LANDSCAPE

KEY PERFORMANCE AREAS

- Blue Flag beach Management
- Beach Front and Infrastructure Management.
- Nature Reserve Management
- Environmental Education
- Environmental Compliance (Marine; Estuaries; Terrestrial)

BLUE FLAG BEACH MANAGEMENT

Ndlambe municipality was awarded 3 Blue Flag Beaches and successfully completed the season

- Kariega Main Beach (1 December 2023 to 30 April 2024)
- Kelly's Beach (1 December 2023 to 30 April 2024)
- Middle Beach K.O.S (1 December 2023 to 31 January 2024)

STAFF

- Conservations' portfolio includes management of: Blue Flag beaches; swimming Beaches, public facilities.
- Two permanent staff members: in that of a Blue Flag beach attendant; working every 2nd weekend and public holidays at Kelly's Kariega beach and a casual worker at Middle beach Kenton.
- Appointed 10 contractual lifeguards, 3 - Kelly's Beach, 4 - Kariega Main Beach. (01 December 2023 –30 April 2024) and 3 - Middle beach Kenton (01 December 2023 –31 January 2024)
- Appointed 13 short term lifeguards from December 2023 until January 2024 for the following beaches: Boknesstrand, East beach PA, Klienemonde and Bushman's Slipway.
- West Beach was manned by 2 beach marshal casuals over new year's 24 December 23 – 04 January 24 due to dangerous currents and prevention of public swimming.
- Casual staff were appointed throughout the year at various municipal beaches to assist with maintenance at public facilities.

BLUE FLAG STATUS BEACHES

- Ndlambe municipality applied for three full status beaches namely that of Kelly's Blue Flag Beach (18th season in a row), Kariega Main Beach (14th season in a row), and Middle beach KOS (2nd season).
- At the National launch, Ndlambe received three Blue Flags, namely that of Kelly's Beach (Ward 10), Kariega Main Beach and Middle Beach (Ward 4).
- Applications for season 2024 2025 have been submitted in April 2024 to WESSA and the National Jury will sit between October/November 2024 for this coming year evaluation. The results will be via a press release from WESSA.
- Both Kelly' beach and Middle beach facility's suffered storm damage during September/October 2023
 - Emergency repairs were undertaken to reconstruct the embankment, stone wall, and viewing deck at Kelly's Beach, as well as the embankment at Middle Beach KOS, prior to the commencement of the Blue Flag season.

DUNE STABILISATION

Kleinemonde Island Beach ablutions; was recovered from being inundated under a dune through encroachment.

The municipality and consultant followed the letter of the law in the coastal zone.

Casuals were employed for manual sand removal labour, whilst large quantities of sand were moved by plant.

Wind nets have been erected, working in accordance with the predominant winds as well as revegetation of dunes for the stabilization of the area around the ablution to prevent future dune encroachment.

CONTRACTUAL/CASUAL STAFF

	Aug	Dec	Jan	Feb	Mar	Apr	May	Total
Kariega KOS		16 *	16 *					32
Kellys PA		1						4
Middle Beach KOS		3	2	2	2	2	2	13
West Beach PA		2 *	2 *					4

RESCUES / LIFEGUARDS

	KELLY	KARIEGA
Drownings/Near Drownings	1	6
Helpouts/RTB	6	15
Board/ski	0	0
Boat/IRB	0	0
Resuscitation	0	0

FIRST AID

	KELLY	KARIEGA
Cuts and Abrasions	3	0
Sprains/fractures	0	0
Stings	19	16
Sunburn	0	0
Hospitalised	0	0

DROWNINGS/NEAR DROWNING

INCIDENT REPORT SUMMARY

25 August 2023

- Location: Upper Kariega river
- Incident: Fatal drowning
- Details: 1 x body recovered

14 October 2023

- Location: Upper Kowie river
- Incident: Fatal drowning
- Details: 1 x body recovered following day

5 November 2023

- Location: Kowie river
- Incident: Non-fatal drowning
- Details: vehicle ended up in river – 2 x persons in vehicle rescued

2 February 2024

- Location: Kariega river mouth
- Incident: Fatal drowning
- Details: 2 x fatalities

26 February 2024

- Location: Kelly's beach
- Incident: Fatal incident
- Details: Surfer suffered gear attack and could not be revived despite lifeguard's resuscitation efforts

26 February 2024

- Location: Kariega river mouth
- Incident: Fatal drowning
- Details: 2 young males caught in an outgoing rip tide; bodies not recovered despite search efforts by lifeguards and NSRI

2 May 2024

- Location: West Beach
- Incident: Non-fatal drowning
- Details: Person saved from rip current by bystanders using pink buoy

RESCUES/HELP-OUTS

Several help outs were done this year with torpedo buoys and life craft. This was partly due to some freak strong currents at the beaches but mostly due to alcohol and negligence of parents.

Drinking at/on beaches is a huge concern and stricter enforcement of the law is needed. It is a major safety risk for the lifeguards and municipal officials when dealing with an intoxicated individual or individuals during those situations, where their lives are also at risk.

NATURE RESERVE MANAGEMENT

STAFF

Conservations' portfolio includes management of the local Authority Nature Reserves and private reserve guidance; monitor Public open space and commonage usage; further this liaises with rate payers urban and rural, to resolve complaints and queries.

Three Rangers (Vacant) and one Lodge Attendant, that are permanent staff members at the Kap River Nature Reserves. The last ranger retired at the end of June 2024

RESERVE MANAGEMENT

- Local Authority Reserves under Municipal Management of the Conservationist are namely:
 - Joan Muirhead Nature Reserve
 - Kap River Nature Reserve
 - Great Fish River Wetland Reserve
 - Roundhill Oribi Reserve Nature Reserve
 - Ghio Wetland Nature Reserve (SLA)
- The Kap River water level remains to fluctuate with the seasons and rainfall, thus the river does not maintain a continuous flow of water.

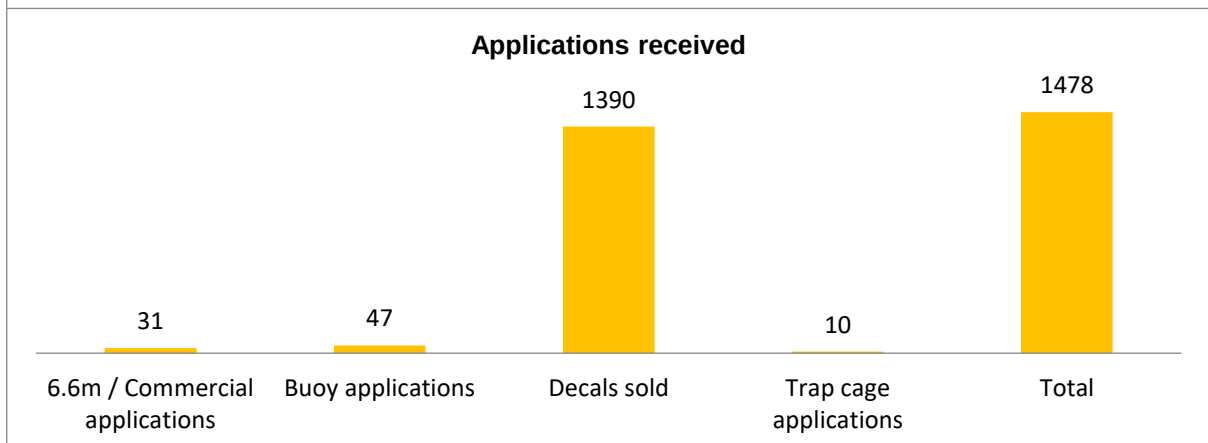
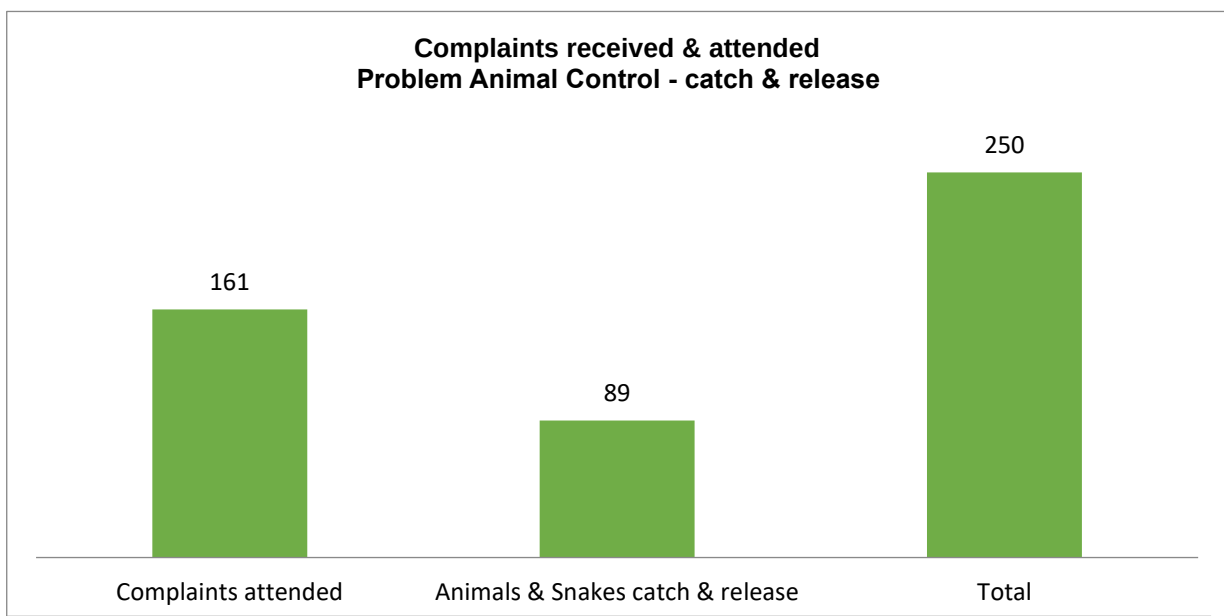
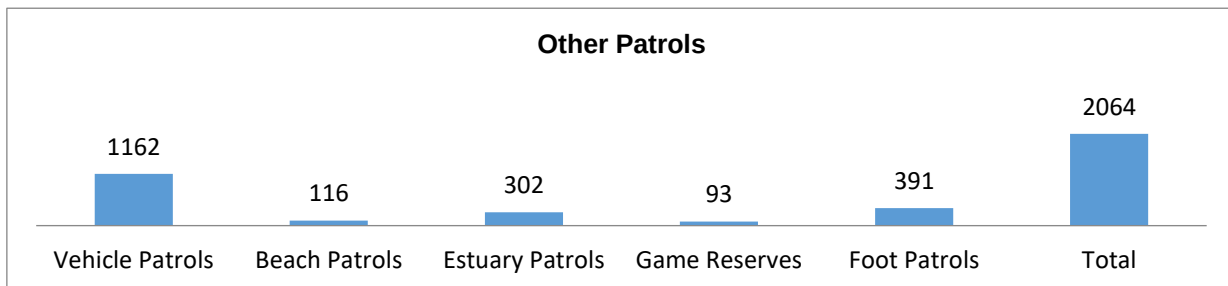
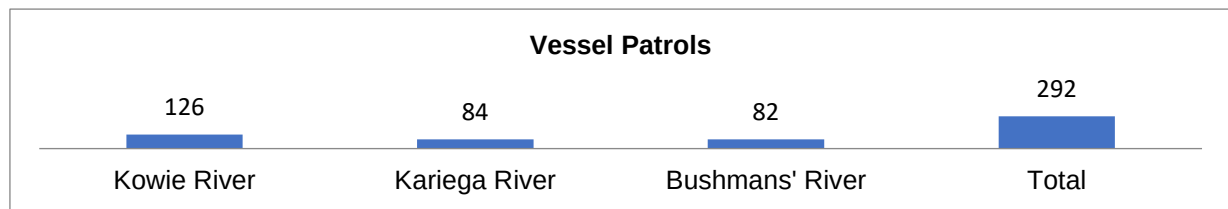
ACCESS CONTROL: FISH RIVER RESERVE

The fish river camping ground was closed to campers this year, however there was a human presence as usual over the December period.

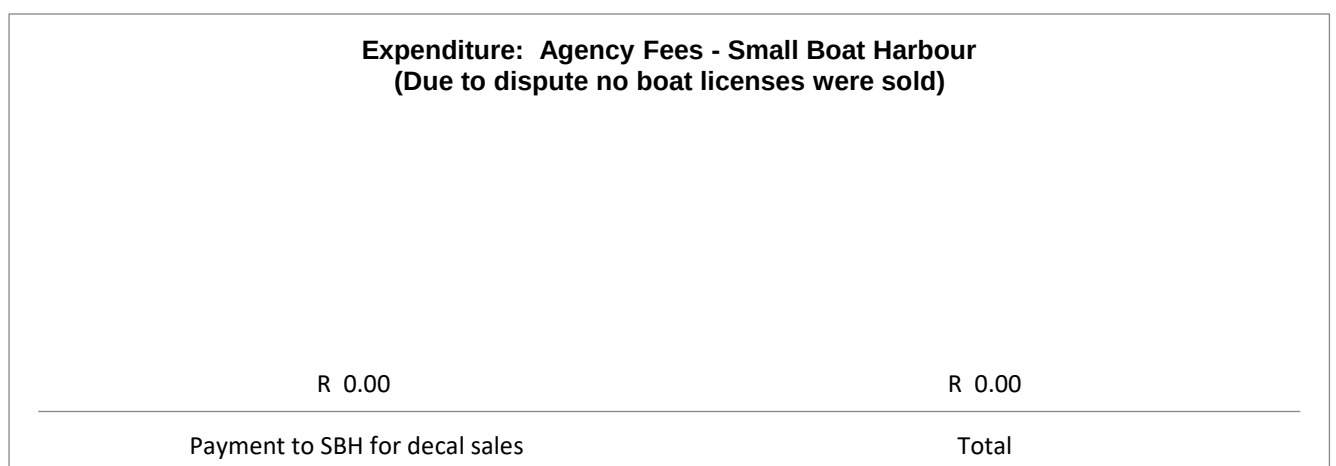
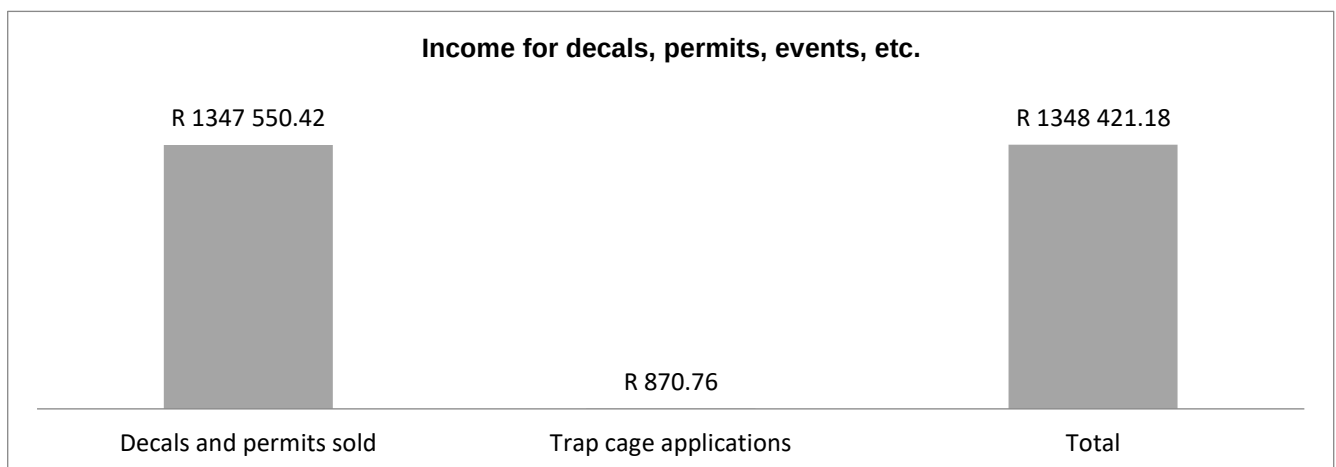
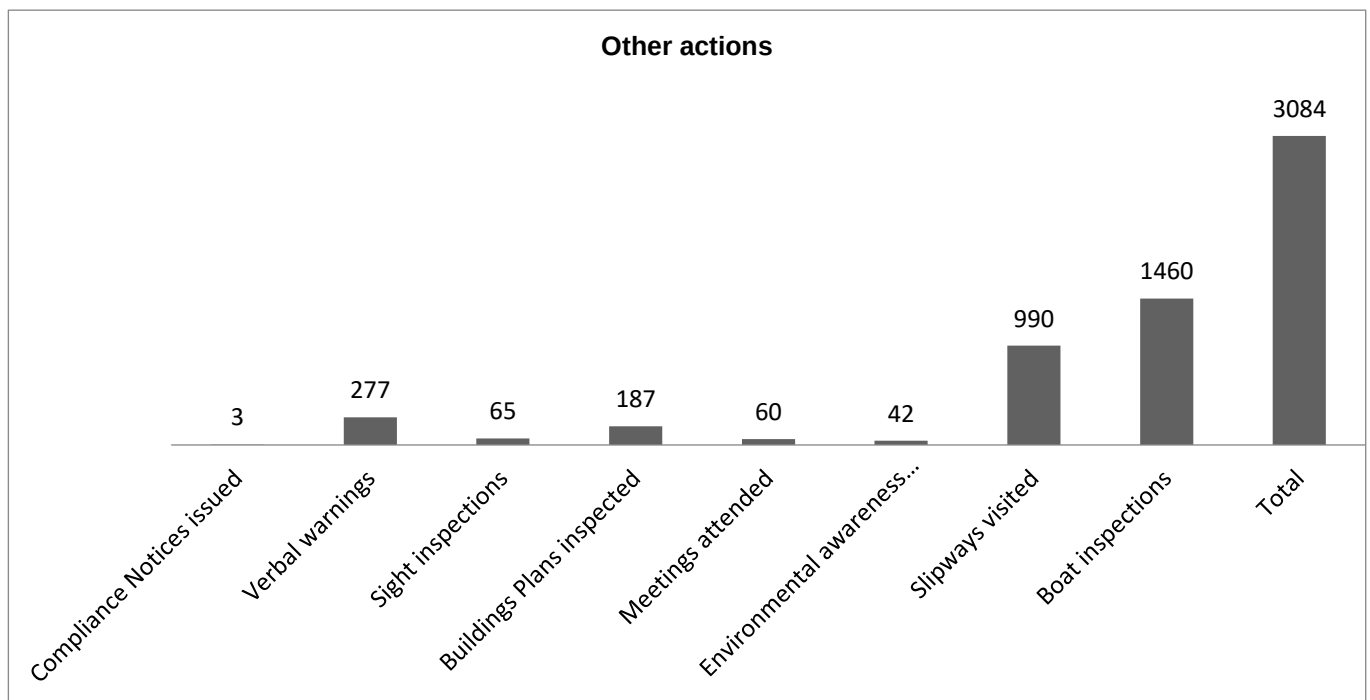
Game Count on Municipal Reserves

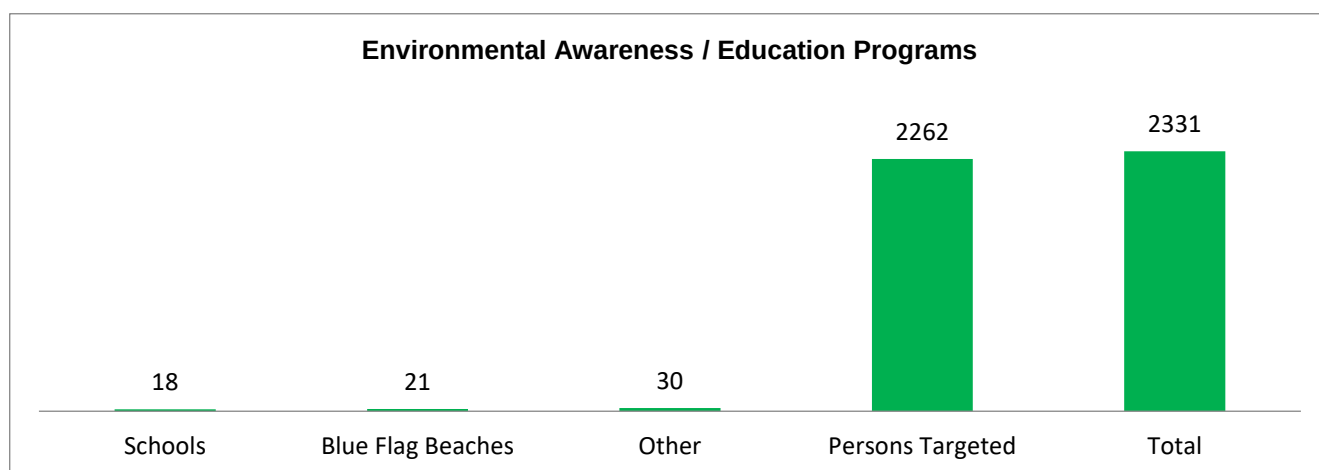
<u>Round Hill Oribi Nature Reserve</u>		<u>Kap River Nature Reserve</u>	
Species	Pop.	Species	Pop.
Bontebok	3	Bushbuck	8
Burchell's zebra	45	Common Duiker	3
Springbuck	11	Giraffe	19
Warthog	2	Impala	98
Bushbuck	1	Reedbuck	4
Common Duiker	1	Nyala	16
		Red hartebeest	7
		Warthog	27
		Waterbuck	6
		Burchell's zebra	66

3.6.10 ENVIRONMENTAL COMPLIANCE (incl EDUCATION)



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3.6 ENVIRONMENTAL HEALTH

3.6.1 BACKGROUND

Environmental health services means the health services falling within the definition of Municipal Health Services as outlined in the National Health Act, 2003 (Section 3.12 or 2.12), also known as Municipal Health Services in respect of which the District Municipality has full legislative and executive authority in terms of section 84(1)(i) of the Municipal Structures Act.

Ndlambe Municipality has entered into a Service Level Agreement with Sarah Baartman District Municipality to render Municipal Health Services Function on behalf of the district municipality. In the service level agreement Sarah Baartman District Municipality commits that the district will provide a subsidy that transfer of payment quarterly will be undertaken by the district for the purposes of rendering the agreed Municipal Health Services.

It is recorded that the package of Municipal Health Services which the District Municipality request Local Municipality to perform as agreed in terms National Health Amendment Act, 2013 (Act No. 12 of 2013) that only a health officer who is registered with as an Environmental Health Practitioner in terms of the Health Professions Act, 1974 (Act No. 56 of 1974) may exercise any of the powers conferred under this section.

The definition of Municipal Health Services is provided in section 1 of the National Health Act, (Act 61 of 2003) and includes:

- Water quality monitoring;
- Food control;
- Waste management;
- Health surveillance of premises;
- Surveillance and prevention of communicable diseases, excluding immunization;
- Vector control
- Environmental pollution control;
- Disposal of the dead; and
- Chemical safety.

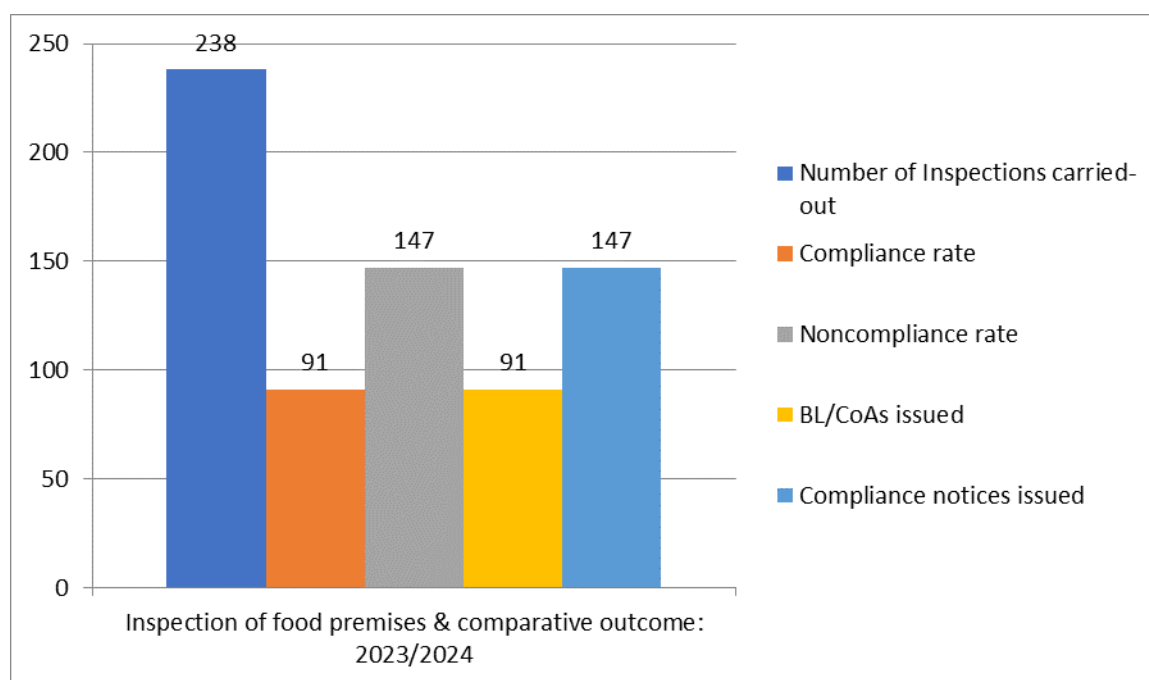
According to the National Norms and Standards for Environmental Health and the World Health Organization (WHO) norm for staffing of Environmental Health Practitioners, the acceptable ratio is 1: 10 000 population to enable Environmental Health Practitioners to render municipal health service

effectively. Currently, Ndlambe Municipality with the latest 2011 Census population which is estimated around 61 176, with this population, Ndlambe Municipality is not adhering to the WHO and National Norms and Standards for Environmental Health. The norms and standards stipulate that for such population there should be 6 functional Environmental Health Practitioners, instead of the current 2 Environmental Health Practitioners.

3.6.2 FOOD QUALITY CONTROL – INSPECTION OF FOOD PREMISES

Inspection of food premises is one of the most important Key Performance Areas for Environmental Health Services (Municipal Health Services). Food Quality Control is also set out on the municipal IDP as one of the key performance areas for environmental health services. Regular unannounced inspections are carried out on food premises to make sure that food premises are compliant with food hygiene handling requirements as per legislative requirement by ensuring food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption and optimal hygiene control throughout the food chain. Vigorous efforts are made to assist and encourage all food premises inspected to be compliant with the regulations governing general food hygiene handling where there are contraventions with the regulations.

ANALYSIS INSPECTION CARRIED OUT



3.6.3 WATER QUALITY MONITORING

Water Quality Monitoring

Water quality monitoring is also the most important Key Performance Areas for Environmental Health Services (Municipal Health Services). Water Quality monitoring is also set out on the municipal IDP as one of the priority areas for basic service delivery. Regular drinking water samples are taken for bacteriological and chemical analysis as per legislative mandate (SANS 0241) to establish water quality fitness for human consumption.

The tables below indicate compliance/failure as a result of Escherichia coli (E. coli) which is an indicator of faecal pollution by warm blooded animals (often interpreted as human faecal pollution). E.coli is responsible for infectious diseases such as gastroenteritis, cholera, dysentery and typhoid fever after ingestion of contaminated water.

Tables further provide a summary of drinking water quality compliance information on monthly basis (from July 2023 – December 2023).

Water Quality Compliance Table: July 2023 – December 2023

E.coli (health) (count per 100 mL) for Ndlambe Municipality.

AREA	July 2023		August 2023		September 2023		October 2023		November 2023		December 2023	
	Samples Complied	% Compliance	Samples Complied	% Compliance	Samples Complied	% Compliance	Samples Complied	% Compliance	Samples Complied	% Compliance	Samples Complied	% Compliance
Ndlambe Municipality	22/22	100.0%	13/18	72.2%	16/16	100%	20/22	90.9%	21/22	95.5%	22/24	91.7%
Alexandria	4 / 4	100.0%	4 / 4	100.0%	1 / 1	100.0%	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%
Bathurst	3 / 3	100.0%	2 / 3	66.7%	2 / 2	100.0%	1 / 2	50.0%	2 / 2	100.0%	2 / 3	66.7%
Bushmans River	3 / 3	100.0%			3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%
Cannon Rocks / Boknes	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%
Kenton-on-Sea	2 / 2	100.0%	0 / 2	0.0%	2 / 2	100.0%	2 / 2	100.0%	3 / 3	100.0%	2 / 2	100.0%

Kleinemonde / Seafeld	1 / 1	100.0%	1 / 1	100.0%	1 / 1	100.0%	1 / 1	100.0%	1 / 1	100.0%	0 / 1	0.0%
Port Alfred	7 / 7	100.0%	4 / 8	50.0%	5 / 5	100.0%	7 / 9	77.8%	8 / 9	88.9%	8 / 10	80.0%

- Complying samples indicates the number of samples complying with **SANS: Microbiological - Standard Limits** vs. the total number of samples collected in an area.
- The percentage compliance displayed is the percentage of all samples collected in the area falling within **SANS: Microbiological - Standard Limits**.

Tables further provide a summary of drinking water quality compliance information on monthly basis (from January 2024 – June 2024).

Water Quality Compliance Table: January 2024 – June 2024

AREA	January 2024		February 2024		March 2024		April 2024		May 2024		June 2024	
	Samples Complied	% Compliance	Samples Complied	% Compliance	Samples Complied	% Compliance	Samples Complied	% Compliance	Samples Complied	% Compliance	Samples Complied	% Compliance
Ndlambe Municipality	17/24	70.8%	18/20	90.0%	21/22	95.2%	20/21	95.2%	13/21	61.9%	21/24	87.5%
Alexandria	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%
Bathurst	3 / 3	100.0%	0 / 1	0.0%	3 / 3	100.0%	1 / 1	100.0%	2 / 2	100.0%	3 / 3	100.0%
Bushmans River	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%	3 / 3	100.0%
Cannon Rocks / Boknes	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%
Kenton-on-Sea	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%	2 / 2	100.0%

Kleinem onde /Seafeld	1 / 1	100.0%	1 / 1	100.0%	1 / 1	100.0%	0 / 1	0.0%	0 / 1	0.0%	1 / 1	100.0%
Port Alfred	3 / 10	30.0%	7 / 8	87.5%	6 / 7	85.7	9 / 9	100.0%	1 / 8	12.5%	7 / 10	70.0%

E.coli (health) (count per 100 mL) for Ndlambe Municipality.

- *Complying samples indicates the number of samples complying with **SANS: Microbiological - Standard Limits** vs. the total number of samples collected in an area.*
- *The percentage compliance displayed is the percentage of all samples collected in the area falling within **SANS: Microbiological - Standard Limits**.*

Water quality monitoring is also the most important Key Performance Areas for Environmental Health Services (Municipal Health Services). Water Quality monitoring is also set out on the municipal IDP as one of the priority areas for basic service delivery. Regular drinking water samples are taken for bacteriological and chemical analysis as per legislative mandate (SANS 0241) to establish water safeness for human consumption.

The tables below indicate compliance/failure as a result of Escherichia coli (E. coli) which is an indicator of faecal pollution by warm blooded animals (often interpreted as human faecal pollution). E.coli is responsible for infectious diseases such as gastroenteritis, cholera, dysentery and typhoid fever after ingestion of contaminated water.

Estuaries Water Quality Monitoring & Effluent Quality Monitoring

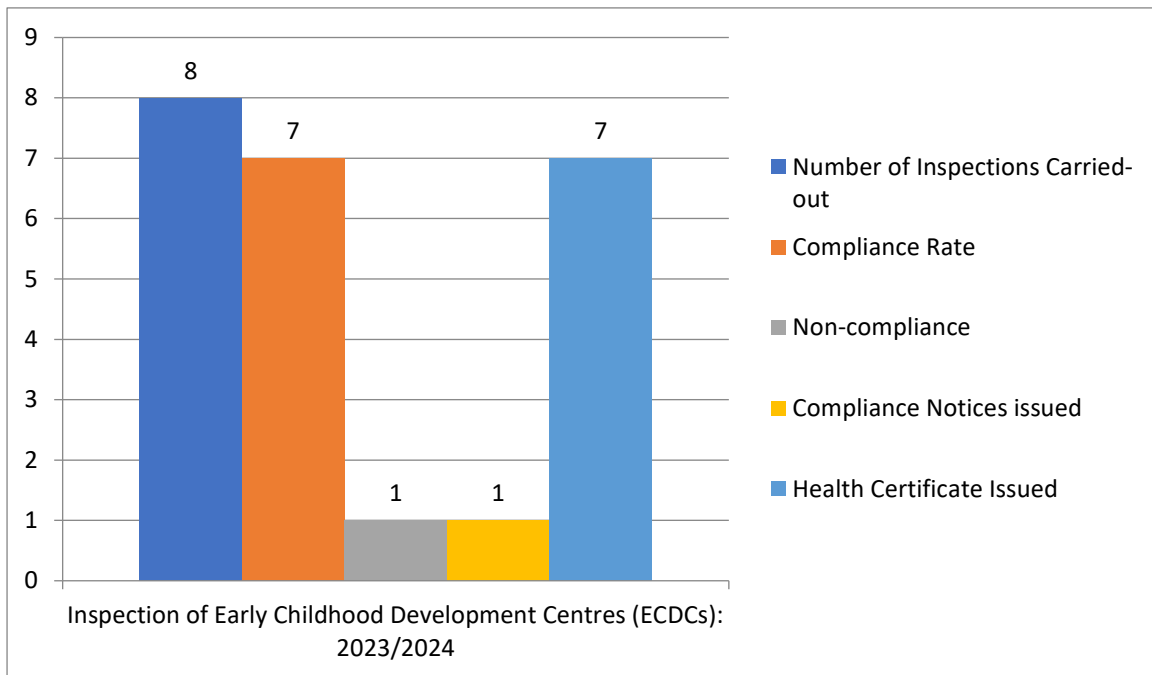
Months	Rivers Compliance for Recreational Purpose			Months	Effluent Compliance: General Authorizations		
	Rivers Collected	Samples Complied	% Compliance		Samples Collected	Samples Complied	% Compliance
July 2023	9	4	44.4%	July 2023	5	2	40%
Aug. 2023	9	7	77.7%	Aug. 2023	5	3	60%
Sept. 2023	10	7	70%	Sept. 2023	5	4	80%
Oct. 2023	10	10	100%	Oct. 2023	4	2	50%
Nov. 2023	10	8	80%	Nov. 2023	5	3	60%
Dec. 2023	10	7	70%	Dec. 2023	5	3	60%
Jan. 2024	10	9	90%	Jan. 2024	4	2	50%
Feb. 2024	10	9	90%	Feb. 2024	5	3	60%
Mar. 2024	10	6	60%	Mar. 2024	5	2	40%
April 2024	10	5	50%	Apr. 2024	5	1	20%
May 2024	10	10	100%	May 2024	4	2	50%
June 2024	10	8	80%	June 2024	4	2	50%

3.6.4 HEALTH SURVEILLANCE OF PREMISES

Health surveillance of premises falls within the scope of practice of environmental health practitioners, it is for this reason that Environmental Health Practitioners are required to carry-out inspections on the early childhood development centres, in order to ensure amongst others, the following:

- Conducting environmental health impact assessments of premises to ensure compliance with the National Environmental Health Norms and Standards for early childhood development centres;
- Assess aspects such as ventilation and indoor air quality, lighting and moisture proofing, thermal quality, structural safety and floor space;
- Assess overcrowded, dirty or other unsatisfactory health conditions on any occupied premises;
- Ensuring the prevention and abatement of any condition on any premises, which is likely to constitute a health hazard;
- Promoting health and hygiene, aiming at preventing environmentally induced diseases and related communicable diseases.

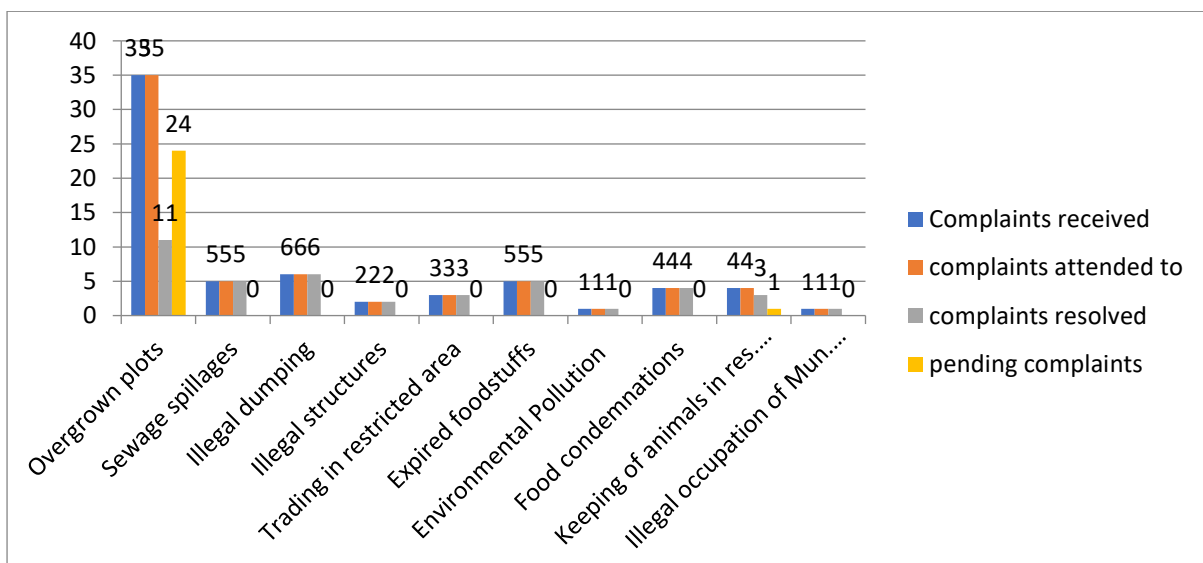
Inspection of Early Childhood Development Centres



Environmental Health Related Complaints

Environmental health is concerned with all aspects of natural and built environmental that may affect human health. Environmental health also contributes to the promotion of wellness and prevention of disease, primarily by controlling environmental factors that negatively impact on human health; it also encompasses the discipline of anticipating, recognizing, evaluating and controlling health hazards. Most of the complaints attended are the priority areas of the municipality as listed on the municipal IDP document.

The graph below illustrates environmental health related complaints received and attended to, during the 2023/2024 financial year. These environmental health related complaints were attended to, and are illustrated in the graph below:

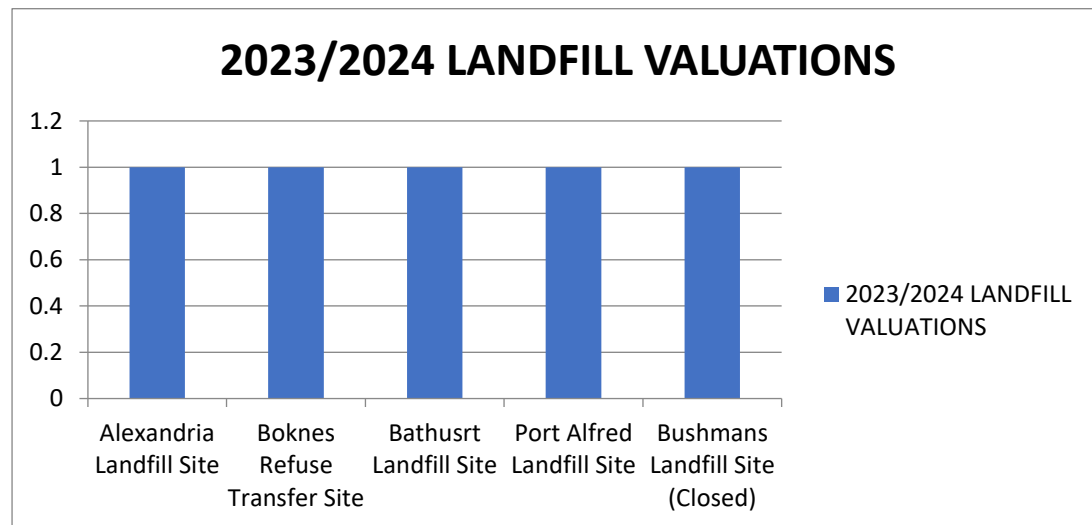


3.6.5 ANNUAL LANDFILL SITE: EXTERNAL VALUATIONS

Municipalities are required to recognize closure provisions for licensed and unlicensed waste management facilities due to legal obligations and report on these as required in terms of generally recognized accounting practice (GRAP 19).

The valuations of the municipal landfill sites were carried out by an independent service provider. Information used in compiling the valuations was mainly supplied by the Municipality, which has been supplemented by the visual inspections of the landfill sites undertaken by the service provider and municipal officials (Environmental Health Practitioners).

The chart below indicates facilities that were considered during the 2023/2024 financial year landfill valuations.



3.6.6 SECURITY SERVICES

PLACE	INCIDENT	DETAILS	OUTCOME
Ekuphumleni Library	Theft of Eskom cable connecting to Ekuphumleni library	10 metres of cable stolen	The incident was reported to the SAPS Kanton on Sea for criminal investigation
Ekuphumleni community hall	Damage to municipal property	Ablution facilities got vandalized and 8 metres of external Eskom connecting cable was stolen	The matter was reported to the SAPS Kanton on Sea by the security coordinator
Ekuphumleni community hall	Ekuphumleni residents protest	Open fire made at the door of Ekuphumleni hall	The incident took place during the special voters' days of the May 29 elections. The incident was attended to by SAPS Kanton on Sea
Cllr Ward 4 office - Ekuphumleni	Malicious damage to property arson by the protestors	A group of protestors allegedly damaged the speaker's office	A criminal case was reported to SAPS Kanton on Sea for investigation
Kanton on Sea Municipal offices	Telkom data cable ripped from the wall	A cable data was tampered with	The matter was reported to Telkom by the Security coordinator
Community and Protection Services Supervisor office – Kanton on Sea	Vagrants causing a nuisance	The vagrants were spotted sleeping at the Kanton on Sea CPS office veranda	The security coordinator had them removed and the patrolling security company was requested to assist with ad hoc checks
Waste water plant – Kanton on Sea	Protesters forced the plant open	The protesters forced the plant open; no damage was caused, and nothing was stolen	The incident was reported to the SAPS Kanton on Sea for regular patrols. The security coordinator increased the patrols
Marselle Library	Break in /house breaking and theft	The suspect broke into the library and the alarm response company responded and caught the suspect on the scene	The suspect was arrested by Hi Tec Security and the Security Coordinator. The suspect was detained at Kanton SAPS
Marselle Library	Theft of copper pipes	Copper pipe fittings were stolen	The incident was reported to SAPS Kanton on Sea for investigation and point to point beams were increased to eliminate the risk
KwaNonqubela Community Hall	Theft of electrical fittings	The hall was forced open and electrical fittings were stolen	The incident was reported to SAPS Alexandria for criminal investigation.
Wentzel Park Community Hall	Malicious damage to Property	The hall was forced open and the ablutions were damaged nothing was stolen	Guarding of premises was activated and the intruder detection system has been installed. A criminal case has been reported to SAPS Alexandria
Community and Protection Services-Port Alfred	Theft of Airconditioning wiring	Aircon wiring was found stolen at CPS offices, the incident took place during loadshedding which affected the cctv footage. The point-to-point beams were also damaged	The incident was reported to SAPS Port Alfred for investigation. Frequency of patrols has also been increased. Extra security measures taken
Customer care-Port Alfred	Malicious damage to property	A lattice door was smashed by a mentally disturbed person.	A criminal case was reported to SAPS for investigation
Customer care – Port Alfred	Malicious damage to property	A lattice door was smashed by a mentally disturbed person	A criminal case was opened for investigation, one African male suspect was arrested by SAPS Port Alfred
Civic centre-Port Alfred	Theft of the air conditioner	A suspect was arrested by a private security service provider in	The suspect was detained as per SAPS Port Alfred

SECURITY RELATED ACTIONS	TOTAL
Patrols conducted on all Municipal properties	473
Security Incidents	23
Security audits conducted -Ndlambe East	36
Security audits conducted -Ndlambe West	42
Internal incidents investigated	6
Security awareness conducted	16
Municipal property recovered	4
Assets provided with physical security guards	19

3.6.7 TRAFFIC SERVICES

REPORT - MOTOR VEHICLE REGISTERING AUTHORITY (MVRA) 2023/2024

	Trx	Amount
Temporary permits issued	34	R3 570.00
Temporary permits (blank) issued	7	R7 350.00
Special permits issued	2	R162.00
Registration and deregistration of vehicles	1 656	R196 095.30
Duplicate registration and deregistration certificates issued	101	R138 561.00
Licencing of vehicles	8 459	R4 071 926.78
Allocated personal number plates	11	R2 376.00
Transaction fee	5 062	R364 464.00
TOTAL FEES COLLECTED BY RA		R4 784 504.78
TOTAL AGENCY FEES (NDLAMBE)		R971 303.26
TOTAL PROVINCIAL FEES		R3 448 748.16
RTMC FEES		R364 464.00

The Motor vehicle Licencing and Registration section collected a total of **R971 303.26** for the financial year 2023 / 2024

REPORT - DRIVING LICENCE TESTING CENTRE (DLTC)

	Trx	Amount
Application for Learner Licences	809	R172 317.00
Application for PrDP	782	R84 456.00
Application for Heavy Motor Vehicle tests	139	R47 955.00
Application for Light Motor Vehicle tests	80	R23 520.00
Duplicate Learner Licences issued	19	R3 420.00
Issued Driving Licences	3 645	R710 856.00
Issued Learner Licences	265	R18 285.00
Issued Temporary Driving Licences	1 673	R152 160.00

The Driving Licence Testing Centre section collected a total of **R1 212 969.00** for the financial year 2023 / 2024.

REPORT - LAW ENFORCEMENT (TCS)

Income collected by TCS		R143 350.00

The Law Enforcement section collected a total of **R143 350.00** for the financial year 2023 / 2024.

TOTAL INCOME BY MVRA		R971 303.26
TOTAL INCOME BY DLTC		R1 212 969.00
TOTAL INCOME BY TCS		R143 350.00

INCOME GENERATED BY THE TRAFFIC DEPARTMENT: R2 327 622.26

3.6.8 FIRE AND EMERGENCY SERVICES

NUMBER OF VEHICLES	AREA /MUNICIPAL	CURRENT TOTAL	AGE AND CONDITION	TOTAL REQUIRED	ESTIMATED COST
Major Fire Pumpers	3	3 OOC	FAIR	3	5 400 000
Medium Pumper Fire Engines	3	2	GOOD	1	1 500 000
Light Rescue vehicles	2	2	NEW	0	0
Heavy Duty Rescue	1	0	N/A	1	1 500 000
LDV Fire Skid units	4	3 (100C)	1FAIR/ 2 GOOD/ 1NEW	0	0
Firefighting trailers	7	3	YEAR 2005 FAIR	4	80 000
Water Tankers	2	1	NEW	1	1 800 000
Hazmat trailer / vehicle	1	1	FAIR	0	0
Hydraulic Platforms	0	0	N/A	0	0
Turntable Ladders	0	0	N/A	0	0
OTHER: JOC	1	1	GOOD	0	0
TOTAL	24	9 and 5 trailers		10	8300000
FIRE SERVICES VEHICLES	TYPE	NUMBER	SINCE WHEN		
Vehicles involved in Accidents	0	0	N/A		
Vehicles Out of Commission	MAJOR PUMPER LDV GRASS UNIT	3 1	2020 2021		
TOTAL	0	4			
BUILDINGS / FIRE STATIONS	CURRENT	REQUIRED	ESTIMATED COSTS		
Location of fire stations	P/ALFRED / BUSHMANS	3			
No. of fire stations (Includes	2	3	50 000 (Using an existing building)		

Satellites)					
TOTAL	2	3	50 000		
TRAINING & DEVELOPMENT OF STAFF	ALL STAFF TRAINED TO DATE (NOT ONLY DURING THIS QUARTER)				
Number of staff trained in:	FIRE FIGHTER 1	FIRE FIGHTER 2	HAZMAT OPERATIONS	HAZMAT AWARENESS	BASIC AMBULANCE ASSISTANT /LEVEL 3
TOTAL	21	20	20	21	21
CATEGORY	1st Quarter July - September 2023	2nd Quarter October - December 2023	3rd Quarter January - March 2024	4th Quarter April - June 2024	Grand Total 2023/2024
IN- SERVICES TRAINING TO FIRE STAFF	104	61	53	97	315
<u>Specify subjects covered</u> (e.g. ropes/ship/aircraft firefighting/hazmat)	Fire Simulations and Equipment usage	Fire Simulations and Equipment usage	Fire Simulations and Equipment usage	Fire Simulations and Equipment usage	
Number of hours i.r.o theoretical and practical	208	122	106	194	630
TOTAL	104	61	53	97	315
FORMAL TRAINING BY FIRE STAFF	1st Quarter July - September 2023	2nd Quarter October - December 2023	3rd Quarter January - March 2024	4th Quarter April - June 2024	Grand Total 2023/2024
Specify type of training (Eg. FF1/FF2/BAA/Haz mat etc.) aviation)	0	0	High Angle 1&2, Vehicle Extrication, Adv Fire Prevention & Aviation	High Angle 1&2, Vehicle Extrication, Adv Fire Prevention & Aviation	
Number of Staff Trained during	0	0	8	6	

theQuarter					
TOTAL	0	0	8	6	14
AWARENESS AND TRAINING	1st Quarter July - September 2023	2nd Quarter October - December 2023	3rd Quarter January - March 2024	4th Quarter April - June 2024	Grand Total 2023/2024
Number of civilians made aware	58	18	350	517	943
Specify the type of institutions visited (e.g. Old age home/Hospital / Clinic / Factory / Govt. buildings / Library etc.)	Industrial	Commercial	Commercial	Institutional	
Number of children and teachers made aware	261	25	48	76	410
Number of schools covered	6	2	1	3	12
TOTAL	325	45	399	596	1365
FIRE SAFETY (number of inspections conducted)	1st Quarter July - September 2023	2nd Quarter October - December 2023	3rd Quarter January - March 2024	4th Quarter April - June 2024	Grand Total 2023/2024
General Inspections	164	151	114	147	576
Flammable Liquid	20	9	13	25	67
Building Plans	68	58	57	90	273
Fire Hydrants (specify the area)	240	209	190	204	843
Burning Permits Issued	24	11	9	22	66

3.6.9 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

- Disaster Management is a competency of Sarah Baartman District Municipality. A Disaster Co- Ordinator position exist under the District Municipality (servicing Ndlambe / Makana) with a satellite office at the Bushmans Integrated Emergency Centre outside Boesmansriviermond (by end June 2024 the position is vacant)
- There is a Contractual position of a Dog / Animal Control Officer that deal with Public Nuisance & Keeping of Animals By-law/
- Licensing of domestic animals (dogs and cats) will be rolled out in the 2025/2026 financial year.

- There is a Bylaw Compliance Officer that enforce all Municipal By-laws including the Public Nuisance by-law.
- Public Nuisances are shared between Bylaw Compliance Officer, Dog / Animal Control Officer, Environmental Compliance, Environmental Conservation and Environmental Health sections.
- There are currently 3 Environmental Management Inspectors (EMI's) as part of the Ndlambe Community Protection Services team and the Conservationist undertook EMI training on October 2023.

3.6.10 BY-LAW COMPLIANCE

July 2023

- Vehicle Patrols Conducted Area Boknes, Alexandria and Marselle- Illegal Dumping Hotspot Areas Patrols
- Complaint Received and Attended Spoeikop Fram, Commercial Cattle Involved with Truck, SAPS OB NO 125/07/2023, Stray Cattle Brought by Skylark Property Truck from their Property
- Stray Cattle Impounded SAPS OB NO: 253/07/2023
- Stray Cattle impounded SAPS OB NO: 291/07/2023
- Stray Cattle impounded SAPS OB NO: 907/07/2023
- Stray Cattle Impounded Fine and Amount Paid: Total: R13 376.50

August 2023

- Patrols Conducted in All Hotspot Cattle Area's Around Ndlambe Towns including R72 / R343
- Illegal Dumping Hotspot Area Visit and Monitoring at Bathurst which has becoming a Problem
- Complaint Received and attended, Vandalism Municipal Property Cas Of Malicious Damage to Property Opened two (2) Perpetrators/Suspect Arrested and Detained at Port Alfred Police holding Cells
- Complaint Received and Attended; Public Nuisance from Kenton Liquor trading Outlets (Taverns)
- Stray Cattle Impounded SAPS OB NO 347/08/2023
- Stray Cattle Impounded SAPS OB NO 877/07/2023
- Stray Cattle impounded SAPS OB NO 1595/08/2023
- Stray Goat impounded SAPS OB NO 1890/08/2023
- Stray Cattle Impounded SAPS OB NO 1783/08/2023
- Stray Cattle Impounded Fine and Amount: TOTAL R 10 354.30

September 2023

- Routine Patrols Conducted Bathurst Including Kapriver for Possible Stray and Possible Bylaw Contravention
- Route Patrols Conducted at Area Boknes and Cannon rocks for any Bylaw Contravention including any possible Illegal Dumping in the Area
- Complaint received and Attended Overflow from Neighbor at Bathurst ERF
- Visit of Marselle Township Piggery issue between Sponsor (Kariega) and Residents
- Meeting attended LED Offices with Alex Foot patrollers, Progress and Challenges
- Meeting held Bathurst and attended, public participation Tavern Owners [operating hours]
- Meeting Held Nemato township at Engubo creche Concerned Liquor Trading Bylaws
- Meeting held and attended Alexandria Led Offices, Liquor trading hours information
- Stray Cattle Vehicle Patrols on the R343 Towards Woodlands

October 2023

- Illegal Dumping Complaints Attended, Public Nuisance including newly established Illegal Dumping's in Area Nemato
- Routine Patrols on the R343 and R72
- Fine: Issued Contravention of section 39(a) local Authority act 142 of 2006 Notice issued, Compliance Notice 0001
- Local Spaza Shops Visited and Compliance Notices Issuing
- Stray Cattle impounded- 0
- Commonage Inspection and Visit Kruisfontein Commonage Alex and Ngxangani Commonage Bathurst

December 2023

- Vehicle Patrols Conducted and Monitoring Illegal Dumping Sites around Area including Industrial Area (Bushman's) which is becoming a Challenge as the Dumping Happened After Hours By Construction Vehicles
- Monitoring Street Traders and removing them from Illegal Spot to designated street trading Spot KOWIE CBD
- Ndlambe Beach Patrols and Kranz visit Entertainment Area for Illegal Fires and any Contravention of Municipal Bylaws, Landfill Site Visit, Commonage Visit and Pound Visit
- Event Planning Meeting Attended (Swimming event) Taking place at Kowie River including foot patrols possible bylaw contravention
- Complaint received and attended Illegal Woodseller in the residential Area, was removed and advised to apply for trading permit, attending open fires towards Guidos sport bar
- Ecawa Music Festival event Monitoring, no complaint either incident reported, only following day were Field was not Cleaned in time due to organizer and workers dispute,
- Cattle accident reported no serious injuries, hit and run Vehicle
- Stray Cattle impounded: 0

January 2024

- Stray Cattle Monitoring Kenton on sea R343 and Bathurst R67 including vehicle patrols at Kleinemonde Area for possible Bylaws contravention
- Guidos car Park Monitoring for possible illegal street trading and beach patrols for open fires, Illegal Dumping Monitoring at Boknes, Pound Visits in Alex Pound
- Public nuisance Complaint attended fine issued: Control no 60/00402 /617 001481
- Stray Cattle impounded SAPSOB NO:204/01/2024
- FOOTPATROLS AT Bathurst R67 Route, and all Cattle hotspot
- Stray cattle fine and Amount: Total: R7 636

February 2024

- Monitoring of illegal dumping at Alexandria Area, Wentzel park and Kwanonqubela location,
- Challenge of waste and illegal dumping notice board theft in Port Alfred and Bathurst for Scrap METAL purpose
- Keeping of animals in residential area Compliance Notice issue no 32 Goniwe Street warning issued
- Contravention of public Amenity, fine issued notice no:60/800403 /617/001
- Stray cattle impounded SAPS OB NO1148/02/2024
- Stray Cattle impounded SAPS OB NO 1677/02/2024
- Stray Cattle impounded fine and Amount: Total R 4 671.60

May 2024

- Stray Cattle callout, attended and Vehicle Patrols Klipfontein R72 proceed to Boknes turn off
- Routine Vehicle Patrols in Nemato township Monitoring Illegal Dumping hotspot Area, Visit of Landfill site
- Complaint received and Attended Illegal Demarcation of sit /Plots at Ekuphumleni

- Stray Cattle impounded SAPS OB NO 434/05/2024
- Stray Cattle Impounded SAPS OB NO 663/05/2024
- Stray Cattle impounded SAPS OB NO 2056/05/2024
- Stray Cattle impounded SAPS OB NO 2103/05/2024
- Routine Patrols at and Pound Visit, checking and inspection of pound registers
- Stray Cattle impounded Fine and Amount: Total R8 486.23

June 2024

- Illegal Dumping Complaints and monitoring Illegal Dumpings at Station hill Opposite SPCA, Vehicle patrols conducted Kowie Area for Illegal Street Traders around Town
- Stray Cattle Monitoring Cattle Hotspot Area, Warfstreet, R67 and Thornhill Area
- Challenge of Stray Cattle in Bathurst due to Commonage amin gate being Hit and Destroyed by Local Residents who drive around with Quadbikes in the Commonage
- Vehicle Patrols Kenton on Sea R434 and R72 and Monitoring Illegal Dumping that has became a challenge on the R343
- Meeting Attended of Animal about information sharing on Livestock Auction and Tagging of Animals at Overberg, organized by DRDAR
- Visit at pound, challenges is camps and kraal need attention, rebuilding of new kraal to take place
- Vehicle patrols and visit on Spaza shop, checking expired dates on food and other
- Stray Cattle impounded SAPS OB NO 877/06/2024
- Stray Cattle impounded SAPS OB NO 1783/06/2024
- Stray Cattle impounded fine and Amount: Total R9 105.67

DOG / ANIMAL CONTROL

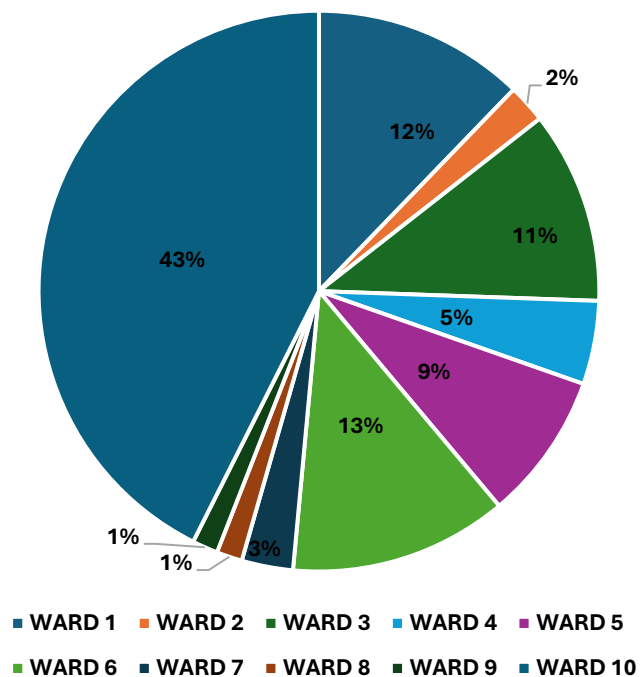
By-Law and Non-By-Law Related – (Reactive)

WARD Nº	Complaints Attended	Warnings Issued	Fines Issued	Notices to Remove Dogs Issued	Notices Issued for Destruction of Dogs Issued	Case Opened for None- Compliance
1	5	2	2	1	-	-
2	5	2	-	-	-	-
3	11	-	-	-	-	-
4	2	-	-	-	-	-
5	15	1	-	1	-	-
6	15	3	-	2	-	-
7	6	2	-	-	-	-
8	4	-	-	-	-	-
9	3	-	-	-	-	-
10	50	11	-	1	2	1
TOTAL	116	21	2	5	2	1

Serious – By-Law Related Complaints

WARD Nº	Barking Complaints	Roaming Complaints	Cat Complaints	Other Complaints	Dogs Loos on The Beach	Dog Bites/Attack Incidents on The Beach	Dog Attacking Dog/Cat	Dogs Attaching Livestock
1	5	17	-	1	4	-	-	1
2	-	1	-	-	-	-	-	-
3	1	12	-	3	3	-	-	-
4	-	-	-	-	7	3	1	-
5	4	1	-	-	-	-	-	3
6	6	4	1	1	3	3	1	-
7	-	-	-	-	-	-	2	-
8	-	-	-	-	-	-	-	-
9	-	-	-	1	-	-	-	-
10	19	26	1	5	8	-	6	-
TOTAL	35	61	2	11	25	6	10	4

TOTAL COMPLAINTS



Problem Pitbull's and other Dangerous Dogs

Wards №	Number of dogs	Warnings Issued	Fines Issued	Notice to Destruct	Case Opened
1	13	2	2	-	-
2	58	2	-	-	-
3	51	4	-	-	-
4	14	3	-	-	-
5	22	-	-	-	-
6	79	9	-	-	-
7	15	-	-	-	-
8	1	-	-	-	-
9	12	-	-	-	-
10	65	6	-	2	1
Total	330	26	2	2	1

Reported Dog Bites/Attack on Humans

Wards №	
1	1
2	1
3	3
4	1
5	1
6	3
7	4
8	2
9	2
10	4
TOTAL	22

Wildlife

Type	Specie	Quantity
Marine Reptiles	Green Turtle	1
	Loggerhead Turtle	1
Marine Mammals	Sub Arctic Seal	1
	Cape Fur Seal	1
Marine Birds	African Penguin	2
	Cape Gannet	2
	Shooty43 Shearwater	1
Reptiles	Rinkhas	1
	Puff Adder	8
	Brown House Snake	2
	Cape Cobra	3
	Re- Lipped Herald	1
	Leopard Tortoise	9
	Angulate Tortoise	1
Mammals	Common Duiker	2
	Bushbuck	1
	Hippopotamus	3
	Batoon	2
	Vervet Monkey	1
TOTAL		43

Pro-Active Work

WARD Nº	Beach Patrols (On Foot)	Patrols (Visible/Vehicle)	Education
1	28	32	✓
2	-	32	✓
3	28	33	✓
4	28	33	✓
5	-	30	✓
6	22	33	✓
7	-	35	✓
8	-	35	✓
9	-	35	✓
10	28	34	✓
TOTAL	134	332	✓

Inspections (To keep more than two dogs, cats or other animals) in Terms of Prevention of Public Nuisances and Keeping of Animals By-Law

WARD Nº	Approved	Declined	Reason
1	1. To keep 3 dogs. 2. To keep 4 dogs.	3. To keep 5 dogs.	Dogs has bitten a person before and dogs keep on getting out of their property.
3	-	1. To keep 7 dogs.	Continues complaints relating to barking, breeding, the smell of faeces and flies.
5	1. To keep 3 dogs. 2. To keep 5 dogs, chickens and geese. 3. To keep 3 dogs, 5 cats 4 parrots and chickens. 4. To keep 4 dogs.	5. To keep more than <u>30</u> dogs on the property. 90 Days grace granted to find homes for the dogs.	Cause to be a nuisance to homeowners in the area. Another homeowner cannot sell their property due to the noise and the fact that there is a no-kill shelter in the area. Property also not zoned for an animal sanctuary.
6		1. To keep 7 dogs.	Dogs has bitten people before. They continue to get out of the property and also causes to be a nuisance and danger to homeowners and pedestrians in the area.
TOTAL	6	4	

WARD Stray Dogs Collect and Take To SPCA

WARD Nº	
6	6

9	2
10	14
TOTAL	22

WARD Nº	Signage Erected Relating to Curb Dogs On The Beach	Total Signs
1	Boknes	2
	Cannon rocks	6
3	Bushman's River	4
4	Kenon-On-Sea	8
6	Fish River Cottages	2
	Kleinemonde	1
	Riet River	1
10	Port Alfred	6
	TOTAL	28

3.6.11 ORGANISATIONAL SCORECARD

The 2023/2024 Annual Performance Report (APR) of Ndlambe Local Municipality encompasses performance information covering the period from 1 July 2023 to 30 June 2024 and concentrates on the execution of the Service Delivery and Budget Implementation Plan (SDBIP), in relation to the strategic objectives articulated in Ndlambe Municipality's Integrated Development Plan (IDP) for the 2023/2024 fiscal year. Performance Management serves as the apparatus for assessing the extent to which the established targets aligned with strategic objectives have been achieved. The report provides a detailed analysis of the Municipality's Key Performance Indicators (KPIs) corresponding to each municipal Key Performance Area (KPA), thereby reflecting on the overall effectiveness and efficiency of service delivery initiatives within the Municipality. The APR 2023/2024:

Ndlambe Local Municipality
ANNUAL PERFORMANCE REPORT 2023/2024

Internal Ref. Indicator Code	Responsible Director	Requesting Directorate	KPI Name	Strategic Objective	Baseline	Quarter ending September 2023						Quarter ending October 2023						Quarter ending March 2024						Quarter ending June 2024						Overall Performance for Quarter ending September 2023 to Quarter ending June 2024	
						Target	Actual	A	Performance Comments	Target	Actual	A	Performance Comments	Target	Actual	A	Performance Comments	Target	Actual	A	Performance Comments	Target	Actual	A	Performance Comments	Target	Actual				
2.2.2.2	Director: Community Protection Services	Community and Protection Services	4. Number of thermal headboards with access to water removed as per schedule	Provide sustainable, efficient, and effective, affordable and affordable services to all our citizens	21,708.20	21,000	21,628.20	0	Director: Community Protection Services Regional Operational (July - August 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	21,000	21,653.4	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	21,000	21,628.20	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	21,000	21,653.4	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	21,000	21,653.4	0			
2.2.2.3	Director: Community Protection Services	Community and Protection Services	5. Number of appliances to be placed in the shared apartment	Provide sustainable, efficient, and effective, affordable and affordable services to all our citizens	7	6	7.0	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	6	6	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	6	7.0	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	6	7.0	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	6	7.0	0			
2.2.2.4	Director: Community Protection Services	Community and Protection Services	6. Number of houses with full size flag	Develop a water supply growing employment generating economy based on tourism, agriculture, waste management and energy technologies	2,100	0	0	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	2	2	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	2	2,100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	2	2	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	2	2,100	0			
2.2.2.5	Director: Community Protection Services	Community and Protection Services	7. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	60	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	75	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.6	Director: Community Protection Services	Community and Protection Services	8. Number of buildings with access to water	Provide the natural landscape environment, cultural heritage, and tourism	4	0	0	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	5	4	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	5	4	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	5	4	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	5	4	0			
2.2.2.7	Director: Community Protection Services	Community and Protection Services	9. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100.00%	100.00%	100.00%	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100.00%	100.00%	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100.00%	100.00%	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100.00%	100.00%	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100.00%	100.00%	0			
2.2.2.8	Director: Community Protection Services	Community and Protection Services	10. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.9	Director: Community Protection Services	Community and Protection Services	11. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.10	Director: Community Protection Services	Community and Protection Services	12. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.11	Director: Community Protection Services	Community and Protection Services	13. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.12	Director: Community Protection Services	Community and Protection Services	14. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.13	Director: Community Protection Services	Community and Protection Services	15. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.14	Director: Community Protection Services	Community and Protection Services	16. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.15	Director: Community Protection Services	Community and Protection Services	17. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.16	Director: Community Protection Services	Community and Protection Services	18. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.17	Director: Community Protection Services	Community and Protection Services	19. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.18	Director: Community Protection Services	Community and Protection Services	20. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.19	Director: Community Protection Services	Community and Protection Services	21. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.20	Director: Community Protection Services	Community and Protection Services	22. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.21	Director: Community Protection Services	Community and Protection Services	23. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.22	Director: Community Protection Services	Community and Protection Services	24. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.23	Director: Community Protection Services	Community and Protection Services	25. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.24	Director: Community Protection Services	Community and Protection Services	26. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.25	Director: Community Protection Services	Community and Protection Services	27. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.26	Director: Community Protection Services	Community and Protection Services	28. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.27	Director: Community Protection Services	Community and Protection Services	29. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.28	Director: Community Protection Services	Community and Protection Services	30. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.29	Director: Community Protection Services	Community and Protection Services	31. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.30	Director: Community Protection Services	Community and Protection Services	32. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.31	Director: Community Protection Services	Community and Protection Services	33. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.32	Director: Community Protection Services	Community and Protection Services	34. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.33	Director: Community Protection Services	Community and Protection Services	35. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.34	Director: Community Protection Services	Community and Protection Services	36. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.35	Director: Community Protection Services	Community and Protection Services	37. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.36	Director: Community Protection Services	Community and Protection Services	38. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.37	Director: Community Protection Services	Community and Protection Services	39. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.38	Director: Community Protection Services	Community and Protection Services	40. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Target met (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Target met (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Target met (April - June 2024)	Director: Community Protection Services No corrective measures as Target met.	100	100	0			
2.2.2.39	Director: Community Protection Services	Community and Protection Services	41. Number of houses with access to water	Provide the natural landscape environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July																						

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[illegible][illegible][illegible]

CHAPTER 4: ORGANISATIONAL DEVELOPMENT

4.1 COMPONENT A: ORGANISATIONAL DEVELOPMENT

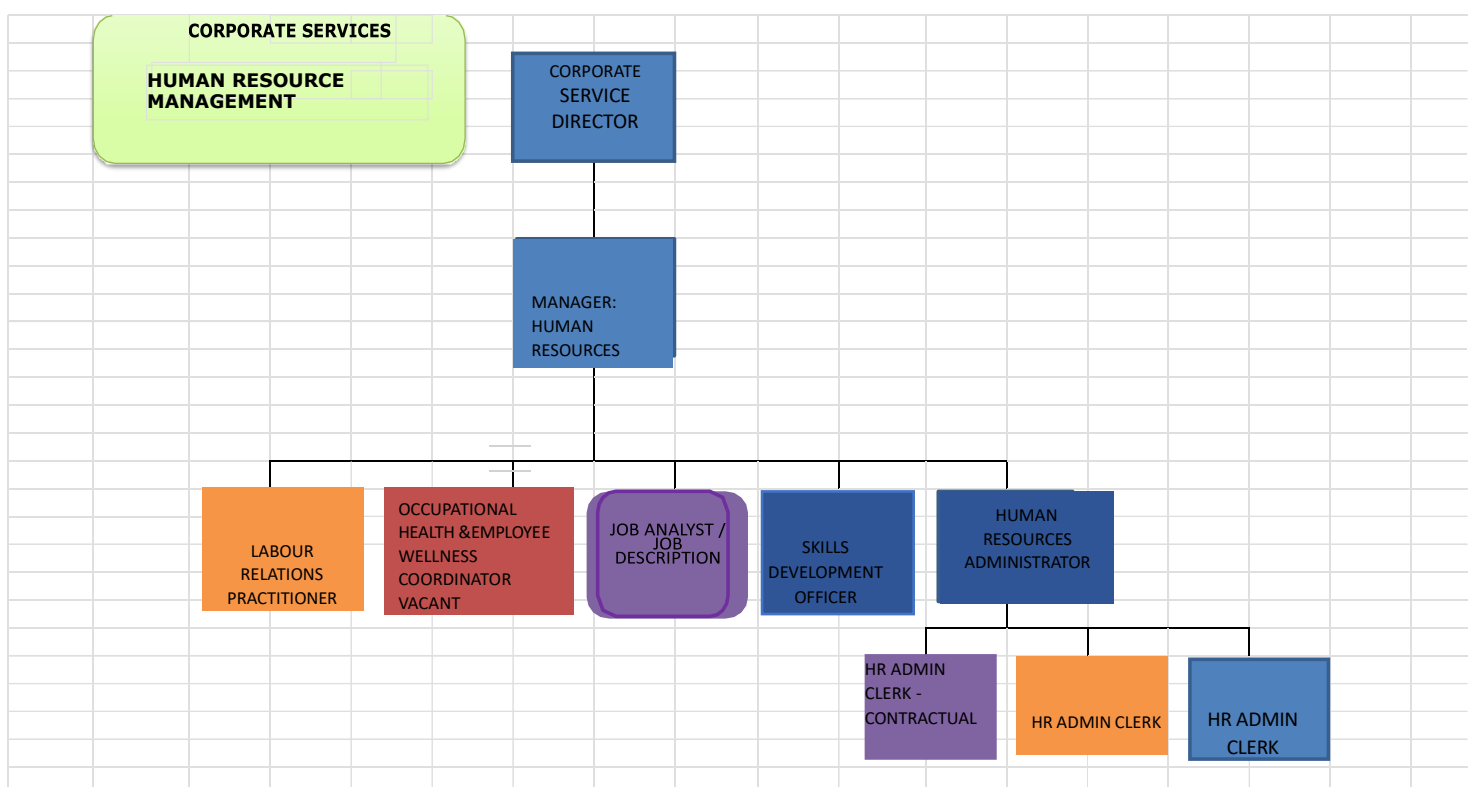
4.1.1 INTRODUCTION TO HUMAN RESOURCE SERVICES

Ndlambe Municipality employs approximately 505 people who currently account for more than 35% of the local municipality's overall budget. It should be understood that people are not only an organisation's most valuable assets, they are the organization. Without them nothing will happen. The staff should be seen and treated as the organisation's customers-it therefore becomes the duty of the municipality to work towards making them successful.

Critical to people management is management of their performance through not only goal setting but also regular performance reviews which is championed by the Office of the Municipal Manager. Of importance in Human Resource Management is the investment in the training of staff-the more staff know the more value will the Municipality be able to add to its customers.

Lastly the Municipality through Human Resources has to develop mechanisms to measure absenteeism and staff turnover so as to ensure that the people management process is working optimally through the PayDay System. The effective and strategic management of human resources therefore becomes the cornerstone of the wider transformation of the Local Government Service.

To survive and to remain a key player in sustainable development the municipality thus has to develop measures that will ensure a strategic human resource management approach. The Municipality has an adopted Organisational Structure.



4.1.2 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees: Human Resources Services					
	Year -1	Year 0			
Job Level	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Sec 56	1	1	1	0	0
Sec 57	5	5	5	0	0
Task Grade 10 – 16	74	90	74	16	17

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	37	37	37	0	0
Wastewater (sanitation)	28	30	28	2	
Electricity	3	3	3	0	
Waste Management (Refuse and Street Cleaning)	63	70	63	7	
Parks and Recreation, Beaches, Nature Conservation and Reserves Management	47	57	47	10	
Housing	9	10	9	1	
Roads and Wastewater (stormwater drainage)	109	115	109	6	
Mechanical and Workshop	8	8	8	0	0
Town Planning & Building Control	11	13	9	2	
Local Economic Development	4	6	4	2	
Planning (strategic and Regulatory)	0	0	0	0	0
Community and Social Services	49	50	49	1	
Environmental Protection / Health	3	3	3	0	0
Special Programmes	1	4	1	3	
Corporate Policy Offices and Other	105	124	105	19	

Vacancy Rate: Year 2022/23			
Designations	Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Post)	3	3	0
Other S57 Managers (Finance Post)	0	0	0
Fire Fighters	17	0	0
Senior Management levels 13 – 17 (excluding Finance Post)	19	4	21
Senior Management levels 13 – 17 (Finance Post)	5	2	40
Highly skilled supervision: levels 9 – 12 (excluding Finance posts)	17	0	0
Highly skilled supervision: levels 9 -12 (finance posts)	15	2	13
Internal Audit Staff: (Levels 9– 12)	3	0	0

COMMENT ON VACANCIES AND TURNOVER:

The critical positions mentioned in the above column are filled which positively reflect the stability of the Municipality and the functioning of the Retention Strategy of Ndlambe Municipality. However, other terminations in lower positions are as a result of resignations, deaths, retirements and dismissals.

4.2 COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2.1 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Council has reviewed and adopted policies including new policies have been developed. The process of policy development is on-going or as the needs arise. It must be noted that the engagement process in consultation with labour at the Local Labour Forum meetings and with the working session with the Councillors in policy development has led to the final adoption of the policies. Local Labour Forum sits quarterly to discuss issues of mutual interest between the employer and organised labour. When the Local Labour Forum does not sit a memorandum of agreement is signed by the Employer and Organised Labour. This forum is very critical as it maintains stability in the institution.

4.2.2 POLICIES

Ndlambe Municipality currently has the following Human Resources Policies in place:

No.	Policy	Custodian(s) / Responsible person
1	Allowances Policy	Corporate Services
2	Bereavement Policy	Corporate Services
3	Employee Wellness Policy	Corporate Services
4	Labour Relations Policy	Corporate Services
5	Leave Policy	Corporate Services
6	Occupational Health & Safety Policy	Corporate Services
7	Overtime Policy	Corporate Services
8	Private Work (Code of Conduct) Policy	Corporate Services
9	Remuneration Policy	Corporate Services
10	Recruitment and Selection Policy	Corporate Services
11	Essential User Car Scheme Policy	Corporate Services
12	Study and Capacity Building Policy	Corporate Services
13	New Policy Disciplinary Procedure Agreement	Corporate Services
14	Motor Vehicle Allowance	Corporate Services
15	Policy On Casual or Contract Workers	Corporate Service
16	Grievance Policy	Corporate Services
17	Attendance and Punctuality Policy	Corporate Services
18	Relocation Policy	Corporate Services
19	Retention and scarce skills Policy	Corporate Services
20	Smoking Policy	Corporate Services
21	Substance abuse Policy	Corporate Services
22	Job Evaluation Policy	Corporate Services
23	Chronic illness Policy	Corporate Services
24	Sexual Harassment Policy	Corporate Services
25	COVID-19 Ready Workplace plan and return to work policy	Corporate Services
26	Data allowance Policy and Procedures for Audit Committee member	Corporate Services
27	Training, Education and development Policy and Skills Development Plan for Councillors	Corporate Services
28	Stand-by, Shift and night work allowance policy	Corporate Services
29	Telephone policy	Corporate Services
30	Anti – Corruption and fraud prevention Policy	Corporate Services
31	Whistle blowing Policy	Corporate Services
32	Appointment of Senior Manager's Policy	Corporate Services
33	Post-Retirement Medical Subsidy Policy	Corporate Services
34	Danger Allowance Policy	Corporate Services

35	Mayor's External Bursary Policy	Corporate Services
36	Cellphone Allowance and Date card policy	Corporate Services
37	Termination of Services Policy	Corporate Services
38	Promotion, Transfer, Secondment and Acting appointment policy	
39	Skills development Policy	Corporate Services
40	Private Work and Declaration of Interest Policy	Corporate Services

4.2.3 INJURIES, SICKNESS AND SUSPENSIONS

COMMENT ON INJURY AND SICK LEAVE:

The use of injury on duty leave has been low as the injuries sustained during the year were not gross in nature. Nine cases were reported to the Compensation Fund for injuries. Two employees were dismissed for serious misconduct which involves theft and conflict of interest. On the other hand, the use of sick leave has proven to be high due to lifestyle diseases amongst other things however, the wellness programmes continue to mitigate this problem. Furthermore, there are various reasons to this, and they could be ill-health as there are chronic illnesses and also the abuse of sick leave. There has been one suspension of an employee and the matter was concluded.

Financial Competency Development: ProgressReport*						
Description	A. Total Number of officials employed by municipality (Regulations 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and(c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation14(4)(b) and (d))	Consolidated: Total number ofofficials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number ofofficials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Senior Managers	3	0	3	3	3	3
Any other Officials	11	0	0	11	0	0
Supply Chain Management Officials	3	0	0	3	0	0
Heads of supply chain management units	1	0	0	1	0	0
Supply chain management Senior Managers	0	0	0	0	0	0
TOTAL	19	0	5	19	5	5

4.3 COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.3.1 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The municipality recognises the investment in human capital through capacitation of staff. Annually the Workplace Skills Plan is developed and submitted to the Local Government Seta. The plan contains the capacity building programmes for its Councillors and workforce.

TRAINING AND DEVELOPMENT: COUNCILLORS

NAME & SURNAME	TYPE OF LEARNING PROGRAMME	NAME OF LEARNING PROGRAMME
Cllr A Marasi	Learnership	MFMA
Cllr S Kolosa	Bursary	Diploma in Local Government
Cllr A Nyumka	Bursary	Bachelor of Public Administration
Cllr X Runeli	Bursary	Higher Certificate in Paralegal Studies
Cllr M Sweli	Bursary	Postgraduate in Public Management
Cllr A Bukani	Skills Programme	Local Government Councillor Practice NQF Level 3
Cllr A Bukani	Skills Programme	Local Government Councillor Practice NQF Level 3
Cllr EHK Walker	Skills Programme	Local Government Councillor Practice NQF Level 3
Cllr ZW Myali	Skills Programme	Local Government Councillor Practice NQF Level 3
Cllr MW Mgweba	Skills Programme	Local Government Councillor Practice NQF Level 3
Cllr SI Melani	Skills Programme	Local Government Councillor Practice NQF Level 3
Cllr M Sweli	Skills Programme	Local Government Councillor Practice NQF Level 3

EMPLOYEE TRAINING REPORT:

NAME & SURNAME	TYPE OF LEARNING PROGRAMME	NAME OF LEARNING PROGRAMME
1. Patrick Jokani Building Inspector	Bursary	Bachelor of Commerce
2. Simphiwe Daniso Committee Officer	Bursary	Bachelor of Public Administration
3. Khanyisa Kani Executive Secretary Municipal Manager	Bursary	Higher Certificate in Local Government and Development Management
4. Siena Hendricks Traffic Officer/Grade B Examiner	Bursary	National Diploma Traffic Safety and Municipal Police

5. Diane May Deputy Director Finance	Bursary	BCOMPT in Financial Accounting
6. Siyasanga Ngubo Contracts Clerk	Bursary	BCom in International Supply Chain Management
7. Simamkele Mbenga- Smaile Manager Supply Chain Management	Bursary	MBA
8. Sonwabile Landzela Manager Internal Auditor	Bursary	Post Graduate Diploma in Forensic Auditing
9. Zander Strydom eNaTIS Administrator	Skills Programme	eNaTIS Registration & Licensing Course
10. Mzongwana Boy-Boy Xabendlini General Worker	Skills Programme	eNaTIS Registration & Licensing Course
11. Yamisa Plaatjie General Worker	Skills Programme	eNaTIS Registration & Licensing Course
12. Bongani Mbabela Weed Eater Operator	Skills Programme	eNaTIS Registration & Licensing Course
13. Ntombina Mayinje Cleaner	Skills Programme	eNaTIS Registration & Licensing Course
14. Lindsay Hilpert Meter Reader	Skills Programme	eNaTIS Registration & Licensing Course
15. Vuyiswa Hanise Clerk	Skills Programme	eNaTIS Registration & Licensing Course
16. Ntombozuko Diko General Worker	Skills Programme	eNaTIS Registration & Licensing Course
17. Lazola Maneli – Payi Director Corporate Services	Skills Programme	Juta Annual Labour Law Update 2023
18. Unathi Nondzube Manager: Human Resources	Skills Programme	Juta Annual Labour Law Update 2023
36. Dinisile Coto Senior Housing Administrator	Skills Programme	Computer Training
19. Monwabisi Mnyanda General Worker	Learnership	NC: Water and Wastewater Reticulation Services (SAQA 60169) NQF Level 2
20. Milile Baskiti General Worker	Learnership	NC: Water and Wastewater Reticulation Services (SAQA 60169) NQF Level 2

21 Bongani Mvalo General Worker	Learnership	NC: Water and Wastewater Reticulation Services (SAQA 60169) NQF Level 2
22. Gcobani Lenya General Worker	Learnership	NC: Water and Wastewater Reticulation Services (SAQA 60169) NQF Level 2
23. Lindsay Hilpert Meter Reader	Learnership	NC: Water and Wastewater Reticulation Services (SAQA 60169) NQF Level 2
24. Nomawethu Mbozi Supervisor – Alexandria	Learnership	NC: Water and Wastewater Reticulation Services (SAQA 60169) NQF Level 2
25. Thandiwe Matiyase General Worker	Learnership	NC : Water and Wastewater Treatment Process Operations
26. Bonile Plaatjie - General Worker	Learnership	NC : Water and Wastewater Treatment Process Operations
27. Yandiswa Fana General Worker	Learnership	NC : Water and Wastewater Treatment Process Operations
28. Luvuyo Molefe Meter Reader	Learnership	NC : Water and Wastewater Treatment Process Operations
29. Ayanda Hani Meter Reader	Learnership	NC : Water and Wastewater Treatment Process Operations
30. Bongani Dyantyi General Worker	Learnership	NC : Water and Wastewater Treatment Process Operations
31. Lifa Matshisi General Worker	Learnership	NC : Water and Wastewater Treatment Process Operations
32. Nazo Dumsela Cleaner	Learnership	NC : Water and Wastewater Treatment Process Operations
33. Buyisile Mangcangaza General Worker	Learnership	NC : Water and Wastewater Treatment Process Operations
34. Bongani Mbabela Weed Eater Operator	Learnership	NC : Water and Wastewater Treatment Process Operations
35. Nokuthula Futuse General Worker	Learnership	NC : Water and Wastewater Treatment Process Operations
36. Dinisile Coto Senior Housing Administrator	Skills Programme	Computer Training
37. Nel Jacquelyn Manager Administrator	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management

38. Fouche STefanus Jacobus Deputy Director CPS	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
39. Saul Olwethu Skills Development Officer	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
40. Van Niekerk Aubrina Grizelda Records Administrator	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
41. Nkombisa Ntombekhaya Georgina Customer Care Officer	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
42. Madlebe Mcingeli Senior Environmental Health	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
43. Mbolekwa Khululekile Cecil Sportsfield Facilities Management Officer	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
44. Maluleke Thulani Ivin Joe Deputy Director Infrastructure	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
45. Qinela Xako Unathi Amanda Manager BTO	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
46. May Diane Deputy Director Financial Services	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
47. Jacobs Teressa Lungiswa Deputy Manager Traffic Services	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
48. Matoni Nomawethu Valencia Committees Administrator	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
49. Mdambatya Mlamli Foreman Cleansing	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
50. FENI Patrick Superintendent Parks	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
51. Mbenga Smaile SImamkele Verishka Manager SCM	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
52. Mampana Qawekazi Nkinkie Manager LED	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management

53. Ngwema Vukile Foreman Cleansing, Refuse and Parks	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
54. Mtiki Thokozani Mthuthuzeli Communication Assistant	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
55. Siqoko Thabisa Magawu PMS Coordinator	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
56. Nel Willem Environmental Law Officer	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
57. Tshangana Vuyokazi Manager PMU	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
58. Dixon Mark Graham Conservationist Beaches & Reserves	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
59. Mxokozeli Lulamile Sidwell Foreman Cleansing, Refuse and Parks	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
60. Ncapayi Mluleki Enoch Manager SPU	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
61. Sauls Mervyn Allen Manager Fire & Emergency Services	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
62. Nondzube Unathi Manager Human Resources	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
63. Maneli Payl Lazola Director Corporate Services	Short Learning Programme	Training of Presiding Officers and Prosecutors in Disciplinary Enquiry and Management
64. Nomawethu Mbozi Supervisor Roads and General Works	Skills Programme	Training for Road Works Patching
65. Ntomboxolo Stemele General Worker	Skills Programme	Training for Road Works Patching
66. Zameka Kenjini General Worker	Skills Programme	Training for Road Works Patching
67. Jo-ann Lotter Dickson General Worker	Skills Programme	Training for Road Works Patching

68. Mzoxolo Njokweni General Worker	Skills Programme	Training for Road Works Patching
69. Mbuzeli Sam General Worker	Skills Programme	Training for Road Works Patching
70. Sindile Mbele General Worker	Skills Programme	Training for Road Works Patching
71. Bernadette Samuel General Worker	Skills Programme	Training for Road Works Patching
72. Luyanda Matomela General Worker	Skills Programme	Training for Road Works Patching
73. Thembikhaya Boo General Worker	Skills Programme	Training for Road Works Patching
74. Helga Leslie General Worker	Skills Programme	Training for Road Works Patching
75. Magugu Magobiyane General Worker	Skills Programme	Training for Road Works Patching
76. Vuyisile Matshotyana Foreman Roads & General Works	Skills Programme	Training for Road Works Patching
77. Phumeza Phangalala General Worker	Skills Programme	Training for Road Works Patching
78. Thandiwe Puwe General Worker	Skills Programme	Training for Road Works Patching
79. Khayaletu Mgoduka General Worker	Skills Programme	Training for Road Works Patching
80. Babalwa Faltein General Worker	Skills Programme	Training for Road Works Patching
81. Yamisa Plaatjie General Worker	Skills Programme	Training for Road Works Patching
82. Mzameni Njanjula General Worker	Skills Programme	Training for Road Works Patching

83. David Mehlo General Worker	Skills Programme	Training for Road Works Patching
84. Sabelo Mtyapha General Worker	Skills Programme	Training for Road Works Patching
85. Phikile Dawete General Worker	Skills Programme	Training for Road Works Patching
86. Nomhle Somqo General Worker	Skills Programme	Training for Road Works Patching
87. Thomas Kiti General Worker	Skills Programme	Training for Road Works Patching
88. Micheal Trompeta General Worker	Skills Programme	Training for Road Works Patching
89. Chistian Els General Worker	Skills Programme	Training for Road Works Patching
90. Luvuyo Dyala General Worker	Skills Programme	Training for Road Works Patching
91. Mhlangabezi Saki General Worker	Skills Programme	Training for Road Works Patching
92. Clayton Leander General Worker	Skills Programme	Training for Road Works Patching
93. Vumile Mbula Supervisor Roads and General Works	Skills Programme	Training for Road Works Patching
94. Welcome Gongqa Artisan/ Plumber Foreman	Skills Programme	Training for Road Works Patching
95. Xolani Tyatya Superintendent Roads & General Works	Skills Programme	Training for Road Works Patching
96. Nqab'ohlanga Kiswa Superintendent Roads & General Works	Skills Programme	Training for Road Works Patching
97. Olwethu Saul Skills Development Officer	Skills Programme	The SETA – QTCO Transition

98. Gerhardus Germishuizen Manager IT	Skills Programme	ICT Digital Training
99. Mark Dixon Conservationist	Skills Programme	Environmental Management Inspector Course
100. Mark Dixon Conservationist Reserves and Beaches	Skills Programme	Environmental Management Inspector Course
101. Lungiswa Teressa Jacobs Manager Traffic Services	Skills Programme	Task Management System Training
102. Zander Strydom eNatis Administrator	Skills Programme	Task Management System Training
103. Phumlani Sebe Grade B Examiner for Driving License	Skills Programme	Training for EDL Grade B
104. Bonani Nqobo Examiner for Drivers License	Skills Programme	Training for EDL Grade B

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The expenditure on skills development is prioritised according to the needs of the organisation in order to enhance service delivery. All the Head of Departments have attended the financial competency regulations. The municipality also invests on its employees through formal education. The Finance Interns are also trained in the financial competency space through the MSIG.

CUSTOMER CARE UNIT

The Municipality has a dedicated Customer Care Unit which has a tracking report system on all complaints received it.

OBJECTIVES

- To use the Batho Pele Principles as a milestone for monitoring and providing feedback on quality of municipal service delivery;
- To use and entrench people centeredness and Batho Pele as a service delivery improvement tool for the municipality.

The White Paper on Transformation of Public Services aims to provide people centred customer service. It calls for a shift away from inward looking systems, processes and attitudes to the issues and interests of the people or the public.

To deliver people centred services it is important for the municipality to embrace and institutionalize the Batho Pele principles. This is not only to ensure that the municipality complies with legislation, but a people-centred culture leads to improved service delivery.

PROPOSED PROCESS PLAN

- Conduct diagnostic analysis
- Develop tools for diagnostic analysis in a phased approach
- Develop and propose solutions
- Develop Customer Relations Framework/Strategy
- Integrated Service Delivery (a move away from silo mentality negative effect on service delivery)
- Surveys (CRM) internal and external
- Reporting Matrix for continuous improvement
- Understanding the importance of customer / customer retention

CHAPTER 5: FINANCIAL PERFORMANCE

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe, by regulation such measures in terms of section 168 thereof.

The application of sound financial management principles is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The key objective of the Municipal Finance Management Act (2003) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services. 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.

The Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. Encouragement of structured community participation in the matters of the municipality is an important focus area.

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe, by regulation such measures in terms of section 168 thereof.

Efforts are made to address the issues raised by the Auditor-General in both the audit report and the audit management letter for the audit. An audit check list was developed and is monitored by the internal auditor to ensure that we improve in the areas identified. Further controls and action plans have been implemented by the finance directorate to ensure that the financial statements are prepared timeously and that we work towards an improved audit outcome. To achieve a clean audit is going to be a challenge and all offices and directorates are going to have to pull together as a team to achieve the objective. The compilation of the financial statements and the audit undertaken by the auditor-general's office is no longer just a finance issue.

The demands on the finances of Ndlambe Municipality continue to be significant as backlogs in services, aging infrastructure, and maintenance remain a serious challenge. Emphasis has to be put on enhancing our revenue streams and collecting debt due to the Ndlambe Municipality by consumer and ratepayers that have the ability to pay. Households that receive indigent grants that are in fact not indigent also need to be addressed. Debt collection had always been a challenge in the Eskom Electricity supply areas, however, municipality is making efforts to mitigate the challenge through introduction of prepaid metering devices. Escalating bulk electricity costs, loadshedding and use of alternative energy sources had a negative impact on our electricity revenue. On the otherhand water shortages in the western areas of Ndlambe Local Municipality led to an unexpected service delivery costs as alternative means had to be made to ensure water is made available to these communities.

The internally funded capital budget, the reduction in the maintenance budget and reducing budgets for depreciation/bad debts provision/income foregone to balance the budget and the increase to our customer's needs to be seriously addressed in future financial years as the aging infrastructure needs to be replaced and maintained. In to address these challenges experienced in balancing the budget, the Municipality had to do Cost of Supply studies for all trading services for the 2024/25 Budget. The efforts will be evaluated at year-end, this had been done at high costs during this year anticipating better results in the future.

A major challenge that continues to face the administration of Ndlambe Municipality and highlighted in the Auditor- Generals management letter in the past and still continuing, is the implementation and compliance to regulations emanating from the Municipal Finance Management Act including but not limited to supply chain management issues, asset management and budget control. The highlighted cost related challenges are the contributors to these challenges.

MUNICIPAL FINANCIAL VIABILITY

FINANCE DIRECTORATE

The finance directorate is a support directorate to other directorates and ratepayers of Ndlambe Municipality. The finance directorate consists of four sections namely the Budget and Treasury Office, Supply Chain Unit, Revenue and Expenditure. The main office of finance is situated in Port Alfred with three satellite offices in Alexandria, Kenton-on-Sea and Bathurst.

The objectives of the finance directorate for the 2023/2024 financial year were as follows:

- To activate/implement, update the entire Municipality's fixed asset register and ensure its Compliance to GRAP (Generally Recognised Accounting Practice);
- Ndlambe is able to raise sufficient revenue (internal and external sources) and manage the assets to meet their responsibilities in terms of service delivery incorporating both capital and operational costs;
- To maintain Finance assets;
- To improve communication of the budget process;
- To implement mSCOA according to National Treasury Circulars and guidelines;
- Households living below the poverty line, as well as vulnerable groups, have improved access to all required basic services, health facilities and social/ work creating programs;
- Develop the Supply Chain Management Unit to be in line with the SCM policy and meet the requirements of good practice and address all issues raised in the report of the Auditor-General;
- To ensure financial resources are utilised in an economical, efficient and effective manner;
- Develop the capacity of the Budget and Treasury Office (BTO) to meet the requirements of credible financial management;
- To ensure that all revenue is collected on a monthly basis to cover the operating expenditure of the municipality on a daily basis;
- To ensure all indigents have access to free basic services;

- To ensure an effective customer care service to all residents;
- To ensure increased registration of the qualifying indigent households;
- To ensure deceased indigent beneficiary's households are visited to obtain information of the occupant and verify if the household qualifies to be indigent;
- To work with infrastructure development to reduce water and electricity losses
- To find ways to enhance revenue collection and improve cashflow

To meet the above objectives the following indicators were set that we needed to achieve:

- Percentage of progress made towards maintenance and rehabilitation of Asset register including all Finance Leases, Operating Leases, Infrastructure Assets and municipal and Investment properties;
- New asset acquisitions are recorded/captured on a monthly basis;
- The existence of all assets is verified half yearly;
- All assets acquired are bar coded and insured on a monthly basis;
- Percentage increase in the possible local revenue base;
- 100% spending of FMG grant allocated;
- Increase in % of equitable share based on more accurate statistics in terms of the DORA;
- Percentage decrease in non-payment;
- Percentage of elements of financial system utilized;
- Increased in number of staff trained to effectively use the financial system;
- Increase in number of useful reports generated for planning and monitoring purposes;
- Increase in the investments of maintenance / upgrade of financial system;
- Number of reports that meet the legal requirements at the right time;
- Percentage of improved cash flow by reducing expenditure to match actual cash on hand;
- Number of Finance assets assessed and ensuring that they are utilized economically;
- Relevant advertisements and loud hailing are done within the legislated time frames;
- Increase in number of households benefiting from poverty alleviation programs;
- Fully operational SCM unit in line with SCM Policy and MFMA implemented;
- Income and expenditure reports are provided on a monthly basis to offices and directorates for them to do budget control;
- Infrastructure investment plan is developed for development priorities in the IDP;
- Relevant officials are trained to ensure that they are able to contribute to the financial management system (treasury departments and departmental managers);
- A process plan in place to ensure all new buildings, additions to buildings, re-zoning of properties, sub-divisions and consolidations are forwarded to the finance directorate on a monthly basis for billing and valuation purposes;
- All residents who do not have the financial means to pay for basic services in terms of the indigent policy are registered;
- A complaint register to reduce number of complaints from residents resulting from system errors is developed;
- Increase in response time and resolution of complaints to be within 7 days of receipt.

FINANCE DIRECTORATE CHALLENGES

The following general challenges were experienced by the finance directorate for the year ending 30 June 2024:

- Grant dependency for capital expenditure;
- Increase of the debtors book impacting negatively on our financial viability;
- Turnaround time of customer queries and complaints;
- Asset maintenance and asset control to ensure sustainability;
- Revenue enhancement;

- Lack of office space;
- Staff establishment;
- Reduction of bad debt, depreciation and income foregone budget to reduce the tariff percentage increase to ratepayers and consumers;
- Water losses where Amatola Water to be paid for water lost;
- Decentralisation of the supply chain unit;
- Subsidisation of water consumed by households in Amatola subsidised areas;
- Debt collection in ESKOM licenced electricity distribution areas.
- Increase in unbilled water in areas affected water scarcity and rationing
- Occupancy rate in some of our areas have a negative impact on revenue derived from consumption units

FINANCE DIRECTORATE COMPOSITION

CREDITORS

Payroll:

Administer payment of salaries and allowances. Monthly reconciliation of salaries. Payroll runs on the Friday closest to the 25th of each month where salaries are transferred electronically to staff members bank accounts. Payments made to the Pension Funds, SDL, PAYE and UIF as well as other salary deductions due, are done before the 7th of the following month. The duties are performed by a Senior accounting who reports directly to the Expenditure Assistant Director. The municipality is in the process of appointing an assistant for this position minimise the risk of centralising knowledge to one person.

Creditors Payments:

Administer payment of creditors. Creditors to be paid within 30 days of invoice received date monthly, statements of creditors reconciled with the orders/requisitions issued- Late submission of invoices past 25 days of invoice date should be accompanied by a memo stating the reason for such late payments. Ovvio scanning has been implemented to ensure easy access and safekeeping of such payment vouchers. Direct payments are done on a day-to-day basis for emergencies, accommodation, travelling and temporary wages. Project payments have been implemented by BTO – invoices are paid against such project.

Stores:

Execute control over stock/stores -Buying and controlling of stock which includes stationery, petrol and diesel, water meters etc. Stores undertakes stock taking at year end under direct supervision of Internal Audit section. Adjustment and obsolete stock items were taken to council to be written off. The fuel management functionality in MunSoft is used to manage and control fuel and enable us to draw fuel reports on fuel usage of each fleet.

THE STRATEGIC OBJECTIVE OF THE CREDITORS SECTION ARE TO:

CREDITORS

To utilise all the functions available on the MunSoft system to be more effective on directs/creditors payments. To safekeep expenditure documentation electronically.

The key issues for 2023/2024 were:

- To get all expenditure documents on an electronical filing system
- Balance all stock items and bin cards to the stores sub-ledger
- Balance and reconcile creditors statements
- To minimise fuel losses

REVENUE

Overview:

The revenue section within Ndlambe Municipality covers a wide range of functions which are of an administrative nature. It plays a pivotal role in revenue generation and collection activities through:

- Formulation, implementation and reviewal of relevant revenue policies
- Ensuring compliance to national, provincial and local government legislation.
- Active participation in various government structures to promote intergovernmental.
- Engaging in revenue enhancement activities by billing for services consumed, provide key statistical data for setting annual tariffs, undertaking banking services, meter readings for billing purposes.
- Facilitation of property general and supplementary valuations and finally rating of properties.
- Facilitation of a credible billing bases for metered services.

One of the critical functions of the department is to continuously, monitor expenditure and give advice to other directorates to ensure that expenditure is within approved budget. Financial management is not only inward focused, it provides a wide range of services to local communities. It serves as a delivery mechanism for free basic services.

Free Basic Services

Financial function is responsible for facilitating an enabling environment for the implementation of free basic services by developing policies to be approved by council. It is through these policies that local communities can access these services. Communities are assisted by the Finance department to apply for these services and thereafter facilitate payment for such services. Different mechanisms are considered to extend the provision of certain free basic services to informal settlement and rural areas. Such services are provided through alternative sources of energy namely gel, gelstoves, internal and street solar lights.

Service Delivery

The Finance department is one of the key role players in service delivery. Finances' role is to provide support to the departments that are directly involved in service delivery. Such support is ensuring of cash resources, these resources are generated through various billing activities, collections of payments due are done by the finance department. One of the greatest challenges that Ndlambe is faced with is electricity distribution in townships which fall under ESKOM's electricity distribution licences. The challenge is in the distribution network that is currently in place. It must be noted that this problem is not exclusive to Ndlambe.

There are number of problems to mention a few, insufficient credits levels maintained by the vendors resulting unavailability of electricity to consumers. The matter has been addressed with ESKOM, but no solution has been provided to us.

Property Valuations

A Supplementary Valuations were compiled during the 2023/2024 financial year to rate new properties and properties that have had improvements done. This was a last Supplementary valuation roll done to update the 2019/2020 General Valuation Roll, the new valuation roll will implemented with effect from 01 July 2024.

Strategic Objectives

The following are finance key strategic objectives which will contribute towards achievement of the municipality's strategic objectives:

- Creation and maintenance of a credible valuation roll
- Building and maintenance of a good customer relationship
- Creation and maintenance an internal customer approach when serving other internal departments.
- Reduction of errors in billing
- Ensuring maximum collection of municipal revenue through billing and revenue collection.
- Capacitating of departmental staff
- Use of various tools, equipment, to enhance revenue collection
- Identification of unbilled and unmetered consumption to enhance our revenue base.
- Accurate and consistent water and electricity reading
- To implement all feasible revenue enhancement strategies
- To ensure that all deserving indigents are registered for indigent subsidies
- To find ways of containing the escalating indigents subsidy costs without depriving the beneficiaries their right

Key issues for 2023/2024 financial year were:

The focus was be on the following issues which are critical for service delivery and financial viability of Ndlambe Municipality, these included but not limited to the list below:

- Resourcing the department
- Capacitating staff
- Improving billing and credit control information system/reports
- Increasing the number of registered indigents
- Ensuring the indigent register is credible
- Reduce account queries
- Shorten account query response time
- Increasing debt collection efforts
- Improve on the number of TID meter roll overs performed per month
- Improving customer relations
- Exploring other debt collection mechanisms
- Ensuring continuous supply of electricity to consumers in Ndlambe townships.
- Attending to by investigate, obtaining and updated to the financial system with postal or email details for all undelivered accounts
- Increased accessibility of Free basic Electricity to indigent people through:
 - Indigent registration;
 - Issuing of free tokens without purchasing coupons;
 - Provision of alternative energy sources to rural and informal settlement communities.

It must be noted that due to processes to be followed some of the issues may be both short and long term issues.

BUDGET AND TREASURY OFFICE

Budget and Treasury Office was established in terms of section 80 of the MFMA. It consists of BTO manager reporting directly to the CFO. The section plays a pivotal role in compilation and management of expenditure. There is a limited staff complement resourced with the 5 Treasury funded interns. Reliance on interns is a risk as treasury may decide to stop the funding. Ndlambe will have to build its capacity with time.

The functions of the BTO are as follows:

- Budgeting;
- Financial Statements & Reporting;
- Asset Management;
- Cash Management;
- Investments;
- Insurance.

The function of the budget and treasury office within the municipality is administered as follows and includes:

Budgeting

The Municipality's annual budget comprises of operating, capital expenditure, cash flow, and financial position budget. The operating budget funds employee salaries, operating costs, bulk purchases, and assistance for the poor, such as free basic water and sanitation. The Municipality's business and service delivery priorities were reviewed and where appropriate, funds were transferred from low- to high-priority programs to maintain sound financial stewardship. The focus is to critically review expenditure on non-core items.

The capital budget is set aside for spending on infrastructure and services, such as roads, water, and sanitation as well as the many other utilities and services that Ndlambe Municipality needs to function, grow, and offer opportunities to its residents. The cash flow budget focuses on projected cash flow movements determining whether the municipality's cash receipts, and cash and cash equivalent can fund all the operating expenditure and capital commitments.

The entire budget amount per annum is based on the income that the Municipality accrues on rates, service charges, and grants and subsidies. Budgeting on the accrual basis enforces strict cash control measures as before expenditure can be incurred the income must be in the bank. The municipality has to move to a cash budget so that expenditure can be more certain.

BTO's involvement in budgeting starts from the planning, strategizing, preparing, tabling, approving, finalizing, and implementation stage. The planning and strategizing stages are done through the political guidance of the Mayor, i.e. review of timetable schedule and the previous year's budget process to determine what went wrong, what should be corrected, and the way forward. This can be done through internal and external participation. The preparation for the finalizing stage of the budget is done by the BTO with the assistance of the Accounting Officer and the cooperation of the other directorates. After the implementation the BTO conducts in-year monitoring of the budget. The budget process as compared to prior years has improved, the introduction of funding envelopes that were provided to each directorate to budget within and the establishment of budget support teams allocated to assist and guide the directorates in budget preparation. The procurement plans were compiled and tabled to Council.

The Strategic Objective of this function is to:

- Compile a funded, well-balanced, community needs representative and affordable budget informed by the IDP and available resources.

The Key Issues for the Financial Year are:

- The in-year monitoring to control the budget;
- Improve Engagement of the budget steering committee involvement in the budget in order to achieve a smooth budget process;
- To include the SDBIP in the Budget process;
- To achieve 100% aligned system generated cash flow with mScoa data strings;
- To achieve 100 % compliance on mScoa.

FINANCIAL STATEMENTS AND REPORTING

The BTO coordinates the process of preparing the financial statements with the finance management team. The finance management team is required to prepare statements that are in accordance with generally recognized accounting practice (GRAP). The Financial Statements are handed over to Auditor General on 31 August for auditing purposes as required by the S126 (1) b of the MFMA. The BTO prepares the monthly, quarterly, half-yearly, and yearly reports to Council, National, and Provincial Treasury based on the requirements required by the MFMA.

The strategic objectives of this function are to:

- Compile accurate and reliable financial statements and reports which reflect the true financial position of the Council;
- An updated (contemporary) financial system of Ndlambe is optimally used by competent staff to achieve an unqualified audit report;
- Monitor and update the progress of the audit action plan.

The key issues for the financial year were:

- Striving to produce financial statements that are fully complying with GRAP.
- To develop a monthly checklist to correct errors on matters affecting the financial statements before the reporting date.
- To address all the prior year's audit findings both in the audit report or management report and to maintain sustainability on areas that were not raised.
- Continuous generation of credible financial records that can be used for compilation of financial statements with no or minor adjustments

ASSET MANAGEMENT

The asset office coordinates the verification of assets starting from January each year, The verification will first target the low-risk areas or locations and save for last for the high-risk areas. Controls the movement, transfers, acquisitions, and disposals of Council assets daily and calculates the depreciation Report to Council a list of assets to be disposed of for approval.

The strategic objectives of this function are to:

- Maintain the fixed assets register and ensure 100% compliance with GRAP.
- An updated (contemporary) financial system of Ndlambe is optimally used by competent staff to locate, identify, and revalue all Municipal Assets.
- Ndlambe Municipality to maximize revenue (internal and external sources) and manage its assets to meet its responsibilities in terms of service delivery incorporating both capital and operational costs.

The key issues for the financial year were:

- To maintain the asset register on a monthly basis;
- Ensuring that the Council asset register complies with GRAP;
- Reducing the scope of the consultant by managing and updating movable assets register internally;
- Utilising the Assets module in the core financial system;
- Introducing assets standard operating procedure to improve internal controls.

CASH MANAGEMENT

Prepares a daily cash flow to determine whether the council is in the status to spend from the budget. Informs the directorates if there are any cash flow problems. Allocate grant monies to the allocated budget.

The strategic objectives of this function are to:

- To secure sound and sustainable cash flow management of the Council.

The key issues for the financial year are:

- To review the cash management and investment policy in accordance with any framework that may be prescribed in terms of s13 (1) of the MFMA.

INVESTMENTS

The BTO maintains the quotation register. Identify monies that are transferred to the Council's current account and invest monies not immediately required. Prepares the monthly reconciliation and recognizes interest and re-invests investments on the due date.

The strategic objectives of this function are to:

- To secure sound and sustainable investment procedures of the Council.

The key issues for the financial year are:

- Implement authorization and review the investment decision made by the employee making the investment;
- To utilise the investment module in the core financial system

INSURANCE

Manages the insurance portfolio. Maintain and update the insurance register for all the additions and claims. Allocate payments received from the insurance company to the relevant vote. Update insurance claim register. The problems encountered when implementing the insurance activity are directorates are not informing the BTO of the new acquisitions and stolen assets for insurance additions. Directorates are submitting insufficient information for insurance claims and are not adhering to the terms of the insurance contract. i.e., late submissions.

The strategic objectives of this function are to:

- To ensure all the Council assets as per the asset register are insured.

The key issues for the financial year are:

- To review the fixed asset register to comply with GRAP and ensuring that the fixed assets are at the market value for the insurance purposes.

MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA)

In terms of section 169(1) (b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Minister of Finance has signed into effect and subsequently published the Municipal Regulations on a Standard Chart of Accounts (SCOA) in terms of Notice 312 of 2014, Government Gazette No. 37577 subsequent to formal consultation. The Municipal Regulations on a Standard Chart of Accounts inter alia makes provision for an updated GFS Classification Framework, Detailed Classification Framework of the 7 Segments (SCOA Version 5.5).

To date Ndlambe has been complying with these requirements in all respects.

Names of pension fund	Number of members	Names of Medical Aids	Number of members
Cape Joint Pension Fund	3	LA Health	123
Consolidated retirement fund	400	Bonitas	146
SALA Pension Fund	26	SAMWU National Medical Scheme	85
MWRF	66	Hosmed	63
Sanlam Umbrella	11	Key Health	24
MCPF	1		

SERVICE PROVIDERS TO THE FINANCE DIRECTORATE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. Service provider means a person or institution or any combination of persons and institutions which provide a municipal service.

- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality;
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- Comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance

Section 116(2) of the MFMA further states that:
The accounting officer of a municipality must:-

- take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- monitor on a monthly basis the performance of the contractor under the contract or agreement.

FINANCE RELATED BY-LAWS

By-laws Introduced during 2023/2024					
Newly Developed	Revised	Public Participation conducted prior to adoption of by-laws (yes/no)	Dates of public participation	By-laws Gazetted* (yes/no)	Date of publication
0	0	N/A	N/A	N/A	N/A

COMMENT ON BY-LAWS:

The finance policies that were reviewed and adopted for the 2023/2024 financial year did not necessitate any amendments to the financial by-laws that are in place. The finance related by-laws are available on the municipal web-site and at the finance offices.

FREE BASIC SERVICES AND INDIGENT SUPPORT

The free basic services were funded from the “equitable share” grant received from National Treasury. The criteria for an Indigent Household for 2023/2024 were as follows:

- The applicant must be a resident of the municipality.
- The applicant must be in possession of a valid South African identity document.
- The combined or joint gross income of all occupants or dependants in a single household which receives services from the municipality may not exceed the thresholds determined by the municipality annually during consideration of the budget for the next financial year. The guideline relating to the household income threshold for a 100% rebate is an income of not more than two state pensions per month.
- The applicant must be the owner or tenant or any person who is authorised to occupy the property subject to availing authorised documents who receives municipal services and is registered as an account holder or legal authorised occupant on the municipal financial system; provided that the requirement of being registered as an account holder does not apply to households in informal settlements where no accounts are rendered nor in rural areas where no accounts are rendered.
- Any occupant or resident, as per the definition of indigent, of the single household referred to above may not own any property in addition to the property in respect of which indigent support is provided.
- A tenant can apply for the benefits in respect of the charges he/she is billed for while the landlord remains liable for all ownership related charges such as rates.
- The account of a deceased estate may be subsidised if the surviving spouse or dependants of the deceased who occupy the property, applies for assistance.
- The account of a deceased estate may be subsidized if the occupier who occupies the house applies for services and indigent subsidy by completing the **NDLAMBE OCCUPANT DECLARATORY AFFIDAVIT FORM**
- Rateable house value of less than R350 000 or where the owner applies for assistance as a special case and as determined by the rates rebates committee.
- Any one of the following factors will serve as a disqualification
 - Where the applicant has or allows any business to be operated on the property
 - Where there is no written service agreement with the applicant;
 - Where the applicant owns more than one property, only one property will qualify for indigent subsidy
 - Where any of the documents requested in the application is not supplied the applicant will not qualify for subsidy

Water leaks on the consumer side of indigent households are repaired at no cost to the household by the municipality. Great savings on water losses were affected by these actions. The municipality needs to ensure that all indigent households have pre-paid electricity and water flow limited meters to keep consumptions to the limit allowed by the policy.

FINANCE DIRECTORATE: STAFF COMPONENT – 2023/2024

The staff component does not fall into an ideal structure and this needs to be addressed when the budget and cash flow allows. It is also critical that the budgeted posts in finance must be filled at all time or debt collection and segregation of duty becomes a problem and in turn increases the risk factor.

FINANCE DIRECTORATE: MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non- financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. Employees and interns were identified in the finance directorate to obtain the CPMD qualification and prescribed competencies. All of the finance directorate staff apart from the Assistant Director: Expenditure has complied with the requirements of the Government Notice 493 of June 2007.

FINANCIAL SUSTAINABILITY OF THE MUNICIPALITY

NB: THE FIGURES CONTAINED BELOW ARE SUBJECT TO CHANGE UNTIL THE ANNUAL FINANCIAL STATEMENTS HAVE BEEN FINALISED.

Financial Sustainability of the Municipality			
Financial Overview: 2023/2024			
(R'000)			
Details	Original Budget	Adjustment Budget	Actual
Income	244431252	244431252	225687230
Grants	201238830	434961932	265442897
Taxes, levies and tariffs	167825788	167825788	159187104

Details	2023/2023			
	Original Budget R'000	Adjustment Budget R'000	Actual R'000	Variance to budget
Employees	196956608	196577926	197969930	1392001
General	96237149	94561522	90765768	3795754
Repairs and Maintenance	38691000	35998000	27050854	8947146

Financial Overview: 2023/2024			
(R'000)			
Details	Original Budget	Adjustment Budget	Actual
Income:			
- Exchange transactions	244431252	244431252	225169860
- Non-exchange transactions	369064618	602787720	425147371
Total Revenue	613495870	847218972	650317231
Less: Expenditure	560769599	673410734	610459231
Net Total*	52726271	173789838	38586615
*Note: surplus/(deficit)			

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDING

Ndlambe Local Municipality, continued obtaining an unqualified audit opinion in the 2023/2024

financial year. However, with matters of emphasis raised by Auditor General. The opinion is encouraging with matters of emphasis posing a new challenge. A total of 16 findings raised were raised during the audit, five (5) of the findings were flagged as matters of emphasis.

The matters of emphasis raised are ;

- a) Restatement of prior year balance, this became a necessity mainly due to a water project that was discontinued but remained in “Work In Progress” opening balance total. The problem arose due to the discontinuation not communicated to the team preparing Annual Financial Statements(AFS). Going forward, WIP figures will be unbundled and reported with supported documents to avoid reoccurrence. Also, invoice cut-off dates will strictly adhered to ensure accuracy of accruals reported in the AFS.
- b) Material losses and impairments, material losses were in respect of water losses which had been in excess of 40% over the last three(3) years, this is caused by a number of reasons ie. Unreported internal household toilet leaks, distribution line leaks etc. Infrastructure has set up a dedicated water conservation team deal with both types of leaks, however, budgets are constraint in seeing immediate results. Other efforts like targeting certain areas using water management equipment to identify leaks had been considered by Infrastructure. Impairment losses had been incurred in the form of debt write-offs for unrecovered exchange and non-exchange receivable. The impairment figures are influenced by multiple reasons, water leaks, non applying potential indigents etc. The indigent section will be increasing indigent registration campaign while the water leak repair program will address the overstated water bill.
- c) Unauthorised Expenditure, Unauthorised expenditure was mainly due to non-cash items exceeding budget provisions. Included in these items, is depreciation, bad debt provision, other impairments. Ndlambe is progressively reducing these amounts for instance, depreciation provisions has been increased in the 2024/25 budget and two outer years. Landfill site impairment cost interest has been provided for to ensure that the unauthorised expenditure is dealt with.
- d) Irregular expenditure, the matter is about an accumulated historical balance and the continuity in incurring the expenditure in current years. As advised by MPAC and internal audit committees, deviation procurements some of which become irregular, will be identify and redefine the procurement process from issuing of orders to standard payment. The expenditure has been analysed into categories and an action plan developed with various procurement strategies identified for each service.
- e) Unspent conditional grant, one way of dealing with this problem is adherence to CoGTA’s “RISK ADJUSTED STRATEGY” (RAS), failing which remaining funds will have to be utilised redirecting during adjustment budget to other registered projects, by pulling them forward.

Ndlambe has developed an action plan to address these issues to ensure that the matters of emphasis are eliminated. We believe addressing these issues will be setting a scene for the desired clean audit.

<u>Commitment</u>	<u>Key actions to address the commitment</u>	<u>Start date</u>	<u>Planned completion date</u>	<u>Frequency of reporting on progress</u>	<u>What will success look like</u>
<u>Matters of emphasis</u>	-	-	-	-	-
Restatement of corresponding figures As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2023	Disclosed figures will be reviewed, analysed and reconciled to ensure elimination of errors	By End May 2024	By End Jul 2024	Once at Year-End	Elimination of Error
<u>Material losses and impairments</u>					
As disclosed in note 48 to the financial statements, material water losses of R22,3 million (2022: R14,1million) were incurred, which represents 45,3% (2022: 38,2%) of total water purchased. The losses were predominantly due to physical losses from leaks, burst pipes and reservoir overflows. Furthermore, apparent losses were realised due to metering inefficiencies, meter faults, and unauthorised and unmetered consumption	The Municipality has set up a "Team" that deals specifically with water leaks. The team is guided by Municipal billing section by providing list of properties with suspicious readings including non registering meter. Budget imposes limitation on the number that could be attended. Also efforts are made to establish water meters that can assist by providing information by sending signals where leaks are happening. Also the desktop exercise is done to check the meters read by plotting the readings on area maps to establish the extent of the readings in an area.	Team was set set-Up last financial already, Meter assessment started in Aug 2024	Teams is already running	Reporting is done monthly	The losses should be reduced, it be noted that the water rationing exercise which at times create airlock and turning meter dials, may have an impact on the readings.
As disclosed in notes 4 and 5 to the financial statements, impairments of R50,4 million (2022: R48,9 million) relating to receivables from non-exchange and R127,6 million (2022: R118,1 million) relating to receivables from exchange transactions were incurred as a result of irrecoverable debtors.	Impairments are as a result of consumers not coming forward to apply for indigence, the water leaks from these consumers exacerbate the amounts. Also, there are challenges in collecting in the areas where Eskom is a licenced electricity distributor. The Municipality has increased its indigent registration campaigns, contracted system indigent verification system. LMs, through SALGA have raised the challenge, the matter is being addressed through parliamentary process for ESKOM to assist through	Discussions have started we are waiting for implementation date to be announced	Unknown, we are dependent on a feedback from SALGA	No pronouncement but expected progress to be given at SALGA members conference which takes place once a year	We expect a significant improvement on collections, as these areas represent a bulk of our services consumers

	blockage or withholding a portion of the electricity purchases				
Unauthorised expenditure					
As disclosed in note 44 to the financial statements, unauthorised expenditure of R124,3 million was incurred in the current year and previous years due to overspending of cash and non-cash items in various municipal departments. This balance is an accumulation of current and previous year amounts. In the current year, R75,5 million was written off, while in the previous year, R71 million had been written off.	Introduction of cost reflective tariffs to cover the non cash items Gradually make a provision of non-cash items	Provision is made from July and December (Midyear Adjustment) of each financial year	Year--End results is a determinant of goal achievement	Reports are generated Monthly, quarterly, half yearly.	The amount should be reduced
Irregular expenditure					
As disclosed in note 46 to the financial statements, irregular expenditure of R235,2 million (2022: R301,8 million) was incurred in the current year and previous years due to supply chain management (SCM) regulations and policy deviations. This balance is an accumulation of current and previous year amounts. In the current year, R148,5 million was written off, while in the previous year, R410,3 million had been written off.	Irregular expenditure and deviation listing have been submitted to MPAC for investigations. Irregular expenditure and deviation listings have been submitted to MPAC for investigations Irregular expenditure listings are for the period of July - Oct 2023. Deviation listings are for the period from July 2023 - Dec 2023. The next submission to Council will be ready on the 10 Apr 2024.	Feb-24	Historical amounts up to 2023, will be investigated together with current balance	Irregular is reported monthly as part of finance reports and quarterly to Council	Historical balance to be investigated in full
Unspent conditional grants					
As disclosed in note 17 to the financial statements, the municipality has unspent conditional grants and receipts of R14,6 million (2022: R16,7 million).	Unspent conditional grants were due to unforeseen reasons, like EIA, which were not expected. During project proposals, assessment, studies would be performed to ensure that all processes are followed. Failing which, the funds will be redirected to other registered projects where a possible delay exist.	During Adjustment budget of each year	Current Year funds had been reallocated during budget	Monthly reports are done and submitted to the funder	Full utilisation of the reallocated funds
Other matters					

Unaudited disclosure note					
In terms of section 125(2) (e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. The disclosure requirements did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.	MFMA disclosures to be included in the AFS plan and be compared with NT specimen for completeness (March 2024)	31-Mar-24	31 July after assessing June activities	Assessments to be done and reported monthly	Correction of a non compliance in the period following its identification

The Audit Action Plan of the institution can be found below:

	Finding Details	Root Cause	Recommendation	Management Response	Auditors Conclusion	Responsible Person	Due Date	Action Plan	Implementation on Progress	Implementation	Completed Date	IA Review Date	IA Review Comments	Management Approval Date	Management Approval Comments
COAF 02 EXT 2: Performance Agreements for Manager	Regulation 28(1) of the Municipal Performance for Municipal Managers and Managers directly accountable to Municipal Managers states the following: (1) The performance of the employee in relation to his or her performance agreement must be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory— First quarter: July - September Second quarter: October - December Third quarter: January - March Fourth quarter: April - June (2) The employer must keep a record of the mid-year review and annual assessment meetings. Regulation 27(4)(d) & (e) of the Municipal Performance for Municipal Managers and Managers directly accountable to Municipal Managers states the following: (a) For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons must be established— (i) Executive Mayor or Mayor. (ii) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee. (iii) Member of the mayoral or executive committee or in respect of a plenary type of municipality, another member of council. (iv) Mayor and / or municipal manager from another municipality; and (v) Member of a ward committee as nominated by the Executive Mayor or Mayor.	The municipality's performance assessment policy does not cater for employees other than the municipal manager and managers who are directly accountable to the municipal manager's performance against the objectives.	Management should ensure that the performance reviews are performed as stated in the regulation.	Management acknowledges the finding. Performance reviews for Section 57 Managers were able not all able to be conducted within the prescribed timeframes as per quoted regulations above; however, they were subsequently conducted, and proof thereof is available for auditors' review. The PMS Framework/ Policy has recently been reviewed to include the performance review requirements for below section 57 managers and efforts have been made to develop performance plans for Manager and Supervisor level officials in line with the new Municipal Staff Regulations 890. Furthermore, Managers and Supervisors will be assessed/ reviewed in the current financial year 2023/2024 as per the Municipality Framework/ Policy. Name:Thabisa Sigoiko Position: PMS Co-ordinator Date: 27/10/2023	Management comments have been noted and have agreed with the auditing finding therefore the audit finding remains and will be reported in the management report as a non-compliance as not all performance reviews were conducted during the year for managers section 57 and below.	Thabisa Sigoiko, Phaphama Nobebe	30-Aug-2024	Managers and supervisors will be reporting on the system by the 29 February 2024.	75%	In Progress	01-Feb-2024	11-Apr-24	Assessment of the uploaded information will be done in quarter 2.		
								Progress on the 18/03/2024 Performance plans have been developed for managers that are reporting directly to the MM. They have started reporting on the system and the due date for all reporting will be conducted on the 30 April 2024.							
								Progress on the 05/06/2024 Staff members from Task Grade 17 to Task Grade 10 have reported on the system for Q1 to Q3. The assessments for all quarters will be conducted by the 30th of August 2024. Q1, Q2 and Mid-year assessments were conducted and concluded by the 19th of April 2024 for Section 56 and 57 Managers. The PMS Policy Framework caters							
COAF 2 EXT 3: 3.Fraud risk assessment not done.	Audit Finding Section 62(1)(c)(ii) of the Municipal Finance Management Act (MFMA) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of internal audit operating in accordance with any prescribed norms and standards. Section 165(2) of the MFMA also states that the internal audit unit of a municipality or municipal entity must prepare a risk-based audit plan and an internal audit program for each financial year advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to internal audit, internal controls, accounting procedures and practices. Municipal systems Act 32 section 45 (a) states that the results of performance measurement in terms of section 41 (1) (c) of the municipal systems acts must be audited as part of the municipality's internal auditing processes. In terms of the MFMA circular 65, the audit committee must in relation to internal audit: - Ensure that the charter, independence and activities of the internal audit function are clearly understood and respond to the objectives of the municipality and the legal framework. Nature Internal Audit unit did not assess the municipality for fraud risk assessment for the 2022/23 financial year.	The internal audit unit did not have the capacity to cover this section of their scope in the current year.	The internal audit unit should be capacitated to cover the entire scope of their section including the fraud risk assessment of management.	We acknowledge the finding. We have addressed the finding in the current 2023/24 financial year. We conducted a Fraud Risk assessment workshop with the assistance of COGTA. We have identified trainings to be carried out to capacitate the unit on Fraud Risk We are also aware that our maturity levels on fraud risk are still very low and hence we rather focus our efforts on ensuring that Organizational Risk management is elevated, augmented by regular sittings of MPAC and Audit Committee. Name:S Landzela Position: Internal Audit Date:25 October 2023	Management comment is acknowledged, and the audit finding remains as internal audit did not perform the fraud risk assessment for the 2022/23 financial year.	Sonwabile Landzela, Vuyokazi Maphaphu, Phumeza Bhuti		09-Feb-2024	The fraud risk assessment was done on the 31 July 2023 - 01 Aug 2023	100%	Completed	26-Feb-2024	11-Apr-24		
COAF 2 EXT 4: Local Content processes	National treasury designated sectors instruction number 15 of 2016/2017, paragraph 7.1 requires that (post award and reporting requirements) once bids are awarded, the Department of Trade and Industry must be: (i) Notified of all the successful bidders and the estimated value of the contracts; and (ii) Provided with copies of the contracts, the MBD 6.2 certificates together with the declaration C submitted by the successful bidders. During the understanding of the SCM business process it was noted that the municipality do not have a process in place to ensure that bid documents relating to local content of the winning bidder are submitted to the DTI. The similar audit finding was raised in previous year. NOTICE #AWARDED TO DESCRIPTIONDate AdvertisedCLOSING DATETYP#AWARD/ORDER AMOUNTExpenditure 22/23 FY 217/2022[SPARKS AND ELLIS SUPPLY AND DELIVERY OF UNIFORMS – TRAFFIC DEPARTMENT2022/11/24X2022/12/018FQ 114 563.72 114 563.72 029/2023[MWEEZENI INVESTMENT HOLDING(SUPPLY AND DELIVERY OF UNIFORMS – CORPORATE SERVICES2023/02/232023/03/028FQ 188 315.00 188 314.99	The SCM unit did not communicate with the councillor to adopt the National treasury designated sectors instruction number 15 of 2016/2017 and these regulations are binding on a Municipality once are adopted by its council. The municipality during 2022/23 financial year procured goods that required local content.	1. Management should ensure that all the municipality has process and procedure in place to ensure that bid documents relating to local content of the winning bidder are submitted to the DTI and application of exemptions with the department of trade and industry (DTI). The process should also be included in municipality's policy. 2. The SCM unit should ensure that they have a process in place in ensuring that the council is informed about new circulars and regulations that are likely to be applicable to the municipality and council should adopted those regulations.	Agree with finding because the required declaration is not available, however the following should be considered on this finding. 1. It is noted that the quoted instruction number 15 of 2016/2017: - relates specifically to STEEL PRODUCTS AND COMPONENTS FOR CONSTRUCTION. No such components were procured by Ndlambe LM during the year under review. 2. was issued in terms of the PPPFA Regulations of 2011 which were repealed when the 2017 Regulations came into effect on 1 April 2017. 3. The AG's "Cause" paragraph in this finding seems to imply that the reporting requirement is either a National Treasury or SCM Regulation. National Treasury Regulations can only be made by the Minister of Finance. 4. Clarify is therefore requested from the AG regarding the standing of Chief Procurement Officer instructions. Section 168 of the MFMA makes it clear that only regulations made by the Minister of Finance become binding on a municipality (guidelines becoming binding on a municipality only once adopted by its council). 5. The AG's finding refers to an SBD rather than an MBD (which is used by municipalities) form. 6. 2017 PPPFA Regulation 8 (Local production and content) makes no mention of the Post Award and Reporting Requirements set out in paragraph 7 of the abovementioned Instruction 15 of 2016/2017. 7. In view of the above, I dispute that failure to comply with the	1. Management comments are noted. Please refer to the invitation and evaluation for bids based on a stipulated minimum threshold production and content for textile, clothing, leather and footwear sector that was approved by Pravin J Gordian (Minister of Finance) on the 16 July 2022. The circular requires that an Accounting Officer of Municipality once bids are awarded, the Department of Trade and Industry must be: (i) Notified of all the successful bidders and the estimated value of the contracts; and (ii) Provided with copies of the contracts, the MBD 6.2 certificates together with the declaration C submitted by the successful bidders. 2.The requirement not quoted was the addition to the circular that was approved by the Minister of Finance. Therefore, based on the above the audit findings remains and will be reported in the management report as an internal control deficiency	Simamele Smaile	11-Mar-2024	"2022 regulation does not require the use of local content processes. An opinion will be requested from NT to advise on whether to continue with the local content process even though they are no longer applicable as per regulation of 2022"	100%	Completed	20-Mar-2024	11-Apr-24	26Feb 2024 Email correspondence sent to PT and awaiting response. Verbal discussion on the matter confirmed that there is no regulatory obligation for the municipality to comply with the local content requirements. SCM Policy to be amended to remove LC. At present, the Regulations supersede the policy, and where there are inconsistencies between the policy and the regulations - the provisions of the regulations will be applicable.		

COAF 9 EXT 1: Deviation not in line with SCM regulation 36 Requirements	In terms of the requirements of SCM reg 36(1) (a) it states that: Dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only- (a) in an emergency; (b) If such goods or services are produced or available from a single provider only; (c) for the acquisition of special works of art or historical objects where specifications are difficult to compile; (d) acquisition of animals or zoos; or (e) in any other exceptional case where it is impractical or impossible to follow the official procurement processes 1. During the testing of deviations it was noted that the following suppliers deviated without following proper deviation requirements as per SCM reg 36(1)(a). The reasons for management deviation are unjustifiable and therefore assessed further on the table below. (Refer to table one) Notem description Deviation memo date Total rand-value of award Expenditure Management reason for deviation Auditors comments 1 Green Drop documentation compilation - WWTps - PROTEGE TECHNICAL ACADEMY19-04-2023196 772,00196 772,00Management reasons for deviation is emergency - management indicated that the reasons for the deviation is the need for filling of documents as they are a water authority and need to comply with SANES. It was also indicated that management is expecting an assessment by the department of water and sanitation. Management reasons for an emergency are not justifiable, proper planning could have prevented management from deviating procurement. Impact - Irregular expenditure.	This is due to management not properly planning for procurements that they will need to do during the financial year. •[Non-compliance with SCM regulation 36 • [Irregular expenditure understated by R11 431 210 • [Irregular expenditure overstated by R198 980	Management should ensure compliance with SCM regulation 36 by implementing proper procurement planning relating to projects that will be undertaken during the year to ensure that they monitor irregular expenditure.	Sub findings: 1.The amount of R196 772-75 is already included in the 2022/2023 IE disclosure note and listing. 2.[RUDCOR – The municipality had already appointed the contractors to implement the project under Notice 130/2023, but due to delays on implementation which resulted to low expenditure. Two contractors were appointed to expedite the expenditure and progress on site. The appointment of these contractors was done after it was noticed due to available period to complete within the financial year, no ways that the initially appointed contractors can finished the work within stipulated time frames. Hence Rudcor and Northfield were appointed as a matter of urgency. 3.[NORTHFIELD ENGINEERING - The AG's amount of R3 892 219-00 in the above table is incorrect. The municipality had already appointed the contractors to implement the project under Notice 130/2023, but due to delays on implementation which resulted to low expenditure. Two contractors were appointed to expedite the expenditure and progress on site. The appointment of these contractors was done after it was noticed due to available period to complete within the financial year, no ways that the initially appointed contractors can finished the work within stipulated time frames. Hence Rudcor and Northfield were appointed as a matter of urgency. 4.[Kimpax – payments against this deviation were included in	1. Management response has been noted. The amount has been included on the Irregular expenditure, the finding will remain and reported on the management report due to the non-compliance. 2. Management response have been noted, furthermore in a meeting with management on 09 November 2023, it was indicated that more evidence will be submitted to provide support on the response provided on the deviation memo. The municipality further confirmed that with big projects e.g. sewage projects it is important that they are not left open for long without work being done. We have assessed the evidence that management has provided (emails sent, notice letters and final termination letters) and therefore resolves the finding on Rudcor and Northfield. The submitted evidence provided an understanding of the process followed before a termination is official and we have noted that there were communication dated as far as April 2023 when the municipality had concerns on the project progress. The municipality has been in a consistent contact with the suppliers and provided them the	Simamkele Smaile	29-Mar-2024	All deviations procurements to be checked by SCM unit before authorization by relevant HODs.	100%	Completed	19-Apr-2024	11-Apr-24
COAF 17 - Use of consultants - No consultancy reduction plan	Section 62 (1) (a) of the Municipal Finance Management Act (MFMA) prescribes that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently, and economically. Regulation 5 (5) (f) of Municipal cost containment Regulation states that when consultants are appointed, an accounting officer must develop consultancy reduction plans to reduce the reliance on consultants. On request of information 47 of 2023 we have requested management to provide the consultancy reduction plan. Management indicated that there is no consultancy reduction plan in place	Management did not develop a reduction plan for consultants this is a repeat finding. • [Non-compliance with Municipal Cost Containment Regulation 5(5)(f) and MFMA section 62(1) • [This is also a repeat finding from previous years; management did not put measures in place to ensure that they have a reduction plan.	Management should ensure that they develop a reduction plan to ensure that they comply with the MFMA and Municipal cost containment regulation.	Management agrees that there is no draft plan in place, however there are efforts and initiatives done by management in reducing the scope of work for the consultants.	Management agrees that there is no draft plan in place, however there are efforts and initiatives done by management in reducing the scope of work for the consultants.	Michael Klaas, Onwable Nkiki	31-May-2024	develop consultancy reduction plan	Not Yet Started		11-Apr-24	
COAF 27 - Supplier did not declare any interest on partnership with Ndabembe municipality employees	In terms of supply chain: Ethical standards state that - A supply chain management policy must establish a code of ethical standards complying with sub regulation (2) for officials and other role players in the supply chain management system in order to: (a) mutual trust and respect; and (b) an environment where business can be conducted with integrity and in a fair and reasonable manner. (2) A municipal code of ethical standards must stipulate that an official or other role player involved in the implementation of the supply chain management policy of the municipality or municipal entity – (a) must treat all providers and potential providers equitably; (b) may not use his or her position for private gain or to improperly benefit another person; (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person; (d) notwithstanding sub regulation (2)(c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person; (e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality or municipal entity; (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest; In terms of the Supply Chain Management regulation 13(1)(c) the Municipality may	The municipality does not have a system in place to ensure that suppliers that are awarded have no interest.	Management should ensure put measures in place to ensure that checks are done before awarding employees. Furthermore declarations that employees make should be used as a tool to ensure that the business interest with other suppliers is monitored.	Disagree with the internal control deficiency finding: 1. Supply Chain Regulation 13(c) requires bidders to indicate: • (i) whether he or she (the bidder) is in the service of the state, or has been in the service of the state in the previous 12 months; • (ii) whether (if the bidder is not a natural person) any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous 12 months; or • (iii) whether a spouse, child or parent of the bidder or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous 12 months. 2. The Supply Chain Regulations do not contain a definition of the word "stakeholder" as used in the aforementioned context. 3. Supply Chain Regulation 45 refers specifically to "particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous 12 months". The table contained in this finding refers, in all cases, to BUSINESS PARTNERS (in businesses other than those who received awards as set out in the table). IT IS THEREFORE SUGGESTED THAT, IN THE CASE OF THE NAMES PER THE LIST, THE REQUIREMENTS OF REGULATION 45 WOULD NOT BE APPLICABLE. 4. Bidder declaration form MBD 4 (as issued by National Treasury to give effect to SCM Regulation 13(c)) does not appear to cover the situations raised by the AG in this finding:	Management response has been noted, the finding remains and will be reported on the management report. A follow up will be done in the next audit cycle on measures that have been put in place to prevent the re-occurrence of the finding.	Michael Klaas, Simamkele Smaile	29-Mar-2024	CFO to explore RUMAS and Ekhasya system for CAATS and give feed back if it can help when it comes to CAATS feed back to be given in next meeting	100%	Completed	29-Apr-2024	11-Apr-24
COAF 23 - (To Report): HR Management compliance - MM & Senior Managers performance bonus paid before the APR was tabled and adopted by council	In terms of the Municipal performance regulation 8(1) for Municipal Manager and managers directly accountable to Municipal managers states that: In accordance with regulation 32, a performance bonus, based on affordability, may be paid to the employee, after - (1) the annual report for the financial year under review has been tabled and adopted by the municipal council; During the audit of Human Resource compliance, we noted an instance of non-compliance where performance bonuses were paid in December 2022 to the municipal manager and senior managers (in the current year for previous year's performance) before the 2021/22 annual report was adopted by council. The 2021/22 annual report was tabled and adopted on 30 March 2023. Management should note that this constitute a repeat audit finding as this was also raised in the prior year.	The cause of the finding is due to a lack of oversight by management in ensuring that adequate compliance monitoring controls / regulations are adhered to The above results in a material non-compliance with the Municipal performance regulation 8(1) and the Municipal Systems Act 66(1)	Management should ensure compliance with all applicable laws and regulations are monitored and adhere to in order to avoid non-compliance paragraphs that are reported in the audit report and management report.	Management agrees to the finding. This is a legal omission that must be complied with in the future. The chairperson of the Audit Committee based on the fact that she chaired all the assessments would prepare a report on assessments / reviews of performance of Senior Manager and present it to council and on basis of that and scores of each, council would take a resolution of pay or not to. The legislation sequence of events viz. Audit report and annual report review and adoption. As much as there has never been a rejection to pay the bonuses and paragraph 8 of the Local Government Municipal performance regulations for Municipal Managers and Managers directly accountable to the Municipal Managers, 2006. However that does not make it correct that the law has not been complied with as prescribed. This is not going to be repeated in 2022/2023 financial year. Considerations to pay bonuses or not will be submitted in April 2024.	Management comments have been noted and management agrees with the audit finding; therefore, the finding remains and will be reported in the management report and audit report as uncorrected compliance subject matter misstatements.	Thabisa Sigekoni, Rolly Dumezwini, Phaphama Nobebe	30-Apr-2024	Assessments are conducted and chaired by APC chairperson. APR was submitted to AG for auditing in August.	100%	Completed	29-Apr-2024	11-Apr-24

Name: Rolly Dumezwini
Position: Municipal Manager
Date: 23/11/2023

COAF 25- (To Report)- Consequence management compliance – Prior years fruitless and wasteful expenditure was not investigated	There is no evidence to confirm that the fruitless and wasteful expenditure incurred by the municipality in the prior year was investigated as no listing of investigations conducted were provided, furthermore a listing of investigations concluded in order to determine the kind of investigation performed and the results of such investigations.	The cause of the finding was due to the fact that the MPAC only focuses on the consolidated reports amounting to unauthorised, fruitless and wasteful and irregular expenditure as no detailed listing of what constitute those investigations and the results of those investigations. This results to non-compliance with sections 32(2)(a) and 32(2)(b) of the MFMA.	Management should ensure there are sufficient processes to investigate fruitless and wasteful expenditure.	Agree – Prior Year Fruitless and wasteful expenditure, was not investigated in the 2022/23 FYR, focus was directed towards investigation of Unauthorised and Irregular expenditure. This is due to the high balances on these items as well as the ongoing engagement on Eskom interest charges. Name: M Klaas Position: Chief Financial Date: 27/11/2023	Management comments have been noted and management agrees with the audit finding; therefore, the finding remains and will be reported in the management report and audit report as uncorrected compliance subject matter misstatements.	Michael Klaas	31-May-2024		Not Yet Started	11-Apr-24	
COAF 22 (To Report) - Budgeting deficiencies identified	Section 62(1)(c)(i) of the MFMA states that, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent systems of financial and risk management and internal control. The following deficiencies were identified when comparing the budget amounts to actual amounts for the current year. No!List ALL classes of transactions, account balances, and disclosures from the latest information availableCurrent year-to-date actual amountPrior year actual amount, per prior year audited financial statementCurrent year budget amount, as per approved budgetManagement's explanation for significant fluctuationsAuditors comment 1Housing debtor income 1,859,224.00 1,444,801.00 295,957.00 Variance is due to an over budgeting on indigent debtors for housing rental.Inadequate budgeting process being followed by management due to acknowledgement of some errors / flaws / misallocation over the budgeting process. 2Interest received - Investments 7,977,378.00 4,278,823.00 6,787,000The budget was kept in line with the prior period interest income and did not factor in the expected effect of increased interest rates during the interest rate hiking cycle experienced in the economy. Inadequate budgeting process being followed by management due to acknowledgement of some errors / flaws / misallocation over the budgeting process. 3Finance costs 7,967,221.00 6,696,803.00 375,000.00 The finance costs budget does not include the material interest component related to the provision on the landfill site rehabilitation. This resulted in the variance as identified.Inadequate budgeting process being followed by management due to acknowledgement of some errors /	The cause of the finding is due to lack of oversight by management over adequate budgeting processes being followed and also ensuring that significant variances identified are properly explained. The impact of the finding results to an internal control deficiency over the budgeting process.	Management should ensure that proper budgeting process is followed and also any significant variances identified are properly explained.	Management noted the finding. Name: Unathi Xako Position: Manager Budget and Treasury Date: 2023/11/28	Management acknowledges the audit finding, therefore the finding remains.	Unathi Qinela-Xako, Diane May, Nombulelo Booysen, Michael Klaas	31-May-2024	Licenses - corrected in 2025 budget, we have budgeted only the 17% commission The remedial action action to correct this finding is to do a cost of supply study for all service charges, below is the progress of what has been done. Electricity services charges - cost of supply study was performed and has been budgeted accordingly for the 2025 financial year. A consultant will be appointed end of April 2024 to do the cost of supply study for water, refuse and sewer services. Interest received - Trade and other receivables and non-exchange receivables: The maximum interest rate of 6.5% has been factored in the 2025 budget. Revenue from non-exchange transactions - Environmental levies: Billing corrections are continuously performed.	27%	In Progress	11-Apr-24
COAF 23 (To Report) - Non-compliance with section 127 & 129 of the MFMA	Audit Finding Requirement: In terms of section 127(5) of the MFMA: (1) immediately after an annual report is tables in the council in terms of subsection (2), the accounting officer of the municipality must- (a) in accordance with section 21A of the Municipal System Act- (i) had made public the annual report; and (ii) Invite the local community to submit representation in connection with the annual report. In terms of section 129(1) of the MFMA: (1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or or shared control and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which included a statement whether the council: (a) had approved the annual report with or without reservations; (a) had rejected the annual report; or (a) had referred the annual report back for revision of those components that can be revised. Nature: 1. The Municipality did not invite the local community to submit representations in connection with the annual report immediately after an annual report was tabled in the council in terms of section 127(2) of the MFMA. The municipality on notice number 163/2022 dated 12 September 2022 invited the local community to submit representations in connection with the draft annual report. The draft annual report is not the final annual report because it before the Audit General issues an audit	Management did not ensure compliance with laws and regulations Impact: The above results in a material non-compliance with the following sections 1.Non-compliance with section 127(5)(i) of the MFMA 2.Non-compliance with section 129(1) of the MFMA	Recommendation: Management should ensure compliance with all applicable laws and regulations.	Management does NOT accept the finding. Section 127(2) of the MFMA does not differentiate between the words 'final' and 'draft' annual report but clearly states that the annual report of the Municipality should be tabled within seven months after the end of the financial year. Furthermore, Section 127(5)(i) clearly states that after the annual report is tabled then the accounting officer must "invite the local community to submit representations in connection with the annual report". There is no condition that is emphasized on the sharing of the annual report after the Auditor General issues an audit report as mentioned in your finding above. Reference is also made to section (5)(b) which states that the accounting officer of the Municipality must," submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province", this is also after the annual report has been tabled to council. Management acknowledges finding, going forward the oversight report will be made public to comply with section 129(3) of the MFMA. Name: Thabisia Sigoko Position: PMS Coordinator Date: 23/11/2023	Management response is note. We assessed the Management's response and Section 127(2) of the MFMA stated that immediately after an annual report is tables in the council in terms of subsection (2), the accounting officer of the municipality must-(a) in accordance with section 21A of the Municipal System Act- (i) make public the annual report; and (ii) Invite the local community to submit representation in connection with the annual report. Therefore, the Municipality did not comply with the above requirements since invited the local community to submit representation in connection with the annual report before it was tabled to the council, therefore the audit finding remains and will be reported both on Management Report and Audit Report.	Sonwabile Landzela, Thabisia Sigoko, Phaphama Nobebe, Vuyokazi Maphaphu, Phumeza Bhuti	30-Apr-2024	1. Management will ensure that an advert is published on the local newspaper an website after the adoption of annual report, 04 April 2024. 2. Oversight report to be submitted to Council on the 28 March 2024. The sittings of the MPAC are not aligned to Circular 63 of the MFMA and we therefore not adhere to the time frame, going forward will ensure sittings of the MPAC align with the circular. MPAC must sit within 7 days of the receipt of AG's report and this be done before council recess. In Dec Council to adopt the Oversight report and thereafter be made public.	100%	Completed 08-May-2024	11-Apr-24

COAF 20 Receivables due for impairment were not impaired or assessed for impairment.	Section 62 (1) (c) (i) of the Municipal Finance Management Act (MFMA) prescribes that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. Nature The municipality has not considered the impairment for legacy debtors that were raised in connection with old councillor's stolen laptops and traffic department lost revenue. This came balance was carried forward from the prior year and there has been no movement on the balance in the current year. Consequently, receivables as disclosed in the AFS and note 4 could potentially not be recoverable. As management has not performed an estimate of this potential impairment, or considered these debtors for write-off, there is a possible overstatement of receivables from non-exchange transactions: Receivables for non-exchange transactions: Analysed as follows: Segment surplus or deficit AFS Traffic department receipting under investigation R654 679 Recoverable legal expenses R326 494 981 173	The cause of the finding is due to a lack of oversight by management in ensuring that receivables are correctly accounted for and those that are subject for impairment are appropriately impaired. It is recommended that management should implement measures, controls and processes to ensure that amounts that should be impaired are impaired in the financial year that impairment indicators exist.	The audit finding is noted and acknowledged; however, management will impair the recoverable legal expenses relating to missing computer laptops and ex director's legal expenses in 2024 AFS the adjustment will be retrospective. Management will consider whether to impair Traffic department receipting under investigation in 2024 financial year when all processes are followed. Name: Unathi Xako Position: Budget and Treasury Date: 2023/11/22	Management comments have been noted, the finding resulting to the recoverable legal expenses will remain and be reported in the management report as uncorrected misstatement. The finding relating to Traffic department is resolved and will no longer be reported in the management report. Only in the next financial year when the investigation is concluded to confirm that it should be impaired or not	Unathi Nondzube	29-Mar-2024	A control has been put in place to ensure less risk on cash fraud by allowing only card payments for traffic department services payments. The community was informed of this change via notice 299/2023 which was issued on 01/12/2023, when the Traffic Department reopened on 04/12/2023. The notice was placed on notice boards, website and via social media platforms. The employees implicated were charged with misconduct and subjected to disciplinary hearing. The disciplinary hearings have been concluded and the finding of guilt has been issued by the presiding officer, both parties must submit mitigating and aggravating factors so that the presiding officer can determine an appropriate sanction. Report is available on request due to the sensitivity and confidentiality of the matter. Further this matter a criminal case was opened and is currently under investigation by SAPS.	100%	Completed 29-Apr-2024	11-Apr-24	29-Apr-2024	The matter has been finalized as the sanction of immediate dismissal has been issued by the presiding officer
COAF 08- Contingencies disclosure not supported by a complete register.	Section 62 (1) (b): The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all steps to ensure – that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards. 1. The following case is disclosed on the annual financial statements of the municipality but does not appear on the supporting litigations register submitted for audit. Case Description of case Amount per AFS KOSRA, Bushmand Kariega Estuary Car Management Forum & Natures Landing Homeowners Association v Ndlambe Local Municipality Legal proceedings have been instituted against the municipality regarding the state of the landfill site at Bushmans River Mouth and to put measures in place to rectify the state of the landfill. R 0 2. The following case is presented on the external confirmations but does not appear on the litigations register: Case Amount per external confirmation Ndlambe Local Municipality v Dyongana R 600 000	This is due to a lack of adequate review of the annual financial statements with the accompanying related disclosure schedules to ensure the AFS are accurate and complete. The impact of the finding result to the contingencies disclosed in the financial statements are overstated due to the case not supported by the schedule. Furthermore, the impact of the finding results to a completeness of contingencies amounting to R600 000.	Management should ensure that there is an adequate review of financial statements together with the accurate and complete schedules to ensure that financial statements are accurate and complete before they are submitted for audit purpose.	Management notes the finding – Finding 1 – This was a simple omission from the litigation register and not a misstatement in the AFS. The matter has not been struck off the roll and the MM has to report on this regularly to the courts in Grahamstown. No misstatement. Finding 2: The matter was an old matter and also not on the litigation register. Currently it seems the outcome of this is remote, but we are still engaging with the attorneys on this matter. We will adjust if necessary once final conclusion is reached. Name: Unathi Xako Position: Manager Budget and Treasury Date: 02 November 2023	Management comments have been noted. The finding relates to litigations register remains and will be reported in the management report as an overstatement misstatement in the annual financial statements as no adjusted AFS / adjusted litigations register showing the contingent liability and question. For finding number two, this finding remains and will be reported in the management report as a factual misstatement as no adjusted AFS or any other supporting documentation to support the disagreement.	Unathi Qinelwa Xako, Unathi Nondzube, Phumzwa Maneli	31-May-2024	AFS office to send letters to attorneys to confirm contingent liabilities quarterly PMS will create an indicator for the directorates to update the litigation register on a monthly basis Corporate services to circulate the correct litigation register for AFS and Audit purpose Departments to submit litigation registers by the 10th of each month. Corporate Services to consolidate all registers monthly by the 15 of each month.	50%	In Progress	11-Apr-24	
COAF 23: EXT 3HR Management compliance – No system in place to monitor performance of all employees of the municipality.	Municipal systems act 67(1)(d) states that –(1) A municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including— (a) the recruitment, selection and appointment of persons as staff members; (a) service conditions of staff; (a) the supervision and management of staff; (a) the monitoring, measuring and evaluating of performance of staff Nature The Municipality does not perform performance assessment of the "employees other than the municipal manager and managers who are directly accountable to the municipal manager's" performance against the objectives. Upon enquiry from management, it was noted that the performance evaluation of all employees is being cascaded from the 2023/24 financial year.	The cause of the finding is due to a lack of oversight by management in ensuring that all laws and regulations relating to the evaluation of performance of staff is being conducted and there is a system in place to ensure effective performance management process. Impact The impact of the finding results to a non – compliance with section 67(1)(d) of the municipal systems act.	Management should ensure compliance with all applicable laws and regulations are monitored and adhere to in order to avoid non – compliance paragraphs that are reported in the audit report and management report.	Management agrees with the finding and as stated in our PMS policy the cascading of performance will be done on a phased approach. The cascading of performance has a labour component which enforces the Municipality to re-evaluate all the relevant officials job descriptions to ensure compliance with regulation 890 and other related legal enactments. Most of the Managers have also been reporting in relation to the scorecards of the Municipal Manager and other Directors. Name: Thabisa Sigoko Position: PMS Coordinator Date: 23/11/2023	Management comments have been noted and management agrees with the audit finding; therefore, the finding remains and will be reported in the management report and audit report as uncorrected compliance subject matter misstatements.	Thabisa Sigoko, Phaphama Nobebe	31-Jul-2024	Cascading has been done from task grade 17 to 10. Implementation date end of Feb 2024 Plans are being developed for task grade 9 to 6, they will start report end of Sept 2024 From 01/07/2024 the process for development of plans for the rest of employees will commence 10 May 2024 Reporting on system for Q1, Q2 and Q3 has been done the closing date was the 30 Apr 2024.	50%	In Progress	11-Apr-24	
COAF 03 EXT 2: Employee took leave without being approved	Section 62(1)(c)(i) of the MFMA states that, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent systems of financial and risk management and internal control. Paragraph 23.1 An employee must submit an application for sick leave, accompanied by a medical certificate, if required, before or on the third day after her/his absence from duty has started to her/his departmental head or on the first day after she/he returned to work after any period of illness shorter than 3 days. Nature During the assessment of internal controls around leave applications noted that the employee with the persal number 0384 went to leave before the leave was approved. The paid leave was starting from 1 March 2023 to 1 March 2023 (1 day) and the employee applied for the leave on the 01 March 2023 recommended by the Section Head on the 06 March 2023 and approved by Manager on 15 March 2023, therefore the employee went to leave before approval.	The cause of the finding is due to a lack of review and monitoring of compliance with the leave policy. Impact The impact of the finding results to an internal control deficiency	Management should ensure that the employees are aware of the municipal policies around leave administration and they comply with the policies.	As this leave application was an emergency, verbal approval was granted by the sectional head and the HOD to the employee and thereafter written authorization was granted to the employee on the stipulated dates. Name: Mrs. NC. Booyen-Willy Position: Director: Community Protection Services Date: 30 October 2023	Management comments have been noted and management has acknowledged the finding. The finding remains and will be reported in the management report as an internal control deficiency.	Unathi Nondzube, Rolly Dumezweni, Nombulelo Booyen, Michael Klaas	14-Jun-2024	Leave plans where employees will request their leaves 7 days before they go to ensure they take an authorized leave Unauthorized leave to be deducted, effective as of 01 Feb 2024 Verbal leave to be signed the 1st day an employee comes back to work Introduction of online leave application (time frame) All depts to submit all leave books to HR to assess all leaves taken from July 2023 to Jan 2024 Departments (Deputy directors and managers) to assess their leave books on a monthly basis Memo be circulated to all explaining leave procedure	60%	In Progress	11-Apr-24	

COAF 3 EXT 1: Overtime Payments-Pre-authorization forms- Internal Control deficiency	Section 62(1)(c)(i) of the MFMA states that, the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent systems of financial and risk management and internal control. Par 5.8 of the overtime policy states that no overtime will be worked without the approval of the Director or his delegate except in an emergency or exceptional cases and in such a situation the relevant Director must be informed within 12 working hours of the affected employee being in office. A pre-authorization form should be filled and signed to this effect except in emergency or exceptional cases. Nature During the testing of overtime payments, we noted that the below overtime payments were made where the pre-authorization was not dated, therefore we can't determine whether when the overtime was pre-authorized. No. Employee no. Employee Name Month overtime worked Overtime payment Comments 1269WOODS E R Sept R 5 948,28 The pre-authorization form is not dated 2659KALIPA L S April R 3 806,43 The pre-authorization form is not dated 3190MBABA S April R 5 152,19 The pre-authorization form is not dated	The above is due to the following: - Poor monitoring and implementation of overtime policy by management Impact The impact of the finding results in an internal control deficiency.	Management should ensure that: >pre- authorizations are obtained and dated before overtime is worked. > adequate review procedures are in place. > considerations around adequate review of the overtime policy is made to accommodate instances of weekends and the processes to follow around approving such overtime.	The management will ensure that all overtime pre- authorisations are checked before overtime is worked/ approval. Name: S. Babama Position: Deputy Director Infrastructure Date: 27/10/2023	Management comments have been noted and management has acknowledged the finding. The finding remains and will be reported in the management report as an internal control deficiency.	Unathi Nondzube , Michael Klaas, Nombulelo Booyen	30-Jun-2024	Amendments to the existing pre-authorization form for it to talk to essential service departments and signed by relevant HOD or acting HOD	50%	In Progress	11-Apr-24
COAF 2 EXT 5: IT Findings- Internal control deficiencies on the IT department	Section 62(1) (c) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the accounting officer of a municipality is responsible for the financial administration of the municipality and must for this purpose take reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. Nature The following internal control deficiencies were noted in the IT environment 1. The IT steering committee only met once during the 2022/23 financial years as required by the IT steering committee charter. 2. There is no Chief Information Officer in the municipality no supporting evidence was provided to confirm that the CFO reviews activities of the person (IT Manager) responsible for granting users access to the network, application systems and performance reporting systems.	There appears to be a lack of attention paid to IT management in the municipality and the IT Manager has a solely responsible for the IT functions and no top management reviews are performed and this result in lack of segregation of duties. Furthermore, the IT Steering committee had only met once. Impact The finding results in an internal control deficiency in the IT environment.	Management should ensure that it takes reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial, risk management, and internal control. This includes taking reasonable steps to ensure that the IT documents are approved on a timely manner and that the IT Steering Committee is operating in terms of terms of reference.	1. Agree to the finding and recommendations noted the IT Manager will prioritise the IT Steering Committee meetings to take place on a quarterly basis. The first quarter meeting is scheduled for November 2023. 2. [Agree to AG's finding, IT Manager will submit to the CFO on a monthly basis report for review. All recommendations are noted. Name: Gerrie Germishuizen Position: IT Manager Date: 30 October 2023	Management comments have been noted and have agreed with the auditing finding therefore the audit finding remains and will be reported in the management report as an internal control deficiency	"Gerrie Germishuizen, Michael Klaas	31-May-2024	The IT section has to sit 4 meetings before year end in order for them to meet the required number of meetings to be sat per annum The following dates was scheduled for the next 4 meetings in this financial year Response from IT Manager on dates 19 th of March 2024 4 April 2024 28th of May 20th of June CFO to review all IT reports monthly. Respond from IT Manager The monthly report will be submitted to CFO's office on a monthly basis Respop	50%	In Progress 28-May-2024	11-Apr-24
COAF 2 EXT 8: Planning: Prior year audit action plan not adequately addressed.	In section 62(1)(c)(ii) of the Municipal Finance Management Act (MFMA) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of internal audit operating in accordance with any prescribed norms and standards. Nature The Audit Action Plan of the prior year was not adequately addressed by management as it only focused on the audit of the annual financial statements and did not include the compliance findings that have been raised in the prior year for the following's subject matters: 1. Annual financial statements 2. Expenditure management 3. Procurement and contract management 4. Human resource management	The cause of the finding is due to a lack of oversight by management over implementation of the audit action plan to address the prior year findings on compliance. Impact The impact of the finding results to an internal control deficiency.	Management should ensure that adequate steps are taken into account to ensure that the prior year audit action plan to include all types of audits, financial statements, audit of performance information and compliance with laws and regulation to ensure that prior year findings are adequately addressed to avoid repeat findings.	Disagree with the audit finding all findings were incorporated in the action plans. The findings were included individually not grouped as per subject matter. Name: T Soul Position: Audit Controller Date: 30/10/2023	Management comment is noted. Subsequently discussed with Audit Control and confirmed that the findings relating to these compliance subject matters have been included in the audit action plan, however the plan has not adequately addressed the prior year findings as repeat findings has been identified. Therefore, the finding remains and will be reported in the management report as an internal control deficiency.	Themba Soul	30-Jun-2024	All the findings that were not resolved and emphasis matters are included in this Audit Action Plan Bi-monthly working session meetings will be conducted Weekly follow ups by the Audit controller to remind responsible officials of the progress and portfolio of evidence 26 Feb 2024 Attendance registers of meetings are uploaded for progress update. 13 May 2024 Quarterly reports will be uploaded as well as attendance registers for working sessions	41%	In Progress	11-Apr-24

COAF 2 EXT 7: Work of Internal auditors and Assessment of audit committee - Internal Audit Performing conflicting responsibilities and audit committee control deficiency.	In section 62(1)(d)(ii) of the Municipal Finance Management Act (MFMA) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of internal audit operating in accordance with any prescribed norms and standards. The following control deficiencies were identified while doing a risk assessment of Internal audit. · [The Internal Audit unit is performing the responsibilities of management by preparing the risk assessment and review the risk register, as per the terms of reference, therefore the internal audit function is not free from conflicting responsibilities and independent of activities that were audited. · [No external quality assurance assessment was done by a qualified independent reviewer as required by Institute of Internal Auditors (IIA) standard 1312 therefore, the internal audit function did not adhere to the standards set by the IIA. · [Further during the risk assessment of audit committee, no evidence could be obtained to confirm that the audit committee reviewed and commented on the municipality's annual report within 6 months after the end of the financial year before it's tabled to council.	There is no external Quality assurance review since the internal audit unit initiated and tabled the Quality Assurance Improvement programme was tabled in the APC committee meeting on the 30 March 2022 as annexure. The municipality did not submit the annual report to council on time. Impact The impact of the above findings is due to non-compliance with MFMA section 62 (1) and Internal control deficiencies.	· [No external quality assurance assessment was done by a qualified independent reviewer as required by Institute of Internal Auditors (IIA) standard 1312 therefore, the internal audit function did not adhere to the standards set by the IIA. · [The Internal Audit charter must be in line with MFMA circular 62. · [The Internal Audit unit should have quality assessment by an external person as required by the Internal Institute of Internal Auditors (IIA) 1312. · [the annual report is submitted to audit committee within the required time so as the audit committee can perform their roles and responsible as detailed in the MFMA.	· [No external quality assurance assessment was done by a qualified independent reviewer as required by Institute of Internal Auditors (IIA) standard 1312 therefore, the internal audit function did not adhere to the standards set by the IIA. · [We acknowledge the part of non-performance of quality assurance. However, it has been communicated to AGSA that due to lack of budget, it could not be actioned in the prior year, and this will be addressed in the 2023/24 financial year. Implementation date: End June 2024 · [Further during the risk assessment of audit committee, no evidence could be obtained to confirm that the audit committee reviewed and commented on the municipality's annual report within 6 months after the end of the financial year before it's tabled to council. · [We agree with the finding. This was due to misalignment of Council calendar where the Audit Committee meetings sat after Council dates. This has been addressed in the current 2023/24 financial year. Implementation date: End January 2024 Name: S Landzela Position: Internal Audit Manager Date: End January 2024	Management comments have been noted and have agreed with the auditing finding therefore the audit finding remains and will be reported in the management report as an internal control deficiency. Sonwabile Landzela, Vuyokazi Maphaphu, Phumeza Buti	31-May-2024	The Internal Audit section will identify savings during the budget adjustment period, only once savings are identified an external assessor will be appointed. Quality Assurance assessment to be undertaken in the last quarter of 2023/2024 . awaiting budget adjustment approval to proceed with the external assessment. Once approved the budget adjustment with the line item in question will be uploaded as evidence by 28th February 2024. Council to appoint Risk committee. The term of the old Audit Committee expired mid Sept which required appointment of new audit committee, which was approved by council in December 2023, hence the draft annual report was only tabled in the new audit committee for reviews and comments on the 24/01/2024.	10%	In Progress	11-Apr-24																													
COAF 15: Incomplete impairment on assets	GRAP 1(17) states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation. GRAP 26 defines impairment as a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. GRAP 26 paragraph 20 stated that "An entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset". GRAP 26 paragraph 23 stated that "In assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications: External sources of information (a) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use. (b) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.	Management did not perform an impairment assessment on asset as indicated above. Impact · [Non-compliance with GRAP 1(17) and GRAP 26 · [PPE is overstated by a projected amount of R6 115 544.88 and understatement of impairment loss.	Management should ensure that there is regular monitoring of the impairment indicators and furthermore management should consider expanding the assessment of impairment to include impairment due to changes in market value of assets. Furthermore, management should consider performing a similar activity of costing the impairment which includes the size of the property and the cost per square meter for the buildings verified by the auditors. This will allow us to consider the rate of misstatement in terms of the municipality's input as we have used professional judgement above. Management should revisit the entire population to ensure that there are no other cases of impairment as above and perform the same	Management notes the finding. On item 1, the ground transformer, we acknowledge the fact that this was vandalized and has already been reported and insurance claimed. The breakdown in cost occurred between the reporting thereof and reporting to the asset unit. This asset should have been impaired, which was an oversight. On items 2 and 3. We are and continue to be of the view that there are no indicators of impairment of these abutment facilities. These facilities are used for their intended purpose which is in season, as they are at the beach. This also ensures the least change of this getting vandalized. We further note that the AGSA refers to the fact that the indicator is the estimated market value. We would like to point out that this is not an appropriate method for identifying indicators of impairment on public service infrastructure, as by their nature there is no active markets or market value for these. The fact that the carrying amount is high has nothing to do with impairment and if market value was a legitimate indicator, virtually all items of PPE would be impaired as no active markets exist for roads or stormwater drainage. (as example) The fact that no indicator is therefore identified is critical, as this is the trigger for the impairment calculation. Without the trigger, no impairment calculation is required. This was explained previously, but it's not specifically addressed in this finding. In light of the above already being mentioned in meetings, we have included a brief calculation on the value determination, based on similar asset but with reasons why these abutment	Management response has been noted the finding for Ground / Distribution Transformer will be reported on the management report and will therefore be projected and transferred to over/unders as management did not process an adjustment. The finding for the two abutment is therefore resolved, management provided sufficient evidence to allow us to make an assessment and we can conclude that the carrying amount of the assets is not impaired.	Unathi Qinelako, Xako, Nombulelo Booyen	30-Jun-2024	Asset office to circulate to departments impairment indicators (26/01/2024) Infrastructure to report to Asset office all possible impairments to the Assets Office 13 May 2024 Training was held where all departments were represented, hence no memo was circulated. Assets are busy with verification and all impairments will be reported as at 30 June 2024	40%	In Progress	11-Apr-24																												
COAF 10 (To report) - Differences between the asset register and the financial statement	Section 62(1)(b) of the MFMA states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for the purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards. GRAP 1(17) states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation. During the testing of the Property, plant and equipment, differences between the asset register opening balances and the disclosed opening balance disclosed on the financial statements, this difference translate to an overall differences on the PPE note 10. PPE note <table><tr><td>General ledger (RIAFS)</td><td>(R)Asset register</td><td>(R)Differences (R)</td></tr><tr><td>Land</td><td>83 760 691,00</td><td>83 760 691,00</td></tr><tr><td>Buildings</td><td>114 547 496,00</td><td>114 547 496,00</td></tr><tr><td>3,00</td><td></td><td></td></tr><tr><td>Plant and machinery</td><td>3 098 381,00</td><td>3 098 381,00</td></tr><tr><td>3 098 380,00 -</td><td></td><td></td></tr><tr><td>Motor Vehicles</td><td>23 841 179,00</td><td>23 841 179,00</td></tr><tr><td>502,00</td><td>344 323,00</td><td>24 285</td></tr><tr><td>Office equipment</td><td>2 245 774,00</td><td>2 245 774,00</td></tr><tr><td>245 773,00 -</td><td>1,00</td><td>2</td></tr></table>	General ledger (RIAFS)	(R)Asset register	(R)Differences (R)	Land	83 760 691,00	83 760 691,00	Buildings	114 547 496,00	114 547 496,00	3,00			Plant and machinery	3 098 381,00	3 098 381,00	3 098 380,00 -			Motor Vehicles	23 841 179,00	23 841 179,00	502,00	344 323,00	24 285	Office equipment	2 245 774,00	2 245 774,00	245 773,00 -	1,00	2	· [Non-compliance with review of schedules supporting the financial statement line items to ensure accuracy. · [Non-compliance with Section 62(1)(b) of the MFMA · [Non-compliance with GRAP 1(17) · [PPE is overstated with R982 736	Management should ensure that there is an adequate review of financial statements together with the accurate and complete schedules to ensure that financial statements are accurate and complete before they are submitted for audit purpose.	Management disagrees with the finding. There are no differences in the carrying value of PPE and the CV of the PPE note 10 and Asset register agrees. The prior period had immaterial variances which does not affect the carrying value of the prior period either. The below reconciliation is linked to the asset register and shows the overall differences to be Zero. A link to this has been provided as – https://www.dropbox.com/sd/fo/tu29wjx7g9i3dnpdxqwk0/h?rlkey=vvvh92tg8fupst2qb2okd3&dl=0 ASSET REGISTER R20230222 Property Plant and Equipment Cost At Cost Depreciated Depreciated Land R3 760 691,000.0083 760 691,0082 280 691,000.0082 260 691,00 Buildings 158 436 975.39-43 889 476.97114 547 498.42146 492 456.38-39 098 661.71107 393 794.67 Machinery and Equipment 10 048 793.21-6 950 441.763 098 351,459 683 742,49-7 225 182,612 458 559,88 Transport Assets 55 558 345.43-31 717 343,9723 841 001,4649 330 934.10-28 851 615,5720 479 318,53 Furniture and Office Equipment 9 950 008,99-7 704 240,282 245 768,7110 018 314,62-7 859 361,082 158 953,54 Computer Equipment 0 081 740,09-3 592 205,223 489 534,877 012 021,794 587 386,122 424 635,67 Electrical Infrastructure 159 181 014.18-58 659 284,69100 521 729,49158 541 558,16-52 635 556,87105 906 001,29	Unathi Qinelako, Xako, Nomathamsanga Vulindlu	28-Jun-2024	Reconcile opening balances of assets in the GL	Not Yet Started	11-Apr-24
General ledger (RIAFS)	(R)Asset register	(R)Differences (R)																																					
Land	83 760 691,00	83 760 691,00																																					
Buildings	114 547 496,00	114 547 496,00																																					
3,00																																							
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502,00	344 323,00	24 285																																					
Office equipment	2 245 774,00	2 245 774,00																																					
245 773,00 -	1,00	2																																					

COAF 23 - (To Report)- Expenditure management compliance – Reasonable steps were not taken to prevent irregular, unauthorized and fruitless and wasteful expenditure.	Section 62(1)(d) of the MFMA states that “the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable stem to ensure -; that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented Reasonable were not taken by management to ensure that irregular, unauthorised and fruitless expenditure incurred during the year under review is prevented in terms of section 62(1)(d) of the MFMA Act	The cause of the finding is due to a lack of oversight by management in ensuring that all laws and regulations relating to the section 62(1)(d) of the MFMA Act is adhered to. The impact of the finding results to a non – compliance with section 62(1)(d) of the MFMA Act.	Management should ensure compliance with all applicable laws and regulations are monitored and adhere to in order to avoid non – compliance paragraphs that are reported in the audit report and management report.	Agree - that unauthorized, irregular, or fruitless and wasteful expenditure (UIF&WE) was incurred in the 2022/23 FYR. The following actions are being taken to reduce UIF&WE 1. Unauthorized, the expenditure is mainly noncash arising from Depreciation, impairment, and bad debt write-offs. An asset module has been activated to ensure that depreciation provision is correctly budgeted for the budget year, where under provision is detected then an adjustment is made during budget adjustment. 2. Irregular – An action plan has been drawn to ensure that all goods and services procured without following the due processes are included in the procurement plan, or where a deviation is used, the reasons for using the shortened process are justifiable. 3. Fruitless and wasteful expenditure, Eskom is continuously engaged where we are required to pay interest like in the case of interest paid for the incorrect city addressed invoices, in this we had considered paying the invoices and engage later, however the challenge is SARS, we may incur penalties for incorrect declarations in our returns. The municipality has noted the challenges in respect of these expenditure types, Name: M Klaas Position: Chief Financial Officer	Management agrees with the finding. The reform, the finding remains and will be reported both on the Management Report and Audit Report.	Michael Klaas, Simamkele Smaile	31-May-2024	The remaining years (2021, 2022 and 2023) will be tabled to MPAC for investigation.	75%	In Progress	29-Apr-2024	11-Apr-24	27-Feb-2024	Approved
COAF 9 EXT 3: Deviations recognized as irregular expenditure in the AFS	In terms of the requirements of SCM reg 36(1) (a) it states that: Dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only- (a) in an emergency; (a) If such goods or services are produced or available from a single provider only; (a) for the acquisition of special works of art or historical objects where specifications are difficult to compile; (a) acquisition of animals or zoos; or (a) in any other exceptional case where it is impractical or impossible to follow the official procurement processes Nature Management procured goods/services through deviation. The deviations were further recognized by management as irregular expenditure. On assessment of the deviations during testing the auditors further agree with management that the reasons for deviating were not justifiable, which is then resulting in non-compliance with the SCM regulation 36. Refer to below. No Supplier Total rand-value of award Irregular expenditure 1 Court case - Ndlambe LM/Vice Family SA Trust - WHEELDON RUSHMERE 209 660,00 209 660,00 2 Green Drop documentation compilation - WWTPs - PROTEGE TECHNICAL ACADEMY 196 772,00 196 772,00 3 Professional Services - upgrading of Port Alfred Sewer System - LUKHODZI CONSULTING 6 986 244,00 8 548 338,00 4 ABSA Property Development (Pty) 8 987 455,00 8 987 455,00	Management does not put measures in place to ensure that deviations are minimised thereby reducing the irregular expenditure to be disclosed. Impact - (Non-compliance with SCM regulation 36	Management should ensure compliance with SCM regulation 36 and minimizing irregular expenditure incurred by the municipality	See the table above: - [1 - Agreed – All payments to this service provider were included in the Irregular Expenditure listing. - [2 – Agreed – The payments to this service provider were included in the Irregular Expenditure listing. - [3 - Agreed – All payments to this service provider were included in the Irregular Expenditure listing. See also finding 2. above. - [4 – Agreed - All payments to this service provider were included in the Irregular Expenditure listing. - [5 - Agreed - All payments to this service provider were included in the Irregular Expenditure listing. - [6 - Agreed - The payment to this service provider were included in the Irregular Expenditure listing. - [7 - Agreed - The payment to this service provider were included in the Irregular Expenditure listing. - [8 - Agreed – All payments to this service provider (MWEZENI INVESTMENT HOLDING) L.r.o. 029/2023 were included in the Irregular Expenditure listing. Name: R Gates Position: SCM Date: 08/11/2023	Management response has been noted, the finding remains and will be reported on the management report due to the non-compliance.	Michael Klaas, Simamkele Smaile	18-Apr-2024	All deviations procurements to be checked at SCM unit before authorization by relevant HODs. Re- imbursement form to be developed and re- imbursement to be paid as standard expense. Amendment of creditor's, Councilors and staff payment policy to accommodate study agreements, professional bodies and organs of state. 18 April 2024: Progress Creditors policy has been approved by Council on the 27 Feb 2024, council resolution attached.	100%	Completed	19-Apr-2024	11-Apr-24	27-Feb-2024	In progress as scheduled. Council resolution outstanding for approval of policies
COAF 26 Unidentified direct deposits disclosed does not agree to listing	The disclosure of unidentified direct deposits is stated as R8 154 539 with a register supporting a value of R7 081 267.68. Therefore resulting in an overstatement of the unidentified direct deposits. This result in the disclosure in the annual financial statements being factually overstated by R1 073 271.32*	This is due to a lack of adequate review of the annual financial statements with the accompanying related disclosure schedules to ensure the AFS are accurate and complete.	Management should ensure that there is an adequate review of financial statements together with accurate and complete listings to ensure that financial statements are accurate and complete before they are submitted for audit purpose.	Management noted the finding will be addressed in the current financial year.	Management agrees with the audit finding; therefore the finding remains.	Diane May, Carin Engelbrecht	31-May-2024	The line item in the AFS relating to unallocated includes suspense accounts. The imbalance between the unallocated deposits listing and the AFS relates to the suspense accounts which were not cleared. The imbalance relating to 2022/2023 opening balances to be written off against the accumulated profit. Going forward all suspense accounts will be cleared on a monthly basis. Debtor's reimbursements captured to debtor's accounts and actual refunds should be done in the same month. Creditor's payments captured to the cash book should be released to the bank in the same month.		Not Yet Started		11-Apr-24		

COAF 2 EXT 9 and COAF 22 Budget vs actual - Internal control deficiencies on management explanations for significant variances identified	The following deficiencies were identified when comparing the budget amounts to actual amounts for the current year. No List ALL classes of transactions, account balances, and disclosures from the latest information available Current year-to-date actual amount Prior year actual amount, per prior year audited financial statements Current year budget amount, as per approved budget Management's explanation for significant fluctuations Auditors comment 1 Service charges 181 743 495,00 166 321 134,00 206 629 645,00 The budget adjustment relates to the provision made for reduced revenue on water due to the existing drought conditions Budget explanation does not really indicate the reason behind the actual movement. 2 Licences and permits 4 951 582,00 4 479 192,00 12 267 000,00 The budgeting process relating to the forecast of licences and permits was flawed as there was an overestimate of the agency revenue and the figure budgeted for more closely relates to overall collections from motor vehicle licences and permits, rather than just the portion earned as municipal portion of the agency services. On the basis of overall collections the budget agrees to collections as disclosed in the agent principal note. Inadequate budgeting process being followed by management due to acknowledgement of some errors / flaws / misallocation over the budgeting process. 3 Interest received - Trade and other receivables and non-exchange receivables 11 941 673,00 8 634 225,00 5 446 000,00 Exchange; The budget was kept in line with the prior period interest income and did not factor in the expected effect of increased interest rates during the interest rate hiking cycle experienced in the economy.	"The cause of the finding is due to lack of oversight by management over adequate budgeting processes being followed and also ensuring that significant variances are properly explained.	Management should ensure that proper budgeting process is followed and also any significant variances identified are properly explained.	Management noted the finding.	Management comments have been noted and management agrees to the finding, the finding therefore remains and will be reported on the management report due to the internal control deficiency	Unathi Qinela-Xako, Nombulelo Booyisen, Michael Klaas	31-May-2024	Licenses - corrected in 2025 budget, we have budgeted only the 17% commission	25%	In Progress	11-Apr-24
		The impact of the finding results to an internal control deficiency over the budgeting process."						The remedial action to correct this finding is to do a cost of supply study for all service charges, below is the progress of what has been done. Electricity services charges - cost of supply study was performed and has been budgeted accordingly for the 2025 financial year.			
								A consultant will be appointed end of April 2024 to do the cost of supply study for water, refuse and sewer services.			
								Interest received - Trade and other receivables and non-exchange receivables: The maximum interest rate of 6,5% has been factored in the 2025 budget.			
								Revenue from non-exchange transactions - Environmental levies: Billing corrections are continuously performed.			
COAF 9 EXT 2 : AMOUNT PAID EXCEEDING THE AWARD / QUOTED AMOUNT	Nature On testing of SCM quotations, identified an instance where management have made payments to a supplier that is exceeding the quoted amount. The payment was made without any approval or delegated approval. Refer to the following table: Supplier Award amount Payment amount Difference: Irregular expenditure recognised Khangela Satellite notice no 122/2022R198 720R215 280R16 560R16 560 Professional Services - upgrading of Port Alfred Sewer System - LUKHOZI CONSULTING R6 244R8 548 3381 562 094R8 548 338	Management did not ensure that they put measures in place to have proper approval before excess payment is made to suppliers.	Management should ensure compliance with SCM regulation 5 by implementing proper internal controls in place to approve and delegate approvals in order to monitor irregular expenditure.	The time of completion of the service from the date of commencement is 30 June 2027. This was based on implementation of various phases over the appointment period which is governed by the availability of funding. During the Master Planning which was done in 2022, eight (8) phases were identified for implementation over various financial years with some phases being implemented concurrently with others. These implementation phases are anticipated to be implemented until the end of Financial Year ending 2031. - LUKHOZI CONSULTING – Payments EF005245-0001, EF005245-0002, EF005048-0001, EF005048-0002, EF005142-0001, EF005142-0002, EF005048-0003, EF005048-0004, EF005048-0005, EF005048-0006, EF005493-0001, EF005314-0001, EF005644-0002, EF005731-0001, EF005731-0002, EF005658-0003, EF005658-0004, EF005705-0001, EF005848-0005, EF005848-0006, EF005848-0007 – all payments were included in the Irregular Expenditure listing. PLEASE SEE ATTACHED NEW APPOINTMENT LETTER FOR LUKHOZI	Management agrees with the finding; therefore, the audit remains and will be reported	Onwabile Ndeki, Simamkele Smaile	30-May-2024	Invoices that are to be submitted to Exp, have attached to them transaction listing of all payments made to the supplier together with screenshot of the contract on the system which reflects the contract amount and amount paid to date.	100%	Completed 29-Apr-2024	11-Apr-24

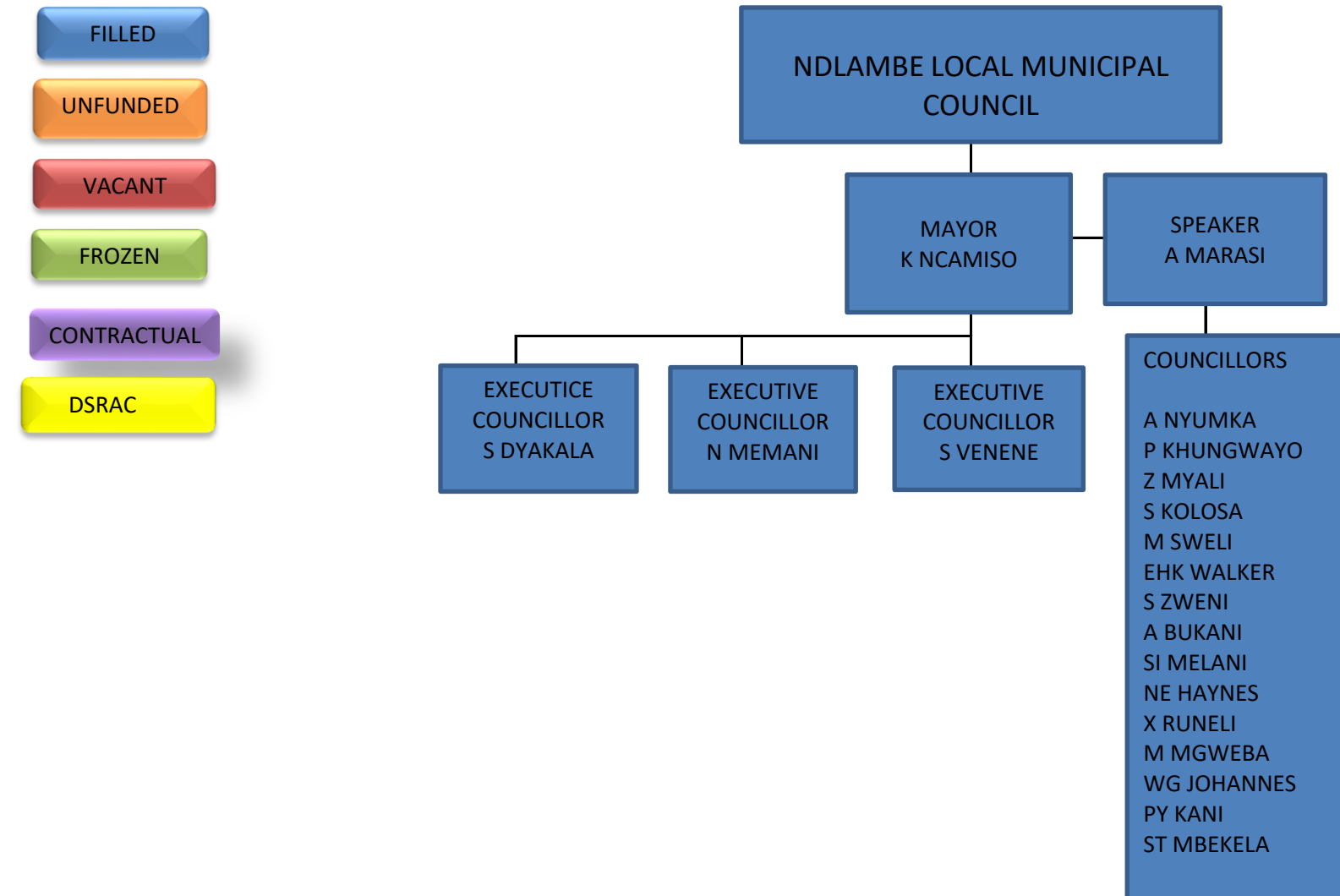
ANNEXURE A



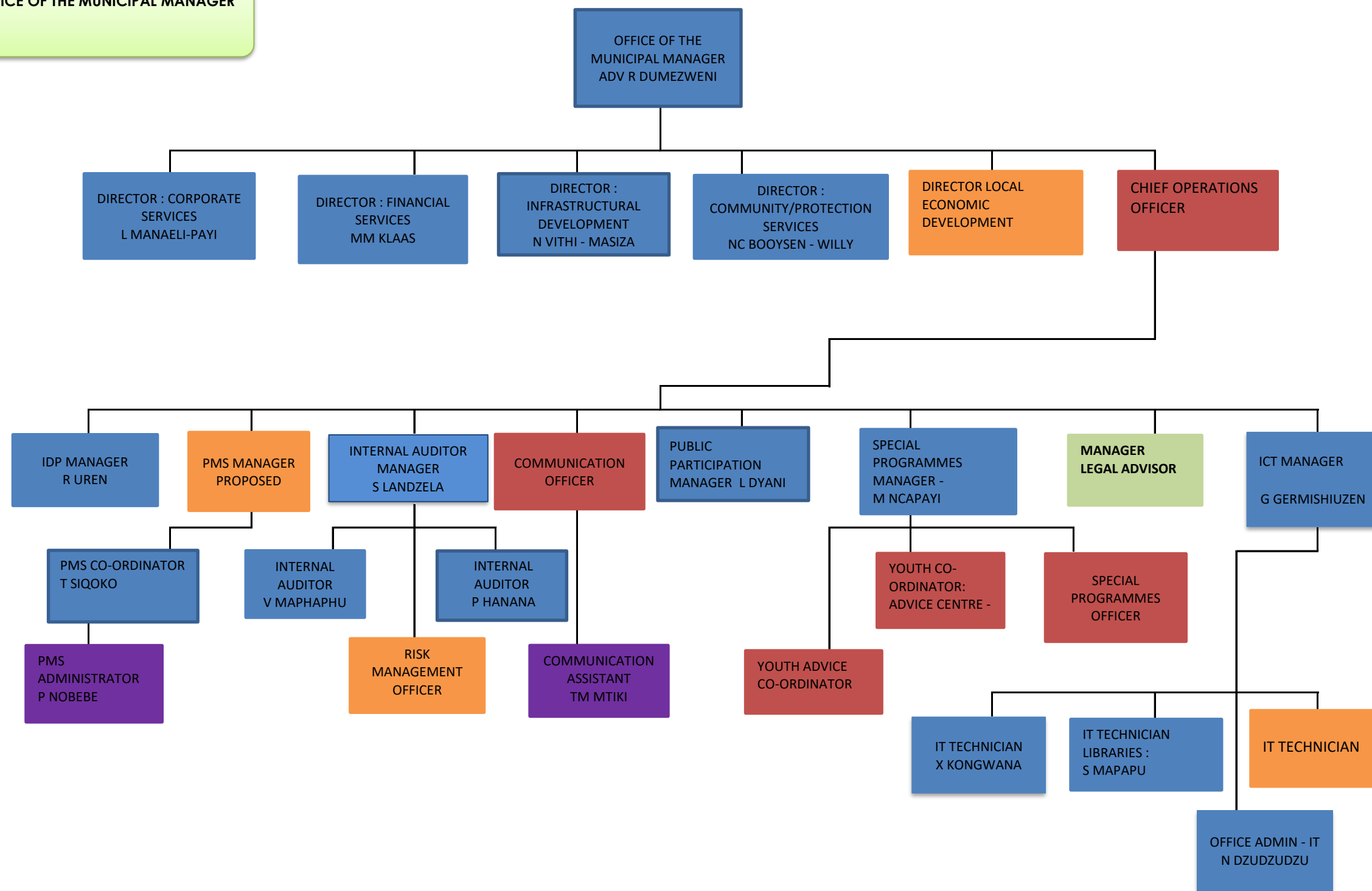
OFFICE OF THE MAYOR AND
SPEAKER

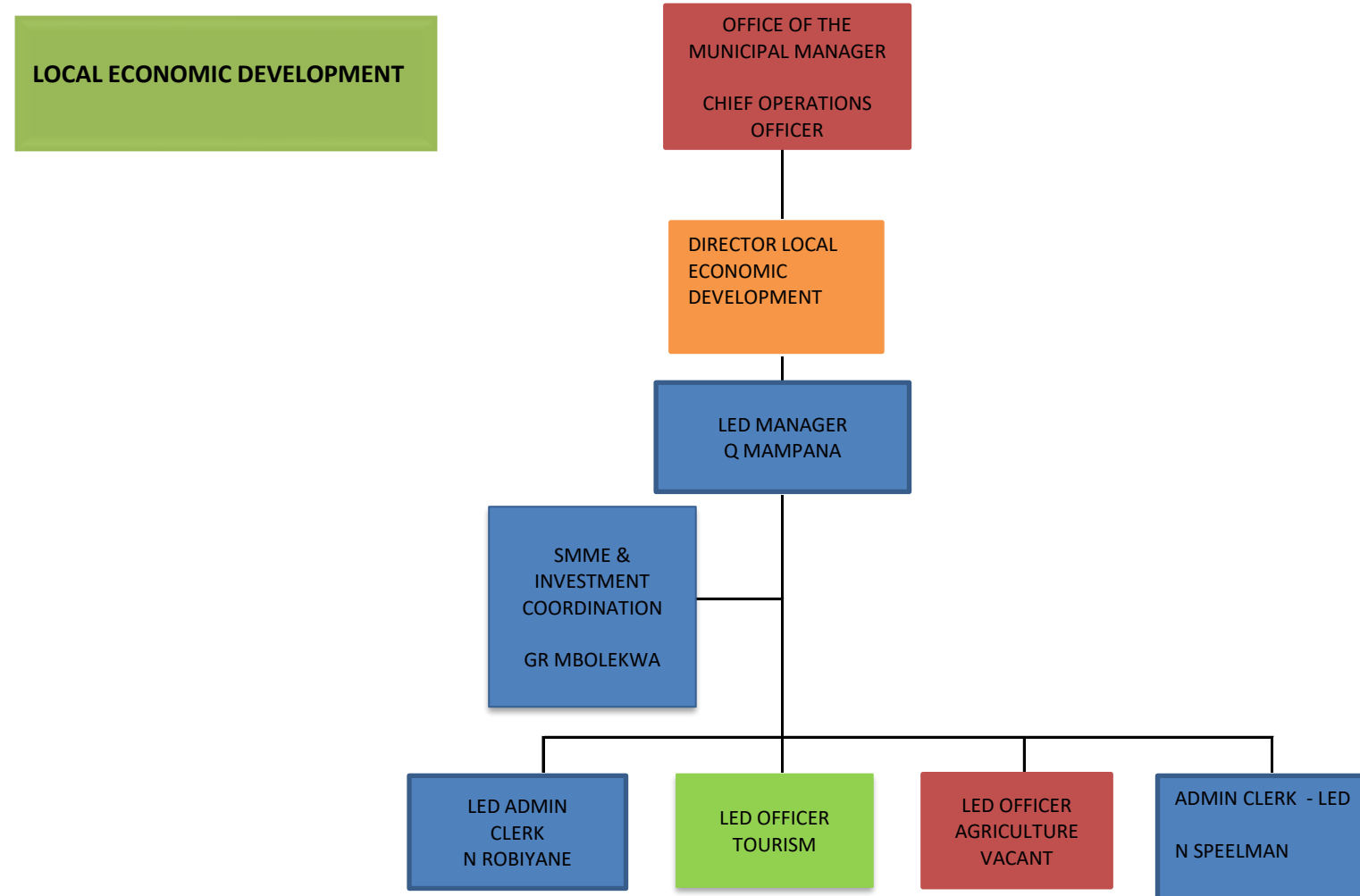
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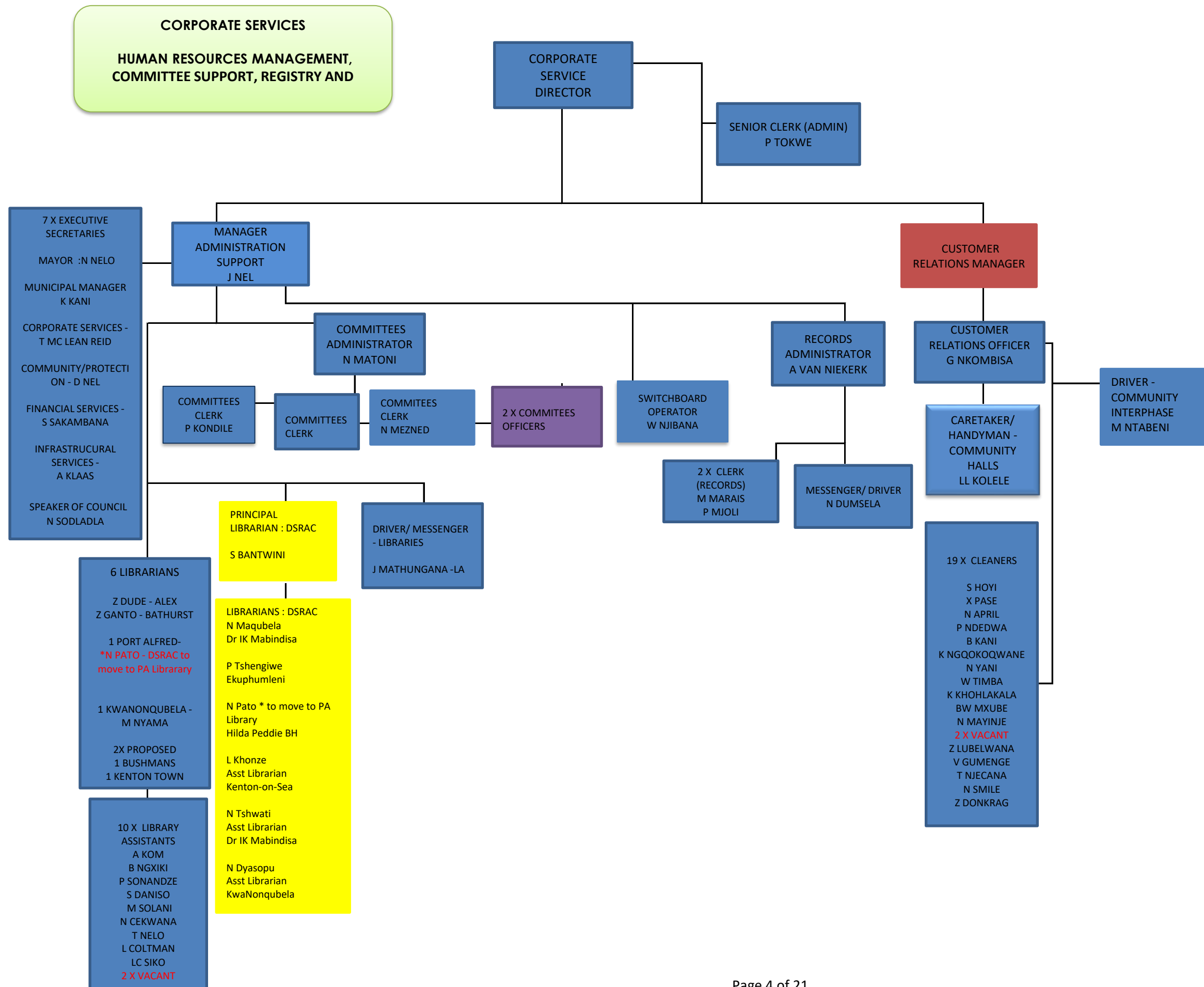
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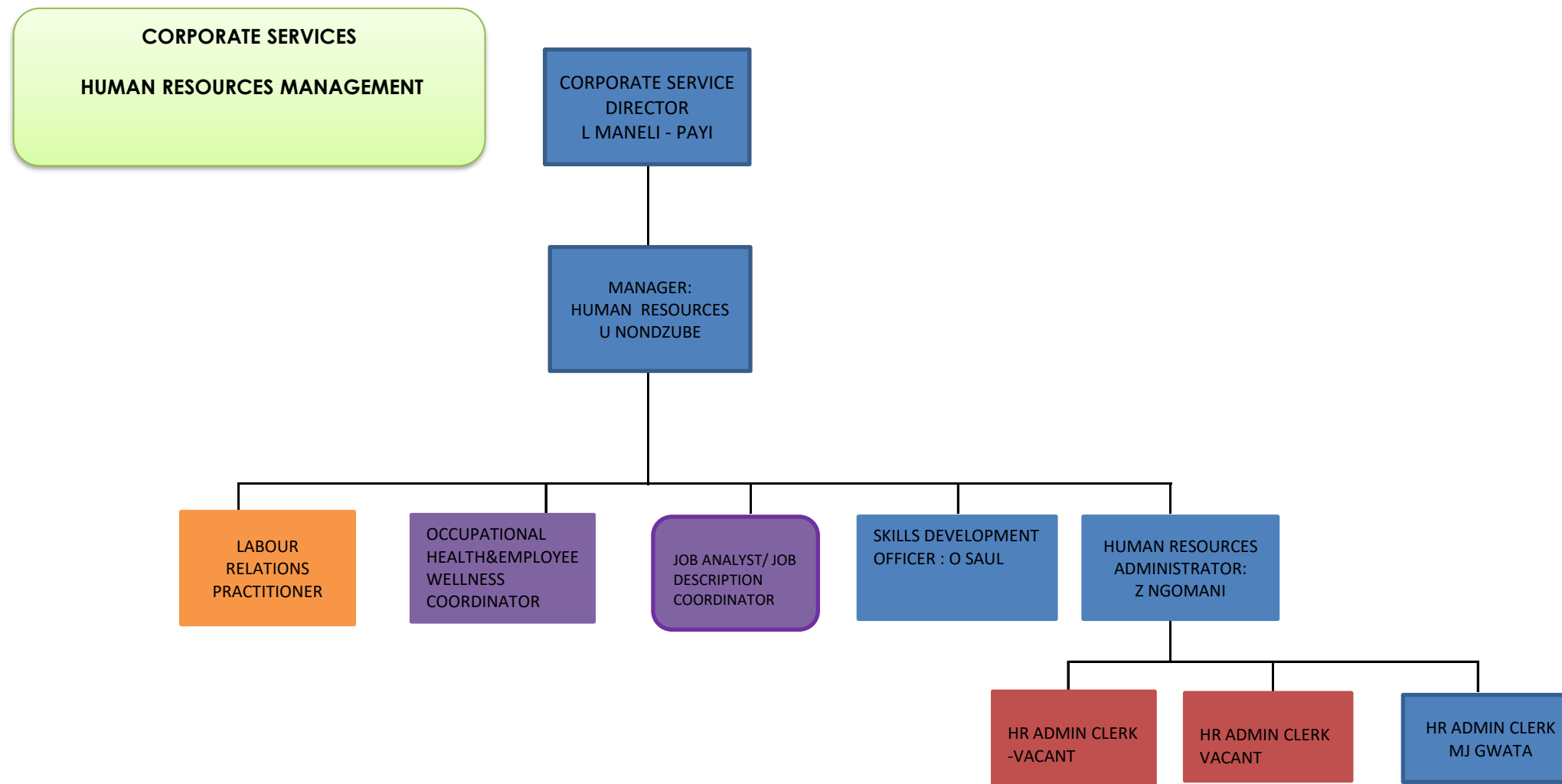


OFFICE OF THE MUNICIPAL MANAGER

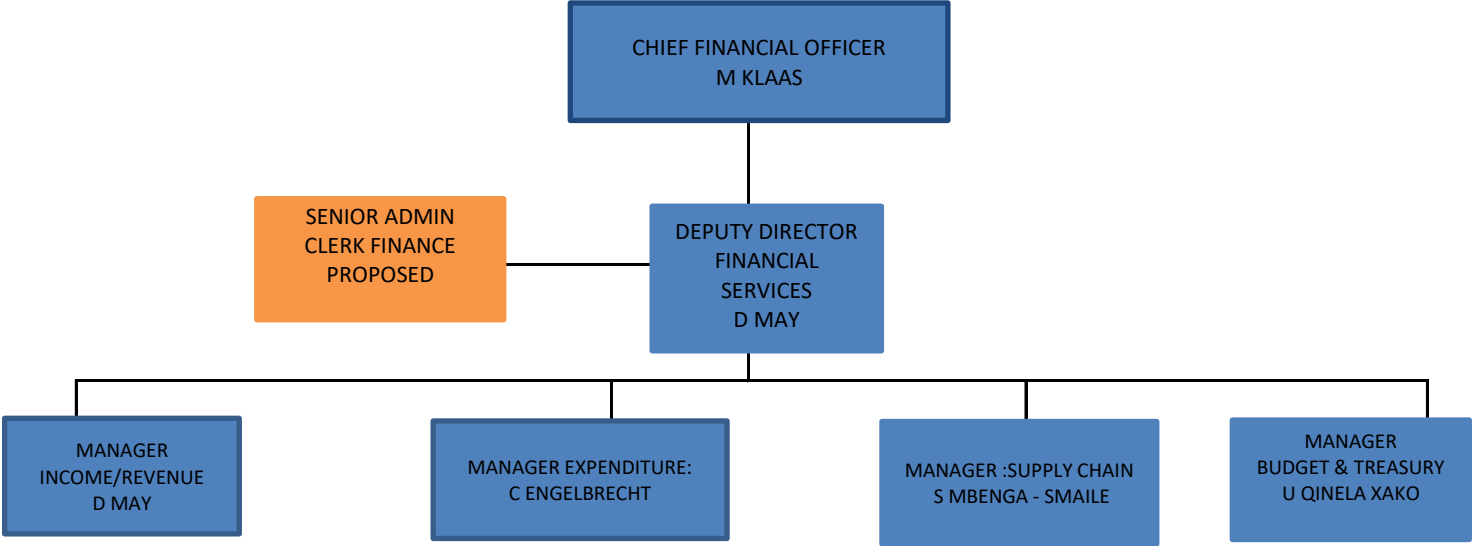


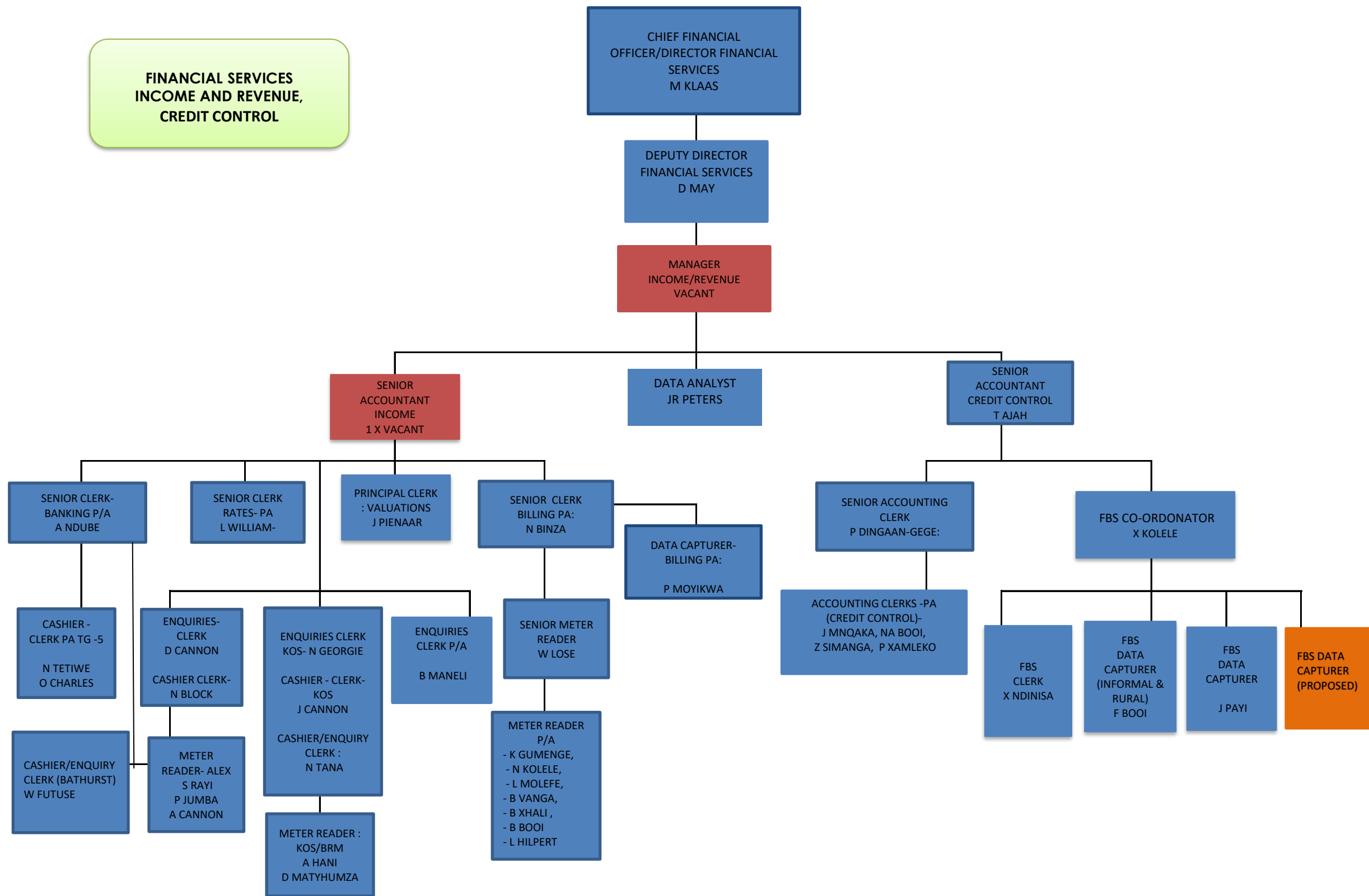


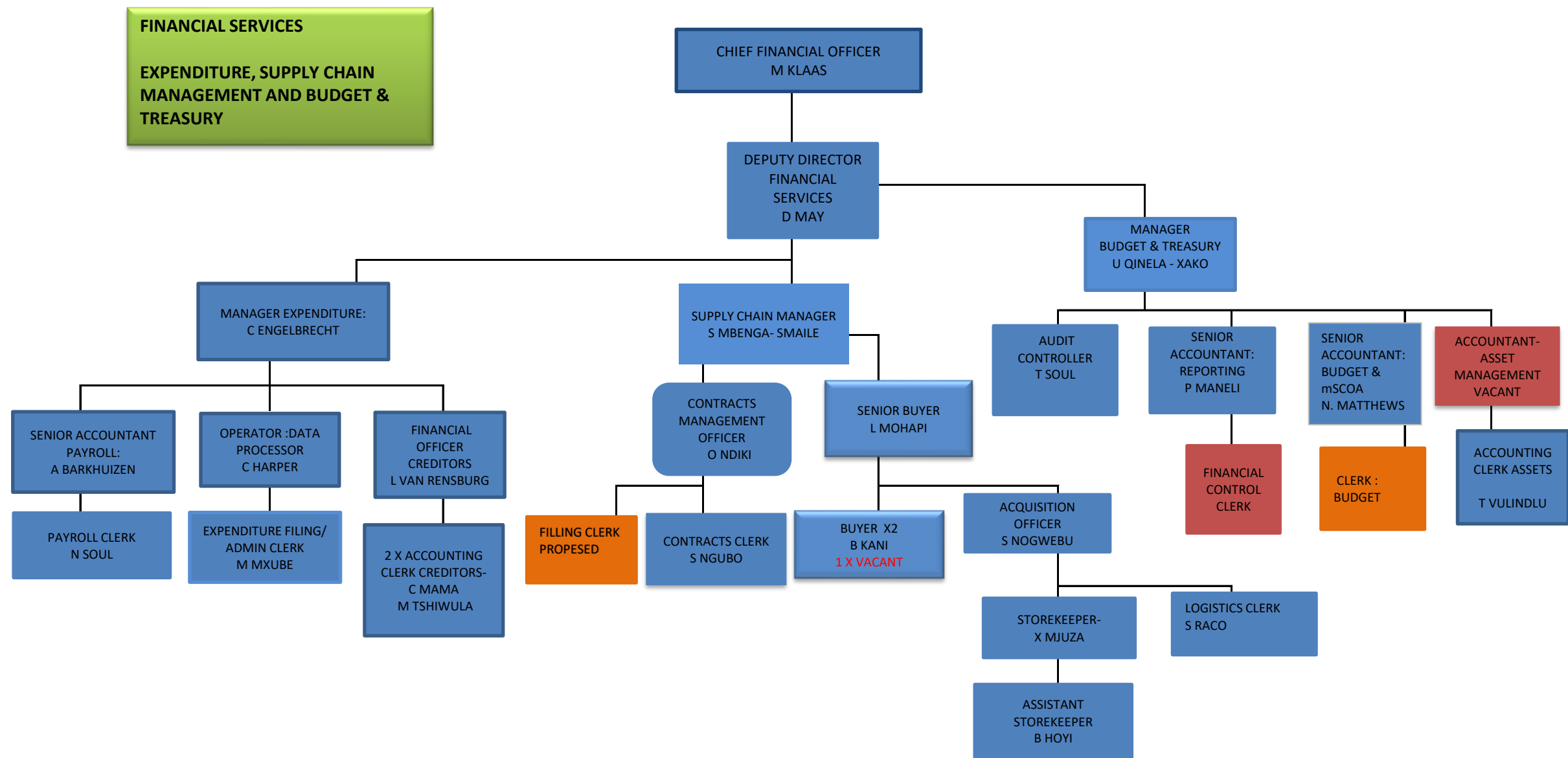


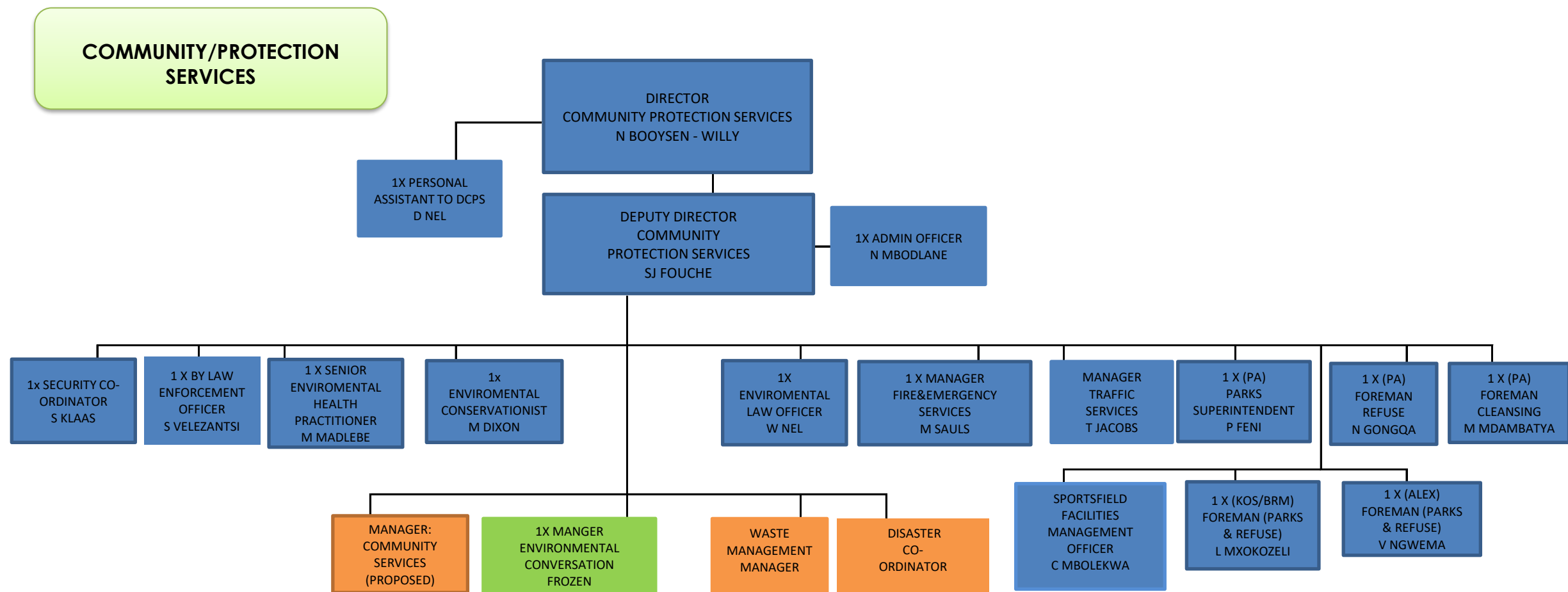


FINANCIAL SERVICES

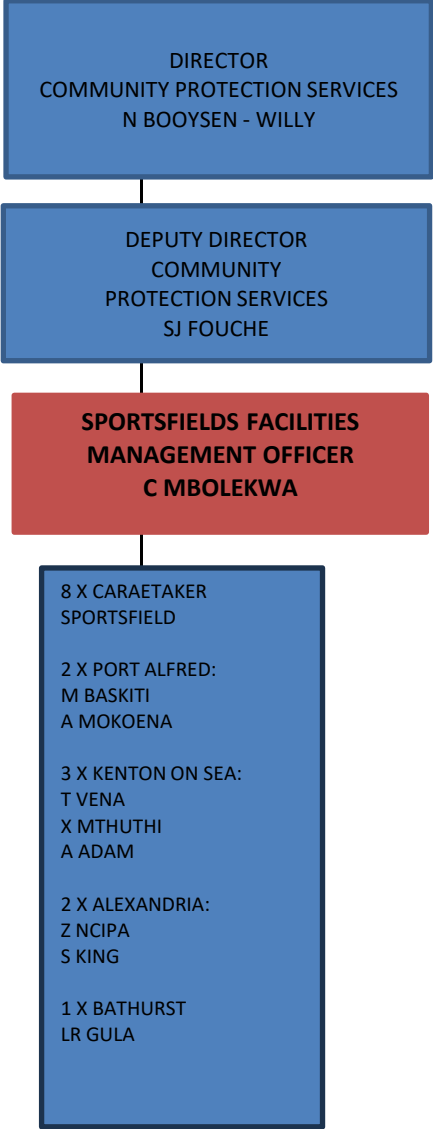




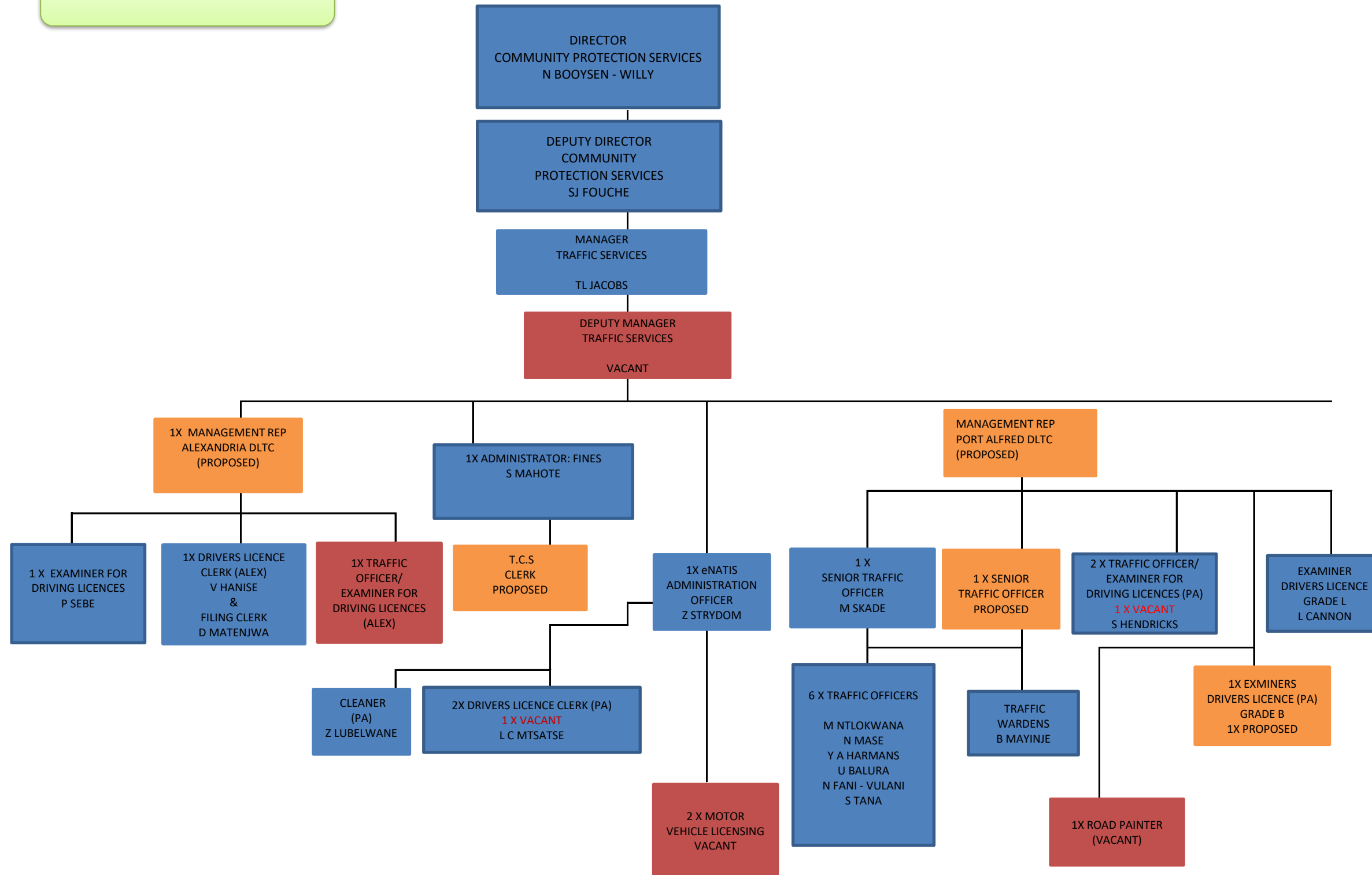


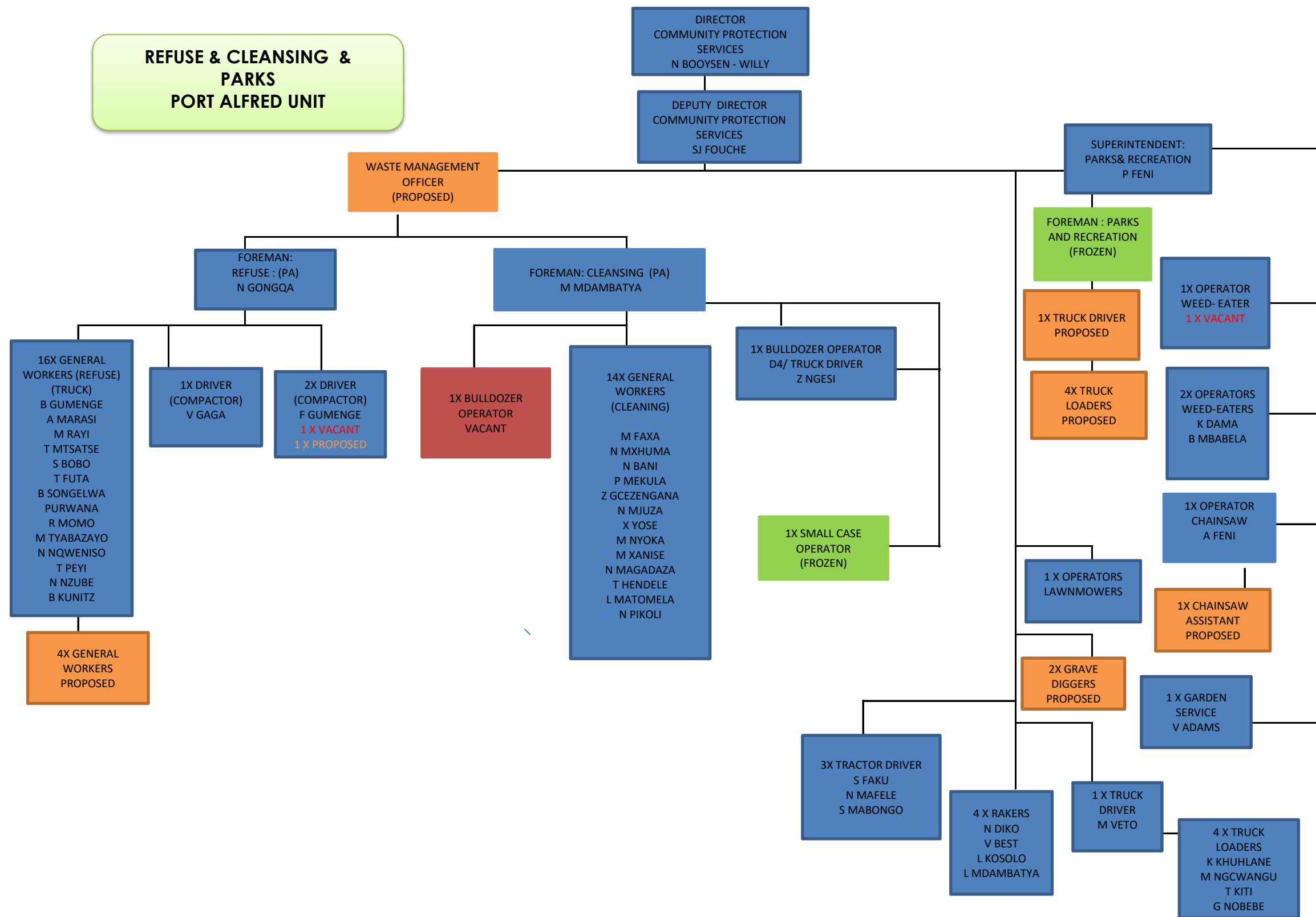


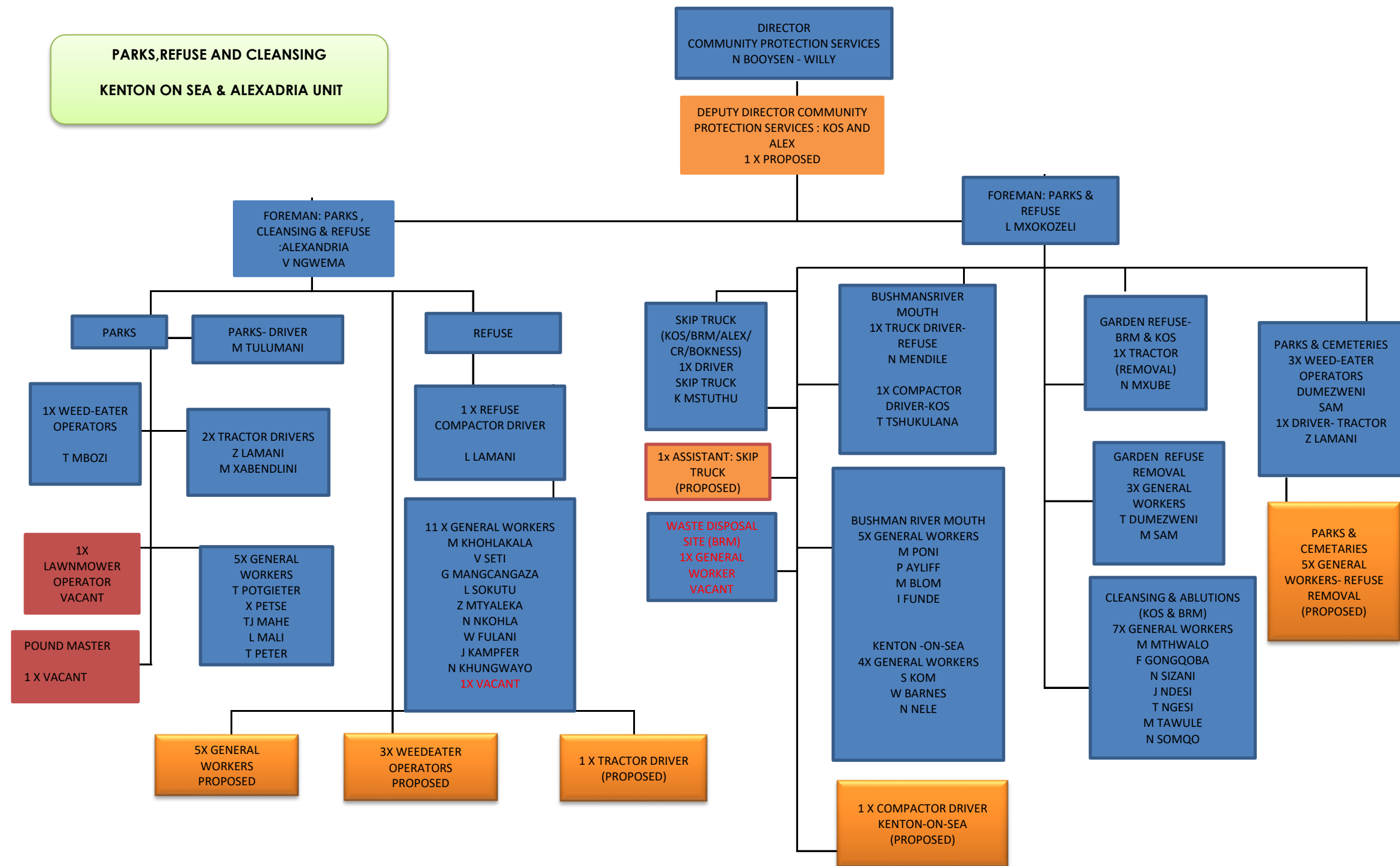
SPORTS FIELDS



TRAFFIC SERVICES



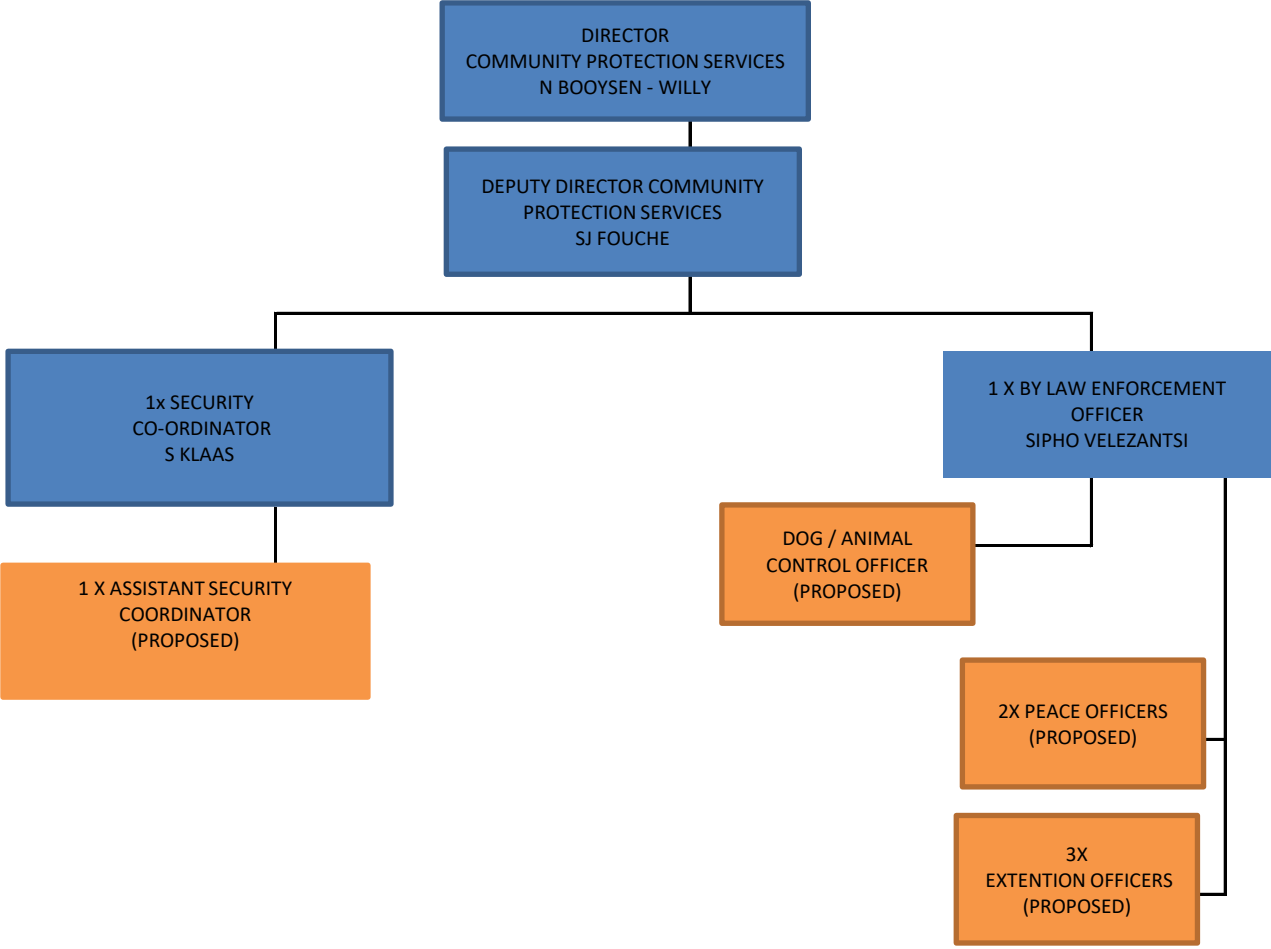




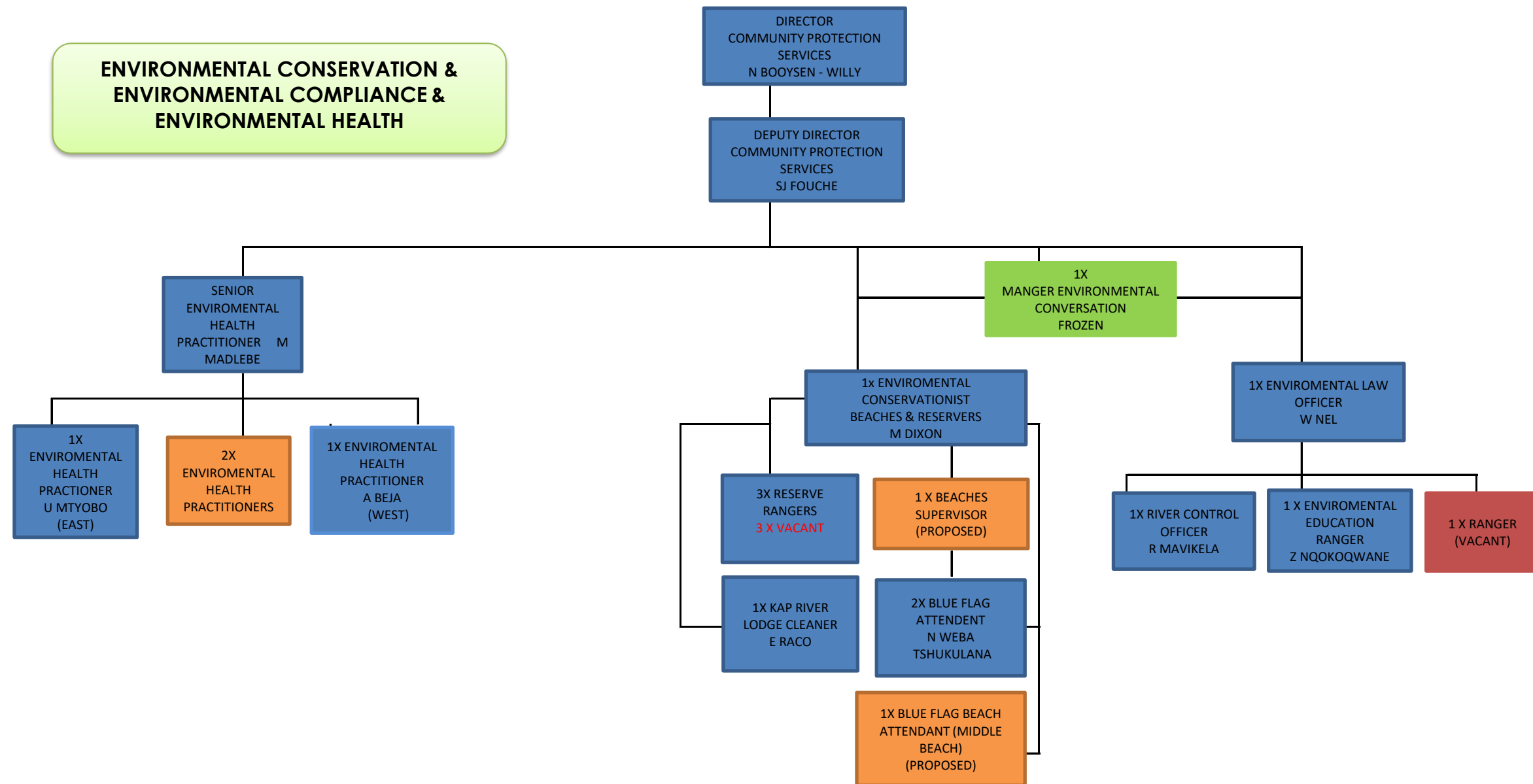
FIRE & EMERGENCY SERVICES

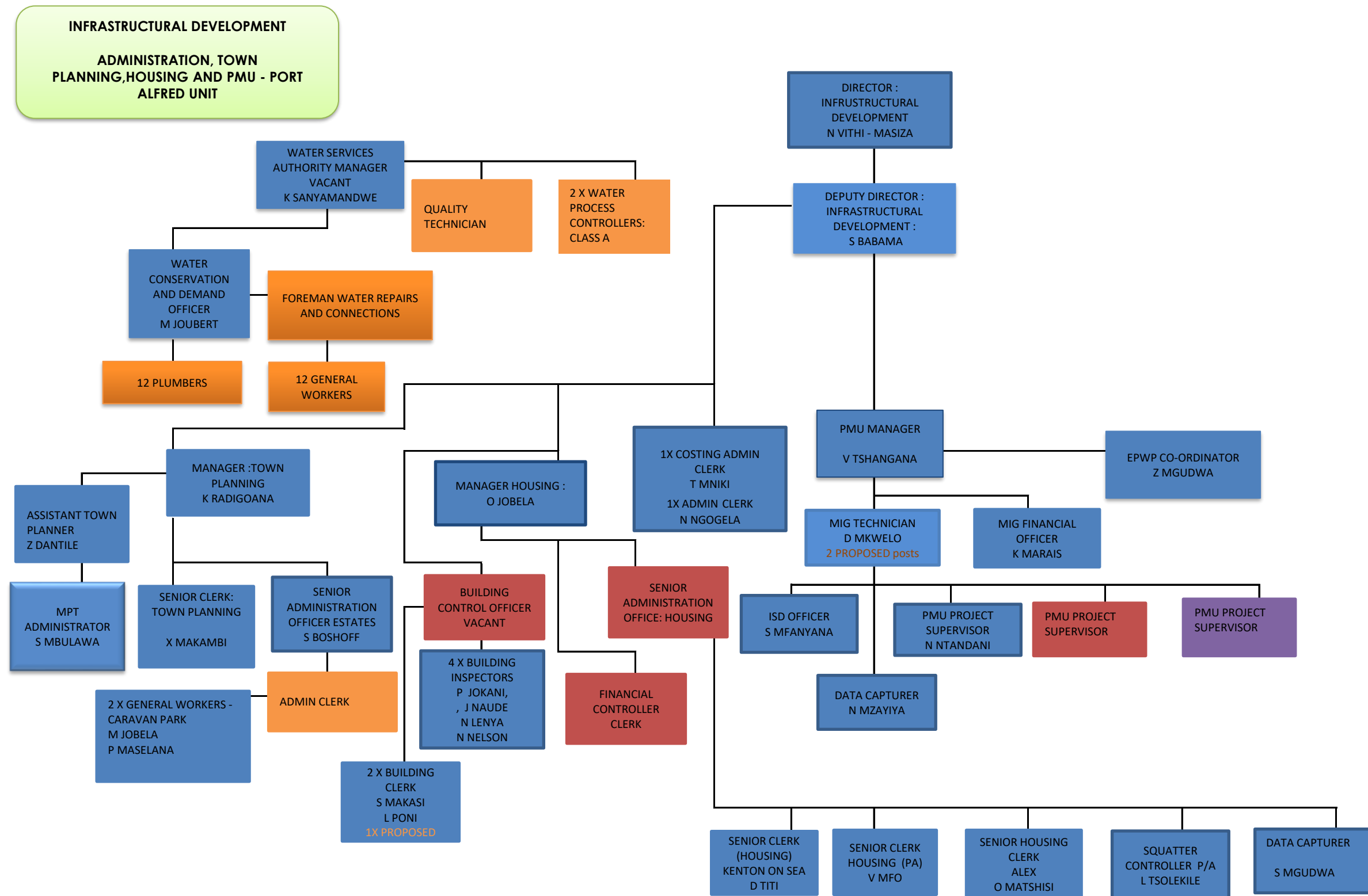


**SECURITY COORDINATOR
&
BYLAW COMPLIANCE OFFICER**



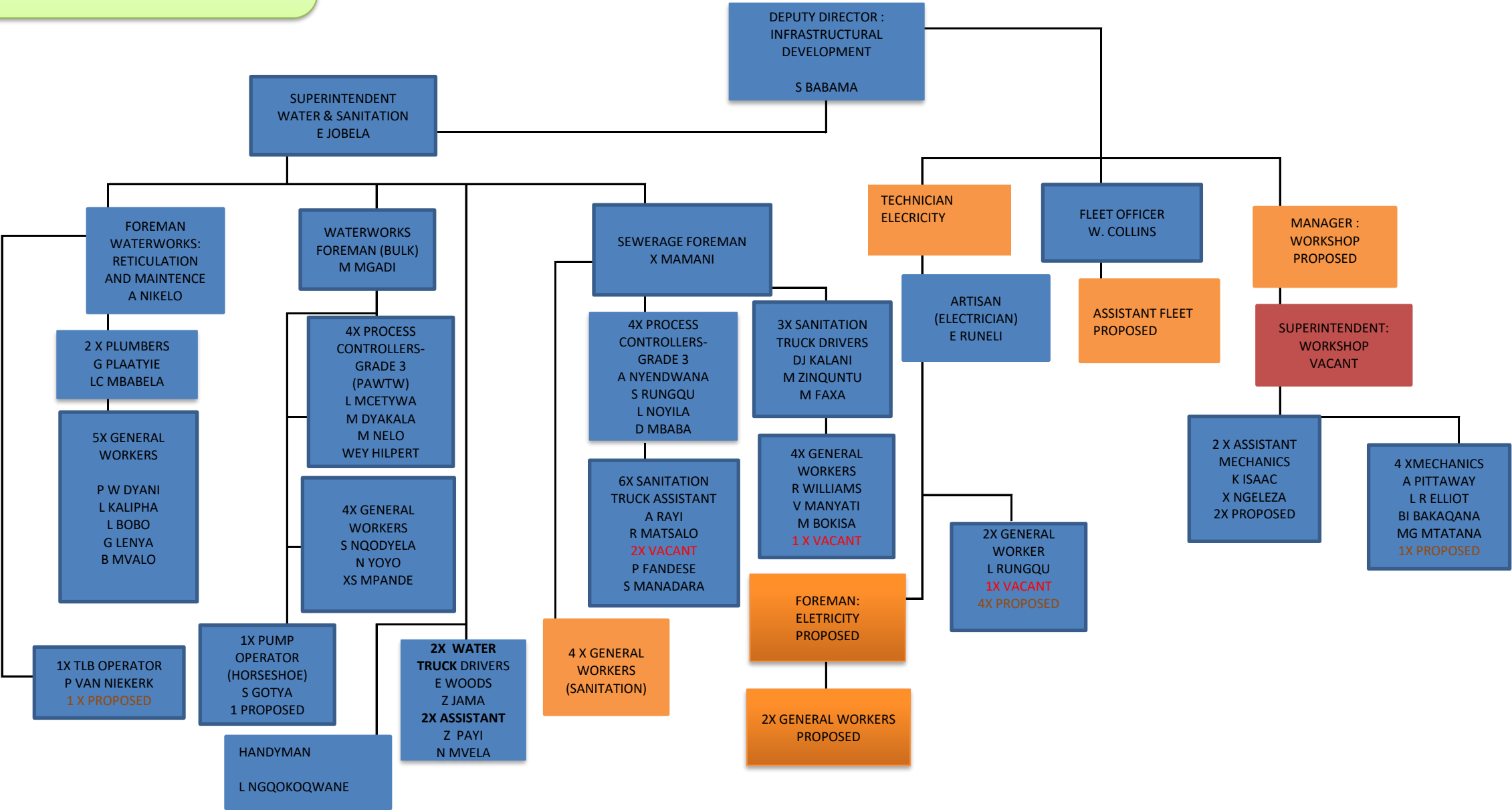
**ENVIRONMENTAL CONSERVATION &
ENVIRONMENTAL COMPLIANCE &
ENVIRONMENTAL HEALTH**



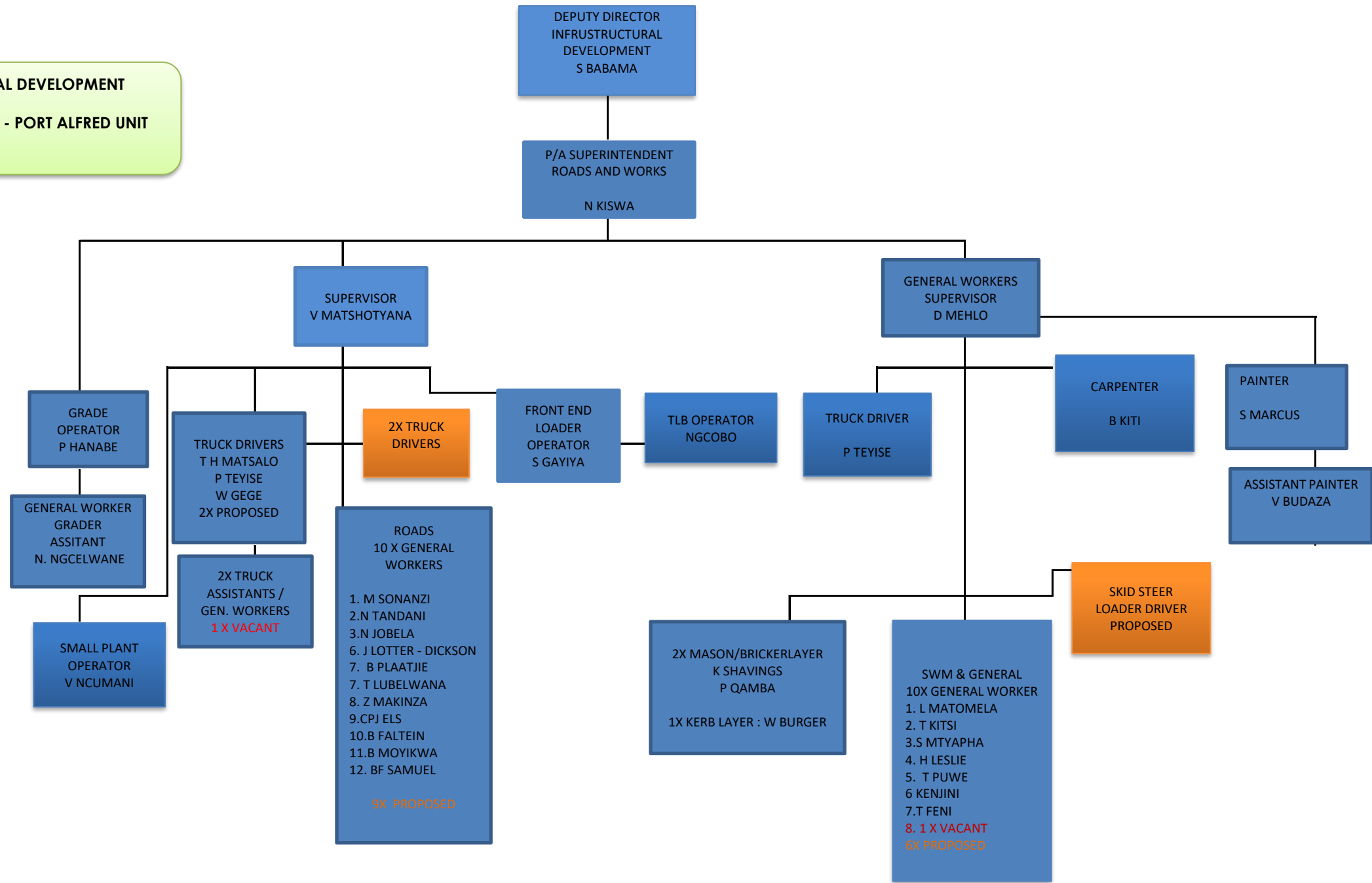


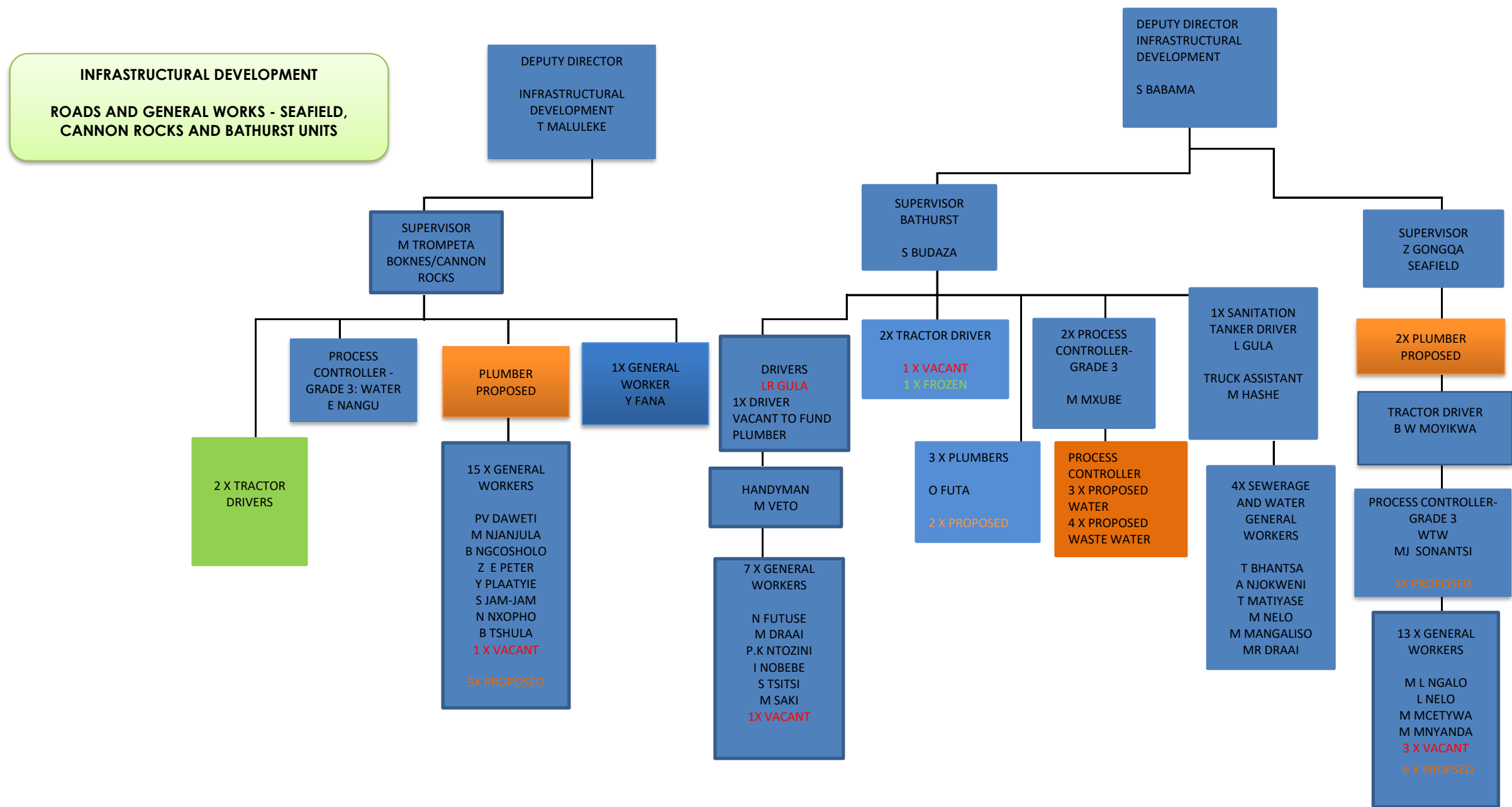
INFRASTRUCTURAL DEVELOPMENT

WATER WORKS, SANITATION, ELECTRICITY,
FLEET AND WORKSHOP



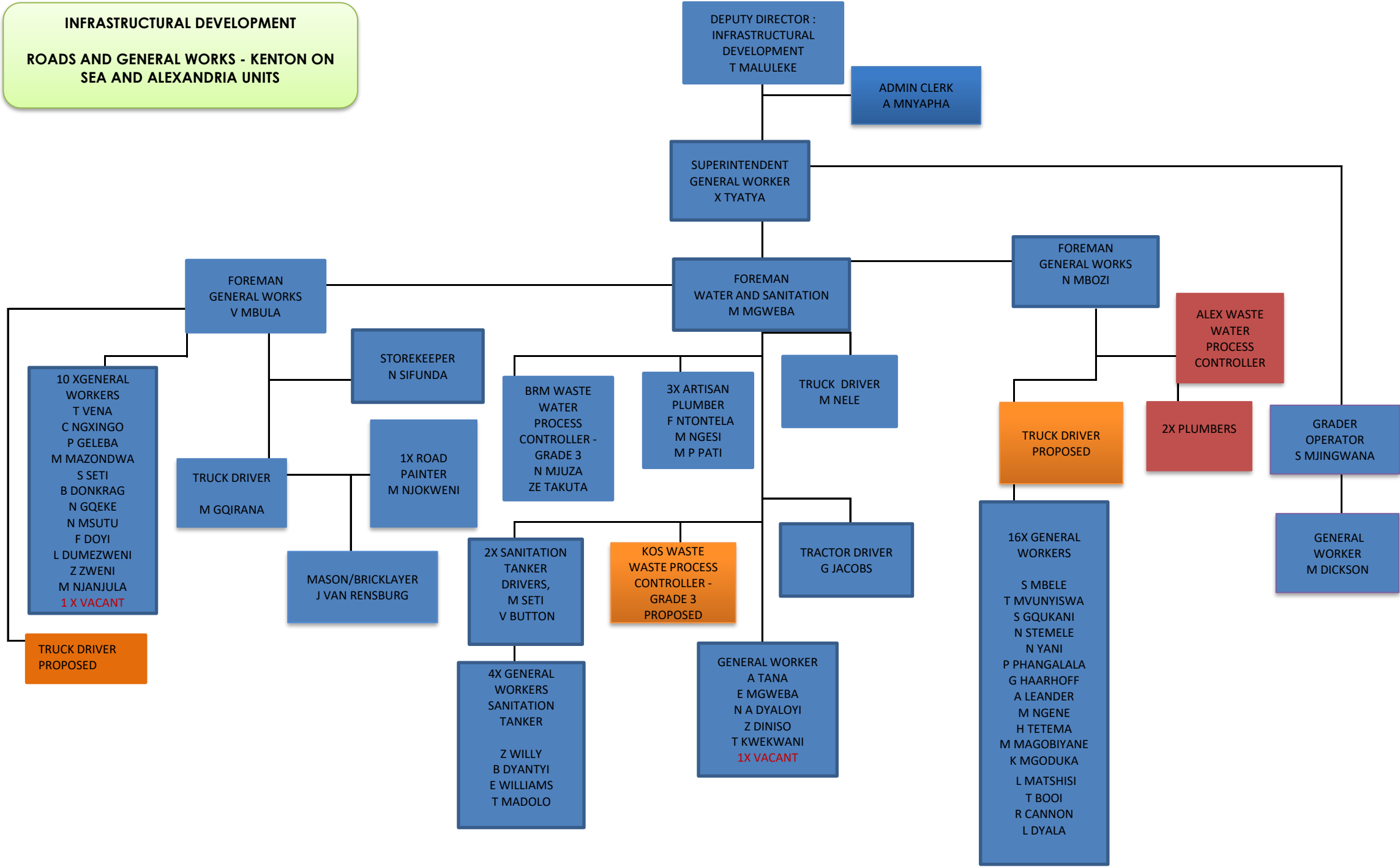
INFRASTRUCTURAL DEVELOPMENT
ROAD DEPARTMENT - PORT ALFRED UNIT





INFRASTRUCTURAL DEVELOPMENT

ROADS AND GENERAL WORKS - KENTON ON SEA AND ALEXANDRIA UNITS



ANNEXURE B

Report of the auditor-general to the Eastern Cape Provincial Legislature on the Ndlambe Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Ndlambe Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance for the year ended 30 June 2024, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the separate 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 Ndlambe Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2024.

Material losses and impairments

8. As disclosed in note 48 to the financial statements, material water and electricity losses of R27,7 million and R5,8 million (2023: R22,3 million and R6,4 million) were incurred respectively, which represents 48,5% and 9,6% (2023: 45,3% and 12,2%) of total water and electricity purchased respectively. The losses were predominantly due to physical losses from leaks, burst pipes and reservoir overflows. Furthermore, apparent losses were realised due to MV and LV losses in switchgear, overhead lines, obsolete aluminium lines, underground cables and transformers.
9. As disclosed in notes 4 and 5 to the financial statements, impairments of R51,4 million (2023: R50,3 million) relating to receivables from non-exchange transactions and R149,2 million (2023: R127,6 million) relating to receivables from exchange transactions were incurred as a result of irrecoverable debtors.

Unspent conditional grants

10. As disclosed in note 17 to the financial statements, the municipality has unspent conditional grants and receipts of R31,7 million (2023: R14,6 million).

Other matter

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

Unaudited disclosure note

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. The disclosure requirements did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and 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.
14. 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

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

17. 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 development priorities presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following development priority presented in the annual performance report for the year ended 30 June 2024. I selected a programme that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Development priority	Page numbers	Purpose
Basic service delivery	XX	The programme is key to the core functions of the municipality and service delivery within the municipality

19. 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.

20. 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
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

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

22. I did not identify any material findings on the reported performance information for programme selected.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

25. The table below provides information on the achievement of planned targets and list of the key basic service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 11 to 16.

<i>Targets achieved: 73%</i> <i>Budget spent 50%</i>		
Key [service delivery] indicator not achieved	Planned target	Reported achievement
Indicators 11 – Number of sanitation infrastructure projects completed	7	2
Indicator 12 – Number of informal settlement projects completed	9	3
Indicators 332 – Number of sports fields upgraded	1	0

Material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

27. 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.
28. 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.
29. 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.
30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

31. Reasonable steps were not taken to prevent current irregular expenditure incurred amounting to R110,9 million as disclosed in note 46 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by not adequately applying section 36 of the supply chain management (SCM) regulations.
32. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R42,15 million, as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the budget per municipal department on cash and non-cash items.

Human resource management

33. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA and regulation 31 of Municipal Staff Regulations.

Revenue management

34. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

AFS, APR and Annual Report

35. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of disclosure items (i.e. capital commitments; PPE disclosure and statement of budget vs actual) identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion

Conditional grants

36. Performance in respect of programmes funded by the Municipal Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the DoRA.

Other information in the annual report

37. The accounting officer is responsible for the other information included in the annual report the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that have been specifically reported on in this auditor's report.

38. 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.
39. 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 priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
40. 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.
41. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report on that fact.

Internal control deficiencies

42. 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.
43. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
44. Management did not adequately ensure compliance, review and monitor applicable laws and regulations.
45. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
46. Management did not ensure that there are regular, accurate and complete financial and performance reports that are prepared, supported and evidenced by reliable information.

Other reports

Ongoing investigation

47. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
48. The municipality opened a case of arson for the traffic department building fire and suspect fraud in the traffic department in the 2022-24 year. The Investigation is still on going by the Directorate for Priority Crime Investigation (the Hawks).
49. As at the date of this report, the investigation is still ongoing.

Auditor General

East London

30 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the 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

- 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.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 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), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)

Legislation	Sections or regulations
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

APPENDIX A

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

LIST OF ALL COUNCILLORS IN THE NDLAMBE MUNICIPAL COUNCIL (Committee Allocation and Council Attendance):

POLITICAL PARTY	GENDER	NAME	SURNAME	WARD COUNCILLORS	PORTFOLIO COMMITTEES ALLOCATION	NUMBER OF COUNCIL MEETINGS ATTENDED : PERIOD 1 JULY 2023 TO 30 JUNE 2024
ANC	Male	Asanda	Nyumka	WARD 1 COUNCILLOR	Chairperson : MPAC	13/13
ANC	Male	Phumlani	Khungwayo	WARD 2 COUNCILLOR	Member: Financial Management	13/13
ANC	Male	Zandisile Welcome	Myali	WARD 3 COUNCILLOR	Member: Corporate Services Portfolio Committee	13/13
ANC	Male	Simphiwe	Kolosa	WARD 4 COUNCILLOR	Member: Local Labour Forum	13/13
ANC	Male	Mzwandile	Sweli	WARD 5 COUNCILLOR	Member : MPAC; Member: Community and Protection Services Portfolio Committee	13/13
DA	Male	Edward Hildreth Keillor	Walker	WARD 6 COUNCILLOR	Member: Local Labour Forum	12/13
ANC	Male	Sibusiso	Zweni	WARD 7 COUNCILLOR	Member: Infrastructural Development Portfolio Committee	11/13
ANC	Male	Ayanda	Bukani	WARD 8 COUNCILLOR	Member : MPAC; Member: Financial Management Portfolio Committee	13/13
ANC	Male	Siyabulela Irvan	Melani	WARD 9 COUNCILLOR		13/13

DA	Female	Nadine Enid	Haynes	WARD 10 COUNCILLOR	Member: MPAC; Member: Community and Protection Services Portfolio Committee	10/13
POLITICAL PARTY	GENDER	NAME	SURNAME	PR COUNCILLORS	PORTFOLIO COMMITTEES ALLOCATED	NUMBER OF COUNCIL MEETINGS ATTENDED: PERIOD 1 JULY 2023 TO 30 JUNE 2024 (Out of 12)
ANC	Female	Khululwa	Ncamiso	Mayor	Chairperson: EXCO; Portfolio Head: Corporate Services; Portfolio Head: Local Economic Development	10/13
ANC	Male	Andile	Marasi	Speaker		13/13
ANC	Female	Siphokazi	Dyakala	PR Councillor	Portfolio Head: Infrastructural Development	11/13
DA	Male	Sikhumbuzo	Venene	PR Councillor	Portfolio Head: Financial Management	12/13
EFF	Female	Nokuthula	Memani	PR Councillor	Portfolio Head: Community and Protection Services	9/13
DA	Male	Phil Yedwa	Kani	PR Councillor		12/13
DA	Female	Thunyelwa	Mbekela	PR Councillor		13/13
DA	Male	Watuse	Johannes	PR Councillor		11/13

EFF	Male	Xolisa	Runeli	PR Councillor	Member: Local Labour Forum; Member: Infrastructural Development Portfolio Committee	6/13
EFF	Male	Mzwandile	Mgweba	PR Councillor	Member: MPAC; Member: Corporate Services Portfolio Committee	5/13

APPENDIX B

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

EXECUTIVE COMMITTEE (EXCO):

The powers of the Executive Committee (ExCo) are enlisted in Section 44(2) of the Municipal Structures Act, 1998 as follows:

Section 44(2) of Municipal Structures Act, 1998

(a) identify the needs of the municipality;

(b) review and evaluate those needs in order of priority;

(c) recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and

(d) recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

MEMBERS OF EXCO	PERCENTAGE OF MEETINGS ATTENDED
Mayor KC Ncamiso	100%
Cllr S Dyakala	100%
Cllr N Memani	100%
Cllr S Venene	80%

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE:

The functions of MPAC:

- Provision of an oversight role in respect of the administration and executive committee of the council;
- Reviewing the municipal / municipal entity's quarterly, mid-year and annual reports and providing an oversight report on the Annual Report for consideration by Council;
- Assisting Council to maintain oversight over the implementation of the Supply Chain Management Policy;
- Examining the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluating the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- Promoting good governance, transparency and accountability on the use of municipal resources;
- Examining the Mid-Year Review documents in line with the Integrated Development Plan (IDP); and
- Recommending or undertaking any investigation that falls within the scope of this committee's responsibilities/ area of competence.

MEMBERS OF MPAC	PERCENTAGE OF MEETINGS ATTENDED
Cllr A Nyumka [Chairperson]	100%
Cllr A Bukani	100%
Cllr N Haynes	66.66%
Cllr M Mgweba	66.66%
Cllr M Sweli	100%

PORTFOLIO COMMITTEES:

Corporate Services and LED Portfolio:

MEMBER OF PORTFOLIO COMMITTEE	PERCENTAGE OF MEETINGS ATTENDED	FUNCTION
Mayor KC Ncamiso [Chairperson]	100%	Corporate Service, Local Economic Development
Cllr Z Myali	100%	
Cllr M Mgweba	100%	

Financial Management Portfolio:

MEMBER OF PORTFOLIO COMMITTEE	PERCENTAGE OF MEETINGS ATTENDED	FUNCTION
Cllr S Venene [Chairperson]	100%	Financial Services / Management
Cllr A Bukani	100%	
Cllr P Kungwayo	75%	

Infrastructural Development Portfolio:

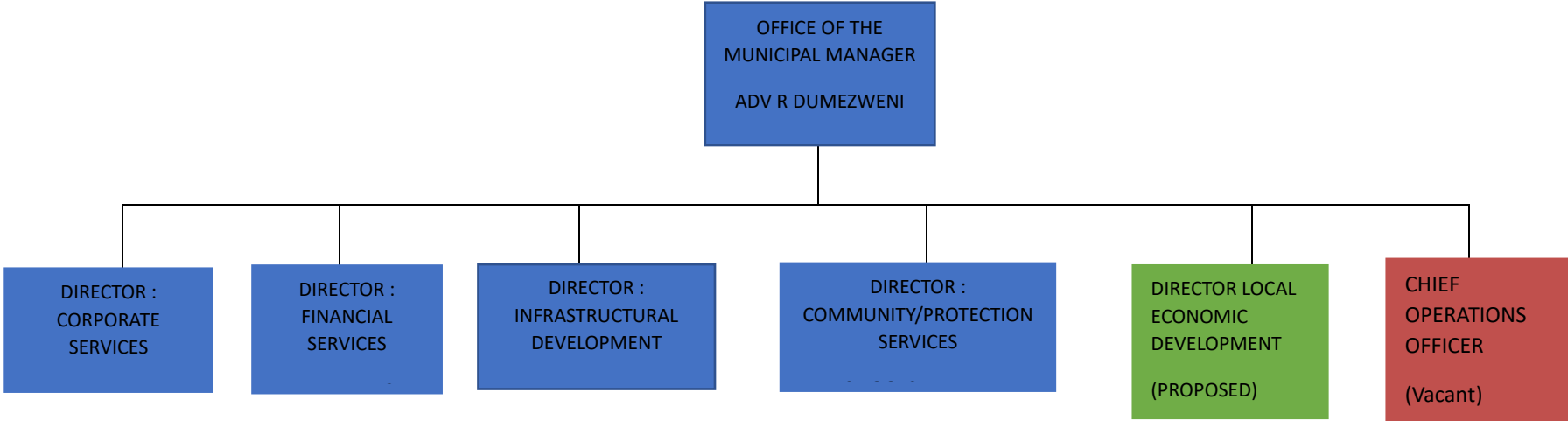
MEMBER OF PORTFOLIO COMMITTEE	PERCENTAGE OF MEETINGS ATTENDED	FUNCTION
Cllr S Dyakala [Chairperson]	100%	Infrastructural Development
Cllr S Zweni	100%	
Cllr X Runeli	66.6%	

Community and Protection Services Portfolio:

MEMBER OF PORTFOLIO COMMITTEE	PERCENTAGE OF MEETINGS ATTENDED	FUNCTION
Cllr N Memani [Chairperson]	100%	Community and Protection Services
Cllr M Sweli	50%	
Cllr N Haynes	100%	

APPENDIX C

APPENDIX C: ADMINISTRATIVE STRUCTURE



APPENDIX D

APPENDIX D: FUNCTIONS OF MUNICIPALITY

The powers and functions of the municipality are as follows:

POWERS AND FUNCTIONS:	
Air pollution	Water & sanitation services limited to potable water supply systems and domestic waste-water and sewerage disposal systems
Building Regulations	Beaches and Amusement Facilities
Electricity	Billboards and display of advertisements in public places
Fighting Services	Cemetries and funeral parlours
Local Tourism	Cleansing
Municipal Planning	Control of Public Nuisances
Municipal Health Services	Control of undertaking that sell liquor to the public
Jetties and Piers	Facilities for accommodation, care and burial of animals
Stormwater Management System	Fencing and Fences
Trading Regulations	Traffic and Parking
Licensing and control of undertaking that sell food to the public	Municipal Roads
Local Amenities	Noise pollution
Local Sport Facilities	Public Places
Municipal Parks and Recreation	Pounds
Refuse removal, refuse dumps and solid waste disposal	Street trading
Street lighting	

APPENDIX E

APPENDIX E: WARD REPORTING

WARD	WARD COUNCILLOR	WARD COMMITTEE MEMBERS	PERCENTAGE OF MEETINGS REACHING QUORUM
1	Cllr A Nyumka	Lulu R Jikolo Boyce Wandisile Jonga Sithembele Moko Boyce Stefano Mzolisi Cengani Jan Paul Smit PM Stutt Luyanda Titi Zameka Dlakwe Siphosethu Njoli	100%
2	Cllr P Khungwayo	Nobesuthu Vuso Catherine Coetzee Ian King Trevor Moko Hendrik September Thembisile Ketelo Ziyanda Funani- Magubela Lonwabo Mkhele Nomasomi Lawu Boniswa Kana	100%
3	Cllr Z Myali	Selda Masimla Nomatalake Zozi Akhona Gqupu Nomangesi Tshukulane Lindeka Nela Thembisile Bili Malibongwe Mangele Susan Muirhead	100%
4	Cllr S Kolosa	Dumisa Kinqana Mvulakazi Magopheni Ntobeko Magwaxaza Nomachina Xanise Ntombise Dumezweni Walia Rux Mzwandile Nobadula Adrian Purdon	100%

5	Cllr M Sweli	Xolelani Nyamla Zameka Minyelela Bulelwa Draai Xolisile Krala Mtetho Manyathi Sivuyile Memani Simon Blauw C Dewey C Boyd Siphokazi Mkrakra	100%
6	Cllr E Walker	Roslyn Baartjies Bulelwa Ntlokwana Terri Harrewyn Clive Naido Bonilile Hendele Lionard Trolip Theodore Willemse Rob Jame Crothall Raymond Schenk Bandile Nomlomo	100%
7	Cllr S Zweni	Mila Hoyi Babalwa Vulindlu Thembisa Booï Thembekile George Nomawethu Feni Thembisa Mpoli Linda Makinana Nkosiyethu Madotyeni Zukiswa Bavuma Xolelwa Konza	100%
8	Cllr A Bukani	Anathi Mandilakhe Beja Zikhona Nesi Bongani Qhakamfana Nandipha Precious Sakata Nobendiba Ncumani Xolani Bukani Samkelo Buzani Sinethemba Matyumza Nomaxabiso Ngece	100%

9	Cllr S Melani	Luyanda Tambo Luvuyo Sonanzi Mziwethu Mafani Bonani Gareth Nginase Ntomboxolo Jali Lulama Maduba Bonani Mhomho Sandiswa Tokota Mandlakazi Plaatjie Mbulelo Kiti	100%
10	Cllr N Haynes	Richard Pryce Stuart Boucher Lindsay Ann Luppnow-Burrow Clinton Millard Zweli Nkwinti Antony D. de Bruin Ann Edwards Stuart Furstenburg Daniel Lodewyk Slabbert Dawie van Wyk	100%

APPENDIX F

APPENDIX F: The figures relating to Appendix F will be included in the final version of the Annual Report 2023/2024

APPENDIX G

AUDIT AND PERFORMANCE COMMITTEE

ANNUAL REPORT 2023/24

DETAILS OF THE REPORT

1. COMPOSITION

The term of the three of the members of the previous APC (viz. Adv. S. Peter and Mrs R. Shaw and Prof W Plaatjies) expired on 31st September 2023.

The Municipality advertised for the members to serve on the Audit and Performance Committee. The recruitment processes took longer than anticipated.

The Council, in its ordinary meeting held on the 31st of October 2023 appointed Ms B Nqadolo and Mr DM Pillay to serve as members of the APC. Prof W. Plaatjies was reappointed. At a subsequent meeting, Council appointed Mr DM Pillay as Chairperson of the Committee.

The previous Committee did consider the Annual Financial Statements 2022/23, Annual Performance Report 2022/23 and the Draft Annual Report at a (final) Special APC meeting In August 2023. The newly constituted Committee had its first Ordinary meeting on 24 January 2024.

2. MEMBERSHIP AND ATTENDANCE

All members of the APC are external members. The committee is constituted as follows:

- Chairperson: DM Pillay B. Com (Acc) MBL
- Member: Prof W Plaatjies PhD – Business Management (NMU) MBA (BsN) B. Com Honours (NMU)
- Member: Ms B Nqadolo – M Sc in Public Policy and Management, B.Com Accounting Sciences.

As per the approved Audit Committee Charter the APC is required to meet at least four times in a year. The Audit Committee met on the following occasions;

- 24 January 2024
- 24 February 2024
- 18 April 2024
- 13 June 2024

All members were in attendance in all 4 meetings held.

3. CONFIDENTIALITY, INDEPENDENCE AND CONFLICT OF INTEREST

During the year under review, no member of the Audit Committee had an interest in the affairs of the municipality that could result in a conflict of interest, impair independence and/or contravene any applicable code of professional conduct. Members were required to declare their interest in each meeting.

4. RESOLUTION AND RECOMMENDATIONS REGISTER

No	Recommendation	RESOLVED/ NOT RESOLVED/ IN PROGRESS	Progress / Notes
1	That the Risk Management Committee be constituted and Chaired by the Municipal Manager	Resolved	
2	That a Risk Management Officer be appointed	Not Resolved	Will be dealt with in 2024/2025 year
3	That the IA plan for 2024/2025 be informed by issues raised in the Risk Register	Resolved	Risk Management workshop held in June 2024 and this will guide the IA Plan
4	That the MM and Council consider the renaming of the Audit and Performance Committee as the Audit and Risk Committee	Not Resolved	Will be considered in 2024/2025
5	That all unauthorised, irregular, fruitless and wasteful expenditure for prior years and current year be identified and submitted to MPAC to investigate	Resolved for prior years. Not fully resolved for current year expenditure	Report from MPAC were submitted to Council. In process for the current year.
6	That Management resolve all findings from the Audit Report and Management Report of the AG for the 2023/2024 Audit Action Plan	Not fully resolved	Not all matters in the Audit Action Plan have been fully resolved.
7	That Management implement the necessary controls and recommendations from Internal Audit findings	Not fully resolved	Not all matters in the Internal Audit Action plan have been addressed
8	That the ICT Steering Committee (Governance structure) meets regularly, and its minutes be submitted to the APC	Not resolved	The ICT Steering Committee is not convening as planned.

9	That all efforts be made to increase the revenue base and collect outstanding debt	Not resolved	Is being continually assessed
10	That staff and councillor debt be expeditiously collected	Resolved	Deductions are made from salaries in line with the legislative provisions.
11	That old legal cases be assessed for possible early settlements	Not Resolved	The Municipal Manager to perform an assessment of legal cases for possible settlements.
12	That disciplinary action be instituted against relevant officials in the Traffic Department and Other departments for financial losses and incorrect payments made	Not resolved	The matter has been reported to law enforcement agencies and still under investigation.
13	That PMS be cascaded to lower levels in the institution	Not fully resolved	PMS has been cascaded up to task grade 10. This is work in progress.
14	That the Departments implement measures to limit and reduce water and electricity losses	Not fully resolved	Retrofitting team has been introduced to attend to water leaks.
15	That Management implement measures to reduce the number of Deviations	Not fully resolved	A revised Deviation form has been introduced to pre evaluate the deviations reasons and to recommend approval /non approval of deviation.

7. REPORTING TO THE COUNCIL

After every APC meeting the APC compiles a report for submission to the Speaker of Council. The Chairperson of the APC is also given an opportunity to elaborate on the information provided.

Councillor are provided with an opportunity to interact with the report.

Chairperson of the MPAC has on certain occasions attended the APC meetings.

8. ROLES AND RESPONSIBILITIES

8.1 INTERNAL AUDIT

The Audit Performance Committee has approved a risk-based three-year rolling Strategic Internal Audit Plan and an Annual Internal Audit Plan for the period 2024 to 2025 to 2026.

The Audit Committee has reviewed the following Internal Audit reports which were done in line with the approved Internal Audit Plan for 2023-2024;

Audit Reports	Reports Complete?	Tabled to APC

1.Review of Annual Financial Statements	Yes	Yes
2.AOPI/Performance Management Q1 and Q2	Yes	Yes
3.Loss Control	Yes	Yes
4.Risk Assessment	Yes	Yes
5.Fleet Management	Yes	Yes
6.Supply Chain Management	Yes	Yes
7. ICT	Yes	No

The Audit Committee met separately with the Internal Audit Unit on two occasions

8.2. EXTERNAL AUDIT

The Office of the AG attended two meetings of the APC during the 2023/24 financial year. The Office of the AG are standing invitees to APC meetings.

8.3 ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

The Committee reviewed the first set of draft Annual Financial Statements on the 23rd of

August 2024. The inputs of the members of the Committee and Provincial Treasury were well received and are to be incorporated where applicable in the final AFS. The APR was submitted to the APC. Following inputs from the Committee, a revised updated versions has been compiled and circulated to the members of the APC

8.4 RISK MANAGEMENT

Progress has been made on risk management albeit not at the anticipated pace. These matters are reflected earlier in this report under recommendations and Resolutions. The APC is anticipating all recommendations to be implemented.

The Municipality should use the available resources to ensure that the action plans developed are implemented.

- The departments should be committed to holding monthly meetings so that challenges relating to the non-implementation of action plans can be identified on

time and be dealt with.

- Departments should hold monthly meetings so as to be able to discuss the new risks facing their departments and to develop strategies to address these risks.
- Risk Champions liaise with the Risk Owners regularly so as to be able to update the Risk Registers and collect Portfolios of Evidence.
- Risk Owners to visit the registers on a monthly basis so as to be aware of the action plans that are not implemented and to follow them up;
- Directors to monitor the implementation of action plans in their departments.

8.4.1 FRAUD AND GOVERNANCE MATTERS

All members in attendance to APC meeting are required to indicate whether they are aware of any incident of Fraud/corruption at the municipality. No fraud incidents have been reported, except that of traffic department case.

8.5 INTERNAL CONTROL ENVIRONMENT

The Committee assessed the control environment on the basis of reports submitted by Internal Audit and key control assessments conducted by management on a quarterly basis. Whilst there is a satisfactory control environment and whilst some controls are functioning effectively within the operations, there are control deficiencies that have been identified that need to be addressed because if not addressed they will affect the performance of the municipality and will lead to a negative audit outcome.

8.6 PERFORMANCE MANAGEMENT

The Performance management system of the municipality reports on the progress made against the Service Delivery and budget Implementation plan (SDBIP), currently all officials from municipal manager up to task grade 10 have performance plans. One concern ,however , it that the directorate do not always update their progress against the key performance indicators timeously.

The Performance management officer and the Internal Audit Unit reviews the performance in terms of relevance and accuracy of the reports. In the period under review, the performance committee chaired by the APC chairperson reviewed the half yearly performance of the municipal manager and the directors. The final review will occur in October 2024.

As indicated above, the intention of the municipality is to cascade performance management incrementally to other levels as well.

8.7 IT GOVERNANCE

The Audit Committee has reviewed the Internal Audit Report with recommendations on ICT Management, and the ICT Manager was consequently appointed. The Audit Committee has also provided advice on IT governance, controls, access and safeguarding of information in the municipality. Due to the limited IT audit expertise in the municipal Internal Audit unit, the IT audit was outsourced to an external service provider.

8.8 RELATIONSHIP WITH STAKEHOLDERS

The Audit Committee has maintained relations with the stakeholders such as Ndlambe Municipality Council, MPAC Chairperson, Accounting Officer, Management and Municipal Officials, Internal and External Auditors, and Provincial Treasury through its interactions in the form of meetings.

8.9 COMPLIANCE WITH LAWS, REGULATIONS, ETHICS, POLICIES AND PROCEDURES

The Audit Committee has ensured that the Municipality complies with laws and regulations through reviews performed by the Internal Audit Unit and through interaction with management in the Audit Committee Meetings.

9. REVIEW OF THE CHARTER

The Audit Committee Charter for 2023/24 has been reviewed by the Committee and tabled to the Council on the 28th of March 2024 for approval.

10. CONCLUSION

One concern that is expressed by the secretariat is the difficulty to obtain reports from the department to compile the APC agenda.

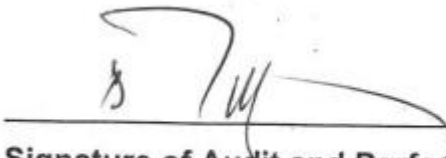
The Internal Audit unit also expressed concern that delays experienced from obtaining information from departments to update internal audit findings and Audit Action plan.

It is important that on behalf of the APC that I acknowledge the efforts of the Municipal Manager and his Directors as well as the staff in striving for clean administration. The APC also extends its appreciation to the Mayor, the Speaker of Council as well as all the councillors for the opportunity granted to the APC to present reports to the Council and being available to the Committee.

DM Pillay

Chairperson: Audit and Performance Committee

Ndlambe Local Municipality



Signature of Audit and Performance Committee Member

APPENDIX H

APPENDIX H: LONGTERM CONTRACTS

Ndlambe had the following long term contracts running during 2023/24 financial year ,

SERVICE PROVIDER	SERVICE/GOODS SUPPLIED	CONTRACT DURATION	CONTRACT VALUE
1. CDR Electrical Services	Maintenance and repairs of Municipal electrical facility	10 year contract, which started in June 2019	The Contract has multiple variable and fixed components. The Monthly fixed service fee is R1,300,000
2. Biggen Africa	Engineering Services	Contract entered into with ABSA DEVCO, No fixed duration, a commitment is for construction of 5000 units in the Thornhill settlement area including all civil construction projects	No upfront value but chargers are determined by ECSA rates
3. Amatola Water board	Water provision Services	No fixed term, service will continue as long as no party has initiated a termination process	The average cost varies depending on volumes supplied, to date the monthly average is R725,000 per month
4. NUWATER – QFS PLANT :Operations management	Water production and plant repairs and maintenance	5 year contract	R725,546 per month
5. NUWATER – NUWATER PLANT	Water provision Services	5 year contract	R378,764 per month
6. PE FUEL	Fuel Supply and delivery services	3 year contract	Average payment of R478,000 per month.
7. MUNSOFT	Financial System Vendor	5 year contract	Monthly Service Fee @ R230,000 per month

APPENDIX I

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

Bid Number	Month	Appointment Date	Supplier Name	Amount	Description of the Project	Performance
134/2023	Aug	2023/08/01	HLOMELANG MARKETING	778 205,00	SUPPY AND DELIVERY OF BURNER GEL STOVES	Good
133/2023	Aug	2023/08/01	HLOMELANG MARKETING	4 740 000,00	SUPPLY AND DELIVERY OF GEL FUEL FOR GEL STOVES	Good
156/2023	Jul	2023/07/27	NTOMBEMBI GENERAL TRADING	151 170,00	SUPPLY AND DELIVERY OF CATIONIC SPRAY 65% GRADE	Good
168/2023	Aug	2023/08/01	NOKONGO HOLDINGS P	189 750,00	SUPPLY AND DELIVERY OF G5 AND CRUSHER DUST	Good
149/2023	Aug	2023/08/31	MZANGWA OMHLE GEN	1 483 371,46	UPGRADING OF NDLAMBE ROADS:SOLOMON MAHLANGU ROAD (PA)	Good
149/2023	Aug	2023/08/31	INDLUVO TRADING	961 500,00	UPGRADING OF NDLAMBE ROADS:WESTBOURNE ROAD(KOS)	Good
149/2023	Aug	2023/08/31	MDJ CONSTRUCTION	1 556 295,00	UPGRADING OF NDLAMBE ROADS:XHANTI STREET LOCATION (BATHURST)	Good
149/2023	Aug	2023/08/31	CONINI (PTY) LTD	1 139 940,00	UPGRADING OF NDLAMBE ROADS:ZOLA STREET LOCATION ROAD(BATHURST)	Good
150/2023	Aug	2023/08/31	INTSINDE HOLDINGS	2 625 941,51	UPGRADING OF MAMITYI GIDANA STADIUM:BUILDING OF CHANGE ROOMS PACKAGE 6	Good- Project
150/2023	Aug	2023/08/31	DIKELA BUILDING AND CIVIL PTY	417 157,67	UPGRADING OF MAMITYI GIDANA STADIUM:BUILDING OF CARETAKER HOUSE PACKAGE 2	Good
149/2023	Aug	2023/08/31	INTSINDE HOLDINGS	1 470 035,57	UPGRADING OF NDLAMBE ROADS:XHANTI ROAD ZOLA LOCATION AND WESTBOURNE ROAD PACKAGE A	Good
150/2023	Aug	2023/08/31	BONGIE AND WONGS TRADING	284 287,50	UPGRADING OF MAMITYI GIDANA STADIUM:BUILDING OF GRANDSTANDS PACKAGE 3	Good

150/2023	Aug	2023/08/31	DMZ TRADING CC	1 655 498,17	UPGRADE OF MAMITYI GIDANA STADIUM:BUILDING OF BOUNDARY WALL PACKAGE 4	Good
150/2023	Aug	2023/08/31	SKY WINGS	2 155 070,53	UPGRADING OF MAMITYI GIDANA STADIUM:SOCCER PITCH PACKAGE 1	Good
150/2023	Aug	2023/08/31	MONDLIWA ELECTRICAL CONTRACTORS	3 275 268,64	UPGRADE OF MAMITYI GIDANA STADIUM:ERECTION OF HIGH MAST LIGHTS PACKAGE 5	Good
279/2023	Dec	2023/12/07	KHANGELA SATELLITE	99 636,00	VEHICLE TRACKING SYSTEM	Good
184/2023	Dec	2023/12/18	Empumalanga Trust	540 000,00	SHREDDING OF GARDEN REFUSE	Good
083/2023	Jan	2024/01/01	NDLAMBE SECURITY	594 972,00	FIXED: TRANSPORTATION OF STRAY LIVESTOCK	Good
083/2023	Jan	2024/01/01	NDLAMBE SECURITY	35 805,00	VARIABLE: TRANSPORTATION OF STRAY LIVESTOCK	Good
228/2023	Feb	2024/02/29	Ezulwini Civils and Construction (PTY) Ltd	28 788 143,53	MARSELLE 500 HOUSING PROJECT INTERNAL SERVICES	Good
11/2324	Mar	2024/03/27	COOL MAKERS TRADING	2 127 155,00	PACKAGE A-UPGRADING OF MJUZA STREET IN MARSELLE	Good
11/2324	Mar	2024/03/27	LTE CIVILS AND PLANT	4 094 653,07	PACKAGE B1 UPGRADING OF PROTEA CRESCENT IN STATION HILL	Good
11/2324	Mar	2024/03/27	NJH GROUP	4 153 822,77	PACKAGE B2 UPGRADING OF PROTEA CRESCENT IN STATION HILL	Good
HOUSING DATABASE	Mar	2024/03/18	NOKONGO HOLDINGS P	6 354 107,18	EZIDONKINI-UPGRADING OF GRAVEL ROADS TO BLOCK PAVING ROADS-LINKED 1 ROADS	Good
33/2024	Apr	2024/04/23	KVOYI ENGINEERS AND PROJECT	130 000,00	PROFESSIONAL SERVICES-STORMWATER DESIGN-BATHURST	Good
T01/2324	Apr	2024/04/19	Amlo Trading (PTY) LTD	25 491 563,76	COMPLETION OF PORT ALFRED SEWERAGE INFRASTRUCTURE PHASE 1-RETICULATION	Good
HOUSING DATABASE	May	2024/05/01	ADIODEX	3 431 756,71	HORSEPLAY-CONSULTING ENGINEERING SERVICES	Good
HOUSING DATABASE	Jun	2024/06/06	MNYANI CIVILS AND GENERAL	3 431 756,71	UPGRADING OF GRAVEL ROADS TO BLOCK PAVING ROADS AT KENTON-ON-SEA NDOKWENZA LINKED ROADS	Good

APPENDIX J

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST

The following Senior Managers have disclosed and signed their declaration of financial/business interests' form:

DECLARATION OF FINANCIAL INTEREST		
INITIALS AND SURNAME	POSITION	SIGNED DECLARATION FORM? (Y/N)
Adv R Dumezweni	Municipal Manager	Y
Mr MM Klaas	Chief Financial Officer	Y
Mrs L Maneli-Payi	Director: Corporate Services	Y
Dr N Vithi-Masiza	Director: Infrastructural Development	Y
Mrs NC Booysen-Willy	Director: Community and Protection Services	Y

APPENDIX K

SOURCE OF INCOME	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Rates	11,493,913	18,468,444	11,628,669	10,590,504	12,601,636	11,633,325	12,152,621	12,149,011	12,146,488	10,951,928	12,143,960	12,188,720
Services												
Billed Electricity	5,587,404	6,729,688	5,713,520	5,128,953	5,121,701	6,893,936	3,971,777	6,258,216	5,784,921	7,579,919	3,488,889	4,769,599
Prepaid Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Refuse Removal	1,520,363	2,180,696	1,784,696	1,528,379	1,782,801	1,792,208	1,830,552	1,834,818	1,831,026	1,368,011	1,814,196	1,813,252
Sewerage / Sanitation	1,205,225	1,683,191	1,411,610	1,218,496	1,504,197	1,509,371	1,703,928	1,718,754	1,541,675	901,003	1,583,244	1,541,029
Water	5,216,304	5,853,438	5,145,797	3,284,243	6,372,678	14,169,265	4,106,454	6,085,653	4,194,033	2,163,310	3,082,135	3,987,297
Other (Specify) e.g.												
Encroachment	-	2,267	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Housing Rental/Rentals & Lease Municipal	40,250	110,389	65,021	82,160	82,160	81,660	82,360	82,360	82,360	70,101	82,360	82,360
Legal fees	-4,690	-	-	- 4,084	-	-	-	-	-	- 7,418	-	-
Sundries	73,786	58,601	165,432	230,909	411,584	167,484	65,774	216,596	243,028	174,571	531,435	205,587
Insurance	3,384	3,219	3,219	3,219	3,219	3,219	3,219	3,466	3,466	3,466	3,466	3,466
Medical Aid	119,113	112,727	114,296	114,296	114,296	114,296	111,315	127,287	126,999	136,344	137,143	- 332
Final Readings	2,776	895	6,578	5,482	2,193	1,462	1,827	3,289	2,193	1,462	2,924	4,020
Environmental Levey	428,750	619,068	499,785	431,834	499,076	501,647	511,408	512,025	511,131	379,484	507,091	506,506
Payment Advance	-	-	-	-	-	-	-	-	-	-	-	-
VAT	2,062,850	2,576,526	2,287,493	1,810,743	2,313,320	3,757,161	622,377	2,529,129	2,041,901	1,962,608	1,608,283	1,925,016
Receipts	-	-	-4,841	-	-	-	-	-2,000	-	-	-	-
Interest	1,159,909	1,239,237	945,210	1,153,220	1,270,087	1,249,802	1,338,199	1,379,361	1,411,158	1,418,346	1,422,226	1,481,994
Deposits	8,898	7,315	21,266	16,352	15,076	16,891	4,191	17,073	26,666	6,684	12,934	31,077
Service charge (no rateable properties)	112,062	171,763	173,412	131,101	172,917	172,917	179,840	179,511	178,027	36,111	172,423	127,421
TOTAL	29,030,299.98	39,817,464.04	29,962,658.55	25,727,301.01	32,268,435.36	42,066,139.06	18,474,430.06	33,096,042.06	30,126,567.23	27,147,425.51	26,594,203.89	28,668,507.08
Billing YTD	29,030,299.98	68,847,764.02	98,810,422.57	124,537,723.58	156,806,158.94	198,872,298.00	217,346,728.06	250,442,770.12	280,569,337.35	307,716,762.86	334,310,966.75	362,979,473.83
Nett debtor days	29,030,299.98	39,817,464.04	69,780,122.59	95,507,423.60	127,775,858.96	169,841,998.02	188,316,428.08	221,412,470.14	251,539,037.37	278,686,462.88	305,280,666.77	333,949,173.85

TotalMonthly
Receipts

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Rates	11,064,044	-12,847,166	-10,879,155	-11,569,427	-13,256,308	-10,674,486	-11,394,691	-10,917,713	-11,441,472	-12,072,861	-11,065,051	-10,682,870
Services												
Billed Electricity	-4,720,525	-5,544,798	-6,210,252	-5,538,909	-5,199,521	-5,359,060	-4,931,228	-5,663,256	-5,144,263	-5,350,602	-5,766,581	-4,639,485
Prepaid Electricity	0	0	0	0	0	0	0	0	0			0
Refuse Removal	-1,126,458	-1,254,675	-1,190,568	-1,252,149	-1,231,842	-1,137,342	-1,230,220	-1,157,382	-1,182,840	-1,257,700	-1,151,196	-1,121,543
Sewerage / Sanitation	-825,385	-847,089	-788,731	-955,014	-992,544	-868,414	-918,283	-899,920	-1,004,239	-929,131	-922,778	-838,149
Water	-2,707,075	-2,716,421	-2,598,981	-2,864,967	-2,751,650	-2,696,264	-2,579,682	-2,538,405	-2,551,768	-2,734,575	-2,550,691	-2,049,448
Other (Specify e.g.												
Encroachment	0	0	-499	0	0	0	0	0	0	0	0	0
Housing Rental/Rentals & Lease Municipal	-35,460	-274,749	-302,167	-35,998	-43,397	-33,721	-33,662	-26,939	-25,787	-48,738	-32,676	-32,185
Legal fees	-492	-92	-35	-1,329	0	-1,090	0	-193	-2,183	-138	0	0
Sundries	-90,155	-123,758	-40,992	-41,592	-39,049	-29,976	-131,441	-115,497	-67,459	-264,595	-16,023	-6,915
Insurance	-2,101	-3,124	-2,421	-2,956	-2,885	-3,016	-2,397	-2,625	-3,342	-3,555	-3,715	-3,122
Medical Aid	-83,752	-89,652	-80,286	-94,666	-91,270	-80,980	-96,797	-87,858	-78,920	-104,790	-114,184	-96,233
Final Readings	-2,577	-3,353	-1,419	-955	-1,672	-2,341	-731	-1,462	-782	-731	-879	-322
Environmental Levey	-318,883	-359,075	-330,401	-351,275	-359,739	-313,853	-346,470	-329,653	-334,567	-370,773	-329,646	-316,490
Payment Advance	-253,580	-130,384	-165,403	-182,498	-188,173	-369,643	-382,495	-574,003	-665,870	-888,081	-942,456	-856,270
VAT	-1,468,731	-1,649,158	-1,717,001	-1,661,414	-1,585,633	-1,542,039	-1,490,533	-1,580,871	-1,534,386	-1,610,626	-1,609,459	-1,349,716
Receipts	60,819	-205,450	17,070	20,055	149,252	-24,047	86,999	-62,748	52,634	181,744	60,181	41,216
Interest	-383,979	-566,375	-328,605	-360,096	-400,037	-281,425	-336,748	-260,992	-359,783	-498,510	-289,896	-330,422
Deposits	-20,295	-28,667	-21,420	-23,212	-27,665	-22,282	-16,264	-12,819	-32,306	-28,019	-27,083	-31,290
Service charge (no ratable properties)	-9,629	-10,788	-11,802	-12,228	-10,907	-8,385	-9,954	-13,033	-9,140	-10,918	-10,602	-9,798
TOTAL	-23,052,302	-26,654,776	-24,653,067	-24,928,627	-26,033,039	-23,448,361	-23,814,595	-24,245,371	-24,386,471	-25,992,601	-24,772,737	-22,323,045
Billing YTD	-23,052,302	-26,654,776	-24,653,067	-24,928,627	-26,033,039	-23,448,361	-23,814,595	-24,245,371	-24,386,471	-25,992,601	-24,772,737	-22,323,045
Collection Rate	-79%	-67%	-82%	-97%	-81%	-56%	-129%	-73%	-81%	-96%	-93%	-78%
Collection Rate Quarterly			-76%			-78%			-94%			-89%

APPENDIX L

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

	TOTAL	DSRAC	FMG	FIRE - Public Safety	EPWP	MIG	DISASTER GRANT-COGTA	RBIG	Water Services Infrastructure	BULK USIDG
OPENING BALANCE	(14 567 942,74)	(1 166 953,00)	-	(1 109 845,00)	0,00	(0,00)	-	-	(12 291 144,78)	-
RECEIPTS	(139 336 280,69)	(2 750 000,00)	(2 650 000,00)	(1 082 000,00)	(1 486 000,00)	(29 819 000,00)	- 11 250 000,00	- 3 784 408,51	(26 962 000,00)	(59 552 872,18)
PAYMENTS	123 207 183,86	2 821 311,97	2 650 000,00	2 191 845,00	1 486 000,00	29 819 000,00	1 223 869,63	4 760 508,49	39 253 144,78	39 001 504,00
RELEASED	-									
TREASURY WITHHELD PORTION	-									
CLOSING BALANCE 2024	(30 697 039,59)	(1 095 641,03)	0,00	-	0,00	0,00	(10 026 130,40)	976 099,98	-	(20 551 368,18)

APPENDIX M

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES: INCLUDING MIG

Project	Sum of Total Budget	Sum of Total Actual	Variance	Variance %
Capital:Infrastructure:Existing:Upgrading: Roads Infrastructure:Roads:Upgrading of Anglers Way Kenton-on-Sea	3 100 000,00	201 800,00	2 898 200,00	93%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of KwaNonkqubela Main Road	1 134 585,00	1 153 063,50	- 18 478,50	-2%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Magongo Street	1 900 000,00	292 900,00	1 607 100,00	85%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street	1 400 000,00	-	1 400 000,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbundwini Road	-	- 55 230,00	55 230,00	-100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mjuza Street in Marselle	1 945 879,00	1 692 069,22	253 809,78	13%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Ntini Street	1 100 000,00	73 664,00	1 026 336,00	93%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Protea Crescent in Station Hill	4 851 967,00	4 374 033,85	477 933,15	10%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Sagwityi Street	1 100 000,00	71 783,50	1 028 216,50	93%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Solomon Mahlangu Road: Phase 2	2 428 673,00	2 318 476,07	110 196,93	5%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Westbourne Road	1 486 000,00	1 415 745,55	70 254,45	5%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Xhanti Street Bathurst	5 000 807,00	4 356 168,87	644 638,13	13%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Zola Street in Bathurst	1 729 686,00	1 608 933,44	120 752,56	7%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Ndlambe Roads; Kenton on Sea; Bathurst and Station Hill: Phase 2	60 000,00	59 456,00	544,00	1%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 3: Pumping Main and Gravity line from Mbabela and Mswela Pumpstation	5 539 355,00	5 648 410,11	- 109 055,11	-2%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 4&5: Gravity sewer line from Wharf Street and overflow pump at new pump station	12 894 701,00	11 332 874,59	1 561 826,41	12%

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure Klipfontein: Pump Station 1	3 585 470,00	-	3 585 470,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure Klipfontein: Pump Station 2	3 348 604,00	2 096 725,42	1 251 878,58	37%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Oxidation Ponds	7 789 497,00	5 839 458,79	1 950 038,21	25%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 1	3 822 335,00	556 600,00	3 265 735,00	85%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 2	3 822 335,00	1 678 703,70	2 143 631,30	56%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 3	4 702 122,00	-	4 702 122,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 4	4 702 122,00	7 052 352,10	- 2 350 230,10	-50%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Refurbishment & Upgrading of Red Apple pump station	250 000,00	-	250 000,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Upgrading of Port Alfred Sewage Pump Stations	9 010 968,00	7 980 457,55	1 030 510,45	11%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation:Upgrading of Internal Bulk Sewer Reticulation in Marselle (500 houses)	5 837 280,00	-	5 837 280,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation:Upgrading of Internal Bulk Sewer Reticulation in Marselle (500 houses) Internal Services	-	3 214 485,41	- 3 214 485,41	-100%
Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works:Auxiliary Rectification and Connectivity Port Alfred	10 267 131,00	-	10 267 131,00	100%
Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works:Bulk Infrastructure Refurbishment of Water Treatment Works and Package Plant Port alfred	27 747 122,00	17 104 447,73	10 642 674,27	38%
Capital:Infrastructure:New:Electrical Infrastructure:Power Plants:Flood Lights	300 000,00	-	300 000,00	100%
Capital:Infrastructure:New:Electrical Infrastructure:Power Plants:Installation of Solar Highmast Street Lights in Informal Settlements	851 010,00	-	851 010,00	100%
Capital:Infrastructure:New:Information and Communication Infrastructure:Distribution Layers:Fiber Internet	100 000,00	42 372,00	57 628,00	58%
Capital:Infrastructure:New:Roads Infrastructure:Roads:Construction of Access Road	251 550,00	251 550,00	-	0%
Capital:Infrastructure:New:Sanitation Infrastructure:Outfall Sewers:Daniel Scheepers Street Outfall Stormwater Drainage	650 000,00	-	650 000,00	100%

Capital:Infrastructure:New:Sanitation Infrastructure:Outfall Sewers:Thornhill Link Sanitation Services - Portion 1: Pump station and pumping mains	10 109 218,00	8 857 521,47	1 251 696,53	12%
Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Bathurst Lushington Raw Water Pump Station	600 000,00	107 000,00	493 000,00	82%
Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Mansfield Raw and Clear Water Pump Station	1 400 000,00	380 700,00	1 019 300,00	73%
Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation:Construction of Civil Engineering Services for Thornhill	2 500 000,00	160 250,51	2 339 749,49	94%
Capital:Infrastructure:New:Sanitation Infrastructure:Waste Water Treatment Works:Upgrading of Sewer System Port Alfred: Phase 1	2 608 033,00	2 267 166,90	340 866,10	13%
Capital:Infrastructure:New:Water Supply Infrastructure:Bulk Mains:Bulk Inflow Water Meters	90 000,00	29 325,00	60 675,00	67%
Capital:Infrastructure:New:Water Supply Infrastructure:Capital Spares:Mooifontein Boreholes	148 200,00	307 709,28	- 159 509,28	-108%
Capital:Infrastructure:New:Water Supply Infrastructure:Dams and Weirs:Install New pumps at pumpstation from Kowie River Weir	220 230,00	62 550,00	157 680,00	72%
Capital:Infrastructure:New:Water Supply Infrastructure:Dams and Weirs:Investigation; Drilling and Equipping of boreholes in Ndlambe Municipality	513 366,00	513 365,52	0,48	0%
Capital:Infrastructure:New:Water Supply Infrastructure:Reservoirs:Construction of Reservoirs in Thornhill	3 900 000,00	3 068 592,37	831 407,63	21%
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Ndlambe Bulk Water Supply: Quick wins	18 821 000,00	5 432 702,04	13 388 297,96	71%
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Purchasing Weed eaters for WTW and Reservoirs	28 842,00	16 695,60	12 146,40	42%
Capital:Non-infrastructure:Existing:Renewal:Computer Equipment:Establishment of centralization of SCM unit	40 000,00	38 434,43	1 565,57	4%
Capital:Non-infrastructure:Existing:Renewal:Other Assets:Operational Buildings:Municipal Offices:Enhancing Security to Office buildings	67 100,00	185 750,87	- 118 650,87	-177%
Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Capital Spares:Trellidoors	75 000,00	12 000,00	63 000,00	84%
Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Upgrading of Mamityi Gidana Sportsfield	10 220 473,00	9 185 538,81	1 034 934,19	10%
Capital:Non-infrastructure:Existing:Upgrading:Machinery and Equipment:replacement of machinery and equipment	350 000,00	-	350 000,00	100%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Construction of Municipal Buildings: Phse 2	60 000,00	24 965,00	35 035,00	58%

Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Building: Phase 3	-	536 000,00	- 536 000,00	-100%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Buildings: Phase 2	1 300 000,00	140 616,24	1 159 383,76	89%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Upgrading of Municipal buildings	150 450,00	7 180,00	143 270,00	95%
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment	899 028,00	1 135 002,06	- 235 974,06	-26%
Capital:Non-infrastructure:New:Computer Equipment:Establishment of Asset Management	30 000,00	-	30 000,00	100%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Establishmnet of centralization of SCM unit	220 000,00	145 584,85	74 415,15	34%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	1 266 779,00	916 629,60	350 149,40	28%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment for the establishment of asset management section	20 000,00	22 501,74	- 2 501,74	-13%
Capital:Non-infrastructure:New: Intangible Assets: Licences and Rights:Computer Software and Applications: Computer Software and Applications	35 000,00	-	35 000,00	100%
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	750 000,00	254 860,59	495 139,41	66%
Capital:Non-infrastructure:New:Machinery and Equipment:Plant and Machinery	1 944 800,00	103 895,28	1 840 904,72	95%
Capital:Non-infrastructure: New:Other Assets:Operational Buildings:Municipal Offices:Acquisition of Office buildings	-	140 675,00	- 140 675,00	-100%
Capital:Non-infrastructure:New:Other Assets:Operational Buildings:Yards:Fencing of Municipal Yards	261 000,00	-	261 000,00	100%
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition	9 863 855,00	7 234 373,35	2 629 481,65	27%
Grand Total	201 201 573,00	121 648 887,63	79 552 685,37	40%

APPENDIX N

APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

Project	Sum of Total Budget	Sum of Total Actual	Variance	Variance %
Capital:Infrastructure:Existing:Upgrading: Roads Infrastructure:Roads:Upgrading of Anglers Way Kenton-on-Sea	3 100 000,00	201 800,00	2 898 200,00	93%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of KwaNonkqubela Main Road	1 134 585,00	1 153 063,50	- 18 478,50	-2%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Magongo Street	1 900 000,00	292 900,00	1 607 100,00	85%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street	1 400 000,00	-	1 400 000,00	100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbundwini Road	-	- 55 230,00	55 230,00	-100%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mjuza Street in Marselle	1 945 879,00	1 692 069,22	253 809,78	13%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Ntini Street	1 100 000,00	73 664,00	1 026 336,00	93%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Protea Crescent in Station Hill	4 851 967,00	4 374 033,85	477 933,15	10%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Sagwityi Street	1 100 000,00	71 783,50	1 028 216,50	93%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Solomon Mahlangu Road: Phase 2	2 428 673,00	2 318 476,07	110 196,93	5%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Westbourne Road	1 486 000,00	1 415 745,55	70 254,45	5%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Xhanti Street Bathurst	5 000 807,00	4 356 168,87	644 638,13	13%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Zola Street in Bathurst	1 729 686,00	1 608 933,44	120 752,56	7%
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Ndlambe Roads; Kenton on Sea; Bathurst and Station Hill: Phase 2	60 000,00	59 456,00	544,00	1%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 3: Pumping Main and Gravity line from Mbabela and Mswela Pumpstation	5 539 355,00	5 648 410,11	- 109 055,11	-2%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 4&5: Gravity sewer line from Wharf Street and overflow pump at new pump station	12 894 701,00	11 332 874,59	1 561 826,41	12%

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure Klipfontein: Pump Station 1	3 585 470,00	-	3 585 470,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure Klipfontein: Pump Station 2	3 348 604,00	2 096 725,42	1 251 878,58	37%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Oxidation Ponds	7 789 497,00	5 839 458,79	1 950 038,21	25%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 1	3 822 335,00	556 600,00	3 265 735,00	85%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 2	3 822 335,00	1 678 703,70	2 143 631,30	56%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 3	4 702 122,00	-	4 702 122,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 4	4 702 122,00	7 052 352,10	- 2 350 230,10	-50%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Refurbishment & Upgrading of Red Apple pump station	250 000,00	-	250 000,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Upgrading of Port Alfred Sewage Pump Stations	9 010 968,00	7 980 457,55	1 030 510,45	11%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation:Upgrading of Internal Bulk Sewer Reticulation in Marselle (500 houses)	5 837 280,00	-	5 837 280,00	100%
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation:Upgrading of Internal Bulk Sewer Reticulation in Marselle (500 houses) Internal Services	-	3 214 485,41	- 3 214 485,41	-100%
Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works:Auxiliary Recticulation and Connectivity Port Alfred	10 267 131,00	-	10 267 131,00	100%
Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works:Bulk Infrastructure Refurbishment of Water Treatment Works and Package Plant Port alfred	27 747 122,00	17 104 447,73	10 642 674,27	38%
Capital:Infrastructure:New:Electrical Infrastructure:Power Plants:Flood Lights	300 000,00	-	300 000,00	100%
Capital:Infrastructure:New:Electrical Infrastructure:Power Plants:Installation of Solar Highmast Street Lights in Informal Settlements	851 010,00	-	851 010,00	100%
Capital:Infrastructure:New:Information and Communication Infrastructure:Distribution Layers:Fiber Internet	100 000,00	42 372,00	57 628,00	58%
Capital:Infrastructure:New:Roads Infrastructure:Roads:Construction of Access Road	251 550,00	251 550,00	-	0%
Capital:Infrastructure:New:Sanitation Infrastructure:Outfall Sewers:Daniel Scheepers Street Outfall Stormwater Drainage	650 000,00	-	650 000,00	100%
Capital:Infrastructure:New:Sanitation Infrastructure:Outfall Sewers:Thornhill Link Sanitation Services - Portion 1: Pump station and pumping mains	10 109 218,00	8 857 521,47	1 251 696,53	12%

Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Bathurst Lushington Raw Water Pump Station	600 000,00	107 000,00	493 000,00	82%
Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Mansfield Raw and Clear Water Pump Station	1 400 000,00	380 700,00	1 019 300,00	73%
Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation:Construction of Civil Engineering Services for Thornhill	2 500 000,00	160 250,51	2 339 749,49	94%
Capital:Infrastructure:New:Sanitation Infrastructure:Waste Water Treatment Works:Upgrading of Sewer System Port Alfred: Phase 1	2 608 033,00	2 267 166,90	340 866,10	13%
Capital:Infrastructure:New:Water Supply Infrastructure:Bulk Mains:Bulk Inflow Water Meters	90 000,00	29 325,00	60 675,00	67%
Capital:Infrastructure:New:Water Supply Infrastructure:Capital Spares:Mooifontein Boreholes	148 200,00	307 709,28	- 159 509,28	-108%
Capital:Infrastructure:New:Water Supply Infrastructure:Dams and Weirs:Install New pumps at pumpstation from Kowie River Weir	220 230,00	62 550,00	157 680,00	72%
Capital:Infrastructure:New:Water Supply Infrastructure:Dams and Weirs:Investigation; Drilling and Equipping of boreholes in Ndlambe Municipality	513 366,00	513 365,52	0,48	0%
Capital:Infrastructure:New:Water Supply Infrastructure:Reservoirs:Construction of Reservoirs in Thornhill	3 900 000,00	3 068 592,37	831 407,63	21%
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Ndlambe Bulk Water Supply: Quick wins	18 821 000,00	5 432 702,04	13 388 297,96	71%
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Purchasing Weed eaters for WTW and Reservoirs	28 842,00	16 695,60	12 146,40	42%
Capital:Non-infrastructure:Existing:Renewal:Computer Equipment:Establishment of centralization of SCM unit	40 000,00	38 434,43	1 565,57	4%
Capital:Non-infrastructure:Existing:Renewal:Other Assets:Operational Buildings:Municipal Offices:Enhancing Security to Office buildings	67 100,00	185 750,87	- 118 650,87	-177%
Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Capital Spares:Trellidoors	75 000,00	12 000,00	63 000,00	84%
Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Upgrading of Mamityi Gidana Sportsfield	10 220 473,00	9 185 538,81	1 034 934,19	10%
Capital:Non-infrastructure:Existing:Upgrading:Machinery and Equipment:replacement of machinery and equipment	350 000,00	-	350 000,00	100%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Construction of Municipal Buildings: Phse 2	60 000,00	24 965,00	35 035,00	58%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Building: Phase 3	-	536 000,00	- 536 000,00	-100%

Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Buildings: Phase 2	1 300 000,00	140 616,24	1 159 383,76	89%
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Upgrading of Municipal buildings	150 450,00	7 180,00	143 270,00	95%
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment	899 028,00	1 135 002,06	- 235 974,06	-26%
Capital:Non-infrastructure:New:Computer Equipment:Establishment of Asset Management	30 000,00	-	30 000,00	100%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Establishmnet of centralization of SCM unit	220 000,00	145 584,85	74 415,15	34%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	1 266 779,00	916 629,60	350 149,40	28%
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment for the establishment of asset management section	20 000,00	22 501,74	- 2 501,74	-13%
Capital:Non-infrastructure:New: Intangible Assets: Licences and Rights:Computer Software and Applications: Computer Software and Applications	35 000,00	-	35 000,00	100%
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	750 000,00	254 860,59	495 139,41	66%
Capital:Non-infrastructure:New:Machinery and Equipment:Plant and Machinery	1 944 800,00	103 895,28	1 840 904,72	95%
Capital:Non-infrastructure: New:Other Assets:Operational Buildings:Municipal Offices:Acquisition of Office buildings	-	140 675,00	- 140 675,00	-100%
Capital:Non-infrastructure:New:Other Assets:Operational Buildings:Yards:Fencing of Municipal Yards	261 000,00	-	261 000,00	100%
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition	9 863 855,00	7 234 373,35	2 629 481,65	27%
Grand Total	201 201 573,00	121 648 887,63	79 552 685,37	40%

APPENDIX O

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

Row Labels	Sum of TotalBudget	Sum of YTD Actual	Sum of TYD Variance	Sum of YTD
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Anglers Way Kenton-on-Sea	3 100 000,00	201 800,00	2 898 200,00	93,49
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 4	3 100 000,00	201 800,00	2 898 200,00	93,49
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of KwaNonkqubela Main Road	1 134 585,00	1 153 063,50	- 18 478,50	-1,63
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 1	1 134 585,00	1 153 063,50	- 18 478,50	-1,63
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Magongo Street	1 900 000,00	292 900,00	1 607 100,00	84,58
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 8	1 900 000,00	292 900,00	1 607 100,00	84,58
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbabela Street	1 400 000,00	-	1 400 000,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 8	1 400 000,00	-	1 400 000,00	100,00

Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mbundwini Road	-	- 55 230,00	55 230,00	-100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 9	-	- 55 230,00	55 230,00	-100,00
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Mjuza Street in Marselle	1 945 879,00	1 692 069,22	253 809,78	13,04
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 3	1 945 879,00	1 692 069,22	253 809,78	13,04
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Ntini Street	1 100 000,00	73 664,00	1 026 336,00	93,30
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 8	1 100 000,00	73 664,00	1 026 336,00	93,30
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Protea Crescent in Station Hill	4 851 967,00	4 374 033,85	477 933,15	9,85
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 6	4 851 967,00	4 374 033,85	477 933,15	9,85
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Sagwityi Street	1 100 000,00	71 783,50	1 028 216,50	93,47

Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 8	1 100 000,00	71 783,50	1 028 216,50	93,47
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Solomon Mahlangu Road: Phase 2	2 428 673,00	2 318 476,07	110 196,93	4,54
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 7	2 428 673,00	2 318 476,07	110 196,93	4,54
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Westbourne Road	1 486 000,00	1 415 745,55	70 254,45	4,73
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 4	1 486 000,00	1 415 745,55	70 254,45	4,73
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Xhanti Street Bathurst	5 000 807,00	4 356 168,87	644 638,13	12,89
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 5	5 000 807,00	4 356 168,87	644 638,13	12,89
Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Zola Street in Bathurst	1 729 686,00	1 608 933,44	120 752,56	6,98
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 5	1 729 686,00	1 608 933,44	120 752,56	6,98

Capital:Infrastructure:Existing:Upgrading:Roads Infrastructure:Roads:Upgrading of Ndlambe Roads; Kenton on Sea; Bathurst and Station Hill: Phase 2	60 000,00	59 456,00	544,00	0,91
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	60 000,00	59 456,00	544,00	0,91
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 3: Pumping Main and Gravity line from Mbabela and Mswela Pumpstation	5 539 355,00	5 648 410,11	- 109 055,11	-1,97
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 6	5 539 355,00	5 648 410,11	- 109 055,11	-1,97
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Contract 4&5: Gravity sewer line from Wharf Street and overflow pump at new pump station	12 894 701,00	11 332 874,59	1 561 826,41	12,11
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 10	12 894 701,00	11 332 874,59	1 561 826,41	12,11
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure Klipfontein: Pump Station 1	3 585 470,00	-	3 585 470,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 3	3 585 470,00	-	3 585 470,00	100,00

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure Klipfontein: Pump Station 2	3 348 604,00	2 096 725,42	1 251 878,58	37,39
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 3	3 348 604,00	2 096 725,42	1 251 878,58	37,39
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Oxidation Ponds	7 789 497,00	5 839 458,79	1 950 038,21	25,03
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 1	7 789 497,00	5 839 458,79	1 950 038,21	25,03
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 1	3 822 335,00	556 600,00	3 265 735,00	85,44
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 1	3 822 335,00	556 600,00	3 265 735,00	85,44
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 2	3 822 335,00	1 678 703,70	2 143 631,30	56,08
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 1	3 822 335,00	1 678 703,70	2 143 631,30	56,08

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 3	4 702 122,00	-	4 702 122,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 1	4 702 122,00	-	4 702 122,00	100,00
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Ndlambe Bulk Infrastructure: Alexandria Brakfontein Pump Station 4	4 702 122,00	7 052 352,10	- 2 350 230,10	-49,98
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 1	4 702 122,00	7 052 352,10	- 2 350 230,10	-49,98
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Refurbishment & Upgrading of Red Apple pump station	250 000,00	-	250 000,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 3	250 000,00	-	250 000,00	100,00
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Pump Station:Upgrading of Port Alfred Sewage Pump Stations	9 010 968,00	7 980 457,55	1 030 510,45	11,44
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 10	9 010 968,00	7 980 457,55	1 030 510,45	11,44

Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation:Upgrading of Internal Bulk Sewer Reticulation in Marselle (500 houses)	5 837 280,00	-	5 837 280,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 4	5 837 280,00	-	5 837 280,00	100,00
Capital:Infrastructure:Existing:Upgrading:Sanitation Infrastructure:Reticulation:Upgrading of Internal Bulk Sewer Reticulation in Marselle (500 houses) Internal Services	-	3 214 485,41	- 3 214 485,41	-100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 4	-	3 214 485,41	- 3 214 485,41	-100,00
Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works:Auxiliary Reticulation and Connectivity Port Alfred	10 267 131,00	-	10 267 131,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 8	10 267 131,00	-	10 267 131,00	100,00
Capital:Infrastructure:Existing:Upgrading:Water Supply Infrastructure:Water Treatment Works:Bulk Infrastructure Refurbishment of Water Treatment Works and Package Plant Port Alfred	27 747 122,00	17 104 447,73	10 642 674,27	38,36
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 8	27 747 122,00	17 104 447,73	10 642 674,27	38,36
Capital:Infrastructure:New:Electrical Infrastructure:Power Plants:Flood Lights	300 000,00	-	300 000,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	300 000,00	-	300 000,00	100,00
Capital:Infrastructure:New:Electrical Infrastructure:Power Plants:Installation of Solar Highmast Street Lights in Informal Settlements	851 010,00	-	851 010,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	851 010,00	-	851 010,00	100,00
Capital:Infrastructure:New:Information and Communication Infrastructure:Distribution Layers:Fiber Internet	100 000,00	42 372,00	57 628,00	57,63
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	50 000,00	42 372,00	7 628,00	15,26
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	50 000,00	-	50 000,00	100,00

Capital:Infrastructure:New:Roads Infrastructure:Roads:Construction of Access Road	251 550,00	251 550,00	-	0,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 5	251 550,00	251 550,00	-	0,00
Capital:Infrastructure :New:Sanitation Infrastructure :Outfall Sewers:Daniel Scheepers Street Outfall Stormwater Drainage	650 000,00	-	650 000,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 3	650 000,00	-	650 000,00	100,00
Capital:Infrastructure :New: Sanitation Infrastructure:Outfall Sewers: Thornhill Link Sanitation Services - Portion 1: Pump station and pumping mains	10 109 218,00	8 857 521,47	1 251 696,53	12,38
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 6	909 130,00	790 547,49	118 582,51	13,04
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 7	9 200 088,00	7 805 279,89	1 394 808,11	15,16
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	-	261 694,09	- 261 694,09	-100,00
Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Bathurst Lushington Raw Water Pump Station	600 000,00	107 000,00	493 000,00	82,17
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 5	600 000,00	107 000,00	493 000,00	82,17
Capital:Infrastructure:New:Sanitation Infrastructure:Pump Station:Mansfield Raw and Clear Water Pump Station	1 400 000,00	380 700,00	1 019 300,00	72,81
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 7	1 400 000,00	380 700,00	1 019 300,00	72,81
Capital:Infrastructure:New:Sanitation Infrastructure:Reticulation:Construction of Civil Engineering Services for Thornhill	2 500 000,00	160 250,51	2 339 749,49	93,59
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 6	2 500 000,00	160 250,51	2 339 749,49	93,59
Capital:Infrastructure:New:Sanitation Infrastructure:Waste Water Treatment Works:Upgrading of Sewer System Port Alfred: Phase 1	2 608 033,00	2 267 166,90	340 866,10	13,07
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 10	2 608 033,00	2 267 166,90	340 866,10	13,07
Capital:Infrastructure:New:Water Supply Infrastructure:Bulk Mains:Bulk Inflow Water Meters	90 000,00	29 325,00	60 675,00	67,42

Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	90 000,00	29 325,00	60 675,00	67,42
Capital:Infrastructure:New:Water Supply Infrastructure:Capital Spares:Mooifontein Boreholes	148 200,00	307 709,28	- 159 509,28	-107,63
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 6	148 200,00	307 709,28	- 159 509,28	-107,63
Capital:Infrastructure:New:Water Supply Infrastructure:Dams and Weirs:Install New pumps at pumpstation from Kowie River Weir	220 230,00	62 550,00	157 680,00	71,60
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 6	220 230,00	62 550,00	157 680,00	71,60
Capital:Infrastructure:New:Water Supply Infrastructure:Dams and Weirs:Investigation; Drilling and Equipping of boreholes in Ndlambe Municipality	513 366,00	513 365,52	0,48	0,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 10	513 366,00	513 365,52	0,48	0,00
Capital:Infrastructure:New:Water Supply Infrastructure:Reservoirs:Construction of Reservoirs in Thornhill	3 900 000,00	3 068 592,37	831 407,63	21,32
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 6	3 900 000,00	3 068 592,37	831 407,63	21,32
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Ndlambe Bulk Water Supply: Quick wins	18 821 000,00	5 432 702,04	13 388 297,96	71,13
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 1	14 055 000,00	5 432 702,04	8 622 297,96	61,35
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 6	4 766 000,00	-	4 766 000,00	100,00
Capital:Infrastructure:New:Water Supply Infrastructure:Water Treatment Works:Purchasing Weed eaters for WTW and Reservoirs	28 842,00	16 695,60	12 146,40	42,11
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	28 842,00	16 695,60	12 146,40	42,11
Capital:Non-infrastructure:Existing:Renewal:Computer Equipment:Establishment of cenralization of SCM unit	40 000,00	38 434,43	1 565,57	3,91
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	40 000,00	38 434,43	1 565,57	3,91

Capital:Non-infrastructure:Existing:Renewal:Other Assets:Operational Buildings:Municipal Offices:Enhancing Security to Office buildings	67 100,00	185 750,87	- 118 650,87	-176,83
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	12 000,00	-	12 000,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	55 100,00	185 750,87	- 130 650,87	-237,12
Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Capital Spares:Trellidoors	75 000,00	12 000,00	63 000,00	84,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	75 000,00	12 000,00	63 000,00	84,00
Capital:Non-infrastructure:Existing:Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Upgrading of Mamityi Gidana Sportsfield	10 220 473,00	9 185 538,81	1 034 934,19	10,13
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 8	10 220 473,00	9 185 538,81	1 034 934,19	10,13
Capital:Non-infrastructure:Existing:Upgrading:Machinery and Equipment:replacement of machinery and equipment	350 000,00	-	350 000,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	350 000,00	-	350 000,00	100,00
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Construction of Municipal Buildings: Phase 2	60 000,00	24 965,00	35 035,00	58,39
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	60 000,00	24 965,00	35 035,00	58,39
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Building: Phase 3	-	536 000,00	- 536 000,00	-100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Ward:Ward 3	-	536 000,00	- 536 000,00	-100,00
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Buildings	-	- 0,02	0,02	-100,00
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Fencing of Municipal Buildings: Phase 2	1 300 000,00	140 616,24	1 159 383,76	89,18

Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	1 300 000,00	140 616,24	1 159 383,76	89,18
Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Upgrading of Municipal buildings	150 450,00	7 180,00	143 270,00	95,23
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	125 000,00	7 180,00	117 820,00	94,26
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	25 450,00	-	25 450,00	100,00
Capital:Non-infrastructure:New:Computer Equipment:Computer Equipment	899 028,00	1 135 002,06	- 235 974,06	-26,25
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	883 528,00	1 080 399,06	- 196 871,06	-22,28
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	15 500,00	54 603,00	- 39 103,00	-252,28
Capital:Non-infrastructure:New:Computer Equipment:Establishment of Asset Management	30 000,00	-	30 000,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	30 000,00	-	30 000,00	100,00
Capital:Non-infrastructure:New:Furniture and Office Equipment:Establishment of centralization of SCM unit	220 000,00	145 584,85	74 415,15	33,83
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	220 000,00	145 584,85	74 415,15	33,83
Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment	1 266 779,00	916 629,60	350 149,40	27,64
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	1 232 444,00	886 069,79	346 374,21	28,10
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	34 335,00	30 559,81	3 775,19	11,00

Capital:Non-infrastructure:New:Furniture and Office Equipment:Furniture and Office Equipment for the establishment of asset management section	20 000,00	22 501,74	- 2 501,74	-12,51
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	20 000,00	22 501,74	- 2 501,74	-12,51
Capital:Non-infrastructure:New:Intangible Assets:Licences and Rights:Computer Software and Applications:Computer Software and Applications	35 000,00	-	35 000,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	35 000,00	-	35 000,00	100,00
Capital:Non-infrastructure:New:Machinery and Equipment:Machinery and Equipment	750 000,00	254 860,59	495 139,41	66,02
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	180 000,00	31 101,06	148 898,94	82,72
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	570 000,00	223 759,53	346 240,47	60,74
Capital:Non-infrastructure:New:Machinery and Equipment:Plant and Machinery	1 944 800,00	103 895,28	1 840 904,72	94,66
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	1 944 800,00	103 895,28	1 840 904,72	94,66
Capital:Non-infrastructure:New:Other Assets:Operational Buildings:Municipal Offices:Acquisition of Office buildings	-	140 675,00	- 140 675,00	-100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	-	140 675,00	- 140 675,00	-100,00
Capital:Non-infrastructure:New:Other Assets:Operational Buildings:Yards:Fencing of Municipal Yards	261 000,00	-	261 000,00	100,00
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	261 000,00	-	261 000,00	100,00
Capital:Non-infrastructure:New:Transport Assets:Vehicle Acquisition	9 863 855,00	7 234 373,35	2 629 481,65	26,66
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Administrative or Head Office (Including Satellite Offices)	850 000,00	675 900,00	174 100,00	20,48
Regional:Regional Identifier:Local Government by Province:Eastern Cape:District Municipalities:DC10 Sarah Baartman:Municipalities:EC105 Ndlambe:Whole of the Municipality	9 013 855,00	6 558 473,35	2 455 381,65	27,24
Grand Total	201 201 573,00	121 648 887,63	79 552 685,37	39,54

APPENDIX P

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

[There are no service connection backlogs at schools and clinics – all service connections are done as a matter of priority if and when the need arises. Currently, the municipality does not have any service connection backlogs]

APPENDIX Q

APPENDIX Q: SERVICE NACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

WARD	ISSUES RAISED	RELEVANT SECTOR DEPARTMENT/STATE AGENCY
1	New application for a 24-hour Clinic	Department of Health
1	Meter Box connections	Eskom
1	Expansion of R72 road at KwaNonkqubela entrance	SANRAL
1	Sassa should make weekly visits to service residents of Alexandria	SASSA (South African Social Services Authority)
2	The building previously used for social development programmes needs to be considered for 24-hour clinic	Department of Health
2	Department of Transport beneficiaries need an update	Department of Transport
2	CWP stipends to be paid on the 25th of every month	COGTA
2	Sideway paving near R72 towards KwaNonkqubela	SANRAL
2	Electricity is expensive	NERSA
3	Upgrading of fire hydrants	Sarah Baartman District Municipality
8	Street light from the CBD to Thornhill be erected	Department of Transport

APPENDIX R

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

DONATIONS MADE BY THE MUNICIPALITY AS AT 30 JUNE 2024							
FUNCTION	SEGMENT DESCRIPTION/ACTIVITY	TOTAL BUDGET	TOTAL ACTUAL	YEAR TO DATE BUDGET	% UTILIZED ON INCURRED EXPENDITURE	VARIANCE	VARIANCE %
ADMIN COMMUNITY PROTECTION	Anti Crime	140 000,00	67 563,00	140 000,00	48,26	72 437,00	51,74
ENVIROMENTAL : HEALTH	Greenest Town Award	-	20 000,00	-	0,00	20 000,00	0,00
PARKS, RECREATION AND CEMETRIES	Donations	250 000,00	255 000,00	250 000,00	102,00	5 000,00	2,00
SMALL ANIMAL POUND	Cash Donations	40 000,00	-	40 000,00	0,00	40 000,00	0,00
INFORMATION TECHNOLOGY	Alex Victim Support Center: Donations	29 000,00	14 056,55	29 000,00	48,47	14 943,45	51,53
HUMAN RESOURCES	Other Transfers Bursaries (Non Employee)	500 000,00	345 603,40	500 000,00	69,12	154 396,60	30,88
LIBRARY	Grade 12 Intervention: Donations	240 000,00	210 904,00	240 000,00	87,88	29 096,00	12,12
COUNCIL GENERAL	Social Assistance Grants in Aid	140 000,00	132 483,04	140 000,00	94,63	7 516,96	5,37
LOCAL ECONOMIC DEVELOPMENT	Rural Development Sustainable Economical Opportunity	675 000,00	537 846,73	675 000,00	79,68	137 153,27	20,32
LOCAL ECONOMIC DEVELOPMENT	SMME Support: Donations	175 000,00	172 957,20	175 000,00	98,83	2 042,80	1,17
LOCAL ECONOMIC DEVELOPMENT	Social assistance Poverty Relief	383 000,00	379 169,75	383 000,00	99,00	3 830,25	1,00
LOCAL ECONOMIC DEVELOPMENT	Grants and Transfers Tourism	900 000,00	900 000,00	900 000,00	100,00	0,00	0,00
SPECIAL PROGRAMS UNIT	Sport Donations Cash Donations	200 000,00	358 070,00	200 000,00	179,04	158 070,00	79,04
SPECIAL PROGRAMS UNIT	Mayoral Cup: Cash Donations	30 000,00	40 350,00	30 000,00	134,50	10 350,00	34,50

SPECIAL PROGRAMS UNIT	Disability: Casual Day: Donations	10 000,00	3 186,47	10 000,00	31,86	6 813,53	68,14
SPECIAL PROGRAMS UNIT	Youth Day Donations	50 000,00	50 000,00	50 000,00	100,00	0,00	0,00
SPECIAL PROGRAMS UNIT	Development of Children: Donations	100 000,00	99 882,00	100 000,00	99,88	118,00	0,12
SPECIAL PROGRAMS UNIT	GBV: Cash Donations	100 000,00	99 783,00	100 000,00	99,78	217,00	0,22
SPECIAL PROGRAMS UNIT	Men's Forum: Cash Donations	25 000,00	18 200,00	25 000,00	72,80	6 800,00	27,20
SPECIAL PROGRAMS UNIT	Soup Kitchen Cash Donations	240 000,00	240 000,00	240 000,00	100,00	0,00	0,00
SPECIAL PROGRAMS UNIT	Donations Cash Donations	130 000,00	309 371,57	130 000,00	237,98	179 371,57	137,98
SPEAKER	Cash Donations	50 000,00	50 000,00	50 000,00	100,00	0,00	0,00
TOTAL		4 407 000,00	4 304 426,71	4 407 000,00		102 573,29	

APPENDIX S

APPENDIX S: DECLARATION OF SECTION 71 MFMA RETURNS NOT MADE

All MFMA S71 monthly budget statements were submitted within the prescribed timeframe within the 2022/2023 financial year.

APPENDIX T

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

All the information that can be used by National and/or Provincial Government to monitor and evaluate service delivery performance is provided in the body of the Annual Report. There is no additional information that can be provided under this Appendix with regard to the abovementioned.

VOLUME 2:

ANNUAL

FINANCIAL

STATEMENTS



Ndlambe Local Municipality

Annual Financial Statements
for the year ended 30 June 2024

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

General Information

Legal form of entity

Ndlambe Municipality (EC 105) is a local municipality performing the functions as set out in the Constitution. (Act no 108 of 1996)

Grading of local authority

Grade 3

Nature of business and principal activities

Municipal Services

Executive committee

Mayor

Councillor KC Ncamiso - Corporate Services Portfolio

Speaker

Councillor AL Marasi

Executive Councillors

Councillor ST Dyakala - Infrastructure Portfolio

Councillor NF Memani - Community Protection Portfolio

Councillor S Venene - Finance Portfolio

Councillor A Nyumka - MPAC Chairperson

Councillor S Kolosa - Chief Whip

Councillor A Bukani

Councillor N Sweli

Councillor EHK Walker

Councillor NE Haynes

Councillor P Khungwayo

Councillor SI Melani

Councillor S Zweni

Councillor MW Mgweba

Councillor PY Kani

Councillor ZW Myali

Councillor WG Johannes

Councillor T Mbekela

Councillor X Runeli

Councillors

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

General Information

Primary legislation governing the municipality's operations

Local Government Municipal Finance Management Act (Act No 56 of 2003)

Local Government: Municipal Systems Act (Act 32 of 2000)

Local Government: Municipal Structures Act (Act 117 of 1998)

Constitution of the Republic of South Africa (Act 108 of 1998)

Municipal Property Rates Act (Act 6 of 2004)

Accounting Officer

R Dumezweni

rdumezweni@ndlambe.gov.za

Chief Finance Officer (CFO)

M Klaas

mklaas@ndlambe.gov.za

Business address

47 Campbell Street

Port Alfred

6170

Postal address

P O Box 13

Port Alfred

6170

Bankers

First National Bank

Auditors

Auditor General

Jurisdiction

The Ndlambe Local Municipality includes the following areas:

Port Alfred

Bathurst

Alexandria

Kenton-on-Sea

Cannon-Rocks

Seafeld

Marselle

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Index

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

	Page
Accounting Officer's Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 12
Accounting Policies	13 - 47
Notes to the Annual Financial Statements	48 - 102

Abbreviations used:

DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
LED	Local Economic Development
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSIG	Municipal Systems Improvement Grant
FMG	Financial Management Grant
DSRAC	Department of Sports, Recreation, Arts and Culture
DME	Department of Minerals and Energy
INEP	Integrated National Electrification Programme
DWAF	Department of Water and Forestry
DoRA	Division of Revenue Act
DME	Department of Minerals and Energy
DWS	Department of Water and Sanitation
SBDM	Sarah Baartman District Municipality
CoGTA	Department of Co-operative Governance and Traditional Affairs
VAT	Value Added Tax
SARS	South African Revenue Service

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 102, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024.



R Dumezweni
Accounting Officer

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	1 438 947	1 184 641
Receivables from non-exchange transactions	4	25 784 778	20 683 124
Receivables from exchange transactions	5	37 354 309	28 793 620
VAT receivable	6	6 947 128	13 591 218
Cash and cash equivalents	7	140 308 928	67 235 366
Operating lease asset	8	12 899	17 424
		211 846 989	131 505 393
Non-Current Assets			
Investment property	9	242 890 547	247 150 696
Property, plant and equipment	10	1 254 942 877	1 187 695 961
Intangible assets	11	47 606	104 267
Heritage assets	12	16	16
Other financial assets	13	46 305	44 872
		1 497 927 351	1 434 995 812
Total Assets		1 709 774 340	1 566 501 205
Liabilities			
Current Liabilities			
Consumer deposits	15	2 827 601	2 660 816
Payables from exchange transactions	16	146 391 805	60 467 701
Unspent conditional grants and receipts	17	31 673 139	14 567 942
Financial liabilities - DBSA	18	973 082	1 464 213
Employee benefit obligation	19	22 085 561	19 642 248
Provisions	20	13 068 766	12 497 830
		217 019 954	111 300 750
Non-Current Liabilities			
Financial liabilities - DBSA	18	-	986 301
Employee benefit obligation	19	69 743 000	62 977 000
Provisions	20	65 659 948	60 296 161
		135 402 948	124 259 462
Total Liabilities		352 422 902	235 560 212
Net Assets		1 357 351 438	1 330 940 993
Accumulated surplus		1 357 351 438	1 330 940 993
Total Net Assets		1 357 351 438	1 330 940 993

* See Note 43

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	22	192 624 513	181 743 495
Rendering of services		504 133	421 554
Rental of facilities and equipment		1 079 721	1 046 827
Interest received - Trade and other receivables		9 655 942	8 095 895
Licences and permits		1 821 353	3 685 609
Housing debtor income		2 014 510	1 859 224
Other income	23	5 252 627	4 338 750
Interest received - investment	24	12 243 894	7 977 378
Total revenue from exchange transactions		225 196 693	209 168 732
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	146 671 842	143 573 186
Licences and Permits - Non-exchange		1 313 532	1 265 973
Environmental levies		6 197 416	5 680 436
Interest received - Non-exchange receivables		4 603 955	3 845 778
Transfer revenue			
Government grants & subsidies	26	257 301 171	269 722 218
Public contributions and donations	27	517 370	3 073 000
Fines, Penalties and Forfeits		401 108	342 733
Total revenue from non-exchange transactions		417 006 394	427 503 324
Total revenue	21	642 203 087	636 672 056
Expenditure			
Employee related costs	28	(197 969 930)	(184 821 563)
Remuneration of councillors	29	(8 481 513)	(7 671 207)
Depreciation and amortisation	30	(43 149 685)	(48 887 368)
Finance costs	31	(8 294 637)	(7 967 221)
Lease rentals on operating lease		(991 905)	(1 953 178)
Debt Impairment	32	(58 357 952)	(59 826 821)
Alternative Energy Programmes		(5 932 564)	(3 758 400)
Bulk purchases	33	(95 172 935)	(89 196 010)
Contracted services	34	(89 790 542)	(72 791 127)
Transfers and Subsidies		(4 304 426)	(4 528 658)
General Expenses	35	(91 041 310)	(90 220 814)
Total expenditure		(603 487 399)	(571 622 367)
Operating surplus		38 715 688	65 049 689
Loss on disposal of assets and liabilities		(4 329 638)	(1 973 920)
Fair value adjustments	36	2 193 160	7 146 353
Actuarial gains/(losses)	19	688 135	11 193 548
Impairment loss	37	(10 856 900)	(2 789 447)
		(12 305 243)	13 576 534
Surplus for the year		26 410 445	78 626 223

* See Note 43

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

Figures in Rand		Accumulated surplus / deficit	Total net assets
Opening balance as previously reported		1 265 797 001	1 265 797 001
Adjustments			
Correction of errors 43		(13 482 231)	(13 482 231)
Balance at 01 July 2022 as restated*		1 252 314 770	1 252 314 770
Changes in net assets			
Surplus for the year		78 626 223	78 626 223
Total changes		78 626 223	78 626 223
Restated* Balance at 01 July 2023	43	1 330 940 993	1 330 940 993
Changes in net assets			
Surplus for the year		26 410 445	26 410 445
Total changes		26 410 445	26 410 445
Balance at 30 June 2024		1 357 351 438	1 357 351 438
Note(s)			

* See Note 43

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Rates and services		294 958 080	276 459 855
Government Grants and Subsidies		273 430 269	267 613 458
Interest income		19 081 048	17 505 292
Other receipts		7 668 245	6 540 707
		<u>595 137 642</u>	<u>568 119 312</u>
Payments			
Employee costs		(206 451 443)	(192 492 770)
Suppliers		(187 661 277)	(224 400 237)
Finance costs		(8 294 637)	(7 967 221)
Grants and subsidies		(4 304 426)	(4 528 658)
		<u>(406 711 783)</u>	<u>(429 388 886)</u>
Net cash flows from operating activities	39	<u>188 425 859</u>	<u>138 730 426</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(114 257 418)	(147 566 445)
Proceeds from sale of property, plant and equipment	10	382 553	205 613
Net cash flows from investing activities		<u>(113 874 865)</u>	<u>(147 360 832)</u>
Cash flows from financing activities			
Repayment of financial liabilities - dbsa		(1 477 432)	(1 919 728)
Net cash flows from financing activities		<u>(1 477 432)</u>	<u>(1 919 728)</u>
Net increase/(decrease) in cash and cash equivalents		73 073 562	(10 550 134)
Cash and cash equivalents at the beginning of the year		67 235 366	77 785 500
Cash and cash equivalents at the end of the year	7	<u>140 308 928</u>	<u>67 235 366</u>

* See Note 43

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	206 426 000	-	206 426 000	192 624 513	(13 801 487)	53.1
Rendering of services	3 076 000	-	3 076 000	504 133	(2 571 867)	53.2
Rental of facilities and equipment	1 092 000	-	1 092 000	1 079 721	(12 279)	53.3
Interest received	8 389 000	-	8 389 000	9 655 942	1 266 942	53.4
Licences and permits	14 765 000	-	14 765 000	1 821 353	(12 943 647)	53.5
Housing debtor income	-	-	-	2 014 510	2 014 510	53.6
Other income	2 136 000	25 000	2 161 000	5 252 627	3 091 627	53.7
Interest received - investment	6 893 000	-	6 893 000	12 243 894	5 350 894	53.8
Total revenue from exchange transactions	242 777 000	25 000	242 802 000	225 196 693	(17 605 307)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	154 154 000	-	154 154 000	146 671 842	(7 482 158)	53.9
Licences and Permits (Non-exchange)	1 927 000	-	1 927 000	1 313 532	(613 468)	53.10
Environmental levies	9 110 000	-	9 110 000	6 197 416	(2 912 584)	53.11
Interest received - non-exchange receivables	4 254 000	-	4 254 000	4 603 955	349 955	53.12
Transfer revenue						
Government grants & subsidies	137 300 000	112 429 000	249 729 000	257 301 171	7 572 171	53.13
Public contributions and donations	-	-	-	517 370	517 370	53.14
Fines, Penalties and Forfeits	328 000	-	328 000	401 108	73 108	53.15
Total revenue from non-exchange transactions	307 073 000	112 429 000	419 502 000	417 006 394	(2 495 606)	
Total revenue	549 850 000	112 454 000	662 304 000	642 203 087	(20 100 913)	
Expenditure						
Employee related costs	(196 957 000)	379 000	(196 578 000)	(197 969 930)	(1 391 930)	53.16
Remuneration of councillors	(8 464 000)	(620 000)	(9 084 000)	(8 481 513)	602 487	53.17
Depreciation and amortisation	(49 076 000)	-	(49 076 000)	(43 149 685)	5 926 315	53.18
Impairment loss	-	-	-	(10 856 900)	(10 856 900)	53.19
Finance costs	(196 000)	-	(196 000)	(8 294 637)	(8 098 637)	53.20
Lease rentals on operating lease	(1 089 000)	61 000	(1 028 000)	(991 905)	36 095	53.21
Debt Impairment	(39 000 000)	-	(39 000 000)	(58 357 952)	(19 357 952)	53.22
Alternative Energy Programmes	(4 394 000)	(1 250 000)	(5 644 000)	(5 932 564)	(288 564)	53.23
Bulk purchases	(79 082 000)	1 310 000	(77 772 000)	(95 172 935)	(17 400 935)	53.24
Contracted Services	(88 806 000)	(112 436 000)	(201 242 000)	(89 790 542)	111 451 458	53.25
Transfers and Subsidies	(3 980 000)	(517 000)	(4 497 000)	(4 304 426)	192 574	53.26
General Expenses	(89 727 000)	434 000	(89 293 000)	(91 041 310)	(1 748 310)	53.27
Total expenditure	(560 771 000)	(112 639 000)	(673 410 000)	(614 344 299)	59 065 701	
Operating surplus	(10 921 000)	(185 000)	(11 106 000)	27 858 788	38 964 788	

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Loss on disposal of assets and liabilities	-	(8 000)	(8 000)	(4 329 638)	(4 321 638)	53.28
Fair value adjustments	-	-	-	2 193 160	2 193 160	53.29
Actuarial gains/losses	-	(10 000)	(10 000)	688 135	698 135	53.30
	-	(18 000)	(18 000)	(1 448 343)	(1 430 343)	
Surplus	(10 921 000)	(203 000)	(11 124 000)	26 410 445	37 534 445	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(10 921 000)	(203 000)	(11 124 000)	26 410 445	37 534 445	

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	4 395 000	(605 000)	3 790 000	1 438 947	(2 351 053)	53.31
Operating lease asset	-	-	-	12 899	12 899	53.32
Receivables from non-exchange transactions	55 522 000	(3 452 000)	52 070 000	25 784 778	(26 285 222)	53.33
VAT receivable	164 153 000	11 954 000	176 107 000	210 231 679	34 124 679	53.34
Receivables from exchange transactions	49 331 000	(18 578 000)	30 753 000	37 354 309	6 601 309	53.33
Other current assets	263 000	602 000	865 000	-	(865 000)	
Cash and cash equivalents	22 679 000	99 011 000	121 690 000	140 308 928	18 618 928	53.35
	296 343 000	88 932 000	385 275 000	415 131 540	29 856 540	

Non-Current Assets

Investment property	260 082 000	(1 549 000)	258 533 000	242 890 547	(15 642 453)	53.36
Property, plant and equipment	1 159 375 000	179 203 000	1 338 578 000	1 254 942 877	(83 635 123)	53.37
Intangible assets	(598 000)	648 000	50 000	47 606	(2 394)	53.38
Heritage assets	-	-	-	16	16	53.39
Other financial assets	49 000	(23 000)	26 000	46 305	20 305	53.40
	1 418 908 000	178 279 000	1 597 187 000	1 497 927 351	(99 259 649)	

Total Assets

1 715 251 000 267 211 000 1 982 462 000 1 913 058 891 (69 403 109)

Liabilities

Current Liabilities

Financial liabilities - DBSA	973 000	(13 000)	960 000	973 082	13 082	53.41
Payables from exchange transactions	24 130 000	128 289 000	152 419 000	146 391 802	(6 027 198)	53.42
VAT payable	176 221 000	(5 300 000)	170 921 000	203 284 551	32 363 551	53.34
Consumer deposits	2 817 000	(96 000)	2 721 000	2 827 601	106 601	53.43
Employee benefit obligation	17 142 000	(14 724 000)	2 418 000	22 085 561	19 667 561	53.44
Unspent conditional grants and receipts	-	-	-	31 673 139	31 673 139	53.45
Provisions	13 188 000	540 000	13 728 000	13 068 766	(659 234)	53.46
	234 471 000	108 696 000	343 167 000	420 304 502	77 137 502	

Non-Current Liabilities

Financial liabilities - DBSA	-	13 000	13 000	-	(13 000)	53.41
Employee benefit obligation	42 489 000	12 732 000	55 221 000	69 743 000	14 522 000	53.45
Provisions	68 184 000	(132 000)	68 052 000	65 659 948	(2 392 052)	53.46
	110 673 000	12 613 000	123 286 000	135 402 948	12 116 948	

Total Liabilities

345 144 000 121 309 000 466 453 000 555 707 450 89 254 450

Net Assets

1 370 107 000 145 902 000 1 516 009 000 1 357 351 441 (158 657 559)

Net Assets

Reserves

Accumulated surplus	1 370 107 000	145 902 000	1 516 009 000	1 357 351 438	(158 657 562)	53.47

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

Rates and services	344 558 000	-	344 558 000	294 958 080	(49 599 920)	53.48
Government Grants and subsidies	200 943 000	292 783 000	493 726 000	273 430 269	(220 295 731)	53.49
Interest income	6 893 000	-	6 893 000	19 081 048	12 188 048	53.50
Other receipts	39 850 000	25 000	39 875 000	7 668 245	(32 206 755)	53.51
	592 244 000	292 808 000	885 052 000	595 137 642	(289 914 358)	

Payments

Supplier and Employee costs	(504 780 000)	(116 293 000)	(621 073 000)	(394 112 720)	226 960 280	53.52
Finance costs	(196 000)	-	(196 000)	(8 294 637)	(8 098 637)	53.53
Grants and subsidies paid	-	(4 114 000)	(4 114 000)	(4 304 426)	(190 426)	53.54
	(504 976 000)	(120 407 000)	(625 383 000)	(406 711 783)	218 671 217	

Net cash flows from operating activities	87 268 000	172 401 000	259 669 000	188 425 859	(71 243 141)	

Cash flows from investing activities

Purchase of property, plant and equipment	(91 919 000)	(111 878 000)	(203 797 000)	(114 257 418)	89 539 582	53.55
Proceeds from sale of property, plant and equipment	-	-	-	382 553	382 553	53.56
Decrease in non-current investments	-	(18 000)	(18 000)	-	18 000	53.57

Net cash flows from investing activities	(91 919 000)	(111 896 000)	(203 815 000)	(113 874 865)	89 940 135	

Cash flows from financing activities

Decrease in consumer deposits	(59 000)	-	(59 000)	-	59 000	53.58
Repayment of financial liabilities - DBSA	(1 477 000)	-	(1 477 000)	(1 477 432)	(432)	53.59

Net cash flows from financing activities	(1 536 000)	-	(1 536 000)	(1 477 432)	58 568	

Net increase/(decrease) in cash and cash equivalents	(6 187 000)	60 505 000	54 318 000	73 073 562	18 755 562	
Cash and cash equivalents at the beginning of the year	28 747 000	38 488 000	67 235 000	67 235 366	366	53.60

Cash and cash equivalents at the end of the year	22 560 000	98 993 000	121 553 000	140 308 928	18 755 928	

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

Figures in Rand	Note(s)	2024	2023

1. Significant account policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparations

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Significant judgements and sources of estimation uncertainty

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

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Trade receivables / Held to maturity investments and/or loans and receivables

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

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Useful lives of waste and water network and other assets

The municipality's management, through the use of an external service provider, determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

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

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 19.

Effective interest rate

The municipality used the prime+1% interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Accounting by principals and agent

The municipality makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgements applied are as follows -

The municipality considers the nature of the agreements entered into between itself and other entities. A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Should it render a service on behalf of another entity or vice versa, it will trigger the need to the related disclosure in terms of GRAP 109.

The municipality has identified that it acts as an agent for the collection of motor vehicle licence fees on behalf of the department of Transport.

Additional information is disclosed in Note 52.

Impairment of statutory receivables

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

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.6 Investment property (continued)

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	30 years

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note).

1.7 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.7 Property, plant and equipment (continued)

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight-line	50 Years
Plant and machinery	Straight-line	5 - 15 Years
Motor vehicles	Straight-line	5 - 15 Years
Office equipment	Straight-line	5 - 15 Years
IT equipment	Straight-line	5 - 15 Years
Community	Straight-line	10 - 30 Years
Electricity Network	Straight-line	15 - 80 Years
Roads	Straight-line	15 - 80 Years
Wastewater Network	Straight-line	15 - 60 Years
Water Network	Straight-line	15 -100 Years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.7 Property, plant and equipment (continued)

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

1.8 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.8 Intangible assets (continued)

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	5 - 15 Years

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

1.9 Heritage assets

Assets are resources controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.9 Heritage assets (continued)

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

1.10 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

Accounting Policies

1.10 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.10 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Receivables from exchange transactions
Receivables from non-exchange transactions
Cash and cash equivalents
Other financial asset

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Payables from exchange transactions
DBSA Loans

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.10 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

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

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.10 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

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

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

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.10 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

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

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

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

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.10 Financial instruments (continued)

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

1.11 Statutory receivables

Identification

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Impairment losses

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.11 Statutory receivables (continued)

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

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

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

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

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

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

Derecognition

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

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

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

1.12 Leases

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

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.12 Leases (continued)

Operating leases - lessor

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

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

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

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

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

Operating leases - lessee

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

1.13 Inventories

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

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

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

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

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

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

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

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

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

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

1.14 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.14 Impairment of cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

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

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

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

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Accounting Policies

1.14 Impairment of cash-generating assets (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.14 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.15 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

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

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

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

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

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

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

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

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

Accounting Policies

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

Reversal of an impairment loss

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

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

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

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.16 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.16 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

Post-employment benefits

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

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

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Accounting Policies

1.16 Employee benefits (continued)

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

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

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

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

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

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

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

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

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

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.16 Employee benefits (continued)

Other post retirement obligations

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

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

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

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

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

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

1.17 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating surplus (deficit).

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.17 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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

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

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 41.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Accounting Policies

1.17 Provisions and contingencies (continued)

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.14 and 1.15.

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.18 Revenue from exchange transactions

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

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

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

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

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

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

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Interest, royalties and dividends

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

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.18 Revenue from exchange transactions (continued)

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

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

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.19 Revenue from non-exchange transactions

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

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

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

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

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

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

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

Measurement

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.19 Revenue from non-exchange transactions (continued)

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

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

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

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

Fines

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

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

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

Gifts and donations, including goods in-kind

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

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.20 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Accounting by principals and agents

Identification

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

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

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

Identifying whether an entity is a principal or an agent

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

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

Binding arrangement

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

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

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

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

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

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

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.22 Accounting by principals and agents (continued)

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

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

1.23 Comparative figures

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

1.24 Unauthorised expenditure

Unauthorised expenditure means:

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

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

1.25 Fruitless and wasteful expenditure

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

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

1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.27 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

1.28 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.29 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

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

1.31 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash. A commitment is disclosed to the extent that it has not already been recognised elsewhere in the financial statements.

At the end of the financial period the municipality determined commitments in respect of capital expenditure in terms of GRAP 17 that has been approved and contracted for.

1.32 Material Losses (Water and Electricity)

Water and electricity losses are required to be disclosed as part of the material loss disclosure of the MFMA Section 125. Losses are calculated on the following basis -

Nr of units of lost supply, being the difference between what was supplied and what has been sold at the per unit tariff rate.

The unit tariff rate, in the case of electricity being the lower rate of Kwh as charged per council and the case of water the lowest rate per KI (incl VAT).

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 103 (as revised): Heritage Assets	01 April 2099	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2099	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

3. Inventories

Water for distribution	102 347	76 321
Stores, materials and fuels	1 336 600	1 108 320
	1 438 947	1 184 641

Inventories recognised as an expense during the year	14 796 269	18 680 419

Game is held for recreational purposes in the form of viewing of game at the reserves by the public. These animals are held for the enjoyment of the public and not for resale. It is not the intention of the municipality to trade in wildlife and as such these animals have not been recognised as Biological assets or non-living resources.

4. Receivables from non-exchange transactions

Consumer debtors - Rates	63 880 396	61 627 139
Environmental Levies	11 642 330	8 713 027
Schedule 6B - RBIG receivable	976 100	-
Traffic department receipting under investigation	609 812	654 679
Deposits	85 500	85 500
Provision for doubtful debts - Environmental Levies	(10 285 142)	(7 918 180)
Provision for doubtful debts - Consumer debtors - Rates	(41 124 218)	(42 479 041)
	25 784 778	20 683 124

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Consumer debtors - Rates	63 880 396	61 627 261
Environmental Levies	11 642 330	8 713 027
Provision for doubtful debts - Receivables from Non-Exchange transactions	(51 409 360)	(50 397 221)
	24 113 366	19 943 067

Financial asset receivables included in receivables from non-exchange transactions above

	1 671 412	740 057

Total receivables from non-exchange transactions	25 784 778	20 683 124

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Statutory receivables past due but not impaired

Statutory receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2024, R 8 749 921 (2023: R 5 341 888) were past due but not impaired.

Factors the entity considered in assessing statutory receivables past due but not impaired

The municipality has adopted a policy for the determination of the provision for doubtful debts based on the national treasury principles. These principles are used to rate debtors based on various risk criteria associated with the type and status of their accounts. Furthermore an analysis is undertaken to accumulate the risk associated with the long outstanding nature of each account. These factors produce an overall risk factor which is utilised to prepare an impaired amount. The collectable cashflow is therefore determined and present valued based on the average days outstanding on each account. The overall impairment is thereafter pro-rata'ed per non-exchange and exchange portions of each debtors' account. Lastly, this is accumulated to produce the provision for impairment as raised at year end. Refer to the municipal policy for full details.

Statutory receivables impaired

As of 30 June 2024, Statutory receivables of R 51 409 360 (2023: R 50 397 221) were impaired and provided for.

Reconciliation of provision for impairment for statutory receivables

Opening balance	(50 397 221)	(48 923 428)
Provision for impairment	(8 709 201)	(7 336 328)
Amounts written off as uncollectible	7 697 062	5 862 535
	(51 409 360)	(50 397 221)

Receivables from non-exchange transactions past due but not impaired

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 30 June 2024, R 609 812 (2023: R 654 679) were past due but not impaired.

5. Receivables from exchange transactions

Gross balances

Electricity	31 179 219	27 341 753
Water	74 192 680	62 208 549
Waste water	28 739 751	21 964 419
Refuse	35 325 822	28 622 666
Prepayment	14 500	-
Prepaid Electricity Sales - Vendors	539 320	378 259
Housing rental	1 271 541	1 285 871
Service charges and other	15 254 893	14 607 014
	186 517 726	156 408 531

Less: Allowance for impairment

Provision for Doubtful debts - Electricity	(16 395 787)	(15 528 568)
Provision for Doubtful debts - Water	(60 065 228)	(51 380 004)
Provision for Doubtful debts - Waste water	(25 374 934)	(19 518 428)
Provision for Doubtful debts - Refuse	(31 272 575)	(25 789 236)
Provision for Doubtful debts - Housing rental	(1 206 453)	(1 240 687)
Provision for Doubtful debts - Service charges and other	(14 848 440)	(14 157 988)
	(149 163 417)	(127 614 911)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
5. Receivables from exchange transactions (continued)		
Net balance		
Electricity	14 783 432	11 813 185
Water	14 127 452	10 828 545
Waste water	3 364 817	2 445 991
Refuse	4 053 247	2 833 430
Business service levies	14 500	-
Prepaid electricity sales - Vendors	539 320	378 259
Housing rental	65 088	45 184
Service charges and other	406 453	449 026
	37 354 309	28 793 620
Electricity		
Current (0 -30 days)	8 926 840	9 563 312
31 - 60 days	2 252 719	927 326
61 - 90 days	1 452 082	785 554
91 - 120 days	1 061 196	701 220
121 - 365 days	4 262 101	5 374 257
> 365 days	13 224 281	9 990 084
	31 179 219	27 341 753
Water		
Current (0 -30 days)	7 549 374	11 819 594
31 - 60 days	2 744 194	2 350 752
61 - 90 days	2 535 544	1 972 464
91 - 120 days	2 206 602	1 971 492
121 - 365 days	16 330 205	12 442 951
> 365 days	42 826 761	31 651 296
	74 192 680	62 208 549
Waste water		
Current (0 -30 days)	2 021 604	2 658 958
31 - 60 days	1 175 512	814 770
61 - 90 days	1 032 004	748 377
91 - 120 days	950 939	707 423
121 - 365 days	6 412 181	4 684 153
> 365 days	17 147 511	12 350 738
	28 739 751	21 964 419
Refuse		
Current (0 -30 days)	2 266 793	3 154 447
31 - 60 days	1 316 696	928 951
61 - 90 days	1 104 721	863 579
91 - 120 days	1 018 197	798 476
121 - 365 days	6 887 713	5 361 319
> 365 days	22 731 702	17 515 894
	35 325 822	28 622 666
Prepayment		
Current (0 -30 days)	14 500	-
Prepaid electricity sales - Vendors		
Current (0 -30 days)	539 320	378 259

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
5. Receivables from exchange transactions (continued)		
Housing rental		
Current (0 -30 days)	97 353	142 026
31 - 60 days	67 621	48 466
61 - 90 days	63 281	48 039
91 - 120 days	58 480	46 610
121 - 365 days	356 531	306 521
> 365 days	628 275	694 209
	1 271 541	1 285 871
Service charges and other		
Current (0 -30 days)	249 436	261 775
31 - 60 days	220 515	143 063
61 - 90 days	258 738	247 178
91 - 120 days	255 544	285 664
121 - 365 days	1 952 137	3 261 949
> 365 days	12 318 523	10 407 385
	15 254 893	14 607 014
Reconciliation of allowance for impairment		
Balance at beginning of the year	(127 614 911)	(118 121 507)
Contributions to allowance	(56 339 343)	(59 573 329)
Debt impairment written off against allowance	34 790 837	50 079 925
	(149 163 417)	(127 614 911)

Consumer debtors past due but not impaired

Consumer debtors which are less than 3 months past due are not considered to be impaired. At 30 June 2024, R 14 623 691 (2023: R 7 030 600) were past due but not impaired.

Consumer debtors impairment process

The municipality has adopted a policy for the determination of the provision for doubtful debts based on the national treasury principles. These principles are used to rate debtors based on various risk criteria associated with the type and status of their accounts. Furthermore an analysis is undertaken to accumulate the risk associated with the long outstanding nature of each account. These factors produce an overall risk factor which is utilised to prepare an impaired amount. The collectable cashflow is therefore determined and present valued based on the average days outstanding on each account. The overall impairment is thereafter pro-rata'ed per non-exchange and exchange portions of each debtors' account. Lastly, this is accumulated to produce the provision for impairment as raised at year end. This process is similar to the process undertaken for the provision of doubtful debts as documented under note 4. Refer to the municipal policy for full details.

6. VAT receivable

VAT	6 947 128	13 591 218

VAT receivable represents the Net amount of refunds outstanding along with the yet to be claimed Input VAT on accruals and yet to be declared Output VAT on outstanding Accounts receivable. This is as a result of the differences between the cash basis of declarations to SARS and the Accrual basis of accounting for the GRAP annual financial statements.

The amount is classified as statutory receivables.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

6. VAT receivable (continued)

Statutory receivables past due but not impaired

No VAT Receivable - Statutory receivables are currently assessed as being past due, as the conditions necessary for their declaration/payment/receipt has not taken place.

Factors the entity considered in assessing statutory receivables past due but not impaired

The municipality has adopted a policy for the determination of the provision for doubtful debts based on the national treasury principals. These principals are used to rate debtors based on various risk criteria associated with the type and status of their accounts. Furthermore an analysis is undertaken to accumulate the risk associated with the long outstanding nature of each account. These factors produce an overall risk factor which is utilised to prepare an impaired amount. The collectable cashflow is therefore determined and present valued based on the average days outstanding on each account. The overall impairment is thereafter pro-rata'ed per non-exchange and exchange portions of each debtors' account. Lastly, this is accumulated to produce the provision for impairment as raised at year end. Refer to the municipal policy for full details.

The amount of impairment on the amounts in suspense and receivable from SARS is not considered impaired as refunds from SARS are received without significant delay.

Statutory receivables impaired

As of 30 June 2024, VAT receivable - Statutory receivables were not required to be impaired.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5 511	5 511
Bank balances	5 327 400	7 533 278
Short-term deposits	134 976 017	59 696 577
	140 308 928	67 235 366

Ndlambe Municipality also holds four bank accounts with the New Republic Bank Limited. These accounts related to bank investments made by Port Alfred TLC. New Republic Bank Limited went into liquidation in 1999. These accounts do not show any withdrawable funds/balances and are not active on bank confirmation searches. The liquidation process is still ongoing and during the 2021/2022 financial year distributions were made in accordance with the liquidation process.

Cash and cash equivalents pledged as collateral

Total financial assets ceded to DBSA	1 300 000	1 300 000
There is a cession recorded against the account (FNB-71078484865) to this value.		
Refer to note regarding DBSA loans.		
Total financial assets pledged as guarantee to ESKOM	10 378 790	10 378 790
There is a guarantee recorded against the FNB bank accounts in favour of ESKOM.		

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

7. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
	8 262 819	7 479 844	5 684 152	5 327 588	7 533 278	6 027 941
FIRST NATIONAL BANK General Account-Current	6 997 758	6 848 150	3 119 050	4 062 527	6 901 584	3 462 839
FIRST NATIONAL BANK Current Account-Housing	417 401	13 352	106 172	417 401	13 352	106 172
FIRST NATIONAL BANK Current Account - Revolving	847 660	618 342	2 458 930	847 660	618 342	2 458 930
	16 404 249	22 216 453	34 854 052	16 404 249	22 216 453	34 854 052
FIRST NATIONAL BANK CRR Call Accounts	1 406 353	5 372 699	18 096 193	1 406 353	5 372 699	18 096 193
FIRST NATIONAL BANK Fixed Deposit Account DBSA	3 148 595	3 149 305	3 139 220	3 148 595	3 149 305	3 139 220
FIRST NATIONAL BANK Call Account - Eskom	1 310 051	3 164 582	3 154 458	1 310 051	3 164 582	3 154 458
FIRST NATIONAL BANK Call Account - Eskom Guarantee	10 539 250	10 529 867	10 464 181	10 539 250	10 529 867	10 464 181
	50 915 740	12 303 392	20 883 266	50 915 740	12 303 392	20 883 266
STANDARD BANK Notice Bank - Alex	244 694	228 382	213 606	244 694	228 382	213 606
STANDARD BANK Call Account - FMG 003	-	-	-	-	-	-
STANDARD BANK Call Account - Ndlambe waste managment 006	-	-	-	-	-	-
STANDARD BANK Call Account - LED Kapriver 007	-	-	-	-	-	-
STANDARD BANK Call Account - Fire Officer 008	170 085	32 691	1 979 540	170 085	32 691	1 979 540
STANDARD BANK Upgrade road 009	-	-	1 278 940	-	-	1 278 940
STANDARD BANK Upgrade Bathurst Bulkwater supply 010	-	-	1 332 068	-	-	1 332 068
STANDARD BANK Bathurts Water 011	1 456 583	-	287 602	1 456 583	-	287 602
STANDARD BANK PMU 012	-	-	-	-	-	-
STANDARD BANK INEG 014	-	-	3 370	-	-	3 370
STANDARD BANK Upgrade Roads 015	-	-	-	-	-	-
STANDARD BANK LED Mobile 016	-	-	-	-	-	-
STANDARD BANK Equitable Share Councillors 017	-	-	-	-	-	-
STANDARD BANK Revolving Account 018	-	-	-	-	-	-
STANDARD BANK EPWP 019	-	358 052	-	-	358 052	-

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024			2023		
7. Cash and cash equivalents (continued)						
STANDARD BANK	-	-	-	-	-	-
DEDEA West Beach 020						
STANDARD BANK	-	-	-	-	-	-
Drought Relief 021						
STANDARD BANK	-	-	1 291 321	-	-	1 291 321
MIG Upgrade Sewer 022						
STANDARD BANK	77 573	78 646	1 040 431	77 573	78 646	1 040 431
Water Service Infrastructure 023						
STANDARD BANK	-	-	3 453 435	-	-	3 453 435
Drought Relief 024						
STANDARD BANK	754 117	1 313 558	1 372 403	754 117	1 313 558	1 372 403
EC Sports 025						
STANDARD BANK	-	-	8 031 237	-	-	8 031 237
Ndlambe Building Acc's 026						
STANDARD BANK	613 134	609 017	-	613 134	609 017	-
COGTA Retention 027						
STANDARD BANK	1 615 900	2 538 944	396 403	1 615 900	2 538 944	396 403
OTP 028						
STANDARD BANK	319	168 661	135 105	319	168 661	135 105
Wentzel Park 029						
STANDARD BANK	16 921	19 021	67 805	16 921	19 021	67 805
Wentzel Park Rentention 030						
STANDARD BANK	23 881	153 751	-	23 881	153 751	-
Klipfontein 031						
STANDARD BANK	178 579	101 167	-	178 579	101 167	-
Nemato Bayso 032						
STANDARD BANK	2 429	32 082	-	2 429	32 082	-
Nemato Ezidonkini 033						
STANDARD BANK	1 314 510	2 000 346	-	1 314 510	2 000 346	-
Nemato New Rest 034						
STANDARD BANK	201 774	1 781 127	-	201 774	1 781 127	-
MMarselle Zihagu 500 035						
STANDARD BANK	948 910	940 838	-	948 910	940 838	-
Cogta Retention 036						
STANDARD BANK	73 278	292 218	-	73 278	292 218	-
Nemato Cricket field 037						
STANDARD BANK	907 549	713 347	-	907 549	713 347	-
Alex Brakfontein 038						
STANDARD BANK	58	925 120	-	58	925 120	-
Kenton-on-Sea 039						
STANDARD BANK	16 385	16 424	-	16 385	16 424	-
Kos ISBT 10 Retention 040						
STANDARD BANK	13 196 758	-	-	13 196 758	-	-
Housing Bathurst Infill						
STANDARD BANK	12 937 508	-	-	12 937 508	-	-
Housing Kenton Ndokwenza						
STANDARD BANK	8 132 665	-	-	8 132 665	-	-
Housing Kenton Horseplay						
STANDARD BANK	8 032 130	-	-	8 032 130	-	-
Housing Alexandria Boknes Roads						
	12 678 040	24 402 936	4 634 858	12 678 040	24 402 936	4 634 858
INVESTEC BANK	-	-	-	-	-	-
Call Account - Disaster 501						
INVESTEC BANK	-	-	-	-	-	-
Call Account - FMG 502						
INVESTEC BANK	-	-	-	-	-	-
Call Account - FMG 503						

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024			2023		
7. Cash and cash equivalents (continued)						
INVESTEC BANK	-	-	-	-	-	-
Call Account - LED Essential Oil 504						
INVESTEC BANK	-	-	-	-	-	-
Call account -Chicory 506						
INVESTEC BANK	-	-	-	-	-	-
Call Account - Cacadu IDP 510						
INVESTEC BANK	-	-	-	-	-	-
Call Account-EC Sports 511						
INVESTEC BANK	1 161 384	851 675	699 940	1 161 384	851 675	699 940
Call Account -LG Seta 512						
INVESTEC BANK	-	-	-	-	-	-
EPWP 514						
INVESTEC BANK	-	-	-	-	-	-
Call Account - EC Loc Gov LED Section Assist 515						
INVESTEC BANK	-	-	-	-	-	-
Equitable share Councillors 516						
INVESTEC BANK	2 243 274	2 175 490	2 118 096	2 243 274	2 175 490	2 118 096
Call Account-PrepwaterMete523						
INVESTEC BANK	-	-	-	-	-	-
Call Account-LED Initia 524						
INVESTEC BANK Call	1 111 356	1 828 917	1 816 822	1 111 356	1 828 917	1 816 822
Account-Retention 526						
INVESTEC BANK	-	-	-	-	-	-
Call Account-DME 509						
INVESTEC BANK	-	-	-	-	-	-
Call Account-Disaster relief 529						
INVESTEC BANK	-	-	-	-	-	-
Call Acc-MIG Water Ret. 530						
INVESTEC BANK	393 196	1 460 527	-	393 196	1 460 527	-
Call Account-MIG Roads 532						
INVESTEC BANK	580 190	31 466	-	580 190	31 466	-
Call Ac-MIG Bulk Sewerage 533						
INVESTEC BANK	-	5 283	-	-	5 283	-
Call Acc-Integrated Elec 534						
INVESTEC BANK	-	22 563	-	-	22 563	-
Call Account-MIG PMU 535						
INVESTEC BANK	2 212 293	1 246 886	-	2 212 293	1 246 886	-
Call Acc-Financial Man. 536						
INVESTEC BANK	1 361 890	16 231 923	-	1 361 890	16 231 923	-
Call Account-WSIG 537						
INVESTEC BANK	-	346 534	-	-	346 534	-
Call Acc-Ndlambe Capital Res.538						
INVESTEC BANK	-	427	-	-	427	-
Call Acc-MIG Sportfield 539						
INVESTEC BANK	217 092	201 245	-	217 092	201 245	-
Call Acc-Greenest Town 540						
INVESTEC BANK	3 285 483	-	-	3 285 483	-	-
WSIG Retention						
INVESTEC BANK	111 882	-	-	111 882	-	-
EPWP						
	54 978 175	947 123	11 380 270	54 978 175	947 123	11 380 270
ABSA BANK	-	-	407 021	-	-	407 021
Call Account - PMU 0075						
ABSA BANK	-	-	5	-	-	5
Call Account - Roads 0651						

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024			2023		
7. Cash and cash equivalents (continued)						
ABSA BANK	-	-	-	-	-	-
Call Account - Sportsfield 1801						
ABSA BANK	-	-	-	-	-	-
Call Account - Sewer Projects 2132						
ABSA BANK	-	-	-	-	-	-
Call Account - Waterworks 2417						
ABSA BANK	700	869 031	2 731 566	700	869 031	2 731 566
Call Account - Councillors Equitable Share 3669						
ABSA BANK	1 362	48 511	885 501	1 362	48 511	885 501
Call Account - Revolving 9340						
ABSA BANK	-	-	7 718	-	-	7 718
Call Account -Additional Equitable share - Covid19 9798						
ABSA BANK	-	29 581	5 341 062	-	29 581	5 341 062
Call Account -071						
ABSA BANK	-	-	2 007 397	-	-	2 007 397
Call Account -637						
ABSA BANK	38 253 975	-	-	38 253 975	-	-
Housing Land Acquisition 3248						
ABSA BANK	9 489 672	-	-	9 489 672	-	-
Municipality Disaster Fund 3379						
ABSA BANK	1 079 195	-	-	1 079 195	-	-
MIG Roads 3939						
ABSA BANK	586 071	-	-	586 071	-	-
WSIG (R30Million) 5231						
ABSA BANK	2 701 479	-	-	2 701 479	-	-
Housing Bulk Infrastructure Retention 7325						
ABSA BANK	229 547	-	-	229 547	-	-
Councillors Equitable Share 0900						
ABSA BANK	2 636 174	-	-	2 636 174	-	-
Housing Bulk Infrastructure 9194						
Total	143 239 023	67 349 748	77 436 598	140 303 792	67 403 182	77 780 387

8. Operating lease asset (liability)

Current assets	12 899	17 424

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

9. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	253 188 009	(10 297 462)	242 890 547	256 269 447	(9 118 751)	247 150 696

Reconciliation of investment property - 2024

	Opening balance	Disposals/Dere cognitions	Depreciation	Total
Land	223 197 982	(3 081 438)	-	220 116 544
Buildings	23 952 714	-	(1 178 711)	22 774 003
	247 150 696	(3 081 438)	(1 178 711)	242 890 547

Reconciliation of investment property - 2023

	Opening balance	Disposals/Dere cognitions	Depreciation	Total
Land	224 577 982	(1 380 000)	-	223 197 982
Buildings	25 129 306	-	(1 176 592)	23 952 714
	249 707 288	(1 380 000)	(1 176 592)	247 150 696

Pledged as security

No Investment Property has been pledged as security:

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	83 030 971	-	83 030 971	83 030 971	-	83 030 971
Buildings	159 683 243	(51 181 330)	108 501 913	160 848 693	(44 414 904)	116 433 789
Plant and machinery	10 376 503	(7 231 007)	3 145 496	10 048 793	(6 950 412)	3 098 381
Motor vehicles	62 620 902	(36 755 786)	25 865 116	55 558 346	(31 717 167)	23 841 179
Office equipment	10 714 469	(7 915 238)	2 799 231	9 967 027	(7 704 383)	2 262 644
IT equipment	7 966 960	(4 040 472)	3 926 488	7 081 740	(3 592 204)	3 489 536
Electrical Network	159 181 016	(62 559 278)	96 621 738	159 181 015	(58 659 270)	100 521 745
Work in progress	283 421 101	-	283 421 101	187 488 829	-	187 488 829
Roads	491 881 122	(186 449 545)	305 431 577	478 131 756	(173 287 984)	304 843 772
Wastewater network	210 862 144	(64 946 441)	145 915 703	210 862 143	(57 582 417)	153 279 726
Water network	347 410 911	(151 127 368)	196 283 543	347 122 603	(137 717 214)	209 405 389
Total	1 827 149 342	(572 206 465)	1 254 942 877	1 709 321 916	(521 625 955)	1 187 695 961

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	83 030 971	-	-	-	-	-	83 030 971
Buildings	116 433 789	345 606	(1 455 374)	971 622	(4 740 043)	(3 053 687)	108 501 913
Plant and machinery	3 098 381	547 266	(22 470)	-	(463 141)	(14 540)	3 145 496
Motor vehicles	23 841 179	7 062 555	-	-	(3 485 506)	(1 553 112)	25 865 116
Office equipment	2 262 644	1 084 715	(22 283)	-	(512 115)	(13 730)	2 799 231
IT equipment	3 489 536	1 215 808	(58 375)	-	(693 917)	(26 564)	3 926 488
Electrical Network	100 521 745	-	-	-	(3 742 139)	(157 868)	96 621 738
Work in progress	187 488 829	110 993 348	-	(15 061 076)	-	-	283 421 101
Roads	304 843 772	-	(7 019)	13 996 090	(12 731 882)	(669 384)	305 431 577
Wastewater network	153 279 726	-	-	-	(5 644 563)	(1 719 460)	145 915 703
Water network	209 405 389	399 586	(65 232)	93 364	(9 920 061)	(3 629 503)	196 283 543
	1 187 695 961	121 648 884	(1 630 753)	-	(41 933 367)	(10 837 848)	1 254 942 877

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	81 482 691	1 548 280	-	-	-	-	83 030 971
Buildings	106 791 109	14 371 832	(11 457)	-	(4 507 079)	(210 616)	116 433 789
Plant and machinery	2 458 589	1 141 352	(19 609)	-	(468 241)	(13 710)	3 098 381
Motor vehicles	20 479 495	7 088 005	(158 489)	-	(3 314 730)	(253 102)	23 841 179
Office equipment	2 158 958	659 752	(34 952)	-	(498 421)	(22 693)	2 262 644
IT equipment	2 424 637	1 696 946	(103 492)	-	(516 947)	(11 608)	3 489 536
Electrical Network	105 906 017	639 456	-	-	(3 791 300)	(2 232 428)	100 521 745
Work in progress	112 374 641	122 455 593	-	(47 341 405)	-	-	187 488 829
Roads	311 219 250	-	-	7 894 842	(14 270 320)	-	304 843 772
Wastewater network	136 529 871	-	(338 127)	23 102 254	(5 968 982)	(45 290)	153 279 726
Water network	207 324 088	202 886	(131 997)	16 344 309	(14 333 897)	-	209 405 389
	1 089 149 346	149 804 102	(798 123)	-	(47 669 917)	(2 789 447)	1 187 695 961

Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

3ML RO Plant

Commissioning of the project has not taken place as it is dependent on completion of other projects.

7 610 252 -

7 610 252 -

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

10. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2024

	Included within Buildings	Included within Roads	Included within Water Network	Included within Sewerage Network	Included Electrical Network	Total
Opening balance	864 733	8 258 354	84 412 523	92 741 045	1 212 174	187 488 829
Additions/capital expenditure	9 887 120	17 814 414	26 119 108	57 172 707	-	110 993 349
Transferred to completed assets	(971 622)	(13 996 090)	(93 364)	-	-	(15 061 076)
	9 780 231	12 076 678	110 438 267	149 913 752	1 212 174	283 421 102

Reconciliation of Work-in-Progress 2023

	Included within Buildings	Included within Roads	Included within Water Network	Included within Sewerage Network	Included Electrical Network	Total
Opening balance	110 000	-	78 137 340	34 127 298	-	112 374 638
Additions/capital expenditure	754 733	16 153 196	22 619 493	81 716 001	1 212 174	122 455 597
Transferred to completed assets	-	(7 894 842)	(16 344 310)	(23 102 254)	-	(47 341 406)
	864 733	8 258 354	84 412 523	92 741 045	1 212 174	187 488 829

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services	27 050 854	21 745 922

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

11. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 863 522	(2 815 916)	47 606	2 863 522	(2 759 255)	104 267

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Impairment loss	Total
Computer software, other	104 267	(37 609)	(19 052)	47 606

Reconciliation of intangible assets - 2023

	Opening balance	Disposals	Amortisation	Total
Computer software, other	146 537	(1 410)	(40 860)	104 267

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

12. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Conservation areas	16	-	16	16	-	16

Reconciliation of heritage assets 2024

	Opening balance	Total
Conservation areas	16	16

Reconciliation of heritage assets 2023

	Opening balance	Total
Conservation areas	16	16

13. Other financial assets

Designated at fair value

Listed shares	46 305	44 872

Non-current assets

Designated at fair value	46 305	44 872

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

14. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	37 354 309	37 354 309
Receivables from non-exchange transactions	-	1 671 412	1 671 412
Cash and cash equivalents	-	140 308 928	140 308 928
Other financial assets	46 305	-	46 305
	46 305	179 334 649	179 380 954

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	146 391 805	146 391 805
Financial liabilities - DBSA	973 082	973 082
	147 364 887	147 364 887

2023

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	28 793 620	28 793 620
Receivables from non-exchange transactions	-	740 057	740 057
Cash and cash equivalents	-	67 235 366	67 235 366
Other financial assets	44 872	-	44 872
	44 872	96 769 043	96 813 915

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	60 467 701	60 467 701
Financial liabilities - DBSA	2 450 514	2 450 514
	62 918 215	62 918 215

15. Consumer deposits

Electricity	1 798 367	1 756 682
Water	976 917	860 775
Housing rental	52 317	43 359
	2 827 601	2 660 816

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
16. Payables from exchange transactions		
Trade payables & accrued expenses	37 315 518	24 036 660
Payments received in advanced	9 171 793	7 966 232
Unidentified Direct Deposits	7 779 499	8 154 541
Retention monies	10 930 069	11 499 026
EC Housing Land Acquisition	43 200 000	-
Human Settlements	37 685 926	8 669 959
Advanced Receipts - Land sales proceeds	309 000	141 283
	146 391 805	60 467 701

Accrued expenditure has been re-classified with trade payables as the municipal system now allows for the capturing of accruals into a prior period ledger. We believe it is more useful to the users of the financial statements to reflect all trade creditors (being trade payables and accrued expenses) as a single line item.

17. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

MIG	-	-
INEP	-	-
COGTA - Disaster Grant	10 026 130	-
EC Sports, Arts and Culture	1 095 641	1 166 953
EPWP	-	-
FMG	-	-
RBIG	-	-
Water Services Infrastructure Grant	-	12 291 144
EC Human Settlements - Bulk Infrastructure UISP	20 551 368	-
SBDM: Public Safety	-	1 109 845
	31 673 139	14 567 942

Movement during the year

Balance at the beginning of the year	14 567 942	16 676 702
Additions during the year	139 336 281	126 327 000
Income recognition during the year	(123 207 184)	(128 435 760)
Amount recognised as Receivables from non-exchange transactions	976 100	-
	31 673 139	14 567 942

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 26 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

18. Financial liabilities - DBSA

At amortised cost

DBSA Loan 101161/2	973 082	1 835 286
20 Years @ 10.89%	-	615 228
DBSA Loan 102557/1	-	-
15 Years @ 8.81%	-	-
	973 082	2 450 514

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
18. Financial liabilities - DBSA (continued)		
Total other financial liabilities	973 082	2 450 514
Non-current liabilities		
At amortised cost	-	986 301
Current liabilities		
At amortised cost	973 082	1 464 213
19. Employee benefit obligations		
Defined benefit plan		
Post retirement medical aid plan		
Pension benefits		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(57 639 000)	(59 630 274)
Benefits paid during the year	2 499 483	2 457 161
Current service cost	(2 972 000)	(3 399 777)
Interest cost	(7 041 000)	(7 166 610)
Actuarial gains/(losses)	84 517	10 100 500
	(65 068 000)	(57 639 000)
Non-current liabilities	(62 083 000)	(55 221 000)
Current liabilities	(2 985 000)	(2 418 000)
	(65 068 000)	(57 639 000)
Net expense recognised in the statement of financial performance		
Current service cost	2 972 000	3 399 777
Interest cost	7 041 000	7 166 610
Actuarial (gains) losses	(84 517)	(10 100 500)
Benefits paid during the year	(2 499 483)	(2 457 161)
	7 429 000	(1 991 274)
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	12,23 %	12,47 %
General earnings inflation rate (long term)	5,41 %	5,69 %
Health cost inflation rate (health cost trend)	7,71 %	8,08 %
Net discount rate	4,20 %	4,06 %
Average retirement age (Years)	62	62
Other assumptions		
Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:		

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

19. Employee benefit obligations (continued)

	One percentage point increase	One percentage point decrease
Effect on Post retirement medical aid - change in discount rate	57 695 000	74 098 000
Effect on Interest Costs - movement in health care inflation	7 677 000	6 339 000
Effect on Service Costs - movement in health care inflation	3 325 000	2 558 000

Amounts for the current and previous four years are as follows:

	2024	2023	2022	2021	2020
Defined benefit obligation	(65 068 000)	(57 639 000)	(59 630 274)	(59 973 000)	(52 499 290)

Long Service Awards

Ndlambe Municipality offers long service bonus awards to active employees, the amount of which is dependent on the annual salary of the individual employee. Councillors are not eligible for this benefit and were not taken into account. The award comprises of a percentage of their annual salaries as well as additional leave days to employees at the end of the specified time period.

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(8 986 000)	(9 026 961)
Benefits paid during the year	603 618	741 704
Current service costs	(1 007 000)	(948 048)
Interest Costs	(929 000)	(845 743)
Actuarial Gain/(Loss)	676 382	1 093 048
	(9 642 000)	(8 986 000)
Non-current liabilities	(7 660 000)	(7 756 000)
Current liabilities	(1 982 000)	(1 230 000)
	(9 642 000)	(8 986 000)

The fair value of plan assets includes:

Net expense recognised in the statement of financial performance

Current service cost	1 007 000	948 048
Interest cost	929 000	845 743
Actuarial (gains) losses	(676 382)	(1 093 048)
Benefits paid during the year	(603 618)	(741 704)
	656 000	(40 961)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10,83 %	11,08 %
General earnings inflation rate (long term)	5,98 %	6,47 %
Net discount rate	4,57 %	4,33 %
Average retirement age (Years)	62	62

Other assumptions

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

19. Employee benefit obligations (continued)

Assumed inflation & discount trends have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed discount rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on Long service Award - discount rate	9 209 000	10 120 000
Effect on Interest Costs - discount rate	962 000	892 000
Effect on Service Costs - discount rate	958 000	1 061 000

Amounts for the current and previous four years are as follows:

	2024	2023	2022	2021	2020
Defined benefit obligation	(9 642 000)	(8 986 000)	(9 026 961)	(8 153 000)	(6 817 936)

Other current employee benefits liabilities

Current liabilities		
Leave accrual	11 799 320	10 931 180
Bonus accrual	4 485 256	4 193 948
Overtime accrual	833 985	869 120
	17 118 561	15 994 248

Summary of Employee benefit obligations

The Employee benefit obligations disclosed above can be summarised as follows:

Current liabilities		
Leave Accrual	11 799 320	10 931 180
Bonus Accrual	4 485 256	4 193 948
Overtime Accrual	833 985	869 120
Post retirement medical aid plan	2 985 000	2 418 000
Long service awards	1 982 000	1 230 000
	22 085 561	19 642 248
Non-current liabilities		
Post retirement medical aid plan	62 083 000	55 221 000
Long service awards	7 660 000	7 756 000
	69 743 000	62 977 000

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

20. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Fair Value Adjustments	Interest costs/Unwindin g of Interest	Total
Environmental rehabilitation	72 793 991	(2 176 400)	8 111 123	78 728 714

Reconciliation of provisions - 2023

	Opening Balance	Fair Value Adjustments	Interest costs/Unwindin g of Interest	Total
Environmental rehabilitation	72 344 947	(7 145 974)	7 595 018	72 793 991
Non-current liabilities			65 659 948	60 296 161
Current liabilities			13 068 766	12 497 830
			78 728 714	72 793 991

Ndlambe Municipality operates 5 landfill sites which by law will have to be permitted and closed in accordance with the "Minimum Requirements" and in accordance with the Environment Conservation Act. (Act no.73 of 1989) Closure will involve, inter alia, the application of final cover, topsoiling, vegetating, drainage maintenance and leachate management. This requirement does not extend over transfer stations which have been operated as transfer stations.

Closure of the landfill sites are dependant on a number of external factors, such as amongst others, waste minimisation and population changes. Previously there has been a court order to affect the closure of the Bushmens' landfill site, thereby directly affecting the provision estimation as the closure is now projected within the timeframes set out by the court ruling.

The site assessments and provision calculation was conducted by Zutari (Pty) Ltd.

21. Revenue

Rendering of services	504 133	421 554
Service charges	192 624 513	181 743 495
Rental of facilities and equipment	1 079 721	1 046 827
Interest received - trade and other receivables	9 655 942	8 095 895
Licences and permits (Exchange transactions)	1 821 353	3 685 609
Housing debtor income	2 014 510	1 859 224
Licences and Permits (Non-exchange)	1 313 532	1 265 973
Other income	5 252 627	4 338 750
Interest received - investment	12 243 894	7 977 378
Property rates	146 671 842	143 573 186
Environmental levies	6 197 416	5 680 436
Interest, Dividends and Rent on Land	4 603 955	3 845 778
Government grants & subsidies	257 301 171	269 722 218
Public contributions and donations	517 370	3 073 000
Fines, Penalties and Forfeits	401 108	342 733
	642 203 087	636 672 056

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
21. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	192 624 513	181 743 495
Rendering of services	504 133	421 554
Rental of facilities and equipment	1 079 721	1 046 827
Interest received - trade and other receivables	9 655 942	8 095 895
Licences and permits (Exchange)	1 821 353	3 685 609
Housing debtor income	2 014 510	1 859 224
Other income	5 252 627	4 338 750
Interest received - investment	12 243 894	7 977 378
	225 196 693	209 168 732
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	146 671 842	143 573 186
Licences or permits	1 313 532	1 265 973
Environmental levies	6 197 416	5 680 436
Interest, Dividends and Rent on Land	4 603 955	3 845 778
Transfer revenue		
Government grants & subsidies	257 301 171	269 722 218
Public contributions and donations	517 370	3 073 000
Fines, Penalties and Forfeits	401 108	342 733
	417 006 394	427 503 324
22. Service charges		
Sale of electricity	92 197 379	80 661 996
Sale of water	59 338 163	64 111 001
Solid waste	22 161 387	20 265 916
Sewerage and sanitation charges	18 927 584	16 704 582
	192 624 513	181 743 495
23. Other income		
Building plan fees	2 692 980	2 207 723
Encroachments	18 717	3 068
Commission on Insurance	240 924	228 148
Insurance refunds	1 009 329	462 889
Subdivisions	31 675	28 163
Sundry income	1 141 823	1 181 158
Town planning income	1 020	60 796
Camping fees	116 159	166 805
	5 252 627	4 338 750
24. Investment revenue		
Interest revenue		
Bank	12 243 894	7 977 378

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

25. Property rates

Rates received

Property rates	146 671 842	143 573 186

Valuations

All	14 735 195 198	14 691 390 362

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on **1 July 2019**. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on a monthly basis.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

26. Government grants & subsidies

Operating grants

Unconditional: Equitable share	126 830 587	114 788 000
Unconditional: Equitable share: Cllrs & Ward Contribution	1 705 415	4 443 000
Unconditional: LG SETA Grants	332 865	304 304
Unconditional: SBDM Grant Revenue	1 305 120	1 667 623
Unconditional: Greenest Town	20 000	200 000
Finance Management Grant	2 650 000	2 650 000
Municipal Infrastructure Grant	1 490 950	1 536 368
Library Grant (DSRAC)	2 761 094	2 712 570
	137 096 031	128 301 865

Capital grants

Unconditional: OTP Grant	3 900 000	3 376 005
Unconditional: Department of Water and Sanitation	-	16 507 527
Conditional: Regional Bulk Infrastructure Grant (RBIG)	4 760 508	-
SBDM - Public Safety (Capital)	2 191 845	2 939 528
Water Services Infrastructure Grant (Capital)	39 253 145	78 432 378
Department of Co-operative Governance and Traditional Affairs - Disaster Grant	1 223 870	7 848 524
Municipal Infrastructure Grant (Capital)	28 328 050	29 190 632
Expanded Public Works Prog Grant (EPWP) (Capital)	1 486 000	1 730 034
Library Grant (DSRAC) (Capital)	60 218	1 725
INEP (Capital)	-	1 394 000
EC Human Settlements - Bulk Infrastructure UISP	39 001 504	-
	120 205 140	141 420 353
	257 301 171	269 722 218

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	139 336 281	126 327 000
Unconditional grants received	134 093 987	141 286 459
	273 430 268	267 613 459

MIG

Current-year receipts	29 819 000	30 727 000
Conditions met - transferred to revenue - operating	(1 490 950)	(1 536 368)
Conditions met - transferred to revenue - capital	(28 328 050)	(29 190 632)
	-	-

Conditions still to be met - remain liabilities (see note 17).

INEP

Current-year receipts	-	1 394 000
Conditions met - transferred to revenue	-	(1 394 000)
	-	-

Conditions still to be met - remain liabilities (see note 17).

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
26. Government grants & subsidies (continued)		
Department of Co-operative Governance and Traditional Affairs - Disaster Grant		
Balance unspent at beginning of year	-	7 848 524
Current-year receipts	11 250 000	-
Conditions met - transferred to revenue	(1 223 870)	(7 848 524)
	10 026 130	-
Conditions still to be met - remain liabilities (see note 17).		
EC Sports/Arts and Culture		
Balance unspent at beginning of year	1 166 953	1 131 249
Current-year receipts	2 750 000	2 750 000
Conditions met - transferred to revenue	(2 821 312)	(2 714 296)
	1 095 641	1 166 953
Conditions still to be met - remain liabilities (see note 17).		
EPWP: Public Works		
Balance unspent at beginning of year	-	33
Current-year receipts	1 486 000	1 730 000
Conditions met - transferred to revenue	(1 486 000)	(1 730 033)
	-	-
Conditions still to be met - remain liabilities (see note 17).		
FMG		
Current-year receipts	2 650 000	2 650 000
Conditions met - transferred to revenue	(2 650 000)	(2 650 000)
	-	-
Conditions still to be met - remain liabilities (see note 17).		
Regional Bulk Infrastructure Grant (RBIG)		
Current-year receipts	3 784 409	-
Conditions met - transferred to revenue	(4 760 509)	-
	(976 100)	-
Conditions still to be met - remain liabilities (see note 17).		
Water Services Infrastructure Grant		
Balance unspent at beginning of year	12 291 144	5 723 522
Current-year receipts	26 962 000	85 000 000
Conditions met - transferred to revenue	(39 253 144)	(78 432 378)
	-	12 291 144
Conditions still to be met - remain liabilities (see note 17).		

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

26. Government grants & subsidies (continued)

EC Human Settlements - Bulk Infrastructure UISP

Current-year receipts	59 552 872	-
Conditions met - transferred to revenue	(39 001 504)	-
	20 551 368	-

Conditions still to be met - remain liabilities (see note 17).

SBDM: Public Safety

Balance unspent at beginning of year	1 109 845	1 973 373
Current-year receipts	1 082 000	2 076 000
Conditions met - transferred to revenue	(2 191 845)	(2 939 528)
	-	1 109 845

Conditions still to be met - remain liabilities (see note 17).

27. Public contributions and donations

Sarah Baartman District Municipality - cash	-	500 000
Kariega Foundation - Furniture and computer equipment	439 472	-
Sarah Baartman District Municipality - Fire equipment	-	113 000
Sarah Baartman District Municipality - Computer equipment & licences	77 898	-
Porperty, plant and equipment transfers received	-	2 460 000
	517 370	3 073 000

Kariega Foundation donated the furniture and Computer Equipment to the municipal libraries amounting to -

Computer equipment laptops:	R410 562
Computer consumables (non-capital)	R 7 025
Furniture - chairs	R 21 885

Sarah Baartman District Municipality donated the following funds during the current financial year

Computer equipment - laptops	R 44 325
Computer licences - Annual(non-capital)	R 33 573

Sarah Baartman District Municipality donated the following funds during the previous financial year -

Cash donation towards Alexandria Abattoir:	R 500 000
Pumps for Fire services:	R 113 000

Porperty, plant and Equipment transfers received-

Property, plant and equipment in the form of land and buildings were transferred to the municipality during the preious year, these properties were fair valued: R2 460 000

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
28. Employee related costs		
Basic	105 895 470	96 546 739
Bonus	8 978 213	8 080 353
Allowances	8 325 529	7 791 551
Post-employment benefits	27 786 988	27 204 578
Medical aid - company contributions	14 929 852	13 375 930
UIF	1 042 649	1 040 812
Leave pay accrual charge	873 318	1 859 883
Overtime payments	13 018 143	14 596 338
Long-service awards	207 869	89 245
Car allowance	5 226 044	4 578 504
Housing benefits and allowances	490 724	503 789
Group insurance	264 953	249 093
Industrial levy	103 877	74 668
Employee costs - ex S57 managers	187 143 629	175 991 483
Remuneration of municipal manager		
Annual Remuneration	1 457 259	1 482 276
Backpay	176 240	-
Car Allowance	193 529	193 529
Performance Bonus	184 593	97 761
Contributions to UIF, Medical and Pension Funds	320 924	127 952
Telephone allowance	17 084	17 084
13th Cheque	123 010	129 799
Leave Pay	101 909	138 562
	2 574 548	2 186 963
Remuneration of chief finance officer		
Annual Remuneration	1 105 361	916 996
Backpay	127 099	-
Acting Allowance	-	41 222
Car Allowance	197 944	181 448
Performance Bonuses	81 565	108 857
Contributions to UIF, Medical and Pension Funds	259 805	217 849
Telephone allowance	26 393	24 193
13th Cheque	91 707	74 400
Leave Pay	121 799	107 239
	2 011 673	1 672 204
Remuneration of director Infrastructural Development		
Annual Remuneration	1 079 458	976 808
Backpay	134 773	-
Car Allowance	224 336	224 336
Performance Bonuses	81 565	77 755
Contributions to UIF, Medical and Pension Funds	254 586	230 114
Telephone allowance	39 589	39 589
13th Cheque	82 989	60 528
Leave pay	187 824	-
	2 085 120	1 609 130

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

28. Employee related costs (continued)

Remuneration of director Corporate Services

Annual Remuneration	1 161 099	971 469
Backpay	126 966	-
Acting Allowance	70 817	102 071
Car Allowance	158 355	145 159
Performance Bonuses	130 504	77 755
Contributions to UIF, Medical and Pension Funds	252 323	207 326
Telephone allowance	13 196	12 097
13th Cheque	96 537	79 233
Leave Pay	127 723	99 600
	2 137 520	1 694 710

Remuneration of director Community Protection Services

Annual Remuneration	1 097 219	993 616
Backpay	138 661	-
Car Allowance	197 944	197 944
Performance Bonuses	97 878	77 755
Contributions to UIF, Medical and Pension Funds	268 622	244 943
Telephone allowance	26 393	26 393
13th Cheque	91 137	47 075
Leave Pay	99 586	79 347
	2 017 440	1 667 073

Reconciliation of employee costs

Employee costs - ex S57 managers	187 143 629	175 991 483
Remuneration of municipal manager	2 574 548	2 186 963
Remuneration of chief financial officer	2 011 673	1 672 204
Remuneration of director Infrastructural Development	2 085 120	1 609 130
Remuneration of director Corporate Services	2 137 520	1 694 710
Remuneration of director Community Protection Services	2 017 440	1 667 073
	197 969 930	184 821 563

29. Remuneration of councillors

Mayor	991 747	923 784
Speaker	803 115	744 582
Executive Members	1 323 904	1 214 053
MPAC Chair	535 846	318 817
Councillors	4 826 901	4 469 971
	8 481 513	7 671 207

In-kind benefits

The Mayor and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.

Additional information

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
30. Depreciation and amortisation		
Property, plant and equipment	41 933 367	47 669 917
Investment property	1 178 710	1 176 591
Intangible assets	37 608	40 860
	43 149 685	48 887 368
31. Finance costs		
Non-current borrowings	183 514	372 203
Landfill Rehabilitation - Interest Cost	8 111 123	7 595 018
	8 294 637	7 967 221
32. Debt impairment		
Electricity	2 292 095	1 922 375
Water	29 045 167	32 568 335
Refuse	8 472 772	7 165 123
Waste Water	8 265 514	7 132 920
Service charges	1 793 355	3 465 641
Housing debtors	20 595	454 634
Rates	5 329 970	5 144 304
Environmental levies	3 138 484	1 973 489
	58 357 952	59 826 821
33. Bulk purchases		
Electricity - Eskom	76 635 411	67 178 593
Water	18 537 524	22 017 417
	95 172 935	89 196 010
34. Contracted services		
Outsourced Services	14 166 815	12 975 750
Consultants and Professional Services	35 284 992	27 781 101
Contractors	40 338 735	32 034 276
	89 790 542	72 791 127

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
35. General expenses		
Advertising	568 309	802 386
Auditors remuneration	5 103 412	5 510 686
Bank charges	1 146 477	1 143 715
Commission paid	2 114 711	2 217 824
Delivery expenses	-	713
Electricity	20 160 785	17 201 103
Entertainment	107 855	130 560
Fines and penalties	-	300
Fuel and oil	10 626 530	15 037 879
Hire	13 622 379	10 888 851
IT expenses	5 799 794	5 266 786
Insurance	4 310 921	2 592 086
Levies	1 610 195	1 507 986
Other expenses	2 068 141	3 808 466
Other materials	12 892 955	11 724 286
Postage and courier	815 501	944 013
Printing and stationery	29 899	67 223
Protective clothing	1 438 668	2 124 708
Subscriptions and membership fees	2 088 409	1 900 017
Telephone and fax	3 345 624	3 873 040
Title deed search fees	22 648	24 906
Transport and freight	223 115	249 617
Travel - local	2 944 982	3 203 663
	91 041 310	90 220 814
36. Fair value adjustments		
Other financial assets		
• Old Mutual shares	1 433	1 910
• FV Adjustment of Landfill rehabilitation provision	2 176 400	7 145 974
• Adjustments to Inventory	15 327	(1 531)
	2 193 160	7 146 353
37. Impairment loss		
Impairments		
Property, plant and equipment	10 837 848	2 789 447
Intangible assets	19 052	-
	10 856 900	2 789 447
38. Auditors' remuneration		
Fees	5 103 412	5 510 686

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
39. Cash generated from operations		
Surplus	26 410 445	78 626 223
Adjustments for:		
Depreciation and amortisation	43 149 685	48 887 368
Gain on sale of assets and liabilities	4 329 638	1 973 920
Actuarial (gains)/losses	(688 135)	(11 193 548)
Fair value adjustments	(2 193 160)	(7 146 353)
Impairment loss	10 856 900	2 789 447
Debt impairment	58 357 952	59 826 821
Movements in operating lease assets and accruals	4 525	(56 084)
Movements in retirement benefit assets and liabilities	9 897 448	11 613 739
Movements in provisions	8 127 883	7 595 399
Non-cash donations and other in-kind benefits	(476 772)	(2 573 000)
Changes in working capital:		
Inventories	(254 306)	(38 318)
Receivables from exchange transactions	(58 450 187)	(53 136 892)
Receivables from non-exchange transactions	(13 570 108)	(7 061 398)
Other current assets	(1 433)	(1 910)
Payables from exchange transactions	79 009 412	16 946 183
VAT	6 644 090	(6 335 360)
Unspent conditional grants and receipts	17 105 197	(2 108 760)
Consumer deposits	166 785	122 949
	188 425 859	138 730 426

40. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	144 336 126	58 577 558

Total capital commitments

Already contracted for but not provided for	144 336 126	58 577 558

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, etc.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	18 900	18 000

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of three years and rentals are escalated by a fixed percentage on an annual basis. No contingent rent is payable.

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	25 939	62 146
- in second to fifth year inclusive	80 662	57 727
- later than five years	11 559	11 337
	118 160	131 210

Certain of the municipality's properties are held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 20 years. There are no contingent rents receivable.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

41. Contingencies

Campbell and Shelton vs Ndlambe LM- The claimant has instituted proceedings to suspend all approvals for building development on wetland area in Port Alfred. The financial effect of this cannot be determined.

KOSRA, Bushmans Kariega Estuary Care Management Forum & Natures Landing Homeowners Association vs Ndlambe LM - Legal proceedings have been instituted against the municipality regarding the state of the landfill site at Bushmans River Mouth and to put measures in place to rectify the state of the landfill. The financial effect of this cannot be estimated as the financial claim has not been made.

McNamara and others vs Ndlambe municipality - McNamara and others have taken Ndlambe Municipality to court to enforce the municipality to ensure that wetland fencing have been erected, as was removed by another party. The matter is in ongoing, but a financial claim has not been made, the financial effect cannot therefore be estimated.

V. Long vs Ndlambe Municipality & others - Legal proceedings were instituted by V. Long to force Ndlambe Municipality to set aside a decision on a guesthouse approval. This matter is ongoing, but as a financial claim was not made, the financial effect cannot be estimated.

Agri EC & Others vs Ndlambe Municipality - Agri EC has taken Ndlambe Municipality to court in relation to the legality of abstraction water, which Ndlambe Municipality procures from a company. This includes contempt of court proceedings lodged in the current year. This matter is ongoing, but as a financial claim was not made, the financial effect cannot be estimated.

Dyongwana vs Ndlambe Municipality - Legal proceedings were instituted by Dyongwana against Ndlambe municipality after the former's minor child fell into an uncovered drain and sustained alleged damages. The possible financial effect of this is R600 000.

Quality Filtration Systems vs Ndlambe - Both parties were in arbitration in relation to a dispute over the running and costs of the Ndlambe RO Plant. The matter was heard in the High Court and a binding agreement reached that arbitration would ensue. Arbitration was finalised in the current year and resulted in the arbitrator's award of outstanding fees from Ndlambe to QFS. This decision is currently under appeal. The possible financial effect of this is estimated at R10 million.

Litigation is in the process against the municipality relating to various matters above. The total estimated potential liability to the municipality at 30 June 2024 is R10 600 000 and 30 June 2023 was R600 000.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

42. Related parties

Relationships

Accounting Officer

Close family member of key management

Refer to accounting officers' report note

MG Ncamiso (husband of Mayor Ncamiso)

Sole shareholder of Nakhe Security and Cleaning Solutions

50% Shareholder of Genkorald General Trading

XM Ncamiso (son of Mayor Ncamiso)

50% Shareholder of Genkorald General Trading

X Masiza (husband of Ndlambe Director

Infrastructure)Director of Lisolomzi Prestige Security

Members of key management

1. Members of Council

Full names and remuneration details provided below

2. Section 57 managers

Remuneration details provided in note 29

Related party balances

The amounts are unsecured and no security has been given.

Related party transactions

Purchases from related parties- General Expenses - Other Materials

Genkorald General Trading (Pty) Ltd - arm's length

31 372

-

Purchases from related parties - Building maintenance

Genkorald General Trading (Pty) Ltd - arm's length

-

49 818

Purchases from related parties- Contracted services- Contractors

Genkorald General Trading (Pty) Ltd - arm's length

-

1 200

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

42. Related parties (continued)

Remuneration of management

Management class: Council

2024

Name	Allowance	Transport	Telephone	Medical Aid	Pension	Backpay	Total
Mayor - KC Ncamiso	651 212	189 504	42 800	17 280	48 841	42 110	991 747
Speaker - L Marasi	543 836	83 376	42 800	17 280	81 575	34 248	803 115
Executive member - NF Memani	264 031	78 180	42 800	17 280	19 802	19 248	441 341
Executive member - S Venene	264 066	78 180	42 800	17 280	19 805	19 091	441 222
Executive member - S Dyakala	264 031	78 180	42 800	17 280	19 802	19 248	441 341
Chief Whip - S Kolosa	197 843	56 856	42 800	17 280	14 838	15 240	344 857
MPAC Chair - A Nyumka	277 367	56 856	42 800	-	20 803	138 020	535 846
Councillor - A Bukani	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - M Sweli	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - HK Walker	197 843	56 856	42 800	17 280	14 838	15 240	344 857
Councillor - NE Haynes	229 667	56 856	42 800	-	-	15 240	344 563
Councillor - P Khungwayo	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - SI Melani	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - S Zweni	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - MW Mgweba	213 940	56 856	42 800	-	16 046	15 240	344 882
Councillor - PY Kani	229 667	56 856	42 800	-	-	15 240	344 563
Councillor - ZW Myali	197 843	56 856	42 800	17 280	14 838	15 240	344 857
Councillor - WG Johannes	229 667	56 856	42 800	-	-	15 240	344 563
Councillor - T Mbekela	213 940	56 856	42 800	-	16 046	15 144	344 786
Councillor - X Runeli	229 667	56 856	42 800	-	-	15 240	344 563
	5 274 320	1 360 260	856 000	138 240	367 464	485 229	8 481 513

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

42. Related parties (continued)

2023

Name	Allowance	Transport	Telephone	Medical Aid	Pension	Total
Mayor - KC Ncamiso	625 324	189 504	40 800	17 280	46 900	919 808
Speaker - L Marasi	524 457	83 376	40 800	17 280	78 670	744 583
Executive member - NF Memani	266 618	78 180	40 800	2 880	19 996	408 474
Executive member - S Venene	253 419	78 180	40 800	17 165	19 006	408 570
Executive member - S Dyakala	253 204	78 180	40 800	17 280	18 990	408 454
Chief Whip - S Kolosa	189 657	56 856	40 800	17 280	14 224	318 817
MPAC Chair - A Nyumka	189 657	56 856	40 800	17 280	14 224	318 817
Councillor - A Bukani	205 753	56 856	40 800	-	15 432	318 841
Councillor - M Sweli	205 753	56 856	40 800	-	15 432	318 841
Councillor - HK Walker	189 657	56 856	40 800	17 280	14 224	318 817
Councillor - NE Haynes	220 879	56 856	40 800	-	-	318 535
Councillor - P Khungwayo	205 753	56 856	40 800	-	15 432	318 841
Councillor - SI Melani	205 753	56 856	40 800	-	15 432	318 841
Councillor - S Zweni	208 274	56 856	40 800	-	12 859	318 789
Councillor - MW Mgweba	205 753	56 856	40 800	-	15 432	318 841
Councillor - PY Kani	220 879	56 856	40 800	-	-	318 535
Councillor - ZW Myali	189 657	56 856	40 800	17 280	14 224	318 817
Councillor - WG Johannes	220 879	56 856	40 800	-	-	318 535
Councillor - T Mbekela	191 195	56 856	40 800	15 725	14 340	318 916
Councillor - X Runeli	220 879	56 856	40 800	-	-	318 535
	4 993 400	1 360 260	816 000	156 730	344 817	7 671 207

Also refer to note "Remuneration of councillors" Note 29

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

43. Prior period errors & reclassification

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position	Previously reported	Adjustment	As restated	Reference
Receivables from Non-exchange Transactions	21 134 679	(451 555)	20 683 124	1
Receivables from Exchange Transactions	28 810 745	(17 125)	28 793 620	2
VAT Receivable	13 578 962	12 256	13 591 218	3
Investment Property	258 800 699	(11 650 003)	247 150 696	4
Property, Plant and Equipment	1 185 193 949	2 502 012	1 187 695 961	5
Consumer deposits	(2 661 391)	575	(2 660 816)	6
Payables from exchange transactions	(59 019 954)	(1 447 748)	(60 467 702)	7
Accumulated surplus	(1 341 992 581)	11 051 588	(1 330 940 993)	8
	103 845 108	-	103 845 108	-

1- Receivables from Non-Exchange transactions - Statement of Financial Position

Previously reported 2023 balance	21 134 679
Impaired Housing debtor balance	(125 061)
Impaired Recoverable legal expenses balance	(326 494)
Restated 2023 Closing balance	20 683 124

2- Receivables from Exchange transactions - Statement of Financial Position

Previously reported 2023 balance	28 810 745
Office equipment purchased-incorrectly recognised as prepaid expenditure	(17 125)
Restated 2023 Closing Balance	28 793 620

3 - VAT Receivable - Statement of Financial Position

Previously reported 2023 balance	13 578 962
VAT on additional Accruals raised	12 256
Restated 2023 Closing Balance	13 591 218

4 - Investment Property - Statement of Financial Position

Previously reported 2023 balance	258 800 699
Derecognition of Land duplication and historic removals	(11 650 028)
Recognition of Land previously not identified	25
Restated 2023 Closing Balance	247 150 696

5 - Property, plant and Equipment - Statement of Financial Position

Previously reported 2023 balance	1 185 193 949
Office equipment purchased	17 125
Additional depreciation on office equipment recognised	(255)
Effect of Impairment of Buildings in 2019	(602 685)
Reversal of depreciation on Buildings fully impaired	84 389
Derecognition of Land duplication and historic removals	(778 000)
Correction of WIP expenditure on Bulk infrastructure	1 328 569
Recognition of Land transferred during the year	48 280
Recognition of Buildings transferred during the year	2 411 720
Additional Depreciation of Building transferred	(7 131)
Restated 2023 Closing Balance	1 187 695 961

6 - Consumer Deposits - Statement of Financial Position

Previously reported 2023 balance	(2 661 391)
Additional Deposits paid	575
Restated 2023 Closing Balance	(2 660 816)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

43. Prior period errors & reclassification (continued)

7 - Payables from exchange transactions - Statement of Financial Position

Previously reported 2023 balance	(59 019 954)
Additional Accruals Raised	(119 179)
Reclassification of Accrued expense to Trade payables (disclosure classification)	17 352 409
Reclassification to Trade payables of Accrued expense (disclosure classification)	(17 352 409)
Correction of WIP expenditure on Bulk infrastructure	(1 328 569)
Restated 2023 Closing Balance	(60 467 702)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
43. Prior period errors & reclassification (continued)		
8 - Accumulated Surplus - Statement of Financial Position		
Previously reported 2022/23 Opening balance		(1 265 797 001)
Effect of opening balance corrections relating to -		13 482 231
Impaired Housing debtor balance		125 049
Impaired Recoverable legal expenses balance		326 494
Effect of Impairment of Buildings in 2019		602 685
Derecognition of Land duplication and historic removals - PPE		778 000
Derecognition of Land duplication and historic removals - Investment Property		11 650 028
Recognition of Land previously not identified - Investment Property		(25)
RESTATED 2022/23 OPENING BALANCE		(1 252 314 770)
		-
RESTATED 2022/23 (Surplus)/Deficit		(78 626 223)
Previously reported Surplus		(76 195 580)
Net corrections as per 2022/23 Statement of Financial Performance (see below)		(2 430 643)
		-
RESTATED 2022/23 CLOSING BALANCE		(1 330 940 993)

The 2023 amount on Inventory expensed during the year as disclosed in note 3 has been restated from R3 973 979 to R18 680 418 due to the inclusion of stores issued fuel previously omitted.

Note 10 - Property, plant and equipment includes a re-classification of WIP amounting to R321 310 from Water-WIP to Roads-WIP. This only affects the reconciliation of WIP note and not the overall Property, plant and Equipment or WIP balances.

2023 Comparative restatements

Statement of Financial Performance	Previously reported	Adjustment DT/(CT)	As restated	Reference
REVENUE				
Public contributions and donations	613 000	(2 460 000)	3 073 000	i
EXPENDITURE				
Depreciation and Amortisation	(48 964 371)	(77 003)	(48 887 368)	ii
Contracted services	(72 787 326)	3 801	(72 791 127)	iii
General expenses	(90 118 255)	102 559	(90 220 814)	iv
	(211 256 952)	(2 430 643)	(208 826 309)	

i) Public contributions and donations - Statement of Financial Performance

As previously reported	613 000
Land and Buildings Transferred	2 460 000
	3 073 000

ii) Depreciation and Amortisation - Statement of Financial Performance

As previously reported	(48 964 371)
Additional depreciation on office equipment recognised	(255)
Reversal of depreciation of fully impaired assets	84 389
Additional Depreciation on Buildings transferred	(7 131)
	(48 887 368)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

43. Prior period errors & reclassification (continued)

iii) Contracted Services - Statement of Financial Performance

As previously reported	(72 787 326)
Additional Accruals Raised	(3 801)
	(72 791 127)

iv) General expenses - Statement of Financial Performance

As previously reported	(90 118 255)
Additional Accruals Raised	(102 559)
	(90 220 814)

Cash flow statement

Cash flow from operating activities

	RESTATED	PREVIOUSLY DISCLOSED
Rates and Services	276 459 855	273 881 973
Government grants and subsidies	267 613 458	267 726 458
Suppliers	(224 400 237)	(223 668 052)
	319 673 076	317 940 379

Cash flow from investing activities

Purchase of property, plant and equipment	(147 566 445)	(145 833 751)

44. Unauthorised expenditure

Opening balance as previously reported	124 267 390	115 765 219
Opening balance as restated	124 267 390	115 765 219
Add: Expenditure identified - current	42 150 388	-
Add: Expenditure identified - prior period	-	84 000 359
Less: Amount written off - current	(84 000 358)	-
Less: Amount written off - prior period	-	(75 498 188)
Closing balance	82 417 420	124 267 390

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	29 404 392	69 018 578
Cash	12 745 996	14 981 781
	42 150 388	84 000 359

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

44. Unauthorised expenditure (continued)

Unauthorised expenditure: Budget overspending – per municipal department:

Municipal Manager	294 807	-
Corporate services	5 244 607	9 129 703
Waste Management	-	11 300 505
Electricity	18 976 650	18 789 444
Water	3 862 798	29 848 528
Waste Water Management	-	4 901 375
Technical	-	5 265 753
Housing	-	148 193
Community and Social Services	13 771 526	4 616 858
	42 150 388	84 000 359

45. Fruitless and wasteful expenditure

Opening balance as previously reported	727 190	72 511
Opening balance as restated	727 190	72 511
Add: Expenditure identified - current	53 887	-
Add: Expenditure identified - prior period	-	654 679
Less: Amounts recoverable - current	(102 312)	-
Less: Amount written off - current	(11 958)	-
Closing balance	666 807	727 190

Fruitless and wasteful expenditure incurred in the current year relates to further monies identified which relates to misappropriations made by a cashier in the prior year, as well as a traffic fine. In addition in the current year there were payments made to incorrect creditor's bank accounts. In the prior financial year fruitless and wasteful expenditure relates to traffic deposit monies shortages as well as cashier misappropriations which the municipality had to settle with the department of transport and debtors' accounts. R58 249 for 2023/24 & R654 679 for 2022/23 is being investigated for further collectability and all the matters were reported to SAPS where applicable.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
46. Irregular expenditure		
Opening balance as previously reported	235 198 131	301 843 209
Opening balance as restated	235 198 131	301 843 209
Add: Irregular Expenditure - current	110 910 511	-
Add: Irregular Expenditure - prior period	-	81 810 509
Less: Amount written off - current	(244 088 445)	-
Less: Amount written off - prior period	-	(148 455 587)
Closing balance	102 020 197	235 198 131
Incidents/cases identified in the current year include those listed below:		
	Disciplinary steps taken/criminal proceedings	
- Supply Chain Management	Items will be referred to MPAC for Investigation and the	110 910 511
Regulation and/or Policy Deviations	need for criminal proceedings to be determined.	
-Lack of Supporting documentation	Goods and/or services were received in all instances and	
	none of the payments were made in vain.	
- Deviations not in accordance with		
S36 of the SCM regulations		
	110 910 511	
47. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Opening balance	2 000 035	1 858 015
Current year subscription / fee	2 198 407	2 006 035
Amount paid - current year	(2 013 285)	(1 864 015)
	2 185 157	2 000 035
Audit fees		
Opening balance	17 081	-
Current year subscription / fee	5 868 923	6 320 708
Amount paid - current year	(5 886 004)	(6 303 627)
	-	17 081
PAYE and UIF		
Amount paid - current year	25 031 290	22 080 559
Pension and Medical Aid Deductions		
Amount paid - current year	35 269 925	31 551 416
VAT		
VAT receivable	6 947 128	13 591 218

VAT output payables and VAT input receivables are shown in note 6.

All VAT returns have been submitted by the due date throughout the year.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

47. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor - WG Johannes	3 276	67 417	70 693
Councillor - ST Dyakala	5 914	4 320	10 234
Councillor - S Kolosa	2 122	726	2 848
	11 312	72 463	83 775
30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor - WG Johannes	3 861	109 605	113 466

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Incident

S36(1)(a)(i) - Emergency	7 278 985	40 156 102
S36(1)(a)(ii) - Sole Supplier	1 068 140	3 072 088
S36(1)(a)(v) - Impractical / Impossible (other)	104 523 346	58 208 300
	112 870 471	101 436 490

48. Water and electricity losses

Material Losses

Water	27 659 822	22 328 338
Electricity	5 789 611	6 436 632
	33 449 433	28 764 970

Water Losses

In 2024 the water reticulation losses were 48.5% (3 674 237 kl supplied and 1 892 032 kl sold) (2023: 45.3% (3 346 810 kl supplied and 1 831 998 kl sold). In both years these losses are predominantly due to physical losses from leaks, burst pipes and reservoir overflows. Furthermore apparent losses are realised due to metering inefficiencies, meter faults, unauthorised and unmetered consumption.

Electricity Losses

In 2024, the electricity losses were 9.6% (2023: 12.2%). Electricity purchased was 38 637 443 kWh and 34 917 809 kWh was sold (2023: 39 124 452 kWh and 34 356 576 kWh was sold). These losses are predominantly due to MV and LV losses in switchgear, overhead lines, obsolete aluminium lines, underground cables and transformers. Furthermore losses are attributed to metering and meter reading losses and losses due to tampering.

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

49. Risk management

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2024	2023
Receivables from Non-Exchange Transactions	1 671 412	740 178
Receivables from Exchange Transactions	37 354 309	28 793 620
Cash and cash equivalents	140 308 928	67 235 366
Other financial assets	46 305	44 872

The municipality holds deposits of R 2 827 601 (2023: R 2 660 816) from consumer deposits. No guarantees of collateral was provided to third parties.

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at fixed rates which means that the municipality is not exposed to interest rate risk, as any change in interest rates will not affect the repayment terms of the long term liabilities. During 2024 and 2023, the municipality has no borrowings at variable rates.

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Financial liabilities - DBSA Loans	10,86%	1 032 354	-	-	-	-

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

49. Risk management (continued)

Price risk

The municipality is exposed to equity securities price risk because of investments held by the municipality and classified on the consolidated statement of financial position either as available-for-sale or at fair value through surplus or deficit. The municipality is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the municipality diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the municipality.

50. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

51. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of the four major trading services: Electricity (Energy Sources), Water (Water management), Waste Water (Waste Water management) and Refuse (Waste Management) services. The segments were organised around the type of service delivered and the consumers. Management uses these same segments for determining strategic objectives. Segments were not aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Geographical information

The municipality operates in the Ndlambe Municipal demarcation, which include the following main towns: Port Alfred, Kenton-on-Sea, Alexandria, Cannon-Rocks, Seafield and Marselle. The information necessary to be able to report on segments on a geographical basis is not available and the municipality deems the costs necessary to develop that to be excessive and as such has disclosed the financial information on a geographical basis.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Electricity	Delivery of electrical services
Water	Delivery of water services
Sewerage and Sanitation	Delivery of waste water services
Solid Waste	Rendering of refuse removal

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

51. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Electricity	Water	Sewerage and sanitation	Solid Waste	Total
Revenue					
Revenue from non-exchange transactions	-	-	-	6 197 416	6 197 416
Revenue from exchange transactions	92 197 379	59 338 163	18 927 584	22 161 387	192 624 513
Interest received - trade and other receivables	1 280 148	3 185 352	2 035 148	2 648 705	9 149 353
Total segment revenue	93 477 527	62 523 515	20 962 732	31 007 508	207 971 282
Revenue from exchange transactions					23 422 828
Revenue from non-exchange transactions					410 808 976
Total revenue reconciling items					434 231 804
Entity's revenue					642 203 086
Expenditure					
Employee related costs	966 124	11 763 375	9 855 194	12 237 189	34 821 882
Depreciation and amortisation	3 780 691	10 505 289	5 450 445	212 904	19 949 329
Finance costs	-	183 514	-	8 111 123	8 294 637
Lease rentals	-	27 500	-	-	27 500
Debt impairment	2 292 095	29 045 167	8 265 514	8 472 772	48 075 548
Alternative energy programme	5 932 564	-	-	-	5 932 564
Bulk purchases	76 635 411	18 537 524	-	-	95 172 935
Contracted services	19 144 413	13 382 265	4 247 478	9 055 356	45 829 512
General Expenses	20 299 040	13 435 324	4 653 883	4 753 608	43 141 855
Fair value adjustments	-	-	-	(2 176 400)	(2 176 400)
Loss on disposal of assets	-	71 171	-	-	71 171
Impairment loss	157 868	3 788 671	1 752 441	-	5 698 980
Total segment expenditure	129 208 206	100 739 800	34 224 955	40 666 552	304 839 513
Total segmental surplus/(deficit)					(96 868 231)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

	Electricity	Water	Sewerage and sanitation	Solid Waste	Total
51. Segment information (continued)					
Employee related costs					(163 148 051)
Remuneration of councillors					(8 481 513)
Depreciation					(23 200 356)
Lease rentals					(964 405)
Debt impairment					(10 282 405)
Contracted services					(43 961 032)
Transfers and Subsidies					(4 304 427)
General expenses					(47 899 447)
Fair value adjustments					16 760
Loss on disposal of assets					(4 258 466)
Actuarial gains					688 135
Impairment loss					(5 157 921)
Total revenue reconciling items					434 231 804
Entity's surplus (deficit) for the period					26 410 445
Assets					
Receivables from exchange transactions	15 322 751	14 127 452	3 364 817	4 053 246	36 868 266
Property, plant and equipment	96 621 736	196 283 543	145 915 704	-	438 820 983
Property, plant and equipment - WIP	1 212 174	110 438 267	149 913 752	-	261 564 193
Total segment assets	113 156 661	320 849 262	299 194 273	4 053 246	737 253 442
Property, plant and equipment					554 557 708
Other non-current assets					242 984 475
Current assets					174 978 730
Total assets as per Statement of financial Position					1 709 774 355
Current liabilities					(217 019 951)
Non-current liabilities					(135 402 948)
Total liabilities as per Statement of financial Position					(352 422 899)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

51. Segment information (continued)

2023

	Electricity	Water	Sewerage and sanitation	Solid waste	Total
Revenue					
Revenue from non-exchange transactions	-	-	-	5 680 436	5 680 436
Revenue from exchange transactions	80 661 996	64 111 001	16 704 583	20 265 916	181 743 496
Interest received - trade and other receivables	1 073 920	2 219 147	1 380 982	1 950 524	6 624 573
Total segment revenue	81 735 916	66 330 148	18 085 565	27 896 876	194 048 505
Revenue from exchange transactions					20 800 664
Revenue from Non-exchange transactions					421 822 889
Total revenue reconciling items					442 623 553
Entity's revenue					636 672 058
Expenditure					
Employee related costs	988 087	10 666 338	8 819 498	12 285 054	32 758 977
Depreciation and amortisation	3 755 448	14 912 662	5 771 465	187 518	24 627 093
Finance costs	-	369 809	-	7 595 018	7 964 827
Lease rentals	-	284 352	-	-	284 352
Debt impairment	1 922 375	32 568 335	7 132 920	7 165 123	48 788 753
Alternative energy	3 758 400	-	-	-	3 758 400
Bulk purchases	67 178 593	22 017 417	-	-	89 196 010
Contracted services	14 532 159	9 271 119	2 761 400	7 082 996	33 647 674
General expenses	17 358 387	16 094 275	4 507 212	5 249 752	43 209 626
Fair value adjustments	-	-	-	(7 145 974)	(7 145 974)
Loss on disposal of assets	-	131 997	338 126	-	470 123
Impairment loss	2 232 428	7 021	45 290	-	2 284 739
Total segment expenditure	111 725 877	106 323 325	29 375 911	32 419 487	279 844 600
Total segmental surplus/(deficit)					(85 796 095)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

	Electricity	Water	Sewerage and sanitation	Solid waste	Total
51. Segment information (continued)					
Total revenue reconciling items					442 623 553
Employee related costs					(152 062 584)
Remuneration of councillors					(7 671 207)
Depreciation					(24 260 274)
Finance costs					(2 394)
Lease rentals					(1 668 827)
Debt impairment					(11 038 067)
Contracted services					(39 143 452)
Transfers and subsidies					(4 528 658)
General expenses					(47 011 193)
Fair value adjustments					379
Gain on disposal of assets					(1 503 798)
Actuarial Gains					11 193 548
Impairment loss					(504 708)
Entity's surplus (deficit) for the period					78 626 223
Assets					
Receivables from exchange transactions	12 191 444	10 828 545	2 445 992	2 833 430	28 299 411
Property, plant and equipment	100 521 746	209 405 388	153 279 727	-	463 206 861
Property, plant and equipment - WIP	1 212 174	84 412 523	92 741 045	-	178 365 742
Total segment assets	113 925 364	304 646 456	248 466 764	2 833 430	669 872 014
Property, plant and equipment					546 123 359
Other non-current assets					247 299 850
Current assets					103 205 986
Total assets as per Statement of financial Position					1 566 501 209
Current liabilities					(111 300 758)
Non-current liabilities					(124 259 461)
Total liabilities as per Statement of financial Position					(235 560 219)

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

52. Accounting by principals and agents

The entity is a party to the following principal-agent arrangements.

Details of the arrangements are as follows:

The municipality acts an agent for the Department of Transport whereby it administers the provision of motor vehicle licences and registrations as well as drivers' licences. It receives compensation for these services based on a binding arrangement with the department.

The entity is the principal. Refer to note 1.5 for significant judgements applied in making this assessment.

The municipality acts as a principal in binding arrangements with vendors who sell prepaid electricity. The vendors earn commission on the prepaid electricity sales based on agreements.

Furthermore, the municipality acts as an agent for the Department of Human Settlements whereby it oversees the construction of RDP houses on behalf of the department. There is no compensation for this agency service and hence no revenue recognised.

Entity as agent

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R 1 821 353 (2023: R 3 685 609).

Additional information

Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

Reconciliation of the carrying amount of payables

Category 1 - MV Licences and registrations

Amount received on behalf of the principal	5 868 138	14 938 067
Amounts transferred to the principal	(4 046 785)	(11 252 458)
Amount recognised as revenue for services rendered	(1 821 353)	(3 685 609)
	-	-

Category 2 - Human Settlements

Opening balance	8 669 959	106 171
Amounts received - Human settlements	84 223 042	42 270 487
Amounts paid on behalf of Dept. Human Settlements on projects	(55 207 075)	(33 706 699)
	37 685 926	8 669 959

Category 3 - EC Housing Land Acquisition

Amounts Received	43 200 000	-
	43 200 000	-

All categories

Opening balance	8 669 959	106 171
Amounts received on behalf of the principal	5 868 138	14 938 067
Amount transferred to the principal	(4 046 785)	(11 252 458)
Amount recognised as revenue for the services rendered	(1 821 353)	(3 685 609)
Amounts received - Human settlements	127 423 042	42 270 487
Amounts paid on behalf of Dept. Human Settlements on projects	(55 207 075)	(33 706 699)
	80 885 926	8 669 959

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

52. Accounting by principals and agents (continued)

Entity as principal

Fee paid

Fee paid as compensation to the agent	670 710	566 878

The fee paid relates to the commission paid to vendors for selling pre-paid electricity to the consumers on behalf of the municipality. The amount decreased in the current year due to a new contract being entered into with vending system service provider.

53. Budget differences

Material differences between budget and actual amounts

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

53. Budget differences (continued)

The variances are considered to be material for the GRAP 24 variance disclosure where it exceeds 10%. Below are details of the relevant material variances as per the Statement of Comparison of Budget and Actual:

STATEMENT OF FINANCIAL PERFORMANCE

53.1) Service Charges:

Immaterial variance between budget and actual. The variance is mostly due to drought water tariffs no longer being applied from December 2023 onwards.

53.2) Rendering of services:

There was an erroneous over budget in the line items grouped in the rendering of services.

53.3) Rental of facilities and equipment: Immaterial variance

53.4) Interest received:

The budget was kept in line with the prior period interest income and did not fully factor larger gross debtors' balances throughout the year on hand.

53.5) Licences and Permits

The budgeting process relating to the forecast of licences and permits was flawed as there was an overestimate of the agency revenue and the figure budgeted for more closely relates to overall collections from motor vehicle licences and permits, rather than just the portion earned as municipal portion of the agency services. On the basis of overall collections, the budget agrees to collections as disclosed in the agent principal note, however the traffic department was closed for a large part of the year affecting this total collections.

53.6) Housing debtor income

Variance is due to an overbudgeting on indigent debtors for housing rental.

53.7) Other income

Variance is due to the underbudgeting for insurance refunds and sundry income, which are sporadic by nature.

53.8) Interest received - investment

The budgeting process did not predict the larger than expected cash balances from grants, especially housing grants being on hand for an extended period.

53.9) Property rates: Immaterial variance

53.10) Licences and permits (non-exchange)

The licencing and permits relate to boat and trading licence. The figure has not been overbudgeted for during the 2023/24 financial year.

53.11) Environmental levies:

Variance is due to an extrapolation of the mid-year projection which resulted in the overbudgeting and adjustment to the budget.

53.12) Interest received - non-exchange receivables: Immaterial variance

53.13) Government Grants and subsidies: Immaterial variance- Budget was aligned with the conditional grant funding received during the year.

53.14) Public Contributions and donations

The donations amount was not budgeted for. Donations, by its nature, is gratuitous and were transferred as in-kind donations and other donations - there was no expectation to receive additional donations during the year, other than what was budgeted for.

53.15) Fines, Penalties and Forfeits

The budget for fines, penalties and forfeits was prepared, with the expectation of historical values - which is very unpredictable.

53.16) Employee related costs: Immaterial variance

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

53. Budget differences (continued)

53.17) Remuneration of councillors - Immaterial variance

53.18) Depreciation and amortisation: The actual depreciation is less than the budget due to the re-estimation of useful lives which reduced actual figures for 2024(change in estimate).

53.19) Impairment loss

The impairment loss amount was not budgeted for as impairments by its nature are unplanned - there was no expectation to have any impairment losses during the year.

53.20) Finance costs

The finance costs budget does not include the material interest component related to the provision on the landfill site rehabilitation. This resulted in the variance as identified.

53.21) Lease rentals on operating lease: Immaterial variance

53.22) Debt impairment -

The variance is largely due to the fact that the budget cannot accommodate the full extent of funding the movement in doubtful debts.

53.23) Alternative Energy Programmes: Immaterial variance.

53.24) Bulk purchases

The variance is due to underbudgeting on both water and electricity. Larger Eskom tariff increases and water Post pandemic consumption has also increased due to more holidaymakers visiting and permanent residents in the municipal area during the period, along with bulk increases above inflation.

53.25) Contracted services

The budget adjustments are in relation to budgeting related to the Housing grant expenditure being budgeted for against this line item. Majority of Housing funding is relating to principal/agent and s purchases segment.

53.26) Transfers and subsidies - Immaterial variance

53.27) General expenses: Immaterial variance

53.28) Loss on disposal of assets

The disposals of movable & immovable assets based on the derecognition of obsolete assets resulted in unbudgeted losses which contributed towards the variance between budget actual expenditure.

53.29) Fair value adjustments:

At the time of the budget no budget was provided for fair value adjustments. It is also not known at the time of the budget what the effect of external factors would be on the landfill provision estimate. As such budget is not provided to the extent of the actual fair value losses incurred as this would have to be funded with revenue through rate increases.

53.30) Actuarial gains:

The budget provided no significant determination for the actuarial gains, which previously was included in employee costs, which affects both the variances on Actuarial losses.

STATEMENT OF FINANCIAL POSITION

53.31) Inventories

The variance is due to an over-estimate of stock on hand at year end. 2023 figures were not used to normalise stock levels in the budget process.

53.32) Operating lease asset

The budget did not factor in the unwinding of future lease assets as the leases near the end of their term.

53.33) Receivables from non-exchange transactions & Receivables from exchange transactions

The variance is due to not fully budgeting for the full debt impairment expense needed to write-down the receivables to their

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

53. Budget differences (continued)

impaired value at year end. The variance is similar to the variance on debt impairment.

53.34) VAT receivable

The budget accounts for the amounts in debit separate to the amounts in credit. The nett figure however shows a small variance overall variance when combining the VAT receivable & VAT payable line items.

53.35) Cash and cash equivalents

The higher than expected cash balances are due to some unspent housing monies within accounts payable at year end. The large increase in budgeted figures were due to accounting for the increased housing monies received.

53.36) Investment property: Immaterial variance.

Variance also somewhat due to correcting prior period misstatements on the Investment property register.

53.37) Property, plant and Equipment:

The variance is due to the budgeting for the majority of the EC Housing monies as capital whereas a majority relates to Principal/agent monies received. The budget balance is therefore higher than anticipated.

53.38) Intangible assets: Immaterial variance

53.39) Heritage assets - Immaterial variance

53.40) Other financial assets

The expected market value of the listed shares are trading well above anticipated levels

53.41) Financial liabilities - DBSA: Immaterial variance

53.42) Payables from exchange transactions:

The large budget increase is due to the receipting of additional EC Housing monies.

53.43) Consumer deposits: Immaterial variance

53.44) Employee Benefit obligation

The budget adjustment does not factor in the large portions of current liability relating to overtime, bonus and leave as well as short term portions of the Long Service and Post Retirement Medical Aid Liability.

53.45) Unspent conditional grants and receipts

Balances of unspent grants per the budget did not factor in multi-year projects on COGTA and EC Housing Bulk Infrastructure in unspent amounts at year end.

53.46) Provisions: Immaterial variance.

53.47) Accumulated surplus

The variance is a result of the above explanations combined. Due to the nature of the balance it will always represent the balancing figure on the budgeted statement of financial position.

CASHFLOW STATEMENT VARIANCES

53.48) Rates and services

Rates and services were overbudgeted due to the overbudgeting of the collection rates.

53.49) Government grants and subsidies

The variance is due to budgeting for housing which is not included in the municipal operations.

53.50) Interest income

The variance is due to under budgeting for receivable from non-exchange transactions and underbudgeting of collections on interest.

53.51) Other receipts

The budgeted amount was overestimated due to the traffic collections not being netted off to the department of transport

Ndlambe Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

53. Budget differences (continued)

payments made per the budget, whereas the actual figures shows just the agent fees received.

53.52) Supplier and Employee costs

The variance is due to budgeting for housing which is not included in the municipal operations

53.53) Finance Costs

The finance costs budget does not include the landfill finance costs. This resulted in the variance as identified.

53.54) Grants and subsidies paid: Immaterial variances - initially omitted from the budget

53.55) Purchase of Property, plant and equipment

The budget increase relates to acquisition of assets via grant, however not all grants were spent and not all monies were grant monies received and hence not all capital expenditure was for the benefit of the municipality as per the agent/principal agreements in place.

53.56) Proceeds on sale of property, plant and equipment

Amounts were not budgeted as disposals are not determined at budget phase.

53.57) Decrease in non-current investments:

No non-current investment movements

53.58) Decrease in consumer deposits: No decrease in consumer deposits identified

53.59) Repayment of financial liabilities - DBSA: Immaterial variances

53.60) Cash and cash equivalents at the beginning of the year

The original budget does not relate to the actual cash balances at end of 2022/23 financial year, which was corrected with the adjustment budget and results in immaterial variance between actual and final budget.

54. Change in estimate

Property, plant and equipment

The useful life of certain assets were re-estimated in the current period. Management have revised their estimated respective useful lives. The effect of this revision has decreased the depreciation charges for the current period and increased it for the future periods by R7 830 915.

Investment Property

The useful life of certain assets were re-estimated in the current period. Management have revised their estimated respective useful lives. The effect of this revision has increased the depreciation charges for the current period and decreased it for the future periods by R1 097.

Intangible assets

The useful life of certain assets were re-estimated in the current period. Management have revised their estimated respective useful lives. The effect of this revision has increased the depreciation charges for the current period and decreased it for the future periods by R17 165.

55. Events after the reporting date

No material non-adjusting events have been identified after the reporting date.

VOLUME 3:

DRAFT

ANNUAL

PERFORMANCE

REPORT



NDLAMBE LOCAL MUNICIPALITY



TOP-LAYER SDBIP ANNUAL PERFORMANCE REPORT (1st JULY '23 – 30th JUNE '24) 2023/2024

TABLE OF CONTENTS

1.	PURPOSE	2
2.	LEGISLATIVE BACKGROUND.....	2
3.	OBJECTIVES OF THE NDLAMBE MUNICIPALITY’S PERFORMANCE MANAGEMENT SYSTEM.....	3
4.	PRINCIPLES GOVERNING PMS IN NDLAMBE MUNICIPALITY	3
5.	PMS REPORTING ON THE E-SYSTEM (ACTIONASSIST).....	4
6.	PERFORMANCE EVALUATIONS	4
7.	PERFORMANCE RATING SCALE.....	5
8.	KEY PERFORMANCE AREAS	5
9.	ANNUAL PERFROMANCE REPORT(SCORECARD) 2024/2025.....	9

1. PURPOSE

The 2023/2024 Annual Performance Report of Ndlambe Local Municipality, pursuant to Section 46 of the Local Government: Municipal Systems Act 32 of 2000, will constitute a critical component of the comprehensive Annual Report prepared in accordance with Chapter 12 of the Municipal Finance Management Act 56 of 2003. This report encompasses performance information covering the period from 1 July 2023 to 30 June 2024 and concentrates on the execution of the Service Delivery and Budget Implementation Plan (SDBIP), in relation to the strategic objectives articulated in Ndlambe Municipality's Integrated Development Plan (IDP) for the 2023/2024 fiscal year. Performance Management serves as the apparatus for assessing the extent to which the established targets aligned with strategic objectives have been achieved. The report will provide a detailed analysis of the Municipality's Key Performance Indicators (KPIs) corresponding to each municipal Key Performance Area (KPA), thereby reflecting on the overall effectiveness and efficiency of service delivery initiatives within the Municipality. The sole focus will be on the Strategic Performance (Top Layer) of the SDBIP of Ndlambe Municipality.

2. LEGISLATIVE BACKGROUND

The Municipal Systems Act of 2000 (Act No. 32 of 2000), specifically Section 38(a), mandates that municipalities implement a Performance Management System (PMS) that aligns with their available resources and optimally reflects their operational activities. This system should facilitate the setting of measurable performance indicators, enable continuous monitoring and evaluation, and support qualitative decision-making to enhance service delivery and accountability within the municipality.

Performance management is integral to Ndlambe Municipality's strategic compass by providing councillors, managers, employees, and stakeholders with a comprehensive suite of instruments and methodologies for systematic planning, ongoing performance monitoring, and periodic evaluation and review of municipal efficacy in relation to the key performance indicators (KPIs) delineated in the Service Delivery and Budget Implementation Plan (SDBIP). This structured approach facilitates the alignment of Ndlambe Municipality's strategic objectives, as outlined in the Integrated Development Plan (IDP) with community expectations, promotes accountability in service delivery, and fosters an environment of continuous improvement through the assessing of data and community involvement.

In accordance with Section 40 of the Municipal Systems Act of 2000 and the Municipal Planning and Performance Management Regulations (2001), municipalities are mandated to implement comprehensive mechanisms for the systematic monitoring and evaluation of their Performance Management System (PMS). This entails the establishment of robust frameworks for measuring, tracking, reviewing, assessing, and enhancing performance across organisational tiers—encompassing the municipal entity as a whole (organisational performance), individual departments (operational performance), and the performance of employees (individual performance). These mechanisms are vital for fostering accountability, driving service delivery improvements, and ensuring alignment with the strategic objectives as articulated in the Integrated Development Plan (IDP).

Pursuant to Section 46(1)(a) of the Municipal Systems Act (Act 32 of 2000), a municipality is obligated to compile an annual report for each financial year. This report must encompass a comprehensive performance report. Section 46(1)(a) of the Municipal Systems Act (Act. 32 of 2000) states that:

A municipality must prepare for each financial year an annual report consisting of -

- a. a performance report reflecting -
 - i. the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
 - ii. the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and
 - iii. measures that were or are to be taken to improve performance

3. OBJECTIVES OF THE NDLAMBE MUNICIPALITY'S PERFORMANCE MANAGEMENT SYSTEM

OBJECTIVES OF NDLAMBE MUNICIPALITY'S PERFORMANCE MANAGEMENT MODEL	
1	Facilitate increased accountability
2	Support municipal oversight
3	Facilitate learning and continuous improvement
4	Provide early warning signals and meaningful interventions
5	Facilitate decision-making and resource allocation
6	Guiding of development of Municipal capacity building
7	Make conditions for acceptance of change conducive at various levels
8	Contribute to the development of local government

4. PRINCIPLES GOVERNING PMS IN NDLAMBE MUNICIPALITY

Simplicity
Politically Acceptable
Administratively Managed
Implementable
Transparency and Accountability
Efficient and Sustainable
Public Participation
Integration
Objectivity
Reliability

5. PMS REPORTING ON THE E-SYSTEM (ACTIONASSIST)

In accordance with the Performance Management System (PMS) Policy Framework, responsible owners are mandated to update their performance information on the PMS electronic system within 15 days following the end of each month; for example, March data must be entered by April 15, 2024. Subsequently, the PMS Section initiates a review process 16 days post-month-end to identify early warning signs and ensure timely corrective actions are implemented. Responsible owners are then allocated a 2-day period to address any rejected updates deemed incomplete or inaccurate. Furthermore, Internal Audit conducts a quality assurance review within 23 days of each quarter's conclusion, allowing an additional 2-day window for responsible owners to amend any misreported information prior to the finalization of audit findings.

6. PERFORMANCE EVALUATIONS

Ndlambe Municipality, in line with the PMS Policy, makes use of 3 stages in the Performance Evaluation process. These stages are:

1. Self-Assessment – The Section 57 Manager will evaluate the reported performance for the applicable period.
2. Manager – One-on-one sessions are held with the Supervisor to assess reported performance for the applicable period.
3. Panel/Final Assessment – a formal assessment is held with panel members in line with the PMS Policy.

CONSTITUTION OF PERFORMANCE ASSESSMENT PANEL

The constitution of the panel for the final performance of the Municipal Manager and Senior Managers, respectively, is as follows:

EVALUATION OF THE MUNICIPAL MANAGER	EVALUATION OF SENIOR MANAGER REPORTING DIRECTLY TO THE MUNICIPAL MANAGER
1. Mayor	1. Municipal Manager
2. Chairperson of the Audit Committee or any Audit Committee Member	2. Chairperson of the Audit Committee or any Audit Committee Member
3. Mayor (and/or Municipal Manager) from another municipality	3. Member of the Executive Committee
4. Member of a ward committee as nominated by the Mayor	4. Member of a ward committee as nominated by the Mayor
5. Internal Audit	5. Internal Audit
6. Representative from the PMS Section	6. Representative from the PMS Section

7. PERFORMANCE RATING SCALE

The municipality, in line with the PMS Policy makes use of the 5-point scale to rate the municipality's performance. The 5-point scale is included below:

SYSTEMATIC ICON	NUMERICAL RATING	PERCENTILE REPRESENTATION	BRIEF DESCRIPTION
N/A	Not Applicable for Reporting	Not Applicable	Not Applicable
R	1	0% - 74.99%	Unacceptable Performance
O	2	75% - 99.99%	Performance is not fully effective
G	3	100%	Fully effective
G2	4	100.01% - 149.99%	Performance significantly above expectations
B	5	150% - Upwards	Outstanding performance

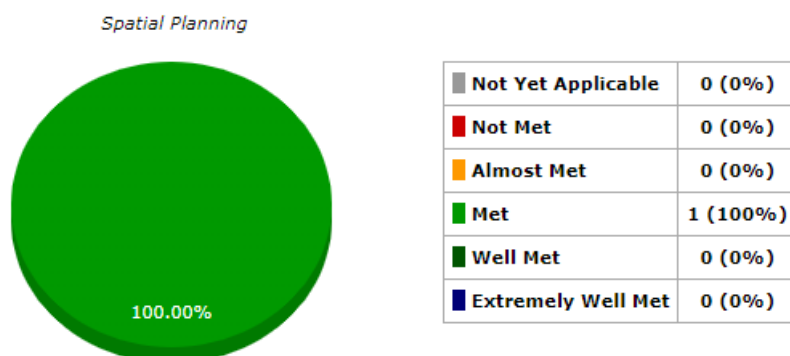
8. KEY PERFORMANCE AREAS

The Key Performance Areas are as follows:

1. Spatial Planning
2. Basic Service Delivery
3. Municipal Transformation and Institutional Development
4. Local Economic Development
5. Financial Viability and Management
6. Good Governance and Public Participation

KPA 1: SPATIAL PLANNING

There is only one indicator attached to KPA 1: Spatial Planning and it measures the '1. Percentage turnaround time for processing of land use applications within 16 months in accordance with SPLUMA'. This indicator is reported on a monthly basis and 100% has been achieved throughout, which is the target. The illustrations below provide a summary:



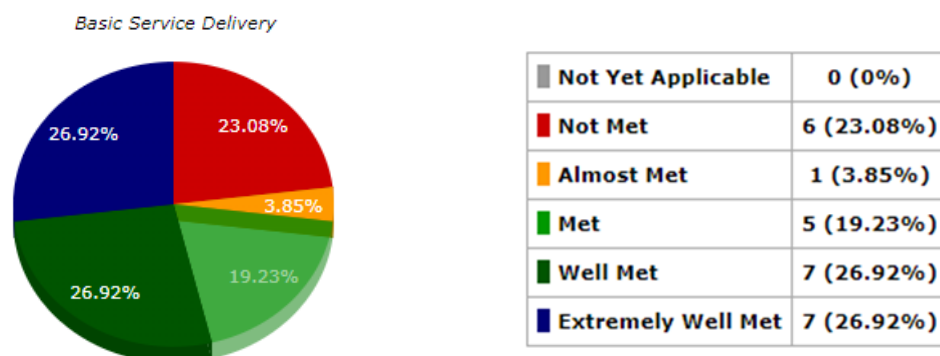
KPA 2: BASIC SERVICE DELIVERY

There are 26 Key Performance Indicators which have been crafted for the Basic Service Deliver Key Performance Area. These KPIs are spread out, in terms of responsibility, to various Directorate within the organisation in accordance with the responsibility being carried out by that particular Directorate. These Directorates are namely, Community and Protection Services, Infrastructural Development and Financial Services. In terms of performance:

1. 7 KPIs' targets were not met and of this 7 - 1 was almost met and 6 were not met. The 5-point scale above gives a better description of the differences between 'not met' and 'almost met'
2. 19 KPIs' targets were met and of this 19 - 5 were 'met', 7 were 'well met' and 7 were 'extremely well met'.

The percentile representation of the KPIs with targets achieved is 73.07 %. Whilst the KPIs with targets not met or underachieved is 26.93%

The illustration of the above can be found in the table below:

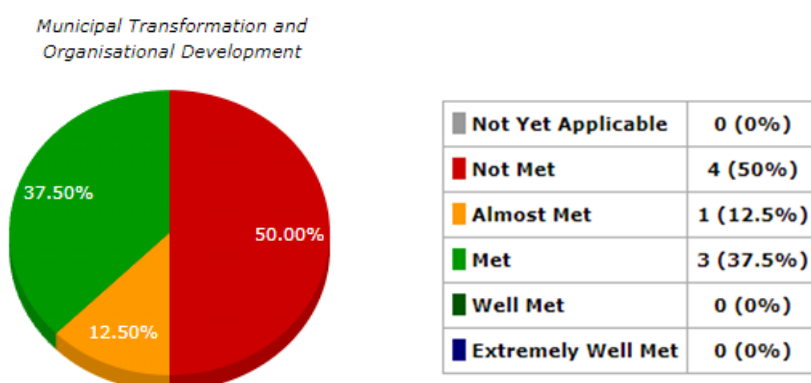


KPA 3: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

KPA 3 'Municipal Transformation and Organisational Development' is made up of 8 Key Performance Indicators. The KPIs are assigned to different Directorates. Namely, Corporate Services and the Office of the Municipal Manager. The performance of the municipality with regards to KPA 3 is as follows:

1. Of the 8 indicators, 5 KPIs were underachieved or the targets were not met. In terms of the percentile, this amounts to 62.5% of the KPIs.
2. Of the 8 indicators, 4 of the KPIs targets were achieved and all of them were 'met'. In terms of percentile representation this amounts to 37.5

The illustration is included below:

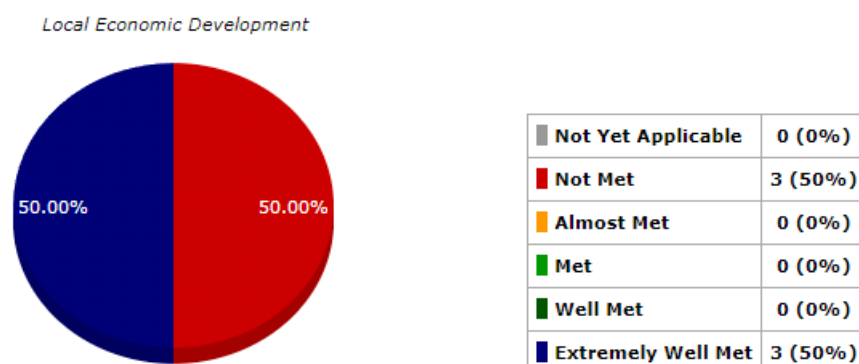


KPA 4: LOCAL ECONOMIC DEVELOPMENT

KPA 4 consists of six KPIs on the TopLayer SDBIP. The Office of the MM is the responsible Directorate to carry out the Key Performance Indicators for KPA 3. The performance can be summarised as follows:

1. Of the 6 KPIs, 3 KPIs' targets were not met which is a percentile representation of 50%.
2. Of the 6 KPIs, 3 KPIs' targets were extremely well met. This too is a 50% representation of the performance achieved.

Below is a summarised illustration:

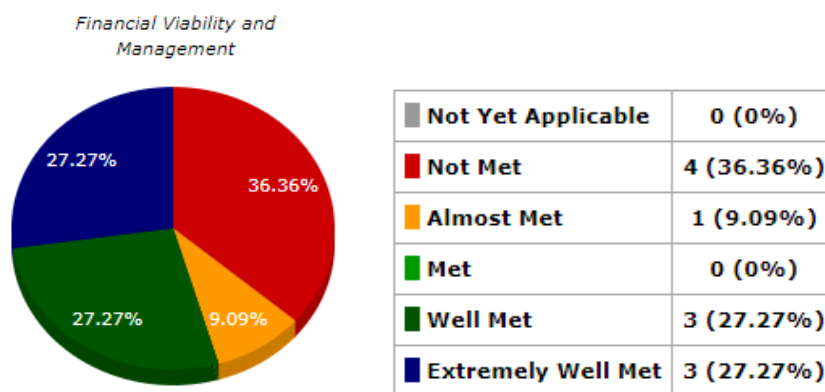


KPA 5: FINANCIAL VIABILITY AND MANAGEMENT

The Municipal KPA 5 consists of 11 KPIs which are meant to ensure that the Financial Viability and Management KPA is carried out efficiently and effectively. The performance of KPA 5 is as follows:

1. In total, 5 of the 11 KPIs targets were not achieved and of the 5 KPIs (4 were 'not met' and 1 is 'almost met'). The percentile representation of KPI targets not achieved is 45.45%
2. In total, 6 of the 11 KPIs targets were achieved and of the 6 KPIs (3 KPIs were 'well met' and 3 were 'extremely well met'). The percentile representation of this performance is: 54.55%

The summarised illustration of the performance is contained below:

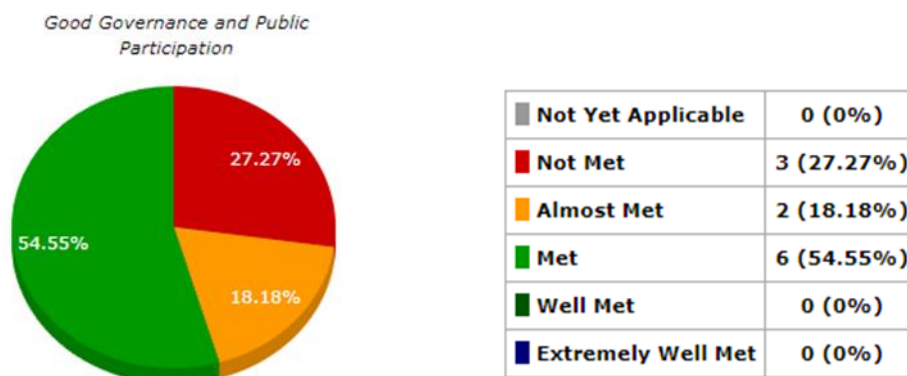


KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The total KPIs which are meant to fulfill KPA 6 is 11. In terms of performance:

1. 5 out the 11 KPIs targets were not achieved – 2 of the 5 KPIs were 'almost met' and 3 of the 5 KPIs were 'not met'. This is a percentile representation of 45.45%
2. 6 out of the 11 KPIs targets were 'met'. This is a percentile representation of 54.55%.

Below is the summarised performance illustration:



The total KPIs which made up the 2023/2024 Strategic Layer of the SDBIP are 63. The performance of these 63 KPIs can be summarised as follows:

1. 25 of the 63 KPIs targets were not achieved and of this 25 – 20 were ‘not met’ and 5 were ‘almost met’. The percentile representation is 39.68%
2. 38 of the 63 KPIs targets were achieved and of this 38 – 15 were ‘met’, 10 were ‘well met’ and 13 were ‘extremely well met’. The percentile representation is 60.32%.

The summarised illustration can be found below:

	Ndlambe Local Municipality	Municipal KPA						
		Basic Service Delivery	Financial Viability and Management	Good Governance and Public Participation	Local Economic Development	Municipal Transformation and Organisational Development	Spatial Planning	[Unspecified]
■ Not Yet Applicable	-	-	-	-	-	-	-	-
■ Not Met	20 (31.75%)	6 (23.08%)	4 (36.36%)	3 (27.27%)	3 (50.00%)	4 (50.00%)	-	-
■ Almost Met	5 (7.94%)	1 (3.85%)	1 (9.09%)	2 (18.18%)	-	1 (12.50%)	-	-
■ Met	15 (23.81%)	5 (19.23%)	-	6 (54.55%)	-	3 (37.50%)	1 (100.00%)	-
■ Well Met	10 (15.87%)	7 (26.92%)	3 (27.27%)	-	-	-	-	-
■ Extremely Well Met	13 (20.63%)	7 (26.92%)	3 (27.27%)	-	3 (50.00%)	-	-	-
Total:	63	26	11	11	6	8	1	-
	100%	41.27%	17.46%	17.46%	9.52%	12.70%	1.59%	-

**ANNUAL PERFORMANCE REPORT
(SCORECARD)
2023/2024**

Ndlambe Local Municipality
ANNUAL PERFORMANCE REPORT 2023/2024

Internal Ref. Indicator Code	Responsible Director	Requesting Directorate	KPI Name	Strategic Objective	Baseline	Quarter ending September 2023						Quarter ending October 2023						Quarter ending March 2024						Quarter ending June 2024						Overall Performance for Quarter ending September 2023 to Quarter ending June 2024	
						Target	Actual	A	Performance Comments	Target	Actual	A	Performance Comments	Target	Actual	A	Performance Comments	Target	Actual	A	Performance Comments	Target	Actual	A	Performance Comments	Target	Actual				
2.2.2.2	Director: Community Protection Services	Community and Protection Services	4. Number of thermal headboards with access to water removed as per schedule	Provide sustainable, efficient, and effective, affordable and affordable services to all our citizens	21,700.0	21,000	21,628.20	0	Director: Community Protection Services Regional Operational (July - August 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	21,000	21,653.4	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	21,000	21,628.20	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	21,000	21,653.4	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	21,000	21,653.4	0			
2.2.2.3	Director: Community Protection Services	Community and Protection Services	5. Number of appliances placed in the shared apartment	Provide sustainable, efficient, and effective, affordable and affordable services to all our citizens	7	6	7.0	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	6	6	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	6	7.0	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	6	7.0	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	6	7.0	0			
2.2.2.4	Director: Community Protection Services	Community and Protection Services	6. Number of houses with full size flag	Develop a water supply growing employment generating economy based on tourism, agriculture, waste management and energy technologies	2,100	0	0	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	2	2	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	2	2,100	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	2	2	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	2	2,100	0			
2.2.2.5	Director: Community Protection Services	Community and Protection Services	7. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	100	60	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	75	100	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	100	100	0			
2.2.2.6	Director: Community Protection Services	Community and Protection Services	8. Number of buildings with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	4	0	0	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	5	4	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	5	4	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	5	4	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	5	4	0			
2.2.2.7	Director: Community Protection Services	Community and Protection Services	9. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	100.00%	100.00%	100.00%	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100.00%	100.00%	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	100.00%	100.00%	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	100.00%	100.00%	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	100.00%	100.00%	0			
2.2.2.8	Director: Community Protection Services	Community and Protection Services	10. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	100	100	100	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	100	100	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	100	100	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	100	100	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	100	100	0			
2.2.2.9	Director: Community Protection Services	Community and Protection Services	11. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	7	6	7	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	6	6	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	6	7	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	6	7	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	6	7	0			
2.2.2.10	Director: Community Protection Services	Community and Protection Services	12. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.11	Director: Community Protection Services	Community and Protection Services	13. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.12	Director: Community Protection Services	Community and Protection Services	14. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.13	Director: Community Protection Services	Community and Protection Services	15. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.14	Director: Community Protection Services	Community and Protection Services	16. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.15	Director: Community Protection Services	Community and Protection Services	17. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.16	Director: Community Protection Services	Community and Protection Services	18. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.17	Director: Community Protection Services	Community and Protection Services	19. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.18	Director: Community Protection Services	Community and Protection Services	20. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.19	Director: Community Protection Services	Community and Protection Services	21. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.20	Director: Community Protection Services	Community and Protection Services	22. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.21	Director: Community Protection Services	Community and Protection Services	23. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.22	Director: Community Protection Services	Community and Protection Services	24. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.23	Director: Community Protection Services	Community and Protection Services	25. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.24	Director: Community Protection Services	Community and Protection Services	26. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.25	Director: Community Protection Services	Community and Protection Services	27. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.26	Director: Community Protection Services	Community and Protection Services	28. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.27	Director: Community Protection Services	Community and Protection Services	29. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.28	Director: Community Protection Services	Community and Protection Services	30. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.29	Director: Community Protection Services	Community and Protection Services	31. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.30	Director: Community Protection Services	Community and Protection Services	32. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.31	Director: Community Protection Services	Community and Protection Services	33. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.32	Director: Community Protection Services	Community and Protection Services	34. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.33	Director: Community Protection Services	Community and Protection Services	35. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.34	Director: Community Protection Services	Community and Protection Services	36. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.35	Director: Community Protection Services	Community and Protection Services	37. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.36	Director: Community Protection Services	Community and Protection Services	38. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.37	Director: Community Protection Services	Community and Protection Services	39. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)	Director: Community Protection Services Regional Operational (April - June 2024)	10	10	0			
2.2.2.38	Director: Community Protection Services	Community and Protection Services	40. Number of houses with the access to water, electricity, gas, and sewerage	Provide the natural beautiful environment, cultural heritage, and tourism	10	10	10	0	Director: Community Protection Services Regional Operational (July - September 2023)	Director: Community Protection Services Regional Operational (October - December 2023)	10	10	0	Director: Community Protection Services Regional Operational (October - December 2023)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (January - March 2024)	Target met.	10	10	0	Director: Community Protection Services Regional Operational (April - June 2024)							

[illegible]

[illegible][illegible]

Financial Transformation and Organizational Development																																
Internal Ref./Indicator Code	Responsible Owner	Responsible Directorate	KPI Name	Strategic Objective	Executive	Quarter ending September 2023						Quarter ending December 2023						Quarter ending March 2024						Quarter ending June 2024						Overall Performance for Quarter ending September 2023 to Quarter ending June 2024		
						Total	Actual	%	Performance Comment	Corrective Measures	Total	Actual	%	Performance Comment	Corrective Measures	Total	Actual	%	Performance Comment	Corrective Measures	Total	Actual	%	Performance Comment	Corrective Measures	Total	Actual	%	Performance Comment	Corrective Measures	Trend	Avg.
S-1.1.1.28	Director - Corporate Services	Corporate Services	(26. Percentage of calls not compliant regarding the multi-911 complaint management system)	Improve the governance of the Municipality	100.00%	Target	100.00%	100.00%	(S-1.1.1.28) Director - Corporate Services Achieved - August 2023	(S-1.1.1.28) Director - Corporate Services Not necessary - August 2023	100.00%	Target	100.00%	100.00%	(S-1.1.1.28) Director - Corporate Services Some of the complaints are not yet dealt. Complaints are pending although as they were provided with number to send their complaints on Municipality Website (December term)	Corrective Measure is not applicable as the target has met	100.00%	Target	100.00%	100.00%	Target has been achieved through the quarter	Corrective Measure is not applicable as the target has met	100.00%	Target	100.00%	100.00%	Target has been achieved through the quarter	Corrective Measure is not applicable as the target has met	100.00%	100.00%	100.00%	



NDLAMBE MUNICIPALITY

CONSIDERATION OF KEY PERFORMANCE INDICATORS **IN THE DEVELOPMENT OF THE ANNUAL REPORT**

The following is the list of indicators that were agreed upon and on how the performance information should be populated: -

CHAPTER: ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT –KPA 1

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	10% (less than 51 vacant posts)	36/505	7%	The municipality has over achieved
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	5	100%	100%	N/A
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	100%	5	100%	N/A
4	Percentage of Managers in Technical Services with a professional qualification	100%	7	100%	N/A
5	Level of PMS effectiveness in the DM – (DM to report)	N/A There is an existent PMS Section that is guided by an approved PMS Policy as it implements Performance Management throughout the various organisational levels.			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5-year term	N/A	N/A	N/A	A skills audit is scheduled to take place in the 24/25 financial year. In addition, annual skills audits will be

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
					conducted from thereon.
8	Percentage of councillors who attended a skill development training within the current 5-year term	100%	20/20	100%	N/A
9	Percentage of staff complement with disability	2.00%	11/505	2.00%	N/A
10	Percentage of female employees	38%	191	38%	N/A
11	Percentage of employees that are aged 35 or younger	12%	63	12%	N/A
12	Adoption and implementation of a HRD including Workplace Skills Plan	100%	1	100%	N/A

CHAPTER: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	100%	0	19331	21535	111.40%
2	Percentage of indigent households with access to free basic potable water	80%	15 000	30 000 households	23627	65%

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year

1	Percentage of households with access to electricity services	23402	19331	19331	23402	121.05%
2	Percentage of indigent households with access to basic electricity services	6468	0	6468	6468	100%
3	Percentage of indigent households with access to free alternative energy sources	6468	0	6468	6468	100%

Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	100%	0	19331	21535	111.4%
2	Percentage of indigent households with access to free basic sanitation services	6468	0	6468	6468	100%

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual KMs)	Kms achieved during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	23402	19331	19331	23402	121%
2	Percentage of road infrastructure requiring upgrade	5.97km	0	9.38km	8.8km	93.8%
3	Percentage of planned new road infrastructure actually constructed	9.38km	0	9.38km	1.488km	15.77%
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	8.8km	0	8.8km	8.8km	8.5%

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year

1	Percentage of households with access to refuse removal services	21200	0	21200	21656	22
2	Existence of waste management plan	Yes, the municipality does have an Integrated Waste Management Plan				

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	3215	1315	3215	1900	100%
2	Percentage of informal settlements that have been provided with basic services	12	0	12	12	100%
3	Existence of an effective indigent policy	Yes.				
4	Existence of an approved SDF	YES. The SDF was adopted by Council in May 2023 through Council Resolution NCM017/05/2023. The SDF was Gazetted and came into operation effective from 1 July 2023.				
5	Existence of Land Use Management System (LUMS)	YES. The Land Use Scheme was adopted by Council in March 2019 through Council Resolution NCM024/03/2019. The Land Use Scheme was Gazetted and came into operation effective from 1 June 2019.				

CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	1	100%	100%
2	Percentage of LED Budget spent on LED related activities.	4%	100%	100%
3	Existence of LED strategy	YES.		
4	Number of LED stakeholder forum meetings held	4	4	100%

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
5	Plans to stimulate second economy	7	7	100%
6	Percentage of SMME that have benefited from a SMME support program	12	115	958%
7	Number of job opportunities created through EPWP	1229	2200	179%
8	Number of job opportunities created through PPP	0	0	0%

Chapter: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name			
1	Status of the audit outcome	Unqualified audit opinion		
2	Submission of AFS after the end of financial year	31 August 2023		
		Target set for Capital Budget (R000)	Achievement level during the year R(000)Amount spent against capital budget (R000)	Percentage spent on capital budget during the year vs the actual revenue
3	Percentage of expenditure of capital budget	R201 201 573.00	R120 242 240.30	60%
4	Percentage of salary budget as of the total operational budget	196 577 929.00	197 969 920.17	101%
5	Total municipal trade creditors	-R52 811 505.00	-R12 729 108.91	24%
6	Total municipal own revenue as a percentage of the total actual budget	R457 904 356	R425 074 776.37	93%
7	Rate of municipal consumer debtors' reduction	-R287 431 220.78	-R294 304 992.90	102%
8	Percentage of MIG budget appropriately spent	R65 819 468.00	R30 790 877.60	47%
9	Municipalities with functional Audit Committee	Yes		

Chapter: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	100%	10	100%
2	% of ward committees that are functional	100%	10	100%
3	Existence of an effective system to monitor CDWs	Yes		
4	Existence of an IGR strategy	No		
5	Effective of IGR structural meetings	No. However, the municipality has scheduled meetings to ensure that the effectiveness of Intergovernmental Relations is strengthened and optimised.		
6	Existence of an effective communication strategy	Yes, the communication strategy is due for reviewal during the 2024/2025 financial year.		
7	Number of mayoral imbizos conducted			
8	Existence of a fraud prevention mechanism	Yes, reviewed annually.		