

2020/2021

ANNUAL REPORT

MNQUMA LOCAL MUNICIPALITY



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LIST OF ACRONYMS

ACRONYM	MEANING	ACRONYM	MEANING
AA	Accountability Agreement	LLF	Local Labour Forum
ADM	Amathole District Municipality	LUMS	Land Use Management System
AFS	Annual Financial Statements	MFMA	Municipal Finance Management Act
AIC	African Independence Congress	MTREF	Medium Term Revenue and Expenditure Framework
ANC	African National Congress	MM	Municipal Manager
CBD	Central Business District	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MSIG	Municipal Systems Improvement Grant
CLLR	Councillor	MOU	Memorandum of Understanding
CWP	Community Works Programme	MPAC	Municipal Public Accounts Committee
CPF	Community Policing Forum	OHS	Occupational Health and Safety
CSD	Central Supplier Database	PAC	Pan African Congress
DA	Democratic Alliance	PT	Part-Time
DEDEAT	Department of Economic Developmental Affairs and Tourism	SAGLBC	South African Local Government Bargaining Council
DMR	Department of Mineral Resources	SCM	Supply Chain Management
ECDC	Eastern Cape Development Corporation	SLA	Service Level Agreement
EDMS	Electronic Document Management System	SDBIP	Service Delivery and Budget Implementation Plan
EEP	Employment Equity Plan	SEDA	Small Enterprise Development Agency
EFF	Economic Freedom Fighters	SRD	Sustainable Rural Development
EPWP	Expanded Public Works Programme	SDF	Spatial Development Framework
FY	Financial Year	SMME,S	Small ,Medium, and Micro Enterprises
FT	Full Time	SPLUMA	Spatial Planning and Land Use Management Act
GVA	Gross Value Add	STATSSA	Statistics South Africa
HR	Human Resources	TIC	Tourism Information Centre
ICT	Information Communication Technology	TOR	Terms of Reference
JD	Job Description	PMS	Performance Management System
IDP	Integrated Development Plan	PDP	Professional Driving Permit
IEMP	Integrated Environmental Management Plan	PPP	Public,Private,Partnership
IGLF	Inter-Governmental Land Forum		
IGR	Inter-Governmental Relations		
INEP	Integrated National Electrification Programme		
JD	Job Description		
KM	Kilometre		
KPA	Key Performance Area		
LDV	Light Duty Vehicle		
LED	Local Economic Development		

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

On behalf of the Mquma Municipality Council and officials, I hereby present this Annual Report for the financial Year 2020/2021. This report outlines our performance on the targets we set ourselves to do over this period. The report will give our stakeholders and communities an insight into the performance and achievements of the municipality.

The mandate of Mquma Local Municipality is not unique to the broader mandate given to Local Government by the South African Constitution, chapter 7. The only uniqueness are the different legitimate expectations of our citizenry. Our specific mandate is drawn from the public participation programmes we embark upon in drafting the Integrated Development Plan, which is a guiding document in the municipality’s performance. Our resolve is based on servicing our communities wherever they live.

The main vision of Mquma Local Municipality is to enhance service delivery through improving revenue collection and debt management, understanding the customer base and helping indigent citizens become economically active, and addressing social economic challenges in our community.

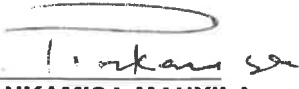
The highlights for the year 2020/2021 Financial year which are in line with the Strategic objectives are detailed hereunder:

- Construction of 60 km of Access Roads;
- Creation of 105 jobs through Expanded Public Works Programmes;
- Completion of DLTC Phase 2A;
- Construction of Nomaheya and Cerhu Sports facility;
- Rehabilitation of Extension 7 Ring Road;
- Improvement in the cleaning of all Mquma towns by conducting Clean-up campaigns in Msobomvu Township, Centane CBD & Qolora Beach;
- Donated sheering sheds for 2 cooperatives at Teko Kona & Teko Fihla;
- Launch of Mquma Investment Book and Mquma N2 Big Screen;
- Conducting Community Safety program; and
- Preparing and submission of compliance documents.

The existence and functioning of the municipality’s oversight structures such as the Audit Commit, Risk Management Committee and the Municipal Public Accounts Committee has assisted in providing objective assurance, strengthening of internal controls and oversight.

This report is therefore intended to attest to the collective efforts of the municipal administration and Council, to progressively address the expectations of our people. We can be very proud to announce the achievement of our Municipality in obtaining Unqualified Audit report for this financial year. The developmental agenda of the Municipality has been achieved through public participation, communication networks as well as leadership partnership. **“Let’s grow Mquma Local Municipality together”**

Kind regards


T. NKAMISA-MANXILA
EXECUTIVE MAYOR

COMPONENT B: MUNICIPAL MANAGER'S FOREWORD

The Annual Report for the 2020/2021 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, No. 32 of 2000, Section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars, templates and guidelines; in particular, MFMA Circular No. 63.

This report records the performance and progress made by Mquma Local Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP), Strategic Scorecard and Service Delivery and Budget Implementation Plan (SDBIP) approved for 2020/2021.

The 2020/2021 had its share of successes and challenges including an outbreak of COVID-19 which meant doing things differently from the traditional approaches, however, Council has continued to strive towards the realisation of its vision: "A developing self-sustainable Municipality that empowers its citizens socially and economically to ensure sustainable livelihood".

The municipality's commitment to service delivery was realised through 100% spending of the MIG allocation for 2020/2021 financial year which led to additional funding of R14m being granted. The grant funding was utilised for construction of access roads and municipal infrastructure facilities.

Key to the municipality's focal areas for 2020/2021 financial year was increasing revenue collection. The municipality's approach of 50% rebate on old debt has proven to be effective as the municipality managed to surface CBD internal streets utilising its own funding. In 2020/2021 financial year the municipality managed to collect 68% on rates, refuse and rentals.

The municipality is continuously striving to unlock the economic potential through the following programs that were implemented in 2021 financial year:

- Phase 2 of Ibika Development;
- Ngqamakwe Development;
- Ndabakazi Development;
- Bhungeni Mall Development;
- Procurement of tractors to assist emerging farmers; and
- Gcuwa Dam Development.

Various solid waste interventions have been implemented to improve the aesthetic look of the CBD and peri-urban areas. The use of Co-operatives to assist in refuse collection has not only improved cleanliness but created job opportunities thereby promoting local economic development.

The municipality approved institutional policies in the year under review and internal controls were strengthened towards good governance and improvement of the audit outcomes.

Ward committees have been the key tool in promoting participation of Mquma Community members in the affairs of the municipality.

100% on implementation of service delivery targets was not realised, but the municipality made a remarkable improvement from 77% in 2019/2020 to 94% in the period under review. This could not have been achieved without the stability that has been made possible by the political leadership.


S. MAHLASELA
MUNICIPAL MANAGER

COMPONENT C: MUNICIPAL OVERVIEW

Mnquma Local Municipality is a Category B municipality (Area: 3 270km²) located in the south-eastern part of the Eastern Cape Province. It falls under the jurisdiction of the Amathole District Municipality and comprises an amalgamation of the former Butterworth, Ngqamakhwe and Centane Transitional Regional Councils. It is one of six municipalities in the Amathole District. The main Cities or Towns in Mnquma Local Municipality are Butterworth, Centane, and Ngqamakhwe - Butterworth being the main base of the Municipality and following are the addresses and the contact details:

MAIN OFFICE	MAYOR'S OFFICE AND MUNICIPAL MANAGER'S OFFICE
Corner King and Mthatha Street Butterworth 4960	61 Blyth Street Butterworth 4960
Contact Details	Tel: +27 47 0501101 Fax: +27 47 491 0195 Website: www.mnquma.gov.za

VISION

"A developing self-sustainable Municipality that empowers its citizens socially and economically to ensure sustainable livelihood".

MISSION

In pursuit of the vision, the municipality will:

- Invest in human capital for increased productivity
- Ensure effective Land Use Management
- Promote cutting edge technological innovation
- Promote cultural diversity and heritage
- Create a responsive, accountable, effective and efficient municipality
- Invest in human and economic infrastructural development

VALUES

- **Accountability**

Account to the community, stakeholders, provincial and national government for the performance of the municipality to ensure sustainable quality service delivery and financial management

- **Transparency**

Commit to openness and honesty to the community and stakeholders about every aspect of municipal operations.

- **Participatory Governance**

Encourage and create conditions for local community and stakeholders to participate and be involved in the affairs of the municipality.

- **Governance Education**

Commit to educate and empower our communities about the issues of governance to enable them to contribute positively to their own development.

- **Social responsibility**

Encourage the local community and all stakeholders within the local municipality to act responsible with regard to control of diseases (TB, HIV and AIDS, life style diseases etc.).

MUNICIPALITY'S OVERARCHING STRATEGY

“Developing and Growing the local economy by intensifying the implementation of the high impact local economic development projects, focused on heritage and tourism, mining, agriculture and small, medium and micro enterprises (SMMEs) support through a responsive, effective and efficient municipality”.

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Mnquma Local Municipality is entrusted with responsibility of performing functions as determined by the Municipal Demarcation Board. Among these functions, are: Municipal Roads and Storm Water Pipe Network, Street Lighting; Electricity and Gas Reticulation, Land Administration, Land Use Management, Human Settlements, Building Regulations, Vehicles and Plant Maintenance, Waste Management, Cemeteries and crematoria, Amenities, Sports Facilities, Municipal Public Transport, Municipal Parks and Recreation. Due to the rural nature of the municipality and the huge backlog on basic services, there are limited resources to ensure that all households have access to basic services. The municipality strives to ensure that each ward receives an infrastructure project based on the needs analysis in each financial year. Amathole District Municipality performs the function of water services thus report on water and sanitation will be detailed in the district annual report.

The total population of the municipality is approximately 252 390 people, of which 250 833 are black Africans. 487 are comprised of coloured people, 324 are Indians or Asians, 517 white people and 229 is comprised of other races. This translates to 3.9% of the total population in the province of the Eastern Cape. The highest population concentration is found on the following wards.

Ward Name	Population	% of Municipality Total
25	11,611	4.6
26	10,489	4.2
24	10,199	4.0
22	9,694	3.8
5	9,581	3.8

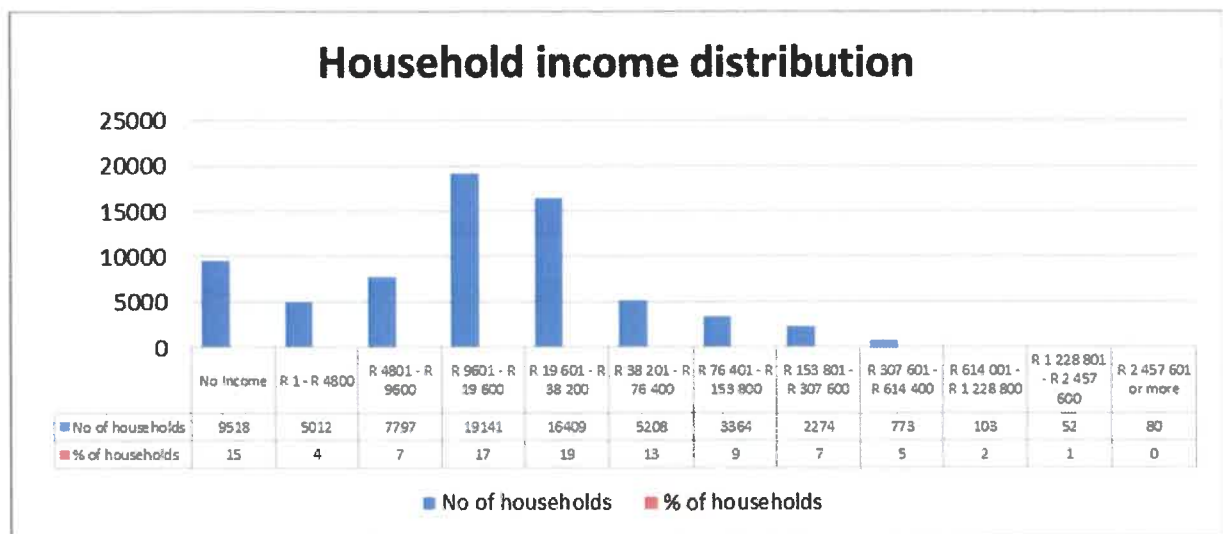
Population decrease has been caused by various reasons which among others include outward migration to bigger cities. According the census 2011, Mnquma Local Municipality's total number of households is 69 732, there is an increase of just over 3000 households compared to 2001 census which was 66285.

Population Details			
Age	Male	Female	Total
Age: 0 – 4	14928	14627	29555
Age: 5 – 9	14230	13948	28178
Age: 10 – 19	31836	28968	60804
Age: 20 – 29	17967	18256	36223
Age: 30 – 39	10323	12074	22397
Age: 40 – 49	8029	13624	21653
Age: 50 – 59	8529	13624	22153
Age: 60 – 69	6675	9318	15993
Age: 70+	5346	10088	15434
TOTAL	117863	134527	252390

1.1 SOCIO ECONOMIC STATUS

Annual Monthly Household Income Profile

The graph below demonstrates destitute households with high levels of unemployment and a community in dire need of various source of income. About 15 % of the households in the municipality have no income and approximately 4% with income less than R1600 per month. This means that approximately 15% of households in the local community need subsidy arrangements for survival and thus are unable to pay for services. This therefore has huge implications on the municipality's financial status in that they cannot rely on residential cross subsidisation for revenue.



Household income distribution: Stats SA Census 2011

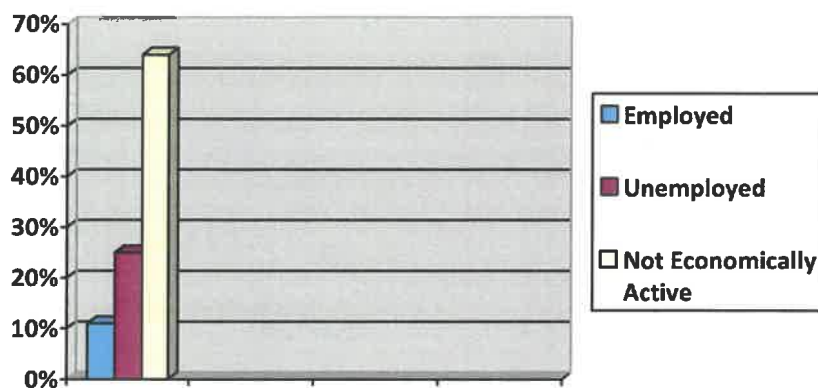
On comparison of the 2001 and 2011 census results, there is a significant improvement on the percentage of households with no income as it has gone down from 40% to 15%, while the number of households who depend on social grants has dropped from 27% to 4%.

Unemployment Levels

The municipality is characterised by the highest levels of poverty, illiteracy and unemployment. Approximately 11% of the population is unemployed, only 25% is employed while 64% of the municipal population is considered economically inactive (See Figure 6).

The municipality has limited employment opportunities and this has huge implications on the increased need for welfare and indigent support in the municipality. The municipality therefore needs to put priority into service provision, skills, social development and economic development programmes.

Figure 6: Employment Status



Derived from Census 2011 – Stats SA

The table below illustrates a significant change in the unemployment status which has decreased by 7% when comparing with 2001 census, while there is only 3% increase in employment. Significantly it should be noted that there is increase in the field of economically inactive people.

Employment Status

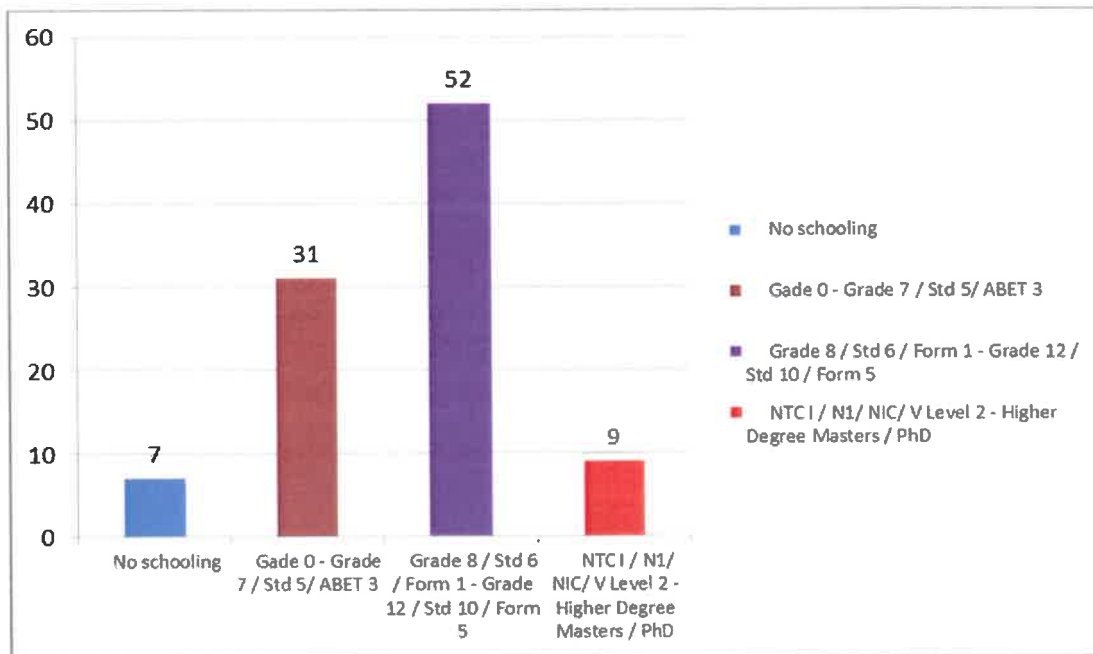
EMPLOYMENT STATUS	2001 CENSUS	2011 CENSUS
Employed	13%	16.7%
Unemployed	21%	13.3%
Not economically active	66%	70%

Education Levels

The table below depicts the levels of education in this municipality. 7% of the Mquma population has no schooling and 31% completed primary while 52% completed grade 12 and just above 9. % of the population got a higher education. This table below shows comparison of 2001 and 2011 statistics and there is a remarkable improvement of the education levels.

Education Levels

EDUCATION LEVELS	2001 CENSUS	2011 CENSUS
No Schooling	27%	7%
Completed Primary	8%	31%
Matric / Grade 12	10%	52%
Higher Education	6%	9%



Overview of Neighbourhoods within 'Mnquma Local Municipality'		
Settlement Type	Households	Population
Towns		
Butterworth Central	504	44040
Nggamakhwe Central	564	1557
Centane Central	543	1458
Sub-Total	1611	47055
Townships		
Bika	225	783
Cuba	1773	5493
Vuli Valley	458	1272
Mcubakazi	1221	4005
Msobomvu	1773	5763
Sub-Total	5450	17316
Rural settlements		
Mnquma Rural Settlement	66075	244278
Sub-Total	66075	244278
Informal settlements		
Butterworth	3657	8112
Sub-Total	3657	8112
Total	75182	269706

Natural Resources	
Major Natural Resource	Relevance to Community
Tourism destinations / initiatives: Heritage sites Arts and crafts Coastal Belt	Projects as a result of local tourism, business tourism and leisure activities
Mining: Granite, sand mining, potters clay, quarries and borrow, titanium potential	Protection of the natural environment, private public partnerships which will result into skills transfer and job creation
Forests: Indigenous forests, state owned forests (category B forests), Land availability for new afforestation activities	Environmental protection, private public partnerships between DAF, Private Partners and the municipality that will result into job creation, Improve access to timber and provision of capital investment thereby reduce poverty and maximize job opportunities

The population data depicts that the municipality has a young population with more than 65% of the population being under the age of 35. There is also a high rate of poverty and unemployment in the municipality and this is a challenge for the municipality. This means that youth development programmes should be at the centre of planning and the municipality must strive towards developing its local economy. Mnquma Local Municipality's, Master Plan is a long-term development plan and the cornerstone for development.

CHAPTER 2 – GOVERNANCE

Governance within the municipality entails implementation of the following components:

- Legislative and compliance matters
- Performance Management
- Risk Management
- Internal Audit and Audit Committee
- Legal Services and
- Public Participation

In relation to the above components, the municipality has both executive and legislative authority with the Executive Mayor chairing the Mayoral Committee and the Speaker chairing the Council meetings. The Mayoral Committee is constituted of 10 portfolios, chaired as detailed in 2.1 underneath. All Portfolio heads chairs the Standing Committees.

Executive Management Meetings are chaired by the Municipal Manager and Performance Reports are tabled in line with the approved Service Delivery and Budget Implementation Plan.

The municipality approved the following compliance documents:

- 2021/2022 Reviewed Integrated Development Plan
- 2021/2024 MTREF Budget
- 2021/2022 Service Delivery and Budget Implementation Plan
- Strategies, Policies and Sector Plans
- 2019/2020 Audit Action Plan to address audit queries as raised by AG
- 2021/2022 Institutional Calendar

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The five year IDP for 2017/2022 identified 5 values of accountability and thus political and administrative governance functions are as follows:

- Accountability,
- Transparency
- Participatory governance
- Governance education, and
- Social Responsibility

2.1 POLITICAL GOVERNANCE

Mnquma Local Municipality is an Executive Mayoral type with all the Executive powers of the Council vested in the Executive Mayor, who is assisted by members of the Mayoral Committee. The political leadership of the municipality includes the Executive Mayor, the Council Speaker and the Council's Chief Whip.

The Council has established a Committee system in line with the provisions of Section 79 and 80 (1) of the Local Government: Municipal Structures Act No. 117 of 1998, as amended, Advisory committees and Independent Committees.

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Standing Committees	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No. 117 of 1998)
Rules Committee	The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No.117 of 1998)
MPAC	The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No. 117 of 1998)
Local Labour Forum	The purpose of the committee is to strengthen the working relations between the employer and the employee in line with the South African Local Governance Bargaining Council (SALGBC)
Audit Committee	The purpose of the committee is to function in line with section 166 of the Municipal Finance Management Act No. 56 of 2003
Risk Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No. 117 of 1998)
IGR Forum	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No. 117 of 1998)
IDP, Budget & PMS Technical Steering Committee	The purpose of the committee to provide technical support towards assisting the executive committee in terms of Section 80 of the Municipal Structures Act (Act No. 117 of 1998)
IDP, Budget & PMS Steering Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No. 117 of 1998)
IDP, Budget & PMS Rep Forum	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)

POLITICAL STRUCTURE (2020/2021)

EXECUTIVE MAYOR

Cllr S Ncetezo

SPEAKER

Cllr T Bikitsha

CHIEF WHIP

Cllr Z Gade

MAYORAL COMMITTEE MEMBERS

Portfolio Head: Infrastructural Development

Cllr R N Tshona

Portfolio Head: Community Services

Cllr N Plaatjie

Portfolio Head: Local Economic Development and Planning

Cllr X Pupuma

Portfolio Head: Strategic Management

Cllr T Nkamisa

Portfolio Head: Corporate Services

Cllr N Layiti

Portfolio Head: Budget and Treasury Office

Cllr L Mgandela

Portfolio Head: Communications

Cllr S Matutu

Portfolio Head: Water and Sanitation

Cllr T P Ntanga

Portfolio Head: Land and Housing

Cllr N Sheleni

Portfolio Head: Special Programmes Unit

Cllr N Thandaphi

COUNCILLORS

Mnquma Municipal Council is composed of 62 Councilors with 31 Ward Councilors and 31 Proportional Representatives. Appendix A of this document outlines their political parties and various committees that the councilors serve in.

2.2 ADMINISTRATIVE GOVERNANCE

The Administrative Governance of the municipality has been fully fledged during 2020/2021 financial year.

TOP ADMINISTRATIVE STRUCTURE	Function
MUNICIPAL MANAGER- Mr Silumko Mahlasela	Responsible for: <ol style="list-style-type: none"> 1. Policy development and implementation, accountable for forward planning – municipal transformation & organizational development 2. Personnel and performance management - Directs the Key Performance Indicator's and outcomes of all employees. 3. Analyse and prioritize the execution of processes to initiate, manage and control the delivery of basic services to communities (including free basic services to impoverished communities) within the municipal area 4. Overseeing Management and financial administration of the municipality 5. Responsible for sound governance and public participation
DIRECTOR: Corporate Services- Mr Siphwo Caga	Responsible for: <ol style="list-style-type: none"> 1. Ensuring effective and efficient management of Human Resources 2. Managing labour relations function 3. Responsible for Administration services 4. Effective management of Information and Communication Technology 5. Functioning of Council and its Committees 6. Advise the Municipal Manager on all HR and Committee Matters of Council including the development and implementation of policies, procedures, strategies to manage risk, performance and other effective and efficient methods of managing council business
DIRECTOR: Community Services-	Responsible for

TOP ADMINISTRATIVE STRUCTURE	Function
Mr Makhaya Kibi	<ol style="list-style-type: none"> 1. Overall management of the environmental services function including but not limited to waste management 2. Direct and lead management of protection services, municipal road traffic safety services as well as emergency services 3. Ensure Development, Management and Maintenance of all municipal public amenities 4. Liaison with sector departments, district and other municipalities on integrated planning and service delivery issues affecting community services
<p>DIRECTOR: Strategic Management- Mrs Sindiswa Benya</p>	<p>Responsible for</p> <ol style="list-style-type: none"> 1. Implementing the vision of the municipality and implementation and review of the 5-year integrated development plan; 2. Directs the development and management of effective municipal performance management system and effective implementation of the Service Delivery and Budget Implementation Plan; 3. Manages functioning of the Inter-Governmental Relations Forum, Effective Community Participation and communication in all service delivery issues; 4. Manages and directs communication, marketing and branding of the municipality; 5. Co-ordinate the development, implementation and review of municipal policies; 6. Ensure municipal-wide research to support the development and implementation of institutional strategies; 7. Provision of effective support to the Political offices.
<p>DIRECTOR: Infrastructural Development- Ms Zukiswa Ntile</p>	<p>Responsible for</p> <ol style="list-style-type: none"> 1. Management of municipal roads, 2. Ensuring that the municipality conforms to building regulations 3. Electricity services of the municipality 4. Manages public works, housing and land administration 5. Manages the Municipal Infrastructure Grant (MIG) and other national and / or provincial and external funded programmes
<p>DIRECTOR: Local Economic Development and Planning- Mr Mongi Dilika</p>	<p>Responsible for</p> <ol style="list-style-type: none"> 1. Investment Promotion and Marketing of Local Economic Development 2. Development, implementation and review of the Local Economic

TOP ADMINISTRATIVE STRUCTURE	Function
	<p>Development Strategy, policies and procedures</p> <ol style="list-style-type: none"> 3. Ensure effective management and promotion of tourism 4. Responsible for strategic partnerships in order to enhance service delivery and local economic development 5. Ensure implementation of Sector Support Programmes in Agriculture, Manufacturing, Retail and Tourism/Heritage Sector 6. Ensure regular economic research is conducted on best practices
<p>Chief Financial Officer- Mr Mzusekho Matomane</p>	<p>Responsible for</p> <ol style="list-style-type: none"> 1. Ensure general financial management of the municipality 2. Management of assets of the municipality including the safeguarding and the maintenance of the assets 3. Management of the revenue of the municipality and expenditure management 4. Budget preparation, implementation and monitoring thereof 5. Manages the Supply Chain Management of the municipality

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The municipality established intergovernmental relations forum in line with the Intergovernmental Relations Framework Act No. 13 of 2005 and regulations. Representation to the IGR Forum are members from provincial and national government departments; Parastatals and District municipality.

Sittings of IGR Forum meetings are guided by the Terms of reference and are scheduled to sit on quarterly basis as per the Institutional Calendar. Special IGR Meetings also sit when the need arises. Four meetings as scheduled sat in 2020/2021 financial year.

Standing IGR Agenda items includes but not limited to:

- Matters arising from DIMAFO, MuniMec affecting Mquma Local Municipality;
- Matters arising from other Provincial Intergovernmental Forums affecting Mquma LM
- Matters submitted by members of the Mquma LM IGR Forum;
- Reports by Mquma LM IGR Forum members on the implementation of the Municipality's 2020/2021 IDP
- Information Sharing.

The municipality in partnership with different organs of state improved service delivery backlogs through: job creation, skills development and capacity building initiatives, participation of previously disadvantaged groups and provision of basic services.

The municipality further participated in the following National; Provincial and District Forums:-

- Political MuniMec that was held on the 25 September 2020, 27 November 2020 and 16 March 2021
- Premier's Co-ordination Forum that was held on the 18 March and 15 June 2021
- District Mayor's Forums: Three(3) District Mayors Forum meetings that were held on the 23 September and 02 December 2020

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 Public accountability and participation deals with:

- ❖ **Establishment and functioning of Ward Committee System:** Public Participation Strategy was reviewed and adopted by Council in 2020/2021 financial year. The strategy guides functioning of Ward Committees, reporting and interface between Ward Committee and Council. Ward Committees are supported through a monthly stipend. Administrative support

from the municipality is rendered during Ward Committee Meetings, Elections and Ward General Meetings.

Refer to Appendix E: Composition of Ward Committees, 2020/2021 Ward General and Ward Committee Meetings and Appendix F: Ward Priorities

- ❖ **Mayoral Imbizo's:** Community engagements are done through Mayoral Imbizos as a platform to discuss service delivery challenges and share governance information. 4 Mayoral Imbizos were held in the year under review with one held virtually. In an effort of taking government to the people, the Executive Mayor engaged other spheres of government and line function departments in both planning and execution of the outreach through IGR Forum.
- ❖ **IDP, PMS and Budget Public Participation Meetings:** Annually the Council adopts IDP/PMS and Budget Process Plan to guide the sitting of the IDP/PMS and Budget Public Meetings. The following table depicts the IDP/PMS and Budget Public Participation meetings that were convened in 2020/2021 financial year.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Councilors	Number of Participating Administrators	Number of Community members	Issues addressed	Manner of feedback given to community
Virtual IDP, PMS & Budget Representative Forum Meetings	26-08-2020 26-11-2020 23-03-2021	All	12	-	Updates on implementation of projects on the IDP/PMS and Budget Process Plan. Revenue collection and budget processes	IDP, Budget Processes and Performance Reports
IDP, PMS and Budget Roadshows	06-04-2021 07-04-2021 08-04-2021	23	17	157	Draft 2021/2022 Reviewed IDP and 2021/2024 MTREF Budget	In May 2020 Final Reviewed IDP for 2021/2022 and 2021/2024 MTREF Budget were approved by Council. They were also Publicized in the newspaper & municipal website.

Mayoral Imbizos	26-08-2020 14-12-2020 18-03-2021 15-04-2021	11	7	710	Service delivery issues	Service Delivery issues & engagement between Mayor & Communities. One Mayoral Imbizo's (14-12-2020) were held Virtually.
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The representatives in the public meetings included organized community groups; business and religious fraternity; traditional leaders; councillors; ward committees; community development workers; and community members. The municipality strengthened the public participation programs in line with the Back to Basics Principles through the above mentioned structures.

Communication platforms such as print (local and regional newspapers) and electronic media (local community radio) were utilized to publicize the above mentioned public meetings.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Is the IDP and the budget aligned?	Yes
Can the PMS calculate actual Performance into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

2.6 Corporate Governance encompasses the following:

2.6.1 Internal Audit: In the year under review, Internal Audit Plan, Methodology and Internal Audit Charter to guide Internal Audit Unit were approved by the Audit Committee. The following planned assignments were performed by Internal Audit:

- 2019/2020 Annual Performance
- 2019/2020 Fourth Quarter Performance Review
- 2020/2021 First to Third Quarter Performance Review
- Supply Chain Management
- Revenue and Debt Management
- Compliance and Good Governance
- Follow up on 2019/2020 implementation of Audit Action plan

2.6.2 Risk Management: Strategic and Operational Risk Registers were developed and reports on mitigation of identified risks were developed on Monthly, Quarterly and on Annual basis. Emerging Risks and factors that may cause risks to materialized are identified during this process. Below are the top 5 risks that were identified with mitigation strategies and progress as at year end.

No.	Risk Description	Mitigation Strategies	Progress to Date	Challenges	Proposed Solutions
1	Water Scarcity	1. Facilitate the desilting of the Gcuwa Dam 2. Engage the District Municipality to ensure regular supply of water 3. Monitor the continuous carting of water	1. There has been a provision for rain water tanks 2. Drilling of boreholes 3. The following projects have been initiated by the District Municipality: - Water pipeline project between Tsomo and Nqamakwe - Gcuwa Weir upgrade Upgrading of Xilinx water catchment pipeline.	1. Climate Change 2. Drought	1) Follow up on the implementation of the Water projects
2.	Ineffective ICT Business Continuity	1. Follow up with Supply Chain Management on the procurement of the back-up plans and servers	1. Service Provider was appointed and implementation has started with the SLA and Project Implementation Plan being developed.	1. Lack of on-site and off-site back ups 2. Old server system 3. Lack of programme	1. Monitor the implementation of the project of the back-up plans and servers

No.	Risk Description	Mitigation Strategies	Progress to Date	Challenges	Proposed Solutions
				change management 4. Lack of training of ICT personnel	
		2. Follow up with Supply Chain Management on the procurement of the services of managing the disaster recovery site	2. Specification is under development stages after a re-assessment of server environment was recently performed.		2. Follow up with Supply Chain Management to ensure the advert is published for the procurement services to manage the disaster recovery site
		3. Facilitate training of ICT personnel and Steering Committee members	3. A training of the ICT Steering Committee members took place on 28 May 2021 which was conducted by the Department of Cooperative Governance and Traditional Affairs (Cogta) and SALGA. Follows up made to SCM, the specification for the training is completed. An advert to be issued out on tender.	2. There is still a culture of non-payment with the communities	3. Follow up with Supply Chain Management to ensure the advert has been is out for the training of the members of the ICT Steering Committee
3.	Ineffective implementation of project plans	1. Monitor the implementation of projects and report 2. Engage the District Municipality to ensure regular supply of water 3. Enforce the General Conditions of Contract 4. Adhere to lockdown regulations	1 The service providers have been providing water as per (Bill of Quantities) and the water carting have been taking place whenever there was water restriction 2. The General Conditions of Contract have been enforced when a need arises	1. Scarcity of water causes delays in the implementation of the projects 2. National lockdown caused delays in the implementation of the projects 3. Community protests that took place due to unavailability of water posed delayed in the implementation of the projects	1. Monitor the implementation of the project plans
4.	Increased unemployment rate	1. Give preference to the local communities when procuring goods and services and when offering employment 2. Solicit funding for the LED and planning programmes 3. Provide training to the co-ops (SMME)	1 Capacity building for SMME's/ Co-operatives were conducted on the following programs: Financial Management, Tendering Advice, Livestock Improvement and Crop Production 2. A budget of R15m for the removal of alien plants along the Qolora coast was approved by DEDEAT 3. SMME support relief fund has been approved by SALGA and the handing over was held on the 26th February 2021	1 Increased number of retrenchments 2. Low economic growth 2. Ineffective ICT Strategic Plan: (ICT Master Plan) 3. Inadequate back up and disaster recovery	1. Conduct capacity building for the SMME'S/ Co-operatives 2. Monitor the implementation of the removal of the Alien plants along Qolora coast 3. Hosting of Production Environment (Servers) Offsite

No.	Risk Description	Mitigation Strategies	Progress to Date	Challenges	Proposed Solutions
5	Inadequate Fleet Management	<p>1. Facilitate the procurement of new vehicles</p> <p>2. Dispose old fleet</p> <p>3. Prepare reports as per the fleet management system (fuel consumption, theft of parts and accessories)</p>	<p>1. New vehicles and plant have been procured; drivers have been trained to operate the plant</p> <p>2. Old fleet was disposed; the auction was conducted in 09 June 2021</p> <p>The report from the fleet management system is prepared on a monthly basis</p>	<p>1. Regular repairs on vehicles (trucks)</p> <p>2. Use of old fleet</p>	<p>1. Manage the use of the municipal fleet by ensuring that all users have been authorised to use it prior to the use.</p> <p>2. Prepare reports as per the fleet management system (fuel consumption, theft of parts and accessories)</p>

2.6.3 Fraud and Corruption: Anti-Fraud and Corruption policy was reviewed and adopted by Council in 2020/21 financial year. Strategic Fraud Risks were identified and actions to mitigate and manage risks were developed in the year under review. The municipality is now in a process to outsource the management of the fraud hotline.

2.6.4 Supply Chain Management: The Supply Chain Management Policy was reviewed and adopted in 2020/2021 financial year. In line with the Treasury Regulation and the SCM policy, the bid committees (Bid Specification, Bid Evaluation and Bid Adjudication) have been established. SCM reports (Awarded bids, deviations and irregular expenditure reports) are submitted to Council and its committees. Schedule on Performance of the Service Providers is attached on Appendix I and Report on financial disclosures by Councillors and Officials is attached in Appendix J.

2.6.5 Municipal Public Accounts Committee: The MPAC is composed of 13 members in terms of proportional representation. The Municipal Public Accounts Committee is responsible to perform the following functions; but not limited to:

- To assess effectiveness, efficiency, service quality and municipal productivity.
- To oversee regular in- year financial and performance reports
- To oversee annual reporting and public accountability

5 MPAC meetings were held in the year under review. The following reports were considered by the Municipal Public Accounts Committee:

- 2019/2020 Annual Report
- 2019/2020 Annual Financial Statements
- 2020/2021 In-year Reports

- Investigation of Irregular expenditure
- Development of 2021/2022 MPAC work plans and Terms of Reference

2.6.6 Policy Environment: The municipality reviewed ninety five (95) Policies which were approved by Council in May 2020.

2.7 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	05 March 2021
2019/2020 Audited Financial Statement		05 May 2021
Draft Budget (2020/2023)		05 June 2021
Final Budget (2020/2023)	Yes	05 May 2021
Draft Tariff structure (2020/2021)	Yes	3 June 2021
Tariff structure (2020/2021)		10 April 2021
All current budget-related policies: Property rates Supply Chain Management	Yes	23 July 2020
The previous annual report (Year 2019/2020)		24 March 2021
2019/2020 Oversight report	Yes	24 March 2021
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2020/2021) and resulting scorecards	Yes	02 August 2020
All long-term borrowing contracts (2020/2021): Long Term Contracts	No	
All supply chain management contracts above a prescribed value	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2020/2021	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made 2020/2021	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2020/2021	Yes	30 September 2020 31 December 2020 31 March 2021 2 August 2021
By-Laws	No	
2020/2021 IDP/PMS & Budget Process Plan		23 September 2020
2020/2021 Final IDP	Yes	05 June 2020

2.8 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

In the year under review, Council adopted Customer Care Policy to regulate Public Satisfaction levels.

Customer Care Tools

- Presidential Hotline
- Customer Care Complaints

Customer Complaints were received and registered in the Customer Care Office and the complaints related to: -

- Road Maintenance,
- Electricity and Street lights,
- Potholes,
- Job opportunities,
- Community Halls,
- Water and sanitation,
- RDP houses,
- Bridge
- Storm water drainage,
- Waste Management Services

The Customer Care enquiries that were registered were channeled to the relevant directorates for consideration.

2.9 AUDITOR GENERAL REPORT

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Mquma Local Municipality

Report on the audit of the financial statement

Opinion

1. I have audited the financial statements of the Mquma Local Municipality set out on pages ..to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mquma Local Municipality as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAF)) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Context for the opinion

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

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

Restatement of the corresponding figures

7. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the ended, 30 June 2021.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the municipality's annual performance report for the year ended 30 June 2021:

Development priority	Pages in the annual performance report
KPA- Basic Service Delivery and Infrastructure Development	x-x

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

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages to for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements and annual report

23. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets and expenditure identified by the auditors in the submitted financial statement were subsequently corrected and resulting in the financial statements receiving an unqualified audit opinion.

Other information

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

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
29. Leadership did not exercise adequate oversight responsibility regarding financial reporting as the supporting information underlying financial statements contained numerous misstatements that resulted in material adjustments on the financial statements submitted for audit.
30. Action plans were not adequately monitored to ensure their implementation to address internal control deficiencies.
31. The municipality did not have adequate review processes in place to enable reliable reporting on financial information as the municipality did not adequately review primary schedules and registers underlying PPE and expenditure in the financial statements.

Auditor - General

East London

17 December 2021



Annexure — Auditor-general's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate 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.

2.10 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the following the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	December
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

COMMENT ON THE ANNUAL REPORT PROCESS:

Mnquma Local Municipality has adopted IDP, PMS and Budget Process Plan for 2021/2022 financial year. The three components i.e., Integrated Development Planning, Performance Management System and Budget were aligned in the process plan to ensure adherence to all legislative requirements. The process of developing 2020/2021 Annual Report has been done in line with the time frames set in the process plan. Deviations in the implementation of the process plan were reported to Council.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The summary of the IDP objectives for 5 years are as follows:

- To construct 300 km of municipal access roads in line with the three-year capital plan for improved accessibility of road infrastructure by June 2022
- To provide Grid electrification through connection of 1000 households by June 2022
- To facilitate expansion of Agricultural potential through implementation of programmes and initiatives for sustainable rural development by June 2022
- To implement solid waste and environmental management programmes in order to promote health and well-being of communities by June 2022
- To provide support to indigent beneficiaries in line with indigent policy by June 2022
- To co-ordinate integrated planning, regular reporting and feedback by all stakeholders by June 2022

COMPONENT A: BASIC SERVICES

3.1 BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Two directorates perform functions within the basic service delivery key performance area i.e., Infrastructural Development and Community Services.

The key performance areas within Infrastructural Development are as follows:

- Roads Construction and Maintenance
- Electricity and electrification,
- Human settlements,
- Transport Facilities
- Building regulations.
- Water and Sanitation

Community services perform the following functions:

- Solid Waste and Environmental Management
- Public Safety
- Traffic Services
- Public Amenities

3.1.1 ROADS CONSTRUCTION, MAINTENANCE AND STORMWATER DRAINAGE

The Roads Services within Mngquma Local Municipality jurisdiction is provided by three service authorities as follows:

- **SANRAL responsible for National Roads;** N2 that cuts across Butterworth Town. SANRAL conducted a feasibility study for construction of the alternative N2 by-pass
- **Department of Roads and Public Works is responsible for Proclaimed Roads** totalling to = 1157 km (paved and unpaved)
- **Mngquma Local Municipality is responsible for Access Roads:** The Three-year Capital Plan is a guiding document for planning and implementation of roads priorities.

3.1.1.1 Roads Construction

The municipality utilizes Municipal Infrastructure Grant for construction of Access Roads. The Project Management Unit within the Infrastructural Directorate has a core responsibility of implementing capital projects and expenditure of Municipal Infrastructure Grant.

The following access roads were constructed and complete in the year under review:

Project Name	Project Status	Number of KM
Qolora Access road	Complete	6.2
Xhobani Access Road	Complete	9.32
KwaNkqayi-Sikolweni to Lalini Access Road	Complete	10.2
Mphakathi Access Road	Complete	17.302
Machelesini Access Road	Complete	7
Mncuncuzo Access Road	Complete	5.004
SURFACED ROADS/PROJECTS		
Project Name	Project Status	Number of KM
Rehabilitation of Extension 7 Ring Road	Complete	5
TOTAL KILOMETERS CONSTRUCTED		60.026

3.1.1.2 Road Maintenance

The municipality has developed a Roads Maintenance Plan and a Policy for Storm Water Maintenance. The following table depicts road maintenance undertaken in the year under review:

REGRAVELLING	BLADING	POTHOLE PATCHING	TAR AND SURFACE OVERLAY	PAVING OF PARKING	STORMWATER CROSSING
19.1 KM	395.8km	1611.7 Square Meters	30 880 Square Meters	1200 Square Meters	447

3.1.2 ELECTRICITY AND ELECTRIFICATION

Mnquma Local Municipality plays a facilitation role in the rural grid electrification for the rural areas by approving the priority list which Eskom uses to electrify the villages. There are constant quarterly cluster meetings where Eskom presents the progress reports on the implementation of the Rural Electrification. The municipality connected 264 households as at year end.

3.1.2.1 Electrical Maintenance and Refurbishment

The function of maintaining Electrical Infrastructure is performed by Eskom with its own funding.

Mnquma Local Municipality is responsible for the provision and maintenance of the Street lights, High Mast Lights and traffic lights in the urban centres of the three Municipal Towns, i.e., Butterworth, Ngqamakhwe and Centane using municipality's own funding. In the year under review, the municipality installed 30 LED lights along Mthatha Street and King Street.

Challenges and Remedial Actions

The electrical infrastructure for street lighting, high mast lights and traffic signals requires constant maintenance and refurbishment. Internal mechanisms are used for the maintenance of the electrical infrastructure.

3.1.3 Human settlements

Provision of housing units is the responsibility of the Department of Human Settlements, however, the municipality has a critical role in providing land for housing, social facilitation and beneficiary administration in terms of Act No. 108 of 1996 Section 26 (1) (2) of the Constitution of the Republic of South Africa and in terms Housing Act No. 107 of 1997 Part 4 which relates to functions of Municipalities.

In the year under review the municipality did not capture new applications on the Housing needs register, however 798 applications were received for temporal shelter and 89 for destitute families.

3.1.4 Transport Facilities

The Municipality does not own Public Transport like buses or any other mode of public transport. There are existing Municipal By-Laws that regulate Public transport system. As part of enforcing Municipal By-Laws, a vehicle pound has been constructed and the institution has beefed up personnel in the Traffic Services and as result, a zero tolerance approach has been adopted against offenders. Consequently there has been an improvement for the public safety and motoring in general.

3.1.5 Building Regulations

The Municipality is performing building control functions in terms of the National Building Regulations and Building Standards Act 103 of 1977 as amended. In the year under review twenty-eight (28) building plans were submitted for approval and twenty-two (22) were approved, fifteen (15) notices for illegal structures & encroachment and three (3) occupancy certificates were issued. The municipality maintained municipal buildings in line with the building maintenance policy.

3.1.6 Water and Sanitation

Water and sanitation is the responsibility of Amathole District Municipality. Mquma Local Municipality is neither a Water Services Authority nor a Water Services Provider. The table below depicts status of each project planned by the District in 2021/2022 financial year utilizing MIG/MWIG funding:-

Project Name	2020/21 FY	Expenditure	Progress / Comments
Zizamele Sewerage Reticulation Phase 2	R 20 000	R 0.00	Waiting for the appointment of a Contractor from Term-Tender for Zizamele Waterborne Sewer.
Centane Phase 4 Water Supply	R 250 000	R 0.00	To appoint a Contractor from term-tender for Ward 28 (Khantolo-koMkhulu /Phesheya/ koMthanina/Nqorho/Gugwini /Mpolweni) & Ward 30 (Machelesini, Ngede-Nyuturha, Pandera/Makeleni/Zizana & Nxokwana-Mpentes/Mbalashe/Mahlababomvu/Amawala) villages.
Bawa Falls Water Supply	R 20 000	R 0.00	Challenge with availability of water sources. To do more investigation for water source supply for Ward 10 Villages.
Cafutweni Water Supply Scheme (Revised Scope)	R 20 000	R 0.00	To appoint a Contractor from Term-tender for Ward 22 (Lower Qhorha, Qhorha, Gqukiseni & Mambala) Villages.
Mquma Region 1A Sanitation Project	R 14 701 599	R 7 531 848.96	12 Contractors currently working in Ward 7, 9 & 22 Villages.
Mquma Region 3 Sanitation Project	R 1 158 479	R 933 349.48	Contractors completed in Ward 16 & 18 for additional household.
Ngqamakhwe Ward 17&19 Sanitation Project	R 1 369 887	R 156 845.98	Poor performance by Contractor completing Ward 17 & 19 outstanding households.
Ibika–Centani Water Supply Phase 3	R 8 726 973	R.3 969 343.38	Current contract in Mphashe Ward 11 (Manyontolweni & Nkonkwane) and Ward 23 (Qolweni & Hopane) villages – Former

Project Name	2020/21 FY	Expenditure	Progress / Comments
			Mnquma Ward 25 Villages to be completed by March 2021.
Gcuwa West Regional Water Supply	R 4 959 164	R 3 333 289.87	Completing the current contract in Ward 8 (Mngqingweni - complete, Zazulwana-B & Lalini/Mgagasi), Ward 18 (eMantonzeleni & Mantunzeleni) and Ward 20 (Mpetha & Lusuthu). To be completed in March 2021.
Nxaxo & Cebe Water Supply Scheme Phase 2	R 8 757 935	R 3 918 270.72	Completing the current contract in Ward 26 & 27 Villages (Mcothama / Esibhaxeni / Mbuwana / Ngqokweni / Malonye / Gaxa/Mandlutsha, Nxaxo / Eluqolo / Godidi, Zingcuka / Klemeni / Gwelani / Bhakaneni). To be completed in May 2021.
Ngqamakwe Regional Water Supply Phase (1 - 4)	R 19 352 860	R 11 726 724.34	Completing Phase 2 contract in Ward 13 (Mtabeni/eMaphiko, California/eMadopholweni, Sokapasi, kwaMpundu) and Ward 14 (Qebeyi, Nqakeni, kwaZazela, eNqileni, Mgobozweni, Nofikile, (Magodla, eGxakhulu) villages. To be completed in March 2021; and also Phase 3 Contract 3 in Ward 18 (eZiflathini & Ntibane), Contractor currently under performing.
Mnquma Area Wide Sanitation Mnquma Region 2 Sanitation	R 5 104 144	R 3 577 519.37	3 Contractors currently working in Ward 23.
Mnquma Region 2B Sanitation Project	R 11 520 514	R 8 467 264.30	6 Contractors currently working in Ward 8 and 12.
Centane Sanitation Project: Budget Maintenance	R 1 702 064	R 1 188 015.61	Completed in Ward 26 and busy with back lock verification in Ward 27, 28, 29, 30 and 31 to apply for Phase 2 additional budget.
Qolora by the Sea Water Scheme Upgrade	R 1 200 037	R 0.00	Upgrading of Qolorha Water Supply Scheme. Project complete and handed over on Wednesday 11 th November 2020.
Repairs and Refurbishment of Water Infrastructure: Mnquma	R 9 537 289	R 0.00	PSP and Contractor appointed and waiting for the transfer MIG Tranche.
Ngqamakwe RWS Phase 5 Bulk Pipeline	R 50 000 000	R 5 567 466.56	ADM appointed DWS Construction Unit to implement Stage 1 of the bulk pipeline (from Tsomo WTW's to Ngqamakwe). Construction is expected to start in February 2021 as we are waiting for insurance cover.
Crouch's Bush Water Supply	R 1 500 000	R 0.00	To appoint Consultant and Contractor from Term-tender to bring the whole scheme to RDP Standard.
RHIG – Ward 11 & 14	R 2 000 000	R 615 880.27	1 Contractor currently working in Ward 11, Zingqandana & Maqwathini villages.
Refurbishment of Butterworth WWTW	R 6 600 000	R4 969 689,05	Construction progress at 99%.

Project Name	2020/21 FY	Expenditure	Progress / Comments
Construction of Butterworth WTW Backwash Recovery System	R10 000 000	R5 580 927,70	Construction progress at 70%.
Augmentation of Butterworth Water Supply from Teko-kona boreholes to Ibika Reservoirs	R4 500 000	R907 117,74	Project completion.99%
Water Loss Reduction Programme: Mnquma	R 2 500 000	R1 140 862,53	Bulk Meter assessments ongoing; Billing analysis in progress; Revenue enhancement in progress; 5 x Reservoirs repairs in Mnquma 100% complete.

- ADM is currently finalising the Teko Kona / Ibika drought augmentation project, which is expected to be completed by end August 2021;
- Re-equipping of high yield boreholes at Golf Course in Butterworth – after they were stolen
- Amatola Water have been assisting ADM with the refurbishment of pipelines and pump stations in Butterworth, Mission borehole and pipe line.

3.1.7 Solid Waste and Environmental Services

3.1.7.1 Solid Waste

The provision of solid waste management function is the competence of the local municipality. The municipality developed and adopted an Integrated Waste Management Plan and Waste Management by-law.

In the year under review, internal and external mechanisms have been utilised for the provision of waste management services.

3.1.7.1.1 Refuse collection

This service is generally provided to the three urban and peri –urban areas including informal settlements, namely Butterworth, Centane and Ngqamakwe. To manage waste, the municipality provides the following waste management services.

- Street Cleaning Programme with special focus on maintenance of general cleanliness.

The Municipality engaged five (5) community based solid waste co-operatives to assist with cleaning in Butterworth, the following areas are covered; Centane CBD, Ngqamakwe CBD; Extension 24, Extension 15, Extension 14, Vuli Valley, Mcubakazi, Cuba, Cuba Flats, 282 Housing, Zizamele, Reservoir Hill, Couloured-Zithulele, New Rest, Msobomvu Township, Msobomvu Flats, Extension 7,

Extension 9, Zithulele Industrial Area, Eugene, Siyanda, Sikiti, Ibika Township, Butterworth CBD, Extension 2 and Extension 6.

3.1.7.1.2 Waste Collection and transportation

The municipality utilises 2 medium trucks, 3 compactor truck, and 1 LDV truck to collect and transport waste to the Eastern Regional Waste site.

3.1.7.1.3 Dumping and disposal

Waste disposal is a shared service between Amathole District Municipality and Mquma Local Municipality and the former bears a legal license. Waste disposal is done at Eastern Regional Waste Site. Maintenance is done by Municipality as ADM lacks financial resources to procure maintenance equipment.

Recycling Services

Recycling is done at the Regional Waste site by a private partner. There are two more Private Recyclers that carry out recycling in Butterworth CBD. Material being recycled are card boxes, tins and plastic.

Challenges and remedial actions

CHALLENGE	REMEDIAL ACTION
Illegal Dumping	Hiring of TLB, Dozer and Tipper Truck for clearing illegal dumping
Unavailability of Waste Transfer Station	OTP is assisting the Municipality in developing a Waste Site in Ngqamakwe. Consultants have been hired. The project is part of Ngqamakwe Revitalisation Programme.

3.1.7.2 Environmental Services

The municipality developed and adopted an Integrated Environmental Management Plan and Climate Change Adaptation Framework. Programmes implemented within the Environmental Management are in line with the above strategic plans.

The municipality embarked on two (2) environmental education and awareness campaigns. Abor Day was done in Ngqamakwe wherein eighteen (18) trees were planted. Environmental Day was done in Centane. The target groups were school pupils.

Coastal Maintenance

Application for Coastal maintenance was done to the Department of Environmental Affairs for coast cleaning, sand dunes rehabilitation, installation of signage, maintenance of existing structures and construction of ablution facilities however the service provider did not commence with the project in the financial year under review hence the target on coastal maintenance was not achieved as at year end. Every Thursday waste is collected from Coastal areas.

3.1.7.2.2 Pollution Control

In the year under review, Pollution Control was done as a shared service between Amathole District Municipality and Mquma Local Municipality through abatement of illegal dumpings and nuisances.

3.1.7.2.3 Bio-diversity; Landscape (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

The diverse biodiversity of Mquma municipality offers a number of opportunities and ecosystems services including the following:

- Grasslands provide opportunities for livestock farming (grazing fodder)
- Forests – Provide opportunities for commercial and communal forestry
- Forests also provide opportunities for Carbon sequestration.
- Thicket and forests provide harvestable resources for agriculture (food and fodder), herbs for traditional medicine and cultural value.

This function is mainly carried out by Provincial Department of Environmental Affairs in terms of protection and environmental law enforcement.

3.1.7.2.4 Health

Within the municipal area there two hospitals, one Health Centre and forty three clinics. There are also a number of centres identified for mobile clinics. All health programmes are rendered in the above mentioned facilities.

3.1.7.2.5 Ambulance Services

The Municipality does not render ambulance services. The Ambulance services are rendered by the Provincial Department of Health. In Mquma area of jurisdiction the Ambulances services are stationed in Butterworth Hospital.

3.1.7.2.6 Health inspection; food, abattoir licensing and inspection

Mnquma Local Municipality adopted Trading By-Law and Liquor trading hours By-Law. The By-Laws regulate licensing and operations of retail shops, informal traders and liquor outlets. Enforcement of the by-laws was undertaken in the year under review.

Health inspection services is a shared function between the District Municipality and Mnquma Local Municipality. Health inspections are carried out on regular basis by the Amathole District Municipality.

Abattoir is under construction.

3.1.7 Traffic Services

Traffic Management service is a shared function between the Department of Transport and the Municipality. The Department of Transport (Registering Authority Unit) rendered the following services:

- Registration and Licensing of Motor Vehicles
- Examination of Learners Licence, PRDP's and Renewals of Driving Licences

A total amount of R3 198 008.62 was collected in the year under review from the following services:

- Traffic fines
- Examination of Learners Licence, PRDP's and Renewals of Driving Licences
- Registration and Licensing of Motor Vehicles

The following services have been rendered by the municipality in the year under review:

- Traffic Awareness and Education = 4 conducted
- Traffic Operations = 12 conducted
- Issuing of Learners Licenses = 897 issued
- Renewal of Driver's Licenses = 2142 renewed
- Issuing of Professional Driving Permit = 723

3.1.7.2 Implementation of Law Enforcement Programmes

In the year under review, four (4) Law Enforcement Programmes (Liquor Trading Compliance Monitoring Programme, Illegal Trading Control Programme, Stray Animal Control Programme, Public Indecency and Nuisance Control Programme) were implemented.

3.1.8 Security Services

Programmes implemented in the year under review were regulated by Security Procedure Manual. The following programmes were therefore implemented:

- Regulation of access control in all municipal premises which included:
 - Visitors Control
 - Vehicle Control
 - Routine Patrol
- Mquma Local Municipality has a Community Safety Forum which is composed of relevant departments, Disaster Mangement Forum at district level and the Security Cluster which is championed by South African Police Services.

3.1.9 Public Amenities

Community services are provided to three units, namely Butterworth, Centane and Ngqamakhwe. The Library in Butterworth is a shared service between the municipality and the Department of Sport Recreation, Arts and Culture. In the year under review, Council approved the reviewed Public Amenities Maintenance and Management Plan to serve as a guide in the maintenance and management of the Public Amenities.

Community facilities are composed of 14 Community Halls; 5 Parks; 7 Sports fields; 2 Gardens, 5 Cemeteries and 4 Public Toilets.

SERVICE STATISTICS FOR PUBLIC AMENITIES

NAME OF FACILITY	NO	STATUS
Parks	5	Maintained
Sport fields	7	Maintained
Community halls	14	Maintained
Cemeteries	5	2 reached capacity but maintained on regular basis 3 operational and maintained regularly
Public Toilets	4	Maintained
Gardens	2	Maintained
TOTAL	37	

In the year under review, the municipality has not completed construction of Rhwantsana Outdoor Sport Facility, as at year end the project was at 75%.

3.1.9.2 Cemeteries

The municipality developed a by-law regulating functioning of cemeteries. The Municipality has five official Cemeteries; three in Butterworth, one in Ngqamakwe and one in Centane. Two of these Cemeteries in Butterworth are full to capacity and are not usable but are maintained on regular basis. The Cemeteries were maintained according to Public Amenities Management & Maintenance Plan and procedure manual.

3.1.10 Free Basic Services and Indigent Support

In the year under review, the municipality has reviewed the Indigent Policy and Indigent Register. The Equitable Share has been utilized during the year under review to subsidize indigent beneficiaries. Eskom provides 50KW free electricity.

In terms of the policy a household whose monthly income is less than two state grants qualify to be an indigent. During the financial year 5908 households benefited for Free Basic Electricity and 243 benefitted from rates and refuse. A total of R5 635 865 was spent towards subsidizing indigent households with free basic electricity. 1500 households have benefitted from home Solar system during the year under review. Due to Covid 19, the Municipality opted to distribute the forms to the Ward Councilors in order for Ward committees to continue with the registration. The indigent register for 2021/2022 has been updated with 15993 beneficiaries and this will be submitted to Eskom in order for them to update their system. Beneficiaries on the indigent register will receive FBE commencing in July 2021.

The indigent policy further provides exit strategy from being indigent to an economic viable household, however there is still a challenge in realizing implementation of exit Strategy hence the increase of indigent households on annual basis.

3.2 LOCAL ECONOMIC DEVELOPMENT

The municipality adopted a Local Economic Development Strategy and the strategy identifies the following key economic drivers:

- Agriculture
- Tourism
- SMME/Co-operatives
- Investment Promotion

In 2020/2021 the municipality has created 1550 job opportunities under the following programmes:

PROGRAMME	NO. OF JOBS CREATED
Expanded Public Works	297
Community Works Programme	1160
Solid Waste Co-operatives	121
Road Rangers	19

3.2.1 Sustainable Rural Development

The role of the municipality is to be a strategic intervener by fostering partnership between intended beneficiaries and potential funders. It is also to facilitate support during implementation of projects. In the year under review the following programmes were undertaken by the municipality

- Capacity building to 8 emerging farmers on Crop Production and Livestock improvement
- Provision of animal medication to 6 emerging farmers
- Procurement of Shearing Shed Material for 6 emerging farmers
- Procurement of two tractors

3.2.2 Tourism, Hospitality and Heritage

Four tourism programmes were implemented in the year under review to market Mquma as preferred tourism destination. One Heritage Site (King Phalo grave) was maintained and upgraded in the year under review.

3.2.2.1 Tourism Destinations and Products

The municipality committed to support coastal development initiative (Qolora area) as tourism destination, thus a Social Facilitation Plan was developed to achieve the following:

- To mobilise communities to explore opportunities around developments in their coastal space in order to support and maximise participation in the project.
- To champion the establishment of community based institutions to support development programmes
- To empower community members to actively participate and take ownership of their development.
- To create enabling environment for effective implementation of development initiatives or projects at local level
- To facilitate networking, partnership establishment in order to maximise the impact of the programme
- To engage the affected communities in a social dialogue that will ensure everybody's participation.

As part of implementation of the Social Facilitation Plan, training on business management was conducted to the Qolora community.

3.2.3 SMME and Cooperative Development

In the year under review, the municipality implemented 2 SMME's/Co-operatives programme:

- Procurement of inputs for two SMME/Co-operatives
- Operational plan for CDC has been developed

3.2.4 Investment Promotions

In the year under review, implementation of the following High Impact Projects was co-ordinated:

- Industrial Park revitalisation
- Formulation of Project Implementation Plans for 6 high impact projects
- Development of Business Plans for 3 High impact projects
- Development of Building plans for 1 High impact project

3.2.5 SPECIAL PROGRAMMES

The municipality's Special Programs Unit is responsible for co-ordination and support of the following:

- Youth;
- Women
- Disabled;
- HIV and Aids;
- Elderly and
- Children

In the year under review, Council adopted the following reviewed policies and strategy to serve as a guide for Special Programmes Unit:

- Children's Policy
- Women's Policy
- HIV/AIDS Policy
- Disability Policy
- Elders Policy
- Youth Sector Plan

The following programmes were implemented for designated groups in the financial year under reviews:

- Women's Month Programme through provision of social relief to women-headed households
- Establishment and Induction of Women's Forum
- Provision of an irrigation system to Masiphathisane Nyuza women cooperative towards an agricultural project.
- Awareness Campaign on 16 Days of Activism

- Children's Month Awareness Campaign and Donation of various inputs to Child-headed households.
- Establishment & Induction of Youth Forum
- Build-ups programmes towards World Aids Day
- Awareness campaigns to HIV/AIDS at King Hintsa TVET College
- Candlelight Memorial ceremony held at Walter Sisulu University
- Provision of First Aid Kits to NGO's
- Golden games for the Elderly
- Distribution of Food parcels to Bed-ridden Senior Citizens
- Establishment of Elderly Forum
- Awareness Campaign and Donation of various inputs to Child-headed households.
- Disability Month was celebrated through provision of educational material to Lingomso special school for the disabled children.
- Provision of fencing material to support Tiyeka Disability cooperatives towards their agricultural project.
- Establishment of Disability Forum
- Provision of inputs to support Avumile Amankomo youth initiative towards a poultry project
- Establishment & Induction of a Youth Forum

The municipality partnered with sector departments; non-governmental organisations; to implement programs targeted to the previously disadvantaged groups.

3.2.6 Planning and Development

This section deals with land use management which is regulated by Spatial Development Framework and SPLUM by-law.

3.2.6.1 Planning Division

In the year under review, the municipality processed Fourteen (14) land use applications which are as follows:

- 10 Applications for permanent Departure and Building line relaxation in terms of the Spatial Planning and Land Use Management Act 16 of 2003.
- 1 Departure over a portion of remainder Farm 33 in Butterworth
- 1 Town planning motivation Report for the subdivision & Rezoning of ERF 4934, Butterworth.
- 1 Application for Council Special consent and removal of restrictive conditions to allow the construction of a 35M Telecommunication Mast and Base Station on ERF 737 in Butterworth.
- 1 Proposed rezoning of ERF 9363

Challenges and remedial actions

CHALLENGE	REMEDIAL ACTION
Unresolved commonage land claims in Ngqamakhwe and Centane	Engagement with the Regional Land Claims Commission of the Department of Rural Development and Land Reform
Invasion of municipal commonage land abutting communal (rural) land	Intensify the legal processes to obtain court orders against the land invaders

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year	Year	Year	Year	Year	Year
	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021
Planning application received	2	2	4	5	3	08
Determination made in year of receipt	2	2	4	4	3	07
Determination made in following year	0	0	0	1	0	01
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0

The development and use of land within the area of jurisdiction of Mquma Municipality is regulated by the Spatial Planning and Land Use Management Act No. 16 of 2013 (SPLUMA) as well as the gazetted SPLUM By-law that was adopted by the Council.

COMPONENT B: CORPORATE POLICY, OFFICES AND OTHER SERVICES

3.3 EXECUTIVE AND COUNCIL

Mquma Local Municipality is a category B Municipality with an executive mayoral type and ward participatory system. There is a full-time Executive Mayor with the powers outlined in the Local Government: Municipal Structures Act No. 117 of 1998 as amended and those delegated by Council from time to time in accordance with Section 59 of the Local Government Municipal Systems Act No. 32 of 2000. Composition of Executive Political Office Bearers

Initials and Surname	Position	Status (Full time / Part time)
S Ncetezo	Executive Mayor	Full time
T Bikitsha	Council Speaker	Full Time
Z Gade	Chief Whip	Full Time

3.3.1 Executive Mayor's Office

The Executive Mayor performs the functions as outlined in Section 56 of the Local Government Municipal Structures Act No. 117 of 1998 which includes but not limited to the following:

- Identify the needs of the community
- Review and evaluate those needs in order of priority
- Recommend to the municipal council strategies, programmes and serves to address priority needs through the integrated development plan

3.3.2 The office of the Speaker

Over and above the functions enshrined in the Municipal Structures Act, the Speaker is also responsible for the following:

- Public Participation
- Councillors Welfare and Participation of Traditional Leaders in Council.

3.3.3 The office of the Chief Whip

This office is responsible for managing participation of all political parties in Council. Meetings of Troika plus one (Executive Mayor, Speaker, Chief Whip and Municipal Manager) were held in the financial year under review to discuss and process matters relating to political management of the institution.

3.4 FINANCIAL SERVICES

Budget and Treasury Directorate within the municipality performs financial services. The following are the key performance areas for budget and treasury:

- Revenue Management;
- Budget Planning and Financial Reporting
- Supply Chain Management;
- Expenditure and Payroll Management; and
- Assets, Logistics and Fleet Management;

3.4.1 Revenue Management

During the year under review, the following policies were developed, reviewed and adopted by Council:

- Property rates policy
- Indigent policy
- Credit control and debt management policy
- 2020/2021 Tariff Structure

The municipality has billed a total of R 113 071 163 for rates, refuse and rentals

3.4.1.1 Challenges and remedial action

The municipality has not realised 100% collection of own revenue due to the following:

- Non-payment of R219 420 468,12 debt owed by the following:
 - Government Departments R7 844 199,01
 - Businesses R27 513 094,44
 - Households R181 947 498,99
 - Farms R2 115 675,68

Debt Recovery					
Details of the types of account raised and recovered	Year:2019/2020		Billed in Year	Year: 2020/2021	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %		Actual for accounts billed in year	Proportion of accounts value billed that were collected %
Property Rates	64 350 000	32%	54 627 000	61 045 000	112%
Refuse	5 709 000	37%	5 300 000	5 105 000	96%
Rental	4 102 000	30%	3 725 000	4 329 000	116%

3.4.2 Budget Planning and Financial Reporting

In line with the legislative mandate 2020/2023 Medium Term Revenue Expenditure Framework was adopted by Council with Budget related policies. Section 71, 52(d) and section 72 reports were submitted to Treasury and all committees of Council and adopted by Council.

3.4.3 Supply Chain Management

During the year under review, Council reviewed and adopted the Supply Chain Management Policy.

The municipality has established and trained members of the following bid committees:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

In line with SCM procedure manual, procurement plans by all directorates were developed and adherence was monitored.

3.4.4 Expenditure and Payroll Management

The unit is responsible for:

- salaries and wages;
- contributions for pensions and medical aid;
- travel, motor car, accommodation, subsistence and other allowances;
- housing benefits and allowances;
- overtime payments;
- any other type of benefit or allowance related to staff; and
- payment of creditors.

In the year under review expenditure reports were submitted to all committees of council and Council for adoption.

3.4.5 Assets, Logistics and Fleet Management

Council adopted the reviewed Asset Management and Fleet Management Policies in in May 2020. Assets and Logistics procedures were also implemented in the year under review.

3.5 HUMAN RESOURCE SERVICES

Human Resources is the Division within Corporate Services Directorate responsible for:

- Organisational Design, Recruitment and Selection

This function deals with analysis and identification of functions to be executed by employees (JDs) and Development and maintenance of the Organogram. The section drafts an Organisational Structure for adoption by Council and Recruitment, Selection and Appointment processes follow.

- Labour Relations Function

The section is responsible to:

- Promote sound labour relations in the work place.
- Supports communication structures with the employee component (LLF)
- Implement and monitor collective agreements
- Maintain Code of conduct

- **Training and Development**

Responsible for:

- Development and implementation of Workplace Skills Plan
- Career Pathing

In the year under review the municipality implemented the annual training plan through conducting trainings for municipal officials, Councillors and Traditional Leaders.

- **Individual Performance Management**

Responsible for:

- Cascading of PMS to the levels below Section 56 Managers

- **Occupational Health and Safety**

Responsible for:

- Identify hazards in the workplace
- Eliminate identified hazards
- Ensure provision of protection clothing where hazards are not eliminated
- Establishment of OHS Committee
- Facilitate appointment of Safety Representatives
- Liaise with Dept. of Labour for Compensation and reporting on injuries on duty

- **Employee Wellness**
 - Promote healthy living and life style,
 - Emotional healing and Referrals

- **Employment Equity**
 - Implement affirmative action measures
 - To redress past imbalances
 - Elimination of unfair discrimination in the workplace

3.6 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The municipality's Information and Communication Technology Division deals with the following functions:

Provision of ICT support through:

- Monitoring and maintenance of network health
- Acquisition of Hardware and Software
- Information Backup
- Disaster Recovery (server rooms)
- Protection of information loss (anti-virus and server room)
- Monitoring and support functioning of other municipal systems

In the year under review the municipality reviewed and adopted ICT policies including ICT Governance Framework. The ICT Governance Framework regulates ICT governance processes and ICT management processes which includes but not limited to the following:

- ICT Risk governance
- ICT performance measurements
- ICT value delivery
- Operations and support.

3.7 LEGAL SERVICES

Legal Services Unit is responsible for the following:

- Preparation of legal briefs to attorneys
- Advise the municipality on litigations
- Provide quality assurance on institutional legal compliance.

In the year under review the municipality was involved in a total number of 35 litigations including others flowing from other previous financial years as follows:

Reported cases	: Thirty-Five (35)
Dismissed and Settled Cases	: Five (13)
Pending cases	: Twenty-two (22)

3.8 MISCELLANEOUS

The municipality does not have any Airports and Abattoirs. Forestry is covered under Local Economic Development.

3.9 ORGANISATIONAL PERFORMANCE SCORECARD

- **Performance regulatory framework and tools**
 - Council adopted reviewed Performance Management Framework in the year under review.
 - In the year under review the Municipality developed the Strategic Scorecard and Service Delivery and Budget Implementation Plan for 2021/2022 financial year.
- **Performance monitoring and reporting**
 - Performance is monitored through implementation of the Service Delivery and Budget Implementation Plan which is an annual operational plan for all Directorates.
 - The Section 54A and 56 Managers signed Performance Agreements and were submitted to the Department of Co-operative Governance and Traditional Affairs and were also posted in the Municipality's website.
 - The second layer in the organisational hierarchy signed performance accountability agreements and the last layer entered into performance promises.
 - Performance is reported on monthly basis in order to detect early warning signals for under performance.

Below is the performance of the municipality against the Service Delivery and Budget Implementation Plan of 2020/2021 financial year.

CHAPTER 4: ORGANISATIONAL PERFORMANCE SCORECARD (2020/2021 ANNUAL PERFORMANCE REPORT)

INFRASTRUCTURAL DEVELOPMENT

Priority Area	IDP Objective 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	Annual Target 2019/2020	Achieved/Not Achieved	Actual Performance	
Road Construction	To construct 300 km of municipal access roads in line with three year capital plan for improved accessibility of road infrastructure by June 2022.	Review three year capital plan	Three year capital plan	Percentage progress towards construction of Qolora access road by June 2021	4 080 000,00	Construct 100 % of Qolora Access Road (6,2 kms) by June 2021	Achieved	6,2	The project is 100% complete and is on defect liability period	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate	-	-	-	
		Construct access roads		Percentage progress towards rehabilitation of Xhobani gravel access road by June 2021	R 5 154 284	Rehabilitate 100 % of Xhobani gravel access Road (9,32 kms) by June 2021	Achieved	9,32	The project is 100% complete and is on defect liability period	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate	-	-	-	
				Percentage progress towards construction of Kwanqayi-skolweni to Lajini access road by June 2021	R 6 684 480	Construct 100 % of Kwanqayi-skolweni to Lajini Access Road (10,2 kms) by June 2021	Achieved	10,2	The project is 100% complete and is on defect liability period	N/A	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate	-	-	-
				Percentage progress towards construction of Mphakathi access road by June 2021	9 700 000,00	Construct 100 % of Mphakathi Access Road (17,302 kms) by June 2021	Achieved	17,302	The project is 100% complete and is on defect liability period	N/A	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate	-	-	-
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																

Priority Area	IDP Objective 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
				Percentage progress towards construction of Machelesini access road by June 2021	R 4 774 311	Construct 100 % of Machelesini (7 kms) Access Road by June 2021	Achieved	7	The project is 100% complete and is on defect liability period	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate			
				Percentage progress towards construction of Mincunuzo access road by June 2021	R 2 374 745	Construct 100 % of Mincunuzo (5 kms) Access Road by June 2021	Achieved	5,004	The project is 100% complete and is on defect liability period	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate			
				EIA/EEMP application for construction of Emalongweni to Siphahleni access road submitted to DEDEA by June 2021	R	Submit EIA/EEMP application to DEDEA for Construction of Emalongweni to Siphahleni Access Road (7 kms) by June 2021	Achieved	1	EIA/EEMP application for Construction of Emalongweni to Siphahleni Access Road (7 kms) was submitted to DEDEA. The project forms part of MIG additional funding that was gazetted in April and thus 42.77% has been constructed	N/A	N/A	(1) Proof of submission to DEDEA (2) EIA/EEMP application			

Priority Area	IDP Objective 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	Annual Target 2019/2020	Achieved/Not Achieved	Actual Performance
				EIA/EMP application for construction of Gcina(Esingeni) access road submitted to DEDEA by June 2021	R 11 710	Submit EIA/EMP application to DEDEA for Construction of Gcina (Esingeni) Access Road (8.3 kms) by June 2021	Achieved	1	EIA/EMP application for Construction of Gcina (Esingeni) Access Road (8.3 kms) was submitted to DEDEA	N/A	N/A	(1) Proof of submission to DEDEA (2) EIA/EMP application			
		Construction of municipal surface roads		Percentage progress towards rehabilitation of Extension 7 Ring Road by June 2021	R 11 259	Rehabilitate 100% of Extension 7 Ring Road (5 kms) by June 2021	Achieved	5	The project is 100% complete and is on defect liability period	N/A	N/A	(1) Appointment of contractor (2) COGTA approval (3) Progress Report (4) Completion Certificate			
				Percentage progress towards paving of King Street and Blyth Street Offices parking's by June 2021	R 1 500 000	Pave 100% of King Street and Blyth Street Offices parking's (1200 m ²) by June 2021	Achieved	1200 m ²	The project is 100% complete and is on defect liability period	N/A	N/A	(1) Appointment of contractor (2) Progress Report (3) Completion Certificate			
				Percentage progress towards Tar surface repairs and Asphalt overlay at King Street & Blyth Street intersections by June 2021	R 15 391 812	Repair 100% Tar surface and Asphalt overlay at King Street & Blyth Street intersections (8000m ²) by June 2021	Achieved	8000m ²	The project is 100% complete and is on defect liability period	N/A	N/A	(1) Appointment of contractor (2) Progress Report (3) Completion Certificate			
				Percentage progress towards refurbishment of Merimen Street, Scanien Street and High street by June 2021		Refurbish 100% of Merimen Street, Scanien Street and High street (8880m ²) by June 2021	Achieved	8880m ²	The project is 100% complete and is on defect liability period	N/A	N/A	(1) Appointment of contractor (2) Progress Report (3) Completion Certificate			

Priority Area	IDP Objective 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance	
Electrification (Grid Electrification)	To provide grid electrification through connection of 1000 households by June 2022	Develop business plans for submission	Business Plan for 2019/2020 MIG Funding developed	Percentage progress towards Tar surface repairs & Asphalt overlay at Buttenworth CBD by June 2021	R 1 000 000	Repair 100% Tar surface & Asphalt overlay at Buttenworth CBD (14000m ²) by June 2021	Achieved	14000m ²	The project is 100% complete. It is on defect liability period. The actual work done was certified on 30 June 2021, thus the rollover project amount including first half retention will be paid in July 2021.	N/A	N/A	(1) Appointment letter of contractor (2) Progress Report (3) Completion Certificate	2019/2020 Annual Target	Achieved	-	
				Number of Catchp covers reinstated in Buttenworth CBD and Centane CBD by 2021		100	Reinstated 100 Catchp covers in Buttenworth CBD and Centane CBD by 2021	Achieved	100	The project is 100% complete and is on defect liability period	N/A	N/A	(1) Appointment letter of contractor (2) Progress Report (3) Completion Certificate	2019/2020 Annual Target	Achieved	-
				Number of Business Plan developed and submitted for 2021/2022 MIG Funding by June 2021		9	Develop and submit 9 business plan for MIG for 2021/2022 funding by June 2021	Achieved	9	9 business plan for MIG 2021/2022 funding were developed and submitted	N/A	N/A	(1) 9 Business Plans (2) Proof of submission	2019/2020 Annual Target	Achieved	10
Electrification (Grid Electrification)	To provide grid electrification through connection of 1000 households by June 2022	Draw electrification plan in partnership with ESKOM as at June 2019 Connection of households	49130 households electrified as at June 2019	Percentage progress towards connection of Mquma Electrification Programme (264 Households) by June 2021	9 270 000,00	Connect 100% of Mquma Electrification Programme (264 Households) by June 2021	Achieved	100%	100% of 264 Households were connected	N/A	N/A	(1) Appointment letter of contractor (2) Progress Report (3) Completion Certificate	2019/2020 Annual Target	Not Achieved	305	
				Number of Business Plans submitted for INEP 2021/2022 funding by June 2021	1	Submit one Business Plan for INEP 2021/2022 funding by June 2021	Achieved	1	One Business Plan for INEP 2021/2022 funding was submitted	N/A	N/A	(1) 2021/2022 Business Plan (2) Proof of Submission	2019/2020 Annual Target	Achieved	1	

Priority Area	IDP Objective 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	Annual Target 2019/2020	Achieved/Not Achieved	Actual Performance
Electrification (Operation and Maintenance)	To refurbish and maintain street, high masts and traffic lights in three towns for public lighting and community safety by June 2022	Inspection of existing street, high masts and traffic lights	Electrical Operations and Maintenance plan	Number of LED lights supplied and installed along Mitaia Street and King Street by June 2021	1 965 355	Supply and install 30 LED lights along Mitaia Street and King Street by June 2021	Achieved	30	The project is 100% complete. The project is on defect liability period and retention will be released during 2021/2022 financial year	N/A	N/A	(1) Appointment letter of contractor (2) Progress Report (3) Completion Certificate	-	-	-
				Percentage progress towards construction of Cuba Community Hall by June 2021	R 2 300 000	Construct 100% of Cuba Community Hall by June 2021	Not Achieved	50%	The poor performance by the contractor resulted to the first contract being terminated in March 2021, Re-advertised and the current contractor was appointed in May 2021.	The project rolled over to 2021/2022 financial and included anticipated to be complete by June 2022	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate	-	-	-	
Municipal facilities	To provide public amenities for recreation and community usability through construction of 5 Sport fields and 5 Community Halls, hawkker stalls and Drivers licensing testing centre by June 2022	Prepare planning documents for the construction of sport field, community halls and hawkker stalls	Three year capital plan	Percentage progress towards construction of Rhwantsana Outdoor Sport Facility by June 2021	R 5 700 000	Construct 100% of Rhwantsana Outdoor Sport Facility by June 2021	Not Achieved	75%	The overall progress is at 75% towards completion of Rhwantsana Outdoor Sport Facility	Bedrock, cashflow challenges experienced by the main contractor. COVID19 Pandemic.	The MLM intervened by approving cession agreement for the supply and delivery of materials i.e. bricks and cement	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate	-	-	-
				Percentage progress towards completion of Cerhu Sport field by June 2021	R 369 101	Complete 100% of Cerhu Sport field by June 2021	Achieved	100%	The project is 100% complete	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate	-	-	-
		Construction of sport fields		Percentage progress towards completion of Nomahaya Sport field by June 2021	R 317 753	Complete 100% of Nomahaya Sport field by June 2021	Achieved	100%	The project is 100% complete	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate	-	-	-

Priority Area	IDP Objective 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
				Percentage progress towards completion of BDLTC phase 2A (Fencing) by June 2021	R 633 458	Complete 100% of BDLTC phase 2A (Fencing) by June 2021	Achieved	100%	The project is 100% complete	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate			
				Percentage progress towards completion of Tanga Sport field by June 2021	R 1 077 271	Complete 100% of Tanga Sport field by June 2021	Achieved	100%	The project is 100% complete	N/A	N/A	(1) Appointment letter of contractor (2) CoGTA approval (3) Progress Report (4) Completion Certificate	Construct One sport field (Tanga sport field-ward 7) by June 2020	Not Achieved	0
				Percentage progress towards refurbishment of Bitterworth Town Hall by June 2021	R 2 250 000	Refurbish 100% of Bitterworth Town Hall by June 2021	Not Achieved	0	Consultant has been appointed, Specificatio n for the appointment of the Contractor and design report has been developed and submitted to BTO for advertisement.	Delays in appointment of the Contractor led to the delay in the overall implementation	The project has been rolled over for implementation in to 2021/2022 financial year	(1) Appointment letter of contractor (2) Progress Report (3) Completion Certificate			
KPA: LOCAL ECONOMIC DEVELOPMENT															
Municipal facilities	To provide public amenities for recreation and community usability through construction of 5 Sport fields and 5 Community Halls, Hawker Stalls and Drivers licensing testing centre by June 2022	Prepare designs report for installation of 2021/2022 financial year Hawker stalls	Nil	Percentage progress towards completion of designs for 2021/2022 Hawker stalls project by June 2021	260 000,00	Complete 100% of designs for 90 Hawker stalls project by June 2021	Achieved	100%	The design report has been completed, certified, recommend ed and approved by the Director of Infrastructure Development. The project is being advertised.	N/A	N/A	Designs reports for 90 Hawker Stalls	Install 80 Hawker stalls by June 2020	Not Achieved	75

Priority Area	IDP Objective 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	Annual Target 2019/2020	Achieved/Not Achieved	Actual Performance
KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT															
Municipal Administration (Council Support)	To provide administrative support for effective and efficient performance of council and its committees by June 2022	Develop Institutional Calendar on annual basis and ensure its implementation	4 Standing Committee Meetings sat in 2019/2020 financial year	Number of Standing Committee for Infrastructure Development Directorate co-ordinated by June 2021	Operating budget	Co-ordinate sitting of 4 Standing Committee meetings for Infrastructure Development Directorate by June 2021	Achieved	4	4 Standing Committee meetings for Infrastructure Development Directorate were co-ordinated	N/A	N/A	Agenda and Attendance register for Standing Committee Meetings	Monitor sitting of Council Committees for Infrastructural Development by June 2020	Achieved	4
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT															
Supply Chain Management	To review and implement SCM policy in line with the regulatory framework by June 2022	Co-ordinate development of municipal procurement plan, monitor implementation and report thereof		Percentage progress on implementation and monitoring of 2020/2021 procurement plan by June 2021	Operating budget	Monitor 100 percent implementation in 2020/2021 procurement plan by June 2021	Not Achieved	0	Implementation of the Procurement Plan was not fully monitored	There was a delay in appointment of a Service Provider for the renovations of Buttenworth Town Hall	To be finalised in the 2021/2022 financial year	Annual Report on Implementation of 2020/2021 Procurement Plan	Co-ordinate development, monitor implementation of Procurement plan and report thereof by June 2020	Achieved	1
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION															
Strategic Planning- IDP	To Co-ordinate annual review of Integrated Development Plan and development of 2022/2027 Integrated Development Plan to guide municipal planning by June 2022	Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually	2020/2021 Integrated Development Plan	Percentage progress towards review of 2021/2022 Integrated Development Plan by June 2021	Operating budget	Review 100% of 2021/2022 IDP by June 2021	Achieved	1	2021/2022 IDP was reviewed	N/A	N/A	(1) Council Resolution on approval of 2021/2022 IDP	Co-ordinate review of 2020/2021 Integrated Development Plan by June 2020	Achieved	1

Priority Area	IP Objective 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Performance Management (Individual)	To establish and implement PMS procedures through monitoring, review towards an increased accountability and performance improvement by June 2022	Review divisional scorecards and monitor implementation	2019/2020 Divisional Scorecards	Percentage progress on implementation of 2020/2021 Divisional scorecards monitored by June 2021	Operating budget	Monitor 100% implementation of Divisional scorecards by June 2021	Achieved	1	Performance of the Directorate was monitored	N/A	N/A	(1) 2020/2021 Original and Reviewed Divisional Scorecards (2) Agenda, register and minutes for Directorate meetings (3) Schedule for submission of AA's and PP's	Develop and Monitor implementation of 2019/2020 divisional scorecards by June 2020	Achieved	1
Policies	To co-ordinate policy development and policy review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2022	Review of policies	8 Policies reviewed in 2019/2020 financial year	Number of Infrastructural Policies reviewed and approved by June 2021	Operating budget	Coordinate review and approval of 8 Infrastructural Directorate Policies by June 2021	Achieved	8	8 Policies were reviewed and approved	N/A	N/A	Council Resolution on approved Infrastructural Development policies	Coordinate review and approval of 8 Infrastructural Development Directorate Policies by June 2020	Achieved	8
Risk Management	To co-ordinate risk assessment and advise on strategies to minimise risk impact by June 2022	Develop and implement the risk management implementation plan	2019/2020 Strategic and Operational Risk Registers	2019/2020 and 2020/2021 strategic and operational risk registers reviewed, monitored and evaluated by June 2021	Operating budget	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	1	Strategic and operational risk registers were reviewed, monitored, evaluated and implemented.	N/A	N/A	(1) Strategic and Operational Risk Registers (2) Annual Report on implementation of Strategic and Operational Risk Registers	Develop and implement 2019/2020 Strategic and Operational risk registers by June 2020	Achieved	1
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	2018/2019 Audit Action Plan	Unqualified Audit opinion achieved by June 2021	Operating budget	Achieve unqualified Audit opinion by June 2021	Achieved	1	Unqualified Audit Opinion was achieved for 2019/2020 financial year	N/A	N/A	2019/2020 Audit report	Implement 2017/2018 Audit Action Plan, Develop and Implement 2018/2019 Audit Action Plan by June 2020	Achieved	1

COMMUNITY SERVICES

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Traffic and Law enforcement	To enforce traffic and law enforcement programmes in order to reduce lawlessness by June 2022	Conduct public awareness campaigns	4 public awareness campaigns conducted	Number of public awareness campaigns on traffic safety conducted by June 2021	Operating Budget	Conduct 4 public traffic awareness campaigns on traffic safety by June 2021	Achieved	4	<p>1. On 25 September 2020 an awareness campaign on public transport regarding COVID 19 i.e. enforcement of wearing of masks, monitoring of social distances and sanitising at Fourteen Junction along R409.</p> <p>2. On 09 December 2020 Traffic awareness campaign on Traffic Safety was conducted at Ntabakazi Junction along N2 with special reference to Road Worthiness of Taxis.</p> <p>3. On the 18 March 2021, Traffic and Law Enforcement in conjunction with Buttenworth, SAPS, Department of Transport Butterworth Taxi Association conducted Awareness campaign regarding Covid 10 regulations i.e. Public Transport regulations at Salvage, along N2 road.</p> <p>4. On the 22 June 2021, Traffic and Law Enforcement in conjunction with Msobomvu SAPS, Department of Transport (Traffic Safety) Buttenworth Taxi Association conducted Awareness campaign regarding Public Transport regulations at Salvage, along N2 road.</p>	None	None	<p>1. Implementation</p> <p>2. Attendance register</p> <p>3. Report on 4 Public awareness campaign</p>	Conduct 4 public traffic awareness campaigns on traffic safety by June 2020	Achieved	6

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
		Conduct Traffic Operations	12 Traffic Operations conducted	Number of Traffic Operations conducted by June 2021	Operating Budget	Conduct 12 traffic operations by June 2021	Achieved	12	<p>Twelve traffic operations were conducted during the course of the year ending June 2021. The following occurred during the course of the year:</p> <ol style="list-style-type: none"> 1. Traffic Operation was conducted on the 10 July 2020 at Buterworth CBD and 5 vehicles were impounded. 2. Traffic Operations was conducted on the 28 August 2020 in Ntabakazi Junction and 8 vehicles were impounded. 3. Traffic operation was conducted in Ngqamakwe CBD on 28 September 2020 working jointly with SAPS and 19 vehicles were impounded 4. On 20 November 2020 at Mission Turn-off along N2 in Buterworth, 9 vehicles were impounded 5. On 25 November 2020 in Ngqamakwe CBD and 20 vehicles were impounded 6. On 27 November 2020 at Ntabakazi Junction along N2, 04 vehicles were impounded for contravention with Transport Regulations 7. On the 11 January 2021, Traffic and Law Enforcement Officers conducted an operation at Salvage along N2 road and 16 vehicles were impounded for contravention of Public 	None	None	(1) Operational Plans (2) Operations Report (3) Attendance Registers	Conduct 12 traffic operations by June 2020	Achieved	19

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
									<p>Transport Act</p> <p>8. On the 04 February 2021, Traffic and Law Enforcement Officers conducted an operation at Buttenworth CBD in conjunction with Buttenworth SAPS.</p> <p>9. On the 09 March 2021, Traffic and Law Enforcement Officers conducted an operation at Nqamakwe, R409 road in conjunction with Nqamakwe SAPS.</p> <p>10. On the 05 April 2021, Traffic and Law Enforcement Officers conducted an operation in Buttenworth and 14 vehicles were impounded for contravening Public Transport Act</p> <p>11. On the 17 May 2021, Traffic and Law Enforcement Officers conducted an operation in Centiane CBD and 12 vehicles were impounded for contravening Public Transport Act</p> <p>12. On the 04 June 2021, Traffic and Law Enforcement Officers conducted an operation at Nqamakwe CBD and 11 vehicles were impounded</p> <p>Four implementation plans were developed, one in each quarter.</p>						

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
		Enforce Municipal Bylaws	Municipal by-laws	Number of Law enforcement programmes implemented by June 2021	2 712 033	Implement 4 Law enforcement programmes(Liquor trading compliance monitoring programme, Illegal Trading control programme, Stray animals control programme, Public indecency and nuisance control) by June 2021	Achieved	4	1. Liquor trading compliance monitoring programme was done through operations conducted in CBD areas working jointly with SAPS and Liquor Board 2. Illegal Trading control programme was done during the course of the year working jointly with LEDP and EHP's from ADM to monitor illegal trading in all shops checking trading, licences and expired food stuff. Those found without licence were issued with fines. 3. Stray animals control programme - Peace Officers and two EPWP workers monitor and control stray animals that enter the CBD. 4. Public indecency and nuisance control was done through routine patrols.	None	None	(1) Annual Report on Implementation of 4 Law enforcement programmes (2) Exhibit Register (3) SAP 13			
Security and protection services	To provide security systems for safeguarding and control of 9 municipal offices by June 2022	Implement security management policy	Nil	Security Plan developed and implemented by June 2021	390 000	Develop and implement Security Plan by June 2021	Achieved	1	The Security Plan was reviewed and implemented. Nine Municipal Premises were guarded in Centane, Ngqamakwe and Butterworth. Physical Security personnel were posted provided with Security Equipment. Access Control was done through control of visitors and vehicles entering the Municipal Premises. Sanitising and temperature taking was done during the course of the year.	None	None	(1) Security Plan (2) Annual Report on Implementation of Security Plan			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	Annual Target 2019/2020	Achieved/Not Achieved	Actual Performance
	To promote community safety for minimizing lawlessness in communities by June 2022	Conduct Community Safety Programmes	4 Community Safety programmes conducted in 2019/2020 financial year	Number of community safety programmes conducted by June 2021	0	Conduct 4 community safety programmes by June 2021	Achieved	6	<p>1. On 25 September 2020 Community Safety Programme was done at Fourteen working with SAPS and ADM. The content of the programme is compliance to Covid-19 Regulations and Protocols.</p> <p>2. On 09 December 2020 conducted Community Safety Awareness campaign in Ntabakazi Junction along N2</p> <p>3. On 26 December 2020 Community Safety Awareness (Coastal Safety) with special reference to Tourists Safety and control alcohol access to Beaches</p> <p>4. On 12 February 2021 conducted Community Safety Operation in Ngqamakwe CBD.</p> <p>5. On 09 March 2021 conducted Community Safety Programme in Butterworth CBD</p> <p>6. On the 03 June 2021 one Community Safety program was conducted at Misobomvu SSS.</p> <p>Stakeholders like SAPS, ADIM, Dept. of Education, Dept. of Social Development, Liquor Board and Mquma Law enforcement were part of the program. Offences targeted include Covid-19 non-compliance, stray animals, non-compliance to liquor trading regulations.</p> <p>Four Implementation Plans were developed, one in each quarter</p>	None	None	(1) Implementation Plan (2) Agenda, attendance register and report on community safety programmes	Conduct 4 community safety programmes by June 2020	Achieved	6

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Solid Waste and Environment	To implement solid waste and environmental management programmes in order to promote health and well being of communities by June 2022	Implement solid waste management programmes (Street cleaning, waste collection, waste disposal) and environmental management programmes (coastal clean-up and environmental education & awareness)	3 Solid waste programmes implemented in 2019/2020 financial year	Number of solid waste programmes implemented by June 2021	2 403 820	Implement four solid waste management programmes (Street cleaning, waste collection, and waste recycling) by June 2021	Achieved	4	Four solid waste management programmes (Street cleaning, waste collection, and waste recycling) were implemented. Services were rendered by Permanent staff, EPWP workers and four co-operatives	None	None	1. Street Cleaning Report 2. Waste Collection Report 3. Waste disposal statistics 4. Waste recycling Report	Implement three solid waste management programmes (Street cleaning, waste collection and waste disposal) by June 2020	Achieved	3
Public Amenities	To refurbish and maintain 37 Public Amenities for community usability by June 2022	Implement public amenities management plan	Nil	Number of parks and entrances revamped by June 2021	450 000	Revamp 5 town entrances (2 in Buttenworth, 2 in Ngqamakwe, and 1 in Centane) and 2 parks (Vulji Valley park and Ngqamakwe garden) by June 2021	Not achieved	0	Service Provider was appointed in June 2021 due to delays in SCM processes. Works have started in 2 Buttenworth entrances, Lappa and Roma Park. The programme is expected to be completed by end of September 2021.	Delays in SCM process	Monitor progress in the first quarter of the 2021/2022 financial year	(1) Appointment letter (2) Annual report on 5 revamped town entrances	.	.	

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Solid Waste and Environment	To implement solid waste and environmental management programmes in order to promote health and well being of communities by June 2022	Implement solid waste management program (street cleaning, waste collection, waste disposal)	4 Solid Waste Co-operatives	Number of solid waste cooperatives monitored in solid waste services by June 2021	800 000	2	Not achieved	5	Five Solid Waste Co-operatives were procured and monitored, one in Ngamakwe, one in Cennane and three in Buterworth. The Co-operatives render waste service coverage in the CBDs and urban residential areas. Monitoring is done jointly with Ward Councillors/Committees	One Co-operative was not appointed to cover the first quarter of 2021/2022 financial year	Facilitate advertised for one Co-operative in the first quarter of 2021/2022 financial year	Annual Report on functioning of 6 Solid Waste Co-operatives	Monitor functioning of 4 solid waste cooperatives by June 2020	Achieved	4
	To provide administrative support for efficient performance of council and its committees by June 2022	Develop Institutional Calendar on annual basis and ensure its implementation	4 Standing Committee Meetings sat in 2019/2020 financial year	Number of Standing Committee for Services Directorate co-ordinated by June 2021	Operating Budget	4	Achieved	4	Standing Committee meeting was held in 09 April 2021	None	None	Agenda and Attendance register for Standing Committee Meetings	Number of Standing Committee for Services Directorate co-ordinated by June 2020	Achieved	4
Municipal Administration (Council Support)	To review and implement SCM policy in line with the regulatory framework by June 2022	Co-ordinate development of municipal procurement plan, monitor implementation and report thereof	2019/2020 Procurement Plan	Percentage progress towards implementation and monitoring of 2020/2021 procurement plan by June 2021	Operating Budget	1	Not Achieved	1	Procurement Plan was not fully monitored during the period under review.	There was a delay due to non responses of tenderers in the advert for solid waste cooperative	To be finalised in 2021/2022 financial year	Annual Report on Implementation of 2020/2021 Procurement Plan	Co-ordinate development, monitor implementation of Procurement plan and report thereof by June 2020	Achieved	1
	To review and implement regulatory framework by June 2022	Co-ordinate development of municipal procurement plan, monitor implementation and report thereof	2019/2020 Procurement Plan	Percentage progress towards implementation and monitoring of 2020/2021 procurement plan by June 2021	Operating Budget	1	Not Achieved	1	Procurement Plan was not fully monitored during the period under review.	There was a delay due to non responses of tenderers in the advert for solid waste cooperative	To be finalised in 2021/2022 financial year	Annual Report on Implementation of 2020/2021 Procurement Plan	Co-ordinate development, monitor implementation of Procurement plan and report thereof by June 2020	Achieved	1
KPA: LOCAL ECONOMIC DEVELOPMENT															
KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT															
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT															

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION															
Strategic Planning- IDP	To Co-ordinate annual review of 2017/2022 Integrated Development Plan and development of 2022/2027 Integrated Development Plan to guide municipal planning by June 2022	Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually	2020/2021 Integrated Development Plan	Percentage progress towards review of 2021/2022 Integrated Development Plan by June 2021	Operating Budget	Review 100% of 2021/2022 IDP by June 2021	Achieved	Four IDP stages	Review of 2021/2022 IDP (Final 2021/2022 IDP) was done through engagements with Strategic Management Directorate	None	None	(1) Council Resolution on approval of 2021/2022 IDP	Co-ordinate review of 2020/2021 Integrated Development Plan by June 2020	Achieved	1
Performance Management (Individual)	To establish and implement PMS procedures through monitoring, review towards an increased accountability and performance improvement by June 2022	Review divisional scorecards and monitor implementation	2019/2020 Divisional Scorecards	Percentage progress on implementation of 2020/2021 Divisional scorecards monitored by June 2021	Operating Budget	Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	Achieved	100%	AAs, PPs and monthly reports were developed and submitted. Directorate meeting meetings were held on monthly meetings.	None	None	(1) 2020/2021 Original and Revised Divisional Scorecards (2) Agenda, attendance register and minutes for Directorate meetings (3) Schedule for submission of AAs and PPs	Monitor implementation of 2019/2020 divisional scorecards by June 2020	Achieved	1
Policies	To co-ordinate policy development and policy review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2022	Review of policies	8 Policies reviewed in 2019/2020 financial year	Number of Strategic Management Policies reviewed and approved by June 2021	Operating Budget	Coordinate review and approval of 8 Community Services Directorate Policies by June 2021	Achieved	10	Eight Community Services Policies were reviewed and approved by Council. Two new Policies i.e. Solid Waste and Effluent Policy were developed and approved by Council.	None	None	Council Resolution on approved Community Services Directorate policies	Co-ordinate review and approval of 8 Community Services Directorate Policies by June 2020	Achieved	8

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Risk Management	To coordinate risk assessment and advise on strategies to minimise risk impact by June 2022	Develop and implement the risk management implementation plan	2019/2020 Strategic and Operational Risk Registers	2019/2020 and 2020/2021 strategic and operational risk registers reviewed, monitored and evaluated by June 2021	Operating Budget	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	2	2020/2021 Strategic and Operational Risk Registers were implemented	None	None	(1) Strategic and Operational Risk Registers (2) Annual Report on Implementation of Strategic and Operational Risk Registers	Develop and implement 2019/2020 Strategic and Operational risk registers by June 2020	Achieved	1
	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	2018/2019 Audit Action Plan	Unqualified Audit opinion achieved by June 2021		Achieve unqualified Audit opinion by June 2021	Achieved		Unqualified Audit has been achieved for the period under review	N/A	N/A	2019/2020 Audit report	Implement 2017/2018 Audit Action Plan, Develop and Implement 2018/2019 Audit Action Plan by June 2020	Achieved	1

LOCAL ECONOMIC DEVELOPMENT AND PLANNING

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Actual/Not Achieved	Actual Performance	Reason for Non-Achievement	Corrective Action	Annual POE	Annual Target 2019/2020	Achieved/Not Achieved	Actual Performance
Investment promotions and marketing	To facilitate implementation of high impact projects in the Master Plan and IDP for economic development by June 2022	Engage relevant institutions for support	9 High Impact Projects implemented in 2019/2020 financial year	Number of high impact project facilitated and monitored by June 2021	700 000	Facilitate implementation of 1 High impact Project by June 2021 (Industrial Park Revitalisation with ECDC, ASPIRE & DEDEAT)	Achieved	1	Continuous engagement sessions sat on the 17 September 2020, 26 October 2020, 04 November 2020, 25 November 2020, 04 December 2020 & 10 March 2021 (Virtual meeting), 02 March 2021, and 10 June 2021 with ECDC, ASPIRE and DEDEAT with regards to the implementation of the Industrial Park. A site visit to the Industrial Park was further conducted as part of the resolutions that were taken on the meetings. 1.) Mquma Local Municipality accepted as a member of the Provincial forum on Eastern Cape Industrial Parks resulting in the provincial forum sitting its meeting in Butterworth at Lijlitha B@B 2.) Establishment of the Butterworth industrial Park steering committee composed of Mquma, ASPIRE, ECDC and DEDEAT 3.) Delegation of ECDC as a project implementing Agent and responsible for developing the Butterworth Industrial Park revitalization master plan 4.) Completion of the draft master plan 5.) Successful forging of a strategic partnership with Chris Hani Development Agency as our mentor	N/A	N/A	Agendas, Attendance registers and report on the implementation of 1 High Impact Project.		
							Actual							

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
				Number of Project Implementation Plans for High Impact Projects formulated by June 2021		Facilitate the formulation of the Project Implementation Plans for 6 High Impact Projects (Ibika business development, Bhungeni Mail development, Gcuwa Dam, Ngqamakwe Development, Ndabakazi Rural Development and Office Precinct) by June 2021	Achieved	6	An engagement session sat on the 16 September 2020 with regards to the formulation of the Project Implementation Plan for Ibika Development. With regards to the formulation of the Project Implementation Plan for Bungeni Development, continuous engagement sessions sat on the 19 July 2020 (via email), 27 November 2020, 23 February 2021. Engagement sessions for the formulation of the Project Implementation Plan for Gcuwa Dam sat on the 29 September 2020, 11 March 2021, 04 May 2021. Engagement sessions for the formulation of the Project Implementation for Ngqamakwe Development sat on the 03 September 2020, 17 September 2020, 30 October 2020, 08 February 2021, 29 March 2021, 12 May 2021, 27 May 2021. With regards to the Project Implementation Plan for Ndabakazi Rural Development, engagement sessions sat on the 29 July 2020, 26 August 2020, 30 October 2020, 12 February 2021, 25 May 2021, 28 May 2021. Lastly, an engagement sessions for the formulation of the Project Implementation Plan for the Office Precinct sat on the 14 May 2021	N/A	N/A	Project Implementation Plans for 6 High Impact Projects			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
				Number of Business Plans developed for High Impact Projects by June 2021		Facilitate development of Business Plans for 3 High Impact Projects (Bungeni Mall Development, Gcuwa Dam and Office Precinct) by June 2021	Achieved	3	Engagement sessions with regards to the development of the Business Plan for Bungeni Development were conducted on the 19 July 2020 via email, and other engagements sat on the 27 November 2020, 23 February 2021. Engagement sessions for the Development of the Business Plan for Gcuwa Dam sat on the 29 September 2020, 11 March 2021, 04 May 2021. Engagement for development of business plan for Office Precinct sat on the 14 May 2021	N/A	N/A	(1) Agenda, attendance Register and report on the engagement session (2) Business Plans			
				Number of Building Plan developed for High Impact Projects by June 2021		Facilitate development of Building Plan for 1 high impact project (Ibika Business Development) by June 2021	Achieved	1	An engagement session sat on the 16 September 2020 with regards to the Development of the Building Plan for Ibika Business Development, however phase one completed and officially launched	N/A	N/A	(1) Agenda, attendance Register and report on the engagement sessions (2) Building Plans			
				Rezoning/s subdivision of erf 4934 for second phase development facilitated at Ibika by June 2021		Facilitate rezoning/subdivision of erf 4934 for second phase development at Ibika by June 2021	Achieved	1	The Application for Rezoning/Subdivision of Erf 4934 Second Phase development at Ibika was submitted to LED and further approved. Therefore, Erf 4934 Ibika is zoned business zone 1 purposes, primary uses: business premises, supermarket, bottle store, shops, restaurant, police station and Health Centre.	N/A	N/A	(1) Approval letter (2) Sub divisional Plan			
				Rezoning of Erf 9363 (Bhungeni Mall development) facilitated by June 2021		Facilitate rezoning of Erf 9363 (Bhungeni Mall development) by June 2021	Achieved	1	The Rezoning application of Erf 9363 of Bungeni Mall Development was submitted to LED and further approved. Therefore, Erf 9363 Bungeni Mall is zoned business zone 1 purposes, primary uses: business premises, supermarket, shops, restaurant and places of refreshments.	N/A	N/A	(1) Approval letter (2) Sub-division plan			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Investment promotions and marketing	To ensure proper coordination of LED and Planning projects, programs and implementation by June 2022	Engage relevant institutions for the development of an investment book and pipeline LED and Planning initiatives	LED Strategy, Master plan and SDF	Investment book developed by June 2021	349 983	Facilitate formulation of Environmental Impact Assessment report for 1 high Impact Project (Nqamakhwe Development) by June 2021	Achieved	1	Continuous engagement sessions with regards to the formulation of the Environmental Impact Assessment sat on the 03 September 2020, 17 September 2020, 30 October 2020, 08 February 2021, 29 March 2021, 12 May 2021, 27 May 2021. The EIA has been completed.	N/A	N/A	(1) Agency, attendance register and report on engagement sessions conducted (2) Environmental Impact Assessment Report	-	-	-
						Facilitate the development of an investment book and pipeline LED and Planning initiatives by June 2021	Achieved	1	An initial advert was issued on November 2020 and closed on the 17 November 2020. Unfortunately competing applicants could not meet all the requirements needed to qualitatively deliver on the mandate as expected. Hence the advert had to be re-advertised on the 19 March 2021 (Daily Dispatch) and 21 March 2021 (Sunday Times). A decision was administratively taken for LED and Planning to use an internal capacity to develop an Investment Book In-house. A final Investment Book has been developed, signed and launched on the 29/08/2021.	N/A	N/A	Approved Investment book	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
				Number of tourism programmes inline with TIC operational plan implemented by June 2021		Implement 4 x tourism programmes inline with TIC Operational Plan by June 2021	Achieved	4	<p>1) A meeting with Centane community was held on the 27 August 2020 at Centane Town Hall</p> <p>2) A meeting with Ngqamakwe community was held on the 18 August 2020 at Ngqamakwe Town Hall</p> <p>3) The election of the Buterworth Community Tourism Organisation was held on the 10 September 2020 at Buterworth Town Hall</p> <p>4) The election of the Local Tourism Organisation was held on the 18 February 2021 at Buterworth Town Hall</p> <p>Furthermore to the above extra programmes were conducted due to the additional capacity within the Directorate:</p> <ul style="list-style-type: none"> - A tourism awareness campaign was conducted on the 17 September 2020 at Ezizweni Senior Secondary School - A tourism awareness campaign was conducted on the 14 October 2020 at King Hlisa FET College - Tourism awareness campaign was held on the 03 November 2020 at Bethel College - Tourism awareness campaign was held on the 29 January 2021 at Ngqamakwe for the purpose of information sharing and marketing - Tourism awareness campaign was held on the 19 March 2021 at Thanga Senior Secondary School - A Tourism Awareness campaign was conducted on the 14 April 2021 at Gobe Commercial High School in Centane 	N/A	N/A	Report on 4 tourism programmes implemented	•	•	•

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Tourism, Hospitality and Heritage	To reposition Mngquma as a preferred tourist destination through profiling of tourism products and services by June 2022	Develop branding and marketing systems for easy access to all tourism products and services	LED Strategy	Architectural designs and bill of quantities for the TIC permanent structure developed by June 2021	1 000 000	Facilitate the development of architectural designs and bill of quantities for the TIC permanent structure by June 2021	Achieved	1	<p>1) The service provider by the name of Atraleam Consulting was appointed through the sourcing of quotations process for the purpose of developing architectural designs for the Tourism Information Centre permanent structure</p> <p>2) Building plans have been developed and approved by Infrastructure Development.</p> <p>3) The service provider by the name of Atraleam Consulting was appointed through the sourcing of quotations process for the purpose of developing Bill of Quantities for the construction of Tourism Information Centre permanent structure</p> <p>4) Bill of Quantities have been developed and submitted by the service provider.</p>	N/A	N/A	(1) Architectural designs (2) Bill of Quantities for the TIC permanent structure	Facilitate engagement sessions with relevant stakeholders towards Establishment of Tourism Information centre by June 2020	Achieved	5
				Number of big screen procured by June 2021	2 500 000	Facilitate procurement of one big screen by June 2021	Achieved	1	<p>1) Origins Sava Group JV Carnation Deluxe Events was appointed for the supply, install and commissioning of a double sided outdoor LED electronic display screen. An inception meeting was held on the 17 February 2021 and a process plan was submitted by the service provider.</p> <p>2) The screen was installed, information was uploaded and the screen was launched on the 10 June 2021 at the Bowling Green Monument where the big screen is located. Furthermore the process of fencing of the screen was conducted and completed.</p>	N/A	N/A	1) Appointment Letter 2) Report on the procurement and installation of one big screen			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
			6 Heritage sites maintained in 2019/2020 financial year	Number of heritage sites upgraded by June 2021		Facilitate upgrade of one heritage site by June 2021 (King Phalo grave)	Achieved	1	<p>1) A session with the Tongwana community was held on the 28 August 2020 at Tongwana for the purpose of presenting the programme and it was welcomed by the community.</p> <p>2) A service provider by the name of Ubuuntu Ndoku Trading was appointed for the upgrade King Phalo's Grave</p> <p>3) An inception meeting and site visit was conducted on the 13 October 2020.</p> <p>4) A consultation and site visit by the Tongwana Chief, municipality and the service provider was done on the 25 January 2021 for the purpose of monitoring the progress on the upgrade of the heritage site. The site has been completely upgraded by fencing, installation of information board, removal of weed and the site is locked. The service provider handed over the keys to the municipality.</p> <p>5) A handing over was done on the 23 February 2021 at Tongwana Village where the Community led by Chief and Headman were invited and attended the event. Adhering to Covid-19 regulations 50 people attended including the guests from other municipalities and municipal representatives.</p>	N/A	N/A	Report on the upgrade of one heritage site (King Phalo grave)	Facilitate maintenance of 4 heritage sites by June 2020 (Battle of Umsintana Monument, W. K. Tamsanga's grave, Veldman Bikitsha's grave and Blyshwood caves)	Not Achieved	3

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance			
									<p>Further more to the above extra programmes were conducted:</p> <ul style="list-style-type: none"> - Maintenance at Bawa Falls was conducted on the 10 September 2020 - Maintenance at King Phalo's Grave was conducted on the 15 October 2020, Maintenance at the Blythwood Caves took place on the 28th February 2021, Maintenance at Bowling Green Monument was done on the 23 March 2021, Maintenance at Cetlana War Memorial was done on the 26 March 2021, Maintenance at Cacuwa Dam was done on the 23rd April 2021. <p>This was done with the assistance of Community Services Directorate. Grass cutting exercise was removed on the pathway from the main road to the site, distracting shrubs and pictures were removed during the exercise.</p>									

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Sustainable Rural Development and Forestry	To facilitate expansion of agricultural potential through implementation of infrastructure programmes and initiatives for sustainable rural development by June 2022	Engage relevant stakeholders towards development of infrastructure and systems for agriculture	4 emerging farmers capacitated in 2019/2020 financial year	Number of emerging farmers capacitated by June 2021	95 250	Facilitate capacity building of 4 emerging farmers on crop production by June 2021	Achieved	8	<p>1. Capacity building on crop production was done at Amatsya Agricultural Co-operative in Mafakanyana in Buthebuthe on the 23rd of September 2020.</p> <p>2. Capacity building on crop production was done on Vuli Valley Agricultural Cooperative in Vuli Valley, Buthebuthe on the 29th of September 2020.</p> <p>3. Capacity building on crop production was done on Mache Fruit & Veg Agricultural Cooperative in Mache, Centane on the 10th November 2020.</p> <p>4. Capacity building on crop production was done on Tolent Secondary Agricultural Cooperative in Tolent, Buthebuthe on the 12th November 2021.</p> <p>5. Capacity building on crop production was done on Tyeka Agricultural Cooperative in Tafelofele, Centane on the 11th March 2021.</p> <p>6. Capacity building on livestock improvement was done on Yondlabantu Farming Poultry Cooperative in Zawzulwana, Buthebuthe on the 12th March 2021.</p> <p>7. Capacity building on livestock improvement was done on Khaya Farming Cooperative in Mibebele, Ngamake on the 29th of April 2021.</p> <p>8. Capacity building on livestock improvement was done at Sakha Kusasa lethu Cooperative, Ngamake on the 12th May 2021. The reason for overachievement is due to the relation of Covid 19 regulations.</p>			Report, agendas & registers, on capacity building of 4 emerging farmers on crop production	Facilitate capacity building of 4 emerging farmers on crop production and livestock improvement by June 2020	Not Achieved	2

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
SMMES, manufacturing and Retail	To provide support to SMMES/cooperatives through implementation of 4 programmes for sustainability by June 2022	Implement SMMES and Cooperatives programmes	Two SMMES/Co-operative programmes implemented in 2020/2021 financial year	Number of tractors procured by June 2021 Number of support programmes to SMMES and Cooperatives implemented by June 2021	300 000	Facilitate procurement of two tractors by June 2021 Provide support programmes (procurement of inputs for two SMMES/Cooperatives by June 2021)	Achieved	2	<p>1. Animal medication delivered at Khaya Farming Cooperative, and Gaba Mlondzi Cooperative on the 22 April 2021</p> <p>2. Shearing shed material will be delivered by the 28th & 29th June 2021 at Teko Kona Association and Teko Fihla Woolgrowers Association</p> <p>3. Fencing material has been delivered to Malwane Agricultural Cooperative in Ngamakwe and at Jorogo Agricultural Cooperative in Centane on the 29/06/2021.</p> <p>Two tractors with implements were procured and delivered on the 08th of June 2021.</p> <p>1. On the 05th November 2020, 75 x Umbrells were handed over to beneficiaries from Centane Hawkers Association, Buterworth Hawkers Association and Mquma Hawkers Association and on the 12th November 2020 to 25 beneficiaries from Ngamakwe Hawkers Association.</p> <p>2. On the 23rd of November 2020, sewing material was delivered to Nkwala Village Cooperative.</p> <p>3. On the 16th February 2021, baking ingredients were delivered to Maba Bakery Primary Cooperative Limited via Cooperative Limited via</p> <p>4. On the 22nd of February 2021, building material was delivered at Blythswood Cooperative.</p> <p>5. On the 28th of February 2021, Covid19 relief fund vouchers were delivered to 16 informal traders.</p> <p>6. On the 03rd of April 2021, Sewing equipment was delivered to 49 Ntively beneficiary</p>	N/A	N/A	(1) Report on three support programmes provided to six emerging farmers (2) Delivery notes for animal medication, Sheering sheds and inputs (3) Acknowledgement of support from emerging farmers	Facilitate 2 support programmes (Provision of 2 Sheering Sheds and Provision of animal medication) for 4 emerging farmers on livestock improvement by June 2020	Not Achieved	1
												Report on support programmes/Procurement of inputs provided for two SMMES and Cooperatives	Implement two SMMES/Co-operative programmes (Procurement of inputs and market day) for SMMES/Cooperatives by June 2020	Not Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Development Planning: Research	To provide a researched, documented information that will guide municipality's short, medium and long term planning by June 2022	Coordinate data collection and analysis for LED and Planning initiatives	Research Strategy	Number of research on crush stone mining conducted by June 2021	154 750	Develop the operational plan for CDC by June 2021	Achieved	1	The CDC operational Plan was developed by the CDC Steering Committee	N/A	N/A	1) Copy of the operational plan for CDC	Facilitate Establishment of co-operatives development centre(CDC) by June 2020	Achieved	1
				Number of data collected for Buterworth factory revitalization by June 2021			Achieved	1	Research on crush stone mining has been conducted. Instruments used were questionnaires and face to face interviews around Msobomvu area. Interviews were also conducted at the crush stone sites, namely: Transkei Quarries and Bethel Quarry. Analysis has also been done.	N/A	N/A	(1) Analysis report for crush stone mining (2) Final research report for crush stone mining	Conduct research on Mquma Urban Centres by June 2020 (Small Town Revitalization Framework)	Not Achieved	0
Spatial Planning and Land Use Management	To regulate and control the development and use of land within the municipal area in line with the Spatial Development Framework by June 2022	Implement Land Use Management scheme	SPLUM Bylaw & SPLUMA	Number of IGLF meetings convened by June 2021		Convene 4 IGLF meetings by June 2021	Achieved	4	The meeting were held as follows, 23 September 2020, 19 November 2020, 11 February 2021 and 13 May 2021	N/A	N/A	Attendances registers, agendas, notices and minutes of four (4) IGLF meetings convened	Convene 4 IGLF Meetings by June 2020	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Land Administration and Land Use Management	To regulate and control the development and use of land within the municipal area in line with the Spatial Development Framework by June 2022	Implement Land Use Management scheme	SDF Approved in 2015/2016 financial year and SPLUM by-law	Percentage of received land use applications processed in line with SPLUM by Law for effective use of land within 30-60 days by June 2021		Process 100% received land use applications in line with SPLUM by Law for effective use of land within 30-60 days by June 2021	Achieved	100%	100% of 14 applications were received during the period under review, they have been processed accordingly.	N/A	N/A	Reports and Applications on received and processed land use applications	Process land use applications in line with SPLUM By-law for effective use of land within 30-60 days by June 2020	Achieved	6
				Land Use Scheme developed and gazetted in line with SPLUMA by June 2021		Develop and facilitate gazettement of Land Use Scheme in line with SPLUMA by June 2021	Achieved	1	The Land Use Scheme was gazetted on the 19 April 2021. It was further presented to the councillors workshop on the 20 May 2021	N/A	N/A	1) Approved Land Use Scheme 2) Report on Gazetting 3) Gazette	Develop draft land use scheme in line with SPLUMA by June 2020	Not Achieved	0
				Assessment on progress of SDF projects implementation conducted by June 2021	150 000	Conduct Assessment on progress towards implementation of SDF projects by June 2021	Achieved	1	Assessment was conducted during the year under review	N/A	N/A	Assessment Report on the implementation of SDF projects.	-	-	-
				Service provider for the review of SDF inline with SPLUMA appointed by June 2021	700 000	Facilitate appointment of a service provider towards the Review SDF inline with SPLUMA by June 2021	Achieved	1	The inception meeting was held on the 06 May 2021. Project implementation plan has been developed. Inception report has been done	N/A	N/A	(1) Appointment Letter (2) Project Implementation Plan (3) Inception report	-	-	
				Draft consolidation plan for sixty seven erven into one parent erf developed by June 2021	80 000	Facilitate development of draft consolidation plan for sixty seven erven into one parent erf by June 2021	Achieved	1	Consolidation plan has been developed for sixty seven erven into one parent erf	N/A	N/A	(1) Appointment Letter (2) Draft Consolidation Plan (3) Inception report	-	-	

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
				Erf 6070 (Vullie Valley) subdivided by June 2021	50 000	Subdivide Erf 6070 (Vullie Valley) by June 2021	Achieved	1	Subdivision plan was submitted at the SG Office and it was approved. The project is completed.	N/A	N/A	Draft SG diagrams	-	-	-
KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT															
Municipal Administration (Council Support)	To provide administrative support for effective and efficient performance of council and its committees by June 2022	Develop Institutional Calendar on annual basis and ensure its implementation	4 Standing Committees Meetings sat in 2019/2020 financial year	Number of Standing Committee for Local Economic Development and Planning Directorate co-ordinated by June 2021		Co-ordinate sitting of 4 Standing Committees for Local Economic Development and Planning Directorate by June 2021	Achieved	4	Four Standing Committees were coordinated for the period under review.	N/A	N/A	Agenda and Attendance register for 4 Standing Committee Meetings	Monitor sitting of Council Committees for Local Economic Development and Planning by June 2020	Achieved	4
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT															
Supply Chain Management	To review and implement SCM policy in line with the regulatory framework by June 2022	Co-ordinate development of municipal procurement plan, monitor implementation and report thereof	2019/2020 Procurement Plan	Percentage progress on implementation and monitoring of 2020/2021 procurement plan by June 2021		Monitor 100 percent implementation 2020/2021 procurement plan by June 2021	Achieved	100%	Procurement Plan was developed and implemented for the period under review.	N/A	N/A	Annual Report on Implementation of 2020/2021 Procurement Plan	Co-ordinate development, monitor implementation of Procurement plan and report thereof by June 2020	Achieved	1
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION															
Strategic Planning-IDP	To Co-ordinate annual review of 2017/2022 Integrated Development Plan and development of 2022/2027 Integrated Development Plan to guide municipal planning by June 2022	Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually	2020/2021 Integrated Development Plan	Percentage progress towards review of 2021/2022 Integrated Development Plan by June 2021	-	Review 100% of 2021/2022 IDP by June 2021	Achieved	100%	2020/2021 IDP was reviewed for the period under review.	N/A	N/A	(1) Council Resolution on approval of 2021/2022 IDP	Co-ordinate review of 2020/2021 Integrated Development Plan by June 2020	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Performance Management (Individual)	To establish and implement PMS procedures through monitoring, review towards an increased accountability and performance improvement by June 2022	Review divisional scorecards and monitor implementation	2019/2020 Divisional Scorecards	Percentage progress on implementation of 2020/2021 Divisional scorecards monitored by June 2021		Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	Achieved	100%	2020/2021 Divisional Scorecards were developed and implemented through the sitting of Directorate Meetings and Submission of AAs and PPs	N/A	N/A	(1) 2020/2021 Original and Reviewed Divisional Scorecards (2) Agenda, attendance register and minutes for Directorate meetings (3) Schedule for submission of AAs and PPs	Monitor implementation of 2019/2020 divisional scorecards by June 2020	Achieved	1
Policies	To co-ordinate policy development and policy review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2022	Review of policies	8 Policies reviewed in 2019/2020 financial year	Number of LED and Planning Policies reviewed and approved by June 2021		Coordinate review and approval of 8 LED and Planning Directorate Policies by June 2021	Achieved	8	8 Policies were reviewed and submitted from LED & Planning Directorate, they were further adopted during the Council Meeting.	N/A	N/A	Council Resolution on approved LED and Planning policies	-	-	-
Risk Management	To co-ordinate risk assessment and advise on strategies to minimise risk impact by June 2022	Develop and implement the risk management implementation plan	2019/2020 Strategic and Operational Risk Registers	2019/2020 and 2020/2021 strategic and operational risk registers reviewed, monitored and evaluated by June 2021		Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	2	Strategic & Operational Risk Registers were reviewed and implemented for the period under review	N/A	N/A	(1) Strategic and Operational Risk Registers (2) Annual Report on implementation of Strategic and Operational Risk Registers	Develop and implement 2019/2020 Strategic and Operational risk registers by June 2020	Achieved	1
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	2018/2019 Audit Action Plan	Unqualified Audit opinion achieved by June 2021		Achieve unqualified Audit opinion by June 2021	Achieved	1	Unqualified Audit has been achieved for the period under review	N/A	N/A	2019/2020 Audit report	Implement 2017/2018 Audit Action Plan, Develop and Implement 2018/2019 Audit Action Plan by June 2020	Achieved	1

STRATEGIC MANAGEMENT

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
Strategic Planning-IDP	To Co-ordinate annual review of 2017/2022 Integrated Development Plan and development of 2022/2027 Integrated Development Plan to guide municipal planning by June 2022	Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually	2020/2021 Integrated Development Plan	Percentage progress towards review of 2021/2022 Integrated Development Plan by June 2021	Review 100% of 2021/2022 IDP by June 2021	Achieved	1	2021/2022 Final IDP was approved by Council on the 27 May 2021 and further submitted to the relevant sector departments (CoGTA, Pt. NTJ). It was thereafter published in the Municipal website and Newspaper for public inspection by interested parties	N/A	N/A	(1) 2021/2022 IDP (2) Council Resolution	Co-ordinate review of 2020/2021 Integrated Development Plan by June 2020	Achieved	1
Institutional Communication	To market the corporate brand of the municipality internally and externally (media) for a positive profile by June 2022	Develop internal and external newsletters	4 external newsletters	Number of external newsletter developed and distributed by June 2021	Develop and distribute 3 external newsletters by June 2021	Achieved	3	3 External Newsletters have been developed and distributed successfully.	N/A	N/A	(1) 3 External Newsletters (2) Distribution register for 3 External Newsletters	Develop and distribute 4 external newsletters by June 2020	Not Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
		Update information on municipal website	Compliance reports uploaded	Website updated by June 2021	Update and upload website inline with Section 75 of MFMA by June 2021	Not Achieved	0	The Service Provider for hosting and maintenance of the municipal website was appointed	Due to challenges in the handover of the hosting and maintenance of the website, from the old service provider to the newly appointed one, the website has had to undergo reconstruction during the quarter in question and while reconstruction is still in progress, with the exception of BTO Tenders not all statutory documents and information as per Section 75 of the MFMA is yet available on the website.	The reconstruction of the website is in progress and is to be completed within the month of July 2021	(1) Annual Website Report (2) Screenshots for the information uploaded	Update and upload website inline with Section 75 of MFMA by June 2020	Achieved	1
		Coordinate issuing of press releases and news articles	8 Media Slots	Number of electronic media slots coordinated by June 2021	Coordinate 8 electronic media slots by June 2021	Achieved	14	14 Radio slots were conducted successfully with Khanya Community Radio (7), (1) SABC Umhlobo Wenana FM, (1) Forte Community Radio, (1) Umnatha Community Radio, (2) Ngqushwa Community Radio and (2) Yikani Community Radio during the 2022/2021 Financial year.	N/A	N/A	(1) Orders and Confirmation letter of Media Slots	Coordinate 8 electronic media slots by June 2020	Achieved	18

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
	To promote and maintain corporate identity and image through marketing and branding by June 2022	Standardize usage of the municipal corporate brand	Nil	Branding Material procured by June 2021	Procure Municipal Branding by June 2021	Achieved	1 & 17	1 Advert and 17 News articles have been published during the 2020/21 financial year with the Daily Dispatch Dispatch LIVE & Umhlati Express editorials	N/A	N/A	(1) 4 News Articles/Adverts Published	Issue 16 press releases and Publish 20 news articles by June 2020	Achieved	17 and 20
Intergovernmental Relations	To coordinate integrated planning, reporting and feedback by all stakeholders by June 2022	Coordinate regular siting of IGR forums	4 IGR meetings convened in 2019/2020 financial year	Number of IGR meetings co-ordinated by June 2021	Co-ordinate siting of 4 IGR meetings by June 2021	Achieved	4	4 IGR were held on the 10 September 2020, 07 December 2020, 10 March 2021 and 10 June 2021 all were virtually.	N/A	N/A	(1) Notice, Agenda, attendance register and report on 4 IGR meetings	Co-ordinate siting of 4 IGR meetings by June 2020	Not Achieved	3
Institutional Performance Management	To monitor and review performance for increased accountability & performance improvement by June 2022	Develop, collate, consolidate and analyse performance information quarterly and annually	2019/2020 performance reports	Number of Mayoral Programmes Co-ordinated by June 2021	Co-ordinate 2 Mayoral Programmes by June 2021 (GBV Seminar and Prayer Day)	Achieved	2	GBV was held on the 20th November 2020 at Zovuyo Guest Lodge. Prayer day was held on the 04 June 2021 at Nqamakhwe Grounds.	N/A	N/A	(1) Invitations, agenda, attendance register and report on Prayer Day	Develop, collate, consolidate and analyse performance information quarterly, midyear and annually by June 2020	Achieved	
						Achieved	7	2020/2021 Performance Agreements for the Section 54A and Section 57 Managers were developed and approved by Council, submitted to CoGTA and were further published in the Municipal website.	N/A	N/A	(1) 2020/2021 Performance Agreements for S54A and S56 Managers (2) Council Resolution for approval of 2020/2021 Performance Agreements (3) Acknowledgement of receipt for submission of 2020/2021 Performance Agreements			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Public Participation	To provide administrative support for effective and efficient performance of council and its committees by June 2022	Implement Public Participation Strategy, Public Participation Policy and Ward Committees Strategy	Nil	Number of Performance reports developed, collated, consolidated and analysed quarterly, midyear and annually in line with the PMS Framework by June 2021	Develop, collate, consolidate and analyse 6 performance reports quarterly, midyear and annually in line with PMS Framework by June 2021	Achieved	6	2019/2020 Annual performance analysis report (S46), 2019/2020 Fourth quarter performance analysis report, 2020/2021 First to Third Quarter Performance Analysis Reports were developed and approved by Council.	N/A	N/A	(1) 2019/2020 Annual performance analysis report (S46) (2) 2019/2020 Fourth quarter performance analysis report (3) 2020/2021 First to Third Quarter Performance Analysis Reports (4) Council Resolution on approval of 2019/2020 Fourth Quarter Performance Report and 2020/2021 First to Third Quarter Performance Reports	Develop, collate, consolidate and analyse performance information quarterly, midyear and annually by June 2020	Achieved	
				Percent progress on Administrative support rendered to all convened Ward Committees and Ward general meetings by June 2021	Render 100 percent administrative support to convened ward meetings and ward committee meetings by June 2021	Achieved	110 & 142	Support was rendered to 110 Ward General and 142 Ward Committee Meetings convened during the period under review	N/A	N/A	(1) Annual Report on administrative support provided to convened ward committee meetings and ward general meetings			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
	To provide administrative support for effective and efficient performance of council and its committees by June 2022	Implement terms of reference for section 79 committees	16 Section 79 Committee s sat in 2019/2020 financial year	Number of Section 79 Committee Meetings co-ordinated (MPAC, Rules Committee, Whips Committee) by June 2021	Co-ordinate 4 meetings per section 79 committee (MPAC, Rules Committee, Whips Committee) by June 2021	Achieved	4	<p>1. MPAC COMMITTEE the meeting was held on the following dates:- 16 September 2020 28 October 2020 02 February 2021. 12 March 2021 18 June 2021.</p> <p>2. RULE COMMITTEE the meeting was held on the following dates:- 28 September 2020 25 November 2020 25 March 2021. 25 June 2021</p> <p>4. WOMEN'S CAUCUS the meeting was held on the following dates:- 26 August 2020 06 November 2020 01 March 2021 02 June 2021</p> <p>3. WHIPS COMMITTEE the meeting was held on the following dates:- 22 September 2020 26 February 2021 19 March 2021 23 June 2021</p>	N/A	N/A	(1) Agenda, attendance register and minutes for 16 section 79 committee meetings	Co-ordinate sitting of section 79 committees (MPAC, Rules Committee, Women's Caucus and Whips Committee) by June 2020	Achieved	10

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
			6 meetings for independent committees sat in 2019/2020 financial year	Number of independent committee meetings coordinated (Moral Regeneration Movement, Initiation Forum) by June 2021	Co-ordinate 4 meetings per independent committee (Moral Regeneration Movement, Initiation Forum) by June 2021	Achieved	4	<p>MORAL REGENERATION Movement: Meetings were held on the following dates:- 27 October 2020 24 JULY 2020 24 March 2021 21 April 2021</p> <p>INITIATION FORUM: Meetings were held on the following dates:- 26 October 2020 (Meeting between Initiation Forum and Urban Councillors and CDW's at Buterworth) 27 October 2020 (Establishment of Initiation Forum Working Committee at Cerniane, Ngqusi, Traditional Council)</p> <p>28 October 2020 (Meeting Establishment of Initiation Forum Working Committee at Cerniane, Teyko Traditional Council) 19, 20 and 27 November 2020 (Initiation Forum Workshop in three Mnquma Unites) 18 February 2021 (Initiation Forum Meeting at Buterworth) 24 March 2021 (Initiation Forum Meeting at Council Chambers) 16 April 2021 (Initiation Forum Meeting at Buterworth) 22 April 2021 (Mnquma Initiation Forum Workshop at Emazini Traditional Council at Ngqemakwe) 29 April 2021</p>	N/A	N/A	(1) Agenda, attendance register and minutes for independent committee meetings	Coordinate 4 Civic programmes on Initiation programmes by June 2020	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
	To co-ordinate policy development and policy review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2022	Review of policies	Policy Development Framework	Number of Strategic Management Policies reviewed and approved by June 2021	Coordinate review and approval of 15 Strategic Management Directorate by June 2021	Achieved		Review of 15 Strategic Management Directorate Policies has been co-ordinated and policies approved in a Council Meeting held on the 27 May 2021	N/A	N/A	(1) Council Resolution on approved Strategic Management Policies	Coordinate review and approval of 15 Strategic Management Directorate by June 2020	Achieved	15
Performance Management (Individual)	To establish and implement PMS procedures through monitoring, review towards an increased accountability and performance improvement by June 2022	Review of divisional scorecards and monitor implementation	2019/2020 Divisional Scorecards	Percentage progress on implementation of 2020/2021 Divisional scorecards monitored by June 2021	Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	Achieved	1	Implementation of 2020/2021 Divisional Scorecards has been monitored during the period under review.	N/A	N/A	(1) 2020/2021 Original and Reviewed Divisional Scorecards (2) Agenda, attendance register and minutes for Directorate meetings (3) Schedule for submission of AA's and PPS	Monitor implementation of 2019/2020 divisional scorecards by June 2020	Achieved	
Risk Management	To co-ordinate risk assessment and advise on strategies to minimise risk impact by June 2022	Develop and implement the risk management implementation plan	2019/2020 Strategic and Operational Risk Registers	2019/2020 and 2020/2021 strategic and operational risk registers reviewed, monitored and evaluated by June 2021	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	1	2019/2020 and 2020/2021 Operational Risk Registers has been reviewed in a quarterly basis, monitoring and implementation has been done in a daily basis	N/A	N/A	(1) Strategic and Operational Risk Registers (2) Annual Report on implementation of Strategic and Operational Risk Registers	Develop and implement 2019/2020 Strategic and Operational risk registers by June 2020	Achieved	1
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	2018/2019 Audit Action Plan	Unqualified Audit opinion achieved by June 2021	Achieve unqualified Audit opinion by June 2021	Achieved	1	2019/2020 Audit action plan was implemented	N/A	N/A	(1) 2019/2020 Audit report	Implement 2017/2018 Audit Action Plan, Develop and implement 2018/2019 Audit Action Plan by June 2020	Achieved	2

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT														
Public Participation	To coordinate integrated planning, regular reporting and feedback by all stakeholders by June 2022	Co-ordinate regular feedback meetings to community members	4 Mayoral Imbizo's co-ordinated in 2018/2019 financial year	Number of Mayoral Imbizo co-ordinated by June 2021	Co-ordinate 4 Mayoral Imbizo's by June 2021	Achieved	4	4 Mayoral Imbizo's were held on the 26 August 2020 at Ward 22, 14 December 2020 Virtually at Khanya Community Radio, 18 March 2021 at Davis JSS and 15 April 2021 at Ward 28, Ngqizela Village.	N/A	N/A	(1) Agenda, attendance register and report for 4 Mayoral Imbizo's	Co-ordinate 4 Mayoral Imbizo's by June 2020	Achieved	4
KPA: LOCAL ECONOMIC DEVELOPMENT														
Special Programmes Unit	Co-ordinate mainstreaming of designated groups into socio-economic development by June 2022	Implement SPU strategy and related policies through programmes of designated groups.	6 programmes designated in 2019/2020 financial year	Number of programmes for 6 designated groups implemented by June 2021	Implement 6 programmes for 6 designated groups by June 2021	Achieved	6	<p>Women</p> <p>-The municipality in partnership with Mhqwama women's forum celebrated Women's Month through provision of food parcels to 10 women headed families. The programme was held on the 28th August 2020 at Buterworth Monument.</p> <p>- The handover of inputs to Maspfathisane Nyuza women coop in Ntaramkwa was done on the 1st of March 2021.</p> <p>- Women's Forum was established on the 14th of March 2021 and induction was done on the 15th of March 2021</p> <p>Children</p> <p>The municipality supported three (3) Child-headed families with social relief (food parcels) and one (1) of the families also received clothing items. The families were from Ngqanake, (Sihlabeni A/A) ward 19, Buterworth (Zimpiri A/A) ward 20</p>	N/A	N/A	(1) Programme, attendance registers and reports on 6 programmes implemented for 6 designated groups	Implement 6 programmes for 6 designated groups by June 2020	Achieved	6

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance			
								<p>Comments</p> <p>and Zizamele township) ward 5.</p> <p>Youth</p> <p>Youth Forum was established on the 15th of April 2021 and induction was done on the 16th of April 2021</p> <p>- Youth month program was celebrated through support of two youth cooperatives with inputs. The following inputs were supported:</p> <ul style="list-style-type: none"> - Lusha kwendalo Youth Coop - ward 20 Zingqayi location - Avunille - Amankomo Youth Coop - ward 31 Ohina location <p>Elderly</p> <p>- The municipality celebrated older person's month through distribution of social trolley (food parcels and Minquma branded fleece) to bed-ridden and older people in all Minquma wards. The distribution was done on the 20th, 23rd and 24th of November 2020.</p> <p>- Elderly Forum was established on the 1st of May 2021</p> <p>Disability</p> <p>- The municipality celebrated disability month in partnership with Department of Sport, Recreation, Arts & Culture at Lingomsolethu special school on the 12th of November 2020. The municipality supported the school with educational material and DSRAC with Sports equipment.</p> <p>- The municipality further supported Tyeka disability cooperative with fencing material for their agricultural project which is situated in</p>									

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
				Percentage progress towards co-ordination of Mayoral Cup by June 2021	Co-ordinate 100% Mayoral Cup by June 2021	Achieved	4	<p>Centane: - Five (5) physically challenged learners were enrolled at Enoch Sontonga rehabilitation centre for training in Welding, Sewing & Woodwork. - Disability Forum was established on the 1st of May 2021</p> <p>HIV/AIDS The municipality coordinated Build-Up campaigns towards World Aids Day in Tolent R1 on the 17th of November 2020 and in Xlinza A/A on the 18th of November 2020. Condom Awareness campaign was held at King Hintsa TVET College on the 18th of March 2021 Support to Non-Governmental Organisations was done on the 24th of March 2021 through handover of First Aid Kits The following NGOs benefited: - Phakamisani HBC - Cernane - We Care - Butterworth - Implooyethu HBC - Ngamakwe - Candlelight Memorial ceremony was held of the 13th of May 2021</p>	N/A	N/A	(1) Annual Report on co-ordination of Mayoral Cup	Co-ordinate Mayoral Cup by June 2020	Not Achieved	

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
Municipal Administration (Council Support)	To provide administrative support for efficient performance of council and its committees by June 2022	Develop Institutional Calendar on annual basis and ensure its implementation	4 Standing Committee Meetings sat in 2019/2020 financial year	Number of Standing Committee meetings for Strategic Management Directorate co-ordinated by June 2021	Co-ordinate sitting of 4 Standing Committee meetings for Strategic Management Directorate by June 2021	Achieved	4	4 Standing Committee meetings for Strategic Management Directorate scheduled for 2020/2021 Financial Year has been co-ordinated	N/A	N/A	(1) Agenda and Attendance register for Standing Committee Meetings	Monitor sitting of Council Committees for Strategic Management by June 2020	Achieved	4
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT														
Supply Chain Management	To review and implement SCM policy in line with the regulatory framework by June 2022	Co-ordinate development of municipal procurement plan, monitor implementation and report thereof	Procurement Plan implemented in 2019/2020 financial year	Percentage progress towards implementation and monitoring of 2020/2021 procurement plan by June 2021	Monitor 100 percent implementation of procurement plan by June 2021	Achieved	1	2020/2021 procurement plan has been monitored and implemented	N/A	N/A	(1) Annual Report on Implementation of 2020/2021 Procurement Plan	Co-ordinate development, monitor implementation of Procurement plan and report thereof by June 2020	Achieved	1

CORPORATE SERVICES

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT															
Municipal Administration (Customer Care)	To provide a platform of communication for municipal customers queries and complaints by June 2022	Implement Customer Care Strategy	Customer Care Centre and Presidential Hotline	Number of Customer Care programmes implemented (Presidential Hotline system and walk-ins) implemented by June 2021	Operating Budget	Implement 2 Customer Care Programme (Presidential Hotline system and walk-ins) by June 2021	Achieved	2	2 Customer Care programmes have been implemented which are Presidential Hotline System and Walk-ins.	N/A	N/A	Annual Report on implementation of Customer Care Programmes	Implement 2 Customer Care Programmes (Presidential Hotline system and walk-ins) by June 2020	Achieved	2
Satellite Office	To ensure the effective operation of the Satellite Offices by June 2022	Implement Satellite Offices Plan	2 Reports developed in 2019/2020 financial year	Number of reports on functionality of Satellite offices developed by June 2021	Operating Budget	Develop 4 reports on functionality of Nqamakwa Satellite office by June 2021	Achieved	4	4 reports on functionality of Nqamakwa satellite office have been developed	N/A	N/A	Annual Report on functionality of Nqamakwa Satellite Office	Develop 2 Quarterly reports on functionality of Nqamakwa Satellite office by June 2020	Achieved	2
Municipal Administration (Council Support)	To provide administrative support for effective and efficient performance of council and its committees by June 2022	Develop Institutional Calendar on annual basis and ensure its implementation.	2020/2021 Institutional Calendar	Number of reports on functionality of Satellite offices developed by June 2021	Operating Budget	Develop 4 reports on functionality of Centane Satellite office by June 2021	Achieved	4	4 reports on functionality of Centane satellite office have been developed	N/A	N/A	Annual Report on functionality of Centane Satellite Office	Develop 2 Quarterly reports on functionality of Centane Satellite office by June 2020	Achieved	2
Municipal Administration (Council Support)	To provide administrative support for effective and efficient performance of council and its committees by June 2022	Develop Institutional Calendar on annual basis and ensure its implementation.	2020/2021 Institutional Calendar	Number of reports on functionality of Satellite offices developed by June 2021	Operating Budget	Develop 2021/2022 Institutional calendar by June 2021	Achieved	1	Institution Calendar was adopted by the Council on the 27 May 2021. Council resolution number SC/M42/007.1.3.2	N/A	N/A	(1) 2021/2022 Approved Institutional Calendar (2) Council Resolution	Develop 2020/2021 Institutional calendar by June 2020	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Information, Communication, Technology (ICT Governance)	To provide centrally co-ordinated ICT Services for municipal business continuity by June 2022	Develop and monitor Resolution Register	24 Standing Committee Meetings sat in 2019/2020 financial year	Number of Standing Committees for all Directorates co-ordinated by June 2021	Operating Budget	Co-ordinate sitting of 24 Standing Committee meetings for all Directorates by June 2021	Achieved	24	All the 24 standing committee meetings sat as per approved institutional calendar.	N/A	N/A	Annual Report on co-ordination of 24 Standing Committee meetings for all Directorates	Develop and distribute Council Resolution register by June 2020	Achieved	18
			ICT Infrastructure	Number of ICT programmes (Desktop Support, Network support, Information security and Systems support) implemented by June 2021	13 965 457	Implement 4 ICT programmes (Desktop Support, Network support, Information security and Systems support) by June 2021	Not Achieved	3	3 ICT programmes in a form of 1) Desktop Support - end user technical support and provision of ICT tools. 2) Network support - maintenance of network infrastructure and connectivity was not effectively done 3) Information security - management of antivirus and firewall systems. 4) Systems support - provision of technical support on FMS, Emails and Operating Systems were implemented for the quarter. These were all performed and monitored for the year.	There was a delay in the procurement of Service Provider for the network system	The Service Provider will be appointed in the 2021/2022 financial year	Annual Report on implementation of 4 ICT programmes	Implement 4 ICT programmes (Desktop Support, Network support, Information security and Systems support) by June 2020	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Benefits and leave management	To manage employees and councillors benefits by June 2022	Record and reconcile Councils and employees benefits	Existence of Benefits for Municipal workforce and councillors	Percentage of submitted Benefits and leaves for municipal workforce and councillors administered by June 2021	275 710 ³	Administer 100% of submitted benefits and leaves for municipal workforce and councillors by June 2021	Achieved	100%	1. All benefits for Clifs and employees were monitored from July 2020 to June 2021. 2. Leaves were also monitored through signing of leaves as per leave policy.	N/A	N/A	Annual Report on administration of submitted benefits and leaves for municipal workforce and councillors	Administer 100% of submitted benefits for municipal workforce and councillors by June 2020	Achieved	100%
							Achieved	1	Appointments conducted from July 2020 to June 2021 as per the approved Organogram	N/A	N/A	Annual Report on implementation of 2020/2021 organisational structure	Implement 2019/2020 organisational structure and Review 2020/2021 Organisational Structure by June 2020	Achieved	1
Labour Relations	To develop and review organizational structure for IDP objectives by June 2022	Review organizational structure annually	2019/2020 Organisational Structure approved	2020/2021 Organizational structure implemented by June 2021	370 000	Implement 2020/2021 organisational structure by June 2021	Achieved	1	Conducted Review sessions including consultation with LLF, Extended Management Committee and Councillors before approval by the Council.	N/A	N/A	(1) 2021/2022 Organisational Structure (2) Council Resolution on approval of Organisational Structure	Implement 2019/2020 organisational structure by June 2020	Achieved	1
							Achieved	1	Conducted Review sessions including consultation with LLF, Extended Management Committee and Councillors before approval by the Council.	N/A	N/A	(1) 2021/2022 Organisational Structure (2) Council Resolution on approval of Organisational Structure	Implement 2019/2020 organisational structure by June 2020	Achieved	1
Employee Wellness and OHS	To maintain conditions for collective bargaining between the employer and the employees and monitor implementation of code of conduct for municipal employees by June 2022	Convene Local Labour Forum Meetings	4 LLF meetings sat in 2019/2020 financial year	Number of LLF Meetings Convened by June 2021	Nil	Convene 4 LLF meetings by June 2021	Achieved	4	Convened 4 LLF as per Institutional calendar.	N/A	N/A	Agenda, attendance register and minutes for 4 LLF meetings	Review Health and Safety Plan and implement 2 OHS programmes (workplace inspection and awareness campaigns) by June 2020	Achieved	2
							Achieved	1	OHS plan was developed and approved.	N/A	N/A	Approved OHS Plan	Review Health and Safety Plan and implement 2 OHS programmes (workplace inspection and awareness campaigns) by June 2020	Achieved	2

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Skills Development	To develop skills of the Councilors, municipal workforce and community members through implementation of the Workplace Skills Plan by June 2022	Develop, implement and monitor Workplace Skills Plan annually	Workplace Skills Plan & Annual Training Plan	Number of Training programmes co-ordinated by June 2021	683 896	2	Achieved	13	13 Trainings were conducted from July 2020 to June 2021	N/A	N/A	Annual Report on 12 trainings co-ordinated	Co-ordinate 12 training programmes by June 2020	Achieved	12
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT															
Municipal Administration (Estates)	To regulate ownership and occupation of municipal properties by June 2022	Develop lease agreements for all rented municipal flats and staff houses	154 Lease agreements signed in 2018/2019 financial year	Number of Lease agreements for municipal flats signed by June 2021	Operating Budget	Co-ordinate transfer of 80 township houses to rightful beneficiaries by June 2021	Achieved	54	54 Lease Agreements have been signed	N/A	N/A	(1) 50 Signed Lease Agreements (2) List of Lease Agreements	Co-ordinate signing of 20 lease agreements for municipal flats and 1 Staff house by June 2020	Achieved	32 and 1
KPA: LOCAL ECONOMIC DEVELOPMENT															
SMMEs, manufacturing and Retail	To provide support to SMMEs/cooperatives through implementation of 4 programmes for sustainability by June 2022	Implement SMMEs and Cooperatives programmes		Number of Capacity building programmes for SMMEs/Cooperatives coordinated by June 2021	Operating Budget	Facilitate four capacity building programmes (financial management, tendering advice, co-operative amendment act and access to market) for SMMEs/Cooperatives by June 2021	Achieved	4	Capacity building were conducted from July 2020 to June 2021 for capacitation of SMMEs, Farmers and Cooperatives for financial year updates.	N/A	N/A	Report Agenda and attendance registers of the 4 capacity building programmes facilitated	Co-ordinate Capacity building programme for SMMEs/Cooperatives by June 2020	Achieved	10
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT															

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Supply Chain Management	To review and implement SCM policy in line with the regulatory framework by June 2022	Co-ordinate development of municipal procurement plan, monitor implementation and report thereof		Percentage progress on implementation and monitoring of procurement plan by June 2021	Operating Budget	Monitor 100% implementation 2020/2021 procurement plan by June 2021	Not Achieved	100%	Corporate Services procurement plan was not fully implemented for the year under review	There was a delay in the procurement network system	To be finalised during 2021/2022 financial year	Annual Report on Implementation of 2020/2021 Procurement Plan	Co-ordinate development, monitor implementation of Procurement plan and report thereof by June 2020	Achieved	1
Strategic Planning-IDP	To co-ordinate annual review of 2017/2022 Integrated Development Plan and development of 2022/2027 Integrated Development Plan to guide municipal planning by June 2022	Develop and coordinate the implementation of IDP, FMS and Budget Process Plan annually	2020/2021 Integrated Development Plan	Percentage progress towards review of 2021/2022 Integrated Development Plan by June 2021	Operating Budget	Review 100% of 2021/2022 IDP by June 2021	Achieved	100%	Council sat on the 28th May 2021 to approve 2021 /2022 IDP	N/A	N/A	(1) Council Resolution on approval of 2021/2022 IDP	Co-ordinate review of 2020/2021 Integrated Development Plan by June 2020	Achieved	1
Policies	To co-ordinate policy development and policy review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2022	Review of Corporate Services Policies	Policy Development Framework	Number of Corporate Services Directorate Policies approved and approved by June 2021	Operating Budget	Coordinate review and approval of 39 Corporate Services Directorate Policies by June 2021	Achieved	39	Council sat on the 28th May 2021 to approve thirty nine (39) Corporate Services Directorate Policies for 2021/2022.	N/A	N/A	Council Resolution on approval of 39 Corporate Services Directorate Policies	Coordinate review and approval of 41 Corporate Services Directorate by June 2020	Achieved	41
		Review of Institutional Policies		Number of Institutional Policies approved and approved by June 2021	20 000	Coordinate review and approval of 95 Institutional Policies by June 2021	Achieved	95	Council sat on the 28th May 2021 to approve ninety five (95) Institutional Policies for 2021/2022	N/A	N/A	Council Resolution on approval of 95 Institutional policies	Coordinate review and approval of 95 Institutional policies by June 2020	Achieved	95

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Performance Management (Individual)	To establish and implement PMS procedures through monitoring, review towards an increased accountability and performance improvement by June 2022	Review divisional scorecards and monitor implementation	2019/2020 Divisional Scorecards	Percentage progress on implementation of 2020/2021 Divisional scorecards monitored by June 2021	Operating Budget	Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	Achieved	100%	Divisional Scorecards were developed and submitted at Individual Performance and 12 Corporate Services Directorate Meetings sat according to the institutional calendar.	N/A	N/A	(1) 2020/2021 Original and Reviewed Divisional Scorecards (2) Agenda, attendance register and minutes for Directorate meetings (3) Schedule for submission of AAs and PPs	Monitor implementation of 2019/2020 divisional scorecards by June 2020	Achieved	1
Risk Management	To co-ordinate risk assessment and advise on strategies to minimise risk impact by June 2022	Develop and implement the risk management implementation plan	2019/2020 Strategic and Operational Risk Registers	2019/2020 and 2020/2021 strategic and operational risk registers reviewed, monitored and evaluated by June 2021	Operating Budget	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	2	Strategic and Risk registers were implemented as per the actions to improve identified risks and progress provided to that effect throughout the year.	N/A	N/A	(1) Strategic and Operational Risk Registers (2) Annual Report on implementation of Strategic and Operational Risk Registers	Develop and implement 2019/2020 Strategic and Operational risk registers by June 2020	Achieved	2

BUDGET AND TREASURY OFFICE

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Revenue Enhancement & Management	To increase municipal own revenue by R16 M by June 2022	Implement Financial Recovery Plan	52 000 000.00	Revenue increased by 2 Million by June 2021	Operating Budget	Increase revenue by R2 Million by June 2021	Achieved	R4409816.32	Billing is done on monthly basis using values in the GVR and SVR as well as tariff structure. Tariff structure is also implemented to bill consumers for other services as part of revenue generation and thus R4409816.32 has been generated.	N/A	N/A	1. Billing Report for rates and refuse 2. Collection report on other revenue	Increase revenue by R2.5 million by June 2020	Achieved	2.5

KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT - 55%

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Asset Management	To promote and enhance financial viability by June 2022	Update registers	18 Financial Registers	Number of registers prepared and reviewed by June 2021	Operating Budget	Prepare and review 17 registers (invoice tracking, payments, direct debits, fruitless and wasteful expenditure, traffic fine, tender fees, building plans, cemetery fees, hall hire, valuation certificate fees, direct deposit, grants received, unknown deposits, hall deposits, business licenses, hawkers licenses, procurement requisitions registers) by June 2021	Achieved	17	All 17 registers were prepared during the year under review	N/A	N/A	Financial registers	Prepare and review 18 registers (invoice tracking, payments, direct debits, fruitless and wasteful expenditure, traffic fine, tender fees, building plans, cemetery fees, hall hire, valuation certificate fees, direct deposit, grants received, unknown deposits, hall deposits, business licenses, hawkers licenses, procurement requisitions registers) by June 2020	Achieved	18
	To implement internal controls for approval, authorization and withdrawal payments of funds by June 2022	Implement financial procedures and expenditure management policy	43 Days	Percentage of creditors paid within 30 days by June 2021	Operating Budget	100% of creditors paid within 30 days of receiving invoice by June 2021	Not Achieved	0	This is due to the transactions from previous years that required the council resolutions and deviations	This is due to the transactions from previous years that required the council resolutions and deviations	The challenging will be addressed during 2021/2022 financial year	Invoice Tracking Register	100% of creditors paid within 30 days of receiving invoice by June 2020	Not Achieved	
	To promote and enhance financial viability by June 2022	Submit VAT 201 to SARS	12 VAT 201	Number of VAT 201 submitted to SARS by June 2021	Operating Budget	Submit 12 VAT 201 to SARS by June 2021	Achieved	12	Submission of Vat 201 to SARS has been done	N/A	N/A	Proof of submission of 12 VAT 201 to SARS	Submit 12 VAT 201 to SARS by June 2020	Not Achieved	9
	To manage municipality's assets for increased accountability and	Review and implement municipal asset management policy and	Physical Asset Verification and Asset Register	Fixed asset register compiled by June 2021	6 913 406	Compile Fixed Assets Register by June 2021	Achieved	1	Asset Register for the year ending June 2021 was compiled.	N/A	N/A	1. Updated fixed asset register for 2020/2021 (2) Additions and disposals register for 2020/2021	Compile Fixed Assets Register by June 2020	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
	safeguarding by June 2022	procedures, Fleet Management Policy and financial Procedures	100% Asset Insured	Percentage of total Assets Insured by June 2021	1 284 019	Insure 100% of Municipal Assets by June 2021	Achieved	100%	All newly acquired assets are insured timeously.	N/A	N/A	(1) Appointment letter of Service Provider (2) Policy Document (3) Annual report on Insurance of Municipal Assets	Insure 100% of Municipal Assets by June 2020.	Achieved	100%
Budget, Treasury and Reporting Systems	To develop Medium Term Revenue and Expenditure Framework, monitor implementation and report thereof by June 2022	Develop and monitor implementation of Budget Process Plan	12 Stock counts	Number of stock counts conducted by June 2021	5 000	Conduct 12 Stock counts and report by June 2021	Achieved	12	All 12 Stock counts were performed.	N/A	N/A	Annual Stocktake report	Conduct 12 Stock counts and report by June 2020	Achieved	12
			2020/2023 MTRREF Budget	2021/2024 MTRREF Budget prepared, approved by Council and submitted to NT and PT by June 2021	Operating Budget	Prepare and facilitate approval of 2021/2024 MTRREF Budget and submission to PT and NT by June 2021	Achieved	1	Final MTRREF Budget was approved on the 27th May 2021 and was submitted to Treasury on the 31st May 2021	N/A	N/A	(1) 2021/2024 MTRREF Budget (2) Council Resolution on approval of 2021/2024 MTRREF Budget (3) Proof of submission to PT and NT	Prepare and facilitate approval of 2020/2023 MTRREF Budget and submission to PT and NT by June 2020	Achieved	1
		Prepare GRAP Financial Statements	2018/2019 Annual Financial Statements	Annual Financial Statements prepared and submitted to AG by 31 August 2020	10 930 000	Prepare and submit 2019/2020 Annual Financial Statements to AG by 31 August 2020	Achieved	1	Annual Financial Statements were prepared and submitted to AG on the 31 October 2021.	N/A	N/A	(1) 2019/2020 Annual Financial Statements (2) Proof of Submission of AFS to AG	Prepare and submit 2018/2019 Annual Financial Statements to AG by 31 August 2019	Achieved	1
		2020/2021 1st and 2nd adjustment budgets prepared, approved by council and submitted to NT and PT by June 2021	Operating Budget	Prepare 2020/2021 1st and 2nd adjustment budgets, facilitate approval by Council and co-ordinate submission to NT and PT by June 2021	Achieved	2	1st adjustment budget was approved by council on the 28th August 2020 and 2nd adjustment budget was approved on the 22 January 2021	N/A	N/A	(1) 1st and 2nd adjustment budgets (2) Council Resolutions on approval of 1st and 2nd adjustment budgets (3) Proof of submissions to NT and PT	Prepare 2019/2020 1st and 2nd adjustment budgets, facilitate approval by Council and co-ordinate submission to NT and PT by June 2020	Achieved	2		

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
	To enhance financial viability by June 2022	Implement financial procedures	12 Section 71 Reports	Number of section 71 reports developed, reviewed and submitted to the Mayor, Provincial Treasury and National Treasury by June 2021	Operating Budget	Develop & review 12 section 71 reports and submit to the Mayor, PT and NT by June 2021	Achieved	2	Section 71 reports were submitted to Treasury.	N/A	N/A	(1) Section 71 Reports (2) Proof of submission to Mayor, PT and NT	Develop & review 12 section 71 reports and submit to the Mayor, PT and NT by June 2020	Achieved	12
			4 Section 52d Reports	Number of section 52d reports developed and submitted by June 2021	Operating Budget	Develop and submit 4 section 52d reports by June 2021	Achieved	4	Section 52d reports for Q4, Q1, Q2 and Q3 were developed and approved by Council.	N/A	N/A	(1) Section 52d report (2) Council Resolution on approval of section 52 report	Develop and submit 4 section 52d reports by June 2020	Achieved	4
			1 Section 72 Report	Section 72 report developed and approved by Council in January 2021	Operating Budget	Develop section 72 report and facilitate approval by Council in January 2021	Achieved	1	Section 72 report was developed and approved by Council on the 22nd January 2021.	N/A	N/A	(1) Section 72 Report (2) Council Resolution on approval of Section 72 Report	Develop section 72 report and facilitate approval by Council in January 2020	Achieved	1
			121 Reconciliations	Number of reconciliations approved by June 2021	Operating Budget	Prepare, review and approve 121 reconciliations (investments, Bank, Unspent, revenue, debtors, rates, asset additions, work in progress, VAT, creditors, payroll reconciliations) by June 2021	Achieved	121	Reconciliations are done on monthly basis	N/A	N/A	(1) Reconciliation report	Prepare, review and approve 121 reconciliations (investments, Bank, Unspent, revenue, debtors, rates, asset additions, work in progress, VAT, creditors, payroll reconciliations) by June 2020	Not Achieved	0
Supply Chain Management	To review and implement SCM policy in line with the regulatory framework by June 2022	Review SCM policy and procedures	(1) 1 Annual SCM Report (2) 1 Midterm SCM Report (3) 4 Quarterly SCM Reports	SCM Annual and quarterly reports prepared and submitted to Council and Provincial Treasury by June 2021	Operating Budget	Prepare and submit SCM Annual and quarterly reports to Council and Provincial Treasury within 10 working day after each quarter and 30 days after the financial year by June 2021	Achieved	5	1 SCM Annual and 4 quarterly reports to Council and Provincial Treasury has been prepared and submitted within 10 working day after each quarter and 30 days after the financial year by June 2021	N/A	N/A	(1) SCM Annual and Quarterly Reports (2) Proof of Submission to Council and Provincial Treasury	Prepare and submit SCM Annual and quarterly reports to Council and Provincial Treasury within 10 working day after each quarter and 30 days after the financial year by June 2020	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
			2020/2021 Procurement Plan developed	2021/2022 Procurement Plan developed by June 2021	Operating Budget	Co-ordinate development of 2021/2022 procurement plan by June 2021	Achieved	1	2021/2022 procurement plan has been developed	N/A	N/A	2021/2022 Procurement Plan	100% monitoring of implementation for 2019/2020 procurement plan by June 2020	NOT Achieved	
			4 Contracts and commitments registers	Number of Contracts and commitments registers prepared and reviewed by June 2021	Operating Budget	Prepare and review 4 contracts & commitments registers and report thereof by June 2021	Achieved	4	4 contracts & commitments registers has been prepared and report thereof.	N/A	N/A	(1) Reviewed Contract and commitment register	Prepare and review 4 contracts & commitments registers and report thereof by June 2020	Achieved	4
			4 performance assessments of Service Providers	Number of performance assessment of service providers appointed by the institution conducted by June 2021	Operating Budget	Conduct 4 performance assessment of service providers appointed by the institution by June 2021	Achieved	4	4 performance assessment of Service providers appointed by the institution has been conducted	N/A	N/A	Annual Assessment report of Service providers performance	Conduct 4 performance assessment of Service providers appointed by the institution by June 2020	Achieved	4
Indigent Support	To provide support to indigent beneficiaries in line with the indigent policy by June 2022	Update indigent register	2019/2020 Indigent Register	2020/2021 Indigent register updated with 12 000 beneficiaries by June 2021	5 000 000	Update 2020/2021 indigent register with 12 000 beneficiaries by June 2021	Achieved	15993	Indigent register is updated on monthly basis and as when walk-ins have submitted the applications and thus far 15993 has been recorded for the period under review	N/A	N/A	Updated 2020/2021 Indigent register	Update 2019/2020 indigent register with 10 000 beneficiaries by June 2020	Achieved	1

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT - 10%

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: LOCAL ECONOMIC DEVELOPMENT - WEIGHT: 10%															
SMMES	To provide support to SMMEs/Co-operatives and Farmers through implementation of incubation programmes for sustainability by June 2022	Facilitate establishment of cooperative development centre	1 SCM awareness Campaign	SCM awareness for SMME/Co-operatives conducted by June 2021	Operating Budget	Conduct SCM awareness to SMMEs/Co-operatives by June 2021	Achieved	1	1 SCM awareness to SMMEs/Co-operatives has been conducted by the municipality on the 1 June 2021.	N/A	N/A	Agenda, Attendance Register, Report on SCM awareness conducted	Conduct SCM awareness to SMMEs/Co-operatives by June 2020	Not Achieved	0
KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT - 10%															
Municipal Administration (Council Support)	To provide administrative support for effective and efficient performance of council and its committees by June 2022	Develop Institutional Calendar on annual basis and ensure its implementation	4 Standing Committees Meetings sat in 2019/2020 financial year	Number of Standing Committees for Budget and Treasury Office co-ordinated by June 2021	Operating Budget	Co-ordinate sitting of 4 Standing Committees for Budget and Treasury Office by June 2021	Achieved	4	Four BTO Standing Committee meeting were Co-ordinated	N/A	N/A	Agenda and Attendance register for Standing Committee Meetings	Monitor sitting of Council Committees for Budget and Treasury Office by June 2020	Achieved	4
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION - 15%															
Strategic Planning-IDP	To Co-ordinate annual review of 2017/2022 Integrated Development Plan and development of 2022/2027 Integrated Development Plan to guide municipal planning by June 2022	Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually	2020/2021 Integrated Development Plan	Percentage progress towards review of 2021/2022 Integrated Development Plan by June 2021	Operating Budget	Review 100% of 2021/2022 IDP by June 2021	Achieved	1	Final 2021/2022 IDP was approved on the 27th May 2021 by the council	N/A	N/A	(1) Council Resolution on approval of 2021/2022 IDP	Co-ordinate review of 2020/2021 Integrated Development Plan by June 2020	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Policies	To coordinate policy development and review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2022	Review of policies	18 Policies	Number of BTO Policies reviewed and approved by June 2021	Operating Budget	Coordinate review and approval of Budget and Treasury office Policies (Credit control and debt management, Write off policy, Indigent policy, Property rates policy, Cash management policy, SCM Policy for infrastructure projects, SCM Policy for general goods and services, Asset management policy, Inventory Policy, Fleet management policy, Loss control policy, Expenditure management policy, Petty cash management policy, S & T Policy, Budget policy, Viement policy, Cost containment measures policy, Borrowing policy, Funding and reserves policy) by June 2021	Achieved	18	2021/2022 BTO policies were approved by the council on the 27TH May 2021		NA	Council Resolution on approved BTO policies	Coordinate review and approval of Budget and Treasury office Policies (Credit control and debt management, Write off policy, Indigent policy, Property rates policy, Cash management policy, SCM Policy for infrastructure projects, SCM Policy for general goods and services, Asset management policy, Inventory Policy, Fleet management policy, Loss control policy, Expenditure management policy, Petty cash management policy, S & T Policy, Budget policy, Viement policy, Cost containment measures policy, Borrowing policy, Funding and reserves policy) by June 2020	Achieved	18

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Performance Management (Individual)	To establish and implement PMS procedures through monitoring, review towards an increased accountability and performance improvement by June 2022	Review divisional scorecards and monitor implementation	2019/2020 Divisional Scorecards	Percentage progress on implementation of 2020/2021 Divisional scorecards monitored by June 2021	Operating Budget	Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	Achieved	100%	2020/2021 implementation of Divisional Scorecards was implemented on monthly basis	N/A	N/A	(1) 2020/2021 Original and Reviewed Divisional Scorecards (2) Agenda, attendance register and minutes for Directorate meetings (3) Schedule for submission of AAs and PPS	Develop 2019/2020 Divisional Scorecards and monitor implementation of 2019/2020 divisional scorecards by June 2020	Not Achieved	0
Risk Management	To co-ordinate risk assessment and advise on strategies to minimise risk impact by June 2022	Develop and implement the risk management plan	2019/2020 Strategic and Operational Risk Registers	2019/2020 and 2020/2021 strategic and operational risk registers reviewed, monitored and evaluated by June 2021	Operating Budget	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	2	Strategic and operational risk register for 2020/2021 Financial Year was implemented	N/A	N/A	(1) Strategic and Operational Risk Registers (2) Annual Report on Implementation of Strategic and Operational Risk Registers	Develop and implement 2019/2020 Strategic and Operational risk registers by June 2020	Achieved	2
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	2018/2019 Audit Action Plan	Unqualified Audit opinion achieved by June 2021	Operating Budget	Achieve unqualified Audit opinion by June 2021	Achieved	1	The municipality got unqualified opinion	N/A	N/A	Audit report	Achieve qualified Audit opinion by June 2020	Achieved	1

COMPLIANCE AND GOVERNANCE

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION															
Internal Audit	To provide an independent assurance and consulting activities designed to add value and improve the organisational operations by June 2022	Annually review Audit Committee Charter, Internal Audit Charter and methodology	Audit Committee Charter, Internal approved in 2019/2020 financial year	Number of Audit Committee Charter reviewed and approved by June 2021	Operating Budget	Review and facilitate Council approval of 1 Audit Committee Charter by June 2021	Achieved	1 Audit committee charter approved by the Council.	The audit committee charter was approved by Council on the 28 August 2020.	N/A	N/A	(1) Approved Audit Committee Charter (2) Council Resolution	Review and facilitate approval of Audit Committee Charter, Internal Audit Charter and Methodology by June 2020	Achieved	3
			and methodology approved in 2019/2020 financial year	Number of Internal Audit Charter and Methodology reviewed and approved by June 2021	Operating Budget	Review and facilitate approval of 1 Internal Audit Charter and Methodology by June 2021	Achieved	1. Approved Internal Audit Charter 1 Approved Methodology	The internal audit charter and methodology were approved by the audit committee on the 11 August 2020.	N/A	N/A	(1) Approved Internal Audit Charter (2) Approved Methodology (3) Agenda, attendance register and minutes for Audit Committee Meetings	Develop and facilitate approval and implement 2019/2020 internal audit plan by June 2020	Not Achieved	0
		Annually develop and implement internal audit plan	Internal audit plan approved in 2019/2020 financial year	Internal audit plan developed and approved by June 2021	Operating Budget	Develop and facilitate approval of internal audit plan by June 2021	Achieved	1 Approved internal audit plan	The internal audit plan was approved by the audit committee on the 11 August 2020.	N/A	N/A	Annual Internal Audit Report			
		Internal audit plan implemented in 2019/2020 financial year	Internal audit plan implemented in 2019/2020 financial year	Internal audit plan implemented by June 2021	Operating Budget	Implement of internal audit plan by June 2021	Achieved	1 Implemented internal audit plan	All planned audit were executed as the approved plan.	N/A	N/A				

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
	To provide an independent oversight on the functionality of the municipality by June 2022	Quarterly review of reports by audit committee	4 Audit Committee meetings convened in 2019/2020 financial year	Number of Audit committee meetings convened by June 2021	465 000	Convene 4 audit committee meetings by June 2021	Achieved	4 Audit committee meetings	All audit committee meetings sat for the year as planned.	N/A	N/A	Agenda, attendance register and minutes for 4 Audit Committee Meetings	Convene 4 audit committee meetings by June 2020	Not Achieved	3
			2 Performance Audit Committee meetings convened in 2019/2020 financial year	Number of Performance Audit committee meetings convened by June 2021		Convene 2 performance audit committee meetings by June 2021	Achieved	2 Performance audit committee meetings	Two performance audit committee meeting sat for the year as planned.	N/A	N/A	Agenda, attendance register and minutes for 2 Performance Audit Committee Meetings	Convene 2 performance audit committee meetings by June 2020	Achieved	2
Risk Management	To co-ordinate risk assessment and advise on strategies to minimise risk impact by June 2022	Review Risk Management Strategy, risk management committee charter	Risk management Committee Charter approved in 2019/2020 financial year	Risk management committee charter developed and approved by June 2021	Operating Budget	Review and facilitate council approval of Risk management Committee Charter by June 2021	Achieved	1 Risk Management Committee Charter reviewed and approved	The Risk Management Committee Charter was reviewed, presented to Risk Management Committee and was approved by the Council	N/A	N/A	(1) Approved Risk Management Committee Charter (2) Council Resolution	Develop, facilitate approval of risk management plan by June 2020	Achieved	1
		Develop and implement the risk management implementation plan	Risk management plan developed in 2019/2020 financial year	Risk Management plan developed and approved by June 2021	Operating Budget	Develop and facilitate approval of risk management plan by June 2021	Achieved	1 Risk Management Implementation Plan developed and approved	The Risk Management Implementation Plan was developed and presented to the Risk Management Committee for approval	N/A	N/A	(1) Risk Management Plan (2) Agenda, attendance register and minutes of Risk Committee	Develop and facilitate approval of 2020/2021 strategic and operational risk registers by June 2020	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Strategic Planning-IDP	To Co-ordinate annual review of 2017/2022 Integrated Development Plan and development of 2022/2027 Integrated Development Plan to guide municipal planning by June 2022	Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually	2019/2020 Strategic and Operational Risk registers	Number of 2020/2021 Strategic and Operational risk registers developed and approved facilitated by June 2021	Operating Budget	Develop and facilitate approval of 1 strategic and 1 operational risk registers by June 2021	Achieved	1 2021/22 Register- 1 2021/22 Operational Risk Registers developed and approved	The Strategic and Operational Risk Registers for 2021/22 were developed and approved by the Risk Management Committee	N/A	N/A	(1) Strategic and Operational Risk Registers (2) Agenda, attendance register and minutes of Risk Management Committee	Develop and facilitate approval of 2020/2021 strategic and operational risk registers by June 2020	Achieved	2
			2019/2020 Strategic and Operational Risk registers	2019/2020 and 2020/2021 Strategic and Operational risk registers reviewed, monitored and evaluated by June 2021	Operating Budget	Review, monitor and evaluate the implementation of 2019/2020 and 2020 /2021 strategic and operational risk registers quarterly by June 2021	Achieved	4 reviews of the Strategic and Operational Risk Registers	All quarters were reviewed as planned with all the Directorates	N/A	N/A	(1) Agenda, attendance register and minutes of Risk Management Committee (2) Monitoring and evaluation report (3) Reviewed Strategic and Operational Risk registers	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers by June 2020	Not Achieved	0
Strategic Planning-IDP	To Co-ordinate annual review of 2017/2022 Integrated Development Plan and development of 2022/2027 Integrated Development Plan to guide municipal planning by June 2022	Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually	2020/2021 Integrated Development Plan	Percentage progress towards review of 2021/2022 Integrated Development Plan by June 2021	82 725	Review 100% of 2021/2022 IDP by June 2021	Achieved	100%	All 4 Risk Management Committee meetings for the year were convened as planned	N/A	N/A	(1) Strategic and Operational Risk Registers (2) Agenda, attendance register and minutes of Risk Management Committee	Co-ordinate review of 2020/2021 Integrated Development Plan by June 2020	Achieved	1
			4 Risk Management Committee Meetings convened in 2019/2020 financial year	Number of risk management committee meetings convened by June 2021	0	Convene 4 risk management committee meetings by June 2021	Achieved	100%	Meetings and sessions held with IDP/PMS to review 100% of 2021/2022 IDP	N/A	N/A	(1) Strategic and Operational Risk Registers (2) Agenda, attendance register and minutes of Risk Management Committee	Co-ordinate review of 2020/2021 Integrated Development Plan by June 2020	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Policies	To co-ordinate policy development and policy review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2022	Review of Institutional Policies	Policy Development Framework	Number of Institutional Policies reviewed and approved by June 2021	0	Coordinate review and approval of 95 Institutional Policies by June 2021	Achieved	95	Policies reviewed and approved by council	N/A	N/A	Council Resolution on approved 95 Institutional policies	Review and facilitate approval of 95 institutional policies by June 2020	Achieved	5
Performance Management (Individual)	To establish and implement PMS procedures through monitoring, review towards an increased accountability and performance improvement by June 2022	Review of divisional scorecards and monitor implementation	Divisional Scorecards	Percentage progress on implementation of 2020/2021 Divisional scorecards monitored by June 2021	0	Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	Achieved	100%	Divisional Meetings for the MAs Office set and 100% implementation of 2020/2021 Divisional scorecards was monitored	N/A	N/A	(1) 2020/2021 Original and Reviewed Divisional Scorecards (2) Agenda, attendance register and minutes for Directorate meetings (3) Schedule for submission of AAs and PPs	Develop and Monitor implementation of 2019/2020 divisional scorecards by June 2020	Not Achieved	0
KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT															
Municipal Administration (Council Support)	To provide administrative support for efficient and performance of council and its committees by June 2022	Develop Institutional Calendar on annual basis and ensure its implementation.	4 Ordinary Council Meetings sat in Financial Year	Number of Council Meetings monitored by June 2021	0	Monitor sitting of 4 Council Meetings by June 2021	Achieved	4	4 Council meetings sat	N/A	N/A	(1) Reminder email (2) Agenda and Attendance register	Monitor sitting of 4 Ordinary Council Meetings by June 2020	Achieved	4
		Develop and monitor Resolution Register	N/A	Percentage progress on implementation of Council resolutions monitored by June 2021	0	Monitor 100% implementation of Council resolutions by June 2021	Achieved	100%	100% implementation of Council resolutions was monitored	N/A	N/A	Updated Council Resolution Register	Monitor implementation of Council Resolutions by June 2020	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Baseline	Indicator	Annual Budget	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual POE	2019/2020 Annual Target	Achieved/Not Achieved	Actual Performance
Legal Services	To provide legal advice to the Municipality and monitor compliance to reduce number of claims and litigations by June 2022	Monitor the implementation of institutional legal Compliance	4 Mayoral Committee Meetings sat in 2019/2020 financial year	Number of Mayoral Committees meeting monitored by June 2021	0	Monitor sitting of 4 Mayoral committee meetings by June 2021	Achieved	4	4 Mayoral Committee meetings sat	N/A	N/A	(1) Reminder email (2) Agenda and Attendance register	Monitor sitting of 4 Mayoral Committee Meetings by June 2020	Achieved	4
							Achieved	3 107 906	Implementation of institutional legal services Plan monitored by June 2021	N/A	N/A	(1) Legal Services Plan (2) Legal compliance Report	Monitor institutional legal compliance by June 2020	Achieved	1
		Update and monitor case register	Case register and report	Percentage progress on update of case register by June 2021		Update 100% case register by June 2021	Achieved	100%	Updated 100% case register	N/A	N/A	Updated case register	Update case register by June 2020	Achieved	1
				Number of meetings convened with instructed legal firms by June 2021		Convene 4 meetings with instructed legal firms by June 2021	Achieved	4	4 Meetings convened with instructed legal firms	N/A	N/A	Agenda attendance register and minutes for 4 meetings with instructed legal firms	Convene 4 meetings with instructed Legal firms by June 2020	Achieved	4

COMPARISON OF PERFORMANCE BETWEEN 2019/2020 AND 2020/2021

2019/2020 PERFORMANCE PER DIRECTORATE					2020/2021 PERFORMANCE PER DIRECTORATE				
Directorate	No. of targets set for the financial year	No. of targets achieved	No. of targets not achieved	Achieved in terms of %	Directorate	Nr of Targets set for the financial Year	Nr of Targets Achieved	Nr of Targets Not Achieved	Achieved in terms of %
Infrastructural Development	34	24	10	71%	Infrastructural Development	33	29	4	88%
Community Services	19	16	3	84%	Community Services	15	12	3	80%
Local Economic Development and Planning	33	23	10	70%	Local Economic Development and Planning	33	33	0	100%
Strategic Management	24	18	6	75%	Strategic Management	23	22	1	96%
Corporate Services	31	27	4	87%	Corporate Services	23	21	2	91%
Budget and Treasury Office	34	24	10	71%	Budget Treasury Office	28	27	1	96%
Compliance and Governance	17	13	4	76%	Compliance and Governance	20	20	0	100%
TOTALS	192	145	47	76%	Total	175	164	11	94%

ORGANISATIONAL DEVELOPMENT

Organisational Design, Recruitment and Selection

In the year under review, the Organisational Structure was developed and approved as follows:

- Total number of positions as at the beginning of the financial year =509
- Total number filled as at the beginning of the financial year = 508
- Total number vacant as at the beginning of the financial year = 01
- Total number of terminations (Deceased, resigned, retired, dismissed) = 27
- Total number of positions as at year end: =482

Labour Relations Function

In 2020/2021 financial year 4 Local Labour Forum meetings and 4 Technical LLF meetings were held.

The following issues were discussed between the employer and the employee:

- Consultation of the 2020/2021 organogram reviews with municipal stakeholders
- Payment of 13th cheque on the birth month of an employee
- Job Description Writing Process Plan
- Car Allowance Policy
- Personal Protective Clothing and Equipment Procedure Manual
- Stop order for Empower Financial Services
- 2021/2022 WSP/ATP approved for submission to LGSETA
- Appointed OHS Committee for Covid-19
- LLF Subcommittee meeting
 - ❖ Total number of Disciplinary cases = 22
 - ✓ Number of cases resolved = 22

Occupational Health and Safety

- During the financial year 2020/2021 the municipality conducted health and safety inspections to all the Municipal buildings.
- Conducted awareness campaigns to all the Satellite Offices and Directorates.
- Protective Clothing has been procured for service delivery Directorates.
- Appointed Compliance Officers and COVID-19 task team.

Employee Wellness

During the financial year 2020/2021 the following Employee Wellness programmes were conducted:

- Health Screening Examination was conducted at Ngqamakhwe Satellite
- Educational Awareness Campaign for Corporate Services employees
- Financial Awareness Campaign all the employees
- Education Awareness and Health Campaign in Centane

Occupational Health and Safety

During the financial year 2020/2021 the municipality conducted health and safety inspections to all the Municipal building; conducted awareness campaigns to all the Satellite Offices; Directorates Protective Clothing was procured and the affected Directorates received the gear.

Employee Wellness

During the financial year 2020/2021 the following Employee Wellness programmes were conducted:

- Health Screening Examination was conducted at Ngqamakhwe Satellite
- Educational Awareness Campaign for Corporate Services employees
- Financial Awareness Campaign to all the employees
- Education Awareness and Health Campaign in Centane

Training and Development

In the year under review the municipality approved and implemented the Training Plan as follows:

- Total Number of councillors trained= 62
- Total Number of Senior Managers= 07
- Total Number of Managers=18
- Total Number of Clerks= 17
- Total Number of Foreman and Artisans= 05
- Total Number of General Workers=07

Employment Equity

The municipality reviewed Employment Equity Plan in 2020/2021 financial year. Two EEP programmes were implemented in the financial year under review

- EEA2, EEA4 report submission
- Reviewal of policies

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEE TOTALS

Description	Year 2020/2021			
	Approved Posts	Filled Positions	Vacancies	Budgeted and Filled current year
	No.	No.		
Municipal Manager's Office	16	16	0	16
Corporate Services Directorate	95	95	0	95
Budget and Treasury Office	50	50	0	50
Community Services Directorate	212	212	0	212
Infrastructural Development Directorate	69	69	0	69
Strategic Management Directorate	24	24	0	24
Local Economic Development and Planning	16	16	0	16
Totals	482	482	0	482

Vacancy Rate			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
Municipal Manager's Office	16	0	0
Corporate Services Directorate	95	0	0
Budget and Treasury Office	50	0	0
Community Services Directorate	212	0	0
Infrastructural Development Directorate	69	0	0
Strategic Management Directorate	24	0	0
Local Economic Development and Planning	16	0	0
Totals	482	0	0

Vacancy Rate: Year 2020/2021			
Designations	Total Approved Posts	Vacancies (Total time that vacancies exist using fulltime equivalents)	Vacancies (as a proportion of total posts in each category)
Municipal Manager	1	0	0
CFO	1	0	0
Other S56 Managers (excluding Finance Posts)	5	0	0
Other Managers (Finance posts)	6	0	0
Police officers	62		0
Fire fighters	N/A	N/A	N/A
Senior management: Levels 13-15 (excluding Finance Posts)	23		0
Senior management: Levels 13-15 (Finance posts)	6	0	0
Highly skilled supervision: levels 9-12 (excluding Finance posts)	121		0
Highly skilled supervision: levels 9-12 (Finance posts)	11		0
Semi –skilled and elementary levels 3-9	246		0
Total	482	0	0

Staff Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
Year -20/21	482	27	5,6%
Year -19/20	509	29	5,7%

COMMENT ON VACANCIES AND TURNOVER

The Municipality has Staff retention and attraction policy that address the turnover rate.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Mnquma Local Municipality has reviewed Employment Equity Plan; to ensure fair, efficient, effective and transparent personnel administration in accordance with the Employment Equity Act and other relevant legal prescripts.

4.2 POLICIES

HR Policies and Plans					
	Name of Policy	Completed %	Reviewed %	Date of the first adoption by council or comment on failure to adopt	Date of review by Council
1.	Affirmative Action	100	0%	28 February 2014	Not yet reviewed
2.	Acting allowance policy	100	100%	18 November 2009	27 May 2020
3.	Code of Conduct for employees	100	100%	18 November 2009	27 May 2020
4.	Disciplinary Code and Procedures	100	100%	None - using SALGBC Collective	28 May 2020
5.	Attraction and retention policy	100	100%	18 November 2009	27 May 2020
6.	Bereavement policy	100	0%	31 March 2014	27 May 2020
7.	Car allowance policy	100	100%	13 March 2009	27 May 2020
8.	Cellphone Allowance policy	100	0%	13 March 2009	27 May 2020

HR Policies and Plans					
	Name of Policy	Completed %	Reviewed %	Date of the first adoption by council or comment on failure to adopt	Date of review by Council
9.	Delegation of authority policy	100	100%	23 March 2009	27 May 2020
10.	Dress code policy	100	100%	23 March 2009	27 May 2020
11.	Employment equity plan	100	100%	23 March 2013	19 th January 2020
12.	Employment equity policy	100	100%	23 March 2009	27 May 2020
13.	Induction, training and staff orientation policy	100	100%	13 March 2009	27 May 2020
14.	Leave policy	100	100%	30 June 2008	27 May 2020
15.	Recruitment and Selection policy	100	100%	12 September 2007	27 May 2020
16.	Occupational health and safety policy	100	100%	18 November 2009	27 May 2020
17.	Private work and Declaration of interest policy	100	100%	July 2013	27 May 2020
18.	Provision and maintenance of municipal offices policy	100	100%	23 March 2009	27 May 2020
19.	Records management policy	100	100%	July 2013	27 May 2020
20.	Stand- by, Night work, shift allowance and overtime policy	100	100%	23 March 2009	27 May 2020
21.	Sport and recreation policy	100	100%	12 September 2007	27 May 2020
22.	Termination of service policy	100	100%	12 September 2007	27 May 2020
23.	Work attendance and punctuality policy	100	100%	13 March 2009	27 May 2020
24.	Task job evaluation policy	100	100%	29 March 2009	27 May 2020
25.	Subsistence and Travelling Allowance policy	100	100%		27 May 2020

Salary Band	Total Sick Leave Days	Employees using sick leave No	Total employees in the post No	Average sick leave per employees Days	Estimated Cost R'00
Lower Skilled (levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	14281	125	202	29,57	422 250,44
Highly Skilled Supervision (levels 6-8)	8172	85	120	16,92	138 264,15
Highly Skilled Supervision (levels 9-12)	7539	76	109	15,61	117 673,96
Senior Management (levels 13-19)	3186	32	45	6,60	21 015,73
MM and S56	557	2	7	1,15	642,34
Total	33735	320	483	69,84	699 846,61

COMPONENT C: INJURIES, SICKNESS AND SUSPENSIONS

4.3 INJURIES AND SICKNESS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Basic medical attention	N/A	N/A	N/A	N/A	N/A
Temporal Total Disablement	N/A	N/A	N/A	N/A	N/A
Permanent Disablement	N/A	N/A	N/A	N/A	N/A
Fatal Incident	N/A	N/A	N/A	N/A	N/A
Total	0	0	0	0	0

4.4 SUSPENSIONS

Number and Period of Suspension						
Name	Position/Rank	Nature of Alleged Misconduct	Date of Suspension	Date of Disciplinary Hearing	Date finalized	Out Come of Case
Tshaka	Traffic Superintendent	Calling meeting without approval	25 November 2019	25 June 2021	Appeal stage	Appeal stage
Buso	Traffic Superintendent	Calling meeting without approval	25 November 2019	25 June 2021	Appeal stage	Appeal stage
Kasibe	Chief Traffic Officer	Lost municipal asset and calling the meeting without approval	25 November 2019	25 June 2021	Appeal stage	Appeal stage
Joxo	Traffic Officer	Committed robbery	10 February 2020	27 November 2020	09 February 2021	Resolved (Dismissed)
Bhomela	Traffic Officer	Committed robbery	10 February 2020	27 November 2020	09 February 2021	Resolved (Dismissed)
Gcilitshana	Traffic Officer	Committed robbery	10 February 2020	27 November 2020	09 February 2021	Resolved (Dismissed)
All cases have been finalized during the year under review.						
DISPUTES LODGED TO SOUTH AFRICAN BARGAINING COUNCIL FOR YEAR 2020/2021						
Name	Rank & Level	Nature of Dispute	Date of the Conciliation/ Disciplinary	Date of the arbitration hearing	Dispute resolved	Arbitration award
Linda Bungane and Noxolo Mdluduma	Two Interns BTO	Unfair Labour Practice	08/04/2020	12 May 2021	Resolved	Application was dismissed due Jurisdiction

Disciplinary Action Taken on Cases of Financial Misconduct			
N/A	N/A	N/A	N/A
None in the financial year under review			

4.5 PERFORMANCE REWARDS

Performance Rewards				
Designations	Beneficiary profile			
	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2019/2020	Proportion of beneficiaries within group
			R' 000	%
Municipal Manager	1	1	161 864,28	12%
Director Infrastructural Development	1	1	132 310,80	12%
Director Community Services	1	1	132 310,80	12%
Director Local Development and Planning	1	1	132 310,80	12%
Director Strategic Management	1	1	143 336,70	13%
Director Corporate Services	1	1	143 336,70	13%
Chief Financial Officer	1	1	132 310,80	12%
<i>Has the statutory municipal calculator been used as part of the evaluation process?</i>				Yes

4.6 SKILLS DEVELOPMENT AND TRAINING

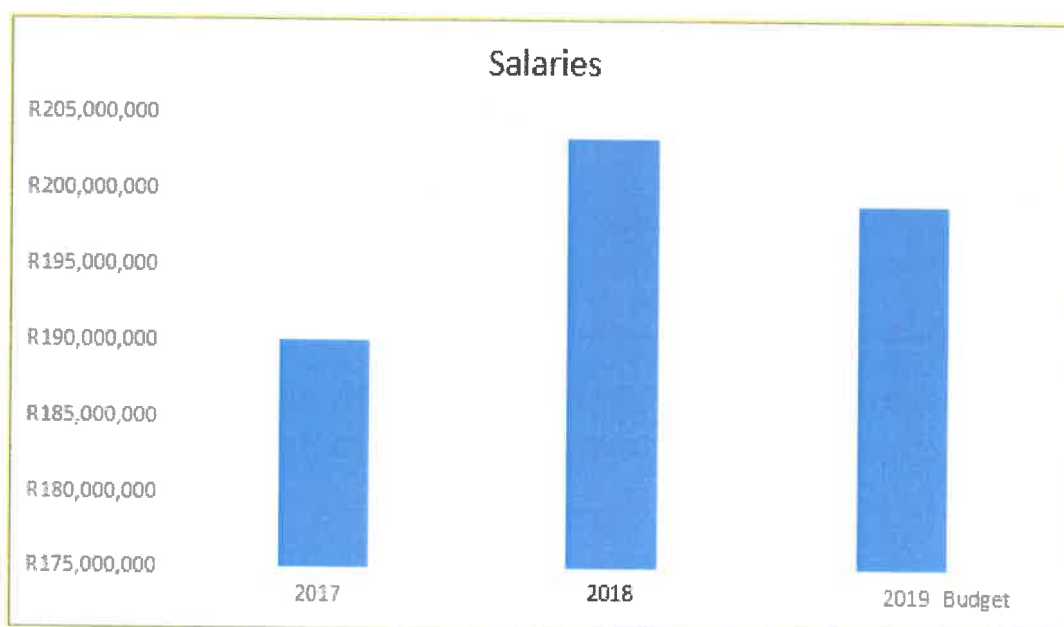
Management level		Employees in post as at 30 June 2021		Number of skilled employees required and actual as at 30 June 2021											
Gender	No.	Learner ships			Skills programmes & other short courses			Other forms of training				Total			
		Actual: End of Year 2019/20	Actual: End of 2020/21	Year 2020/21 Target	Actual: End of Year 2019/20	Actual: End of 2020/21	Year 2020/21 Target	Actual: End of Year 2019/20	Actual: End of 2020/21	Year 2020/21 Target	Actual: End of Year 2019/20	Actual: End of 2020/21	Year 2020/21 Target		
Female	2	0	0	2	2	1	1	0	0	0	0	0	2	1	3
Male	5	1	1	2	3	2	5	0	0	0	0	0	4	3	7
Female	81	24	45	60	29	37	60	0	0	0	0	0	53	82	120
Male	76	17	35	40	15	25	36	0	0	0	0	0	32	60	76
Female	4	0	0	0	2	2	4	0	0	0	0	0	2	2	4
Male	6	0	1	5	4	2	6	0	0	0	0	0	4	3	11
Female	44	25	19	30	25	30	40	0	0	0	0	0	50	49	70
Male	27	15	9	15	16	14	20	0	0	0	0	0	31	23	35
Female	55	8	9	15	23	20	30	0	0	0	0	0	31	29	45
Male	14	6	4	10	8	9	10	0	0	0	0	0	14	13	20
Female	38	15	18	25	13	15	20	0	0	0	0	0	28	33	45
Male	29	14	12	20	18	17	25	0	0	0	0	0	32	29	45
Female	9	4	6	9	5	7	9	0	0	0	0	0	9	29	18
Male	19	9	12	15	15	17	19	0	0	0	0	0	24	29	34
Female	26	15	13	20	21	19	20	0	0	0	0	0	36	32	40
Male	47	26	33	40	36	42	42	0	0	0	0	0	62	55	42
Female	259	91	110	161	120	131	184	0	0	0	0	0	211	257	345
Male	223	82	107	147	115	128	163	0	0	0	0	0	203	215	270
Total	482	173	217	308	235	259	347	0	0	0	0	0	414	472	615

Skills Development Expenditure												
Management level	Gender	Employees as at the beginning of the financial year		Learnerships		Skills programmes & other short courses		Other forms of training		Total		
		No.	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	
MM and S57	Female	2	45,000.00	60,000.00	20,400.00	100,000.00	0	0	160,000.00	65,000.00		
	Male	5	50,300.00	100,000.00	60,000.00	100,000.00	0	0	200,000.00	110,300.00		
Legislators, senior officials and managers	Female	81	15,200.00	90,000.00	25,000.00	100,000.00	0	0	190,000.00	40,200.00		
	Male	76	20,100.00	90,000.00	30,100.00	100,000.00	0	0	190,000.00	50,200.00		
Professionals	Female	44	20,000.00	90,000.00	120,300.00	100,000.00	0	0	190,000.00	140,300.00		
	Male	27	10,000.00	45,000.00	20,000.00	100,000.00	0	0	145,000.00	30,000.00		
Technicians and associate professionals	Female	4	70,000	50,000	55,000.00	65,000.00	0	0	145,000.00	125,000.00		
	Male	6	80,000	70,000	65,000.00	75,000.00	0	0	145,000.00	145,000.00		
Clerks	Female	55	90,000.00	45,000.00	60,000.00	70,000.00	0	0	105,000.00	150,000.00		
	Male	14	5,000.00	45,000.00	55,000.00	60,000.00	0	0	105,000.00	60,000.00		
Service and sales workers	Female	38	65,000.00	60,000.00	40,000.00	60,000.00	0	0	120,000.00	105,000.00		
	Male	29	55,000.00	57,000.00	45,000.00	50,000.00	0	0	107,000.00	100,000.00		
Plant and machine operators and assemblers	Female	9	40,000.00	45,000.00	30,000.00	38,000.00	0	0	83,000.00	70,000.00		
	Male	19	45,000.00	50,000.00	35,000.00	40,000.00	0	0	90,000.00	80,000.00		
Elementary occupations	Female	26	45,000.00	48,000.00	35,000.00	40,000.00	0	0	88,000.00	80,000.00		
	Male	47	65,000.00	75,000.00	48,000.00	60,000.00	0	0	135,000.00	113,000.00		
Total		482	720,600	979,500.00	743,800.00	1,158,000	0	0	2,098,300.00	1,914,000		

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

In the year under review, Mquma Local Municipality has seen the salaries decrease of -0.5% compared to the 2019 salaries. The municipality's budgeted expenditure is 6.5 % below the 2019 salaries mainly attributable to the increase in salaries as per the collective agreement. The municipality has also made use of EPWP funding in order to beef up personnel on those special projects rather than creating new positions and increase the expenditure in the budget.

4.7 EMPLOYEE EXPENDITURE



Growth on salaries and wages is based on salary and wage collective agreement and determination of upper limits. Personnel expenditure increase for Section 54A and 56 Managers is based 5.3% as per Council Resolution dated 22 January 2021 (OCM 3/21/007.2.1.18) Personnel expenditure increase for Councillors is based on 4% increases for 2019/2020 as per gazette no 43246 and general expenses based on the circular released by National Treasury.

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
No Job evaluation results were not implemented in the year under review.				

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: FINANCIAL STATEMENT

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Budget Year 2020/21					
	Original Budget	2nd Adjustment Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands			R'000	R'000	R'000	%
Revenue By Source						
Property rates	54 627	57 249	61 045	54 627	-3 796	112%
Service charges - refuse revenue	5 300	5 554	5 105	5 300	449	96%
Rental of facilities and equipment	3 725	3 904	4 329	3 725	-425	116%
Interest earned - external investments	5 639	5 909	4 024	5 639	1 885	71%
Interest earned - outstanding debtors	9 237	9 681	13 680	9 237	-3 999	148%
Fines	10 653	11 164	4 223	10 653	6 941	40%
Licences and permits	1 550	1 624	758	1 550	866	49%
Agency services	4 500	4 716	3 031	4 500	1 685	67%
Transfers recognized – operational	280 246	295 281	415 257	336 666	-119 976	123%
Other revenue	1 325	1 389	373	1 325	1 016	28%
Gains on disposal of PPE	0	262	–	0	0	0%
Total Revenue (excluding capital transfers and contributions)	376 802	396 733	511 825	433 222	-115 354	851%

Description	Budget Year 2020/2021					
	Original Budget	1st Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands	R'000		R'000	R'000	R'000	%
Expenditure By Type						
Employee related costs	194 262	194 262	193 147	194 262	1 115	99%
Remuneration of councillors	24 707	24 707	24 560	24 707	147	99%
Debt impairment	38 639	38 639	–	38 639	38 639	0%
Depreciation & asset impairment	112 814	112 814	–	112 814	112 814	0%
Finance charges	5	5	25	5	(20)	498%
Other materials	1 720	2 442	1 547	1 720	173	90%
Contracted services	31 871	48 794	22 845	31 871	9 026	72%
Transfers and subsidies - Bulk	4 000	4 000	3 395	4 000	605	85%
Other expenditure	47 174	58 343	23 444	47 174	23 730	50%
Transfers and subsidies – Capital	94 709	123 043	91 835	94 709	2 874	97%
Total Expenditure	549 901	607 049	360 799	549 901	189 102	66%

5.2 GRANTS

Name of Grant	Allocation as per DoRA	Actual Received	Date Received
MIG	62 194 000	13 945 000	17/07/2020
		17 285 000	26/10/2020
		9 424 000	22/01/2021
		35 777 000	27/03/2021
TOTAL	62 194 000	76 431 000	
Minerals & Energy (INEG)	9 270 000	2 270 000	21/08/2020
		3 000 000	25/11/2020
		4 000 000	25/02/2021
TOTAL	9 270 000	9 270 000	

Equitable share	327 405 000	123 184 000	07/07/2020
		134 114 000	8/12/2020
		68 436 000	18/03/2021
TOTAL	327 405 000	325 734 000	

FMG	1 700 000	1 700 000	26/08/2020
TOTAL	1 700 000	1 700 000	

EPWP	1 695 000	424 000	03/08/2020
		763 000	03/12/2020
		508 000	01/02/2021
TOTAL	1 695 000	1 695 000	
DSRAC	500 000	500 000	
TOTAL	500 000	500 000	
TOTAL	402 764 000	415 330 000	

5.3 ASSET MANAGEMENT

Asset Management involved the following broad principles:

Planning and budgeting: Planning, budgeting, and reporting of assets are integrated with broader planning processes, within Directorates i.e., included in the IDP of the municipality.

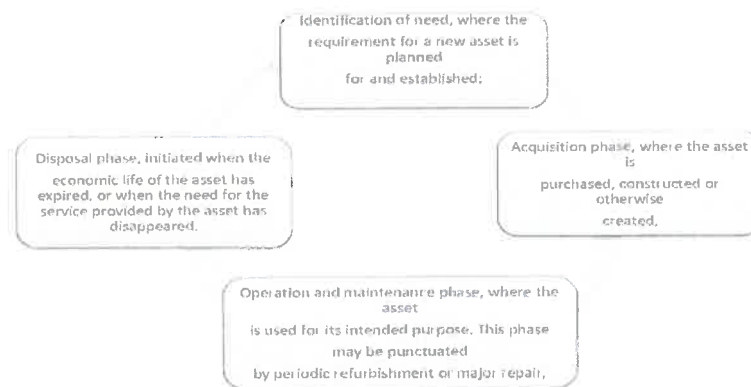
Monitoring and reporting: The municipal management oversee the utilization, safeguarding and maintenance of assets and the appropriate reporting for regulatory and decision purposes.

Systems of delegation and accountability: Ownership and control of all assets are fully defined. Accountability and reporting requirements for both ownership and control are determined and clearly communicated.

Safeguarding and maintaining of municipal assets: Clear segregation of functions in asset custody. Physical security of assets is enforced.

Roles and Responsibilities: Although authority has been delegated, the responsibility to ensure adequate physical control over each asset remains with the head of Directorate.

The phases through which an asset passes during its life are:



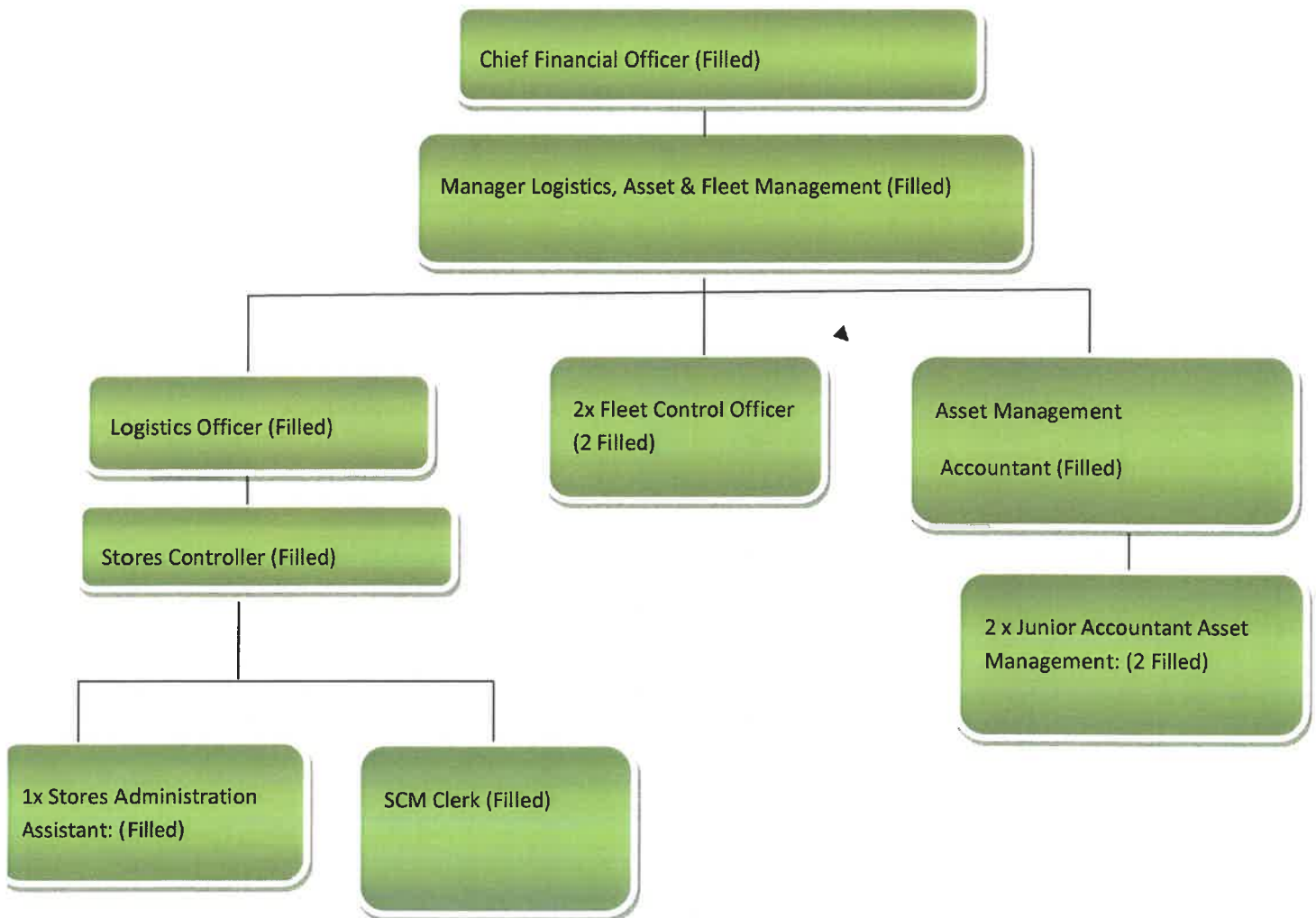
Key issues under development: During the year under review, asset verification is done as prescribed by GRAP standards and parts of the annual financial statements. Asset verification is done to ensure existence and completeness of the Asset Register. During verification condition assessment is done to ensure that all assets are in good condition if not, are recommended for disposal.

The Fleet Management System was installed and is functional. In 2020/2021 all municipal vehicles were installed with tracking device.

The key development issue involves the capacitation of the officials in the division so that they are fully apprised of all GRAP updates and new GRAP standards.

ASSET, FLEET AND LOGISTICS MANAGEMENT STRUCTURE

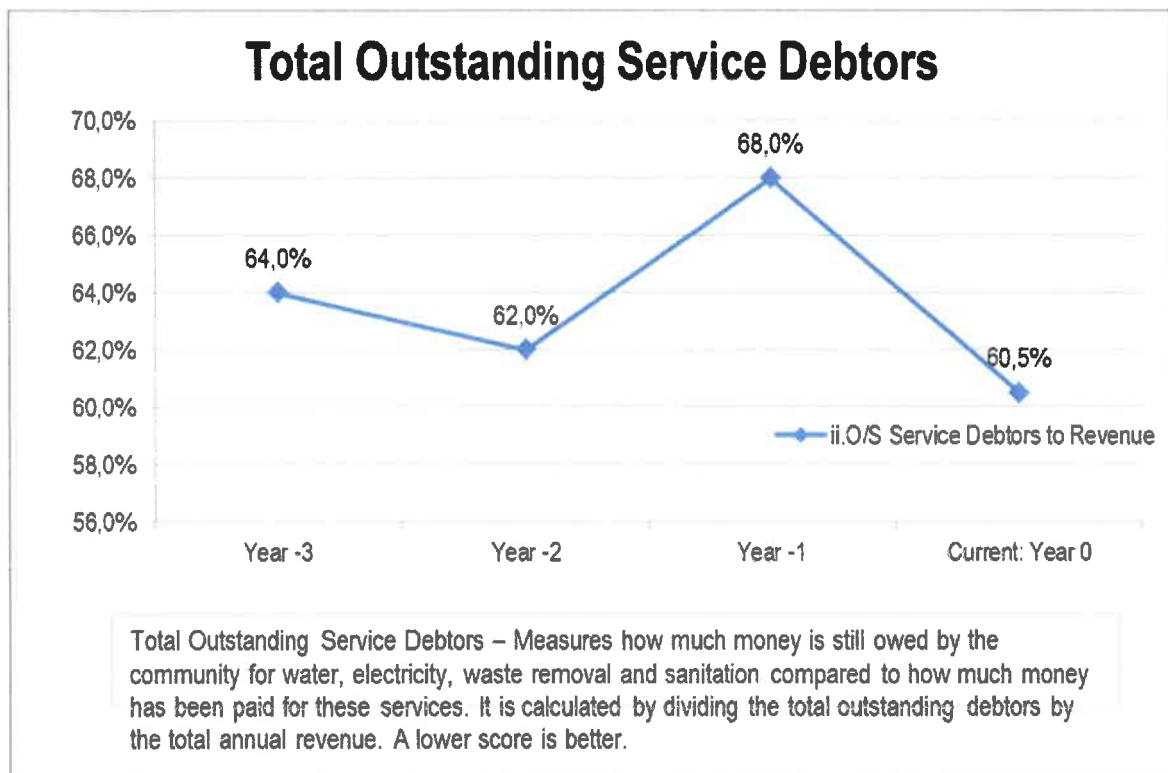
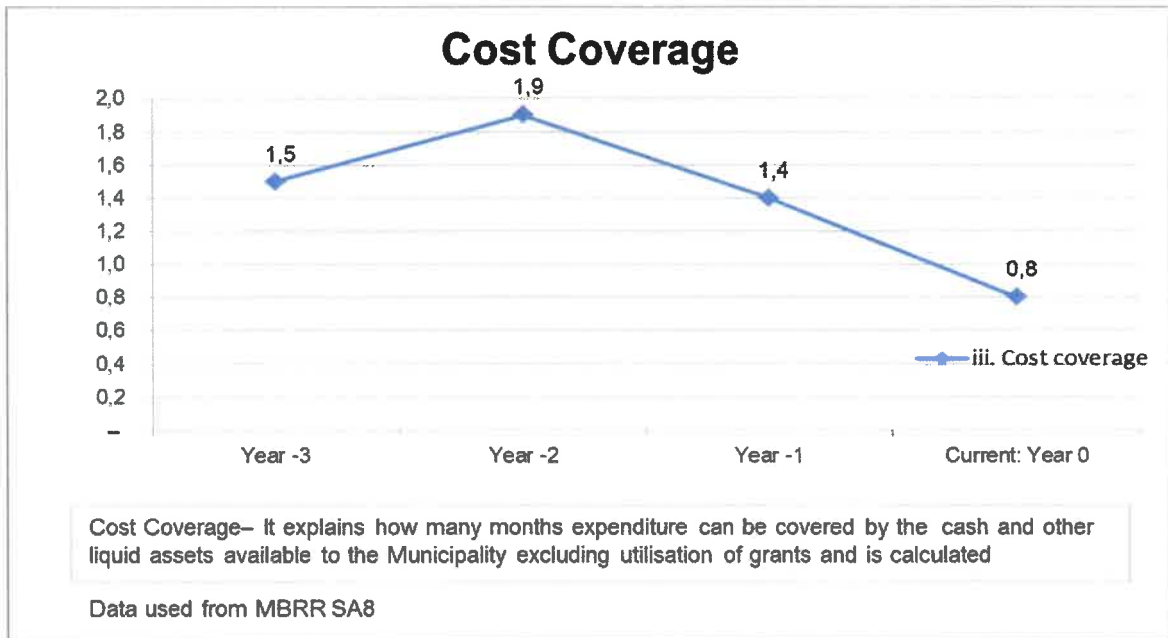
Figure 1 – Assets, Fleet and Logistics Management Structure



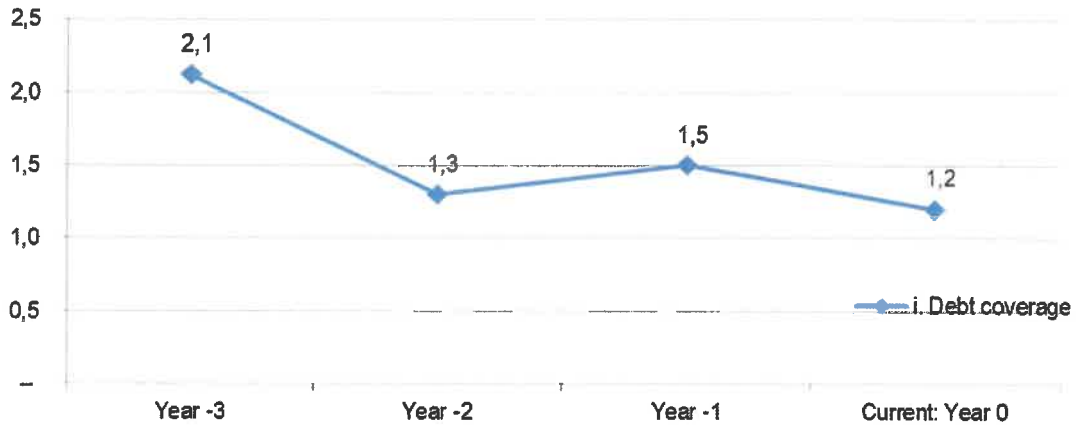
Repairs and Maintenance Expenditure on Moveable Assets: Year 2020/2021				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance	1 200 000	1 869 548	1 646 703	222 845

. Asset utilization is monitored in order to reduce the possible negligence which may lead to excessive maintenance costs. Maintenance of municipal assets is done regularly.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



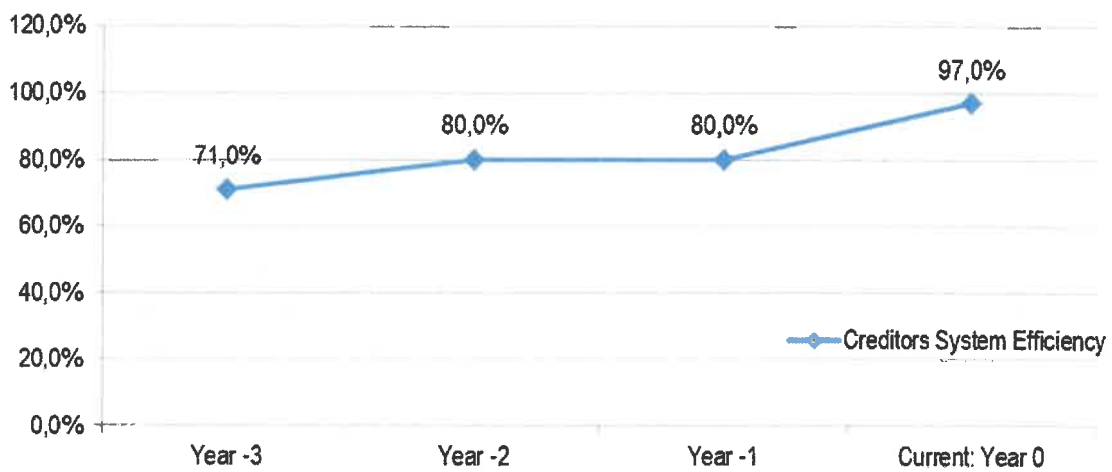
Debt Coverage



Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

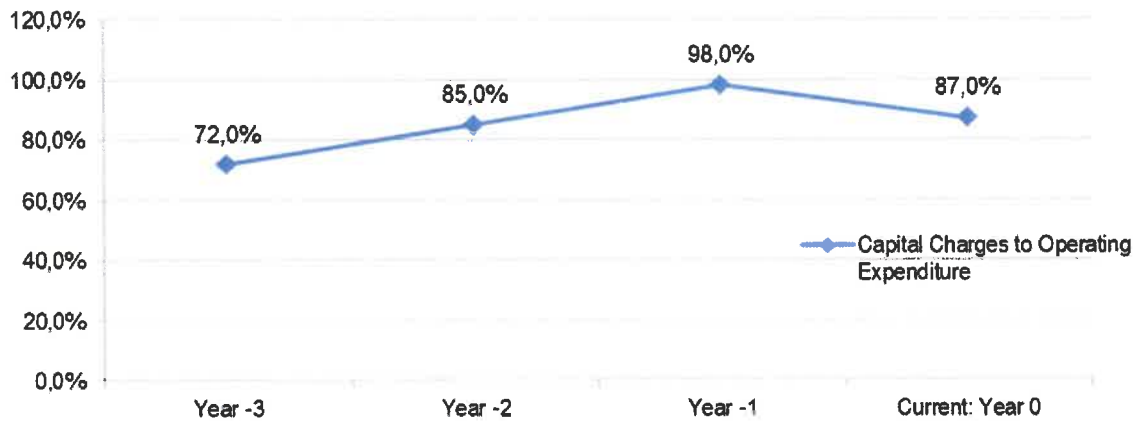
Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

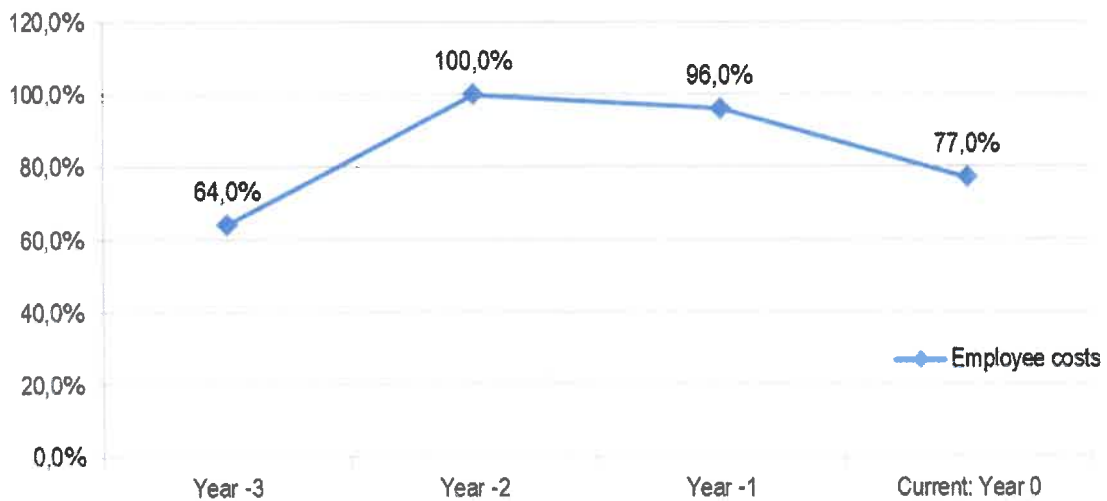
Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

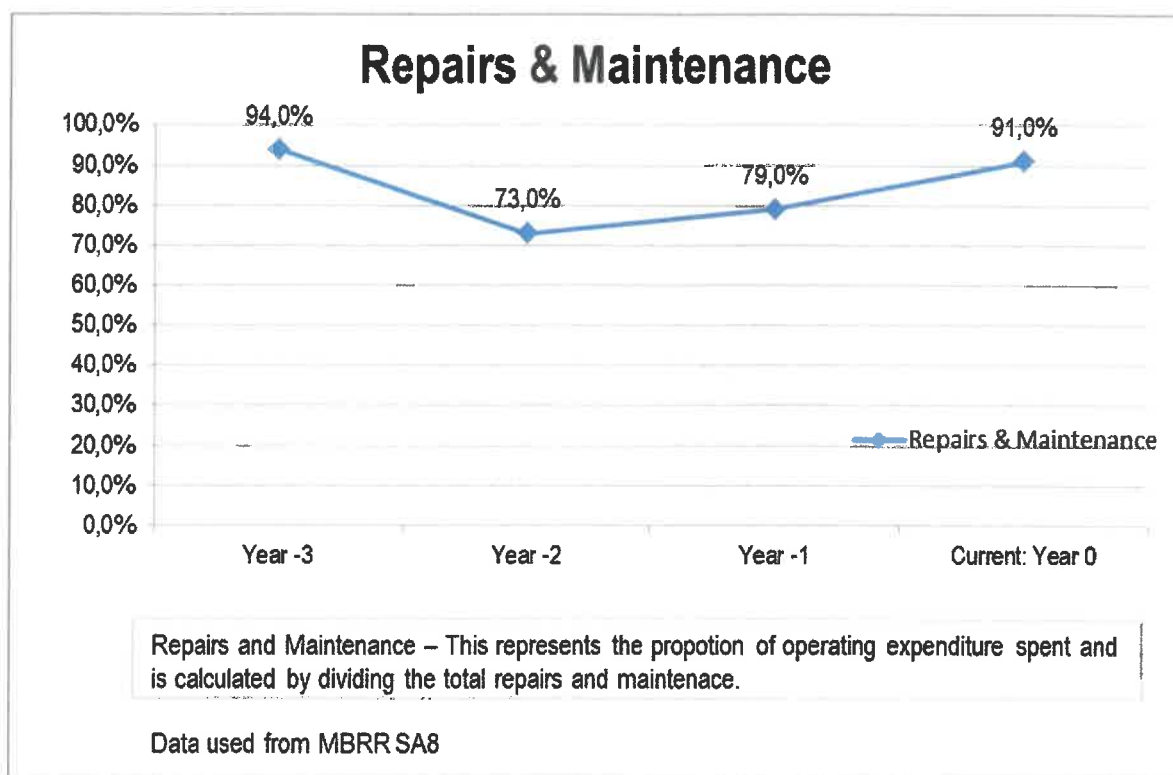
Data used from MBRR SA8

Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8



COMMENT ON FINANCIAL RATIOS:

The above financial ratios indicate sound and stable municipality from a financial point of view. The municipality is able to fund its operating costs whilst slowly building reserves for capital replacement.

Mechanisms, procedures and controls have been strengthened during the year under review for revenue and expenditure management.

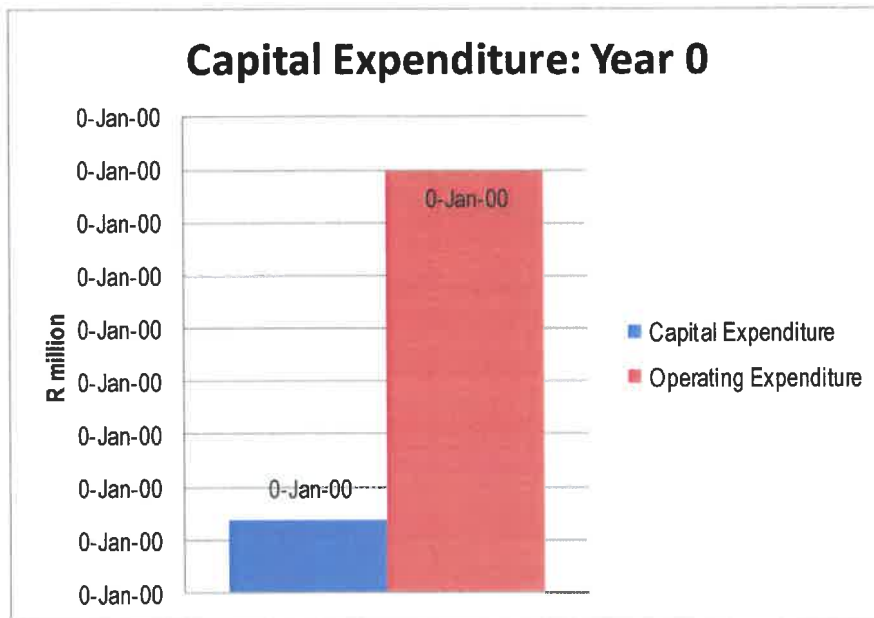
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital projects in the year under review were funded through Municipal Infrastructure Grant, Integrated National Electricity Programme, Equitable Share and Internally generated funds.

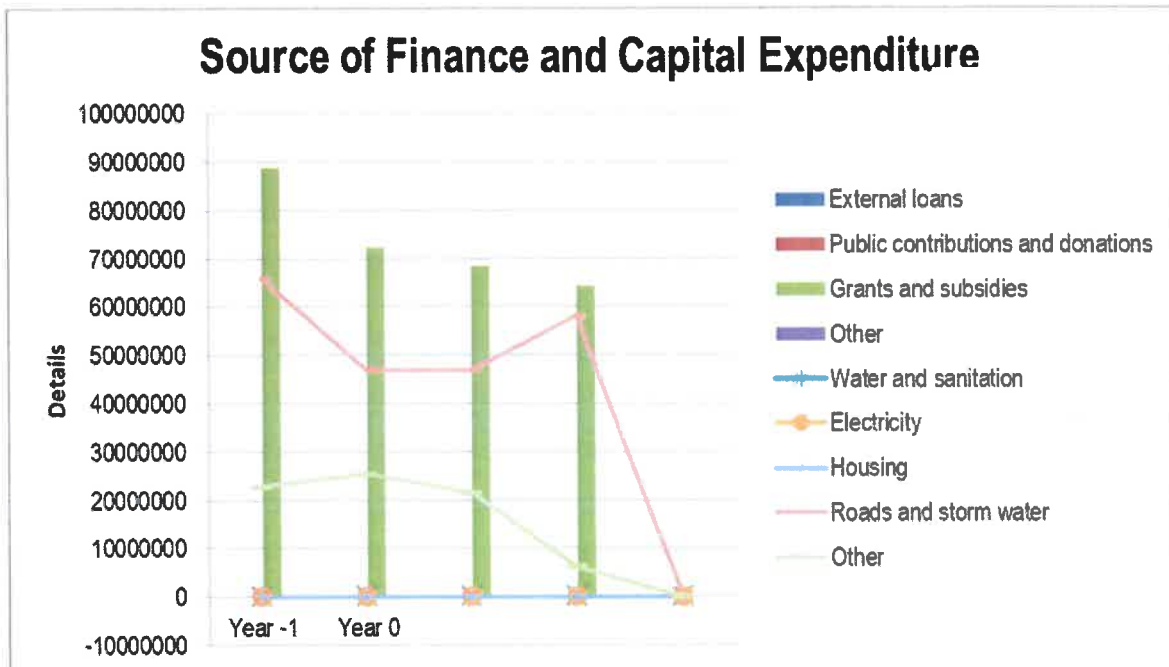
The five largest capital projects constitute 27% (R43 065) of the total capital expenditure. These projects were funded through the MIG and INEP grants. T.5.7.1 below has more details regarding these projects.

Appendices M (relating to the new works and renewal programmes), N (relating to the full programme of full capital projects, and O (relating to the alignment of projects to wards).

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE



COMMENT ON SOURCES OF FUNDING:

During the 2020/2021 financial year the municipality has spent 15% of the total budget on Capital projects and 44% of the total budget on operating expenditure.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 2020/2021	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Rehabilitation of Ext7 Ring Road	10 699	15 279	15 279	143%	100%
Mphakathi Access Road	9 459	9 964	9 964	105%	100%
Rural electrification	9 270	9 270	8 863	96%	96%
KwaNkqayi-Sikolweni to Elalini Access Road	8 263	7 378	7 378	89%	100%
Rhwantsana Outdoor Sport Facility	6 353	5 700	4 574	72%	80%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	Rehabilitation of Ext7 Ring Road				
Objective of Project	Access Road				
Delays	None				
Future Challenges	n/a				
Anticipated Citizen Benefit					
Name of Project - B	Mphakathi Access Road				
Objective of Project	Access Road				
Delays	None				
Anticipated citizen benefits					
Name of Project - C	Rural electrification				
Objective of Project	Rural Electrification				
Delays	None				
Anticipated citizen benefits					
Name of Project - D	KwaNkqayi-Sikolweni to Elalini Access Road				
Objective of Project	Access Road				
Delays	None				
Anticipated citizen benefits					
Name of Project - E	Rhwantsana Outdoor Sport Facility				
Objective of Project	Outdoor Sport Facility				
Delays	None				

COMMENT ON CAPITAL PROJECTS:

The above capital projects funded through MIG and INEP were capitalized in terms of generally recognized accounting standards and the applicable legislation.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

In the year under review, Council reviewed and adopted Investment Policy that seeks to regulate investment activities. The municipality has an existing banking contract in terms of Section 8 of the Municipal Finance Management Act 56 of 2003.

5.10 CASH FLOW

Description	2020/2021	Budget Year 2020/21					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	Variance	Variance
R thousands	R'000	R'000	R'000	R'000	R'000	R'000	%
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	22 688	32 776	32 776	30 570	32 776	2 206	93%
Service charges	3 207	3 180	3 180	976	3 180	2 204	31%
Other revenue	7 789	16 321	23 000	7 261	23 000	15 739	32%
Transfers and Subsidies – Operational	994 462	280 247	337 394	329 629	337 394	7 765	98%
Transfers and Subsidies – Capital	68	68 354	102 524	85 701	102 524	16 823	84%
Interest	19 742	5 639	5 639	4 024	5 639	1 614	71%
Dividends	-	-	-	-	-	-	
Payments							
Suppliers and employees	(259 803)	(0)	(332 233)	(265 544)	(332 233)	(66 689)	80%
Finance charges	(2 724)	-	(5)	(25)	(5)	20	500%
Transfers and Grants	(2 862)	-	(5 000)	(3 395)	(5 000)	(1 605)	68%
NET CASH FROM/(USED) OPERATING ACTIVITIES	782 565	406 517	167 275	189 197	167 275	(21 922)	113%
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	23	-	-	-	-	-	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	
Payments							
Capital assets	-	(94 709)	(159 219)	(109 692)	(159 219)	(49 527)	69%
NET CASH FROM/(USED) INVESTING ACTIVITIES	23	(94 709)	(159 219)	(109 692)	(159 219)	(49 527)	69%
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	(15)	(0)	(0)	(3)	0	(3)	-35778%
Payments							

Description	2020/2021	Budget Year 2020/21					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	Variance	Variance
R thousands	R'000	R'000	R'000	R'000	R'000	R'000	%
Repayment of borrowing	–	0	0	–	0	0	100%
NET CASH FROM/(USED) FINANCING ACTIVITIES	(15)	(0)	(0)	(3)	0	3	29291%
NET INCREASE/ (DECREASE) IN CASH HELD	782 573	311 808	8 055	105 780	56 779		
Cash/cash equivalents at beginning:	16 599	0	0	(50 282)	0		
Cash/cash equivalents at month/year end:	799 172	311 808	8 055	55 499	56 779		

COMMENT ON CASH FLOW OUTCOMES:

In 2020/2021 financial year, the municipality realized own revenue from the following sources as reflected in the table below:

Property rates = 93%

Service charges = 31%

Traffic Services, licensing and other miscellaneous income = 32%

Challenges and remedial actions

The total budgeted amount from own sources has not been realized.

5.11 BORROWING AND INVESTMENTS

During 2020-2021 the municipality had no borrowings.

Municipal Investments			
R' 000			
Investment* type	Year: 2018/2019	Year: 2019/2020	Year: 2020/2021
	Actual	Actual	Actual
Municipality			
Call Investment Deposits - Bank	16 743 471	50 281 617	127 688 779
Municipality total	16 743 471	50 281 617	127 688 779

FUNDS AND RESERVES

Funds and reserves of the municipality are guided by Funds and Reserves Policy of the municipality. The municipality opens call accounts for each of the grant funding it receives. These earn interest and the interest is transferred to the current account on a monthly basis to maintain a good cash flow.

5.12 PUBLIC PRIVATE PARTNERSHIPS

In the year under review, the municipality did not enter into any Public Private Partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.13 SUPPLY CHAIN MANAGEMENT

In terms of clause 6(1)(3) of the Municipal Supply Chain Management Regulations, 2005, which deals with the Oversight role of council of municipality or board of directors of municipal entity:

The council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its supply chain management policy.

The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.

In accordance with Regulation 6(2)(a)(i) of the SCM Regulations the Accounting Officer must "within 30 days of the end of each financial year, submit a report on the implementation of the Supply Chain Management Policy of the municipality to the Council of the municipality."

SCM Policy & Procedures

Adoption of Policy by Council: The council has reviewed the hereunder SCM policy has be:

- Supply Chain Management policy for General Goods and Services
- SCM policy for Infrastructure Delivery Management

The above supply chain management policies have been further reviewed and approved by the Council on the 28 May 2020, Council Resolution Number SCM6/20/007.2.2.1

SCM Procedures

Supply Chain Management Procedures with supply chain management checklist are implemented.

Delegations

- Supply Chain Management Delegations are detailed in the policy.
- Infrastructure Procurement

The Council has adopted the Supply Chain Management policy for Infrastructure Procurement and Delivery Management.

Functioning of the SCM Unit

SCM Structure: The Supply Chain Management Unit (SCM) is fully established and functional:

- SCM Manager (Senior SCM Practitioner)
- Demand Officer
- Acquisition Officer
- Contract Management Officer
- Administration Assistant Demand and Acquisition
- 02 Supply Chain Management Clerks

The Supply Chain Management division operates under direct supervision of the Chief Finance Officer (CFO). SCM Manager (Senior SCM Practitioner) is responsible for the day to day management of the division.

Declaration of Interest:

All SCM Personnel declared has declared their interests for financial year 2020/2021.

Code of Conduct for SCM Practitioners: All supply chain management officials have signed the code of conduct for SCM practitioners.

Training of SCM Personnel: There was one supply chain management training attended by the supply chain officials in financial year 2020/2021.

Functioning of Bid Committees

Bid Committees are constituted in line with Regulations 27, 28 &29.

Bid Specification Committee (BSC)

Bid Evaluation Committee (BEC)

Bid Adjudication Committee (BAC)

Infrastructure Committees are aligned with the standard for Standard for Infrastructure Delivery Management (SPDIM)

Bid Committee Terms of Reference are in place and included in the committee's reports.

Reporting Items

Deviations

Section 114 (Approval of tenders not recommended)

There were no un-recommended tenders approved for financial year 2020-2021.

Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)

No Procurement of goods and services under contracts secured by other organs of State for financial year 2020-2021

Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)

Deviation register for financial year 2020-2021 was prepared in compliance with Regulation 36 of Local Government: Municipal Finance Management Act (56/2003) Municipal Supply Chain Management (SCM) Regulations which states that:

The accounting officer may –

(a) Dispense with the official procurement processes established by Mquma local municipality supply chain management policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only:

- (i) in an emergency;
- (ii) if such goods or services are produced or available from a single provider only;
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) acquisition of animals for zoos, nature reserves or game reserves; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature

and;

Section 17.1 (C) of Local Government: Municipal Finance Management Act (56/2003): Municipal Supply Chain Management (SCM) Regulations: Formal written price quotations:

17.1 (c) A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating -that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer.

Unauthorized, Irregular, Fruitless & Wasteful Expenditure: National Treasury issued Circular 68 during April 2013 which provides guidance into irregular expenditure, associated registers and the investigation processes with regard to irregular expenditure. This Circular clearly indicates that irregular expenditure is only recognized when the expenditure is paid. The fruitless and wasteful expenditure incurred in financial year 2020-2021 was for interest charged by Eskom. Fruitless and wasteful expenditure was assessed as recoverable by the municipality.

The Municipal Public Accounts Committee (MPAC) has investigated all the irregular expenditure as at 30 June 2021 and presented the investigation report to the Council. The municipal Council has written off an irregular expenditure to amount of R 1 450 977.82 under council resolution number OCM4/21/007/4.1.2. The attached irregular expenditure incurred is for the month of June 2021 which is as result recurring irregular from prior years.

Central Suppliers Database (CSD): The municipality is utilizing the Central Suppliers database for all the procurement and there are no challenges in logging on to the system.

Procurement Plan Implementation- Report on implementation of procurement plans: Supply Chain Management division has coordinated the development of 2020/2021 procurement plan in consultation with end-user directorates through IDP directorate sessions and has been implemented. The municipal directorates' annual procurement plans were linked to the annual budget, and were consolidated to be the municipal annual procurement plan for 2020/2021 financial year. Procurement plan is updated on monthly basis.

Bids Awarded >R30K

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
1	2021	Supply and Delivery of Mobile Communication Services for 14 Mquma Local Municipality lines for a period of two (02) Years	MNQ/SCM/15/20-21	Vodacom (Pty) Ltd	384 997.20
2	2021	Completion of Cerhu Sports Field	MNQ/SCM/10/20-21	Nqaba-Yamajola Trading	449 551.68
3	2021	Construction Butterworth drivers licensing testing centre phase 2A	MNQ/SCM/11/20-21	Njabomvu Construction (Pty) Ltd	500 000.00
4	2021	Travel and Accommodation Agency Services for a Period of Three Years, effective from 01 August 2020 to 31 August 2023	MNQ/SCM/52/19-20	Silver Solutions 2840 CC T/A Harvey World Travels East London	6.95
5	2021	Construction of Qolora Access Road	MNQ/SCM/01/20-21	Buciko Africa Project Management (Pty) Ltd	4 509 682.13
6	2021	Rehabilitation	MNQ/SCM/02/20-21	Lunika Investments	5 954 449.32

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
		of Xhobani Gravel Access Road		(Pty) Ltd	
7	2021	Construction of Cuba Community Hall	MNQ/SCM/07/20-21	Cool Makers Trading (Pty) Ltd	3 970 250.70
8	2021	Construction of Mphakathi Access Road	MNQ/SCM/12/20-21	Investorex (Pty) Ltd T/A GS Civils	11 050 981.29
9	2021	Supply and Delivery of Microsoft Software Licenses for Mquma Local Municipality for A Period of three (03) Years.	MNQ/SCM/29/19-20	Unathi Computer Technologies CC	4 341 384.55
10	2021	Completion of Nomaheya Sports Field	MNQ/SCM/09/20-21	Awakhe Consulting	321 756.75
11	2021	Supply and Installation of 30 LED Street Lights along Mthatha Street and King Street	MNQ/SCM/14/20-21	Mentolek Projects (Pty) Ltd	1 965 354.64
12	2021	Construction of KwaNkqayi – Skolweni and Lanini Access Road	MNQ/SCM/03/20-21	Cycle Civils and Projects (Pty) Ltd	7 776 860.26
13	2021	Electrification of Vakweni, Mjo, Esixhotyeni, Notshinga, Lalini, Dakeni, Kie Farm, Qolorha by sea and Qolora Pitsini	MNQ/SCM/13/20-21	A One Elect CC	7 472 888.88
14	2021	Hosting and Maintenance of Municipal Website for A Period of Three (03) Years	MNQ/SCM/56/19-20	Vargafon (Pty) Ltd	132 250.00
15	2021	Construction of Mncuncuzo Access Road	MNQ/SCM/05/20-21	Dintwa Trading CC	3 387 484.94

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
16	2021	Construction of Rhwantsana Outdoor Sports Facility	MNQ/SCM/08/20-21	Lwazi Enterprise (Pty) Ltd JV Rosibu Holding (Pty) Ltd	6 819 835.00
17	2021	Rehabilitation of EXT 7 Ring Road	MNQ/SCM/06/20-21	Bathabile Construction Services	17 000 000.00
18	2021	Surfacing Repairs and Asphalt Overlay at King Street and Blyth Street Intersection	MNQ/SCM/56/19-20	Khula Africa Agriculture and Construction Projects	2 992 197.08
19	2021	Construction of Machelesini Access Road	MNQ/SCM/04/20-21	Kaazi Engineering Group (Pty) Ltd	5 298 215.17
20	2021	Refurbishment of Side Parking's Along King Street & At Blyth Street Municipal Offices	MNQ/SCM/16/20-21	Kula Africa Agriculture and Construction Projects CC	1 500 000.00
21	2021	Catchpit Covers in Butterworth & Centane CBD	MNQ/SCM/31/20-21	Iqunube General Services (Pty) Ltd	406 925.00
22	2021	Supply and Delivery of Motor Vehicle and Plant for 2020/2021 Financial	MNQ/SCM/22/20-21	Blue Streak Consulting	9 005 156.94
23	2021	Supply and Delivery of Motor Vehicle (BAKKIE)	MNQ/SCM/24/20-21	Max Fam Invest CC	480 000.00
24	2021	Supply and Deliver of Tyres	SCM/ MNQ /11/20-21	A & J Tyres Centre	154 425.23
25	2021	Supply and Delivery of Office Furniture	SCM/ MNQ /61/19-20	Thuthuka Office Supplies	70 437.50
26	2021	Supply and Delivery of Branding Material	SCM/ MNQ /17/20-21	PhakamaniSakhe Trading Enterprise	160 000.00
27	2021	Supply and Delivery of tubes, tyres and rims for a period of 1 year	MNQ/SCM/25/20-21	A & J Tyre Centre	Based on quotation at tendered rates
28	2021	Provision of	MNQ/SCM/20/20-21	First National Bank,	Tendered

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
		Banking Services for Mngquma Local Municipality for a period of five (05) years		A Division of FirstRand Bank Limited	rates per banking service usage
29	2021	Refurbishment of Merimen Street, Scanlen Street and High Street	MNQ/SCM/17/20-21	Khula Africa Agriculture and Construction Projects	3 771 292.98
30	2021	Provision of Professional Engineering Service for Planning, Design and Project Management of Nqamakwe Internal Streets	MNQ/SCM/68/20-21	MBSA Consulting CC	2 800 567.75
31	2021	Supply, Delivery and Installation of Sanitary Fittings for All Municipal Ablution Facilities	MNQ/SCM/42/20-21	BL Trading Enterprise	434 266.00
32	2021	Supply and Delivery of Two (02) new Storage containers	MNQ/SCM/42-1/20-21	Cyrastyle (Pty) Ltd	392 280.00
33	2021	Supply, Install and Commissioning of One (01) Double sided outdoor LED Electronic display screen	MNQ/SCM/23/20-21	Origins Saba Group Jv Carnation Deluxe Events	998 200.00
34	2021	Supply and Delivery of Material for Shearing Shed	MNQ/SCM/55/20-21	49 Ninety Trading	886 157.20
35	2021	Appointment of a Professional Quantity Surveyor (Qs) and / Architect and Team	MNQ/SCM/34/20-21	Timocraft Consulting (Pty)Ltd	211 795.43

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
36	2021	Provision and Deployment of Unified Email Management Solution for A Period of Three (03) Years	MNQ/SCM/56/20-21	Vox Telecommunications (Pty) Ltd	2 744 756.97
37	2021	Appointment of Service Provider for an Integrated Financial Management and Internal Control System, Provision and Deployment of Hosting and Backup Services for A Period of 05 Years-	MNQ/SCM/38/20-21	Inzalo Enterprise Management Systems (Pty) Ltd	R 13 521 571.02 including VAT and at the Consultant Hourly Fees and Disbursement Fees wherein will be on quotation basis as and when required
38	2021	Training of Sixteen (16) Municipal officials and Five (05) MPAC members on CPMD, Bid Number	MNQ/SCM/46/20-21	Fachs Business Consulting and Training (Pty) Ltd	420 000.00
39	2021	Supply and Delivery of Animal Medication	SCM/MLM/08/20-21	Gqama Civils and Projects	162 338.00
40	2021	Supply, And Delivery Of Two 6000 Litres Ofconservancy Tanks And Fittings For Centane Trc Hall.	SCM/MLM/21/20-21	Tabazi Projects (Pty) Ltd	44 250.00
41	2021	Annual Financial Statements Preparation Software	SCM/MLM/33/20-21	Adapt IT (Pty) Ltd	192 239.75
42	2021	Video Conferencing Software for a period of one	SCM/MLM/03/20-21	ICT Choice	52 909.64

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
		year			
43	2021	Appointment of Service Provider to Train 16 municipal officials for driving license	SCM/MLM/10/20-21	Ncuks Driving School (Pty) Ltd	198 400.00
44	2021	Supply and Delivery of 3000 Cold Carbon Asphalt	SCM/MLM/29/20-21	Ebusha Trading (Pty) Ltd	193 545.00
45	2021	Supply and Delivery of Sewing Equipment	SCM/MLM/15/20-21	Komanisi B Communication	70 380.00
46	2021	Auctioneering Redundant Assets	MNQ/SCM/70/20-21	Isivuno Auctioneers and Brokers (Pty) Ltd	2.30% and advertising costs of R 84 012.99 including VAT.
47	2021	Preparation of GRAP compliant Immovable and Moveable Asset Register 2020-2021 Financial	MNQ/SCM/80/20-21	SDM Asset Management & Consulting	1 197 380.00
48	2021	Construction of eMalongweni to Siphahleni Access Road	MNQ/SCM/88/20-21	Lunika Investments (Pty) Ltd	4 777 103.18
49	2021	Construction of Cuba Community Hall	MNQ/SCM/87/20-21	Masiba and Son Trading (Pty) Ltd	2 480 887.57
50	2021	Erection of two (02) High Mats Lighting and Maintenance of Four (04) High Mats Lighting at Ngqamakwe,	MNQ/SCM/67/20-21	Siya and Aya Engineering (Pty) Ltd	1 199 018.56
51	2021	Supply of Fuel for A Period of Three (03) Years	MNQ/SCM/70/20-21	Spring Forest Trading 666 CC T/A Walker Motors Caltex Freshstop	R99.00 per Litre for Engine oil for a period of three years and the price for Diesel and Petrol will be aligned to fuel prices as

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
					determined by Department of Energy (DOE)
52	2021	Landscaping, Tree Planting and Flower Planting in Five Town Entrances, Renovation of Vulivalley Park, Roma Park and Ngqamakwe Garden	MNQ/SCM/53/20-21	Indalo Greening and Waste Management (Pty) Ltd	914 383.00
53	2021	Supply and Delivery of five (05) Security Guard houses	MNQ/SCM/90/20-21	Tilley Sheds CC	222 900.00
54	2021	Supply and Delivery of Two (02) Tractors and Two (02) Trailers	MNQ/SCM/40/20-21	Toduka Group (Pty) Ltd	1 390 000.00
55	2021	Tar Surface Repairs & Asphalt Overlay at Butterworth CBD	MNQ/SCM/30/20-21	Gqobo Investments CC	5 108 443.46
56	2021	Appointment of a Service Provider for the Cleaning of the Resevior Hill, Coloured Township, New Rest, Msobomvu, Extension 6, 7 & 9, Zithulele Industrial & Surroundings Settlements, Route to Msobomvu, Eugene Siyanda, Eastern Side of Skit and Msobomvu Flat for a period of two years	MNQ/SCM/74/20-21	Bhongolwethu Trading CC	730 952.00

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
57	2021	Appointment of a Service Provider for the Cleaning of the CDB and Townships in Centane for a Period of two (02) years	MNQ/SCM/36/20-21	Limitless Strategic Solution (Pty) Ltd	1 391 434.72
58	2021	Appointment of a Service Provider for The Cleaning of Butterworth CBD, Ext.6, Ext. 2, Bus Rank Beyond Railway Line, Mission Taxi Rank and Skiti Informal Settlements Between Gcuwa River and Railway Line for A Period of Two (02) Years	MNQ/SCM/71/20-21	Themba Labafazi Primary Co-op	2 143 380.00
59	2021	Appointment of a Service Provider for the Cleaning of Ibika and surrounding Informal Settlements: Ibika Area; Extension 15 and Extension 24 for a period of two (02) years for a period of two years	MNQ/SCM/72/20-21	Njabomvu Construction (Pty) Ltd	1 660 993.30
60	2021	Appointment of a Service Provider for the Cleaning of the CDB and Townships in Ngqamakwe for	MNQ/SCM/36/20-21	Limitless Strategic Solution (Pty) Ltd	1 391 434.72

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
		a Period of two (02) years.			
61	2021	Review of the Spatial Development Framework	MNQ/SCM/39/20-21	Goldenecon Town Planners (Pty) Ltd	285 000.00
62	2021	Supply and Delivery of of eithty (80) Bins wirth concrete and Cement in Butterworth, Centane and Nggamakwe	SCM/MLM/25/20-21	Creed Aventus	119 130.40
63	2021	Supply and Delivery of Building Material for Repairs at DLTC Facility in Msobomvu	SCM/MLM/61/20-21	KFC Engineering and Suppliers	47 712.70
64	2021	Hiring of TLB and Tipper Truck for a period of ten (10) days.	SCM/MLM/52/20-21	Mqura Trading Enterprise CC	92 000.00
65	2021	Hiring of Bulldozer for a period of five (05) days	SCM/MLM/50/20-21	SGSA Construction	48 141.88
66	2021	Supply and Delivery of Paint and Painting of Library	SCM/MLM/58/20-21	MDEC Projects and Trading	41 074.41
67	2021	Supply and Delivery of two (02) Rammers	SCM/MLM/30/20-21	Sothuzulu Projects (Pty) LTD	43 073.33
68	2021	Supply and Delivery of Fencing Material	SCM/MLM/14/20-21	Gqama Civils and Projects	170 960.00
69	2021	Supply and Delivery of Catering Services for the Mayoral Cup	SCM/MLM/75/20-21	Dworld Developments	59 060.00
70	2021	Procurement of Kits, Trophies, Balls and Medals for the	SCM/MLM/74/20-21	Bravo Pix 176 CC	108 628.43

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
		Mayoral Cup 2020/2021			
71	2021	Hiring of a high Pressure Water Ject Truck for a period of 05 days	SCM/MLM/64/20-21	Silver Solutions 2600 CC	30 360.00
72	2021	Supply and Delivery of Fencing Material for Youth Cooperative	SCM/MLM/77/20-21	Sikhoyama Trading CC	100 437.00
73	2021	Design,Printing and Packaging of Investment Bood	SCM/MLM/73/20-21	E and H Printers	170 775.00
74	2021	Supply and Delivery Electrical Material	MNQ/SCM/79/20-21	Wongalam Trading (Pty) Ltd	1 870 316.40

Municipal Bid Appeals (if applicable): There were no bids appeals received in financial year 2020-2021.

Contract Management: Contract register and commitments is maintained and updated on monthly basis. Contract register and commitments register for financial year 2020-2021 has been prepared and reviewed.

Variations: The following Variations within 15% or 20% (this can part of contract register) were approved

Project name	Bid number	Contractor	Contractor Amount (R)	Variation Order (R)	Variation %
Rehabilitation of Magqudwana Road	MNQ/SCM/5/19-20	Dumy and Themby Trading and Projects CC	6 976 793.15	894 692.18	12.82
Construction of Thanga Outdoor Sport Facility	MNQ/SCM/09/19-20	Coronado Trading 70 CC	5 988 053.34	905 798.40	15

Variations above 15% or 20% (Comply with MFMA S116(3)) (this can be part of contracts register): There were no variations above 15% or 20% for financial year.

Supplier Performance Management: In terms of Section (2) (b) of the MFMA — The performance of the contractors under the contract or agreement are monitored on a monthly basis.

Unsolicited Bids (if any): There were no unsolicited bids for financial year 2020-2021.

Preferential Procurement Policy Framework Act (PPPFA), Reg. 2017

Bids advertised and awarded with Pre-Qualification (Regulation 4)

Bid Number	Project Name	Pre-qualification criteria for preferential procurement
MNQ/SCM/01/20-21	Construction of Qolora Access Road	Tenderers must subcontract a minimum of 30% to an EME or QSE
MNQ/SCM/02/20-21	Rehabilitation of Xhobani Gravel Access Road	Tenderers must subcontract a minimum of 30% to an EME or QSE
MNQ/SCM/03/20-21	Construction of KwaNkqayi – Skolweni and Lanini Access Road	Tenderers must subcontract a minimum of 30% to an EME or QSE
MNQ/SCM/04/20-21	Construction of Machelesini Access Road	Tenderers must subcontract a minimum of 30% to an EME or QSE
MNQ/SCM/05/20-21	Construction of Mncuncuzo Access Road	Tenderers must subcontract a minimum of 30% to an EME or QSE
MNQ/SCM/12/20-21	Construction of Mphakathi Access Road	Tenderers must subcontract a minimum of 30% to an EME or QSE
MNQ/SCM/08/20-21	Construction of Rhwantsana Outdoor Sports Facility	Tenderers must subcontract a minimum of 30% to an EME or QSE
MNQ/SCM/07/20-21	Construction of Cuba Community Hall	Tenderers must subcontract a minimum of 30% to an EME or QSE
MNQ/SCM/06/20-21	Rehabilitation of EXT 7 Ring Road	Tenderers must subcontract a minimum of 30% to an EME or QSE
MNQ/SCM/30/20-21	Tar Surface Repairs & Asphalt Overlay at Butterworth CBD	Tenderers must subcontract a minimum of 30% to an EME or QSE

6.2 Contracts with Objective Criteria (Section 2(1)(f) PPPF Act): No contracts with objective criteria that were awarded.

6.3 (Contract Participation Goals) (Regulation 4)- Sub Contracting: There were no contracts above R 30 million for financial year 2020/2021

5.14 GRAP COMPLIANCE

The Annual Financial Statements for 2020/2021 have been prepared in line with the applicable GRAP standards.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS: 2019/2020

AUDITOR GENERAL REPORTS Year: 2019/2020 (Previous year)

Auditor-General Report on Financial Performance: 2019/2020	
Audit Report Status*:	Unqualified
Non-Compliance Issues	Remedial Action Taken
Suppliers not always paid within 30 days	Management maintained an invoice register which was updated on a daily basis to ensure suppliers are paid within 30 days.
Inadequate accounting and information system which accounts for debtors	Management has performed debtors and revenue reconciliations to ensure all debtors and revenue is accounted for.
Inadequate accounting and information system which accounts for assets	Management has performed asset verification and reconciliations to ensure all assets are accounted for.
Misalignment between performance reported and the fixed asset register	Management will perform reviews between performance reported and the fixed asset register to ensure that these are in alignment.

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR

The Auditor General's opinion is an indication that the municipality has improved from previous Audit opinion. The municipality is busy with preparing the AFS for current year and correcting the prior period errors.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

The municipality aims to obtain Unqualified audit opinion for the current year audit. Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief financial Officer)  Dated 04/01/2022

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give <i>"full and regular"</i> reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>"what we do"</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are <i>"what we use to do the work"</i> . They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.

National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance of Council meetings
	FT/PT			%	%
Councillor Sithembiso Ncetezo	FT	Executive Mayor, Mayoral Committee.	ANC – Ward 15	100%	0
Councillor Thobeka Bikitsha	FT	Employment Equity Committee and Rules Committee	ANC-PR	100%	0%
Councillor Zinzile Gade	FT	Employment Equity Committee, Rules Committee and Whippery Committee	ANC- Ward 18	100%	0%
Councillor Z. Mkiva	FT	Municipal Public Accounts Committee (MPAC)	ANC- PR	100%	0%
Councillor Nomthandazo Tshona	FT	Portfolio head Infrastructural Development, Infrastructure Standing committee, Basic Service Delivery Cluster, Mayoral Committee, IDP/PMS, Budget Steering Committee, Indigent Steering Committee	ANC- Ward 7	89%	11%
Councillor Nomabhele Plaatjie	FT	Port-folio Head Community Services and Community services Standing Committee, Mayoral Committee, Socio-economic development Cluster and a member of IDP/PMS and Budget Steering	ANC-PR	100%	0%
Councillor Xolisa Innocent Pupuma	PT	Portfolio Head LED and Planning, LED and Planning Standing Committee, Mayoral Committee and Socio-Economic Development Cluster.	Ward 17	89%	11%

Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance of Council meetings
				%	%
		Indigent Steering committee			
Councillor N. Nkamisa	FT	Portfolio head Strategic Management, Mayoral Committee, Good Governance and Public Participation Cluster and Strategic Management Standing Committee, IDP/PMS, Budget Steering Committee.	ANC – PR	100%	0%
Councillor Z Layiti	FT	Port-folio Head Corporate Services, Institutional Development and financial viability Cluster, Mayoral Committee, Local Labour Forum, Corporate services Standing Committee, IDP/PMS and Budget Steering Committee	ANC - PR	100%	0%
Councillor L. Mgandela	FT	Port-folio Head Budget and Treasury Office (BTO) and BTO Standing Committee, Mayoral Committee, IDP/PMS, Budget Steering Committee and Institutional Development and Financial Viability Cluster, Indigent Steering Committee,	ANC -PR	89%	11%
Councillor T Ntanga	PT	Portfolio Head Water and Sanitation, Mayoral Committee, BTO Standing Committee, Infrastructure Standing Committee, Institutional Development and Financial Viability Cluster and Basic Service Delivery Cluster, IDP/PMS, Budget Steering Committee	ANC- PR	100%	0%
Councillor N Sheleni	FT	Portfolio head Land and Housing, Basic Services Delivery Cluster ,Institutional Development Cluster Whippery Committee, Mayoral Committee,	ANC - PR	89%	11%

Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance of Council meetings
				%	%
		Infrastructure Standing Committee, IDP/PMS, Budget Steering Committee.			
Councillor Sisa Matutu	PT	Portfolio head: Communications, Strategic Management standing committee, Good Governance Cluster, Mayoral Committee	ANC-PR	100%	0%
Councillor Ncumisa Thandaphi	PT	Portfolio head: SPU, Strategic management standing committee, Community Services Standing Committee, Mayoral Committee, Socio-Economic Development Cluster, Good Governance Cluster	ANC-PR	67%	33%
Councillor Zibuthe Magnet Mngwazi	PT		ANC-PR	44%	66%
Councillor N Skelenge	PT	Strategic Management Standing Committee, Good Governance and Public Participation, Local Economic Development and Planning standing committee, Socio Economic Development Cluster	ANC -PR	44%	66%
Councillor Zelpha Thandeka Xhongwanga	PT	Municipal Public Accounts Committee (MPAC)	ANC- PR	100%	0%
Councillor Ntshonga	FT	Community Services Standing committee, Socio-Economic Development Cluster, LED Standing Committee,	ANC - PR	100%	0%
Councillor G N Nombila	PT	Chairperson- Women's Caucus	ANC- PR	100%	0%
Councillor N. Dube	PT	Socio-Economic Development Cluster, Community Services standing Committee,	ANC - PR	44%	66%

Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance of Council meetings
				%	%
Councillor Khumbuzile Magwaca	PT	Strategic Management standing committee, Good governance cluster, Infrastructure Standing Committee and Basic Service Delivery Cluster.	UDM- PR	89%	11%
Councillor Mtsi	PT	Rules Ethic Committee, Community Services Standing Committee, Infrastructure Standing Committee, Socio-Economic Development Cluster	ANC - PR	100%	0%
Councillor Nokaka Margaret Mpambani	PT	Community Services Standing Community and Socio-Economic Development Cluster.	UDM- PR	89%	11%
Councillor Z. Mqolo	PT	Municipal Public Accounts Committee (MPAC), Rules Committee, Whippy Committee, Institutional Development and Financial Viability Cluster, and Corporate Services Standing Committee	UDM- PR	78%	22%
Councillor Mbulelo Mkhilili	PT	LED Standing Committee and Socio-Economic Development Cluster.	UDM-PR	100%	0%
Councillor Siphiwo Tshazi	PT	Budget and Treasury Standing Committee, Institutional Development and Financial Viability Cluster	UDM-PR	67%	33%
Councillor Mbeki	PT	Whippy Committee and Municipal Public Accounts Committee (MPAC), Rules and Ethic committee	DA-PR	89%	11%
Councillor Nomawabo Ntolosi	PT	Community Services Standing Committee, Led standing committee, Socio-economic development Cluster, , and Rules and Ethic Committee.	DA-PR	100%	0%
Councillor Songezo Mafanya.	PT	BTO Standing Committee, Strategic Standing Committee, Corporate Services standing committee, Good	DA-PR	100%	0%

Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance of Council meetings
				%	%
		Governance and Public Participation Cluster and Institutional Development and Financial Viability Cluster.			
Councillor Bandile Kave	PT	Whippery Committee, Rules and Ethic Committee and Municipal Public Accounts Committee (MPAC)	EFF- PR	100%	0%
Councillor Nonqaba Kende	PT	Infrastructure Standing Committee, Basic Service Delivery Cluster.	EFF-PR	89%	11%
Councillor A Finca	PT	Budget and Treasury Standing Committee, Institutional Development and Financial Viability Cluster, Corporate Standing Committee.	EFF-PR	44%	56%
Councillor M.W.Ntongana	PT	Infrastructural Planning and Development Standing Committee, Basic Service Delivery Cluster and Whippery Committee, BTO Standing Committee, Institutional Development and Financial Viability Cluster, LED Standing committee and Socio-Economic Development Cluster, Rules and Ethic committee	COPE- PR	100%	0%
Councillor Ayanda Army Krakri.	PT	BTO Standing Committee, Institutional Development and Financial Viability Cluster and Whippery Committee, Rule committee	AIC-PR	78%	22%
Councillor Nomthandazo Lusizi	PT	Whippery Committee, Rules and Ethic committee	PAC-PR	89%	11%
Councillor Zolani Siyo	PT	Infrastructural Planning and Development Standing Committee, Basic Service Delivery Cluster, Community Services standing	Ward 1	100%	0%

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance of Council meetings
				%	%
		committee, Socio-Economic development cluster, and Rules and Ethic Committee, Indigent Steering committee.			
Councillor Separate M. Molosi	PT	Rules and Ethic Committee and Socio-economic development Cluster, Indigent steering committee, Municipal Public Accounts (MPAC)	Ward 2	100%	0%
Councillor Abegail Bukelwa Madikane	PT	LED Standing Committee, Socio-economic development Cluster, Whippy committee, Indigent Steering committee.	Ward 3	100%	0%
Councillor Yoliswa Mngonyama.	PT	Infrastructure Standing Committee, Community Services standing committee, Socio-Economic development cluster Rules and Ethics Committee, Basic service delivery Cluster, Indigent Steering committee.	Ward 4	89%	11%
Councillor Zodidi Sobekwa	PT	Good Governance and Public Participation Cluster, Strategic Management Standing Committee, Indigent Steering committee.	Ward 5	100%	0%
Councillor W Wongalethu Mbadlanyana.	PT	Corporate Services Standing Committee, BTO Standing Committee, and Institutional Development and Financial Viability Cluster, Indigent Steering committee.	Ward 6	89%	11%
Councillor Nokwakha Queen Sukwana	PT	Infrastructural Planning and Development Standing Committee, Basic Service Delivery Cluster, Indigent Steering committee.	Ward 8	89%	11%

Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance of Council meetings
				%	%
Councillor Nomonde Jiya	PT	Budget and Treasury Standing Committee, Corporate Services Standing Committee, Institutional Development and Financial Viability Cluster, Whippy committee, Indigent Steering committee.	Ward 09	67%	33%
Councillor Linda Simon Sobekwa	PT	Community Services Standing Committee, Infrastructure standing committee, Socio-Economic Development Cluster, Basic service delivery cluster Indigent Steering committee.	Ward 10	100%	0%
Councillor Livingston Mzimasi Mtalo	PT	BTO Standing Committee and Institutional Development and Financial Viability Cluster, Indigent Steering committee.	Ward 11	89%	11%
Councillor Nokrismesi Monakali	PT	BTO Standing Committee, Institutional Development and Financial Viability Cluster, Indigent Steering committee.	Ward 12	78%	22%
Councillor Collen Zoyisile Mfazwe	PT	Corporate Services Standing Committee, Community service standing committee, Socio-economic development cluster Institutional Development and Financial Viability Cluster, Indigent Steering committee.	Ward 13	100%	0%
Councillor Zikhethele Mngokoyi	PT	Strategic Management standing committee, Good Governance and Public Participation Cluster, indigent steering committee, Indigent Steering committee.	ward 14	100%	0%

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance of Council meetings
				%	%
Councillor Malungisa Ndungane	PT	Corporate Services Standing Committee, Whippery Committee and Institutional Development and Financial Viability Cluster, Indigent steering committee	Ward 16	100%	0%
Councillor Vuyelwa Nkehe	PT	Municipal Public Accounts (MPAC)	Ward 19	89%	11%
Councillor Gobeni	PT	Strategic Standing Committee, Corporate services standing committee, and Good Governance and Public Participation Cluster, Institutional development and financial viability, Indigent Steering committee.	Ward 20	89%	11%
Councillor G T Ntshonga	PT	Strategic standing committee, corporate services standing committee, Institutional development cluster, Good governance and Public Participation cluster, Indigent Steering committee.	Ward 21	100%	0%
Councillor Lwanda Tsipha	PT	Municipal Public Account committee (MPAC)	Ward 22	89%	11%
Councillor Nothulethu Nozinzile Nqolomlilo.	PT	Infrastructural Planning and Development Standing Committee, Corporate Services Standing, Institutional Development and Financial Viability Cluster, Infrastructure standing committee and Basic Service Delivery Cluster, Indigent Steering committee.	Ward 23	44%	66%
Councillor Nomsa Grace Ndongeni.	PT	Institutional Development and Financial Viability Cluster and Corporate Services Standing Committee, LED Standing Committee and Socio-Economic	Ward 24	100%	0%

Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance of Council meetings
				%	%
		Development Cluster, Indigent Steering committee.			
Councillor Sipiwe Lilise	PT	Institutional Development and Financial Viability Cluster and Community Services Standing Committee, Corporate Services Standing Committee and Socio-Economic Development Cluster, Indigent Steering committee.	Ward 25	100%	100%
Councillor Nozinzile Zaba	PT	Strategic Standing Committee, LED Standing Committee, Socio-Economic Development Cluster, Good governance and Public Participation cluster, Indigent Steering committee.	Ward 26	44%	56%
Councillor Thandeka Ntyinkala	PT	Municipal Public Accounts Committee (MPAC)	Ward 27	100%	0%
Councillor Monwabisi Mxhoko (Deceased December 2020)	PT	BTO Standing Committee, Infrastructure Standing Committee, Basic Service delivery Cluster and Institutional Development and Financial Viability Cluster, Indigent Steering committee.	Ward 28	0%	55% (Standing apology due to sickness)
Councillor P Mbovane (Sworn in May 2021)	PT	BTO Standing Committee, Infrastructure Standing Committee, Basic Service delivery Cluster and Institutional Development and Financial Viability Cluster, Indigent Steering committee.	Ward 28	100%	0%
Councillor Lawrence Mbentsula	PT	Strategic Standing Committee, Good Governance and Public Participation Cluster, Indigent steering committee, Indigent Steering committee.	Ward 29	100%	0%
Councillor Thobela Makeleni	PT	Infrastructure Standing Committee, Basic service delivery Cluster, Indigent	Ward 30	100%	0%

Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance of Council meetings
				%	%
		Steering committee.			
Councillor Nelisa Lusizi	PT	Community Services Standing Committee, Socio-Economic Development Cluster, Infrastructure standing committee, Strategic Standing Committee and Good Governance and Public Participation Cluster, Socio Economic development, Indigent steering committee, Indigent Steering committee.	Ward 31	89%	11%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Standing Committees	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
Rules Committee	The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No 117 of 1998)
Training & Equity Committee	The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No 117 of 1998)
MPAC	The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No 117 of 1998)
Whippery Committee	To discuss and process matters relating to political management of the institution
Technical Training Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
Local Labour Forum	The purpose of the committee is to strengthen the working relations between the employer and the employee
OHS & EAP Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
Audit Committee	The purpose of the committee is to function in line with section 166 of the Municipal Finance Management Act 56 of 2003
Risk Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
IGR Forum	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
IDP, Budget & PMS Technical Steering Committee	The purpose of the committee to provide technical support towards assisting the executive committee in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
IDP, Budget & PMS Steering Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
IDP, Budget & PMS Rep Forum	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Directorate	Director/Manager (State title and name)
Municipal Managers Office	Manager Legal Services Manager Internal Audit Manager Risk Management
Infrastructural Development	Manager Civil Engineering Manager Building and Housing
Community Services Directorate	Manager Solid Waste and Public Amenities Manager Traffic and Law Enforcement Manager Security Services
Local Economic Development and Planning	Manager Land use Management Manager Tourism Development Manager Investment Promotion Manager SMME and Cooperatives Development Manager Research and Policy Development
Strategic Management Directorate	Manager IDP & PMS Manager Special Programmes Unit Manager Communication Manager Public Participation Manager Executive Mayor's Office Manager Speaker's Office
Corporate Services Directorate	Manager Human Resources Manager Administration Manager Council & Committee Support Manager Information and Communication Technology Satellite Manager- Centane Satellite Manager- Ngqamakwe
Budget and Treasury Office	Senior Accountant Manager Expenditure and Payroll Manager Supply Chain Management Manager Budget Planning and Financial Reporting Manager Revenue and Debt Management Manager Logistics, Assets and Fleet Management

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	
Building regulations	Yes	
Child care facilities	Yes	
Electricity and gas reticulation	Yes	
Firefighting services	No	ADM
Local tourism	Yes	
Municipal airports	No	BCM Metro
Municipal planning	Yes	
Municipal health services	No	DoH and ADM
Municipal public transport	Yes	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	ADM and Private Partners
Storm water management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	ADM
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	Yes	
Fencing and fences	Yes	
Licensing of dogs	No	SPCA
Licensing and control of undertakings that sell food to the public	No	ADM and DoH
Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes	
Municipal abattoirs	No	ADM and DoH
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	Yes	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		<i>T D</i>

APPENDIX E – WARD REPORTING

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
1	<p>Clr :Z.Siyo Ward Committees</p> <p>Nomthandazo, Baleka Abegail Ndandani Nomvuzo Mtenjana Humphy Myataza Andrew Ngamntwin Sonwabo Nogqala Neliswa Mzayifani Bongiwe, Khala Ivy Celia Leeuw Nosisa, Sityatha</p>	06	0
2	<p>Clr . S.M Molosi: Ward-Committees</p> <p>Xoliswa Buyana Magaqa, Belekazi Majwara Ndiki Nokubonga Magwentshu Lungisa Ngamlana Khanyisa Soganga Lindiwe Dani Siphumelele Mwehle Nomfumaneko Canca Ayanda Ndenge</p>	08	06
3	<p>Clr .A.B.Madikane Ward-Committees</p> <p>Zoliswa Khunou Nondyebo Malusi Vuyokazi Sihele Lungelo Sizani Noluthando Mayekiso Zama Saphepha Nozuko Majokweni Busakwe Anele Pelisa Mkalali Mzuyeza Sindayi</p>	06	05

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
4	<p>Cllr .Mgonyama Yoliswa : Ward Committees</p> <p>Mxoli Qwabe Qangule Khuthazwa Tobeka Xungu Nothandekile Kwayi Paliso Nosisi Nobulali Damoyi Pumza Bongoza Thembisa Tshazi Ntombizanele Thuswa Lamla Nkwali</p>	11	13
5	<p>Cllr .Z.Sobekwa: Ward Committees</p> <p>Lindelwa Mlandu Vuyokazi Fatman Mabandla Thembekile Sisa Mabulu Nozukile B Mqingwane Mzimasi Majambe Khanyisa Mcothama Olwethu Mantantana</p>	07	06
6	<p>Cllr .W.Mbadlanyana Ward-Committee</p> <p>Luyanda Tenge Bongiwe Nzuzo Nokuzola Luzipho Nobelungu Phikelela Sotshononda ntsapho Dlalavu Nonkoliso Ngxabani Nopinki Sithembile Sithela Nobuntu Lavisa Ntombekaya Sizani</p>	03	03

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
7	<p>Cllr .N.Tshona Ward Committees</p> <p>Ntombekaya Fanti Noyise Mdlulwa Ludwe Mahlanza Nonthuzelo Ngoqo Lizo Benya Mluleki Bhokweni Nobandla Mzomba Hudson Siyepu Martin Nzilile Cynthia Nosandisile Yaso</p>	04	07
8	<p>Cllr .Sukwana Nokwakha Queen : Ward Committee</p> <p>Nokhaya Vitshima Luyolo Ngindana Nosamkelo Pangeni Nosikhungo Plaatjie Noludwe Langa Lindani Nxusani Rose Mngeni Nozolile Magangelele Nolubabalo Sinyanya Colien Xolani Matshobeni</p>	03	06
9	<p>Cllr .Jiya Nomonde : Ward Committee</p> <p>Ngangabeko Makanjana Adelaide Mciteka Nokubonga Mbotho Nomveliso Makuleni Ntombizine Nombembe Mgcineni Koko Nolith Tyhali Bongiwe Luwaca Bukelwa Nyila Nonyosi Ntombizakhe</p>	06	05

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
10	<p>Cllr .L.Sobekwa:</p> <p>Ward Committee</p> <p>Nondyabo Mqushulu Zoleka Mndayi Monwabisi Jafta Lungiswa Mthintsilana Nokhiniya Mbonjeni Cyntheria Magida Siyabonga Ngqangweni Andile Ntshikila Mzuyanda Mvalo</p>	0	01
11	<p>Cllr .Mtalo Livingstone Mziyanda :</p> <p>Ward Committee</p> <p>Nomaphelo Bhongoza Nocingile Silevu Nozukile Ndela Nowest Mndayi Dlephu Nowezile Pupu Nolita Neliswa Kulu Nokondla Makhabane Mzubanzi Ntlombeni Qaba Steven</p>	03	04
12	<p>Cllr .N.monakali</p> <p>Ward Committee</p> <p>Khumbulani Phindela Mandlakayise Silevu Nosongo Ngqoko Luwaca Futshane Pasika Sibanga Stella Ntshinkila Nosakhe Dilika Nosilence Venge Nomzamo Gowa Vuyokazi Debora Ciyo Ngengwana</p>	03	01

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
13	<p>Cllr .Z.Mfazwe Ward Committee</p> <p>Siphiwo Dekeda Mbulelo Mabengwana Soxuzo lawula Nomfusi Dekeda Noluthando Lokwe Mboneli Solwandle Ntombizanele Mathetha Nomafu Mjacu Nosiseko Sokapase Nosamkelo Maputuma</p>	0	0
14	<p>Cllr Z.Mnqokoyi : Ward Committee</p> <p>Nothemba Busiswa Sanda Zuko Ntshokolwana Ndiphenkosi Maputuma Luzipo Lulama Dumisani Tyandela Nolubabalo Mzukwa Nowethu Govana Bomvane Phuthumani Nolwandle Yase Thabane Jonas Menezi Cokisa Kalashe</p>	10	08
15	<p>Cllr .S.Ncetezo Ward Committees</p> <p>Nokubonga Hlehliso No-answer Twala Kwanele Mayapi Noncedo Maseti Nosiyambonga Sithukazi Noluntu Sojinca Nosiseko Mayapi Nosenior Mkhonjwa Nomonde Buqa Ntombizakhe Buzani Lungisile Welcome</p>	0	01

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
16	<p>Cllr. M.Ndungane Ward Committee</p> <p>Sisa Baninzi Bongeka Monwabisi Nonzwakazi Mafuduka Nomaphelo Makhunga Nolast. Nokwandisa Ngxeba Mvuyisi Mndleleni Bukiwe Ndleleni Ntombothando Mashicolo Honjiswa Platyie Yoliswa Gqalangle</p>	04	10
17	<p>Cllr .X.Pupuma Ward Committee</p> <p>Babalwa Sobekwa Simpiwe Mampunye Litha Sokuyela Nomfobe Gudla Nolonwabo Sobinase Ntsika Makhhalima Ntombiyakhe Matiwane Noxolo Pongwana Feleza Mthunzi Nowezile Madenyuka</p>	0	0
18	<p>Cllr .Gade Zinzile : Committee</p> <p>Nothobile Mpahleni Nompindiso Mgaguli Lunga Dyantyi Mawele Ganjana Nosiphe Gulwa Vuyelwa Noganta Kunjulwa Gulwa Dyani Ntombifikile Nonkosi Gazi Nofezile Gwebushe</p>	05	01

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
19	<p>Cllr .V.Nkehle Ward Committees</p> <p>Malungisa Njengele Nofinish Nxusani Siphe Mboniswa Mziwoxolo Sindondi Menezi Matomela Nosithembiso Mthembu Thandiswa Zele Nosakhele Mathumba Nomfanelo Mayekiso Bongiwe Mpuqe</p>	0	0
20	<p>Cllr.:K. Gobeni Ward Committees</p> <p>Mbangezi Noxolile Mandisa Ngubelanga Poziswa Tshaka Nontsapho Fipaza Nobelungu Ngxamani Nokwezi Vuso Tobela Bavu Siyabonga Bhungane Nosisean Mathikinca Nontsapho Ngcuthushe</p>	06	10
21	<p>Cllr .Ntshonga: Ward Committees</p> <p>Zukiswa Soqaga Mpiyosapho Gwangqa Nosandile Makebesane Elsie Nontshakaza Maphelo Dindili Sigadla Nophumzile Siphokazi Nyengule Nokwezi Mavatha Janda</p>	04	04

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
22	<p>Cllr :L.Tsipa Committee</p> <p>Nomawethu Komanisi Fanisile Sangcosi Tobeka Dangazele Nomfuniselo Duluselo Bulelani Ngozi Nondumiso Ndaliso Tinntolo nqumba Siphokazi Mpukumpa Phumlani Ntshinga Nowethu Ngwentle</p>	01	0
23	<p>Cllr .N.Nqolomlilo - Committees</p> <p>Lulama Gobeni Wantumani Manga Noluyanda Landzela Xabiso Mjamba Nomzekelo Sigwadi Piwe Teta Richard Lukashe Nowongile Maholwana Sidusaka Mpilo Dumisani Nkwetsheni</p>	02	02
24	<p>Cllr .N.Ndongeni Ward Committees</p> <p>Sabelo Kona Nosiphiwo Pakade Nokwanda Sokowa Amanda Mkume Zukiswa Dubula Zola Maneli Noluthando Benani Monwabisi Ngabayena Thandiswa Gwayi Thobeka Nkwenkwe</p>	04	05

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
25	<p>Cllr .S.Lilise: Ward Committees</p> <p>Zamile Gwele Siyamcela Ndulo Nokwabo Fose Vuyani Gazi Nojongile Makhem Mbomla Ntwabaza Bolelwa Phongomile Zanebhodi Kalton Bukiwe Ganethi Nikiwe Motikana</p>	0	01
26	<p>Cllr .Zaba Nozinzile - Ward Committees</p> <p>Vuyelwa Koni Nonelwa Silamba Nolinethi Qangani Akhona Mandende Nkente Zimisele Nopasika Cona Bukiwe Zondani Evelyn Mfafa Jongikhaya Vika Cingelwa Mangco</p>	01	0
27	<p>Cllr. T.Ntyinkala - Ward Committee</p> <p>Zolisa Ntonzima Mesani Fikiswa Welcome Lungisile Doni Nomalizo Mbelebushu yoliswa Nduku Heli Michial Mfuniseli Makaneville Mvolontshi Welcome Zina Nopelo Enge Zamile Mba</p>	0	0
28	<p>Cllr .M.Mxoko/ Cllr Mbovane Ward Committees</p> <p>Ziwani Zameka Ngenisile Mbunje</p>	035	01

Ward Name (Number)	Verified Ward Committees Year 2020-2021	Ward committee meeting	Ward general meeting
	Jada Alexa Nozukile Nkatsha Bulelani Msila Fezile Mpangele Ntombiyakhe Ludidi Notini M Phathekile Qhayiso Tsitsa Moni Mthinteli Noko		
29	Cllr .L.Mbentsula - Ward Committees Bingile Mpayipheli Thembisa Nkonki Pumla Ndabambi Prudence Adonisi Themba Ntosana Nolulamile Mntuwaphi Luleka Tolbadi Kilani kholiswa Mlungiseleli Thangana Tandiwe Kandeni	04	05
30	Cllr .Tobela Makeleni Ward Committees Yanga Cele Akona Zaba Sara Zokwina Nomilton Diniso Mzwandile Monki Phumza Bholo Nohwi Platyi Nobandla Sanda Zanecebo Nqamra Mkhuseli Krutani	03	02
31	Cllr.N. Lusizi Ward committees Ntombizanele Siko Davide Pere Nokwakha Cekiso Bongeka Vovela Noweyitala Mkrwetyana Robert Dofi Mfana Elliot Ziphilele Nomasindiso Bene Mkhuhlu Ncinane Xolelwa Ndoda	03	03

APPENDIX F – WARD INFORMATION

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME	
1	6164	Skiti	Water		Public Toilets	Z. Siyo	
		Bhungeni	Sanitation				
		Ujini T/H	Electricity				
		Ext 7	Housing				
		Ext 6	Access Roads	State of the access roads			
		Ext 2		Poor			
		Smith	Proclaimed Roads	State of the proclaimed roads			
		Railway		poor			
		C.B.D	Community Halls				
			Dipping Tanks				
			Stock Dams				
			LED Programmes	Select number of LED programmes in the ward			
				Farming	Tourism/Heritage		Arts and Crafts
				Schools	Select number of schools in the ward		
				Primary	Junior Secondary		High School
		Clinics	Select type of clinic				
			Permanent Structure	1			
		Mode of transport	Select mode of transport				
		Sport Fields	Buses	x			
			N/A	Taxis			
		Early Childhood Development Centre's	02				
				Signature			
				Bhungeni Ext 6 Access Roads			
				Skiti Taps			
				Electricity Street Light squatter camp Electrification			
				DATE CONFIRMED			
				07 October 2020			

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME									
2	4897	Caravan Park Reservoir Hills Coloured T/ship Zithulele Msobomvu T/S New Rest Temporal Simunye SC Phumlani SC Bhaca SC Silugu Section A Siyanda	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centers (Crèche's)	12 6 6 6 Poor Poor No No No Farming Primary Select type of clinic Buses 2 1	Tarred Road whole ward Community Hall new Rest (BNG) Housing Siyanda Squatter camp Sanitation at Siyanda, Phumlani Section Electricity seven areas Speed Humps Msobomvu T/ship	M.S Molosi									
				<p>State of the access roads</p> <table border="1"> <tr> <td>Poor</td> <td>x</td> <td>Fair</td> <td>Good</td> </tr> </table> <p>State of the proclaimed roads</p> <table border="1"> <tr> <td>Poor</td> <td>x</td> <td>Fair</td> <td>Good</td> </tr> </table>	Poor	x	Fair	Good	Poor	x	Fair	Good			
Poor	x	Fair	Good												
Poor	x	Fair	Good												
				<p>Select number of LED programmes in the ward</p> <table border="1"> <tr> <td>x</td> <td>Tourism/Heritage</td> <td>Arts and Crafts</td> </tr> </table> <p>Select number of schools in the ward</p> <table border="1"> <tr> <td>1</td> <td>Junior Secondary</td> <td>2</td> <td>High School</td> </tr> </table>	x	Tourism/Heritage	Arts and Crafts	1	Junior Secondary	2	High School				
x	Tourism/Heritage	Arts and Crafts													
1	Junior Secondary	2	High School												
				<p>Select type of clinic</p> <table border="1"> <tr> <td>Permanent Structure</td> <td>Mobile Clinic</td> </tr> </table> <p>Select mode of transport</p> <table border="1"> <tr> <td>Buses</td> <td>Taxis</td> <td>x</td> </tr> </table>	Permanent Structure	Mobile Clinic	Buses	Taxis	x						
Permanent Structure	Mobile Clinic														
Buses	Taxis	x													
				<p>DATE CONFIRMED October 2020</p>											

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
3	7606	Msobomvu	Water		Access Roads	INITIALS AND SURNAME
		Mchubakazi	Sanitation			A.B Madikane
		Cuba Portion	Electricity			
		Extension 14	Housing			
		Simuts	Access Roads		Houses	
		Msobomvu		State of the access roads		
			Proclaimed Roads	Poor x Fair Good		
			Community Halls	State of the proclaimed roads		
			Dipping Tanks	Poor Fair Good	Sports Field	SIGNATURE
			Stock Dams	Community Hall		
			LED Programmes	Select number of LED programmes in the ward		
				Farming Tourism/Heritage Arts and Crafts	Electricity	
			Schools	Select number of schools in the ward		
			Clinics	Select type of clinic		
			Mode of transport	Permanent Structure Mobile Clinic		
			Sport Fields	Buses Taxis		
			Early Childhood Development Centre's (Crèche's)	Select mode of transport	Indoor sport Centre	DATE CONFIRMED 25-09-2020

WARD NO	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
4	8242	Cuba Ext 15, Roma B.Section Cuba New rest eziteneni	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centre's (Crèche)	Cuba, Vully Valley New Valley, New Rest Ext 15 Roma, Cuba Flats Ext. 15, Roma, B Section Cuba Flats, Eziteneni State of the access roads x Fair x Good State of the proclaimed roads Poor Fair Good Poor Process N/A N/A Select number of LED programmes in the ward Farming / a n Tourism/ Heritage x Arts and Crafts x N/A Select number of schools in the ward Primary 1 Junior Secondary 1 High School Select type of clinic Permanent Structure N/A Mobile Clinic Select mode of transport Buses Taxis	Road ,street light Vuli valley ,ext 15 Roma, Cuba Flats 20 pilot houses ,houses for Squatter Camp Speed Humps next to Scima Shopping Centre	INITIALS AND SURNAME Y Mngonyama SIGNATURE DATE CONFIRMED 01-10-2020

WARD NO	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
5	9581	Madiba	Water	Challenge at all area	<p>Tarred/ Tar Road at Zizamele Ibika Area Maintenance at MAYEKISO</p> <p>Water at all squatter camp</p> <p>Hall at Zizamele</p> <p>Electricity at all squatter camps</p> <p>Houses for all squatter camps</p>	<p>INITIALS AND SURNAME Z SOBEKWA</p>
		Kwa 7	Sanitation	No Sanitation only Ext 24		
		Ext 24	Electricity	No Electricity at all Scamp		
		Khayelitsha	Housing	No Houses		
		Zizamele	Access Roads	State of the access roads		
		Mayekiso Farm	Proclaimed Roads	Poor x Fair Good		
			Proclaimed Roads	State of the proclaimed roads		
			Community Halls	Poor x Fair Good		
			Dipping Tanks	Nil		
			Stock Dams	Need maintenance		
			LED Programmes 3 schools (Private)	N/A		
				Select number of LED programmes in the ward		
				Farming Tourism/heritage Arts and Crafts		
			Schools	Select number of schools in the ward		
				Primary Junior Secondary High School		
			Clinics	Select type of clinic		
				Permanent Structure Mobile Clinic x		
			Mode of transport	Select mode of transport		
			Sport Fields	Buses Taxis		
	Early Childhood Development Centre's (Crèche's)	Need Maintenance				
		2xCreaches				

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME
6	6162	Zazulwana A/A Upper Mchubakazi Lower Mchubakazi Zazulwana Extension	Water Sanitation Electricity Housing Access Roads	3xVillages –upper /Lower Mchubakazi and Zazulwana EXT Both 3 Villages need Extension of Power Supply All three villages and urban areas need RDP Houses	Construction of Streets and storm water Drain whole area 1,Area 2 and area 3 ,At Ibika Township Construction of Upper Mchubakazi access roads and Bridge Construction of Lower Mchubakazi Access Roads	Clr W.W. Mbadianyana
			Proclaimed Roads	State of the access roads Poor x Fair x Good	Construction and Maintenance of access Roads at Zazulwana Extension	SIGNATURE
			Community Halls	Poor x Fair x Good	Extension of water taps in terms of water supply for upper Mchubakazi and Zazulwana Extension	
			Dipping Tanks	N/A		
			Stock Dams	N/A		
			LED Programmes	N/A		
			Farming	3 Tourism/Heritage Arts and Crafts		
			Schools	Select number of schools in the ward Primary 1 Junior 1 2 Secondary 1 High School		
			Clinics	Select type of clinic Permanent Structure 1 Mobile Clinic		
			Mode of transport	Select mode of transport Buses Taxis		
			Sport Fields	Yes		
			Early Childhood Development Centres (Crèche s)	Yes		
					RDP Houses for Both Urban and Rural Areas Whole Ward 06	DATE CONFIRMED 15-09-2020

WARD NO.	POPULATION	VILLAGES IN THE WARD	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME
7	8812	Izagwityi Mncuncuzo Mgagasi-R5 Mgagasi-Mawusheni Thanga Mnyamanzana Ibika Zazulwana Ibika Tship Esidutyini Emangqigweni	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèches)	- Poor Poor 1 0 0 Farming Primary Permanent Structure Buses On Construction No	Community Hall Ibika Township Community Hall Ibika/A Community Hall Zagwityi	N.R Tshona
				State of the access roads Fair Good		
				State of the proclaimed roads Fair Good		
				Select number of LED programmes in the ward Tourism/Heritage 0 Arts and Crafts 0		
				Select number of schools in the ward Junior Secondary 2 High School 4		
				Select type of clinic Permanent Structure 3 Mobile Clinic x		
				Select mode of transport Buses x Taxis x		
						DATE CONFIRMED 15/09/2020

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
8	7181	Cegcuwana R1 R 2 R3 R4 Ceru Nkanini Ngxalathi Mgomazi Komshini Mgomazi R4, R7 Ntambonkulu Zigodini Ntshamazi	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	Almost whole ward Whole ward Extensions & Infields None State of the access roads State of the proclaimed roads 1 Need maintenance Yes Cleaning of Dams yes Select number of LED programmes in the ward Farming, Ploughing Tourism/Heritage Arts and Crafts Select number of schools in the ward Primary Junior Secondary High School Select type of clinic Permanent Structure Mobile Clinic Select mode of transport Buses Taxis No Yes 6	Mgomanzi R7 to R4 Access Roads Rhoxeni access roads Ntambonkulu access roads Ndabakazi Mpesheya need maintenance Bridge from Cegcuwana EC Mgomanzi	N. Sukwana SIGNATURE DATE CONFIRMED October 2020

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
9	7960	Mpenduza	Water	8	Upper Mpenduza to Ngozana Road Bridge	INITIALS AND SURNAME N JIYA
		Mission	Sanitation	10		
		Tobotshana	Electricity	10		
		Mzazi	Housing	0		
		Bongweni	Access Roads		Town Hall at Musa	
		Ngozana				
		Mpenduza Upper	Proclaimed Roads			
		Tobotshana	Community Halls	Poor	Water at Bongweni Musa Upper & Lower Mpenduza	SIGNATURE
		Mzantsi	Dipping Tanks	Nil		
			Stock Dams	3		
			LED Programmes			
			Schools		Dipping Tank Upper Mpenduza	
			Clinics			
			Mode of transport			DATE CONFIRMED 03-03-2020
			Sport Fields			
			Early Childhood Development Centres (Creche s)		Road at Lower Mpenduza to Mazizini	

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME
11	7916	Manqulo Ngquthu Zibityolo Diya Mahlubini Mbongendlu Emmangweni Kobodi Dlephu Dyosini Xaxashimba	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	11/11 0/11 State of the access roads Poor x Fair X Good State of the proclaimed roads Poor x Fair Good Poor 7 9 Select number of LED programmes in the ward Farming 1 Tourism/Heritage Arts and Crafts Select number of schools in the ward Primary 3 3 Junior Secondary 10 High School 2 Select type of clinic Permanent Structure 2 Mobile Clinic 1 Select mode of transport Buses Nil Taxis/Bakkies 15 Nil- need to be constructed 2	5km Short Roads at Gquthu – Bumbane,Dyosini- Ngwane Diya - Mbongendlu Community Hall Ngquthu & Bumbane Sport Field Dyosini Nyabavu Agriculture Project	M. Mtalo
						DATE CONRMED 29 -10-2020

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
12	7458	Ngobozi	Water	3/12	Water: Ngobozi, Qeqe and Sawutana Sanitation Toleni Mahlubini and Mambendeni Electricity: Jojweni Qeqe, Toleni, and Lengeni Access Roads :Mahlubini,Hap py Vally and Toleni Komkhulu	INITIALS AND SURNAME N Monakali
		Tholeni	Sanitation	3/2		
		Tholeni	Electricity	Yes		
		Komkhulu	Housing	n/A		
		Jojweni	Access Roads	Poor		
		Mambendeni	Proclaimed Roads	Poor		
		Ndabakazi	Community Halls	N/A		
		Komkhulu	Dipping Tanks	NO		
		Sawutana	Stock Dams	YES		
		,Lengeni	LED Programmes	YES		
		Lengeni	Farming	Farming		
		QeQe	Arts and Crafts	Arts and Crafts		
Gxakhulu	Heritage	Heritage				
Happy Vally	Primary	Primary				
Mahlubini	Junior Secondary	Junior Secondary				
	High School	High School				
	Mobile Clinic	Mobile Clinic				
	1	1				
	Permanent Structure	Permanent Structure				
	Select mode of transport	Select mode of transport				
	Buses	Buses				
	Taxis	Taxis				
	1	1				
	NO	NO				
	YES	YES				
	Sport Fields	Sport Fields				
	Early Childhood Development Centres (Crèche's)	Early Childhood Development Centres (Crèche's)				
	Community Hall	Community Hall				
	Toleni R 1	Toleni R 1				
	DATE CONFIRMED	DATE CONFIRMED				

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR																				
13	7155	Blythwood Maxelegwini Mzantsi Sokapase Mngondini Ncora Ekuphumleni Mkhobeni Zibondeni Komkhulu Mkhiva Maheni Trust Farm Kwa T Kwa L Lusizini Bhadule Exolo Emabheleni	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	<p>Water</p> <p>Sanitation</p> <p>Electricity</p> <p>Housing</p> <p>Access Roads</p> <table border="1"> <tr> <td rowspan="2">State of the access roads</td> <td>Poor</td> <td>Fair</td> <td>Good</td> </tr> <tr> <td>State of the proclaimed roads</td> <td>Poor</td> <td>Fair</td> <td>Good</td> </tr> </table> <p>Community Halls</p> <p>Dipping Tanks</p> <p>Stock Dams</p> <p>LED Programmes</p> <p>Select number of LED programmes in the ward</p> <table border="1"> <tr> <td>Farming</td> <td>Tourism/Heritage</td> <td>Arts and Crafts</td> </tr> </table> <p>Select number of schools in the ward</p> <table border="1"> <tr> <td>Primary</td> <td>Junior Secondary</td> <td>High School</td> </tr> </table> <p>Select type of clinic</p> <table border="1"> <tr> <td>Permanent Structure</td> <td>0</td> <td>Mobile Clinic</td> <td>0</td> </tr> </table> <p>Select mode of transport</p> <table border="1"> <tr> <td>Buses</td> <td>Taxis</td> </tr> </table> <p>Sport Fields</p> <p>Early Childhood Development Centres (Crèche's)</p>	State of the access roads	Poor	Fair	Good	State of the proclaimed roads	Poor	Fair	Good	Farming	Tourism/Heritage	Arts and Crafts	Primary	Junior Secondary	High School	Permanent Structure	0	Mobile Clinic	0	Buses	Taxis	<p>Mkobeni Road</p> <p>Komkhulu Road</p> <p>Ekupumleni to Mangondini Road</p> <p>Water Installation at Blythwood</p> <p>Kwa Adam and Xobo Electricity Installation</p> <p>Toilets in all wards Extensions</p> <p>Construction of Ncora LTA Ground Stock Dams and Dipping Tanks</p>	<p>INITIALS AND SURNAME</p> <p>Z. C Mfazwe</p> <p>SIGNATURE</p> <p>DATE CONFIRMED</p> <p>23 October 2020</p>
State of the access roads	Poor	Fair	Good																							
	State of the proclaimed roads	Poor	Fair	Good																						
Farming	Tourism/Heritage	Arts and Crafts																								
Primary	Junior Secondary	High School																								
Permanent Structure	0	Mobile Clinic	0																							
Buses	Taxis																									

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR	
14	7437	Magodla	Water	95%	Roads	INITIALS AND SURNAME - Mqokoyi	
		Dipini	Sanitation	100%			
		Mthonjeni	Electricity	100%			
		Zazela A/A	Housing	None	Community Halls		
		Tyinira	Access Roads	Poor			
		Mgobhozweni	Proclaimed Roads			SIGNATURE Z Mqokoyi	
		Nqileni, Mbiza, Nde nxa					
		Diphini, Nitombo	Community Halls	1	Scooping of Dams		
		Mpukane, Nyili, Votini	Dipping Tanks	Available but in bad conditions			
		Mpukane, Ngcingcinike	Stock Dams	None			
		Nlandathu A/A	LED Programmes				
		Magontsini	Schools		Ploughing of Fields		
		Dyam-dyam					
		Nlandathu	Clinics				
			Mode of transport		Clinics		DATE CONFIRMED 23-10-2020

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	INITIALS AND SURNAME	CONFIRMED BY WARD CLLR
15	6120	Biyana, Rwantsana Hebe-Hebe Lalini, Mtonjeni Hom, Ngunikazi, Diphini Qolweni, Nkalweni, Mantanjeni Geqeza, Mantanjeni Bongitole, Komkhulu Buru, Gqagqa Maphakathini Komkhulu Sivanxa, Tsomo, Matshanganieni, Marhambeni, Majamanieni, Tsitsa, Ndaba Sidubela, Xhamani, Mizantsi	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	18 20 29 N/a Poor Poor Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	Toilets: Biyana Ngunikazi Majamanieni Tsitsa ,Nyidiana Ndaba, Dubela Xhamani Mzantsi WATER : WHOLE nqancule Proclaimed Road Dr 386\$389 A/R Zixhotyueni Via Lalini Hom to Mthonjeni Electricity New Ext Makhaleni Rwantsana Gxojana,Nqamakwe Dipping Tanks Mtshabeni, Rwantsana, Community Hall Nqancule	S. Ncetezo	SIGNATURE DATE CONFIRMED 05/11/2020

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME					
16	7440	Ngculu	Water		Access Road : Ngaisininde, Gwanguleni, Mpateni, Memela, Bridge Esgingqini Water: Nobanda, Ngcisininde, Nofotyo, Nyulula, Hlilili, Hilli Electricity: Gwanguleni, Nobanda, extension, Ngcisininde Extension, Nyulula Extension, nofotyo Houses: Nobanda, Ngcisininde, Nyulula, Nofotyo, Hilli Hilli	M. Ndurugane					
		Mission	Sanitation								
		Nt washu	Electricity								
		New Look	Housing								
		Sigingqini	Access Roads	State of the access roads							
		Memela	Proclaimed Roads	Poor			Fair	Good			
		Sizindeni		Poor			Fair	Good			
		Sidutyini									
		Gedwood	Community Halls								
		Qolweni	Dipping Tanks								
		Ndiki	Stock Dams								
		Qwanguleni, Mbutweni, Komkhulu, Mangweni, Tshabanqu, Komkhulu	LED Programmes	Select number of LED programmes in the ward							
				Farming			3	Tourism/ Heritage	3	Arts and Crafts	1
		Komkhulu	Schools	Select number of schools in the ward							
		Tyabhana, Hilli-Hilli		Primary			6	Junior Secondary	8	High School	1
		Mpateni, Tyumbu, Mga di	Clinics	Select type of clinic							
				Permanent Structure				Mobile Clinic			
		Mjikelweni, Bolani	Mode of transport	Select mode of transport							
				Buses				Taxis/bakkies			
			Sport Fields								
	Early Childhood Development Centres (Crèche's)										

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR			
17	10110	Dudum Ashe	Water	6 Taps	Access Roads Normaneya To Dududmashe	INITIALS AND SURNAME X I PUPUMA			
		Komkhulu Kunene	Sanitation Electricity	All have Sanitation Yes					
		Lalini	Housing	No	Community Hall				
		Mission	Access Roads	State of the access roads					
		Mirlees		Poor	x Fair	Good			
		Mjayezi	Proclaimed Roads	State of the proclaimed roads					
		Mngcangcatele Nkqayi	Community Halls	Poor	x Fair	Good			
		Sikolweni	Dipping Tanks	No	Community Hall				
		Gudla	Stock Dams	1					
			LED Programmes	None					
				Select number of LED programmes in the ward					
				Farming None	0	Tourism/ Heritage	0	Arts and Crafts	0
			Schools	Select number of schools in the ward					
				Primary	9	Junior Secondary		High School	1
			Clinics	Select type of clinic					
				Permanent Structure		Mobile Clinic	0		
			Mode of transport	Select mode of transport					
		Buses		Taxis	0				
	Sport Fields	1							
	Early Childhood Development Centres (Crèche's)	7							
			Water supply						
			DATE COONFIRMED 23 /09/2020						
			SIGNATURE						
			Stock Dams Cleaning						
			Led Cops support in AGGRICULTURE						

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME Z GADE				
18	8603	Mtwaku	Water	All	Upper Ngcwazi and Ntwala Access Road is very poor Lower Mantunzeleni Zigadini and other new Extensions Mpundu Access Road Mekeni Regraveling of access Road Pakade Village Housing					
		Ngcwazi	Sanitation	All						
		Ntwala	Electricity	All Except Extensions						
		Mantunzeleni	Housing	Pakade Village						
			Access Roads	State of the access roads						
				Poor			x	Fair	x	Good
			Proclaimed Roads	State of the proclaimed roads						
				Poor				Fair	x	Good
			Community Halls	Nil Town Hall						
			Dipping Tanks	Two						
			Stock Dams	3						
			LED Programmes	Select number of LED programmes in the ward						
				Farming			Tourism/Heritage	Arts and Crafts		
			Schools	Select number of schools in the ward						
		Primary	Junior Secondary	10	High School	1				
	Clinics	Select type of clinic								
		Permanent Structure	Mobile Clinic							
	Mode of transport	Select mode of transport								
		Buses	Taxis	x						
	Sport Fields	Nil								
	Early Childhood Development Centres (Crèche's)									
		DATE CONFIRMED 15 -09-2020								

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
19	8603	Lundi Mahlubini Ngxalawe Nlengwini Njekeni, Siqithini, Jek ezi Nkanini, Gubevu Sautana, Ndede, Busina Upper Kotana Mbangweni Maseleni Shlabeni	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	12/16 Covered In Progress N/A Poor No Need maintenance Need Decease Farming Primary Permanent Structure Buses Sport Fields Yes	Nlakuwehlaza to Mahlubini Access road, Jek ezi, Mbangweni & Kotane Mntla Water Mahlubini, Lunda, Ngxalaweni, Ntia kwevenkile njekeni siqithini Community Hall Siqithini Clinic Siqithini	INITIALS AND SURNAME V NIKEHLE SIGNATURE V Nkehle DATE CONFIRMED 18-09-2020
		State of the access roads		Poor x Fair Good		
		State of the proclaimed roads		Poor x Fair Good		
		Select number of LED programmes in the ward		Need Decease		
		Select number of schools in the ward		Need Decease		
		Farming		x Tourism/ Heritage	Arts and Crafts	
		Schools		4 Junior Secondary	High School	2
		Clinics		Select type of clinic		
		Mode of transport		Permanent Structure	Mobile Clinic	2
		Sport Fields		Select mode of transport		
		Early Childhood Development Centres (Crèche's)		Buses	Taxis	

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR	
20	7403	Mpeta Lusuthu Masele Qima Zingqayi Luxhomo Upper Tanga Gxothiwe Magenuka Vulindlela Mtebele Mazizini, Ndela Ngwazi Kolane peter Qoliwe, Santini Sihlabeni Masaleleni	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	Almost whole ward Almost whole ward Extension None Poor Poor No Need maintenance yes Clearing of dams Select number of LED programmes in the ward Farming Primary4 Select type of clinic Permanent Structure Buses Yes 2	State of the access roads State of the proclaimed roads Select number of schools in the ward Select type of clinic Select mode of transport	Sihlabeni-kotane access road luxhoma tanga Maintenance ndela Qima Sitishini Mzantsi mpeta access roads Zingqayi ngcwazi need maintenance Bridge ndela kuMtebele	INITIALS AND SURNAME N GOBENI DATE CONFIRMED 30 /09/20

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR	
21	7737	Zwelisha	Water		Access Roads Ndana to Mbuqwini	INITIALS AND SURNAME G T NTSHONGA	
		Kwaymani	Sanitation				
		Nishamanzi	Electricity		Access Roads Zingcuka to Lahlangubo	Access Roads Mazizini to Mtha welanga High school	SIGNATURE GT Ntshonga
		Malongweni	Housing				
		Mambabaleni	Access Roads	State of the access roads		Access Roads Kwaiman to Rhodi Location	DATE CONFIRMED 07 September 2020
		Mgowe Zantsi		Poor	Fair		
		Matoiwani	Proclaimed Roads	State of the proclaimed roads			
		Mbaniwa	Community Halls	Poor	Fair	Good	
		Eyeni	Dipping Tanks				
		Ngwanya	Stock Dams				
		Mission	LED Programmes	Select number of LED programmes in the ward			
		Mission, Tshazibane, Mazizini, Lahlangubo	Farming	Tourism/ Heritage	Arts and Crafts		
		Radu, Sphahleni, Zingcuka	Schools	Select number of schools in the ward			
		Ziqhamnganeni, Zintukwini	Clinics	Select type of clinic			
		Qoliwe, Marhawuleni Bongweni	Mode of transport	Permanent Structure	x	Mobile Clinic	
		Sawiana	Sport Fields	Select mode of transport			
		Siqhithi	Early Childhood Development Centres (Crèche's)	Buses		Taxis/Bakkie	x

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
22	9694	Qora A/A Cafutweni A/A Busila A/A	Water Sanitation Electricity Housing Access Roads	80% 80% 90% 5%	Sport Field Community Hall	INITIALS AND SURNAME LTsipha
			Proclaimed Roads	Poor x Fair Good		
			Community Halls	Poor 3	Access Roads	SIGNATURE
			Dipping Tanks	3		
			Stock Dams	30	Stock Dams	
			LED Programmes			
			Farming	x Tourism/Heritage Arts and Crafts		
			Schools			
			Primary	x Junior Secondary x High School		
			Clinics			
			Permanent Structure	Mobile Clinic		
			Mode of transport		Water Tanks	DATE CONFIRMED OCTOBER 2020
			Buses	Taxis/Bakkies		
			Sport Fields			
			Early Childhood Development Centres (Crèche s)			

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME																																																				
23	7495	Gantantane Myoyo Mphakathi Mzantsi Mrawuzeli Ncalukeni Batayi Qengqeweni Komkhulu Mangweni Ncincweba Mthonjeni, Cingweni, Mdeni, Mkhwaneni, Ncedani, Sitaali, Komkhulu Krakrayo Singeni Komkhulu, Mango Sitatsha, Yekiso, Durrezweni	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	Whole wardd Whole Ward Whole Wardd Whole Ward Poor Poor x None 1 Yes Farming Primary Permanent Structure Buses None 7	Road Rwanstana Sigingqini Nkondwana Electricity Qengqeweni, Nkondwan e, Sital Mangweni is not finish House RDP Whole ward Taps 3 water sanitation Toilet Whole Ward Deeping Tanks Rwanisana Qobo	N Ngolomillo																																																				
				<table border="1"> <tr> <td colspan="4">State of the access roads</td> </tr> <tr> <td>Poor</td> <td>x</td> <td>Fair</td> <td>Good</td> </tr> <tr> <td></td> <td></td> <td></td> <td>X</td> </tr> <tr> <td colspan="4">State of the proclaimed roads</td> </tr> <tr> <td>Poor x</td> <td></td> <td>Fair</td> <td>Good</td> </tr> <tr> <td>None</td> <td></td> <td></td> <td></td> </tr> </table>	State of the access roads				Poor	x	Fair	Good				X	State of the proclaimed roads				Poor x		Fair	Good	None																																	
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Poor x		Fair	Good																																																							
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				<table border="1"> <tr> <td colspan="4">Select number of LED programmes in the ward</td> </tr> <tr> <td>X2</td> <td>Tourism/ Heritage</td> <td>1x</td> <td>Arts and Crafts</td> </tr> <tr> <td></td> <td></td> <td></td> <td>X</td> </tr> <tr> <td colspan="4">Select number of schools in the ward</td> </tr> <tr> <td>Primary</td> <td>10</td> <td>Junior Secondary</td> <td>2 High School</td> </tr> <tr> <td></td> <td></td> <td></td> <td>1</td> </tr> <tr> <td colspan="4">Select type of clinic</td> </tr> <tr> <td>Permanent Structure</td> <td></td> <td>x</td> <td>Mobile Clinic</td> </tr> <tr> <td></td> <td></td> <td></td> <td>X</td> </tr> <tr> <td colspan="4">Select mode of transport</td> </tr> <tr> <td>Buses</td> <td></td> <td></td> <td>Taxis</td> </tr> <tr> <td>None</td> <td></td> <td></td> <td></td> </tr> <tr> <td>7</td> <td></td> <td></td> <td></td> </tr> </table>	Select number of LED programmes in the ward				X2	Tourism/ Heritage	1x	Arts and Crafts				X	Select number of schools in the ward				Primary	10	Junior Secondary	2 High School				1	Select type of clinic				Permanent Structure		x	Mobile Clinic				X	Select mode of transport				Buses			Taxis	None				7					
Select number of LED programmes in the ward																																																										
X2	Tourism/ Heritage	1x	Arts and Crafts																																																							
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Select mode of transport																																																										
Buses			Taxis																																																							
None																																																										
7																																																										
				House RDP Whole ward	SIGNATURE																																																					
					DATE CONFIRM 15/10/2020																																																					

WARD NO.	POPULATION	VILLAGES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
24	5253	<p>Teko Springs Nkelekethe Msintsana Mthonjeni Holela Teko Kona Teko Fihla Ecingweni Booi Farm</p> <p>Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes</p>	<p>100% 80% 70% None Poor x 5 Poor 2 No community halls N/A 2 Villages 1 Village</p> <p>State of the access roads 5 Good State of the proclaimed roads 2 Good</p> <p>Select number of LED programmes in the ward</p> <p>Farming 2 Housing the Whole ward Arts and Crafts x</p> <p>Schools Primary 9 High School</p> <p>Clinics Select type of clinic Permanent Structure 1</p> <p>Mode of transport Select mode of transport Buses Taxis 1 But not yet finished</p> <p>Sport Fields But not yet finished</p> <p>Early Childhood Development Centres (Crèche's)</p>	<p>Qumbulwana, Jijweni Access Road: Booi Farm to Mkhonkotho, Mthonjeni nkelekethe maqele Msintsana Clinic: Teko Springs, Booi Farm Teko Kona, and Mkhonkotho</p> <p>Bridge : Between Msintsana and Mthonjeni Teko Kona, Teko Fihla, Velemto Msointsana Qumbulwana</p> <p>Dipping Tanks Teko Kona Booi Farm Teko Fihla Nkelekethe</p> <p>Dipping Tanks Teko Kona Booi Farm Teko Fihla Nkelekethe</p>	<p>INITIALS AND SURNAME NG Ndongeni</p> <p>SIGNATURE</p> <p>DATE CONFIRMED</p>

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME																																
25	11611	Emndundu Centuli/Mcootama Ndindwa, Centuli Mathole, Mndundu Ngunduza, Dimbaza Esbhaxeni, Mahlathini Kabakazi, Mahlathini Ngunduza Mazeppha RD Ndora Njakazi	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	<p>State of the access roads</p> <table border="1"> <tr> <td>Poor</td> <td>x</td> <td>Fair</td> <td>Good</td> </tr> </table> <p>State of the proclaimed roads</p> <table border="1"> <tr> <td>Poor</td> <td>x</td> <td>Fair</td> <td>Good</td> </tr> </table> <p>Select number of LED programmes in the ward</p> <table border="1"> <tr> <td>Farming</td> <td></td> <td>Tourism/Heritage</td> <td>x</td> <td>Arts and Crafts</td> <td>2</td> </tr> </table> <p>Select number of schools in the ward</p> <table border="1"> <tr> <td>Primary</td> <td>1</td> <td>Junior Secondary</td> <td></td> <td>High School</td> <td></td> </tr> </table> <p>Select type of clinic</p> <table border="1"> <tr> <td>Permanent Structure</td> <td></td> <td>x</td> <td>Mobile Clinic</td> <td></td> <td>x</td> </tr> </table> <p>Select mode of transport</p> <table border="1"> <tr> <td>Buses</td> <td></td> <td>Taxis</td> <td></td> <td></td> <td>0</td> </tr> </table>	Poor	x	Fair	Good	Poor	x	Fair	Good	Farming		Tourism/Heritage	x	Arts and Crafts	2	Primary	1	Junior Secondary		High School		Permanent Structure		x	Mobile Clinic		x	Buses		Taxis			0	Indlela Mndundu Namanzi Electricity Ndindwa Nqampu Ndatsha Ngunduza to Jebe Sport Field Ndoqa Iholo Mahlathini	S LILISE
Poor	x	Fair	Good																																			
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Farming		Tourism/Heritage	x	Arts and Crafts	2																																	
Primary	1	Junior Secondary		High School																																		
Permanent Structure		x	Mobile Clinic		x																																	
Buses		Taxis			0																																	
						DATE CONFIRMED 03-11-2020																																
						SIGNATURE																																

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME
26	10489	Macibe Njingini Magiqweni Nqusi Msintsana Nxaxho Godidi Zingcuka Zibunu Nkente	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	Msintsana,Zibunu,Nxaxhu,Zingcuka,Godidi,nkente All wards Godidi ,Zingcuka,Machelesin& Nibe No State of the access roads Poor x Fair Good State of the proclaimed roads Poor x Fair Good	Access Roads Qolweni A & B Kente to Mzantsi Vusani to Mzantsi Huku to Liqongo Litshi to Zibungu Community hall Sport Field	Cllr N Zaba DATE CONFIRMED
				Select number of LED programmes in the ward Farming Tourism/ Heritage Arts and Crafts Select number of schools in the ward Primary 1 Junior 1 High 3 2 Secondary 2 Scho ol		
				Select type of clinic Permanent Structure Mobile Clinic x		
				Select mode of transport Buses x Taxis x No		
				3		

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR INITIALS AND SURNAME
27	9460	Gqunqe Mcelwane Zalu Nginezelo Ndimba Kaba Xhiba Fetsha Maqoma Cebe, Diko, Mkhunqwana Lalo, Fihlani, Luisizi, Nqwara Golweni ,Manyube, Pensholo, Gcina, Esingeni Golweni Thubeni, Nqwara	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	2 Acc ward need water New Extensions New Extensions and Backlog 0 Poor x Fair Good State of the proclaimed roads Poor x Fair Good None 6 they need maintenance None Select number of LED programmes in the ward Farming x Arts and Crafts 2 Select number of schools in the ward Primary 1 Junior 8 High School 2 Select type of clinic Permanent Structure 1 Mobile Clinic 0 Select mode of transport Buses Taxis None	Access Roads-Fihlani ,Nyizelo ,Gqola,Xhiben,NGqw arha Gcina Water And Sanitation- Cebe,Gqunqe,Gcina, Ngqwarha Electricity- Manyube,Cebe,Zalu, Mcelwana,Nyinezelo Dipping Tanks Clinic-Cebe Gcina,Ngqwarha	T. Ntyinkala

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR																
28	8780	Ngcizele Kobonqaba Nxaxo Thakazi Ncerana Kantolo Macibe/Mgobozi	Water Sanitation Electricity Housing Access Roads	<table border="1"> <thead> <tr> <th colspan="2">State of the access roads</th> </tr> </thead> <tbody> <tr> <td>Poor</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Fair</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>Good</td> <td><input type="checkbox"/></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">State of the proclaimed roads</th> </tr> </thead> <tbody> <tr> <td>Poor</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Fair</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Good</td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	State of the access roads		Poor	<input type="checkbox"/>	Fair	<input checked="" type="checkbox"/>	Good	<input type="checkbox"/>	State of the proclaimed roads		Poor	<input type="checkbox"/>	Fair	<input type="checkbox"/>	Good	<input type="checkbox"/>	Access Roads: Gcizela to Takazi B Nxaxho takazi Nombanjana to Gcizela	INITIALS AND SURNAME T NKAMISA
State of the access roads																						
Poor	<input type="checkbox"/>																					
Fair	<input checked="" type="checkbox"/>																					
Good	<input type="checkbox"/>																					
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			Proclaimed Roads		Electricity New Extension and infield all ward																	
			Community Halls		Dipping Tanks Kantolo Renovations of Dipping tanks	SIGNATURE T NKAMISA																
			Dipping Tanks	4 Village																		
			Stock Dams	N/A																		
			LED Programmes	Select number of LED programmes in the ward <table border="1"> <thead> <tr> <th>Farming</th> <th>Tourism/ Heritage</th> <th>Arts and Crafts</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td> <td></td> <td></td> </tr> </tbody> </table>		Farming	Tourism/ Heritage	Arts and Crafts	<input checked="" type="checkbox"/>													
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1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
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Buses	Taxis																					
<input type="checkbox"/>	<input checked="" type="checkbox"/>																					
			Sport Fields																			
			Early Childhood Development Centres (Crèche's)			DATE CONFIRMED OCTOBER 2020																

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29	8893	Golora Kei Farm Nontshinga Gxara Feni Nyumaga khwane Gontsi vaku	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	No Yes Yes No Poor Fair Good Poor Fair Good Select number of LED programmes in the ward Farming Tourism/Heritage Arts and Crafts Select number of schools in the ward Primary Junior Secondary High School Select type of clinic Permanent Structure Mobile Clinic Buses Taxis Sport Fields Early Childhood Development Centres (Crèche's)	Roads: Gxora ,Kei FARM, NYUMAGA Electricity Nontshinga and Feni Sport Ground : Nontshinga Community Hall Feni Clinic Nontshinga	L Mibhentsula SIGNATURE DATE CONFIRMED 28-09- 2020

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR																						
30	7546	Msento Amambalu Ngede Nxokwana Xeni Qombolo Centane Mjanyane	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Farming Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	<p>State of the access roads</p> <table border="1"> <tr> <td>Poor</td> <td>x</td> <td>Fair</td> <td>Good</td> </tr> </table> <p>State of the proclaimed roads</p> <table border="1"> <tr> <td>Poor</td> <td>x</td> <td>Fair</td> <td>Good</td> </tr> </table> <p>1 3 0</p> <p>Select number of LED programmes in the ward</p> <table border="1"> <tr> <td>Farming</td> <td>x</td> <td>Tourism/Heritage</td> <td>Arts and Crafts</td> </tr> </table> <p>Select number of schools in the ward</p> <table border="1"> <tr> <td>Primary</td> <td>x</td> <td>Junior Secondary</td> <td>High School</td> </tr> </table> <p>Select type of clinic</p> <table border="1"> <tr> <td>Permanent Structure</td> <td>1</td> <td>Mobile Clinic</td> </tr> </table> <p>Select mode of transport</p> <table border="1"> <tr> <td>Buses</td> <td>x</td> <td>Taxis</td> </tr> </table>	Poor	x	Fair	Good	Poor	x	Fair	Good	Farming	x	Tourism/Heritage	Arts and Crafts	Primary	x	Junior Secondary	High School	Permanent Structure	1	Mobile Clinic	Buses	x	Taxis	<p>Ngede Access Roads Nxokwana Centane Sisonke Township street Roads road</p> <p>Clinic at Ngede A/A Clinic at Qombolo administration area community Hall at Ngede</p> <p>Electricity at Mshanyane A/A /A Msuzweni area Ngede A./A Khobonqaba area Dipping tanks Msentsana</p> <p>Water -Nxokwana A/A Ngede A/A, Msento A/A MACHELESINI</p> <p>High mast light Centane Township phase 3,4,5 Amambalu area High mast lights Library Centane Town</p>	<p>INITIALS AND SURNAME T. Makeleni</p> <p>SIGNATURE</p> <p>DATE CONFIRMED</p>
Poor	x	Fair	Good																									
Poor	x	Fair	Good																									
Farming	x	Tourism/Heritage	Arts and Crafts																									
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WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
31	9348	Ngqanda Khobonqaba Seku, Luxeni Mishotsiweni Zingxala, Jojweni Kwanayo, Dike, Seyise Mdange, Nonyembezi Ediphini, Mnyameni Samnka, Kwazingxala Myeki, Mante, Tyeni Jojweni, Thembani Hlangani A&B Matshona, Nkoyweni Masatlana, Manzana Kwabharimane Thala	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	All ward only new Extension All Ward ,Toilets (Only New Ex All ward ,Only new Extension N/A Poor x Fair Good State of the proclaimed roads Poor x Fair Good State of the access roads Select number of LED programmes in the ward Farming Tourism/ Heritage Arts and Crafts Select number of schools in the ward Primary 1 Junior High School 2 2 Secondary Select type of clinic Permanent Structure 1 Mobile Clinic 0 Select mode of transport Buses Taxis X	Khobonqaba Road(Ngqanda, Thala –Matshona (Qina Road) Electricity Myeki (Mnyameni and New Extension Community Hall RDP Houses Stock Dams	N Lusizi SIGNATURE DATE CONFIRMED 03-10-2020

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2020/2021

Date of Committee	Committee Recommendations	Recommendations Adopted (Y/N)
11 August 2020	<p>Internal Audit documents (Audit Committee Charter, Internal Audit Charter, Methodology and Annual Audit Plan) were presented to the Audit Committee. Audit Committee Charter was noted by the Audit Committee and recommended it for approval by Council. Internal Audit Charter, Methodology and Internal Audit Plan were approved by the Audit Committee.</p> <p>Quarterly review of 2019/2020 Fourth Quarter was reviewed by the Audit Committee as per Section 166 of the MFMA.</p>	Y
25 October 2020	The Committee reviewed the 2019/2020 Draft Annual Report with the Annual Financial Statements before submission to the Auditor General.	Y
27 October 2020	Quarterly review of 2020/2021 First Quarter was reviewed by Audit Committee as per Section 166 of the MFMA	Y
20 January 2021	Audit Committee reviewed the 2020/2021 Mid-term performance report – Section 72 of the MFMA	Y
17 February 2021	Quarterly review of 2020/2021 Second Quarter was reviewed by Audit Committee as per Section 166 of the MFMA	Y
22 April 2021	Quarterly review of 2020/2021 Third Quarter was reviewed by Audit Committee as per Section 166 of the MFMA	Y

APPENDIX I- PERFORMANCE OF SERVICE PROVIDERS- 2020/2021 FINANCIAL YEAR

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2019/2020)		Year 1 (Current Year- 2020/2021)	
		Target	Actual	Target	Actual
Buciko Africa Project Management (Pty) Ltd	Percentage progress towards construction of Qolora access road by June 2021	-	-	Construct 100 % of Qolora Access Road (6,2 kms) by June 2021	Complete
Lunika Investments (Pty) Ltd	Percentage progress towards rehabilitation of Xhobani gravel access road by June 2021	-	-	Rehabilitate 100 % of Xhobani gravel access Road (9,32 kms) by June 2021	Complete
Cycle Civils and Projects (Pty) Ltd	Percentage progress towards construction of Kwankqayi-skolweni to Lalini access road by June 2021	-	-	Construct 100 % of Kwankqayi-skolweni to Lalini Access Road(10,2 kms) by June 2021	Complete
Investorex (Pty) Ltd T/A GS Civils	Percentage progress towards construction of Mphakathi access road by June 2021	-	-	Construct 100 % of Mphakathi Access Road(17,302 kms) by June 2021	Complete
Kaazi Engineering Group (Pty) Ltd	Percentage progress towards construction of Machelesini access road by June 2021	-	-	Construct 100 % of Machelesini (7 kms) Access Road by June 2021	Complete
Dintwa Trading CC	Percentage progress towards construction of Mncuncuzo access road by June 2021	-	-	Construct 100 % of Mncuncuzo (5 kms) Access Road by June 2021	Complete
Bathabile Construction Services	Percentage progress towards rehabilitation of Extension 7 Ring Road by June 2021	-	-	Rehabilitate 100% of Extension 7 Ring Road (5 kms) by June 2021	Complete
Khula Africa Agriculture and Construction Projects	Percentage progress towards paving of King Street and Blyth Street Offices parking's by June 2021	-	-	Pave 100% of King Street and Blyth Street Offices parking's (3500 m ²) by June 2021	Complete

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2019/2020)		Year 1 (Current Year- 2020/2021)	
		Target	Actual	Target	Actual
A One Elect CC	Percentage progress towards connection of Mnquma 2020/2021 Electrification Programme by June 2021	-	-	Connect 100% of Mnquma 2020/2021 Electrification Programme (264 Households) by June 2021	Complete
Mentolek Projects (Pty) Ltd	Percentage progress towards construction/installation of street lights in Butterworth entrances by June 2021	-	-	Construct/Install 100% of street lights in Butterworth entrances by June 2021	Complete
Masiba and Son	Percentage progress towards construction of Cuba Community Hall by June 2021	-	-	Construct 100% of Cuba Community Hall by June 2021	44 % towards completion
Lwazi Enterprise (Pty) Ltd JV Rosibu Holding (Pty) Ltd	Percentage progress towards construction of Rhwantsana Outdoor Sport Facility by June 2021	-	-	Construct 100% of Rhwantsana Outdoor Sport Facility by June 2021	75 % towards completion
Nqaba-Yamajola Trading	Percentage progress towards completion of Cerhu Sport field by June 2021	-	-	Complete 100% of Cerhu Sport field by June 2021	Complete
Njabomvu Construction (Pty) Ltd	Percentage progress towards completion of BDLTC phase 2A (Fencing) by June 2021			Complete 100% of BDLTC phase 2A (Fencing) by June 2021	Complete
Awakhe Consulting	Percentage progress towards completion of Nomaheya Sport field by June 2021			Complete 100% of Nomaheya Sport field by June 2021	Complete
Origins Saba Group Jv Carnation Deluxe Events	Number of big screens procured by June 2021			Facilitate procurement of big screens	Achieved
Toduka Group (Pty) Ltd	Number of tractors procured by June 2021			Facilitate procurement of two tractors by June 2021	Achieved

APPENDIX J- DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 01 July 2020 to 30 June 2021 (2020/2021 financial year)		
Position	Name	Description of Financial interest
Executive Mayor	Cllr S Ncetezo	None
Council Speaker	Cllr T Bikitsha	None
Chief Whip	Cllr Z Gade	None
Members of Mayoral Committee	Cllr N R Tshona	None
	Cllr N Platjie	None
	Cllr X Pupuma	None
	Cllr T Nkamisa	None
	Cllr N Layiti	None
	Cllr L Mgandela	None
	Cllr T P Ntanga	None
	Cllr N Sheleni	None
	Cllr N Tandaphi	None
	Cllr S Matutu	None
Chairperson of MPAC	Cllr Z Mkiva	None
Councillors	Cllr N H Skelenge	None
	Cllr Z M Mngwazi	None
	Cllr M E Ntshonga	None
	Cllr N P Dube	None

Disclosures of Financial Interests		
Period 01 July 2020 to 30 June 2021 (2020/2021 financial year)		
Position	Name	Description of Financial interest
	Cllr C Mtsi	None
	Cllr T Z Xhongwana	None
	Cllr G N Nombila	None
	Cllr K G Magwaca	None
	Cllr N M Mpambani	None
	Cllr Z A Mqolo	None
	Cllr M Mkhilili	None
	Cllr S N Tshazi	None
	Cllr M Mbeki	None
	Cllr N Ntolosi	None
	Cllr S L Mafanya	None
	Cllr B Kave	None
	Cllr N H Kendle	None
	Cllr A Finca	None
	Cllr W M Ntongana	None
	Cllr A Krakri	None
	Cllr Nomthandazo Lusizi	None
	Cllr Z Siyo	None

Disclosures of Financial Interests**Period 01 July 2020 to 30 June 2021 (2020/2021 financial year)**

Position	Name	Description of Financial interest
	Cllr M Molosi	None
	Cllr A B Madikane	None
	Cllr Y Mngonyama	None
	Cllr Z Sobekwa	None
	Cllr W Mbadlanyana	None
	Cllr N Sukwana	None
	Cllr N Jiya	None
	Cllr L S Sobekwa	None
	Cllr L M Mtalo	None
	Cllr N Monakali	None
	Cllr Z C Mfazwe	None
	Cllr Z Mngokoyi	None
	Cllr M Ndungane	None
	Cllr V Nkehle	None
	Cllr K Gobeni	None
	Cllr G T Ntshonga	None
	Cllr L Tsipa	None
	Cllr N Nqolomlilo	None

Disclosures of Financial Interests		
Period 01 July 2020 to 30 June 2021 (2020/2021 financial year)		
Position	Name	Description of Financial interest
	Cllr N C Ndongeni	None
	Cllr S Lilise	None
	Cllr N L Zaba	None
	Cllr T Ntyinkala	None
	Cllr N Mxhoko	None
	Cllr L Mbentsula	None
	Cllr T Makeleni	None
	Cllr Nelisa Lusizi	None
Municipal Manager	Mr S Mahlasela	None
Chief Financial Officer	Mr M Matomane	None
Other Section 56 Managers	Ms Z Ntile	None
	Mr M Kibi	None
	Mr M Dilika	None
	Ms S Benya	None
	Mr S Caga	None

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual R'000	Original Budget R'000	Adjusted Budget R'000	Actual R'000	Original Budget	Adjustments Budget
BUDGET & TREASURY OFFICE	288 114	39 429	39 429	34 621	88%	88%
LOCAL ECONOMIC DEVELOPMENT AND PLANNING	0	51	51	45	88%	88%
CORPORATE SERVICES	213	1 805	1 805	1 602	89%	89%
COMMUNITY SERVICES	4 244	12 818	12 818	6 472	50%	50%
INFRASTRUCTURAL DEVELOPMENT	82 915	885	885	125	14%	14%
Total Revenue by Vote	375 485	54 988	54 988	42 865	78%	78%

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	2019/20	Budget Year 2020/21					
	Audited Outcome R'000	Original Budget R'000	Adjusted Budget R'000	YearTD actual R'000	YearTD budget R'000	YTD variance R'000	YTD variance %
Revenue By Source							
Property rates	16 599	32 776	32 776	30 570	32 776	2 206	93%
Service charges - refuse revenue	1 139	3 180	3 180	976	3 180	2 204	31%
Rental of facilities and equipment	962	1 755	1 755	1 451	1 755	304	83%
Interest earned - external investments	5 095	5 639	5 639	4 024	5 639	1 615	71%
Fines, penalties and forfeits	180	6 392	6 392	1 647	6 392	4 745	26%
Licences and permits	1 269	1 500	1 500	759	1 500	741	51%
Agency services	4 028	4 500	4 500	3 031	4 500	1 469	67%
Other revenue	1 029	2 175	2 175	373	2 175	1 802	17%
Gains on disposal of PPE	2 834	250	250	1 616	250	-1 366	646%
Total Revenue (excluding capital transfers and contributions)	33 135	58 167	58 167	44 447	58 167	13 720	76%

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
	R'000	R'000	R'000	R'000		
Operating Transfers and Grants						
National Government:	235 662	286 407	340 070	340 070	119%	100%
Equitable share	227 129	273 742	327 405	327 405	120%	100%
Finance Management Grant	1 414	1 700	1 700	1 700	100%	100%
EPWP	2 316	1 695	1 695	1 695	100%	100%
INEP	4 803	9 270	9 270	9 270	100%	100%
Total Operating Transfers and Grants	235 662	286 407	340 070	340 070	119%	100%

APPENDIX M: CAPITAL EXPENDITURE

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total							
Infrastructure: Road transport – Total	3 398 554.08	62 541 402.00	74 860 899.00		114 771 269.00	82 038 352.00	85 249 196.00
Roads, Pavements & Bridges	3 398 554.08	52 071 402.00	62 118 042.00		105 636 269.00	72 038 352.00	75 249 195.00
Storm water Infrastructure:							
Electricity – Total		10 470 000.00	12 742 857.00		9 135 000.00	10 000 000.00	10 000 001.00
Street Lighting							
Dams & Reservoirs							
Reticulation							
Reticulation Infrastructure: Other – Total	-	-		-	-	-	-
Community – Total	-3 398 554.07	15 412 897.00	39 958 777.00		29 529 092.00		
Parks & gardens							
Sports fields & stadia	5 777 708.07	8 485 175.00	12 411 919.00		6 973 244.00		
Swimming pools							

Capital Expenditure - New Assets Programme*

R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Community halls Libraries Recreational facilities Social rental housing Other	-9 176 262.14	5 627 722.00	5 891 338.00		7 905 836.00		
Capital expenditure by Asset Class		500 000.00	500 000.00				
Heritage assets - Total	-	-	-	-	-	-	-
Buildings Other		800 000.00	1 223 000.00		5 750 012.00		
Investment properties - Total	-		19 932 520.00		8 900 000.00		
Other assets	1 678 653.31	16 755 000.00	44 385 428.00		16 095 108.00		
General vehicles Specialised vehicles	-1 290 015.00	1 700 000.00	24 382 899.00		9 950 024.00		
Plant & equipment Computers - hardware/equipment	148 927.50	7 705 000.00	9 722 500.00		2 830 072.00		
Furniture and other office equipment Civic Land and Buildings Other (list sub-class)	1 465 417.77	1 200 000.00	3 751 529.00		2 000 012.00		
	1 354 323.04	6 150 000.00	6 528 500.00		1 315 000.00		

APPENDIX N- CAPITAL PROGRAMME BY PROJECT: 2020/2021 FINANCIAL YEAR

Capital programme by project: 2020/2021 Financial year					
Capital projects	Original Budget	Adjustment Budget	Actual	Variance (Act-Adj)	Variance
				%	(Act-OB)
					%
Road Construction	47 749 000	56 131 000	55 444 000	99	116
Electricity	9 270 000	9 270 000	8 863 000	96	96
Community Halls	8 408 000	7 931 000	2 338 000	29	28
Animal Pound	4 000 000	4 000 000	-	0	0
Sport Field	7 485 000	8 619 000	6 793 000	79	91
Motor Vehicle, Plant and Machinery	8 430 000	30 213 000	29 579 000	98	351
ICT	150 000	3 010 000	1 762 000	59	1175

APPENDIX O- CAPITAL PROGRAMME BY PROJECT BY WARD: 2020/2021 FINANCIAL YEAR

Capital programme by project by ward: 2020/2021 Financial year		
Capital projects	Wards affected	Work completed (Y/N)
Road Construction		
Construction of Qolora Access Road	29	Y
Construction of Xhobani Access Road	23	Y
Construction of KwaNkqayi Skolweni to Lalini Access Road	17	Y
Construction of Mphakathi Access Road	23 & 31	Y
Rehabilitation of Extension 7 Ring Road	1	Y
Refurbishment of Merimen, Scanlen Street and High Street	1	Y
Tar surface repairs & Asphalt overlay at Butterworth CBD	1	Y
Electricity		
Mnquma 2020/2021 Electrification Programme (264 Household)		Y
Installation of LED lights along Mthatha and King Street	1	Y
Community Hall		
Cuba Community Hall	4	N
Public Facility		
Construction of Thanga Outdoor Sport Facility	07	Y
Construction of Rhwantsana Outdoor Sport Facility	15	N

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

Declaration of Loans and Grants made by the municipality: 2020/2021 financial year				
All Organisation or Person in receipt of Loan*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2020/2021 FY	Total Amount Committed over previous and future years
NO LOANS				

APPENDIX S- DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 Returns Not Made during 2020/2021 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date
N/A	

REPORT ON MUNICIPAL INDICATORS

ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

No.	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
1.	Vacancy rate for all approved and budgeted posts	490	19	100%	
2.	Percentage of appointment in all strategic positions (Municipal Manager and Section 56 Managers)	7	7	100%	Section 54A and Section 56 Managers were appointed in the year under review
3.	Percentage of Section 56 Manager including Municipal Managers who attended at least 1 skill development training course within the FY	7	7	100%	
4.	Percentage of Managers in Technical Services with a professional qualification	2	2	100%	All the Managers in Technical Services have a professional qualification
5.	Level of PMS Effectiveness in the Local Municipality	The municipality has managed to cascade performance in all the levels in the institution through implementation of Performance Accountability Agreements and Performance Promises on levels below Section 56 Managers			
6.	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	490	490	100%	Skills audit was done for all employees
7.	Percentage of Councillors who attended a skill development training in the year under review	62	62	100%	
8.	Percentage of staff complement with disability	03	The percentage for staff with disability is 0.5%		
9.	Percentage of female employees	287	The percentage of female employees is 58%		
10.	Percentage of employees that are 35 and younger	105	The percentage of employees younger than 35 years is 21%		
11.	Adoption and implementation of a Local Performance Management System	The Municipality adopted the reviewed PMS Framework in 2020/2021 financial year			

BASIC SERVICE DELIVERY PERFORMANCE INDICATORS

Annual performance as per key performance indicators in water services: THIS FUNCTION IS PERFORMED BY AMATHOLE DISTRICT MUNICIPALITY

Annual performance as per key performance indicators in Electricity Services

No.	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
1.	Percentage of households with access to electricity services	264	264	100%	None
2.	Percentage of indigent households with access to basic electricity services	10541	5908	56%	Due to Covid 19, beneficiaries could not collect the tokens from Eskom
3.	Percentage of indigent households with access to free alternative energy sources	4558	1500	33%	DoE approved 1500 for first phase of installation of the home Solar system

Annual performance as per key performance indicators in sanitation services: THIS FUNCTION IS PERFORMED BY AMATHOLE DISTRICT MUNICIPALITY

Annual performance as per performance indicators in road maintenance services

No.	Indicator Name	Total number of kilometres (planned for during the year under review)	Achievement level during the year under review	Achievement percentage during the year	Comments
1.	Percentage of households without access to gravel or graded roads	600kms	Over achieved by 9%	109%	656.2km
2.	Percentage of planned new road infrastructure actually constructed	64.5kms	Achieved	100%	64.5km of total road length was achieved
3.	Percentage of capital budget reserved for road upgrading and maintenance effectively used	Original Allocation R47 809 000	R47 809 000	100%	100% Achieved

Annual performance as per key performance indicators in waste management services

No.	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
1.	Percentage of households with access to refuse removal services (Urban wards covered are 01,02,03,04,05,06,16,30)	9476	9476	100%	Mnquma Municipality is fairly rural in nature and Refuse Removal services are performed on urban wards including informal settlements and there has been 100% access to refuse removal services in all urban wards
	Wards Covered are Ward 1, 2, 3, 4, 5, 6, 7, 8; 11; 15; 17, 18; 19; 20; 26; 27; 28; 30, 31			100%	Nineteen wards are serviced through Community Works Programme. Each village in a Ward is serviced once a week.
2.	Existence of waste management plan	Mnquma Municipality developed the Integrated Waste Management Plan and the plan (with other related plans such as the Integrated Environmental Management Plan) serve as basis for managing waste in the municipality. Waste Management by Law was adopted by Council.			

Annual performance as per key performance indicators in housing and town planning services

No	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
1.	Percentage of households living in informal settlements	Out of 5523 informal settlement houses, there were no planned upgrades.			There were no new housing projects in the year under review.
2.	Percentage of informal settlements that have been provided with basic services	0			Informal settlements have access to clean water, sanitation is provided by communal toilets and VIP toilets. There are no formal internal roads. The Municipality is in a process of applying for funding to upgrade two informal settlements namely Old and New Sikiiti
3.	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	None			
4.	Existence of an effective indigent policy	The Municipality developed an indigent policy that was adopted by Council			
5.	Existence of an approved SDF	The Spatial Development Framework for Mnquma Municipality was prepared in accordance with the requirements of the Municipal Systems Act, 2000 and Spatial Planning and Land Use Management Act, 2013.			
6.	Existence of Land Use Management System (LUMS)	The municipality has budgeted for the development of LUMS in accordance with the new planning legislation (SPLUMA) during the current financial year.			Terms of reference for were developed.

KPA: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

Annual performance as per key performance indicators in LED

No	Indicator Name	Target Set for the year	Achievement level during the year under review (absolute figure)	Achievement percentage during the year	Comments
1	Existence of LED Unit	LED unit is in existence with Director and 4 Managers (Investment Promotion, SED, Tourism, Hospitality & Heritage, Research & Policy Development and Spatial Planning & Land Use management)			
2	Percentage of LED Budget spent on LED related activities	R0	R0	0%	
3	Number of high impact project facilitated and monitored by June 2021	Facilitate Implementation of 1 High Impact Project by June 2021 (Industrial Park Revitalisation with ECDC, ASPIRE & DEDEAT)	Achieved	100%	<p>Continuous engagement sessions sat on the 17 September 2020, 26 October 2020, 04 November 2020, 25 November 2020, 04 December 2020 & 10 March 2021 (Virtual meeting), 02 March 2021, and 10 June 2021 with ECDC, ASPIRE and DEDEAT with regards to the implementation of the Industrial Park. A site visit to the Industrial Park was further conducted as part of the resolutions that were taken on the meetings.</p> <p>1.) Mngquma Local Municipality accepted as a member of the Provincial forum on Eastern Cape Industrial Parks resulting in the provincial forum sitting its meeting in Butterworth at Lilitha B@B</p> <p>2.) Establishment of the Butterworth Industrial Park steering committee composed of Mngquma, ASPIRE, ECDC and DEDEAT</p> <p>3.) Delegation of ECDC as a project implementing Agent and responsible for developing the Butterworth Industrial Park revitalization master plan</p> <p>4.) Completion of the draft master plan</p> <p>5.) Successful forging of a strategic partnership with Chris Hani Development Agency as our mentor</p>

No	Indicator Name	Target Set for the year	Achievement level during the year under review (absolute figure)	Achievement percentage during the year	Comments
	Number of Project Implementation Plans for High Impact Projects formulated by June 2021	Facilitate the formulation of the Project Implementation Plans for 6 High Impact Projects (Ibika business development, Bhungeni Mall development, Gcuwa Dam, Ngqamakwe Development, Ndabakazi Rural Development and Office Precinct) by June 2021	Achieved	100%	"An engagement session sat on the 16 September 2020 with regards to the formulation of the Project Implementation Plan for Ibika Development. With regards to the formulation of the Project Implementation Plan for Bungeni Development, continuous engagement sessions sat on the 19 July 2020 (via email), 27 November 2020, 23 February 2021. Engagement sessions for the formulation of the Project Implementation Plan for Gcuwa Dam sat on the 29 September 2020, 11 March 2021, 04 May 2021. Engagement sessions for the formulation of the Project Implementation for Ngqamakwe Development sat on the 03 September 2020, 17 September 2020, 30 October 2020, 08 February 2021, 29 March 2021, 12 May 2021, 27 May 2021. With regards to the Project Implementation Plan for Ndabakazi Rural Development, engagement sessions sat on the 29 July 2020 26 August 2020, 30 October 2020, 12 February 2021, 25 May 2021, 28 May 2021. Lastly, an engagement sessions for the formulation of the Project Implementation Plan for the Office Precinct sat on the 14 May 2021
4	Number of Business Plans developed for High Impact Projects by June 2021	Facilitate development of Business Plans for 3 High Impact Projects (Bungeni Mall Development, Gcuwa Dam and Office Precinct) by June 2021	Achieved	100%	Engagement sessions with regards to the development of the Business Plan for Bungeni Development were conducted on the 19 July 2020 via email, and other engagements sat on the 27 November 2020, 23 February 2021. Engagement sessions for the Development of the Business Plan for Gcuwa Dam sat on the 29 September 2020, 11 March 2021, 04 May 2021. Engagement for development of business plan for Office Precinct sat on the 14 May 2021

No	Indicator Name	Target Set for the year	Achievement level during the year under review (absolute figure)	Achievement percentage during the year	Comments
5	Number of Building Plan developed for High Impact Projects by June 2021	Facilitate development of Building Plan for 1 high impact project (Ibika Business Development) by June 2021	Achieved	100%	An engagement session sat on the 16 September 2020 with regards to the Development of the Building Plan for Ibika Business Development, however phase one completed and officially launched
6	Rezoning/subdivision of erf 4934 for second phase development facilitated at Ibika by June 2021	Facilitate rezoning/subdivision of erf 4934 for the second phase development at Ibika by June 2021	Achieved	100%	The Application for Rezoning/Subdivision of Erf 4934 Second Phase development at Ibika was submitted to LED and further approved. Therefore, Erf 4934 Ibika is zoned business zone 1 purposes, primary uses: business premises, supermarket, bottle store, shops, restaurant, police station and Health Centre.
7	Rezoning of Erf 9363 (Bhungeni Mall development) facilitated by June 2021	Facilitate rezoning of Erf 9363 (Bhungeni Mall development) by June 2021	Achieved	100%	The Rezoning application of Erf 9363 of Bungeni Mall Development was submitted to LED and further approved. Therefore, Erf 9363 Bungeni Mall is zoned business zone 1 purposes, primary uses: business premises, supermarket, shops, restaurant and places of refreshments.
8	Environmental Impact Assessment Report for High Impact Project formulated by June 2021	Facilitate formulation of Environmental Impact Assessment report for 1 high Impact Project (Nqamakhwe Development) by June 2021	Achieved	100%	Continuous engagement sessions with regards to the formulation of the Environmental Impact Assessment sat on the 03 September 2020, 17 September 2020, 30 October 2020, 08 February 2021, 29 March 2021, 12 May 2021, 27 May 2021. The EIA has been completed.
9	Investment book developed by June 2021	Facilitate the development of an investment book and pipeline LED	Achieved	100%	An initial advert was issued on November 2020 and closed on the 17 November 2020. Unfortunately competing applicants could not meet all

No	Indicator Name	Target Set for the year	Achievement level during the year under review (absolute figure)	Achievement percentage during the year	Comments
		and Planning initiatives by June 2021			the requirements needed to qualitatively deliver on the mandate as expected. Hence the advert had to be re-advertised on the 19 March 2021 (Daily Dispatch) and 21 March 2021 (Sunday Times). A decision was administratively taken for LED and Planning to use an internal capacity to develop an Investment Book In-house. A final Investment Book has been developed, signed and launched on the 29/06/2021
10	Number of tourism programmes in line with TIC operational plan implemented by June 2021	Implement 4 x tourism programmes in line with TIC Operational Plan by June 2021	Achieved	100%	<p>1) A meeting with Centane community was held on the 27 August 2020 at Centane Town Hall</p> <p>2) A meeting with Ngqamakwe community was held on the 18 August 2020 at Ngqamakwe Town Hall</p> <p>3) The election of the Butterworth of Community Tourism Organization was held on the 10 September 2020 at Butterworth Town Hall</p> <p>4) The election of the Local Tourism Organization was held on the 18 February 2021 at Butterworth Town Hall</p> <p>Furthermore, to the above extra programmes were conducted;</p> <ul style="list-style-type: none"> - A tourism awareness campaign was conducted on the 17 September 2020 at Ezizweni Senior Secondary School - A tourism awareness campaign was conducted on the 14 October 2020 at King Hintsa FET College - Tourism awareness campaign was held on the 03 November 2020 at Bethel College - Tourism awareness campaign was held on the 29 January 2021 at Ngqamakwe for the purpose of information - sharing and marketing - Tourism awareness campaign was held on the 19 March 2021 at Thanga Senior Secondary School - A Tourism Awareness campaign was conducted on the 14 April 2021 at Gobe Commercial High School in Centane

No	Indicator Name	Target Set for the year	Achievement level during the year under review (absolute figure)	Achievement percentage during the year	Comments
11	Architectural designs and bill of quantities for the TIC permanent structure developed by June 2021	Facilitate the development of architectural designs and bill of quantities for the TIC permanent structure by June 2021	Achieved	100%	<p>1) The service provider by the name of Afroteam Consulting was appointed through the sourcing of quotations process for the purpose of developing architectural designs for the Tourism Information Centre permanent structure</p> <p>2) Building plans have been developed and approved by Infrastructural Development.</p> <p>3) The service provider by the name of Afroteam Consulting was appointed through the sourcing of quotations process for the purpose of developing Bill of Quantities for the construction of Tourism Information Centre permanent structure</p> <p>4) Bill of Quantities have been developed and submitted by the service provider.</p>
12	Number of big screen procured by June 2021	Facilitate procurement of one big screen by June 2021	Achieved	100%	<p>1) Origins Saba Group Jv Carnation Deluxe Events was appointed for the supply, install and commissioning of a double sided outdoor LED electronic display screen. An inception meeting was held on the 17 February 2021 and a process plan was submitted by the service provider.</p> <p>2) The screen was installed, information was uploaded and the screen was launched on the 10 June 2021 at the Bowling Green Monument where the big screen is located. Furthermore, the process of fencing of the screen was conducted and completed.</p>
13	Number of heritage sites upgraded by June 2021	Facilitate upgrade of one heritage site by June 2021 (King Phalo grave)	Achieved	100%	<p>1) A session with the Tongwana community was held on the 28 August 2020 at Tongwana for the purpose of presenting the programme and it was welcomed by the community.</p> <p>2) A service provider by the name of Ubuntu Ndoku Trading was appointed for the upgrade King Phalo's Grave</p> <p>3) An inception meeting and site visit was conducted on the 13 October 2020.</p> <p>4) A consultation and site visit by the Tongwana Chief, municipality and the service provider was done on the 25 January 2021 for the purpose of</p>

No	Indicator Name	Target Set for the year	Achievement level during the year under review (absolute figure)	Achievement percentage during the year	Comments
					<p>monitoring the progress on the upgrade of the heritage site. The site has been completely upgraded by fencing, installation of information board, removal of weed and the site is locked. The service provider handed over the keys to the municipality.</p> <p>5) A handing over was done on the 23 February 2021 at Tongwana Village where the Community led by the Chief and Headmen were invited and attended the event. Adhering to the Covid-19 regulations 50 people attended including the guests from other municipalities and municipal representatives.</p> <p>Furthermore, to the above extra programmes were conducted;</p> <ul style="list-style-type: none"> - Maintenance at Bawa Falls was conducted on the 10 September 2020 - Maintenance at King Phalo's Grave was conducted on the 15 October 2020 - Maintenance at the Blythswood Caves took place on the 26th February 2021 - Maintenance at Bowling Green Monument was done on the 23 March 2021 - Maintenance at Centane War Memorial was done on the 26 March 2021 - Maintenance at Gcuwa Dam was done on the 23rd April 2021 <p>This was done with the assistance of Community Services Directorate. Grass cutting exercise was removed on the pathway from the main road to the site, distracting shrubs and pictures were removed during the exercise.</p>
14	Number of support programmes for 6 emerging farmers facilitated by June 2021	Facilitate three support programmes (animal medication, 2 x Sheering Sheds and procurement of	Achieved	100%	<ul style="list-style-type: none"> - Animal medication delivered at Khaya Farming Cooperative, and GabaMlonzi Cooperative on the 22 April 2021 - Shearing shed material will be delivered by the 28th & 29th June 2021 at Teko Kona Association and Teko Fihla Woolgrowers Association <p>Fencing material has been delivered to</p>

No	Indicator Name	Target Set for the year	Achievement level during the year under review (absolute figure)	Achievement percentage during the year	Comments
		fencing material) for 6 emerging farmers by June 2021			Matiwane Agricultural Cooperative in Nqamakwe and at Jongo Agricultural Cooperative in Centane on the 25/06/2021.
15	Number of tractors procured by June 2021	Facilitate procurement of two tractors by June 2021	Achieved	100%	Two tractors with implements for one tractor were procured and delivered on the 08th of June 2021.
16	Number of support programmes to SMMEs and Cooperatives implemented by June 2021	Provide support programmes (Procurement of inputs for two SMMEs/ Cooperatives by June 2021	Achieved	100%	<ul style="list-style-type: none"> - On the 05th November 2020, 75 x Umbrellas were handed over to beneficiaries from Centane Hawkers Association, Butterworth Hawkers Association and Mnquma Hawkers Association and on the 12th November 2020 to 25 beneficiaries from Nqamakwe Hawkers Association. - On the 23rd of November 2020, sewing material was delivered to Ntwala Village Cooperative. - On the 16th February 2021, baking ingredients were delivered to Maba Bakery Primary Cooperative Limited t/a - On the 22nd of February 2021, building material was delivered at Blythswood Cooperative. - On the 26th of February 2021, Covid19 relief fund vouchers were delivered to 16 informal traders. - On the 03rd of April 2021, Sewing equipment was delivered to 49 Ninety beneficiary
17	CDC Operational Plan developed and implemented by June 2021	Develop the operational plan for CDC by June 2021	Achieved	100%	The CDC operational Plan was developed by the CDC Steering Committee
18	Number of Research on crush stone mining conducted by June 2021	Conduct research on crush stone mining by June 2021	Achieved	100%	Research on crush stone mining has been conducted. Instruments used were questionnaires and face to face interviews around Msobomvu area. Interviews were also conducted at the crush stone sites, namely: Transkei Quarries and Bethel Quarry. Analysis has also been done.

No	Indicator Name	Target Set for the year	Achievement level during the year under review (absolute figure)	Achievement percentage during the year	Comments
19	Number of data collected for Butterworth factory revitalization by June 2021	Collect data for Butterworth factory revitalization by June 2021	Achieved	100%	Data has been collected through distribution of questionnaires and face to face interviews around Zitulele, Msobomvu and Ibika industrial areas. Collected data will be submitted to ECDC to assist in development of master plan to seek funding for Butterworth factory revitalization
20	Number of IGLF meetings convened by June 2021	Convene 4 IGLF meetings by June 2021	Achieved	100%	The meeting were held as follows, 23 September 2020, 19 November 2020, 11 February 2021 and 13 May 2021
21	Existence of LED strategy	Mnquma Local Municipality's LED Strategy was reviewed and adopted by Council.			

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Annual performance as per key performance indicators

No.	Indicator Name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year	Comments
1.	% of ward committees established	310	310	100%	
2.	% of ward committees that are functional	31	31	100%	
3.	Existence of an effective system to monitor CDWs	Community Development Workers are monitored by Councillors; as they are invited in Ward Committee and Ward General Meetings. They participate in IDP/PMS and Budget Representative Forum & Ward Councillor's Forum chaired by the Council Speaker.			
4.	Existence of an IGR strategy	The municipality established an Intergovernmental Relations Forum in line with the IGR framework Act. Further IGR terms of reference were developed and adopted which outline operations of the forum, frequency and attendance of meetings.			
5.	Effectiveness of IGR structural meetings	IGR meetings are scheduled in the institutional calendar adopted by Council. 4 IGR meetings were held virtually as planned in the year under review			
6.	Existence of an effective communication strategy	Communication and Marketing strategy was reviewed and adopted by Council 27 May 2021. The policy outlines how the municipality communicates with its stakeholders and assigns responsibilities with regards to communication.			
7.	Number of Mayoral Imbizos conducted	4	4	100%	
8.	Existence of a fraud prevention mechanism	The municipality has Anti-Fraud and Corruption Policy which was adopted by Council in 2021/2022 Financial Year			

KPA: FINANCIAL VIABILITY AND MANAGEMENT

No	Indicator Name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1.	Percentage of expenditure of capital budget	159 206	109 692	69%
	Indicator Name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
2.	Salary budget as a percentage of the total operational budget	218 969	217 601	99%
	Indicator Name	Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
3.	Trade creditors as a percentage of total actual revenue	40 001	39 538	99%
	Indicator Name	Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4.	Total municipal own revenue as a percentage of the total actual budget	103 484	95 840	92%
	Indicator Name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5.	Rate of municipal consumer debt reduction	176 168	219 420	0%
6.	Percentage of MIG budget appropriately spent	R 62 194	62 194	100%
7.	Percentage of MSIG budget appropriately spent	Nil	Nil	The municipality did not get MSIG grant for 2020/2021
8.	AG audit opinion	Unqualified	Unqualified	
9.	Functionality of the Audit Committee	Fully functioning	Fully functioning	
10.	Submission of AFS after the end of the financial year	31 August 2020	31 August 2020	

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Attached is Volume II 2020/2021 Annual Financial Statement submitted to Auditor General.



**Mnquma Local Municipality
Annual Financial Statements
for the period ended 30 June 2021**

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

Legal form of entity

The entity functions as a local municipality, established under paragraph 151 of the constitution of the Republic of South Africa.

Nature of business and principal activities

Mnquma Local Municipality is a South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act (Act no.117 of 1998). The Municipality's operations are governed by Municipal Finance Management Act 56 of 2003 - Municipal Structure Act 117 of 1998 - Municipal Systems Act 32 of 2000 and various other acts and regulations.

The following is included in the scope of operation

The following principal activities of the municipality are:

- Provide democratic activities and accountable government
- Ensure sustainable service delivery to communities
- Provide social and economic development
- Provide basic services to the community

Mayoral committee

Executive Mayor

S Ncetezo

Speaker

T Bikitsha

Chief Whip

Z Gade

Exco Councillors

L Mgandela

T Nkamisa

Z Mkiva

N Layiti

XI Pupuma

NR Tshona

TP Ntanga

S Matutu

N Thandaphi

N Sheleni

N Plaatjie

Councillors

N Lusizi

NM Mpambani

N Ntolosi

ME Ntshonga

GT Ntshonga

Z Sobekwa

SL Mafanya

N Monakali

NN Nqolomlilo

Z Siyo

AA Krakri

LS Sobekwa

GN Nombila

B Kave

ZC Mfazwe

TZ Xhongwana

N Lusizi

T Ntyinkala

NG Ndongeni

NP Dube

C Mtsi

NH Kendle

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

KG Magwaca
M Mkhilili
L Tsipa
M Ndungane
SN Tshazi
WW Mbadlanyana
WM Ntongana
K Gobeni
N Jiya
MZ Mnqwazi
ZA Mqolo
ML Mtalo
Z Mnqokoyi
NL Zaba
NQ Sukwana
Y Mngonyama
NH Skelenge
SM Molosi
MW Mbeki
A Finca
L Mbentsula
S Lilise
AB Madikane
V Nkehle
T Makeleni
P Mbovane

Traditional leaders to participate in Mnquma Municipal Council

NS Ngxiya
VL Mbasu
WM Mahlangeni
BL Ntleki
ZM Dyantyi
M Magodla
N Nyhila
D Mpangele
BB Vuso
M Nguza
NVG Dondashe
P Nguza

Grading of local authority

Grade 3

Chief Finance Officer (CFO)

M Matomane

Accounting Officer

S Mahlasela

Registered office

Corner King and Umtata Street
Butterworth
4960

Postal address

P.O. Box 36
Butterworth

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

	4960
Bankers	First National Bank
Auditors	Auditor General of South Africa Registered Auditors
Preparer	The annual financial statements were internally compiled by: M Matomane
Telephone	(047) 401 2400
E-mail Address	sekhom23@gmail.com
Jurisdiction	Mnquma Local Municipality is located in the south-eastern part of the Eastern Cape province. This Category B Municipality falls under the jurisdiction of the Amathole District Municipality and comprises an amalgamation of the the former Butterworth, Ngqamakhwe (previously Ngqamakhwe) and Centane Traditional Regional Councils. Mnquma Local Municipality shares borders with 3 other local municipalities: Mbashe, Intsika Yethu and Great Kei. It also includes a number of previously administered rural areas.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Index

The reports and statements set out below comprise the annual financial statements presented to the Provincial Treasury:

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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	Generally Accepted Municipal Accounting Practice
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
PAYE	Pay As You Earn
SALGA	South African Local Government Association
SARS	South African Revenue Services
SDL	Skills Development Levy
UIF	Unemployment Insurance Fund
VAT	Value Added Tax

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Responsibilities and Approval

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 01 July 2021 to 30 June 2022 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the Department of Local Government and Traditional Affairs for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the Department of Local Government and Traditional Affairs has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer primarily responsible for the financial affairs of the municipality, they are supported by the municipality's internal auditors.

The annual financial statements set out on pages 6 to 80, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021 and were signed by him:



S Mahlasela
Municipal Manager

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Inventories	2	7 459 398	7 216 157
Receivables from non-exchange transactions	41&3	39 752 654	15 240 174
VAT receivable	41&4	951 657	2 763 421
Receivables from exchange transactions	41&5	1 190 534	1 077 054
Cash and cash equivalents	6	127 688 779	50 281 617
		177 043 022	76 578 423
Non-Current Assets			
Investment property	41&7	147 135 936	150 095 807
Property, plant and equipment	41&8	763 715 057	785 156 683
Intangible assets	41&12	1 145 570	1 120 070
		911 996 563	936 372 560
Total Assets		1 089 039 585	1 012 950 983
Liabilities			
Current Liabilities			
Payables from exchange transactions	41&9	42 604 203	41 141 492
Employee benefit obligation	48	1 351 000	1 935 000
Unspent conditional grants and receipts	10	14 838 566	9 859 945
Provisions	13	1 283 954	1 115 017
		60 077 723	54 051 454
Non-Current Liabilities			
Employee benefit obligation	48	12 548 000	10 966 000
Total Liabilities		72 625 723	65 017 454
Net Assets		1 016 413 862	947 933 529
Reserves			
Revaluation reserve	41&11	369 019 234	461 452 974
Accumulated surplus	41	647 394 628	486 480 555
Total Net Assets		1 016 413 862	947 933 529

* See Note 41

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	14	5 065 670	5 163 251
Rental of facilities	15	5 003 847	4 528 782
Interest on outstanding debtors	16	15 034 312	14 621 163
Income from agency fees	17	2 704 230	2 381 204
Licences and permits	18	1 059 738	1 307 494
Other income	4119	1 933 455	1 378 562
Interest received - investment	20	4 024 378	5 167 448
Closing stock adjustment		243 241	-
Total revenue from exchange transactions		35 068 871	34 547 904
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	21	60 384 416	62 907 479
Transfer revenue			
Government grants & subsidies	22	410 778 751	327 585 899
Public contributions and donations	36	26 041 965	-
Traffic Fines	23	6 588 050	5 298 585
Total revenue from non-exchange transactions		503 793 182	395 791 963
Total revenue		538 862 053	430 339 867
Expenditure			
Employee related costs	24	(188 692 090)	(185 981 981)
Remuneration of councillors	25	(29 163 877)	(28 037 968)
Depreciation and amortisation	41&26	(119 369 898)	(114 541 831)
Impairment loss/ Reversal of impairments	41&27	(3 446 566)	(7 180 108)
Finance costs	41&28	(1 081 000)	(1 360 534)
Debt Impairment	29	(28 577 405)	(62 274 489)
Bulk purchases	30	(4 900 752)	(2 862 297)
Loss on disposal of assets	31	(14 348 592)	(21 826 874)
Repairs and maintenance	32	(9 112 036)	(3 677 971)
General expenses	41&33	(72 326 474)	(53 339 235)
Total expenditure		(471 018 690)	(481 083 288)
Surplus (deficit) for the year from continuing operations		67 843 363	(50 743 421)
Actuarial gains / (losses)	48	723 715	1 784 521
Surplus (deficit) for the year		68 567 078	(48 958 900)

* See Note 41

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	521 503 253	439 824 240	961 327 493
Correction of errors	40 935 465	(5 370 527)	35 564 938
Balance at 01 July 2019 as restated*	562 438 717	434 453 713	996 892 430
Changes in net assets			
Transfer from Revaluation Reserve to Accumulated Surplus	(100 985 744)	100 985 744	-
Net income (losses) recognised directly in net assets	(100 985 744)	100 985 744	-
Surplus (deficit) for the year	-	(48 958 900)	(48 958 900)
Total recognised income and expenses for the year	(100 985 744)	52 026 844	(48 958 900)
Total changes	(100 985 744)	52 026 844	(48 958 900)
Restated* Balance at 01 July 2020	461 452 974	486 480 587	947 933 561
Changes in net assets			
Correction of error	-	(86 751)	(86 751)
Transfer from Revaluation Reserve to Accumulated Surplus	(92 433 740)	92 433 740	-
Net income (losses) recognised directly in net assets	(92 433 740)	92 346 989	(86 751)
Surplus (deficit) for the year	-	68 567 078	68 567 078
Total recognised income and expenses for the year	(92 433 740)	160 914 067	68 480 327
Total changes	(92 433 740)	160 914 067	68 480 327
Balance at 30 June 2021	369 019 234	647 394 654	1 016 413 888

Note(s)

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* See Note 41

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		17 339 535	16 762 270
Grants		415 757 372	327 112 629
Interest income		4 024 378	5 167 448
Other receipts		53 272 357	19 211 729
		<u>490 393 642</u>	<u>368 254 076</u>
Payments			
Employee costs		(217 045 719)	(216 664 588)
Suppliers		(83 374 551)	(61 920 040)
Finance costs		-	(104 561)
		<u>(300 420 270)</u>	<u>(278 689 189)</u>
Net cash flows from operating activities	34	<u>189 973 372</u>	<u>89 564 887</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(110 332 397)	(56 067 875)
Proceeds from sale of property, plant and equipment	8	1 708 469	41 134
Purchase of other intangible assets	12	(3 942 282)	-
		<u>(112 566 210)</u>	<u>(56 026 741)</u>
Net increase/(decrease) in cash and cash equivalents		77 407 162	33 538 146
Cash and cash equivalents at the beginning of the year		50 281 617	16 743 471
Cash and cash equivalents at the end of the year	6	<u>127 688 779</u>	<u>50 281 617</u>

* See Note 41

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference	Percent
Figures in Rand							
Statement of Financial Performance							
Revenue							
Revenue from exchange transactions							
Service charges	5 300 000	-	5 300 000	5 065 670	(234 330)	-	-
Rental of facilities	3 725 213	-	3 725 213	5 003 847	1 278 634	-	-
Interest on outstanding debtors	9 237 119	-	9 237 119	15 034 312	5 797 193	-	-
Income from agency fees	4 500 000	-	4 500 000	2 704 230	(1 795 770)	-	-
Licences and permits	1 550 000	-	1 550 000	1 059 738	(490 262)	-	-
Other income	1 325 254	6 678 165	8 003 419	1 933 455	(6 069 964)	-	-
Interest received - investment	5 638 537	-	5 638 537	4 024 378	(1 614 159)	-	-
Total revenue from exchange transactions	31 276 123	6 678 165	37 954 288	34 825 630	(3 128 658)	-	-
Revenue from non-exchange transactions							
Taxation revenue							
Property rates	54 627 004	-	54 627 004	60 384 416	5 757 412	-	-
Transfer revenue							
Government grants & subsidies	280 246 002	56 419 870	336 665 872	410 778 751	74 112 879	-	-
Public contributions and donations	-	-	-	26 041 965	26 041 965	-	-
Traffic fines	10 652 500	-	10 652 500	6 588 050	(4 064 450)	-	-
Total revenue from non-exchange transactions	345 525 506	56 419 870	401 945 376	503 793 182	101 847 806	-	-
Total revenue	376 801 629	63 098 035	439 899 664	538 618 812	98 719 148	-	-
Expenditure							
Employee related costs	(194 261 729)	4 499 729	(189 762 000)	(188 692 090)	1 069 910	-	-
Remuneration of councillors	(24 707 275)	(4 499 725)	(29 207 000)	(29 163 877)	43 123	-	-
Depreciation and amortisation	(112 813 978)	(3 692 822)	(116 506 800)	(119 369 898)	(2 863 098)	-	-
Impairment loss/ Reversal of impairments	-	(3 500 000)	(3 500 000)	(3 446 566)	53 434	-	-
Finance costs	(5 000)	(1 256 000)	(1 261 000)	(1 081 000)	180 000	-	-
Debt Impairment	(38 639 003)	14 948 820	(23 690 183)	(28 577 405)	(4 887 222)	-	-
Bulk purchases	(4 000 000)	(1 212 000)	(5 212 000)	(4 900 752)	311 248	-	-
General expenses	(79 044 856)	(30 964 384)	(110 009 240)	(72 326 474)	37 682 766	-	-
Total expenditure	(453 471 841)	(25 676 382)	(479 148 223)	(447 558 062)	31 590 161	-	-
Operating surplus	(76 670 212)	37 421 653	(39 248 559)	91 060 750	130 309 309	-	-

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Percentage
Figures in Rand						
Gain/(Loss) on disposal of assets	249 999	-	249 999	(14 348 592)	(14 598 591)	-
Repairs and maintenance	(1 720 015)	(7 821 746)	(9 541 761)	(9 112 036)	429 725	-
Closing stock adjustment	-	-	-	243 241	243 241	-
	(1 470 016)	(7 821 746)	(9 291 762)	(23 217 387)	(13 925 625)	-
Surplus before taxation	(78 140 228)	29 599 907	(48 540 321)	67 843 363	116 383 684	-
Surplus for the year from continuing operations	(78 140 228)	29 599 907	(48 540 321)	67 843 363	116 383 684	-
Actuarial gains	-	-	-	723 715	723 715	-
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(78 140 228)	29 599 907	(48 540 321)	68 567 078	117 107 399	-

Statement of Financial Position

Assets

Current Assets

Inventories	7 770 015	-	7 770 015	7 459 398	(310 617)
Receivables from non-exchange transactions	9 736 664	29 719 354	39 456 018	39 752 654	296 636
VAT receivable	-	1 300 000	1 300 000	951 657	(348 343)
Receivables from exchange transactions	2 108 406	(908 406)	1 200 000	1 190 534	(9 466)
Cash and cash equivalents	37 595 965	28 000 000	65 595 965	127 688 779	62 092 814
	57 211 050	58 110 948	115 321 998	177 043 022	61 721 024

Non-Current Assets

Investment property	153 132 001	-	153 132 001	147 135 936	(5 996 065)
Property, plant and equipment	929 304 420	30 326 235	959 630 655	763 715 057	(195 915 598)
Intangible assets	-	-	-	1 145 570	1 145 570
	1 082 436 421	30 326 235	1 112 762 656	911 996 563	(200 766 093)

Total Assets

	1 139 647 471	88 437 183	1 228 084 654	1 089 039 585	(139 045 069)
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Liabilities

Current Liabilities

Payables from exchange transactions	40 000 566	2	40 000 568	42 604 203	2 603 635
Employee benefit obligation	1 977 986	(115 986)	1 862 000	1 351 000	(511 000)
Unspent conditional grants and receipts	-	-	-	14 838 566	14 838 566
Provisions	-	1 400 000	1 400 000	1 283 954	(116 046)
	41 978 552	1 284 016	43 262 568	60 077 723	16 815 155

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Percentage
Figures in Rand						
Non-Current Liabilities						
Employee benefit obligation	10 609 985	-	10 609 985	12 548 000	1 938 015	
Total Liabilities	52 588 537	1 284 016	53 872 553	72 625 723	18 753 170	
Net Assets	1 087 058 934	87 153 167	1 174 212 101	1 016 413 862	(157 798 239)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Revaluation reserve	2 193 689 996	-	2 193 689 996	369 019 234	(1 824 670 762)	
Accumulated surplus	(9 785 936)	64 497 673	54 711 737	647 394 628	592 682 891	
Total Net Assets	2 183 904 060	64 497 673	2 248 401 733	1 016 413 862	(1 231 987 871)	

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), 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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

Those standards of GRAP and interpretations of such standards applicable to the operations of the municipality, are therefore as follows:

Standards Issued and Effective

- GRAP 1 - Presentation of Financial Statements (as revised in 2010)
- GRAP 2 - Cash Flow Statements (as revised in 2010)
- GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors (as revised in 2010)
- GRAP 4 - The Effects of changes in Foreign Exchange Rates (as revised in 2010)
- GRAP 5 - Borrowing Costs
- GRAP 6 - Consolidated and Separate Financial Statements
- GRAP 7 - Investments in Associates
- GRAP 8 - Interests in Joint Ventures
- GRAP 9 - Revenue from Exchange Transactions (as revised in 2010)
- GRAP 10 - Financial Reporting in Hyperinflationary Economies (as revised in 2010)
- GRAP 11 - Construction Contracts (as revised in 2010)
- GRAP 12 - Inventories (as revised in 2010)
- GRAP 13 - Leases (as revised in 2010)
- GRAP 14 - Events After the Reporting Date (as revised in 2010)
- GRAP 16 - Investment Property (as revised in 2010)
- GRAP 17 - Property Plant and Equipment (as revised in 2010)
- GRAP 18 - Segment Reporting
- GRAP 19 - Provisions, Contingent Liabilities and Contingent Assets (as revised in 2010)
- GRAP 20 - Related Party Disclosures
- GRAP 21 - Impairment of non-cash-generating assets
- GRAP 23 - Revenue from Non-exchange Transactions (Taxes and Transfers)
- GRAP 24 - Presentation of Budget Information in Financial Statements
- GRAP 25 – Employee Benefits
- GRAP 26 - Impairment of cash-generating assets
- GRAP 27 - Agriculture
- GRAP 31 - Intangible Assets
- GRAP 32 - Service Concession Arrangements: Grantor
- GRAP 34 - Separate Financial Statements
- GRAP 35 - Consolidated Financial Statements
- GRAP 36 - Investments in Associates and Joint Ventures
- GRAP 37 - Joint Arrangements
- GRAP 38 - Disclosures of Interests in Other Entities
- GRAP 100 - Non-current Assets held for Sale and Discontinued Operations (as revised in 2010)
- GRAP 103 - Heritage Assets
- GRAP 104 - Financial Instruments
- GRAP 105 - Transfer of functions between entities under common control
- GRAP 106 - Transfer of functions between entities not under common control
- GRAP 107 - Mergers
- GRAP 108 - Statutory Receivables
- GRAP 109 - Accounting by Principals and Agents
- GRAP 110 - Living and Non-living Resources

Standards Issued, Not Yet Effective Date

- GRAP 25 – Employee Benefits
- GRAP 104 - Financial Instruments

Interpretations - Approved and effective

- IGRAP 1 - Applying the Probability Test on Initial Recognition of Exchange Revenue
- IGRAP 2 - Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP 3 - Determining Whether an Arrangement Contains a Lease
- IGRAP 4 - Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP 5 - Applying the Restatement Approach under the Standard of GRAP on Financial Reporting In hyperinflationary Economies
- IGRAP 6 - Loyalty Programmes
- IGRAP 7 -The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP 8 - Agreements for the Construction of Assets from Exchange Transactions
- IGRAP 9 - Distributions of Non-cash Assets to Owners
- IGRAP 10 - Assets Received from Customers
- IGRAP 11 - Consolidation - Special Purpose Entities

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

- IGRAP 12 - Jointly Controlled Entities - Non-Monetary Contributions
- IGRAP 13 - Operating Leases - Incentives
- IGRAP 14 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP 15 - Revenue - Barter Transactions Involving Advertising Services
- IGRAP 16 - Intangible Assets - Website Costs (effective 1 April 2013)
- IGRAP 17 - Service Concession Arrangements where Grantor Controls Significant Residual Interest
- IGRAP 18 - Recognition and Derecognition of Land
- IGRAP 19 - Liabilities to Pay Levies
- IGRAP 20 - Accounting for Adjustments to Revenue

Interpretations – Approved and not yet effective

- IGRAP 7 -The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

1.1 Presentation currency

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

1.2 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.

1.3 Significant judgements and sources of estimation uncertainty

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

Trade receivables

The municipality assesses its trade 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 judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment of consumer debtors and other trade receivables exists predominantly due to the possibility that these debts will not be recovered. Receivables are assessed individually and grouped together where applicable at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment. In determining this allowance estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile. The Impairment is calculated after grouping all the financial assets of similar nature and risk ratings and by calculating the historical payment ratios for the groupings and by assuming that the future payment ratios will be similar to the historical payment ratios.

In determining the recoverability of receivables from non-exchange and receivables from exchange transactions, the municipality considers any change in the credit quality of the debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believes that there is no further credit provision required in excess of the debtor's impairment. 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.

Fair value estimation

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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

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 assumptions 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. 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 intangible and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors.

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 - Provisions.

Useful lives of property, plant and equipment

The municipality's management determines the estimated useful lives and related depreciation charges of property, plant and equipment. This estimate is based on industry norm. This estimate is based on industry norm. This estimate is based on the pattern in which an assets future economic benefits or service potential are expected to be consumed by the municipality.

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 48.

Effective interest rate

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

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the 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.

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1.4 Investment property (continued)

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	5 - 100 years

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:

- All properties held to earn market related rentals or for capital appreciation, or for both and are not used for administrative purposes and that will not be sold within the next 12 months are classified as investment properties.
- Land held without determined future use.

1.5 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.

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.

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1.5 Property, plant and equipment (continued)

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.

Subsequent measurement

After initial recognition, infrastructure, community assets and operational buildings are measured using the revaluation method. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value. When an asset is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in municipality or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in municipality or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in municipality or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity relating to a specific item infrastructure, community assets and operational buildings is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	3-23 Years
Office equipment	Straight line	3-16 Years
Infrastructure Roads and Storm Water	Straight line	5-100 Years
Buildings	Straight line	20-30 Years
Recreational facilities	Straight line	20-30 Years
Security	Straight line	5 Years
Halls	Straight line	30 Years
Libraries	Straight line	30 Years
Parks and Gardens	Straight line	30 Years
Other community assets	Straight line	20-30 Years
Specialised vehicles	Straight line	5-10 Years
Other Vehicles	Straight line	3-5 Years
Watercraft	Straight line	5-15 Years
Bins and Containers	Straight line	3-5 Years

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Accounting Policies

1.5 Property, plant and equipment (continued)

Specialised Plant and Equipment	Straight line	10-15 Years
Other items of Property, plant and Equipment	Straight line	5-23 Years
Computer equipment	Straight line	2-3 Years
Plant and Machinery	Straight line	5-31 Years
Landfill Site	Straight line	20-50 Years
Leased vehicles	Straight line	4-27 Years
Leased office Equipment	Straight line	4-27 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.

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 municipality 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 municipality 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.

1.6 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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Accounting Policies

1.6 Site restoration and dismantling cost (continued)

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in municipality or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.7 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 the entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from the municipality'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.

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, the municipality 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 municipality 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

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Accounting Policies

1.7 Financial instruments (continued)

- 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 municipality.

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 municipality.

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 the municipality 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 the municipality 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 the 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 the entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;

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Accounting Policies

1.7 Financial Instruments (continued)

- 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 municipality 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:

Financial asset

Receivables from exchange transactions
Receivables from non-exchange transactions
Cash and bank
Short-term deposits (Call accounts)

Classification in terms of GRAP 104

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

The municipality 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:

Financial liability

Payables from exchange transactions

Classification in terms of GRAP 104

Financial liability measured at amortised cost

Initial recognition

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

The municipality recognises financial assets using trade date accounting.

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Accounting Policies

1.7 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

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

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

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

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

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

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Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Transfers made	Depreciation	Impairment loss	Total
Land	50 394 300	-	-	-	-	-	-	50 394 300
Buildings	17 683 625	392 280	(491 731)	6 334 091	-	(1 566 810)	-	22 351 455
Plant and machinery	6 140 021	25 356 309	(688 529)	-	-	(1 816 060)	(92)	28 991 649
Furniture and fixtures	1 030 079	340 018	(35 233)	-	-	(182 167)	(971)	1 151 726
Motor vehicles	3 316 802	1 894 793	(211 121)	-	-	(567 146)	-	4 433 328
Computer equipment	1 913 305	37 515	(25 247)	-	-	(395 697)	-	1 529 876
Infrastructure	642 676 088	-	(14 382 358)	69 517 739	-	(105 153 235)	(3 353 668)	589 304 566
Community assets	18 940 628	25 756 209	-	16 204 585	-	(2 809 145)	(91 829)	58 000 448
Other property, plant and equipment	13 267	27 675	-	-	-	(2 984)	-	37 958
Work in progress	43 048 568	76 842 644	-	(92 056 415)	(20 315 046)	-	-	7 519 751
	785 156 683	130 647 443	(15 834 219)	-	(20 315 046)	(112 493 244)	(3 446 560)	763 715 057

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers received	Transfers made	Depreciation	Impairment loss	Total
Land	50 394 300	-	-	-	-	-	-	50 394 300
Buildings	19 124 715	-	-	-	-	(1 441 090)	-	17 683 625
Plant and machinery	6 407 396	59 149	(2 436)	-	-	(324 088)	-	6 140 021
Furniture and fixtures	1 186 087	120 551	(106 419)	-	-	(170 140)	-	1 030 079
Motor vehicles	3 693 976	-	-	-	-	(377 174)	-	3 316 802
Computer equipment	566 872	1 453 759	-	-	-	(107 326)	-	1 913 305
Infrastructure	729 784 218	-	(21 754 562)	47 822 152	-	(106 064 967)	(7 022 359)	642 676 088
Community assets	17 570 065	-	(4 396)	3 408 444	-	(1 964 464)	(157 415)	18 940 628
Other property, plant and equipment	14 620	-	-	-	-	(1 353)	-	13 267
Work in progress	39 844 748	64 396 440	-	(51 230 596)	(9 962 024)	-	-	43 048 568
	868 586 987	66 028 899	(21 867 813)	-	(9 962 024)	(110 450 602)	(7 179 774)	785 156 683

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Notes to the Annual Financial Statements

Figures in Rand

8. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	50 394 300	-	50 394 300	50 394 300	-	50 394 300
Buildings	41 825 746	(19 474 291)	22 351 455	36 053 723	(18 370 098)	17 683 625
Plant and machinery	42 331 431	(13 339 782)	28 991 649	19 494 358	(13 354 337)	6 140 021
Furniture and fixtures	6 552 156	(5 400 430)	1 151 726	6 590 189	(5 560 110)	1 030 079
Motor vehicles	7 382 139	(2 948 811)	4 433 328	6 500 904	(3 184 102)	3 316 802
Computer equipment	4 717 576	(3 187 700)	1 529 876	4 933 965	(3 020 660)	1 913 305
Infrastructure	1 709 387 372	(1 120 082 806)	589 304 566	1 697 588 980	(1 054 912 892)	642 676 088
Community assets	90 931 974	(32 931 526)	58 000 448	48 971 175	(30 030 547)	18 940 628
Other property, plant and equipment	202 262	(164 304)	37 958	174 586	(161 319)	13 267
Work in progress	7 519 751	-	7 519 751	43 048 568	-	43 048 568
Total	1 961 244 707	(1 197 529 650)	763 715 057	1 913 750 748	(1 128 594 065)	785 156 683

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Figures in Rand

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7. Investment property (continued)

The municipality has land and buildings, including vacant land that is classified as investment property. In terms of the Local Government Municipal Properties Rates Act (Act 6 of 2004), the municipality is required to perform a general valuation once every four (4) years.

The investment property held in the books of the municipality is not actively traded as the mandate of the municipality also includes local economic development. As such properties may be earmarked for local economic development. Thus, their trade value will be based on the proposal that impacts positively on economic growth. Land that is sitting as investment properties is not depreciated, only the buildings component of the investment properties is depreciated.

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Figures in Rand 2021 2020

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	4 523 153	1 928 233
Short-term deposits	123 165 626	48 353 384
	127 688 779	50 281 617

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
Primary Bank Account	4 508 858	2 032 843	2 686 200	4 523 153	1 928 233	2 827 768
FNB - MIG Call Acc: 62240253542	6 556 970	28 012	958 733	6 556 970	28 012	958 733
FNB - FMG: 62240252768	1 109	1 501	1 313	1 109	1 501	1 313
FNB - T/A	-	-	-	-	-	18
FNB - Call Acc: 62240252198	12 728 766	13 430 414	9 820 425	12 728 766	13 430 414	9 820 425
FNB - INEP: 62326177559	5 189	1 274	1 854 920	5 189	1 274	1 854 920
FNB - EPWP: 62345680195	1 099	1 763	415	1 099	1 763	415
FNB - LG SETA: 62380069437	351 698	1 070 221	418 028	351 698	1 070 221	418 028
FNB - TOA: 74737909900	1 543 796	1 457 292	856 453	1 543 796	1 457 292	856 454
FNB - ENATIS: 62772809904	382 332	2 168 198	5 397	382 332	2 168 198	5 397
FNB - DSRAC: 62823144233	1 090 391	782 212	-	1 090 391	782 212	-
FNB - VAT: 62823142774	100 504 276	29 412 479	-	100 504 276	29 412 479	-
Total	127 674 484	50 386 209	16 601 884	127 688 779	50 281 599	16 743 471

7. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	205 654 735	(58 518 799)	147 135 936	205 654 735	(55 558 928)	150 095 807

Reconciliation of investment property - 2021

	Opening balance	Depreciation	Total
Investment property	150 095 807	(2 959 871)	147 135 936

Reconciliation of investment property - 2020

	Opening balance	Depreciation	Impairments	Total
Investment property	153 064 234	(2 968 092)	(335)	150 095 807

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
5. Receivables from exchange transactions		
Gross balances		
Refuse	40 834 428	35 109 637
Housing rental	14 996 362	11 890 508
Other receivables	-	14 536
	55 830 790	47 014 681
Less: Allowance for impairment		
Refuse	(39 698 564)	(34 213 296)
Housing rental	(14 941 692)	(11 724 331)
	(54 640 256)	(45 937 627)
Net balance		
Refuse	1 135 864	896 341
Housing rental	54 670	166 177
Other receivables	-	14 536
	1 190 534	1 077 054
Reconciliation of allowance for impairment		
Balance at the beginning of the year	45 937 626	35 805 908
Contributions to allowance	10 643 582	10 131 718
Bad debts written-off	(1 940 952)	-
	54 640 256	45 937 626
Refuse		
Current (0 -30 days)	703 409	727 789
31 - 60 days	687 543	723 401
61 - 90 days	681 150	742 859
91 - 120 days	676 074	754 633
121 - 150 days	668 716	735 541
> 150 days	37 417 536	31 425 414
	40 834 428	35 109 637
Housing rental		
Current (0 - 30 days)	456 881	459 279
31 - 60 days	398 386	439 516
61 - 90 days	396 149	431 052
91 - 120 days	393 191	432 586
121 - 150 days	389 321	427 819
> 150 days	12 962 434	9 700 256
	14 996 362	11 890 508
Other		
Current (0 -30 days)	-	14 536

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
2. Inventories		
Consumable stores	1 043 096	799 855
Assets held for distribution	6 416 302	6 416 302
	7 459 398	7 216 157
In the current year an amount of R 2 306 916 (2020: R 2 691 850) was expensed with respect to consumable stores.		
Inventory held for distribution		
Assets held for distribution relate to land on which RDP houses are built and are awaiting transfers.		
No inventory was pledged as security.		
3. Receivables from non-exchange transactions		
Allowance for impairment - Traffic fines	(15 710 050)	(10 674 310)
Traffic fines	15 714 810	10 674 310
Property rates	157 174 352	142 128 108
Allowance for impairment - Property rates	(117 426 458)	(126 887 934)
	39 752 654	15 240 174
Property rates		
Current 0 - 30 days	18 128 180	1 735 649
31 - 60 days	5 345 456	4 580 943
61 - 90 days	5 087 390	4 581 569
91 - 120 days	5 846 246	4 674 433
121 - 150 days	2 764 509	4 581 298
> 150 days	120 002 571	121 975 242
	157 174 352	142 129 134
Traffic fines		
Current 0 - 30 days	444 300	419 900
31 - 60 days	455 300	361 300
61 - 90 days	647 900	363 900
91 - 120 days	538 100	469 600
> 150 days	13 629 210	9 059 610
	15 714 810	10 674 310
4. VAT receivable		
VAT	951 657	2 763 421

Mnquma Local Municipality

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Accounting Policies

1.24 Related parties (continued)

Significant influence is the power to participate in the financial and operating policy decisions of the municipality, 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 considered to be those family members who may be expected to influence, or be influenced by, that management 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.

1.25 Vat

Value Added Tax on revenue and expenditure transactions are recorded in the books of the municipality on accrual basis of accounting, however South African Revenue Services has registered and permitted the municipality to use the payment basis.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.22 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 municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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.

1.23 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 the 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 2020/07/01 to 2021/06/30.

The budget for the economic municipality 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.

1.24 Related parties

In terms of GRAP 20 for related party disclosure, 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 ventures).

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.

Mnquma Local Municipality

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Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

Unspent conditional grants

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.17 Expenditure

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

Expenses will be recognized when these are incurred and measured at cost excluding VAT.

1.18 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Comparative figures

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

1.20 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.

1.21 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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

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 municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

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

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.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

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 municipality.

Where settlement discount or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discount or reductions being taken up by debtors.

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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

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.

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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.15 Revenue from exchange transactions (continued)

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.

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 surveys of work performed.

Interest, royalties and dividends

Investment income is recognised on a time- proportion basis using the effective interest rate method.

1.16 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 municipality 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 party in exchange.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.13 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 municipality 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 1.10 and 1.11.

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation municipality 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 municipality or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in municipality or deficit; and
 - an increase in the liability is recognised in municipality 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 municipality 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 municipality 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 municipality 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 municipality or deficit as a finance cost as it occurs.

1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15 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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.13 Provisions and contingencies (continued)

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.

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 47.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.12 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs

Employee benefits are all forms of consideration given by the municipality 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 municipality 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 municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, 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 municipality to reimburse it for employee benefits already paid. Termination benefits are employee benefits payable as a result of either:

- the municipality'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 the municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

1.13 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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.12 Employee benefits (continued)

The municipality 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.

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

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

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

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

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

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

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

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

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

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 municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a municipality 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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.12 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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

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

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

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

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

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined 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 municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

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

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

The amount determined as a defined benefit liability may be negative (an asset). The municipality 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 municipality or deficit.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.12 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the contribution payable to a defined contribution plan in exchange for that service:

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

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Mnquma Local Municipality

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Accounting Policies

1.12 Employee benefits (continued)

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) 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 municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality 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 municipality recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the 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 the municipality 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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

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

Recognition and measurement

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

An impairment loss is recognised immediately in municipality 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.

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 municipality 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.

1.12 Employee benefits

Employee benefits are all forms of consideration given by the municipality 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 municipality, 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 municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, 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 municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- the municipality'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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.11 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, the selection depends on the availability of data and nature of the impairment.

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.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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Accounting Policies

1.10 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 municipality 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.

1.11 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.

Mnquma Local Municipality

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Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in municipality or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

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

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

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.

Mnquma Local Municipality

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Accounting Policies

1.10 Impairment of cash-generating assets (continued)

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.

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.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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Accounting Policies

1.9 Inventories (continued)

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 first-in, first-out (FIFO) 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.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

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.

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Accounting Policies

1.7 Financial instruments (continued)

Impairment and uncollectibility of financial assets

Financial assets measured at amortised cost:

The carrying amount of the asset is reduced through the use of an allowance account and the previously recognised impairment loss is reversed by adjusting the allowance account.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in municipality or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in municipality or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the municipality currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

1.8 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.

Finance leases - lessee

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

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

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

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

Operating leases - 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.

1.9 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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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8. Property, plant and equipment (continued)

Revaluations

The effective date of the revaluations was Saturday, 15 June 2019. Revaluations were performed by independent valuer, Mr Stafford Leyds [Professional Associated Valuer (Registered In Terms of Section 2 of the Property Valuers Professions Act, 2000), of SAPIG Prop Dev CC. SAPIG Prop Dev CC is not connected to the municipality.

Infrastructure, community assets and operational buildings are re-valued independently every 4 years.

The valuation was performed using the following methods:

a) Comparable Sales Approach:

This approach the analysis of recent comparable sales of physically and legally similar properties in the general vicinity of the subject property. This method typically applies to single family homes and land.

b) Depreciated Replacement Cost Approach:

The Cost approach values a property based on what it would cost to build the property today, taking into consideration the depreciation by various factors. The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

c) The Income Capitalization Approach:

This approach considers the value of the income stream that a property generates or could generate. This method typically applies to commercial or income-generating properties.

These assumptions were based on current market conditions.

Donations

It should be noted that the municipality received donations of property, plant and equipment from the Department of Sports, Recreation, Arts and Culture during the 2020/2021 financial year.

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.

9. Payables from exchange transactions

Trade payables	11 654 464	9 454 372
Advance payment- consumer debtors	2 211 011	2 675 796
Unallocated deposit	-	915 242
Payroll control	177 486	238 876
Retention payable	6 566 684	5 882 416
Bonus Accrual	4 295 824	4 270 964
Leave Accrual	17 679 562	17 703 826
Under & over banking	19 172	-
	42 604 203	41 141 492

10. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Municipal Infrastructure Grant (MIG)	6 529 699	-
Disaster Grant - COVID 19	-	1 670 534
Department of Sports, Recreation and Culture (DSRAC)	1 088 243	685 475
Local Government (LGSETA)	350 584	633 896
Department of Energy (EDM)	6 870 040	6 870 040
	14 838 566	9 859 945

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
10. Unspent conditional grants and receipts (continued)		
Movement during the year		
Balance at the beginning of the year	9 859 945	10 333 215
Additions during the year	90 023 372	70 847 628
Income recognition during the year	(83 374 217)	(68 730 710)
Roll-over not approved	-	(2 590 188)
Repaid to National Treasury	(1 670 534)	-
	14 838 566	9 859 945

The above note represents 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 21 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

11. Revaluation reserve

The revaluation reserve is not distributable, given that this is a municipality.

Opening balance	461 452 974	562 438 718
Change during the year	(92 433 740)	(100 985 744)
	369 019 234	461 452 974

12. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	7 305 560	(6 159 990)	1 145 570	3 363 278	(2 243 208)	1 120 070

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	1 120 070	3 942 282	(3 916 782)	1 145 570

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	2 243 208	(1 123 138)	1 120 070

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020		
13. Provisions				
Reconciliation of provisions - 2021				
	Opening Balance	Additions	Utilised during the year	Total
Performance bonus	1 115 017	1 056 623	(887 686)	1 283 954
Reconciliation of provisions - 2020				
	Opening Balance	Additions	Utilised during the year	Total
Performance bonus	1 115 017	977 781	(977 781)	1 115 017
14. Service charges				
Refuse removal			5 065 670	5 163 251
15. Rental of facilities				
Rental of flats			5 003 847	4 528 782
16. Interest on outstanding debtors				
Interest on debtors			15 034 312	14 621 163
17. Income from agency fees				
Income from agency fees			2 704 230	2 381 204
18. Licences and permits				
Licences and permits			1 059 738	1 307 494
19. Other Income				
Building plan fees			80 965	69 591
Cemetery fees			57 952	39 203
Clearance certificate fees			16 522	1 328
Commissions received			145 134	204 060
Other Income			958 981	10 935
Tender fees			16 151	583 192
Retentions realised			641 974	470 253
Valuation service fees			15 776	-
			1 933 455	1 378 562
20. Investment revenue				
Interest revenue				
Bank			4 024 378	5 167 448

Mnquma Local Municipality

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21. Property rates

Rates received

Property rates	60 384 416	62 907 479
----------------	------------	------------

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2019. Interim valuations are conducted at least once on an annual basis to take into account changes in individual property values due to alterations and subdivisions. Valuations were performed by independent valuer, Mr Tshepo Mokhuwa (Registration number 7006/9). Tariffs are applied as follows:

Residential

A general rate of R0.01178 - (2020 - R0.01178) is applied to residential property valuations to determine assessment rates. Rebates are granted to all residential property owners.

Business and Commercial

A general rate of R0.01519 - (2020 - R0.01519) is applied to business and commercial property valuations to determine assessment rates.

Vacant

A general rate of R0.02917 - (2020 - R0.02917) is applied to vacant property valuations to determine assessment rates.

State Owned

A general rate of R0.02466 - (2020 - R0.02466) is applied to state owned property valuations to determine assessment rates.

Small Holdings and Farms

A general rate of R0.00311 - (2020 - R0.00311) is applied to small holdings and farm property valuations to determine assessment rates.

Industrial

A general rate of R0.0149 - (2020 - R0.0149) is applied to industrial property valuations to determine assessment rates.

Rebates

Rebates are granted to property owners in accordance with a variety of social and economic factors as described in the Municipality's Property Rates Policy.

Mnquma Local Municipality

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22. Government grants and subsidies

Operating grants

Equitable share	327 404 534	258 855 188
Finance Management Grant	1 700 000	1 700 000
Extended Public Works Programme	1 695 000	1 740 000
Department of Sports, Recreation and Culture (DSRAC)	97 232	214 525
Disaster Grant - COVID 19	-	266 466
LG SETA	710 684	700 720
	331 607 450	263 476 899

Capital grants

Municipal Infrastructure Grant (MIG)	69 901 301	62 609 000
Integrated National Electrification Programme (INEP)	9 270 000	1 500 000
	79 171 301	64 109 000
	410 778 751	327 585 899

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members as well as the operations of the municipality.

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members as well as the operations of the municipality.

All registered indigents receive the following subsidies:

1. For all electricity beneficiaries, 50 KW per month
2. Rebates of R20,000 are granted to residential property owners.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	-	920 172
Current-year receipts	76 431 000	62 609 000
Conditions met - transferred to revenue	(69 901 301)	(62 609 000)
Roll-over not approved	-	(920 172)
	6 529 699	-

Conditions still to be met - remain liabilities (see note 10).

Local Government (LGSETA)

Balance unspent at beginning of year	633 896	472 988
Current-year receipts	427 372	861 628
Conditions met - transferred to revenue	(710 684)	(700 720)
	350 584	633 896

Conditions still to be met - remain liabilities (see note 10).

Finance Management Grant (FMG)

Balance unspent at beginning of year	-	-
Current-year receipts	1 700 000	1 700 000
Conditions met - transferred to revenue	(1 700 000)	(1 700 000)
	-	-

Conditions still to be met - remain liabilities (see note 10).

Mnquma Local Municipality

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Figures in Rand	2021	2020
22. Government grants and subsidies (continued)		
Extended Public Works Programme (EPWP)		
Balance unspent at beginning of year	-	-
Current-year receipts	1 695 000	1 740 000
Conditions met - transferred to revenue	(1 695 000)	(1 740 000)
	-	-
Conditions still to be met - remain liabilities (see note 10).		
Integrated National Electrification Programme (INEP)		
Balance unspent at beginning of year	-	1 670 016
Current-year receipts	9 270 000	1 500 000
Conditions met - transferred to revenue	(9 270 000)	(1 500 000)
Roll-over not approved	-	(1 670 016)
	-	-
Conditions still to be met - remain liabilities (see note 10).		
Department of Sports, Recreation and Culture (DSRAC)		
Balance unspent at beginning of year	685 475	400 000
Current-year receipts	500 000	500 000
Conditions met - transferred to revenue	(97 232)	(214 525)
	1 088 243	685 475
Conditions still to be met - remain liabilities (see note 10).		
Disaster Grant - COVID 19		
Balance unspent at beginning of year	1 670 534	-
Current-year receipts	-	1 937 000
Conditions met - transferred to revenue	-	(266 466)
Grant repaid to National Treasury	(1 670 534)	-
	-	1 670 534
Conditions still to be met - remain liabilities (see note 10).		
Provide explanations of conditions still to be met and other relevant information.		
23. Traffic Fines		
Traffic Fines	6 588 050	5 298 585

Mnquma Local Municipality

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Figures in Rand	2021	2020
24. Employee related costs		
Basic salary	133 258 582	127 585 634
Medical aid	9 505 947	9 289 925
Unemployment Insurance Fund	844 984	815 209
Skills Development Levy	958 649	1 670 799
SALGA Levy	51 391	50 869
Leave pay provision charge	2 034 679	4 343 263
Pension fund contributions	23 166 710	22 661 683
Travel, motor car, accommodation, subsistence and other allowances	1 348 493	1 214 809
Overtime payments	1 277 566	1 478 004
Long-service awards	1 434 000	1 575 000
13th Cheques	11 546 653	12 796 109
Acting allowances	602 602	289 586
Housing benefits and allowances	218 944	142 520
Other allowances	138 075	92 872
Cell phone allowances	2 304 815	1 975 699
	188 692 090	185 981 981
Remuneration of Municipal Manager - S Mahlasela		
Annual remuneration	827 194	809 321
Backpay	113 193	-
Performance bonus	156 239	161 864
Cell phone allowance	111 359	108 953
Contributions to pension fund	223 131	218 310
Travel allowance	216 973	212 285
UIF	1 898	1 785
SDL	16 047	14 683
	1 666 034	1 527 201
Remuneration of Chief Finance Officer - M Matomane		
Annual remuneration	676 163	661 554
Backpay	92 526	-
Performance bonus	116 103	132 311
Cell phone allowance	37 464	36 654
Contributions to pension fund	182 391	178 450
Contributions to medical aid	43 653	42 710
Travel allowance	187 268	183 222
UIF	1 898	1 785
SDL	12 981	11 983
	1 350 447	1 248 669

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Figures in Rand	2021	2020
24. Employee related costs (continued)		
Remuneration of Director of Corporate Services - S Caga		
Annual remuneration	676 163	661 554
Backpay	92 526	-
Performance bonus	139 323	143 337
Cell phone allowance	79 739	78 016
Contributions to pension fund	135 104	132 185
Contributions to medical aid	42 206	41 295
Travel allowance	193 726	189 540
UIF	1 898	1 785
SDL	13 200	12 080
	1 373 885	1 259 792
Remuneration of Directors of Infrastructure - Z Ntile		
Annual remuneration	676 163	661 554
Backpay	92 526	-
Performance bonus	116 103	132 311
Cell phone allowance	82 666	80 880
Contributions to pension fund	182 391	178 450
Contributions to medical aid	43 653	42 710
Travel allowance	142 065	138 996
UIF	1 898	1 785
SDL	11 246	10 285
	1 348 711	1 246 971
Remuneration of Director of Community Services - M Kibi		
Annual remuneration	676 163	661 554
Backpay	92 526	-
Performance bonus	127 713	132 311
Cell phone allowance	63 828	62 449
Contributions to pension fund	173 850	170 093
Travel allowance	213 098	208 494
UIF	1 898	1 785
SDL	11 693	10 609
	1 360 769	1 247 295
Remuneration of Director of Local Economic Development and Planning - M Dilika		
Annual remuneration	676 163	661 554
Backpay	92 526	-
Performance bonus	116 103	132 311
Cell phone allowance	81 479	79 719
Contributions to medical aid	51 299	50 190
Contributions to pension fund	182 390	178 449
Travel allowance	135 608	132 678
UIF	1 898	1 785
SDL	11 259	10 297
	1 348 725	1 246 983

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
24. Employee related costs (continued)		
Remuneration of Director of Strategic Management-S Benya		
Annual remuneration	676 163	661 554
Backpay	92 526	-
Performance bonus	116 103	143 337
Cell phone allowance	28 053	27 447
Contributions to pension fund	182 390	178 449
Contributions to medical aid	87 435	85 546
Travel allowance	152 898	149 594
UIF	1 898	1 785
SDL	11 224	10 374
	1 348 690	1 258 086
25. Remuneration of councillors		
Executive Mayor	912 691	905 259
Chief Whip	695 676	671 446
Speaker	739 078	733 088
Mayoral Committee Members	7 229 492	6 422 600
Other Councillors	19 586 940	19 305 575
	29 163 877	28 037 968
26. Depreciation and amortisation		
Property, plant and equipment	112 493 245	110 450 601
Investment property	2 959 871	2 968 092
Intangible assets	3 916 782	1 123 138
	119 369 898	114 541 831
27. Impairment of assets		
Property, plant and equipment	3 446 566	7 180 108
28. Finance costs		
Interest on overdue accounts	-	104 534
Actuarial interest	1 081 000	1 256 000
	1 081 000	1 360 534
29. Debt impairment		
Receivables from non-exchange transactions	13 238 973	44 310 325
Receivables from exchange transactions	10 643 581	10 131 719
Bad debts written off	4 694 851	7 832 445
	28 577 405	62 274 489
30. Bulk purchases		
Electricity	4 900 752	2 862 297

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
31. Gain/(Loss) on disposal of assets		
Gain or (loss) on disposal of assets during the year	(14 348 592)	(21 826 874)
32. Repairs and maintenance		
Repairs and maintenance	9 112 036	3 677 971
33. General expenses		
Advertising	2 046 616	1 039 728
Auditors remuneration	3 391 878	2 584 322
Bank charges	367 669	487 147
Computer expenses	3 114 705	3 125 521
Professional fees	3 341 753	6 276 447
Consumables	2 306 916	1 719 958
Legal fees	2 131 965	4 213 156
Discount allowed	2 570 298	1 251 090
Civic functions	357 877	184 077
Car licences and registrations	230 657	4 194
Workmen's compensation	2 095 297	905 149
Hire	59 661	292 570
Insurance	185 219	107 590
Outsourced Services - Refuse Removal	2 193 645	2 250 810
Remuneration to Section 79 Committee Members	393 800	108 200
Fuel and oil	2 581 665	2 067 722
Uniform and protective clothing	1 527 906	835 588
Security	1 281 716	888 678
Post and telecommunications	2 801 361	1 692 555
Municipal services	11 364 970	5 252 009
Operating project expenditure	4 128 713	4 599 592
Subsistence and travelling	1 241 046	2 597 476
Sundry expenses	289 464	6 043
Operating lease	696 508	699 744
Transfers to private enterprises	6 294 664	161 730
Electrification projects	15 115 129	9 962 024
Signage	215 376	26 115
	72 326 474	53 339 235
34. Cash generated from operations		
Surplus (deficit)	68 567 078	(48 958 900)
Adjustments for:		
Depreciation and amortisation	119 369 898	114 541 831
Loss on sale of assets and liabilities	14 348 592	21 826 874
Impairment deficit	3 446 566	7 180 108
Movements in employee benefit obligation	998 000	313 000
Movements in provisions for performance bonus	168 937	-
Other non-cash items	(309 594)	-
Changes in working capital:		
Inventories	(243 241)	311 905
Receivables from non-exchange transactions	(24 512 480)	(4 049 585)
Receivables from exchange transactions	(113 480)	(104 763)
Payables from exchange transactions	1 462 711	(1 020 560)
VAT	1 811 764	(948 293)
Unspent conditional grants and receipts	4 978 621	473 270
	189 973 372	89 564 887

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2021

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Figures in Rand	2021	2020
35. Auditors' remuneration		
Fees	3 391 878	2 584 322
36. Public contributions and donations		
Public contributions and donations	26 041 965	-

The municipality received donations of property, plant and equipment from the Department of Sports, Recreation, Arts and Culture during the 2020/2021 financial year.

37. Financial instruments disclosure

Categories of financial instruments

2021

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	1 190 534	1 190 534
Receivables from non-exchange transactions	39 752 654	39 752 654
Cash and cash equivalents	127 688 779	127 688 779
	168 631 967	168 631 967

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	42 604 203	42 604 203

2020

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	1 077 054	1 077 054
Receivables from non-exchange transactions	15 240 174	15 240 174
Cash and cash equivalents	50 281 617	50 281 617
	66 598 845	66 598 845

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	41 141 492	41 141 492

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
38. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Capital	9 203 999	31 966 662
Total capital commitments		
Authorised capital expenditure	9 203 999	31 966 662
Authorised operational expenditure		
Total commitments		
Total commitments		
Authorised capital expenditure	9 203 999	31 966 662
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	154 420	537 113
- in second to fifth year inclusive	-	134 278
	154 420	671 391

Operating lease payments represent rentals payable by the municipality for photocopying machines leased from Konica Minolta. Leases are negotiated for an average term not exceeding three years. No contingent rent is payable. There are no escalation clauses.

The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Mnquma Local Municipality

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39. Related parties

Relationships

Municipal Manager
Chief Financial Officer
Director of Strategic Management
Director of Corporate Services
Director of Infrastructural Planning & Development
Director of Community Services
Director of Local Economic Development
Executive Mayor
Speaker
Chief Whip
Exco Councillors

S Mahlasela - refer to note 23
M Matomane - refer to note 23
S Benya - refer to note 23
S Caga - refer to note 23
Z Ntile - refer to note 23
M Kibi - refer to note 23
M Dilika - refer to note 23
S Ncetezo - refer to note 24
T Bikitsha - refer to note 24
Z Gade - refer to note 24
L Mgandela - refer to note 24
T Nkamisa - refer to note 24
Z Mkiva - refer to note 24
N Layiti - refer to note 24
XI Pupuma - refer to note 24
NR Tshona - refer to note 24
TP Ntanga - refer to note 24
S Matutu - refer to note 24
N Thandaphi - refer to note 24
N Sheleni - refer to note 24
N Plaatjie - refer to note 24
N Lusizi - refer to note 24
NM Mpambani - refer to note 24
N Ntolosi - refer to note 24
ME Ntshonga - refer to note 24
GT Ntshonga - refer to note 24
Z Sobekwa - refer to note 24
SL Mafanya - refer to note 24
N Monakali - refer to note 24
NN Nqolomlilo - refer to note 24
Z Siyo - refer to note 24
AA Krakri - refer to note 24
LS Sobekwa - refer to note 24
GN Nombila - refer to note 24
B Kave - refer to note 24
ZC Mfazwe - refer to note 24
TZ Xhongwana - refer to note 24
N Lusizi - refer to note 24
T Ntyinkala - refer to note 24
NG Ndongeni - refer to note 24
NP Dube - refer to note 24
C Mtsi - refer to note 24
NH Kendle - refer to note 24
KG Magwaca - refer to note 24
M Mkhilili - refer to note 24
L Tsipa - refer to note 24
M Ndungane - refer to note 24
SN Tshazi - refer to note 24
WW Mbadlanyana - refer to note 24
WM Ntongana - refer to note 24
K Gobeni - refer to note 24
N Jiya - refer to note 24
MZ Mnqwazi - refer to note 24
ZA Mqolo - refer to note 24
ML Mtalo - refer to note 24
Z Mnqokoyi - refer to note 24
NL Zaba - refer to note 24
NQ Sukwana - refer to note 24

Councillors

Mnquma Local Municipality

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39. Related parties (continued)

	Y Mngonyama - refer to note 24
	NH Skelenge - refer to note 24
	SM Molosi - refer to note 24
	MW Mbeki - refer to note 24
	A Finca - refer to note 24
	L Mbentsula - refer to note 24
	S Lilise - refer to note 24
	AB Madikane - refer to note 24
	V Nkehle - refer to note 24
	T Makeleni - refer to note 24
	P Mbovane - refer to note 24
Traditional leaders to participate in Mnquma Municipal Council	NS Ngxiya - refer to note 24
	VL Mbasa - refer to note 24
	WM Mahlangeni - refer to note 24
	BL Ntleki - refer to note 24
	ZM Dyantyi - refer to note 24
	M Magodla - refer to note 24
	N Nyhila - refer to note 24
	D Mpangele - refer to note 24
	BB Vuso - refer to note 24
	M Nguza - refer to note 24
	NVG Dondashe - refer to note 24
	P Nguza - refer to note 24

Related party transactions

Purchases from related parties

N Langa Ward Committee is a business partner in Themba Labafazi Primary Co-Op	-	588 813
N Layiti full-time Mayoral Committee Member is a business partner in Great 7 Trading Property Limited	-	1 700
Z Makaula the debtors clerk - Her brother, B Makaula owns Vebu Holdings	412 692	-
Mxolelanisi Manxiwa is an attorney representing the municipality, his brother Clayton	223 424	134 260
Mkhulisi Manxiwa is a manager in the legal department at Mbashe Municipality		
Thobela T - is a CIPC member, his wife Sitofile is a director of Siyavuya Construction	-	800 239

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40. Risk management

Financial risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through maintenance of cash balances..

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Receivables from non-exchange transactions	39 752 654	-	-	-	39 752 654
Receivables from exchange transactions	1 190 534	-	-	-	1 190 534
VAT receivable	951 657	-	-	-	951 657
Cash and cash equivalents	127 688 779	-	-	-	127 688 779
Payables from exchange transactions	42 604 203	-	-	-	42 604 203
Unspent conditional grants and receipts	14 838 566	-	-	-	14 838 566
	227 026 393	-	-	-	227 026 393
As at 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Receivables from non-exchange transactions	15 240 174	-	-	-	15 240 174
Receivables from exchange transactions	1 077 054	-	-	-	1 077 054
VAT receivable	2 763 421	-	-	-	2 763 421
Cash and cash equivalents	50 281 617	-	-	-	50 281 617
Payables from exchange transactions	41 141 492	-	-	-	41 141 492
Unspent conditional grants and receipts	9 859 945	-	-	-	9 859 945
	120 363 703	-	-	-	120 363 703

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	2021	2020
Receivables from non-exchange transactions	39 752 654	15 240 174
Receivables from exchange transactions	1 190 534	1 077 054
Cash and cash equivalents	127 688 779	50 281 617

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40. Risk management (continued)

Property rates

Current (0 - 30 days)	18 128 180	1 735 649
31 - 60 days	5 345 456	4 580 943
61 - 90 days	5 087 390	4 581 569
91 - 120 days	5 846 246	4 674 433
121 - 150 days	2 764 509	4 581 298
> 150 days	120 002 571	121 975 242
	157 174 352	142 129 134

Traffic fines

Current (0 - 30 days)	444 300	419 900
31 - 60 days	455 300	361 300
61 - 90 days	647 900	363 900
91 - 120 days	538 100	469 600
> 150 days	13 629 210	9 059 610
	15 714 810	10 674 310

Refuse

Current (0 - 30 days)	703 409	727 789
31 - 60 days	687 543	723 401
61 - 90 days	681 150	742 859
91 - 120 days	676 074	754 633
121 - 150 days	668 716	735 541
> 150 days	37 417 536	31 425 414
	40 834 428	35 109 637

Housing rental

Current (0 - 30 days)	456 881	459 279
31 - 60 days	398 386	439 516
61 - 90 days	396 149	431 052
91 - 120 days	393 191	432 586
121 - 150 days	389 321	427 819
> 150 days	12 962 434	9 700 256
	14 996 362	11 890 508

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Figures in Rand	2021	2020
41. Prior period errors		
Receivables from non-exchange transactions		
As previously stated	-	15 241 200
Decrease in receivables from non-exchange transactions due to R/D Cheques without supporting documentation written-off by Council.	-	(21 021)
Increase in receivables from non-exchange transactions due to understatement of property rates debtors.	-	19 995
	-	15 240 174
VAT receivable		
As previously stated	-	6 947 620
Increase in VAT receivable due to retentions incorrectly recorded exclusive of VAT.	-	341 541
Decrease in VAT receivable due to overstatement of VAT on retentions.	-	(61 432)
Increase in VAT receivable due to reversal of duplicated journal on DoT liability.	-	187 966
Decrease in VAT receivable due to understatement of output VAT.	-	(1 984 071)
Decrease in VAT receivable due to overstatement of input VAT.	-	(2 848 077)
Decrease in VAT receivable due to invoice incorrectly recorded.	-	(6 281)
Increase in VAT receivables due to input VAT on EMS license fees previously not recorded at inception of contract.	-	504 492
Decrease in VAT receivables due to reversal of input VAT on EMS license fees incorrectly expensed -2019.	-	(153 415)
Decrease in VAT receivables due to reversal of input VAT on EMS license fees incorrectly expensed -2020.	-	(164 921)
	-	2 763 421
Receivables from exchange transactions		
As previously stated	-	986 229
Increase in receivables from exchange transactions due to understatement of refuse debtors.	-	90 825
Increase in receivables from exchange transactions due to misallocation of provision for impairment of housing rental and refuse debtors.	-	1 422 013
Decrease in receivables from exchange transactions due to misallocation of provision for impairment of housing rental and refuse debtors.	-	(1 422 013)
	-	1 077 054
Investment property		
As previously stated	-	150 130 261
Increase in investment property due to investment property previously not recognised - cost.	-	96 655
Decrease in investment property due to investment property previously not recognised - accumulated depreciation.	-	(13 733)
Decrease in investment property due to overstatement of investment property - cost.	-	(472 515)
Increase in investment property due to overstatement of investment property - accumulated depreciation.	-	315 904
Increase in investment property overstatement of depreciation.	-	39 235
	-	150 095 807
Property, plant and equipment		
As previously stated	-	749 968 157
Increase in property, plant and equipment due to machinery and equipment previously not recognised - cost.	-	26 787
Decrease in property, plant and equipment due to machinery and equipment previously not recognised - accumulated depreciation.	-	(4 837)
Increase in property, plant and equipment due to machinery and equipment misallocated under furniture and office equipment and transport assets - cost.	-	6 230 368

Mnquma Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
41. Prior period errors (continued)		
Decrease in property, plant and equipment due to machinery and equipment misallocated under furniture and office equipment and transport assets - accumulated depreciation.	-	(4 027 261)
Decrease in property, plant and equipment due to machinery and equipment misallocated under furniture and office equipment and transport assets - accumulated depreciation.	-	(122 143)
Increase in property, plant and equipment due to furniture and office equipment previously not recognised - cost.	-	168 190
Decrease in property, plant and equipment due to furniture and office equipment previously not recognised - accumulated depreciation.	-	(30 854)
Increase in property, plant and equipment due to machinery and equipment misallocated under furniture and office equipment - cost.	-	(3 786 626)
Decrease in property, plant and equipment due to machinery and equipment misallocated under furniture and office equipment - accumulated depreciation.	-	3 198 429
Decrease in property, plant and equipment due to computer equipment misallocated under furniture and office equipment - cost.	-	(1 453 759)
Increase in property, plant and equipment due to computer equipment misallocated under furniture and office equipment - accumulated depreciation.	-	107 375
Decrease in property, plant and equipment due to machinery and equipment misallocated under transport assets - cost.	-	(5 913 564)
Increase in property, plant and equipment due to machinery and equipment misallocated under transport assets - accumulated depreciation.	-	3 742 165
Increase in property, plant and equipment due to machinery and equipment misallocated under transport assets - accumulated depreciation.	-	119 795
Increase in property, plant and equipment due to computer equipment previously not recognised - cost.	-	10 383
Decrease in property, plant and equipment due to computer equipment previously not recognised - accumulated depreciation.	-	(2 299)
Increase in property, plant and equipment due to computer equipment misallocated under furniture and office equipment - cost.	-	3 469 823
Decrease in property, plant and equipment due to computer equipment misallocated under furniture and office equipment - accumulated depreciation.	-	(2 913 334)
Increase in property, plant and equipment due to computer equipment misallocated under furniture and office equipment - cost.	-	1 453 759
Decrease in property, plant and equipment due to computer equipment misallocated under furniture and office equipment - accumulated depreciation.	-	(105 027)
Increase in property, plant and equipment due to infrastructure assets previously not recognised - cost.	-	60 853
Decrease in property, plant and equipment due to infrastructure assets previously not recognised - accumulated depreciation.	-	(27 073)
Increase in property, plant and equipment due to infrastructure assets misallocated under community assets - costs.	-	88 396
Increase in property, plant and equipment due to infrastructure assets previously not recognised - cost.	-	34 736 823
Decrease in property, plant and equipment due to infrastructure assets previously not recognised - accumulated depreciation.	-	(3 269 380)
Decrease in property, plant and equipment due to overstatement of infrastructure assets - cost.	-	(9 288 147)
Increase in property, plant and equipment due to overstatement of infrastructure assets - accumulated depreciation.	-	3 471 329
Increase in property, plant and equipment due to overstatement of depreciation on infrastructure assets - accumulated depreciation.	-	424 116
Increase in property, plant and equipment due to overstatement of impairment on infrastructure assets - accumulated impairment.	-	300 145
Increase in property, plant and equipment due to community assets previously not recognised - cost.	-	93 736
Increase in property, plant and equipment due to community assets previously not recognised - accumulated depreciation.	-	(38 613)
Decrease in property, plant and equipment due to infrastructure assets misallocated under community assets - cost.	-	(88 396)

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41. Prior period errors (continued)		
Increase in property, plant and equipment due to community assets previously not recognised - cost.	-	9 219 695
Increase in property, plant and equipment due to community assets previously not recognised - accumulated depreciation.	-	(557 505)
Decrease in property, plant and equipment due to overstatement of community assets - cost.	-	(711 877)
Increase in property, plant and equipment due to overstatement of community assets - accumulated depreciation.	-	581 161
Increase in property, plant and equipment due to overstatement of depreciation on community assets - accumulated depreciation.	-	22 259
Increase in property, plant and equipment due to overstatement of impairment on community assets - accumulated impairment.	-	3 634
Decrease in property, plant and equipment due to community assets incorrectly classified as buildings - cost.	-	(48 971 175)
Increase in property, plant and equipment due to community assets incorrectly classified as buildings - cost.	-	48 971 175
Increase in property, plant and equipment due to community assets incorrectly classified as buildings - accumulated depreciation.	-	30 030 547
Decrease in property, plant and equipment due to community assets incorrectly classified as buildings - accumulated depreciation.	-	(30 030 547)
	-	785 156 683

Payables from exchange transactions

As previously stated	-	39 777 896
Decrease in payables from exchange transactions due to advance payments written-off by Council.	-	(308 059)
Increase in payables from exchange transactions due to recognition of SARS liability not raised in 2019.	-	2 124 987
Increase in payables from exchange transactions due to recognition of leave pay liability not raised in 2019.	-	184 412
Increase payables from exchange transactions due to retentions incorrectly recorded exclusive of VAT.	-	341 541
Decrease in payables from exchange transactions due to overstatement of Izixhotyeni retentions in 2019.	-	(77 428)
Decrease in payables from exchange transactions due to overstatement of VAT on retentions.	-	(61 432)
Decrease in payables from exchange transactions due to retentions raised for Electrification Zibhityolo 18/19 incorrectly recorded under trade payables instead of retentions.	-	(470 976)
Increase in payables from exchange transactions due to retentions raised for Electrification Zibhityolo 18/19 incorrectly recorded under trade payables instead of retentions.	-	470 976
Decrease in payables from exchange transactions due to retentions raised for Electrification Vikweni 19/20 incorrectly recorded under trade payables instead of retentions.	-	(451 976)
Increase in payables from exchange transactions due to retentions raised for Electrification Vikweni 19/20 incorrectly recorded under trade payables instead of retentions.	-	451 976
Decrease in payables from exchange transactions due to correction of error	-	(92)
Increase in payables from exchange transactions due to reversal of duplicated journal on DoT liability.	-	1 868 058
Decrease in payables from exchange transactions due to Council write-off misstatement of DoT liability.	-	(12 698 087)
Increase in payables from exchange transactions due to Council write-off misstatement of DoT liability.	-	8 612 970
Decrease in payables from exchange transactions due to invoice incorrectly recorded.	-	(50 463)

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41. Prior period errors (continued)		
Increase in payables from exchange transactions due to EMS license fees previously not recorded at inception of contract.	-	3 867 770
Decrease in payables from non-exchange transactions due to reversal of EMS license fees which were incorrectly expensed 2019.	-	(1 176 184)
Decrease in payables from non-exchange transactions due to reversal of EMS license fees which were incorrectly expensed 2020.	-	(1 264 397)
	-	41 141 492
Accumulated surplus		
As previously stated	-	492 772 989
Decrease in accumulated surplus due to R/D Cheques without supporting documentation written-off by Council.	-	(21 021)
Increase in accumulated surplus due to understatement of property rates debtors.	-	19 995
Increase in accumulated surplus due to understatement of refuse debtors.	-	90 825
Increase in accumulated surplus due to advance payments written-off by Council.	-	308 059
Decrease in accumulated surplus due to recognition of SARS liability not raised in 2019.	-	(2 124 987)
Decrease in accumulated surplus due to recognition of leave pay liability not raised in 2019.	-	(184 412)
Increase in accumulated surplus due to infrastructure and community assets previously not recognised.	-	68 580
Increase in accumulated surplus due to investment property previously not recognised.	-	96 655
Decrease in accumulated surplus due to overstatement of infrastructure, community assets and investment property.	-	(3 062 768)
Increase in accumulated surplus due to movable assets previously not recognised.	-	205 360
Increase in accumulated surplus due to overstatement of Izixhotyeni retentions.	-	77 428
Increase in accumulated surplus due to correction of error.	-	92
Increase in accumulated surplus due to Council write-off misstatement of DoT liability.	-	12 698 087
Decrease in accumulated surplus due to Council write-off misstatement of DoT liability.	-	(8 612 970)
Decrease in accumulated surplus due to understatement of output VAT.	-	(1 984 071)
Decrease in accumulated surplus due to overstatement of input VAT.	-	(2 848 077)
Increase in accumulated surplus due to correction of error.	-	500
Increase in accumulated surplus due to overstatement of depreciation on community assets.	-	22 259
Increase in accumulated surplus due to overstatement of depreciation on infrastructure assets.	-	424 116
Increase in accumulated surplus due to due to overstatement of depreciation on investment property.	-	39 233
Decrease in accumulated surplus due to machinery and equipment previously not recognised.	-	(30 854)
Decrease in accumulated surplus due to furniture and office equipment previously not recognised.	-	(4 837)
Decrease in accumulated surplus due to due to computer equipment previously not recognised.	-	(2 299)
Increase in accumulated surplus due to overstatement of impairment on community assets.	-	3 634
Increase in accumulated surplus due to overstatement of impairment on infrastructure assets.	-	300 145
Increase in accumulated surplus due to invoice incorrectly recorded.	-	28
Decrease in accumulated surplus due to reversal of duplicated journal on DoT liability.	-	(1 680 092)
Increase in accumulated surplus due to invoice incorrectly recorded.	-	43 654
Decrease in accumulated surplus due to depreciation on assets previously not recognised.	-	(3 840 618)
Decrease in accumulated surplus due too transfer of revaluation reserve to accumulated surplus for depreciation on assets previously not recognised.	-	3 826 885
Increase in accumulated surplus due to reversal of EMS license fees which were incorrectly expensed - 2019.	-	1 022 768
Decrease in accumulated surplus due to amortisation of EMS license fees - 2019.	-	(1 120 070)

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41. Prior period errors (continued)		
Increase in accumulated surplus due to reversal of EMS license fees which were incorrectly expensed - 2020.	-	1 099 476
Decrease in accumulated surplus due to amortisation of EMS license fees - 2020.	-	(1 123 138)
	-	-
	-	486 480 555
Other income		
As previously stated	-	1 378 062
Increase in other income due to correction of error.	-	500
	-	1 378 562
Revaluation reserve		
As previously stated	-	424 344 394
Increase in revaluation reserves due to infrastructure and community assets previously not recognised.	-	20 322
Increase in revaluation reserves due to infrastructure and community assets previously not recognised.	-	43 956 519
Decrease in revaluation reserves due to overstatement of infrastructure and community assets.	-	(3 041 376)
Decrease in revaluation reserves due to transfer of revaluation reserve to accumulated surplus for depreciation on assets previously not recognised.	-	(3 826 885)
	-	461 452 974
Intangible assets		
As previously stated	-	-
Increase in intangible assets due to EMS license fees previously not recorded at inception of contract - 2019.	-	3 363 278
Decrease in intangible assets due to amortisation of EMS license fees - 2019.	-	(1 120 070)
Decrease in intangible assets due to amortisation of EMS license fees - 2020.	-	(1 123 138)
	-	1 120 070
Depreciation and amortisation		
As previously stated	-	110 025 693
Decrease in depreciation and amortisation due to overstatement of depreciation on community assets.	-	(22 259)
Decrease in depreciation and amortisation due to overstatement of depreciation on infrastructure assets.	-	(424 116)
Decrease in depreciation and amortisation due to overstatement of depreciation on investment property.	-	(39 233)
Increase in depreciation and amortisation due to machinery and equipment previously not recognised.	-	30 854
Increase in depreciation and amortisation due to furniture and office equipment previously not recognised.	-	4 837
Increase in depreciation and amortisation due to computer equipment previously not recognised.	-	2 299
Increase in depreciation and amortisation due to depreciation community assets, infrastructure assets and investment property previously not recognised.	-	3 840 618
Decrease in accumulated surplus due to amortisation of EMS license fees - 2020.	-	1 123 138
	-	114 541 831
Impairment loss/ Reversal of impairments		
As previously stated	-	7 483 887

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41. Prior period errors (continued)		
Decrease in impairment loss/ reversal of impairments due to overstatement of impairment on community assets.	-	(3 634)
Decrease in impairment loss/ reversal of impairments due to overstatement of impairment on infrastructure assets.	-	(300 145)
	-	7 180 108
Finance costs		
As previously stated	-	1 360 561
Decrease in finance costs due to invoice incorrectly recorded.	-	(27)
	-	1 360 534
General expenses		
As previously stated	-	52 802 273
Increase in general expenses due to reversal of duplicated journal on DoT liability.	-	1 680 092
Decrease in general expenses due to invoice incorrectly recorded.	-	(43 654)
Decrease in general expenses due to reversal of EMS license fees which were incorrectly expensed.	-	(1 099 476)
	-	53 339 235
42. Unauthorised expenditure		
Opening balance	-	415 282 017
Add: Unauthorised expenditure - current year	-	-
Less: Written-off by Council	-	(415 282 017)
	-	-
43. Fruitless and wasteful expenditure		
Opening balance	-	1 547 984
Add: Fruitless and wasteful expenditure - current year	3 452	104 561
Less: Written-off by Council	-	(1 652 545)
Less: Amounts recovered	(3 452)	-
	-	-
44. Irregular expenditure		
Opening balance	-	44 736 440
Add: Irregular expenditure - current year	1 450 978	14 604 108
Less: Amounts written-off	(1 450 978)	(59 340 548)
	-	-

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44. Irregular expenditure (continued)

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Non-compliance with Preferential Procurement Regulation 4(3)		421 200
Non-compliance with Regulation 12(1)(c), 17(a) - 17(c) & 36(2) of the Municipal SCM Regulations		1 029 778
		<u>1 450 978</u>

Details of irregular expenditure - 2020

	Disciplinary steps taken/criminal proceedings	
Non-compliance with Preferential Procurement Regulation 4(3)		3 283 682
Non-compliance with Regulation 12(1)(c), 17(a) - 17(c) & 36(2) of the Municipal SCM Regulations		11 320 426
		<u>14 604 108</u>

45. Deviation from supply chain management regulations

Incurred during the year	3 474 673	5 209 132
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46. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Opening balance	-	(1 294 320)
Current year subscription / fee	3 900 193	4 266 290
Amount paid - current year	(3 900 193)	(2 971 970)
	<u>-</u>	<u>-</u>

PAYE, SDL and UIF

Opening balance	-	2 126 253
Current year subscription / fee	33 546 466	32 195 778
Amount paid - current year	(33 546 466)	(34 322 031)
	<u>-</u>	<u>-</u>

Pension and Medical Aid Deductions

Opening balance	-	-
Current year subscription / fee	52 277 881	50 894 982
Amount paid - current year	(52 277 881)	(50 894 982)
	<u>-</u>	<u>-</u>

Mnquma Local Municipality

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46. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT receivable	951 657	2 763 421
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VAT output payables and VAT input receivables are shown in note 4.

All VAT returns have been submitted by the due date throughout the year.

SALGA Levy

Opening balance	-	-
Current year subscription/ fee	102 703	101 642
Amount paid - current year	(102 703)	(101 642)
	-	-

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47. Contingencies

As at 30 June 2021, the Municipality had the following contingent assets and contingent liabilities.

Cases against the Municipality

Case no144/19 Barricade Protection Services vs Mnquma Local Municipality	1 350 484	1 350 484
VJ Transport vs Mnquma Local Municipality	195 062	195 062
Case No. 297/19 Lungi Dyantyi vs Mnquma Local Municipality	97 062	97 062
Case No. 411/2020 Thembelani Tshaka and Others vs Mnquma Local Municipality	1 500 000	1 500 000
Case No. 73/2020 Bheki Sifile vs Mnquma Local Municipality	25 000	25 000
Case No. 490/19 Z. Plata vs Mnquma Local Municipality	-	245 940
Lesley Ronald Martin and Others vs Mnquma Local Municipality and Lukhanyo Tukani	27 560 000	27 560 000
Case No. 237/19 Nontando Mvume vs Mnquma Local Municipality	33 556	33 556
Imbawula Civil Projects (Pty) Ltd t/a Imbawula Engineering Academy vs Mnquma Local Municipality	824 993	824 993
Case No. 276/17 Wezile Mgidlana vs Mnquma Local Municipality	350 000	350 000
Musa Nho & Others vs Mnquma Local Municipality	2 071 856	2 071 856
Case No. 3461/15 Zolile Mshumpela vs Mnquma Local Municipality	1 008 000	1 008 000
Case No. 89/18 Vuyani Excellent Dyalo vs Mnquma Local Municipality and MM	150 000	150 000
Case No. 5719/18 Nangamso Mbangwana vs Mnquma Local Municipality	300 000	300 000
Case No. 3602/17 Soyama Construction CC vs Mnquma Local Municipality	2 588 888	2 588 888
Case No. 646/2017 Sam Toyo vs Mnquma Local Municipality	65 000	65 000
Case No. 4806/2017 Masixole Innocent Magwashu vs Mnquma Local Municipality	300 000	300 000
Case No.1069/2014 Siva Pillay Construction vs Mnquma Local Municipality	13 377 329	13 377 329
Case No. 2390/2017 A One Electric vs Mnquma Local Municipality	1 153 297	1 153 297
Case No. 463/2017 C.W.Z. Matota and another vs Mnquma Local Municipality	164 477	164 477
Case No. 250/19 Mpinda Hlaba vs Mnquma Local Municipality	150 000	150 000
Case No. 2210/17 Thulani S. Silimela vs Mnquma Municipality and Police	600 000	600 000
Case No. P220/19 Nangamso Mbongwana vs Mnquma Local Municipality	-	400 000
Case No. 124/2020 - Thabo Adam vs MLM	2 450	-
Case No.313/2020 - M. Tutu vs MLM	12 000	-
Case No. 114/2021 - Thandinkosi Magani vs MLM	200 000	-
	54 079 454	54 510 944

Barricade Protection Services Case No. 144/19 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for services rendered - Provision of security (Community services). Notice in terms of Rule 35 was filed for the other party to discover SLA as alleged. The case is still pending.

VJ Transport vs Mnquma Local Municipality

The Plaintiff is suing the Municipality on the damage arising on the unidentified collapsed bridge. The case is still pending.

Lungi Dyantyi Case No. 297/19 vs Mnquma Local Municipality

The Municipality is being sued for wrongfully impounding of a motor vehicle by traffic officers. The case is still awaiting trial.

Thembelani Tshaka and Others Case No. 411/2020 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for defamation of character and withdrawn allowances. The case is still pending.

Bheki Sifile Case No. 73/2020 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for unlawful seizure of motor vehicle and damage on the vehicle. The case is still pending.

Nangamso Mbongwana Case No. 5719/18 vs Mnquma Local Municipality

Applicant suing the Municipality for car allowance benefit taken away by employer and unlawful deductions/transfer & salary adjustment. The case is at appeal stage

Lesley Ronald Martin and Others vs Mnquma Local Municipality and Lukhanyo Tukani

The Plaintiff is suing the Municipality for reckless use of firearm. The case is still pending.

Nontando Mvume Case No. 237/19 vs Mnquma Local Municipality

The Municipality is being sued for not maintaining streets near Msobomvu Township. The matter is at discovery stage

Mnquma Local Municipality

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47. Contingencies (continued)

Imbawula Civil Projects (Pty) Ltd t/a Imbawula Engineering Academy vs Mnquma Local Municipality

The Municipality is being sued for non payment of services rendered. The case is still pending.

Wezile Mgidlana Case No. 276/17 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for wrongful by traffic officials. The case is at pre-trial stage.

Musa Nho and Others vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for traffic officials who acted wrongfully on arresting the Plaintiffs. The case is waiting for trial date at Mthatha High Court.

Zolile Mshumpela Case No.3461/15 vs Mnquma Local Municipality

The plaintiff issued combined summons claiming for alleged unlawful arrest and detention. The case is still at pre-trial stage.

Vuyani Excellent Dyalo Case No.89/18 vs Mnquma Local Municipality and Municipal Manager

The Plaintiff is suing the municipality for damages after his car was impounded by traffic officer. The case is still on pleading stage.

Nangamso Mbongwana Case No. P220/19 vs Mnquma Local Municipality

The Plaintiff is suing the municipality and opposition of application have been filed. The Municipality has applied for the date of the hearing of the case.

Soyama Construction CC Case No. 3602/17 vs Mnquma Local Municipality

The Plaintiff suing the Municipality for services rendered and not paid. The case is still pending.

Sam Toyo Case No. 646/2017 vs Mnquma Local Municipality

The Plaintiff is suing the Defendant for damages suffered in a motor collision. The case is still pending.

Masixole Innocent Magwashu Case No. 4806/2017 vs Mnquma Local Municipality

The Plaintiff suing the defendant for arrest without a warrant by Traffic official by the name of Mr Phelelani known as Raule. The case is at discovery stage.

Siva Pillay Construction Case No.1069/2014 vs Mnquma Local Municipality

The Plaintiff is Suing the Municipality for damages suffered as a result of none payment for township roads construction. The case is still pending.

A One Electric Case No. 2390/2017 vs Mnquma Local Municipality

The Plaintiff is Suing the Municipality for damages suffered as a result of none payment for Rural electrification. The case is still on pleading stage.

C.W.Z. Matota and another Case No. 463/2017 vs Mnquma Local Municipality

The Plaintiff is Suing the Municipality for damages suffered as a result of none payment for consulting work. The case is at discovery stage.

Thulani. S. Simela Case No. 2210/17 vs Mnquma Local Municipality and the Police

Suing the Municipality for unlawful and wrongful arrest by traffic officer and police official. The case is still pending.

Mnquma Local Municipality

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47. Contingencies (continued)

Mpinda Hlaba Case No. 250/19 vs Mnquma Local Municipality

The Municipality is sued for unlawful and wrongful arrest by Traffic officer Sojini. The case is still on pleading stage.

Case No. 1779/2017 - Jerry Mashamba Capital (PTY) LTD. 1st Respondent Civflo (PTY) LTD 2nd Respondent vs MLM

Plaintiff seek an order compelling the Municipality to assess and/or approve/rejects the requests, applications & plans that were submitted by the plaintiff with respect to the development of Erf 448.

Case No. 1185/17 & 2685/17 - Nokwanda Koleka Nkawana vs MLM

Plaintiff suing the Municipality for illegally encroachment of her property, namely, Erf 1352 Centane.

Case No. 411/2020 - Thembelani Tshaka & 2 Others vs MLM

Plaintiff suing for defamation of character & withdrawn allowances.

Case No. 124/2020 - Thabo Adam vs MLM

Plaintiff suing Municipality for damage resulting from a pothole.

Case No.313/2020 - Hampton Siphon Lionel Rani & 2 Others vs MLM

Applicants seek an order compelling the Municipality to implement Council Resolution no. OCM1/16/007.1.4.5

Case No.313/2020 - M. Tutu vs MLM

Plaintiff suing the Municipality for damages suffered as a result of negligent driver of TLB – Infrastructure employee.

Case No. 114/2021 - Thandinkosi Magani vs MLM

Plaintiff suing the Municipality for impounded damaged VW Golf.

Contingent assets

Case No. 1638/19 Mnquma Local Municipality vs Rene Godsson Cumming Case	-	300 000
Case No. PR125/2019 Mnquma Local Municipality vs Rene Godsson Cumming	-	400 000
	-	700 000

Mnquma Local Municipality vs Rene Godsson Cumming Case No. 1638/19

The Municipality is suing the Respondent for unlawful & irregular contract of employment. The matter was heard by the opposed motion court on Thursday, 25 June 2020, and the judgment has been reserved. The case is still pending.

Mnquma Local Municipality vs Rene Godsson Cumming Case No. PR125/2019

Municipality is suing the Respondent for unlawful & irregular contract of employment. All parties have filed papers and an application for the date of the hearing has been forwarded. The case is still pending.

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48. Employee benefit obligations

Employee benefit obligation consists of the following:

Long service awards	13 899 000	12 901 000
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The Municipality has a defined benefit obligation in terms of the Long Service Awards. The defined benefit obligation is valued every year by independent qualified actuaries. The most recent valuations have been carried out by ZAQ Consultants and Actuaries:

Long service awards to eligible employees are paid for services rendered by employees of 5 years and longer in five-year intervals. The service awards are paid as per the municipality's policy which complies with the minimum thresholds per the collective agreement of 21 February 2011, signed by the Bargaining Council. The basis on which this was calculated is as follows:

- After 5 Continuous Years of Service - 2% of Basic Annual Salary and 5 days accumulative leave
- After 10 Continuous Years of Service - 3% of Basic Annual Salary and 10 days accumulative leave
- After 15 Continuous Years of Service - 4% of Basic Annual Salary and 15 days accumulative leave
- After 20 Continuous Years of Service - 5% of Basic Annual Salary and 15 days accumulative leave
- After 25 Continuous Years of Service - 6% of Basic Annual Salary and 15 days accumulative leave
- After 30 Continuous Years of Service - 6% of Basic Annual Salary and 15 days accumulative leave
- After 35 Continuous Years of Service - 6% of Basic Annual Salary and 15 days accumulative leave
- After 40 Continuous Years of Service - 6% of Basic Annual Salary and 15 days accumulative leave
- After 45 Continuous Years of Service - 6% of Basic Annual Salary and 15 days accumulative leave

Movement in the employee benefit obligation disclosed in the statement of financial position

Carrying value

Opening balance	12 901 000	12 588 000
Current service costs - Employee related costs	1 434 000	1 575 000
Actuarial interest - Finance costs	1 081 000	1 256 000
Benefit paid	(793 285)	(733 479)
Actuarial (Gains) Losses	(723 715)	(1 784 521)
	13 899 000	12 901 000
Non-current liabilities	(12 548 000)	(10 966 000)
Current liabilities	(1 351 000)	(1 935 000)
	(13 899 000)	(12 901 000)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	12 901 000	12 588 000
Benefits paid	(793 285)	(733 479)
Net expense recognised in the statement of financial performance	1 791 285	1 046 479
	13 899 000	12 901 000

The amount recognised in the statement of financial performance

Current service costs	1 434 000	1 575 000
Interest cost	1 081 000	1 256 000
Actuarial (gains) losses	(723 715)	(1 784 521)
	1 791 285	1 046 479

Mnquma Local Municipality

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48. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	8,78 %	8,45 %
Expected increase in salaries	6,25 %	6,25 %

The normal retirement age is 65 years and the SA85-90 mortality table was used.

Other assumptions

The basis on which the discount rate has been determined is as follows:

The discount rate has been determined by using the Conventional Bond Rate for each relevant time period and the (yield curve based) inflation linked Bond Rate for each relevant time period.

Withdrawal rates

Age band	Withdrawal rates males	Withdrawal rates females
20 - 24	16 %	24 %
25 - 29	12 %	18 %
30 - 34	10 %	15 %
34 - 39	8 %	10 %
40 - 44	6 %	6 %
45 - 49	4 %	4 %
50 - 54	2 %	2 %
55 - 59	1 %	1 %

We have illustrated the effect of higher and lower withdrawal rates by increasing and decreasing the withdrawal rates by 20%. The effect is as follows:

	-20% Withdrawal rate	Valuation assumption	+20% Withdrawal rate
Total accrued liability	14 733 000	13 899 000	13 146 000
Current service costs	1 520 000	1 420 000	1 330 000
Interest costs	1 555 000	1 460 000	1 375 000

We have tested the effect of a 1% p.a. change in the Normal Salary inflation assumption. The effect is as follows:

Normal salary inflation

	-1% Normal salary inflation	Valuation Assumption	+1% Normal salary inflation
Total accrued liability	13 063 000	13 899 000	14 819 000
Current service costs	1 329 000	1 420 000	1 520 000
Interest costs	1 366 000	1 460 000	1 564 000
	15 758 000	16 779 000	17 903 000

Mnquma Local Municipality

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2021

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49. Budget differences

Material differences between budget and actual amounts

Rental of facilities

The excess of actual revenue over the final budget was due to an increase in the number of new tenants taking up municipal flats.

Interest on outstanding debtors

The excess of actual revenue over final budget was due to the impact of COVID 19 which caused debtors to default on debt.

Income from agency fees and Licenses & permits

The deficit of actual revenue to the final budget was due to the impact of COVID 19 which caused closure of the municipal licensing section during the lockdown.

Other income

The deficit of actual revenue to the final budget was due to the impact of COVID 19 which caused closure of cashiers office during the lockdown.

Public contributions and donations

Municipality did not foresee the donation of assets from the Department of Sports, Recreation, Arts & Culture.

Traffic fines

The deficit of actual revenue to the final budget was due to COVID 19 which restricted travel interprovincially.

Depreciation and amortisation

The excess of actual expenditure over the final budget was due to the unforeseen capitalisation of computer expenses.

Debt impairment

The excess of actual expenditure over the final budget was due to write-off of bad debt.

General expenses

The deficit of actual expenditure to the final budget was due to the impact of COVID 19 with municipal employees working from home.

VAT receivable

The deficit of the actual asset to the final budget was due to impact of COVID 19 which caused closure of the municipal offices during lockdown and employees working from home.

Cash and cash equivalents

The excess of the actual asset to the final budget was due to additional funding received from National Treasury due to the municipality fully utilising the MIG in the 2020 financial year.

Intangible assets

The excess of the actual assets to the final budget was due to the unforeseen capitalisation of computer expenses.

