

2021/2022

AUDITED 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 Local Municipality Council and officials, I hereby present this Annual Report for the financial Year 2021/2022. This report outlines performance on the targets set for the period under review. The report will give Mquma Municipality 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 we have are the different legitimate expectations of our constituency.

Our specific mandate is drawn from the public participation initiatives we embark upon in drafting the Integrated Development Plan, which is our guiding document in our performance. Our mandate is based on servicing communities wherever they live. The current Annual Report outlines successes and shortcomings in relation to the 5 Local Government Key Performance area namely:

- Basic Service Delivery and Infrastructure Development;
- Municipal Transformation and Intuition Development;
- Local Economic Development;
- Municipal Financial Viability and Management; and
- Good Governance and Public Participation.

As guided by the community needs and priorities sourced during the drafting of the Integrated Development, our focus has been mainly on infrastructural and local economic development programmes. The municipality has in the year under review managed to achieve the following:

- Construction of 34.5 kms of the municipal access roads;
- Surfacing of CBD internal streets;
- Construction of township streets (Vuli Valley Main road, Msobomvu Main Road, Zizamele and Ibika Internal Streets);
- Completion of the Cuba Community Hall;
- Completion of Rhwantsana Outdoor Sport facility;
- Connection of 234 households into grid electrification

These are some of projects that are 100 percent complete as per the 2021/2022 financial year. It is important to note that these can never be successful on their own, it becomes important that as a collective, Councillors and Officials, work together in identifying the challenges raised in the annual report and rectify them as soon as possible. Having said that, it is equally important to note that there are a few specific areas that were not complete due to the PPPFA 2017 Circular issued by the Department of National Treasury in February 2022 which affected all government entities in the country. Mquma Local Municipality was also affected by floods which reversed the progress we have made since last financial year. Our commitment to service delivery has been limited by the fact that we do not have enough resources to achieve all of the community needs and priorities.

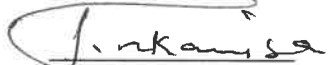
In the year under review, we introduced 50% rates rebate on historical debt in order to encourage debtors to settle or make arrangements towards their debts. This initiative proved to be effective and boasted a major boost to the municipality’s revenue generation.

The Council rallies behind and support the officials as led by the Municipal Manager to obtain a clean audit through ensuring oversight on municipal functions, ensure functioning of the assurance providers (Audit and Risk Management Committees), ensuring policies are approved for implementation by administration and that there is consequence management on irregularities.

2021/2022 financial year has been nothing but a great milestone in turning around our Municipality which is engulfed by a scourge of Gender based Violence and Femicide attack on Women and Children which has been declared by the President as a

pandemic which is facing our Country. Mquma Local Municipality through my Office as the Executive Mayor has set a committee which is inclusive of stakeholders that are relevant to take responsibility in ensuring that we fight this pandemic and we do all what is necessary at our disposal and become victorious to this pandemic as to create a conducive environment for our people.

Kind regards



T. MANXILA-NKAMISA
EXECUTIVE MAYOR

COMPONENT B: MUNICIPAL MANAGER'S FOREWORD

The Annual Report for the 2021/2022 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 2021/2022.

The 2021/2022 financial year had its share of challenges which are but not limited to the following: halting of procurement for implementation of the Service Delivery and Budget Implementation Plan which was caused by the challenge of the Preferential Procurement Policy Framework Act (PPPFA) as well as the recent floods that damaged the road network in our area. These challenges attributed to the overall institutional performance of **88%** for the financial year which was below the overall performance in the previous year which was **94%**.

The financial year was not all gloomy as the municipality managed to complete various infrastructural and local economic development projects in including the Butterworth Driving License Testing Centre, Mquma Tourism Centre and the Ngqamakwe Taxi Rank. 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 the 2021/2022 MIG allocation which was R66, 145 Million. All projects for 2021/22 FY were appointed by July 2021. The MLM achieved the legislated expenditure target of **40%** by December 2021. As at end March 2022, **78%** expenditure was achieved against original allocation of **R66 145 000** and **100%** expenditure against the approved Rollover amount of **R4 668 632.02** was achieved. The grant funding was utilised for construction of access roads and municipal infrastructure facilities.

Key to the municipality's focal areas for 2021/2022 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 2021/2022 financial year, the municipality's collection rate on services as at 30 June 2022 was 79%.

The municipality is continuously striving to unlock the economic potential through the implementation of the following programs:

- Ndabakazi mall Development;
- Bhungeni Mall Development;
- Ibika Commercial Development Phase 2;
- Ngqamakwe Development
- Procurement of tractors, equipment and inputs to assist emerging farmers.

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.

The municipality's milestones achieved in 2021/2022 would have been possible without the support of the political leadership and the stability that has been maintained in the year under review.



S. MAHLASELE
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 47 050 1101 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

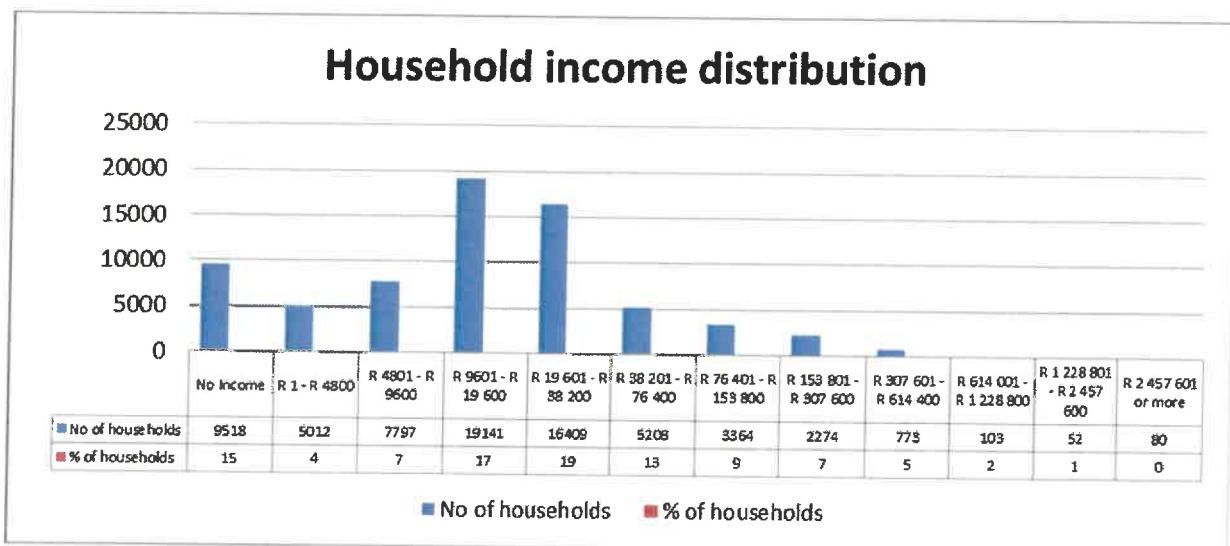
Population decrease has been caused by various reasons which among others include outward migration to bigger cities. According the census 2011, Mnquma Local Municipality's total number of households is 69 732, there is an increase of just over 3000 households compared to 2001 census which was 66285.

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

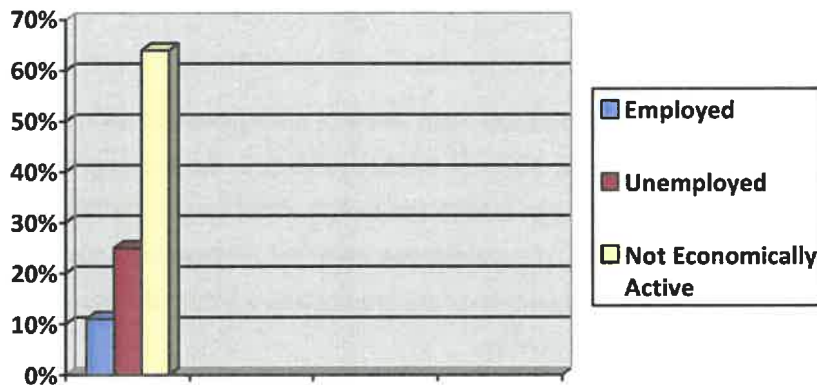
On comparison of the 2001 and 2011 census results, there is a significant improvement on the percentage of households with no income as it has gone down from 40% to 15%, while the number of households who depend on social grants has dropped from 27% to 4%.

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

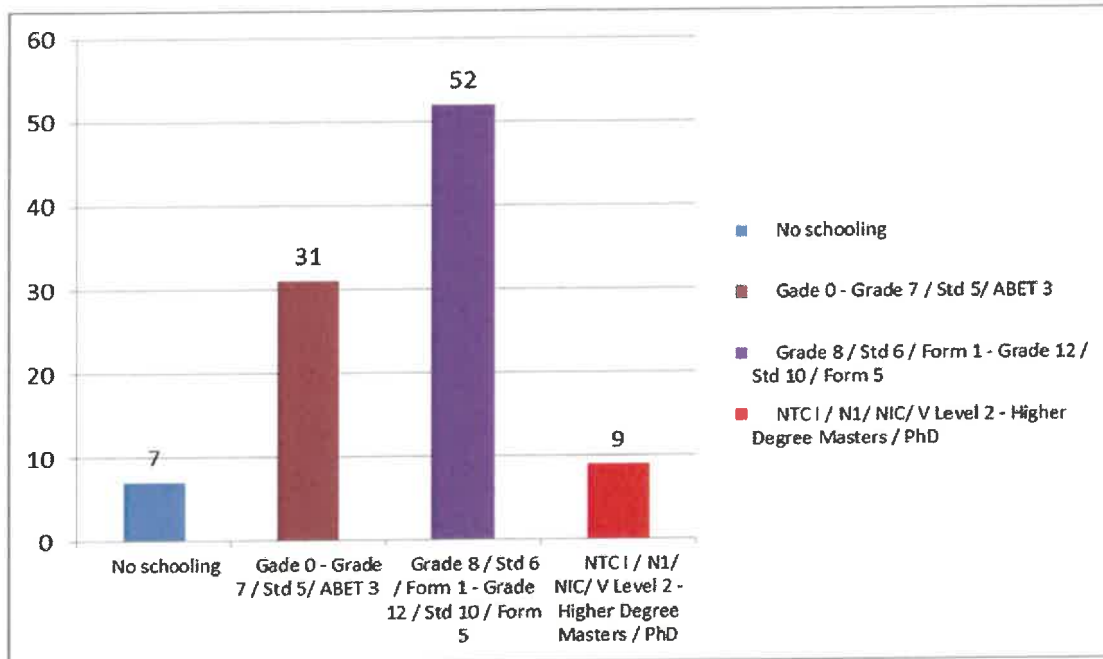
EMPLOYMENT STATUS	2001 CENSUS	2011 CENSUS
Employed	13%	16.7%
Unemployed	21%	13.3%
Not economically active	66%	70%

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
Ngqamakhwe 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. Mngquma 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 6 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:

- 2022/2027 Integrated Development Plan
- 2022/2025 MTREF Budget
- 2022/2023 Service Delivery and Budget Implementation Plan
- Strategies, Policies and Sector Plans
- 2020/2021 Audit Action Plan to address audit queries as raised by AG
- 2022/2023 Institutional Calendar

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The five year IDP for 2022/2027 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 (2021/2022)

EXECUTIVE MAYOR

Cllr S Ncetezo (July 2021 to October 2021)

Cllr T Manxila-Nkamisa (November 2021-June 2022)

SPEAKER

Cllr T Bikitsha (July 2021 to October 2021)

Cllr Z M Mngqwazi (November 2021-June 2022)

CHIEF WHIP

Cllr Z Gade (July 2021 to October 2021)

Cllr S Ncetezo (November 2021-June 2022)

MAYORAL COMMITTEE MEMBERS

Portfolio Head: Infrastructural Development

Cllr R N Tshona (July 2021 to October 2021)

Cllr M Qaba (November 2021-June 2022)

Portfolio Head: Community Services

Cllr N Plaatjie (July 2021 to October 2021)

Cllr N Layiti (November 2021-June 2022)

Portfolio Head: Local Economic Development and Planning

Cllr X Pupuma (July 2021 to October 2021)

Cllr T Bikitsha (November 2021-June 2022)

Portfolio Head: Strategic Management

Cllr T Nkamisa (July 2021 to October 2021)

Cllr S Matutu (November 2021-June 2022)

Portfolio Head: Corporate Services

Cllr N Layiti (July 2021 to October 2021)

Cllr L Mgandela (November 2021-June 2022)

Portfolio Head: Budget and Treasury Office

Cllr L Mgandela (July 2021 to October 2021)

Cllr X I Pupuma (November 2021-June 2022)

Portfolio Head: Communications

Cllr S Matutu (July 2021 – October 2021)

Portfolio Head: Water and Sanitation

Cllr T P Ntanga (July 2021 – October 2021)

Portfolio Head: Land and Housing

Cllr N Sheleni (July 2021 – October 2021)

Portfolio Head: Special Programmes Unit

Cllr N Thandaphi (July 2021 – October 2021)

COUNCILLORS

Mnquma Municipal Council is composed of 63 Councillors with 32 Ward Councillors and 31 Proportional Representatives. Appendix A of this document outlines their political parties and various committees that the councillors serve in.

2.2 ADMINISTRATIVE GOVERNANCE

The Administrative Governance of the municipality has been fully fledged during 2021/2022 financial year.

TOP ADMINISTRATIVE STRUCTURE	Function
MUNICIPAL MANAGER- Mr Silumko Mahlasela	Responsible for: 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

TOP ADMINISTRATIVE STRUCTURE	Function
<p>DIRECTOR: Corporate Services- Mr Sipiwo Caga</p>	<p>Responsible for:</p> <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
<p>DIRECTOR: Community Services- Mr Makhaya Kibi</p>	<p>Responsible for</p> <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

TOP ADMINISTRATIVE STRUCTURE	Function
	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.
DIRECTOR: Infrastructural Development- Ms Zukiswa Ntile (July 2021- December 2021) Mr Bangikhaya Nohesi (April 2022-June 2022)	Responsible for 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
DIRECTOR: Local Economic Development and Planning- Mr Mongi Dilika	Responsible for 1. Investment Promotion and Marketing of Local Economic Development 2. Development, implementation and review of the Local Economic Development Strategy, policies and procedures 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
Chief Financial Officer- Mr Mzusekho Matomane	Responsible for 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 sat in 2021/2022 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 2021/2022 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 14 June 2022
- District Mayor's Forum was held on the 06 November 2021

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 2021/2022 financial year. The strategy guides functioning of Ward Committees, reporting and interface between Ward Committee and Council. In the year under review, new Ward Committees were elected in all the wards. 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, 2021/2022 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 2021/2022 financial year.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Councillors	Number of Participating Administrators	Number of Community members	Issues addressed	Manner of feedback given to community
Virtual and physical IDP, PMS & Budget Representative Forum Meetings	19-08-2021 28-03-2022	All	20	308	Implementation of projects on the IDP. Revenue collection and budget processes	IDP, Budget Processes and Performance Reports
IDP, PMS and Budget Roadshows	06-04-2022 07-04-2022 08-04-2022	20	28	157	Draft 2022/2027 Reviewed IDP and 2022/2025 MTREF Budget	In May 2022 Final IDP for 2022/2027 and 2022/2025 MTREF Budget were approved by Council.
Mayoral Imbizos	23-09-2021 20-01-2022 18-03-2022 26-05-2022	19	8	624	Service delivery issues	Service Delivery issues & engagement between Mayor & Communities.

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:

- 2020/2021 Annual Performance
- 2020/2021 Fourth Quarter Performance Review
- 2021/2022 First to Third Quarter Performance Review
- Supply Chain Management
- Revenue and Debt Management
- Compliance and Good Governance
- Follow up on 2020/2021 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 7 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	Inadequate Cyber Security	<ol style="list-style-type: none"> Follow up with Supply Chain Management Division on the procurement progress of the Cyber Security Training for the ICT officials Monitor the firewall logs to detect any suspicious logs Implement the new projects with the appointed Service Providers 	<ol style="list-style-type: none"> Firewall logs are monitored daily to detect any suspicious loss Disaster Recovery and Backup management system on installation phases 	<ol style="list-style-type: none"> Lack of expertise in cyber management. Poor knowledge of cyber threats caused by limited user awareness programs. Lack of effective back-up management system. Moratorium by National Treasury that halted the procurement processes 	<ol style="list-style-type: none"> Source Cyber Security trainings for the ICT Officials annually Conduct Quarterly cyber security awareness programmes Install and monitor patch management system Procure and install bring your own device security monitoring tool Install and monitor back up management system
2	Water Scarcity	<ol style="list-style-type: none"> Facilitate the desilting of the Gcuwa Dam Engage the District Municipality to ensure regular supply of water Monitor the continuous carting of water 	<p>1. Gcuwa West Regional: Completed in (Ward 8 Zazulwana-B & Lalini/Mgagasi), (Ward 18 eMantonzeleni & Mantonzeleni) and (Ward 20 Mpeitha & Lusuthu) but have challenge with the water sources (boreholes) and illegal connections in Ward 7 & 8. Service provider appointed through session to drill borehole at Zazulwana Area.</p> <p>Ngqamakhwe Regional Water Supply Phase (1 - 4): Completing the following villages in Ward 13 (Mtabeni/eMaphiko, California/Madopholweni, Sokapasi, kwaMpundu) and Ward 14 (Qebeyi, Nqakeni, kwaZazela, eNqileni, Mgobozweni, Nofikile, Mauodla/Magodla, eGxakhuu). Also to appoint a Contractor to complete Ward 18 (eZiflathini & Nitbane) which a Contractor was terminated due to poor performance.</p> <p>Ibika-Centani Water Supply Phase 3: Completing the current contract in Mbhashe Ward 11 (Manyontolweni & Nkonkwane) and Ward 23 (Qolweni & Hopane), expected practical completion date is 28th February 2022 and equipping Nkanga Spring with the assistance of MISA, project completed October 2021.</p>	<ol style="list-style-type: none"> Climate Change Drought 	<ol style="list-style-type: none"> Follow up on the implementation of the Water projects

No.	Risk Description	Mitigation Strategies	Progress to Date	Challenges	Proposed Solutions
3	Non-compliance with applicable legislations	<ol style="list-style-type: none"> 1. Monitor the progress of legal cases and performance of the appointed panel of attorneys. 2. Monitor the implementation of the legal compliance checklist. 	<ol style="list-style-type: none"> 1. Meetings have been held with each appointed firm to get progress on their allocated cases. 2. All directorates are now responsible to ensure compliance with all laws and regulations pertaining to their functions. There have been no instances of non-compliance have been identified 	Inadequate implementation of the laws and regulations	<ol style="list-style-type: none"> 1. Monitor the progress of legal cases and performance of the appointed panel of attorneys. 2. Monitor the implementation of the legal compliance checklist.
4	Ineffective implementation of the SPLUM by-law	<ol style="list-style-type: none"> 1. Enhance quarterly engagements of relevant stakeholders (Inter-Governmental Land Forum). 2. Demarcate Municipal Land 3. Form collaboration between Community Services, LED and Legal Services to address land invasions 	<ol style="list-style-type: none"> 1. The IGLF meeting have been convened each quarter of 2021-2022 financial year to address land challenges 2. The specifications for the sign board to demarcate land has been developed for advert 3. A collaboration between Community Services, LED and Legal Services to address land invasions takes place as and when there is a case of land invasion 	Land invasions	<ol style="list-style-type: none"> 1. Enhance quarterly engagements of relevant stakeholders (Inter-Governmental Land Forum). 2. Demarcate Municipal Land 3. Form collaboration between Community Services, LED and Legal Services to address land invasions
5	Liquidity Risk	<ol style="list-style-type: none"> 1. Implement the incentive scheme and conduct continuous engagements with municipal customers for the payment of municipal accounts 2. Update the Indigent register. 	<ol style="list-style-type: none"> 1. The incentive scheme is still in process there are continuous engagements with the consumers 2. Indigent Register is updated on a monthly basis by reconcile the municipality's with Eskom's one. 3. Billing is performed monthly and account are distributed to the customers by the EPWP worker and via emails 	<ol style="list-style-type: none"> 1. Grant reliance 2. Increased unemployment rate 3. Low revenue collection 	<ol style="list-style-type: none"> 1. Implement the incentive scheme and conduct continuous engagements with municipal customers for the payment of municipal accounts 2. Update the Indigent register. 3. Perform monthly billing.

No.	Risk Description	Mitigation Strategies	Progress to Date	Challenges	Proposed Solutions
6	Ineffective records management	<p>3. Perform monthly billing.</p> <p>4. Paying creditors within 30 days</p> <p>1. Institutional implementation of the file plan.</p> <p>2. Follow up with Supply Chain Management on the appointment of the Service Provider to supply material for the refurbishment of the identified records archiving site.</p> <p>3. Quarterly workshops on records</p>	<p>1. The file plan and indexing are implemented on the files that are currently at the central registry.</p> <p>2. The refurbishment of the archiving site is in progress</p>	<p>1. Use of manual records management system.</p> <p>2. Identified central filing site not yet in use.</p> <p>3. Ineffective implementation of the records management policy.</p>	<p>4. Paying creditors within 30 days</p> <p>1. Institutional implementation of the file plan.</p> <p>2. Follow up with Supply Chain Management on the appointment of the Service Provider to supply material for the refurbishment of the identified records archiving site.</p> <p>3. Quarterly workshops on records</p>
7	Political Instability	<p>Active monitoring of organisational discipline, monthly.</p>	<p>The organizational discipline is monitored by ensuring adherence to the Code of Conduct by employees.</p> <p>Employees who have been found to be in contravention to the Code of Conduct have been subjected to the disciplinary processes</p>	<p>1. Changes in political leadership.</p> <p>2. Political and administrative dichotomy</p>	<p>Active monitoring of organisational discipline, monthly.</p>

2.6.3 Fraud and Corruption: Anti-Fraud and Corruption policy was reviewed and adopted by Council in 2021/2022 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 Municipal Public Accounts Committee: The MPAC is composed of 12 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

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

- 2020/2021 Annual Report
- 2020/2021 Annual Financial Statements
- 2021/2022 In-year Reports
- Development of 2022/2023 MPAC work plans and Terms of Reference

2.6.5 Policy Environment: The municipality reviewed One hundred and two (102) Policies which were approved by Council in May 2022.

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	
2021/2022 1 st Adjustment Budget	Yes	30 September 2021
2021-2022 2 nd Adjustment Budget	Yes	28 April 2022
2020/2021 Audited Financial Statement		
Draft Budget (2022/2023)	Yes	28 April 2022
Final Budget (2022/2023)	Yes	06 June 2022
Draft Tariff structure (2021/2022)	No	
Tariff structure (2021/2022)	No	
All current budget-related policies: Property rates Supply Chain Management	Yes	23 August 2021
The previous annual report (Year 2020/20201)		
2021/2022 Oversight report	Yes	29 January 2022
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2020/2021) and resulting scorecards	Yes	05 August 2021
All long-term borrowing contracts (2021/2022): Long Term Contracts	No	

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
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	No	2 August 2021
By-Laws	No	
2021/2022 IDP/PMS & Budget Process Plan		02 September 2021
2021/2022 Final IDP	Yes	26 June 2021

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 Mnquma Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mnquma Local Municipality set out on pages ...to ... , which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mnquma Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. 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 for the audit of the financial statements

10. 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.
11. 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

Introduction and scope

12. 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 development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. 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.

14. 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 development priority presented in the municipality's annual performance report for the year ended 30 June 2022:

Development priority	Pages in the annual performance report
KPA 2 — basic service delivery and infrastructure development	

15. 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.
16. I did not identify material findings on the usefulness and reliability of the performance information of the selected development priority.

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages to ... for information on the achievement of planned targets for the year and management's explanations provided for the under and over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

19. 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.
20. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other Information

21. 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 development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
22. 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.
23. 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 development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
24. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report on that fact. I have nothing to report in this regard

Internal control deficiencies

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

Auditor - General

East London

30 November 2022



AUDITOR GENERAL
SOUTH AFRICA

Annexure- Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the 'SAS, 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 Mquma 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	
16	Council adopts Oversight report	December
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 2022/2023 financial year for development of the IDP for 2022/2027 and 2022/2025 Budget. 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 2021/2022 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 municipal roads in line with three-year capital plan for improved accessibility of road infrastructure by June 2027.
- To provide grid electrification through connection of households in line with three-year capital plan by June 2027
- To render solid waste and environmental management programmes in order to promote health and well being of communities by June 2027
- To provide support to indigent beneficiaries in line with the indigent policy by June 2027
- To expand agricultural potential through implementation of programmes and initiatives for sustainable rural development by June 2027

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 Mquma 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)
- **Mnquma 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
Gcina-Singeni Access Road	Complete	3.3
Emalongweni to Siphahleni Access Road	Complete	7
Rhaladiya to Jingqi Access Road	Complete	8.59
Construct 100% of Fihlani Access Road	Complete	7,29
Construct 100% of Masizakhe to Nzanzana access road (8,32 km) by June 2022	Complete	8,32
SURFACED ROADS/PROJECTS		
Project Name	Project Status	Number of KM
Rehabilitate 100 % of Msobomvu main Road	Complete	1,98
Construct 100% of Zizamele internal streets (gravel)	Complete	11.097
Construct 100% of Ibika internal streets (gravel)	Complete	4.67
Paving of Vulli-Valley main road	Complete	2
Construct 100% of Centane gravel Internal streets (ext. 5)	Complete	7
Upgrade 80% of Ngqamakwe internal streets	Complete	2.6
Rehabilitate 50% of Ext 6 Ring Road	Complete	1.9
Pave 100% Paving of sidewalks along king street and at Blyth Municipal Offices	Complete	1785 m ²

Project Name	Project Status	Number of KM
Repair 100% Tar Surface Repairs and Asphalt Overlay at Sauer, Bell and King Streets	Complete	14100 m ²
Repair 100% Tar Surface Repairs & Asphalt Overlay at Blyth and King Street link roads	Complete	9510 m ²
Repair 100% Tar Surface Repairs & Asphalt Overlay at Academy, Blyth; Stanford; Robinson & Daly Street	Complete	9510 m ²

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	STORMWATER CROSSING
27.2 KM	800km	2000 Square Meters	800 square meters

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 234 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. 20 High Mast lights, 532 Street Lights and 4 sets of traffic lights were assessed and maintained in the year under review.

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. The municipality has experienced vandalism of electrical infrastructure due to lawlessness by the communities. The municipality appointed a contractor for installation of 20 LED Lights however its contract was terminated in the second quarter due to poor performance.

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 project for 205 beneficiaries for disaster housing is current being implemented.

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 fifty-four (54) building plans were submitted for approval and thirty-four (34) were approved, eleven (11) still pending and nine (9) have got queries. Eight (8) notices for illegal structures & encroachment and six (6) 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	2021/2022 FY Allocation	Progress and Villages covered
Ibika–Centani Water Supply Phase 3	10 000 000	Completing the current contract in Mbhashe Ward 11 (Manyontolweni & Nkonkwane) and Ward 23 (Qolweni & Hopane), expected practical completion date is 28 th February 2022 and equipping Nkanga Spring with the assistance of MISA, project completed October 2021. Mbhashe Ward 11 (eMndwaxa, kwaNjana); Ward 25

Project Name	2021/2022 FY Allocation	Progress and Villages covered
		(eNgqaqeni, kuLomiza, kuTanyanga, Mabala, Mamfenesi, Mente, Mhlahlane, Mngxokweni, Mthonjeni, Mtshayelweni, Nkanga, Ntsonyane & Qombe), procurement delayed due water source challenges to supply these villages.
Gcuwa West Regional Water Supply	4 000 000	Completed in (Ward 8 Zazulwana-B & Lalini/Mgagasi), (Ward 18 eMantonzeleni & Mantonzeleni) and (Ward 20 Mpetha & Lusuthu) but have challenge with the water sources (boreholes) and illegal connections in Ward 7 & 8. Service provider appointed through cession to drill borehole at Zazulwana Area
Nxaxo & Cebe Water Supply Scheme Phase 2	11 846 602	Contractor completing the reservoir that will supply Ward 26 & 27 Villages (Mcothama / Esibhaxeni / Mbuwana / Ngqokweni / Malonye / Gaxa/Mandlutsha, Nxaxo / Eluqolo / Godidi, Zingcuka / Klemeni / Gwelani / Bhakaneni) and Komkhulu. Poor performance by the Contractor. Phase 2 villages, Ward 25 (Ndolo, eBhakaneni, Mndundu); Ward 26 (Nxaxo, Nkunkwana, kwaNontshinga) and Ward 27 (Lusizi, kwaZibunu, Mampondweni, Kabakazi), Due to termination of every green Consultants, still to procure the PSP and Contractor.
Ngqamakhwe Regional Water Supply Phase (1 - 4)	9 384 684	Completing the following villages in Ward 13 (Mtabeni/eMaphiko, California/eMadopholweni, Sokapasi, kwaMpundu) and Ward 14 (Qebeyi, Nqakeni, kwaZazela, eNqileni, Mgobozweni, Nofikile, Mauodla/Magodla, eGxakhulu). Also to appoint a Contractor to complete Ward 18 (eZiflathini & Ntibane) which a Contractor was terminated due to poor performance. Ward 13 (Mtabeni/eMaphiko, California/eMadopholweni, Sokapasi, kwaMpundu) and Ward 14 (Qebeyi, Nqakeni, kwaZazela, eNqileni, Mgobozweni, Nofikile, Mauodla/Magodla, eGxakhulu), Due to termination of every green Consultants, still to appoint a PSP and Contractor but having challenges with water source.
Mnquma Region 3 Sanitation Project	-	Project completed in terms of budgeted households and new additional houses in Ward 16 & 18.
Zizamele Sewerage Reticulation Phase 2	10 000 000	Waterborne sewer reticulation in Ward 5, Zizamele Township. Project under construction, appointed the Contractor in September 2021.

Project Name	2021/2022 FY Allocation	Progress and Villages covered
Centane Phase 4 Water Supply	1 936 118	Ward 28 (Khantolo-koMkhulu/Phesheya/koMthanina/Nqorho/Gugwini/Mpolweni) & Ward 30 (Machelesini, Ngede-Nyuturha, Pandera/Makeleni/Zizana & Nxokwana-Mpentas/Mbalashe/Mahlababomvu/Amawala). Due to termination of every green Consultants, still to procure the PSP and Contractor
Bawa Falls Water Supply	-	Ward 10 villages (Magogogo, kwaMtinstilana/koMkhulu, kwaNcityane, eJojweni, eManxiweni, Farm/Zangwa, Lalini/Bawa, Bokhwe, kuNqambeli, Mqambeli). Project delayed due to the challenges with water source availability.
Cafutweni Water Supply Scheme (Revised Scope)	7 492 709	Ward 22 (Lower Qhorha, Qhorha, Gqukiseni & Mambala). Appointed the Contractor in September 2021, project on hold due to court order.
Crouch's Bush Water Supply Phase 3	1 000 000	Ward 29, 30 & 31 – Scheme to be upgraded to RDP Standard and commissioned. Busy with the procurement of Consultant.
Ngqamakhwe Ward 17&19 Sanitation Project	-	Project completed in terms of budgeted households and new additional houses in Ward 17 & 19 (Infilled areas).
Mnquma Region 1A Sanitation Project	4 015 427	Completing additional households in Ward 6, 7, 9, 10, 12 & 21 (Infilled areas).
Mnquma Area Wide Sanitation Region 2 Phase 2	28 746 147	Completing additional households in Ward 5, 23, 24, & 25 (Infilled areas).
Mnquma Area Wide Sanitation Region 2B Phase 2	10 060 737	Completing additional households in Ward 8, 12, 13, & 15 (Infilled areas).
Centane Sanitation Project: Phase 2	36 715 155	To complete additional households in Ward 27, 28, 29, 30 and 31.
Qolora by the Sea Water Scheme Upgrade	-	Project covers Qolora villages.
Repairs and Refurbishment of Water Infrastructure: Mnquma	3 000 000	Planning Stage
Ngqamakhwe RWS Phase 5: Bulk Pipeline from Tsomo to Butterworth	62 715 000	ADM appointed DWS Construction Unit to construct Phase 5A of the bulk pipeline (from Tsomo WTW's to Ngqamakhwe – Pump station, 17.6km rising main of 700dia steel pipeline & 15ML Reservoir). Construction started in February 2021 with site establishment. 30 months' contract to be completed in September 2023. Project delayed due to procurement, hard rock

Project Name	2021/2022 FY Allocation	Progress and Villages covered
		encountered in the PumpStation and Reservoir site and also the steel pipe manufacture.
RHIG - Ward 11 & 14 Sanitation	3 500 000	200 Units to be done - (Mahlubini, Maza, and Zingqandana Villages) .

- ADM is currently finalising the Teko Kona / Ibika drought augmentation project
- Re-equipping of high yield boreholes at Golf Course in Butterworth – after they were stolen.
- Amatola Water has been assisting ADM with the refurbishment of pipelines and pumpstations 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 six (6) solid waste service providers 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, Coloured-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 has placed Refuse Skips in areas where illegal dumping is predominant and congested areas where access by truck is limited. The municipality utilises 2 medium trucks, 3 compactor truck, 1 Skip-loader truck and 2 LDV 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 through Service Level Agreement entered into with ADM.

Recycling Services

Recycling is done by two (2) Recyclers operating in Butterworth CBD collecting cardboard boxes from Supermarkets. Informal recycling also takes place at the Regional Waste site by Community Based Co-operatives. These co-operatives need capacity building and access to market for their sustainability.

Challenges and remedial actions

CHALLENGE	REMEDIAL ACTION
Illegal Dumping	Hiring of Dozer 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 One (1) environmental education and awareness campaigns. Abor Day was done in Ngqamakwe wherein Ten (10) trees were planted.

In its endeavour to improve aesthetical appearance of the environment within the residential areas of Butterworth, the municipality in the year under review embarked on illegal dumping removals on the following areas:

- Msobomvu Edolweni

- Next to King Hintsa TVET College
- Msobomvu Clinic
- Vulindlela JSS
- Next Lappa Park in Cuba
- Mcubakazi next to Gxabashe
- TJ Junction
- Opposite Roma Park
- Zinkukwini in Mcubakazi
- Ngqamakwe CBD (Main Road).
- Butterworth CBD Grubb Street and Stanford Street
- Extension 6 on route to Gcuwa Dam and Four way stop: King and Ries Streets

Coastal Maintenance

Application for Coastal maintenance was approved by the Department of Environmental Affairs for coast cleaning, sand dunes rehabilitation, installation of signage, maintenance of existing structures and construction of ablution facilities. The service provider will be appointed in 2022/2023 financial year. 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. In Butterworth hospital revonations were done where an extra medical ward was constructed converting old nurses home. Furthermore Oxygen supply was boosted by installing a big afrox tank.

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 linspection; 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, business licence compliance was monitored in the year under review through visits that were done.

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

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

- Traffic Awareness and Education = 6 conducted
- Traffic Operations = 21 conducted
- Issuing of Learners Licenses = 1256 issued
- Renewal of Driver's Licenses = 4259 renewed
- Issuing of Professional Driving Permit = 881

The table below depicts the revenue collected through Traffic Fines and Agency fees:

Item	Amount
Registration and Licencing of Motor Vehicles	R3 092 954.22
Traffic Fines	R852 760.00
Examination of Learners Licence	R218 196.00
Renewals of Driving Licences	R721 152.00
PRDP	R95 149.00

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 15 Community Halls; 5 Parks; 7 Sports fields; 1 Garden, 5 Cemeteries and 4 Public Toilets.

SERVICE STATISTICS FOR PUBLIC AMENITIES

NAME OF FACILITY	NO	STATUS
Parks	5	Maintained
Sport fields	8	Maintained
Community halls	15	Maintained- Msobomvu and Butterworth Town Hall are under renovation
Cemeteries	5	2 reached capacity but maintained on regular basis 3 operational and maintained regularly
Public Toilets	4	Maintained
Gardens	1	Maintained
TOTAL	38	

In the year under review, the municipality has not completed construction of Thongwana Outdoor Sport Facility, as at year end the project was at 82.57%.

The municipality constructed an animal pound in the year under review and the only outstanding work are parking bays.

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.

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 244 benefitted from rates and refuse. A total of R2 881 169.76 was spent towards subsidizing indigent households with free basic electricity. 2022 households have been approved for Solar system installation in the year under review. The indigent register for 2021/2022 has been updated with 5 537 beneficiaries.

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 2021/2022 the municipality has created 1378 job opportunities under the following programmes:

PROGRAMME	NO. OF JOBS CREATED
Expanded Public Works	149
Community Works Programme	1063
Solid Waste Co-operatives	127
Road Rangers	39

3.2.1 Small Enterprise 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 1 emerging farmer
- Procurement of two tractors
- Establishment of Community Forest trust

3.2.2 Tourism, Hospitality and Heritage

Four tourism programmes were implemented in the year under review to market Mquma as preferred tourism destination. Five Heritage Sites (Bowling Green Monument, Tiyo Soga Grave, Bawa Fall, Battle of Umsintsana and WK Tamsanqa grave) were maintained 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.

3.2.3 SMME, Manufacturing and Retail

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

- Four (4) Capacity building programmes on Financial Management, Basic Business Skills, Co-operative Amendment Act and Tendering Advice
- Procurement of inputs for two (2) SMME's/Co-operatives
- Conducted Market Day

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 High Impact Projects
- Development of Business Plans for High Impact Projects
- Development of Building plans for High Impact Projects

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 poultry inputs to 4 Women Initiatives was conducted. the following Coops were supported Sukumanathi Coop, Zanoncedo Coop, - Siyavuka Women's Project, Umzam'omhle Agricultural Project
- Awareness Campaigns on Gender Based Violence and Femicide were conducted in partnership with Women's Forum and External Stakeholders.
- Children's Month Awareness Campaign through provision of inputs to 2 Children's Homes (Siyakhana Child & Youth Centre and Patricia Noah Drop-off Centre in Centane)
- Back to Campaign which benefited 158 disadvantaged learners with full school uniform was conducted at
- Build-ups programmes towards World Aids Day
- Awareness campaigns on HIV/AIDS and other Social Ills affecting youth were conducted
- Candlelight Memorial ceremony in commemoration of people who died of HIV/AIDS and provide support to those infected was also conducted at Nomaheya in Nqamakwe

- Elderly Month programme was celebrated in a form of a Christmas Party with Elderly people representing all the wards of Mnquma Local Municipality and attendees were gifted with municipal branded gowns
- Disability Month was celebrated through provision of educational material Zingisa Training Centre which caters for children living with disabilities.
- Tiyeka Disability cooperatives towards their agricultural project.
- Youth Month was celebrated through support with fencing material to Ulutsha Iwendalo and Poultry, Feed and Medication to Sakha Ikusasa Lethu Youth Cooperatives was also done.
- The municipality partnered with National Youth Developmental Agency and coordinated Four (4) Business Management Trainings for Youth in business.

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

- Trainings
- Awareness Campaigns

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 Twenty-Four (24) land use applications which are as follows:

- 1 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 parking bays for ERF 3638 Butterworth
- 1 Special consent application
- 2 Town planning motivation Report for the subdivision & Rezoning in 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 Zazulwana in Butterworth.
- 6 Proposed rezoning applications
- 12 Exemption Applications

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
	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Planning application received	2	2	4	5	3	24
Determination made in year of receipt	2	2	4	4	3	23
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	1

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)
T Manxila-Nkamisa	Executive Mayor	Full time
Z M Mnqwazi	Council Speaker	Full Time
S Ncetezo	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 and Debt Management;
- Budget Planning, Monitoring and Financial Reporting
- Supply Chain Management;
- Expenditure and Payroll Management; and
- Assets, Logistics and Fleet Management;

3.4.1 Revenue and Debt Management

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

- o Property rates policy
- o Indigent policy
- o Credit control and debt management policy
- o 2021/2022 Tariff Structure

The municipality has billed a total of R 79 657 139 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 R160 million debt owed by the following:
 - Government Departments R 37 million
 - Businesses R 29 million
 - Households R 93 million

Debt Recovery					
Details of the types of account raised and recovered	Year:2020/2021		Year: 2021/2022		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
Property Rates	19 571 000	30%	68 865 000	45 587 000	66%
Refuse	1 387 000	25%	5 467 000	1 353 000	25%
Rental	761 000	17%	5 325 000	710 000	13%

3.4.2 Budget Planning and Financial Reporting

In line with the legislative mandate, 2021/2024 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 2022.

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 59 litigations including others flowing from other previous financial years as follows:

Reported cases	: Twenty-nine (29)
Dismissed and Settled Cases	: None (0)
Pending cases	: Twenty-nine (29)

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 2022/2023 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 2021/2022 financial year.

CHAPTER 4: ORGANISATIONAL PERFORMANCE SCORECARD (2021/2022 ANNUAL PERFORMANCE REPORT)

INFRASTRUCTURAL DEVELOPMENT

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Reason for Non-Achievement	Comments and Way Forward	Actual Performance	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT-55%													
Roads 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	Percentage progress towards Rehabilitation of Msobomvu Main Road by June 2022	104 473 982	Rehabilitate 100 % of Msobomvu main Road (1,98 km) by June 2022	Achieved	1.98km	The project is 100% complete	N/A	None	-	-	-
			Percentage progress towards construction of Gcina-Singeni access road by June 2022		Construct 100% of Gcina-Singeni Access Road (8,3 km) by June 2022	Achieved	8.3km	The project is 100% complete	N/A	None	-	-	-
			Percentage progress towards completion of Emalongweni to Siphahlani Access Road by June 2022		Complete 100% of Emalongweni to Siphahlani Access Road (7 km) by June 2022	Achieved	7km	The project is 100% complete	N/A	None	-	-	-
			Percentage progress towards construction of Rhaladiya to Jingqi Access road by June 2022		Construct 100% of Rhaladiya to Jingqi Access Road (8.59 km) by June 2022	Achieved	8.59km	The project is 100% complete	N/A	None	-	-	-
			Percentage progress towards construction of Zizamele internal streets by June 2022		Construct 100% of Zizamele internal streets (gravel-11.097 km) by June 2022	Achieved	11.097km	The project is 100% complete	N/A	None	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
			Percentage progress towards construction of iblika internal streets by June 2022		Construct 100% of iblika internal streets (gravel-streets 4.67 km) by June 2022	Achieved	4.67km	The project is 100% complete	N/A	None			
			Percentage progress towards construction of Fihlani Access Road by June 2022		Construct 100% of Fihlani Access Road (7,29 km) by June 2022	Achieved	7.29km	The project is 100% complete	N/A	None			
			Percentage progress towards construction of Masizakhe to Nzanzana access road by June 2022		Construct 100% of Masizakhe to Nzanzana access road (8.32 km) by June 2022	Achieved	8.32km	The project is 100% complete	N/A	None			
			Percentage progress towards Paving of Vuilli-valley main road by June 2022		Pave 100% of Vuilli-valley main road (2 km) by June 2022	Achieved	2km	The project is 100% complete	N/A	None			
			Percentage progress towards Upgrade of Ngqamakwe internal Streets by June 2022		Upgrade 80% of Ngqamakwe internal streets (2,6 km) by June 2022	Not Achieved	50%	The overall progress is at 50% towards completion. The project rolled over to 2022/23 financial year and contract completion date will be adjusted from first quarter to be complete in the second quarter.	The project was delayed as a result of floods, delay on relocation of containers, cash flow challenges experienced by SME selected under 30% subcontracting programme and disputes caused by the local forum.	The project will be rolled over to 2022/23 financial year and contract completion date will be adjusted from first quarter to be complete in the second quarter.			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			Percentage progress towards Rehabilitation of Ext 6 Ring Road (surfaced) by June 2022		Rehabilitate 50% of Ext 6 Ring Road (surfaced- 1,9km) by June 2022	Not Achieved	0	The project was advertised in May 2022, closed on 20 June 2022, and contractor appointed on 21 June 2022. The project rolled over and forms part of the 2022/23 financial year implementation programme and planned to be complete by June 2023.	The project was delayed by a moratorium issued in Feb 2022 by the Department of National Treasury regarding the PPPFA 2017.	The project rolled over to 2022/23 financial year and adjusted to be completed by June 2023			
			Percentage progress towards construction of Ngqamakwe Taxi rank retaining wall by June 2022		Construct 100% of Ngqamakwe Taxi rank retaining wall by June 2022	Achieved	100%	The project is 100% complete	N/A	None			
			Percentage progress towards construction of Centane gravel Internal streets (ext. 5) by June 2022		Construct 100% of Centane gravel Internal streets (ext. 5) - (7 km) by June 2022	Achieved	7km	The project is 100% complete	N/A	None			
			Percentage progress towards Paving of sidewalks along king street and at Blyth Municipal Offices by June 2022		Pave 100% Paving of sidewalks along king street and at Blyth Municipal Offices (1785 m²) by June 2022	Achieved	1785 m2	The project is 100% complete	N/A	None	Pave 100% of King Street and Blyth Offices parkings (1200 m²) by June 2021	Achieved	1200 m2

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
Electrification (Grid Electrification)	To provide grid electrification through connection of 1000 households	Develop business plans for submission	Percentage progress towards repairing Tar Surface Repairs and Asphalt Overlay at Sauer, Bell and King Street by June 2022	9 135 000	Repair 100% Tar Surface Repairs and Asphalt Overlay at Sauer, Bell and King Streets (14100 m²) by June 2022	Achieved	14100 m2	The project is 100% complete	N/A	None			
			Percentage progress towards repairing Tar Surface Repairs & Asphalt Overlay at Blyth and King Street link roads by June 2022		Repair 100% Tar Surface Repairs & Asphalt Overlay at Blyth and King Street link roads (9510 m²) by June 2022	Achieved	9510 m2	The project is 100% complete	N/A	None			
			Percentage progress towards repairing Tar Surface Repairs & Asphalt Overlay at Academy, Blyth; Stanford; Robinson & Daly Street by June 2022		Repair 100% Tar Surface Repairs & Asphalt Overlay at Academy, Blyth; Stanford; Robinson & Daly Street (9510 m²) by June 2022	Achieved	9510 m2	The project is 100% complete	N/A	None			
		Develop business plans for submission	Number of Business Plans developed and submitted for 2022/2023 MIG Funding by June 2022		Develop and submit 9 business plans for MIG funding by June 2022	Achieved	9	09 Business were developed, submitted and approved by EC Cogta.	N/A	None	Develop and submit 9 business plans for MIG funding by June 2021	Achieved	9
		Draw electrification plan in partnership with ESKOM	Percentage progress towards connection of Mquma 2021/2022	9 135 000	Connect 100% of Mquma 2021/2022 Electrification Programme (234	Achieved	234	The project is 100% complete	N/A	None	Connect 100% of Mquma 2020/2021 Electrification Programme	Achieved	264

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
	by June 2022	Connection of households	Electrification Programme by June 2022		Households) by June 2022						(264 Households) by June 2021		
	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	Percentage progress towards installation of LED lights along Mthatha and King Streets by June 2022	1 631 370	Install 100% LED lights (20) along Mthatha and King Streets by June 2022	Not Achieved	0	Contract was terminated in February 2022 as a result of poor performance by the contractor. The project has been re-advertised in June 2022 closing on 27 July 2022 and it will be implemented during 2022/23 financial year.	Procurement of Contractor : Delays due to the PPPFA 2017 Circular issued by the Department of National Treasury in February 2022	To be re-advertised and implemented during 2022/2023 financial year	Supply and install 30 LED lights along Mtata Street and King Street by June 2021	Achieved	30
			Percentage progress towards refurbishment of high masts by June 2022	900 000	Refurbish 100% high masts (6) (1 at Zizamele, 1 at ext. 14 (282 houses), 1 at Cuba , 1 at Sasol Garrage, 1 at Skiti and 1 at Vulli-Vally (near Langaletu School) by June 2022	Not Achieved	0	Project is on construction services and will be implemented during 2022/23 financial year.	The first tender was advertised, evaluated and adjudicated and all bidders were non responsive. The project was re-advertised and delayed as a result of PPPFA 2017 Circular issued by the Department of National Treasury in February 2022	To be re-advertised and implemented during 2022/2023 financial year			
			Percentage progress towards erection and refurbishment of high masts by June 2022		Erect 2 new high mast lights and Refurbish 100% high masts (4) (Ngqamakwe town) by June 2022	Achieved	2 & 4	The project is 100% complete	N/A	None			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
		Develop business plans for submission to DOE	Business Plan submitted for INEP 2022/2023 funding by June 2022	-	Submit Business Plan for INEP 2022/2023 funding by June 2022	Achieved	1	2022/2023 Business Plan for INEP was submitted	N/A	None	Submit One Business Plan for INEP 2021/2022 funding by June 2021	Achieved	1
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 planning documents for the construction of sport field, community halls and hawker stalls	Percentage progress towards construction of Ntseshe Community Hall by June 2022	7 505 789	Construct 80% of Ntseshe Community Hall by June 2022	Not Achieved	22%	Contract was terminated at 22% construction progress towards completion. The appointment of the second contractor was delayed by a moratorium issued in Feb 2022 by the Department of National treasury regarding the PPPFA 2017. The second contractor was only appointed in June 2022 and the project is anticipated to be complete during third quarter.	Contract was terminated in January 2022 as a result of poor performance by the contractor.	The project was advertised and will be closing on 21 June 2022 and to be implemented in 2022/2023 financial year	-	-	-
			Percentage progress towards completion of Cuba Community Hall by June 2022		Complete 100% of Cuba Community Hall by June 2022	Achieved	1	The project is 100% complete	N/A	None	Construct 100% of Cuba Community Hall by June 2021	Not Achieved	50%
			Percentage progress towards completion of Rhwantsana Outdoor Sport Facility by June 2022		Complete 100% of Rhwantsana Outdoor Sport Facility by June 2022	Achieved	1	The project is 100% complete	N/A	None	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			Percentage progress towards construction of Ngqamakhwe satellite offices by June 2022	4 000 000	Construct 30% of Ngqamakhwe satellite offices by June 2022	Not Achieved	0	The project was advertised in May 2022, closed on the 21 June 2022. The project will be implemented during 2022/23 financial year.	Procurement of Contractor : Delays due to the PPPFA 2017 Circular issued by the Department of National Treasury in February 2022.	Has been advertised and implemented during 2022/2023 financial year	-	-	-
			Percentage progress towards construction of Thongwana Outdoor Sport Facility by June 2022	6 087 353	Construct 100% of Thongwana Outdoor Sport Facility by June 2022	Not Achieved	82.57%	The overall progress is at 82.57% towards completion	The project was delayed as a result of flood	The project to be completed in first quarter of 2022/2023	-	-	-
			Percentage progress towards construction of Thanga Outdoor Sport Facility by June 2022	1 000 000	Construct 100% of Thanga Outdoor Sport Facility (Phase 1) by June 2022	Not Achieved	0	The project was advertised in May 2022 and closed on the 22 June 2022. The project will be implemented during 2022/23 financial year.	Procurement of Contractor : Delays due to the PPPFA 2017 Circular issued by the Department of National Treasury in February 2022.	The project was advertised and will be implemented during 2022/2023 financial year and anticipated to be complete by June 2023.	Complete 100% of Tanga Sport field by June 2021	Achieved	100%
			Percentage progress towards completion of Final Design Report for BDLTC phase 3 by June 2022	25 000	Complete 100% of Final Design Report for BDLTC phase 3 by June 2022	Achieved	100%	The project is 100% complete	N/A	None	Complete 100% of BDLTC phase 2A (Fencing) by June 2021	Achieved	100%
			Percentage progress towards refurbishment of Butterworth Town Hall by June 2022	3 960 000	Refurbish 80% of Butterworth Town Hall by June 2022	Achieved	80%	The overall progress is at 80% towards completion.	N/A	None	Refurbish 100% of Butterworth Town Hall by June 2021	Not Achieved	0

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: LOCAL ECONOMIC DEVELOPMENT-10%													
Municipal facilities	To provide public amenities for recreation and community usability through construction of 5 Sport fields and 5 Community Halls, hawkers stalls and Drivers licensing testing centre by June 2022	Prepare designs report for installation of 2021/2022 financial year hawkers stalls	Percentage progress towards supply and installation of 90 hawkers stalls by June 2022		Supply and install 100% of 90 hawkers stalls by June 2022	Achieved	90	The project is 100% complete	N/A	None	Complete 100% designs for 90 2021/2022 hawkers stalls project by June 2021	Achieved	90
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	Number of Standing Committee for Infrastructural Development Directorate co-ordinated by June 2022		Co-ordinate sitting of 4 Standing Committee meetings for Infrastructural Development Directorate by June 2022	Achieved	4	All planned four (04) Standing Committee meeting sat	N/A	None	Co-ordinate sitting of 4 Standing Committee meetings for Infrastructural Development Directorate by June 2021	Achieved	4
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT- 10%													
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	% progress on implementation and monitoring of 2021/2022 procurement plan by June 2022		Monitor 100 percent implementation 2021/2022 procurement plan by June 2022	Achieved	100%	Procurement Plan has been implemented	N/A	None	Monitor 100 percent implementation 2020/2021 procurement plan by June 2021	Achieved	100%
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	Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually	Percentage progress towards development of 2022/2027 Integrated Development Plan by June 2022		Develop 100% of 2022/2027 IDP by June 2022	Achieved	1	IDP was approved on the 27 May 2022	N/A	N/A	Review 100% of 2021/2022 IDP by June 2021	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
Performance Management (Individual)	Development Plan to guide municipal planning by June 2022	Review divisional scorecards and monitor implementation	Percentage progress on implementation of 2021/2022 Divisional scorecards monitored by June 2022		Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2022	Achieved	100%	Implementation of 2021/2022 Divisional scorecards has been monitored during the period under review	N/A	N/A	Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2021	Achieved	100%
Policies	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	Number of Infrastructure Development Policies reviewed and approved by June 2022		Coordinate review and approval of 8 Infrastructure Development Directorate Policies by June 2022	Achieved	8	9 Infrastructure policies were approved by the Municipal Council on the 27 May 2022	N/A	N/A	Coordinate review and approval of 8 Infrastructure Development Directorate Policies by June 2021	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	2020/2021 and 2021/2022 strategic and operational risk registers reviewed, monitored and evaluated by June 2022		Review, monitor and evaluate the implementation of 2020/2021 and 2021/2022 strategic and operational risk registers quarterly by June 2022	Achieved	2	2020/2021 and 2021/2022 strategic and operational risk registers have been implemented	N/A	N/A	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	2
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	Unqualified Audit opinion achieved by June 2022		Achieve unqualified Audit opinion by June 2022	Achieved	1	Unqualified Audit opinion has been achieved in 2020/2021 financial year	N/A	N/A	Achieve unqualified Audit opinion by June 2021	Achieved	1

COMMUNITY SERVICES

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	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	Number of public awareness campaigns on traffic safety conducted by June 2022	1 850 107	Conduct 4 public traffic awareness campaigns on traffic safety by June 2022	Achieved	6	Four Implementation Plans were developed and Six Awareness Campaigns on Traffic Safety were conducted.	None	None	Conduct 4 public traffic awareness campaigns on traffic safety by June 2021	Achieved	4	
			Number of Traffic Operations conducted by June 2022		Conduct 12 traffic operations by June 2022	Achieved	21	Twenty one (21) Traffic Operations were conducted in the year under review	None	None	Conduct 12 traffic operations by June 2021	Achieved	12	
			Number of operations on execution of unpaid Traffic fines and warrants by June 2022		Conduct 22 operations on execution of unpaid Traffic fines and warrants by June 2022	Achieved	25	Four Operational Plans were developed and 25 Execution of Traffic fines and warrants operations were conducted in the year under review	None	None	None	None	-	-
			Liquor trading compliance monitoring programme implemented by June 2022		Implement Liquor trading compliance monitoring programme by June 2022	Achieved	1	Peace Officer monitored operation of liquor outlets throughout the four quarters of the Financial Year in Butterworth CBD, Qolora Beach, and Sikiti squatter camp	None	None	None	None	-	-
		Enforce 9 Municipal Bylaws	Illegal Trading control programme in formal and informal businesses implemented by June 2022	0	Implement Illegal Trading control programme in formal and informal businesses by June 2022	Achieved	1	Illegal Trading was done at Butterworth CBD, Centane and Nqamakwe were monitored and controlled by means of patrols on a daily basis working jointly	None	None	-	-		
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT														

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			Public indecency and nuisance control programme implemented by June 2022		Implement Public indecency and nuisance control programme by June 2022	Achieved	1	with LEDP, BTO and ADM.	None	None			
			Stray animal control programme implemented by June 2022	0	Implement Stray animals control programme by June 2022	Achieved	1	Monitoring daily of hotspot areas is done, they include Monument, Mall, Nyokana and behind post Office 1. Two EPWP Workers contracted for control of Stray animals. Cattle are driven out of the CBD on daily basis 2. As from 16 august 2021 Stray animal were taken to Idutywa Skit using Provincial Traffic Truck. Fines of R500 were paid. Truck from Dept. of Transport started operation from 16/09/2021. 134 stray animals impounded so far 3. On 05 October 2021 five cattle were	None	None			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
			Percentage progress towards construction of Animal Pound by June 2022	0	Facilitate 100% construction of Animal Pound by June 2022	Not Achieved	0	impounded and sent to Dulywa animal pound.	Delays by Contractor	Intensify monitoring on construction and completed in the first quarter of 2022/2023 financial year	-	-	-
								The diameter of the animal pound constructed is 100m width x 200m length with 3 kraals, stable, sick bays, feed trough, water pans and grazing area. The progress on construction is as follows: <ul style="list-style-type: none"> • Site Establishment – 100% • Fencing – 100% • 4 Kraals – 100% • Loading and offloading zone – 100% • Master pound office – 100% • Sickbays – 100% • borehole has been drilled. • Parking bays not yet started. 					

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
Security and protection services	To provide security systems for safeguarding and control of 9 municipal offices by June 2022	Implement security management policy	Security Plan reviewed and implemented by June 2022	130 000	Review and implement Security Plan by June 2022	Achieved	1	Visitors and vehicle control was done through registering at building entrances on daily basis in all premises. All Municipal Premises are posted with guards. Incidents that occurred were reported to SAPS	None	None	-	-	-
			Number of gates repaired by June 2022	100 000	Repair two gates (Main base and New building) by June 2022	Not Achieved	0	Advert was issued. No bidder was responsive. Further advertised was hindered by moratorium issued by Treasury on procurement.	Bidders were not response	Budget provision has been done for the next financial year and implemented in the first quarter of 2022/2023 financial year	-	-	-
			Installation of Alarm system (DLTC, Centane offices, LEDP offices, Ngqamakwe offices and Traffic offices facilitated by June 2022	125 000	Facilitate the installation of Alarms systems (DLTC; Centane offices; LEDP offices; Ngqamakwe offices and Traffic offices) by June 2022	Not Achieved	0	Two bidder responded, SCM to re-advertised	Two bidder responded, SCM to re-advertised	To be accommodated in the next financial year budget and implemented in the first quarter of 2022/2023 financial year	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
	To promote community safety for minimizing lawlessness in communities by June 2022	Conduct Community Safety Programmes	Number of community safety programmes conducted by June 2022	50 000	Conduct 4 community safety programmes by June 2022	Achieved	4	Four Community Safety awareness programmes were conducted during the course of the year ending June 2022. They were followed as follows: 1. On 29 September 2021 conducted Talent Show Crime Prevention Programme jointly with Social Development 2. Community safety programme was conducted on 06 December 2021 in Centane Ned Bank Hall with special focus on Stray Animals. 3. On 11 March 2022 conducted Public Awareness on Community Safety at Mission along Mzantsi Road jointly with SAPS. 4. On 22 June 2022 conducted Community Safety awareness in Tutura, Centane	None	None	Conduct 4 community safety programmes by June 2021	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	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)	Number of solid waste programmes implemented by June 2022	345 000	Implement three solid waste management programmes (Street cleaning, waste collection and disposal) by June 2022	Achieved	3	Three solid waste management programmes (Street cleaning, waste collection and waste disposal) were implemented. Services were rendered by Permanent staff, EPWP workers and Six co-operatives	None	None	Implement four solid waste management programmes (Street cleaning, waste collection waste disposa and recycling) by June 2021	Achieved	4
			Number of clean-up campaigns conducted by June 2022		Conduct 12 clean-up campaigns by June 2022	Achieved	13	Thirteen (13) clean-up campaigns were done in the year under review.	None	None	None	-	-
			Number of illegal dumping's in CBD and urban residential areas removed by June 2022	-	Remove 14 illegal dumping's in CBD and urban residential areas by June 2022	Achieved	14	14 Illegal dumping's were removed in the following areas in Butterworth CBD, Ngqamakwe CBD, Msobomvu, Extension 6, Vulli valley, Cuba, Mtabakazi, Extension 7 and Extension 15	None	None	-	-	-
			Waste By-law gazetted by June 2022	40 000	Gazette Waste By-Law by June 2022	Not Achieved	0	The Directorate facilitated gazetting through BTO.	Delays in the sitting of the Bid Specification Committee	Budget provision has been done for the next financial year and implemented in the first quarter of 2022/2023 financial year	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			Number of maintenance programmes for the Eastern Regional Waste Site conducted by June 2022	215 000	Conduct 4 Maintenance programmes for the Eastern Regional Waste Site by June 2022	Achieved	4	Access control is done by Security at the Gate. One cell is being used so far and is not yet full. 1. Pathways were bladed 2. Waste disposal is done at the Regional Waste Site on daily basis. 3. Waste cells were cleared 4. Clearance and compaction was done in cells	None	None	-	-	-
			Number of refuse bins installed by June 2022	400 000	Install 120 refuse bins (60 in Butterworth, 30 in Ngqamakwe and 30 in Centane) by June 2022	Not Achieved	0	The advert for 120 street waste bins was issued in August 2021 and closed in mid-September 2021. Appointment could not be done due to discrepancy in the capacity required, the tender was re-advertised in June 2022. The process was affected as well by moratorium imposed by Treasury.	Appointment could not be done due to discrepancy in the capacity required, the tender was re-advertised in June 2022	The tender was re-advertised in June 2022 and the process will be finalised in the first quarter of the next financial year.	-	-	-
Public Amenities	To refurbish and maintain 37 Public Amenities for community usability by June 2022	Implement public amenities management plan	Number of entrances beautified by June 2022	830 000	Beautify 6 town entrances (2 in Butterworth, 3 in Ngqamakwe and 1 in Centane) by June 2022	Achieved	6	A Service Provider was hired to renovate entrances through beautification. Plants were planted, grass cutting was done monthly and cultivation was done. Installation of the Ballade fencing has been done at Mihatha entrance near Key & Hawks	None	None	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			Life Guards for four beaches along Centane Coastal area provided by June 2022	200 000	Facilitate provision of Life Guards to four beaches along Centane Coastal area by June 2022	Achieved	4	The Municipality hired a Service Provider for Life Guard Services. Period covered is from 16 December 2021 to 03 January 2022. Four lifeguards per beach i.e. Gobra, Trennerys, Ceba and Mazappa Bay. No drowning was recorded during the festive season.	None	None			
			Operation of the Swimming Pool managed by June 2022	10 000	Manage the operation of the swimming pool (Access Control, Water Quality monitoring and Yard Maintenance) by June 2022	Not Achieved	0	Municipality maintains and manage operation of the swimming pool (Access Control, Water Quality monitoring, and Yard Maintenance).	The Swimming pool is not yet operational due to the drilling of the borehole	Water connection and reticulation will be finalised in the first quarter of 2022/2023 financial year			
			Tree felling in three Municipal Towns conducted by June 2022	115 000	Conduct tree felling in three municipal towns (Butterworth, Centane and Ngqamakwe) by June 2022	Achieved	3	The CBDs are infested with big trees which inhibit lighting in towns. The Municipality hired a service provider to cut some and prune some. The Service Provider was Dworld Development. Trees were cut in Butterworth CBD and Centane CBDs... The project was completed.	None	None			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
			Number of cemeteries managed and maintained by June 2022	155 000	Manage and maintain 3 cemeteries (Tally Cemetery, Centane Cemetery and Ngqamakwe Cemetery) by June 2022	Achieved	3	3 cemeteries (Tally Cemetery, Centane Cemetery and Ngqamakwe Cemetery) were maintained through grass cutting and grave sites allocation.. There were 75 burial conducted during the course of the year.	None	None			
			Number of Library programmes implemented by June 2022	1 588 243	Implement 1 library programmes (library week) by June 2022	Achieved	1	Awareness on reading, writing and public speaking was done on 03 September 2021 at Butterworth Town Hall.	None	None			
			Educational material and library books procured by June 2022		Procure educational material and library books by June 2022	Achieved	1	Procured Books were delivered to Butterworth Library	None	None			
			Number of halls managed and maintained by June 2022	200 000	Manage and maintain 3 Halls (Butterworth Town Hall, Centane TRC Hall and Ngqamakwe Town Hall) by June 2022	Achieved	3	3 Halls (Butterworth Town Hall, Centane RC Hall, Ngqamakwe Hall) were managed and maintained through bookings and caretaker services. All bookings were recorded	None	None			
			Number of sport facilities managed and maintained by June 2022	100 000	Manage and maintain 3 sport facilities (Msobomvu Soccer, Msobomvu Rugby and Centane Sport field) by June 2022	Achieved	3	3 sport facilities were maintained through grass cutting and litter picking. A service provider to do repairs to fencing at Msobomvu Sport field was appointed.	None	None			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	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)	Number of Public Toilets managed and maintained by June 2022	100 000	Manage and maintain 4 Toilet facilities (Fingoland Mall, Msobomvu Taxi Rank, Centane Taxi Rank and Ngqamakwe Public Toilets) are managed and maintained in partnership with Taxi industry. Control is done by the taxi industry and the Municipality repair broke items when the need arises.	Achieved	4	Toilet facilities (Fingoland Mall, Msobomvu Taxi Rank, Centane Taxi Rank and Ngqamakwe Public Toilets) are managed and maintained in partnership with Taxi industry. Control is done by the taxi industry and the Municipality repair broke items when the need arises.	None	None	-	-	-
	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	Number of solid waste cooperatives monitored by June 2022	600 000	Monitor functioning of 6 solid waste cooperatives by June 2022	Achieved	6	6 solid waste cooperatives that are rendering waste services in the Ngqamakwe CBD, Butterworth CBD, Centane CBD and urban residential areas were monitored.	None	None	Monitor functioning of 6 solid waste cooperatives by June 2021	Achieved	6
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	Number of Standing Committee for Services Directorate co-ordinated by June 2022	0	Co-ordinate sitting of 4 Standing Committee meetings for June 2022 as follows: 1. On 01 July 2021 2. On 06 October 2021 3. On 07 January 2022 4. On 05 April 2022	Achieved	4	4 Standing Committee meetings for Community Services Directorate by June 2022 as follows: 1. On 01 July 2021 2. On 06 October 2021 3. On 07 January 2022 4. On 05 April 2022	None	none	Co-ordinate sitting of 4 Standing Committee meetings for Community Services Directorate by June 2021	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
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	% progress on implementation and monitoring of 2021/2022 procurement plan by June 2022		Monitor 100 percent implementation procurement plan by June 2022	Achieved	100%	Implementation of the procurement plan was monitored in the year under review	None	None	Monitor 100 percent implementation 2020/2021 procurement plan by June 2021	Achieved	100%
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	Percentage progress towards development of 2022/2027 Integrated Development Plan by June 2022		Develop 100% of 2022/2027 IDP by June 2022	Achieved	1	1. Situational analysis phase session for Community Services was done jointly with Strategic Management Directorate 2. Objectives and Strategies development phase session for Community Services was done jointly with Strategic Management Directorate	None	None	Review 100% of 2021/2022 IDP by June 2021	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	Percentage progress on implementation of 2021/2022 Divisional scorecards monitored by June 2022		Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2022	Achieved	100%	Divisional scorecards were developed and submitted to Corporate Services. Monthly directorate meetings were in each monthly to monitor performance	None	None	Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2021	Achieved	100%

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	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 policies	Number of Community Services Policies reviewed and approved by June 2022		Coordinate review and approval of 8 Community Services Directorate Policies by June 2022	Achieved	8	Community Services has nine Policies, no amendments will be effected; viz: Traffic Policy, Fire Arm Policy, Security Management Policy, Policy on use of Public Halls, Sport control Policy, Effluent Control policy, Pauper Burial Policy; Cemeteries & Crematorium Policy and Waste Management Policy	None	None	Coordinate review and approval of 10 Community Services Directorate Policies by June 2021	Achieved	10
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	2020/2021 and 2021/2022 Strategic and Operational risk registers reviewed, monitored, evaluated and implemented by June 2022		Review, monitor and evaluate the implementation of 2020/2021 and 2021 /2022 strategic and operational risk registers quarterly by June 2022	Achieved	2	2020/2021 Strategic and Operational Risk Registers were implemented	None	None	Review, monitor and evaluate the implementation of 2019/2020 and 2020 /2021 strategic and operational risk registers quarterly by June 2021	Achieved	2
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	Unqualified Audit opinion achieved by June 2022		Achieve unqualified Audit opinion by June 2022	Achieved	1	Unqualified Audit opinion has been received during 2020/2021	N/A	N/A	Achieve unqualified Audit opinion by June 2021	Achieved	1

LOCAL ECONOMIC DEVELOPMENT AND PLANNING

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	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	Master Plan for Industrial Park Revitalisation developed by June 2022	R 148 500	Develop the master Plan for Industrial Park Revitalisation by June 2022	Not Achieved	0	1) A tender was advertised by Deedat on the 27-08-2021 for a service provider to develop a Master-Plan for Butterworth Industrial Park. A service provider has been appointed (Urban Aircon). An inception meeting was held virtually with the service provider. Terms of reference and inception report were presented together with activity plan on the session held on the 03/02/2022. 2) The master plan has been developed and submitted with the status quo report on an engagement session that was held on the 28/06/2022.	Delays in the appointment of a Service Provider by DEDEAT. The Master Plan is in a draft stage.	The Master Plan will be finalised in the first quarter of 2022/2023	Facilitate implementation of 1 High impact Project by June 2021 (Industrial Park Revitalisation with ECDC, ASPIRE and DEDEAT)	Achieved	1
						Achieved	1						

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
			Project Implementation Plan for Ibika Business Development Phase 2 developed and monitored by June 2022		Develop and monitor the Project Implementation Plan for Ibika Business Development phase 2 by June 2022	Achieved	1	Engagement sessions are ongoing with the developer; 07/09/2021, 10/11/2021, 28/06/2022 for the development of project implementation plan. Building plans, the site development plan for phase 2 development of Ibika have been submitted by the developer and submitted to Eskom & ADM for approval. Rezoning and subdivision are completed. The project is expected to start in July 2022.	N/A	N/A	Facilitate the formulation of 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	6

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			Project Implementation Plan for Bungeni Mall developed and monitored by June 2022		Develop and monitor the Project implementation Plan for Bungeni Mall by June 2022	Achieved	1	Engagement sessions were held on the 05/08/2021 for the development of project implementation plan, another session was on the 15/02/2022. ADM & ESKOM have issued an official confirmation letters of bulk services as a firm basis for Building Plans approval. The E.I.A Studies have been completed and approved by the Dept. of Environmental Affairs. Zoning Certificate has been submitted to the developer and approved. Bungeni Mall Site Visit by the developer, the funder and the technical team took place. Building plans have been submitted.	N/A	N/A			

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			Project Implementation Plan for Msobomvu Shopping Centre developed and monitored by June 2022		Develop and monitor the Project Implementation Plan for Msobomvu Shopping Centre by June 2022	Not Achieved	0	Terms of reference were submitted to BTO for the appointment of service provider. An advert was issued inviting bidders to submit proposals on the development of the shopping centre.	The bidders which submitted were non responsive and as such the project will be readvertised.	The project will be readvertised in the first quarter of the next financial year.			
			Approval for rezoning of Gcuwa Dam facilitated by June 2022		Facilitate the approval of rezoning for Gcuwa Dam by June 2022	Achieved	1	Engagement sessions were held on the 27/07/2021 & 29/06/2022 for the rezoning of Gcuwa dam. Rezoning application has been submitted and approved. Zoning certificate is in place.	N/A	N/A			
			Number of Gcuwa Dam facilities upgraded by June 2022	R30 000,00	Upgrade 2 Gcuwa Dam facilities (Braai areas and Boom gate) by June 2022	Not Achieved	0	Terms of reference and procurement memos have been developed and submitted to BTO for an advert to be publicised.	The service provider has not been appointed yet due to SCM delays. Further delays are due to circular from National Treasurer prohibiting procurement process.	We are currently awaiting for the advert to be issued in the first quarter of 2022/2023 financial year.			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			Official Hand over of Erf 165 for Office Precinct facilitated by June 2022	0	Facilitate the official hand over of Erf 165 for Office Precinct by June 2022	Achieved	1	A council resolution was taken on the construction of office precinct and engagements were conducted for site identification. The letter has been submitted to provincial & head office of the Department of Land Reform accepting their terms and conditions. The Department has confirmed the disposal letter of the land to the municipality.	N/A	N/A			
			Coastal Development implemented by June 2022	5 000 000	Facilitate the Implementation of Coastal Development by June 2022	Achieved	1	An inception meeting sat on 28 July 2021 with DEDEAT. A meeting with officials from Environmental Affairs Nationally, Provincially and Regionally and Regional offices sat on the 16-11-2021 to make assessment and evaluation of the project. PSC meeting (Dedeat, Cllr. and LED & P) sat on the 03-02-2022 to seek intervention mechanisms on the delays of the project. EPWP monitoring	N/A	N/A			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
			Social Facilitation for the development of Filling Station at Ngqamakwe co-ordinated by June 2022	0	Co-ordinate social facilitation for the development of Filling Station at Ngqamakwe by June 2022	Achieved	1	meeting was held on the 25-01-2022 and on the 08th of February 2022. An advert for training was publicised on 18-02-2022 (7 days), for the Procurement Protective Clothing, Equipment, and Chemicals (Allen Plant Removal Project) was publicised 24-02-2022. A service provider by the name of Luqambo Agencies (Pty) Ltd has been appointed for the supply of the required goods and services A session sat on the 08-12-2021 with a potential developer for Ngqamakwe Filling station. The developer still awaiting for the renewal of the fuel licence from the department of Minerals and Energy. Subdivision for the relocation of occupants on the land identified for the development.SG diagrams and	N/A	N/A	-	-	-

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Tourism, Hospitality and Heritage	To reposition Mquma 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.	Number of programmes implemented for the Tourism information centre by June 2022	R80 901	Implement 4 x tourism programmes inline with TIC Operational Plan by June 2022	Achieved	4	project implementation plan have been developed Engagement sessions with the developers and community members were held as follows: FIRST QUARTER: 28 July 2021, 11 August 2021 at Ngqamakwe TRC Hall, 6 September 2021 (Virtual meeting) THIRD QUARTER: 07 January 2022, 02 February 2022 at Mthwaku and 24 February 2022 at LED & P Boardroom FOURTH QUARTER: 12 April 2022 at Mthwaku, 08 June 2022 at TRC Hall Ngqamakwe and 24 June 2022 at LED Boardroom Four tourism programmes were implemented in the year under review 1) LTO meetings 2) Installation of two sign boards for Bawa Falls and Blythswood. 3) Procurement of big screen 4) Grading of 9 accommodation establishment.	N/A	N/A	Implement 4 x tourism programmes inline with TIC Operational Plan by June 2021	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
			Construction of TIC permanent structure facilitated and monitored by June 2022	R3 000 000	Facilitate and monitor construction of the TIC permanent structure by June 2022	Not Achieved	0	The project is practical complete	There was an additional work which led to the delay to the completion of the projects	The TIC will be complete during the first quarter of 2022/2023 financial year	Facilitate the development of architectural designs and bill of quantities for the TIC permanent structure by June 2021	Achieved	1
			Procurement of one big screen facilitated by June 2022	R2 650 475	Facilitate procurement of one big screen by June 2022	Not Achieved	0	An advert was issued on the 13 December 2021 and closed on the 17 January 2022. There were two companies that submitted tenders and both of them did not meet the requirements therefore it was to be re-advertised but National Treasury issued a circular for all government departments in the country to hold their procurement processes that are above R30 000.00.	There two companies that submitted tenders and both of them did not meet the requirements therefore it was to be re-advertised but National Treasury issued a circular for all government departments in the country to hold their procurement processes that are above R30 000.00	The project will roll over and implemented in the first quarter of the next financial year	Facilitate procurement of one big screen by June 2021	Achieved	1

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			Number of heritage sites upgraded by June 2022	R 480 000	Facilitate upgrade of one heritage site by June 2022 (Blythswood Caves)	Not Achieved	0	<p>Blythswood caves were upgraded through</p> <ul style="list-style-type: none"> • Fencing with two gates • Installation of Braai stand • Installation of tables and benches • Installation of rubbish bins • Construction of walking path (steps) <p>3) Site visit was conducted on the 26/05/2022 with the service provider.</p> <p>4) The project commenced on 07 June 2022 however there were delays with the completion and that led to a session being signed on the 29 June 2022. The project will be completed before the end of July 2022</p>	There were delays with the completion of the project and that led to a session being signed on the 29 June 2022.	The project will be completed and handed over before the end of the first quarter of 2022/2023	Facilitate upgrade of one heritage site by June 2021 (King Phalo grave)	Achieved	1

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			Heritage day celebrations convened by June 2022	R 50 000	Convene Heritage day celebrations by June 2022	Achieved	1	<p>1) Concept document was developed and approved in preparation for the Heritage day celebrations.</p> <p>2) Two heritage day celebrations were conducted during the month of 10 September 2021 and they were held as follows:</p> <ul style="list-style-type: none"> -The first event was held at King Phalo heritage site on the 10 September 2021 at Tongwana A/A in celebration of the approval of change of name from East London Airport to King Phalo Airport -The second event was held on the 22 September 2021 at LED& Planning boardroom and also on virtual to celebrate the hero's and heroin's of Mquma. 	N/A	N/A			

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			Number of heritage sites maintained by June 2022	R 90 000	Facilitate maintenance of 5 heritage sites by June 2022 (Bowling Green monument, Tiyo Soga, Bawa Falls, Battle of Umsintane and WK Thansanqa Grave)	Achieved	5	Maintenance plan was developed and approved 1. Tiyo Soga was maintained by removal of weed and clearing of the paving. 2. W.K Tamsanqa has been fenced with galvanized palisade fencing and an information board has been installed 3. Maintenance included the grass-cutting, removal of weed, paving and the entire clearing of monument. A gate has also been installed for the safety of the heritage site. 4. Maintenance of Battle of Umsintane through grass-cutting, removal of weed and clearing of the walking path. 5. Maintenance of Bawa Falls included grass-cutting, removal of weed and bush and path ways clearance	N/A	N/A			

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		Conduct Tourism awareness campaigns	Number of Tourism awareness campaigns conducted by June 2022	R 13 799	Conduct 4 Tourism Awareness campaigns by June 2022	Achieved	4	Awareness campaigns have been conducted as follows: -Pakamani Senior Secondary School -Datuhlanga Senior Secondary School -Blythswood Institution on -Mpentse Junior Secondary School -Thyali Senior secondary School -Vuluhlanga High School on the -Lamplough Senior Secondary School	N/A	N/A	Conduct 4 Tourism Awareness campaigns by June 2021	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
Small Enterprise Development	To facilitate expansion of agricultural potential through implementation of programmes and initiatives for sustainable rural development by June 2022	Engage relevant stakeholders towards development of infrastructure and systems for agriculture	Number of Emerging farmers capacitated on crop production by June 2022		Facilitate capacity building of 4 emerging farmers on crop production by June 2022	Achieved	4	4 Capacity buildings on crop production have been conducted to 4 Co-operatives as follows: Ulutsha Iwendalo Agricultural Co-operative on the 10th of August 2021, Thunga Mthwaku Agricultural Co-operative on the 18th of November 2021, Buntu Mission Youth Project Co-operative on the 22nd February 2022 and at Agro novation Primary Co-operative on the 26th May 2022	N/A	N/A	Facilitate capacity building of 4 emerging farmers on crop production by June 2021	Achieved	8

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			Number of Emerging farmers capacitated on livestock improvement by June 2022		Facilitate capacity building of 4 emerging farmers on livestock improvement by June 2022	Achieved	4	4 Capacity buildings on livestock improvement have been conducted to 4 Co-operatives as follows: Siyakhula Agricultural Co-operative on the 12th of August 2021, Zu vizwi Agricultural Co-operative on the 17th of November 2021, Luxo Agric & Poultry Farming Co-operative on the 21st February 2022 and at Kull Youth Primary Co-operative on the 27th May 2022.	N/A	N/A			
			Animal medication procured for one emerging farmer by June 2022	R 700 000	Procure animal medication for one emerging farmer by June 2022	Achieved	1	Animal medication and feed was handed over to emerging farmer on the 27 of May 2022	N/A	N/A			

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			Inputs procured for one emerging farmer by June 2022		Procure inputs for one emerging farmer by June 2022	Achieved	2	Procurement of inputs for two emerging farmers was done and they were delivered as follows: 1) Toleni Secondary Co-operative on the 3rd of March 2022 2) Amagatya Agricultural Co-operative on the 08 March 2022	N/A	N/A	-	-	-
			Number of sheering sheds material procured for two emerging farmers by June 2022	R 900 000	Facilitate procurement and installation of 2 X Sheering Sheds Material for two emerging farmers by June 2022	Not Achieved	0	Procurement processes were done and submitted to SCM but no appointment have been done yet.	No appointment was done due to the delays in the Supply Chain processes and National Treasury regulation not allowing any procurements above R30 000 from February 2022	Re-advertisement for the appointment of a service provider will be done in the first quarter of the next financial year	-	-	-
			Procurement and installation of irrigation scheme equipment for two emerging farmers facilitated by June 2022	700 000,00	Facilitate procurement and installation of irrigation scheme equipment for two emerging farmers by June 2022	Not Achieved	0	Procurement processes were done and submitted to SCM but no appointment have been done yet.	No appointment was done due to the delays in the Supply Chain processes and National Treasury regulation not allowing any procurements above R30 000 from February 2022	Re-advertisement for the appointment of a service provider will be done in the first quarter of the next financial year	-	-	-

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			Procurement and installation of poultry shelter for one emerging farmer facilitated by June 2022	685 500,00	Facilitate procurement and installation of poultry shelter for one emerging farmer by June 2022	Not Achieved	0	Procurement processes were done and submitted to SCM but no appointment have been done yet.	No appointment was done due to the delays in the Supply Chain processes and National Treasury regulation not allowing any procurements above R30 000 from February 2022	Re-advertise for the appointment of a service provider will be done in the first quarter of the next financial year			
			Procurement and installation of 2 piggy shelters for 2 emerging farmers facilitated by June 2022	700 000,00	Facilitate procurement and installation of 2 piggy shelters for 2 emerging farmers by June 2022	Not Achieved	0	Procurement processes were done and submitted to SCM but no appointment have been done yet.	No appointment was done due to the delays in the Supply Chain processes and National Treasury regulation not allowing any procurements above R30 000 from February 2022	Re-advertise for the appointment of a service provider will be done in the first quarter of the next financial year			
			Procurement of two tractors facilitated by June 2022	1 400 000,00	Facilitate procurement of two tractors by June 2022	Achieved	2	The municipality procured two tractors with three sets of implements: 800L Boom sprayer, 18 Dish Disc, 5-ton tip, trailer, three furrow plough, 2 row picket planter. The two tractors were delivered and Operational plan has been developed.	N/A	N/A	Facilitate procurement of two tractors by June 2021	Achieved	2

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
			Number of donated state-owned farm transferred by June 2022	14 500,00	Facilitate the transfer of one donated state-owned farm erf 4936 (Surveying) by June 2022	Achieved	1	1) An availability Agreement has been availed by the Department of Public Works and as such, a survey has been done on the farm. 2) A Surveyor was appointed (NPM Geomatics) to know the pegs of the farm.	N/A	N/A			
			Establishment of Community Forest Trust facilitated by June 2022	640 000,00	Facilitate establishment of Community Forest Trust by June 2022	Achieved	1	Sokapase Forest Community Woodlot was established on the 17 of November 2021 at Sokapase Komkhulu	N/A	N/A			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Reason for Non-Achievement	Corrective Action	2020/2021 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	Number of capacity building programmes facilitated for SMMEs/Co-operatives by June 2022		Facilitate four capacity building programmes (financial management, basic business skills, co-operative amendment act and tendering advise) for SMMEs/Cooperatives by June 2022	Achieved	4	N/A	N/A	Four capacity buildings for SMMEs's and Co-operatives have been conducted as follows: 1) Financial Management on the 22 of July, 2021 2) Co-operative Amendment Act on the 11th of November 2021 3) Basic Business Skills from the 31 January - 04 February 2022 4) Tendering advise on the 12th of April, 2022 5) Access to Market on the 20-21 April 2022	-	-
					Provide one support programme (Procurement of inputs) for two SMMEs/Cooperatives by June 2022	Achieved	2					

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
Municipal Administration (Business Licensing)	To regulate and formalise trading within the municipal jurisdiction by June 2022	Register, issue business licenses and hawkers permits	Market day for SMME's/Co-operatives conducted by June 2022	30 000,00	Conduct market day for SMME's/Co-operatives by June 2022	Achieved	1	The market day event was conducted at the Butterworth Monument on the 2nd of June 2022	N/A	N/A	-	-	-
			Establishment of SMME Innovation Hub facilitated by June 2022		Facilitate establishment of SMME Innovation Hub by June 2022	Achieved	1	1) The site for the establishment of the SMME Innovation Hub has been identified 2) A draft MOU between ASPIRE and the Municipality has been drafted 3) Engagement sessions with ASPIRE on the establishment of the SMME Innovation Hub have sat.	N/A	N/A	Develop the operational plan for CDC by June 2021	Achieved	1
Municipal Administration (Business Licensing)	To regulate and formalise trading within the municipal jurisdiction by June 2022	Register, issue business licenses and hawkers permits	Percentage progress on the registration of business licenses and hawkers permits administered by June 2022	5 537 720,00	Administer 100% registration of business licenses and hawkers permits received by June 2022	Achieved	100%	Administration of business licenses and hawkers permits has been done during the year under review.	N/A	N/A	-	-	-
			Provision of support to informal Traders facilitated by June 2022		Facilitate provision of support to Informal Traders by June 2022	Achieved	1	About 90 hawker stalls have been procured and provided to informal traders in all three municipal satellites (Butterworth, Centane & Ngqamakwe)	N/A	N/A	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	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	Social labour plan on crush stone mining monitored by June 2022		Monitor implementation of social labour plan on crush stone mining by June 2022	Achieved	1	Engagement session to monitor implementation of social labour plan for crush stone mining were held in the year under review.	N/A	N/A	-	-	-
			Research for mining potential in Mngquma conducted by June 2022		Conduct research for mining potential in Mngquma by June 2022	Achieved	1	Data collection, Data analysis as well as compilation of final research report for mining potential in Mngquma has been done.	N/A	N/A	-	-	-
Spatial Planning and Land Use Management	To regulate and control the development and use of land within the municipal area in line with the SDF by June 2022	Implement Land Use Management scheme	Number of IGLF meetings convened by June 2022		Convene 4 IGLF meetings by June 2022	Achieved	6	Six IGLF meetings were held during this financial year.	N/A	N/A	Convene 4 IGLF meetings by June 2021	Achieved	4
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT-10%													
Land Administration and Land Use Management	To regulate and control the development and use of land within the municipal area in line with the SDF by June 2022	Implement Land Use Management scheme	Percentage of received land use applications processed in line with SPLUM by Law for effective use of land within 30- 60 days by June 2022		Process 100% received land use applications in line with SPLUM by Law for effective use of land within 30- 60 days by June 2022	Achieved	20	20 Land use applications were received- and processed during the 2021-2022 financial year	N/A	N/A	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%
			Ngqamakwe taxi rank surveyed by June 2022	R1 919 000	Survey Ngqamakwe Taxi Rank by June 2022	Achieved	1	Service provider Fourways consulting's was appointed. Inception meeting sat on the 5th May 2022. Draft Diagrams have	N/A	N/A	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
								been received.					
			Amathole sewer treatment works and Transkei quarries subdivided into two portions by June 2022		Subdivide Amathole sewer treatment works and Transkei Quarry into two portions (Portion of 153 and 725) by June 2022	Achieved	1	Service provider Fourways consulting's was appointed. Inception meeting sat on the 5th May 2022. Diagrams have been received.	N/A	N/A			
			Amathole waterworks subdivided by June 2022		Subdivide Amathole waterworks (Portion of 153) by June 2022	Achieved	1	Service provider Fourways consulting's was appointed. Inception meeting sat on the 5th May 2022. Diagrams have been received.	N/A	N/A			
			Erven 175,176 & 177 in Ngqamakwe surveyed by June 2022		Survey Erven 175,176 & 177 (Ngqamakwe) by June 2022	Achieved	1	Service provider Fourways consulting's was appointed. Inception meeting sat on the 5th May 2022. Draft Diagrams have been received.	N/A	N/A			
			Review of SDF inline with SPLUMA facilitated by June 2022		Facilitate the Reviewal of the SDF inline with SPLUMA by June 2022	Achieved	1	SDF was presented in the municipal IDP, PMS and Budget roadshows on the 06.07, and SDF final has been approved during the council	N/A	N/A	Facilitate appointment of service provider towards the Review of SDF inline with SPLUMA by June 2021	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
			Portion of Erf 19 for township establishment in Centane surveyed by June 2022		Survey Portion of Erf 19 for township establishment in Centane by June 2022	Achieved	1	Service provider Fourways consulting's was appointed. Inception meeting sat on the 5th May 2022. Draft Diagrams have been received.	N/A	N/A	-	-	-
			Draft Coastal Precinct Plan Developed in line with SPLUMA by June 2022	R232 250	Develop a draft Coastal Precinct Plan inline with SPLUMA by June 2022	Not Achieved	0	Procurement processes were done and submitted to SCM but no appointment have been done yet.	No appointment was done due to the delays in the Supply Chain processes and National Treasury regulation not allowing any procurements above R30 000 from February 2022	Re-advertise for the appointment of a service provider will be done in the first quarter of the next financial year.	-	-	-
			Appointment of a service provider for the development of residential sites in Ngqamakwe and Butterworth facilitated by June 2022.		Facilitate the appointment of a service provider for the development of residential sites in Ngqamakwe and Butterworth by June 2022.	Not Achieved	0	Procurement processes were done and submitted to SCM but no appointment have been done yet.	No appointment was done due to the delays in the Supply Chain processes and National Treasury regulation not allowing any procurements above R30 000 from February 2022	Re-advertise for the appointment of a service provider will be done in the first quarter of the next financial year.	-	-	-
			Number of Properties within Mngquma Commonage Surveyed and re-planned by June 2022		Survey and re-plan 5 properties within Mngquma Commonage by June 2022	Achieved	1	Service provider Fourways consulting's was appointed. Draft Diagrams have been received.	N/A	N/A	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	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	Number of Standing Committee for Community Services Directorate coordinated by June 2022		Co-ordinate sitting of 4 Standing Committee meetings for Local Economic Development and Planning Directorate by June 2022	Achieved	4	Four standing committee meetings were coordinated for the period under review	N/A	N/A	Co-ordinate sitting of 4 Standing Committee meetings for Local Economic Development and Planning Directorate by June 2021	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	% progress on implementation and monitoring of 2021/2022 procurement plan by June 2022	Operating Budget	Monitor 100 percent implementation of 2021/2022 procurement plan by June 2022	Achieved	100%	Procurement Plan was developed and implemented for the period under review	N/A	N/A	Monitor 100 percent implementation of 2020/2021 procurement plan by June 2021	Achieved	100%
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, PWS and Budget Process Plan annually	Percentage progress towards development of 2022/2027 Integrated Development Plan by June 2022		Develop 100% of 2022/2027 IDP by June 2022	Achieved	1	Directorate sessions for the development of 2022/2027 IDP were coordinated for the period under review	N/A	N/A	Review 100% of 2021/2022 IDP by June 2021	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	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	Percentage progress on Implementation of 2021/2022 Divisional scorecards monitored by June 2022		Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2022	Achieved	100%	2021/2022 Divisional scorecards have been implemented through the sifting of directorate meetings and submission of AA's & PP's.	N/A	N/A	Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2021	Achieved	100%
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	Number of Local Economic Development and Planning Policies reviewed and approved by June 2022		Coordinate review and approval of 8 Local Economic Development and Planning Policies by June 2022	Achieved	8	8 policies have been adopted during the council meeting held on the 27 May 2022	N/A	N/A	Coordinate review and approval of 8 Local Economic Development and Planning Policies by June 2021	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	2020/2021 and 2021/2022 Strategic and Operational risk registers reviewed, monitored, evaluated and implemented by June 2022		Review, monitor and evaluate the implementation of 2020/2021 and 2021/2022 strategic and operational risk registers quarterly by June 2022	Achieved	2	Strategic and operational risk registers have been reviewed, monitored and evaluated during the period under review.	N/A	N/A	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	2
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	Unqualified Audit opinion achieved by June 2022		Achieve unqualified Audit opinion by June 2022	Achieved	1	An unqualified audit opinion have been achieved during the 2020/2021 audit review.	N/A	N/A	Achieve unqualified Audit opinion by June 2021	Achieved	1

STRATEGIC MANAGEMENT

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 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 and Process Plan annually	Percentage progress towards development of 2022/2027 Integrated Development Plan by June 2022	460 000	Develop 100% of 2022/2027 IDP by June 2022	Achieved	1	2022/2027 IDP was developed and approved by the Council on the 27 May 2022.	N/A	N/A	Review 100% of 2021/2022 IDP by June 2021	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	Number of external newsletters developed and distributed by June 2022	198 375	Develop and distribute 3 external newsletters by June 2022	Achieved	3	3 External Newsletters were developed and distributed.	N/A	N/A	Develop and distribute 3 external newsletters by June 2021	Achieved	3
		Update Information on municipal website	Website updated and uploaded by June 2022	120 000	Update and upload website inline with Section 75 of MFMA by June 2022	Achieved	1	Municipal Website has been updated and uploaded during the period under review	N/A	N/A	Update and upload website inline with Section 75 of MFMA by June 2021	Not Achieved	0
		Coordinate issuing of press releases and news articles	Number of electronic media slots coordinated by June 2022	0	Coordinate 16 electronic media slots by June 2022	Achieved	16	17 Electronic Media slots has been co-ordinated as follows: FIRST QUARTER: Two (2) Electronic Media slots were co-ordinated SECOND QUARTER: Four (4) Electronic Media Slots were co-ordinated THIRD QUARTER: Six (06) Media slots were co-ordinated FOURTH QUARTER: Eight (5) Media slots were co-ordinated	N/A	N/A	Coordinate 8 electronic media slots by June 2021	Achieved	14

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
		Communicate through electronic media platforms	Number of news articles/Adverts published by June 2022	840 000	Publish 16 news articles/Adverts by June 2022	Achieved	26	26 News articles/Adverts were published as follows: FIRST QUARTER: 5 News articles/Adverts were published SECOND QUARTER: 5 News articles were published THIRD QUARTER: 11 News articles were published FOURTH QUARTER: 5 News articles/Adverts were published	N/A	N/A	Publish 4 news articles/Adverts by June 2021	Achieved	4
	To promote and maintain corporate identity and image through marketing and branding by June 2022	Standardize usage of the municipal corporate brand	Branding Material procured by June 2022	190 000	Procure Municipal Branding Material by June 2022	Achieved	-	Municipal Branding Material (Fleet, Flags, Diaries and Calendars) has been procured	N/A	N/A	Procure Municipal Branding by June 2021	Achieved	-
Intergovernmental Relations	To coordinate integrated planning, regular reporting and feedback by all stakeholders by June 2022	Coordinate regular sitting of IGR forums	Number of IGR meetings co-ordinated by June 2022	10 000	Co-ordinate sitting of 4 IGR meetings by June 2022	Achieved	4	4 IGR meetings were convened. 1. First quarter sat on the 10 September 2021.(virtual meeting) 2.Second quarter sat on the 10 December 2021 (virtual meeting) 3.Third quarter sat on the 16 March 2022. (physical and virtual meeting) 4. Fourth quarter sat on the 09 June 2022.(virtual meeting)	N/A	N/A	Co-ordinate sitting of 4 IGR meetings by June 2021	Achieved	4
		Co-ordinate GBV & Femicide Programmes	Number of GBV and Femicide Programmes Co-ordinated by June 2022	120 000	Co-ordinate 4 GBV Femicide awareness campaigns by June 2022	Achieved	4	4 GBV Femicide awareness campaigns were convened: 1. First quarter sat on the 18 August 2021 at ward 14 2.Second quarter sat on 31 January 2022 at ward 29 3.Third quarter sat on 22 March 22 ward 32 5. Fourth Quarter on the 27 June 2022, Ward 28	N/A	N/A	Co-ordinate 2 Mayoral Programmes by June 2021 (GBV Seminar and Prayer Day)	Achieved	2

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
Institutional Performance Management	To monitor and review performance for increased accountability & performance improvement by June 2022	Co-ordinate Mayoral Programmes	Number of Mayoral Programmes Co-ordinated by June 2022	250 000	Co-ordinate 1 Mayoral Programmes by June 2022 (Prayer Day)	Achieved	1	Prayer day was convened on the 31 March 2022 at Msobomvu Sports Ground	N/A	N/A	-	-	-
			Performance information for Section 54A and Section 56 Managers developed, monitored and evaluated by June 2022	66 000	Develop, monitor and evaluate performance information for Section 54A and Section 56 Managers by June 2022	Achieved	7	2021/2022 Performance Agreements for Section 54A and Section 56 Managers were developed, approved by Council, submitted to CoGTA and published in the Municipal website. 2020/2021 Annual Performance Reviews were done on the 16 September 2021, and 2021/2022 Mid-Term Performance Reviews were done on the 02 March 2022.	N/A	N/A	Develop, monitor and evaluate performance information for Section 54A and Section 56 Managers by June 2021	Achieved	7
			2020/2021 Annual Report (Section 127) developed by June 2022	50 000	Develop 2020/2021 Annual Report (Section 127) by June 2022	Achieved	1	2020/2021 Annual Report was developed, approved by Council, submitted to AG, NT, PT and CoGTA and Publicized in the Daily Dispatch and Municipal Website.	N/A	N/A	Develop 2019/2020 Annual Report (Section 27) by June 2021	Achieved	1
			Number of Performance reports developed, collated, consolidated and analysed quarterly, midyear and annually in line with the PMS Framework by June 2022	0	Develop, collate, consolidate and analyse 6 performance reports quarterly, midyear and annually in line with PMS Framework by June 2022	Achieved	6	6 Performance Reports were developed, collated, consolidated, analysed and analysis reports were issued. The reports were submitted to Internal Audit Unit for review, discussed by the Audit Committee and further approved by Council	N/A	N/A	Develop, collate, consolidate and analyse 6 performance reports quarterly, midyear and annually in line with PMS Framework by June 2021	Achieved	6

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 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 committee strategy.	Percentage progress on Administrative support rendered to all convened Ward Committee and Ward general meetings by June 2022	0	Render 100 percent administrative support to convened ward committee meetings and ward general meetings by June 2022	Achieved	53 & 28	Support was rendered to the convened 53 Ward Committee meetings and 28 Ward General Meetings	N/A	N/A	Render 100 percent administrative support to convened ward committee meetings and ward general meetings by June 2021	Achieved	110 & 142
		Implement terms of reference for section 79 committees	Number of Section 79 Committee Meetings co-ordinated (MPAC, Rules Committee, women's Caucus and Whips Committee) by June 2022	130 000	Co-ordinate 4 meetings per section 79 committee (MPAC, Rules Committee, women's Caucus and Whips Committee) by June 2022	Achieved	4	4 meetings per section 79 committee were convened MPAC: 23 September 2021, 10 December 2021, 11 January 2022 and 28 June 2022 Rules Committee: 27 September 2021, 27 January 2022, 23 May 2022 and 24 June 2022 Women's Caucus: 02 December 2021, 21 February 2022, 18 March 2022 and 23 May 2022 Whips Committee: 19 January 2022, 26 April 2022, 26 May 2022 and 27 June 2022	N/A	N/A	Co-ordinate 4 meetings per section 79 committee (MPAC, Rules Committee, women's Caucus, Whips Committee) by June 2021	Achieved	4
			Number of independent committee meetings coordinated (Moral Regeneration Movement and Initiation Forum) by June 2022	80 000	Co-ordinate 4 meetings per independent committee (Moral Regeneration Movement and Initiation Forum) by June 2022	Achieved	4	4 meetings per independent committee were convened Moral Regeneration: 16 March 2022, 26 April 2022, 16 May 2022 and 29 June 2022 Initiation Forum: 06 December 2021, 13 January 2022, 07 April 2022 and 23 June 2022	N/A	N/A	Co-ordinate 4 meetings per independent committee (Moral Regeneration Movement, Initiation Forum) by June 2021	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
Policies	To co-ordinate policy development and review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2022	Review of policies	Number of Strategic Management Policies reviewed and approved by June 2022	0	Coordinate review and approval of 15 Strategic Management Directorate by June 2022	Achieved	15	15 Strategic Management Directorate Policies were reviewed and approved by Council on 27 May 2022	N/A	N/A	Coordinate review and approval of 15 Strategic Management Directorate by June 2021	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 divisional scorecards and monitor implementation	Percentage progress on implementation of 2021/2022 Divisional scorecards monitored by June 2022	0	Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2022	Achieved	1	12 Directorate Meetings to assess the performance of the employees in the Directorate were convened. Monthly Accountability Agreements and Performance Promises were submitted to Corporate Services Directorate	N/A	N/A	Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	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	2020/2021 and 2021/2022 strategic and operational risk registers reviewed, monitored and evaluated by June 2022	0	Review, monitor and evaluate the implementation of 2020/2021 and 2021/2022 strategic and operational risk registers quarterly by June 2022	Achieved	2	2020/2021 and 2021/2022 strategic and operational risk registers were Reviewed, monitored and implementation was evaluated quarterly.	N/A	N/A	Review, monitor and evaluate the implementation of 2019/2020 and 2020 /2021 strategic and operational risk registers quarterly by June 2021	Achieved	2
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	Unqualified Audit opinion achieved by June 2022	0	Achieve unqualified Audit opinion by June 2022	Achieved	1	The institution obtained an unqualified Audit Opinion and there were no findings on the audit of pre-determined objectives	N/A	N/A	Achieve unqualified Audit opinion by June 2021	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 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	Number of Mayoral Imbizo's co-ordinated by June 2022	80 000	Co-ordinate 4 Mayoral Imbizo's by June 2022	Achieved	4	4. Mayoral Imbizo's were convened: 1. First quarter sat on the 23 September 2021 at ward 09 (Mission) 2. Second quarter sat on the 20 January 2022 at ward 31 (Thala) 3. Third quarter sat 18 March 2022 at ward 10 (kwaNobuhle) 4. Fourth quarter sat on the 26 May 2022 at ward 18 (TRC Hall)	N/A	N/A	Co-ordinate 4 Mayoral Imbizo's by June 2021	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.	Number of programmes for 6 designated groups implemented by June 2022	1 597 213	Implement 6 programmes for 6 designated groups by June 2022	Achieved	6	6 Programmes for the 6 Designated Groups were implemented in the period under review. WOMEN: The municipality coordinated and convened a Women's Month programme which was held on the 18th of August 2021 at Imbiza Location at Ward 14 in Ngqamakhwe. The programme was in a form of a dialogue with rural women on issues of Gender Based Violence. The following GBV Campaign were also held: 1. Nontshinga, Centane ward 29 on the 31 January 2022. 2. Jekezi, Xilinxha, Ngqamakhwe Ward 19 on the 24 May 2022. Support to four (4) women cooperatives was done through provision of poultry inputs and the following Co-ops were supported - Sukumanathi Coop ward 24 Holele - Centane - Zanoncedo NPO ward 20 kwaMpetha - Ngqamakwe - Siyavuka Women's Project ward 21 - Ngqamakwe - Umzani 'omhle Agricultural Project ward 12 Toleni - Butterworth	N/A	N/A	Implement 6 programmes for 6 designated groups by June 2021	Achieved	6

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
								<p>ELDERLY: The municipality coordinated and convened an Elderly Month programme which was held on the 29th of November 2021 at Ward 1 in Butterworth. The programme was in a form of a Christmas Party with Elderly people from all the wards of Mquma Local Municipality and attendees were gifted with municipal branded gowns</p> <p>DISABILITY: The municipality partnered with the Department of Economic Development, Environmental Affairs & Tourism and coordinated a disability awareness campaign which was held on the 25th of November 2021, the campaign focused on LRED Funding that is being offered by the department to People living with Disabilities</p> <p>The municipality coordinated and convened a Disability Month programme which was held in March 2022 at Colora Feni at ward 29 in Centane where educational toys and inputs were handed over to a disability home.</p> <p>CHILDREN: The municipality coordinated and convened Children's Month programme which was held on the 1st of December 2021 and the following Children's Homes were supported: - Patria Noah Centane Drop Off Centre located at ward 31 in Centane - Siyakhana Children's Home located at ward 1 in Butterworth Back to School Campaign for 158 underprivileged children were distributed from the 15th - 18th February 2022. The following schools benefited: - Manyano JSS in Centane (20 learners)</p>					

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
								<ul style="list-style-type: none"> - Lukhonyo SSS in Centlane (20 learners) - Ndoqa JSS in Centlane (20 learners) - Qeqe JSS in Butterworth (10 learners) - Jongilizwe JSS in Nqamakwe (40 learners) - James Nguza PSP - Nqamakwe (10 learners) - Ezizweni SSS - Nqamakwe - (23 learners) <p>HIV/AIDS: The municipality partnered with various stakeholders and coordinated educational awareness's on HIV/AIDS and Sanitary Towels Drive which were held as follows:</p> <ul style="list-style-type: none"> - Condom awareness - 23rd of November 2021 at King Hintisa TVET College at Misobomvu Campus in Butterworth - Condom awareness - 23rd March 2022 at King Hintisa TVET College at Teko Campus in Centlane - Candle Light Memorial Ceremony - 18th May 2022 at Lower Nomahaya ward 17 in Nqamakwe <p>YOUTH: Two Youth Programmes were convened in the year under review:</p> <ol style="list-style-type: none"> 1. The municipality partnered with National Youth Developmental Agency and coordinated Business Management Training for Youth. The following trainings were coordinated: <ul style="list-style-type: none"> - 23rd - 27th August 2021 in Butterworth - 8th - 10th September 2021 in Butterworth - 31st January 2022 in Centlane - 14th - 18th March 2022 in Centlane 2. Handing over of inputs to Sakha Ikusasa Lethu Projects was done on the 21 June 2022 in Ward 17 					

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
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	Number of Standing Committee meetings for Strategic Management Directorate co-ordinated by June 2022	0	Co-ordinate sitting of 4 Standing Committee meetings for Strategic Management Directorate by June 2022	Achieved	4	4 Standing Committee Meetings for Strategic Management were convened in the period under review	N/A	N/A	Co-ordinate sitting of 4 Standing Committee meetings for Strategic Management Directorate by June 2021	Achieved	4
	KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT												
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	% progress on implementation and monitoring of 2021/2022 procurement plan by June 2022	0	Monitor 100 percent implementation of 2021/2022 procurement plan by June 2022	Achieved	1	Implementation of the 2021/2022 Procurement Plan was monitored	N/A	N/A	Monitor 100 percent implementation of 2020/2021 procurement plan by June 2021	Achieved	1
	KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT												

CORPORATE SERVICES

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2022/2022	Achieved /Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 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	Number of Customer Care programmes implemented (Presidential Hotline system and walk-ins) by June 2022	0	Implement 2 Customer Care Programme Presidential Hotline system (attending to complaints on the system & scheduled program by Premier's Office) and walk-ins (attending to complaints that comes to the Municipality in all servicing points) by June 2022	Achieved	2	During the Financial Year Ending 2021/2022 Customer Care received 128 Walk-ins Complaints and directed them to the relevant directorates. The municipality also attended two virtual presidential hotline meetings held with the Premiares Office	N/A	N/A	Implement 2 Customer Care Programme (Presidential Hotline system and walk-ins) by June 2021	Achieved	2
Satellite Offices	To ensure the effective operation of the Satellite Offices by June 2022	Implement Satellite Offices Plan	Number of reports on functionality of Ngqamakwe Satellite office developed by June 2022	0	Develop 4 reports on functionality of Ngqamakwe Satellite office by June 2022	Achieved	4	Four (4) Centane Satellite Reports were developed which gives update on the operations of the Satellite Office and the Wards.	N/A	N/A	Develop 4 reports on functionality of Ngqamakwe Satellite office by June 2021	Achieved	4
Municipal Administration (Council Support)	To provide administrative support for effective and efficient performance of council and	Develop Institutional Calendar on annual basis and ensure its implementation.	Number of Institutional calendar developed by June 2022	0	Develop 2022/2023 Institutional calendar by June 2022	Achieved	1	The Institutional Calendar was adopted on the Special Council Meeting that was held on the 27/05/2022	N/A	N/A	Develop 2021/2022 Institutional calendar by June 2021	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved /Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
Information, Communication on Technology (ICT Governance)	Its committees by June 2022	Develop and monitor Resolution Register	Number of Resolution registers developed and distributed by June 2022	0	Develop and distribute 4 Council resolution registers by June 2022	Achieved	4	4 Council Resolution Registers were developed and implemented. 6 Special Council Meetings were held. Therefore 10 Resolution Registers were developed and implemented.	N/A	N/A	Develop and distribute 4 Council resolution registers by June 2021	Achieved	4
			Number of Standing Committee meetings for all Directorates co-ordinated by June 2022	0	Co-ordinate sitting of 24 Standing Committee meetings for all Directorates by June 2022	Achieved	24	All 24 Standing Committees were Co-ordinated as per the approved institutional Calendar	N/A	N/A	Co-ordinate sitting of 24 Standing Committee meetings for all Directorates by June 2021	Achieved	24
			Number of ICT programmes (Desktop Support, Network support, Information security and Systems support) implemented by June 2022	-	Implement 4 ICT programmes by June 2022: 1. Desktop Support - end user technical support and provision of ICT tools. 2. Network support - maintenance of network infrastructure and connectivity. 3. Information security - management of antivirus and firewall systems. 4. Systems support - provision of technical support on FMS, Emails and Operating Systems	Achieved	4	Desktop Support - end user technical support and job cards were signed Network support - maintenance of network infrastructure and connectivity supplied by the internet service provider with LAN cabling maintenance for municipal buildings complete. Information security - management of antivirus was performed and firewall systems were monitored for the year Systems support - provision of technical support on EMS, Emails and Operating Systems were implemented for the year.	N/A	N/A	Implement 4 ICT programmes (Desktop Support, Network support, Information security and Systems support) by June 2021	Not Achieved	3

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2022/2022	Achieved /Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
Telephone management	To provide standard set of rules for effective telephone management by June 2022	Implement procedure manual for telephone management	Functionality of telephone management system monitored by June 2022	-	Monitor functionality of telephone management system by June 2022	Achieved	1	Telephone system was fully functional and monitored throughout all quarters.	N/A	N/A	-	-	-
Benefits and leave management	To manage employees and councillors benefits by June 2022	Record and reconcile Councillors and employees benefits	Percentage progress towards administration of submitted Benefits and leaves for municipal workforce and councillors by June 2022	0	Administer 100% of submitted benefits and leaves for municipal workforce and councillors by June 2022	Achieved	100%	1. 100% Benefits for Councillors and employees were implemented 2. Leave management was also implemented from FMS to EMS System from July 2021 to June 2022	N/A	N/A	Administer 100% of submitted benefits and leaves for municipal workforce and councillors by June 2021	Achieved	100 %

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved /Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
Organisational Design and Implementation	To develop and review organisational structure for implementation of IDP objectives by June 2022	Review organisational structure annually	2021/2022 Organizational structure implemented by June 2022	-	Implement 2021/2022 organisational structure by June 2022	Achieved	1	Vacant positions on the 2021/2022 Organogram were filled from July 2021 to June 2022. The following positions were filled MPAC Officer, Semi Skilled Operator, Artisan Plumber, Plant Machine Operator, Tipper Truck drivers, Electrician, Semi Skilled Electrician, Superintendent Exam & Testing DLTC, Swimming Pool Instructor, Supervisor Cemeteries, Debt Management Accountant Billing, Junior Accountant Expenditure, Junior Accountant Budget and Treasury, Recruitment & Selection Officer, Tipper Truck Driver, Superintendent Traffic, Milling Machine Operator, Licensing Adm Officer, Cemetery Caretakers, Admin Assistant Recruitment, Salaries Administrator, Manager Civil Services, Director Infrastructural Development, Contracts Officer, Examiner DLTC, Driver Solid Waste and Public Amenities	N/A	N/A	Implement 2020/2021 organisational structure by June 2021	Achieved	1
		Develop and implement recruitment plan annually	2022/2023 Organizational Structure reviewed by June 2022	0	Review 2022/2023 Organisational Structure by June 2022	Achieved	1	2022/2023 Organogram was approved by the Council on the 27th May 2022.	N/A	N/A	Review 2021/2022 Organisational Structure by June 2021	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2022/2022	Achieved /Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
Labour Relations	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	Number of LLF Meetings Convened by June 2022	0	Convene 4 LLF meetings by June 2022	Achieved	4	four LLF meetings sat as per the institutional calendar and two Special LLF also sat. Therefore 6 LLF meetings sat for 2021/2022 financial year.	N/A	N/A	Convene 4 LLF meetings by June 2021	Achieved	4
Employee Wellness and OHS	To promote employee wellbeing through implementation of wellness and OHS programmes by June 2022	Regulate Health and Safety practices and principles within the municipality	2022/2023 OHS Plan developed by June 2022	-	Develop 2022/2023 OHS Plan by June 2022	Achieved	1	Work Place Inspections to all Municipal Building, Established Safety Representatives, Held OHS Educational Awareness Campaigns, Inspections was done at Centane & Nggamakwe Satellites, Monitor installation of Fire extinguishers, Submission of Return of Earnings to Dept. Of Labour	N/A	N/A	Develop 2021/2022 OHS Plan by June 2021	Achieved	1
			2022/2023 Wellness Plan developed by June 2022	-	Develop 2022/2023 Wellness Plan by June 2022	Achieved	1	Developed employee Wellness plan and survey for 2021/22, Held Heritage Day, Conducted Employee Fitness awareness day, Employee & Councillors fun walk, financial fitness for retiring employees, financial awareness campaign were held for Nggamakwe and Centane Employees, Wellness Screening session of employees, Health Vaccination for Employee, Breast Cancer Awareness, Wellness Screening for employees	N/A	N/A	-	-	-

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2022/2022	Achieved /Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
Skills Development	To develop skills of the Councillors, municipal workforce and community members through implementation of the Workplace Skills Plan by June 2022	Develop, implement and monitor Workplace Skills Plan annually	Number of Training programmes co-ordinated by June 2022	-	Co-ordinate 12 training programmes by June 2022	Achieved	16	1. Certificate: Municipal Finance Management 2. OHS & Colda Compliance Advocacy 3. Treatment of unauthorised irregular, fruitless and wasteful expenditure 4. OHS training 5. Municipal Governance 6. Risk Management Training 7. Performance Management System training 8. Protection of Personal Information Act Training (POPIA) 9. Examiner for driving license 10. Treatment of irregular expenditure 11. Local Government Anti-Corruption Training 12. GIS Website Training 13. Local Labour Forum Training ADHOC TRAININGS 14. Induction workshop 15. eNatis Training 16. EMS training	N/A	N/A	Co-ordinate 12 training programmes by June 2021	Achieved	13
			2022/2023 WSP and annual training plan developed by June 2022	-	Develop 2022/2023 WSP and Annual Training Plan by June 2022	Achieved	2	2022/2023 WSP/ATP were developed and submitted to LGSETA on the 31 April 2022	N/A	N/A	Develop 2021/2022 WSP and Annual Training Plan by June 2021	Achieved	2
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	Number of Lease agreements for municipal flats signed by June 2022		Sign 50 lease agreements for municipal flats by June 2022	Achieved	71	71 Lease Agreements for Municipal flats were signed in the year under review.	N/A	N/A	Sign 50 lease agreements for municipal flats by June 2021	Achieved	54

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved /Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	Achieved/Not Achieved	Actual Performance
		Collate required documents by the Conveyancer	Number of township houses transferred to rightful beneficiaries coordinated by June 2022		Co-ordinate transfer of 80 township houses to rightful beneficiaries by June 2022	Achieved	100 & 425	The municipality processed 100 Applications and issue 425 RDP title deeds houses to the rightful beneficiaries.	N/A	N/A	Co-ordinate transfer of 80 township houses to rightful beneficiaries by June 2021	Achieved	102
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 2022		Facilitate four capacity building programmes (financial management, co-operative amendment act and access to market) for SMMEs/Cooperatives by June 2022	Achieved	4	Capacity building programmes for SMMEs were monitored from July 2021 to June 2022	N/A	N/A	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
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	% progress on implementation and monitoring of 2021/2022 procurement plan by June 2022		Monitor 100 percent implementation 2021/2022 procurement plan by June 2022	Achieved	100%	Procurement Plan was monitored and all Directorate requests were implemented from July 2021 to June 2022.	N/A	N/A	Monitor 100 percent implementation on 2020/2021 procurement plan by June 2021	Not Achieved	0%
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION													

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved /Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	Annual Target 2020/2021	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	Percentage progress towards development of 2022/2027 Integrated Development Plan by June 2022		Develop 100% of 2022/2027 IDP by June 2022	Achieved	1	IDP was approved.	N/A	N/A	Review 100% of 2021/2022 IDP by June 2021	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	Number of Corporate Services Directorate Policies reviewed and approved by June 2022		Coordinate review and approval of 39 Corporate Services Policies by June 2022	Achieved	42	42 policies were developed, reviewed and workshopped by the Council on the 19th - 20th May 2022 and approved by the Council on the Special Council Meeting that was held on the 27th May 2022.	N/A	N/A	Coordinate review and approval of 39 Corporate Services Directorate Policies by June 2021	Achieved	39
		Review of Institutional Policies	Number of Institutional Policies reviewed and approved by June 2022		Coordinate review and approval of 95 Institutional Policies by June 2022	Achieved	109	109 Institutional Policies were reviewed and workshopped on the 19th -20th May 2022 and these policies were approved by the Special Council Meeting that was held on the 27th May 2022.	N/A	N/A	Coordinate review and approval of 95 Institutional Policies by June 2021	Achieved	95

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved /Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 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	Percentage progress on implementation of 2021/2022 Divisional scorecards monitored by June 2022		Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2022	Achieved	100%	Divisional scorecards were developed and Accountability Agreements and Performance Promises were submitted by Directorates from July 2021 to June 2022 and Directorate Meetings sat according to the institutional calendar.	N/A	N/A	Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	Achieved	100%
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	2020/2021 and 2021/2022 Strategic and Operational risk registers reviewed, monitored, evaluated and implemented by June 2022		Review, monitor and evaluate the implementation of 2020/2021 and 2021/2022 strategic and operational risk registers quarterly by June 2022	Achieved	2	Operational Risk register was monitored and implemented from July 2021 to June 2022	N/A	N/A	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	2
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	Unqualified Audit opinion achieved by June 2022		Achieve unqualified Audit opinion by June 2022	Achieved	1	There were no issues raised in the 2020/2021 Audit Report, however in terms of the Internal Audit findings Audit Action Plan was developed and implemented in June 2022	N/A	N/A	Achieve unqualified Audit opinion by June 2021	Achieved	1

BUDGET AND TREASURY OFFICE

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 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	Revenue increased to 70 Million by June 2022	0	Increase revenue to 70 Million by June 2022	Achieved	79 657 138,90	Revenue has been increased to 79 657 138,90 Million as at end June 2022	N/A	N/A	Increase revenue by R2 Million by June 2021	Achieved	R4409816,32
	To prepare Supplementary valuation roll for rating purposes by June 2022	Annually develop Supplementary valuation roll	Supplementary valuation roll prepared by June 2022	620 000	Prepare supplementary valuation roll by June 2022	Achieved	1	Supplementary valuation roll has been prepared. Notices were issued to property owners, valuation roll has been Published and the closing date is 30 June 2022.	N/A	N/A	Prepare supplementary valuation by June 2021	Achieved	1
	To realize 60% collection of own revenue by June 2022	Implement credit control policy	Percentage of own revenue collected against total budget by June 2022	0	Collect 60% of own revenue against total budget by June 2022	Achieved	60%	R 59 357 598 of own revenue against total budget has been collected which 79% as at end June 2022.	N/A	N/A	Collect 55% of own revenue against total budget by June 2021	Achieved	R42 668 266
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT- 55%													

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
	To promote and enhance financial viability by June 2022	Update registers	Number of registers prepared and reviewed by June 2022	0	Prepare and review 16 registers (invoice tracking, payments, direct debits, fruitless and wasteful expenditure, traffic fine, building plans, cemetery fees, hall hire, valuation certificate fees, direct deposit, grants received, unknown deposits, hall deposits, business licences, hawkers licences, procurement requisitions registers) by June 2022	Achieved	16	Registers were prepared and are up to date.	N/A	N/A	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 licences, hawkers licences, procurement requisitions registers) by June 2021	Achieved	17
Expenditure Management	To implement internal controls for approval, authorization and withdrawal payments of funds by June 2022	Implement financial procedures and expenditure management policy	Percentage of creditors paid within 30 days by June 2022	0	Pay 100% of creditors within 30 days of receiving invoice by June 2022	Achieved	100%	Receiving and certification of invoices for capturing on the system is done to ensure that payments are done within 30 days.	N/A	N/A	100% of creditors paid within 30 days of receiving invoice by June 2021	Not Achieved	0

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
	To promote and enhance financial viability by June 2022	Submit VAT 201 to SARS	Number of VAT 201 submitted to SARS by June 2022	0	Submit 12 VAT 201 to SARS by June 2022	Achieved	12	VAT 201s were submitted to SARS.	N/A	N/A	Submit 12 VAT 201 to SARS by June 2021	Achieved	12
Asset Management	To manage municipality's assets for increased accountability and safeguarding by June 2022	Review and implement municipal asset management policy and procedures, Fleet Management Policy and financial Procedures.	Fixed asset register compiled by June 2022	1 500 000	Compile Fixed Asset Register by June 2022	Achieved	1	The verification of assets has been done and asset register has been updated	N/A	N/A	Compile Fixed Assets Register by June 2021	Achieved	1
			Percentage of total Assets insured by June 2022	2000 000	Insure 100% of Municipal Assets by June 2022	Achieved	100%	All Assets have been insured. New assets are insured as and when they are delivered.	N/A	N/A	N/A	Insure 100% of Municipal Assets by June 2021	Achieved
			Number of stock counts conducted by June 2022	-	Conduct 12 Stock counts and report by June 2022	Achieved	12	Stock count has been conducted for all quarters.	N/A	N/A	Conduct 12 Stock counts and report by June 2021	Achieved	12

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
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	2022/2025 MTREF Budget prepared, approved by Council and submitted to NT and PT by June 2022	0	Prepare and facilitate approval of 2022/2025 MTREF Budget and submission to PT and NT by June 2022	Achieved	1	2022/2025 Final Budget has been approved by Council on the 27 May 2022 and has been submitted to Treasury on the 1st June 2022.	N/A	Prepare and facilitate approval of 2021/2024 MTREF Budget and submission to PT and NT by June 2021	Achieved	1
			2021/2022 1st and 2nd adjustment budgets prepared, approved by council and submitted to NT and PT by June 2022	0	Prepare 2021/2022 1st and 2nd adjustment budgets, facilitate approval by Council and co-ordinate submission to NT and PT by June 2022	Achieved	2	2021/2022 1st and 2nd Adjustment Budgets were prepared, approved by Council and were submitted to Treasury.	N/A	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
	To enhance financial viability by June 2022	Prepare GRAP Compliant Financial Statements	Annual Financial Statements prepared and submitted to AG by 31 August 2021	950 000	Prepare and submit 2020/2021 Annual Financial Statements to AG by 31 August 2021	Achieved	1	2020/2021 Annual Financial Statements were prepared and submitted to AG on the 31 August 2021	N/A	Prepare and submit 2019/2020 Annual Financial Statements to AG by 31 August 2020	Achieved	1
			Number of Section 71 reports developed, reviewed and submitted to the Mayor, Provincial Treasury and National Treasury by June 2022	0	Develop & review 12 section 71 reports and submit to the Mayor, PT and NT by June 2022	Achieved	12	Section 71 reports are done and submitted to mayor, PT & NT	N/A	Develop & review 12 section 71 reports and submit to the Mayor, PT and NT by June 2021	Achieved	12

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 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	Review SCM policy and procedures	SCM Annual and quarterly reports prepared and submitted to Council and Provincial Treasury by June 2022	0	Prepare and submit SCM Annual and quarterly reports to Council and 30 days after the financial year by June 2022	Achieved	5	Quarterly reports were prepared and submitted to Council and Provincial Treasury	N/A	N/A	Prepare and submit SCM Annual and quarterly reports to Council quarter and 30 days after the financial year by June 2021	Achieved	5
			Number of section 52d reports developed and submitted by June 2022	0	Develop and submit 4 section 52d reports by June 2022	Achieved	4	Section 52d reports for June 2021, September 2021 and December 2021 and January 2022 were prepared and approved by Council.	N/A	N/A	Develop and submit 4 section 52d reports by June 2021	Achieved	4
			Section 72 report developed and approved by Council in January 2022	0	Develop section 72 report and facilitate approval by Council in January 2022	Achieved	1	Section 72 report was developed and approved by Council in January 2022.	N/A	N/A	Develop section 72 report and facilitate approval by Council in January 2021	Achieved	1
			Number of reconciliations approved by June 2022	0	Prepare, review and approve 121 reconciliations (Investments, Bank, Unspent, revenue, debtors, rates, asset additions, work in progress, VAT, creditors, payroll reconciliations) by June 2022	Achieved	121	Reconciliations were prepared up to date.	N/A	N/A	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

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			Percentage progress towards implementation and monitoring of 2021/2022 Procurement Plan by June 2022	0	Implement and monitor 100% of 2021/2022 procurement plan by June 2022	Not Achieved	0	Procurement plan has not been implemented fully due to the stopping of procurement by Treasury.	Procurement plan has not been implemented fully due to the stopping of procurement by Treasury.	On the 30th May 2022, National Treasury has issued a statement that the 2017 Regulations in their entirety are still valid until 15 February 2023 unless new regulations are promulgated before that date. As of date, 30 May 2022 the municipality has continued with the quotations and tenders in accordance with the 2017 Regulations. The process has delayed the municipality as result there were targets that were not achieved as per the municipal procurement plan and were planned thereof to the next financial year and	Co-ordinate development of 2021/2022 procurement plan by June 2021	Achieved	1

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			2022/2023 Procurement Plan developed by June 2022	0	Co-ordinate development of 2022/2023 procurement plan by June 2022	Achieved	1	2022-2023 procurement plan has been prepared and Approved	N/A	N/A			
			Number of Contracts and commitments registers prepared and reviewed by June 2022	0	Prepare and review 4 contracts & commitments registers and report thereof by June 2022	Achieved	4	Contracts and Commitment register has been updated with the new appointments and payments made to date.	N/A	N/A	Prepare and review 4 contracts & commitments registers and report thereof by June 2021	Achieved	4
										procurement requests will be requested early from the end-user directorates. The municipal directorates will be updated weekly about their procurement implementation as a process of monitoring and ensuring that their targets/procurement are processed on time.			

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
			Number of performance assessment of service providers appointed by the institution by conducted by June 2022	0	Conduct 4 performance assessment of Service providers appointed by the institution by June 2022	Achieved	4	Monitoring of service providers has been done for all the payments made to date.	N/A	N/A	Conduct 4 performance assessment of Service providers appointed by the institution by June 2021	Achieved	4
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT- 10%													
Indigent Support	To provide support to indigent beneficiaries in line with the indigent policy by June 2022	Update indigent register	2021/2022 indigent register updated with 5000 beneficiaries by June 2022	900 000	Update 2021/2022 indigent register with 5000 beneficiaries by June 2022	Achieved	5537	Indigent Register has been updated with 5 537 beneficiaries.	N/A	N/A	Update 2020/2021 indigent register with 12 000 beneficiaries by June 2021	Achieved	15993
KPA: LOCAL ECONOMIC DEVELOPMENT - WEIGHT: 10%													
SCM Awareness	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	SCM awareness for SMME/Co-operatives conducted by June 2022		Conduct SCM awareness to SMMEs/Co-operatives by June 2022	Achieved	1	SCM awareness has been conducted on 12 April 2022	N/A	N/A	Conduct SCM awareness to SMMEs/Co-operatives by June 2021	Achieved	1
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	Number of Standing Committee for Budget and Treasury Office co-ordinated by June 2022		Co-ordinate sitting of 4 Standing Committee meetings for Budget and Treasury Office by June 2022	Achieved	4	All BTO standing committee meetings sat as scheduled.	N/A	N/A	Co-ordinate sitting of 4 Standing Committee meetings for Budget and Treasury Office by June 2021	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 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, FMS and Budget Process Plan annually	Percentage progress towards development of 2022/2027 Integrated Development Plan by June 2022	Annual Budget	Annual Target 2021/2022	Achieved	100%	2022/2027 IDP was approved by the council on the 27 May 2022	N/A	N/A	Review 100% of 2021/2022 IDP by June 2021	Achieved	100%
	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	Number of BTO Policies reviewed and approved by June 2022	Coordinate review and approval of 19 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	Achieved	19	All BTO policies were reviewed and approved by Council on the 27th May 2022	N/A	N/A	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, Loss	Achieved	18

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 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	Percentage progress on implementation of 2021/2022 Divisional scorecards monitored by June 2022		policy, Petty cash management policy, S & T Policy Budget policy, Virement policy, Cost containment measures policy, Borrowing policy, Funding and reserves policy) by June 2022	Achieved	100%	Implementation of Divisional Scorecards is monitored and reported thereof.	N/A	N/A	control policy, Expenditure management policy, Petty cash management policy, S & T Policy Budget policy, Virement policy, Cost containment measures policy, Borrowing policy, Funding and reserves policy) by June 2021	Achieved	100%
					Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2022	Achieved	100%	Implementation of Divisional Scorecards is monitored and reported thereof.	N/A	N/A	Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	Achieved	100%

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
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	2020/2021 and 2021/2022 Strategic and Operational risk registers reviewed, monitored, evaluated and implemented by June 2022		Review, monitor and evaluate the implementation of 2020/2021 and 2021 /2022 strategic and operational risk registers quarterly by June 2022	Achieved	2	Implementation of 2020/2021 risk registers was done.	N/A	N/A	Review, monitor and evaluate the implementation of 2019/2020 and 2020 /2021 strategic and operational risk registers quarterly by June 2021	Achieved	2
Internal controls and Auditing	To improve financial accountability for good financial governance by June 2022	Develop and implement audit action plan	Unqualified Audit opinion achieved by June 2022		Achieve unqualified Audit opinion by June 2022	Achieved	1	The municipality has obtained Unqualified Audit Opinion for 2020/2021 financial year.	N/A	N/A	Achieve unqualified Audit opinion by June 2021	Achieved	1

COMPLIANCE AND GOVERNANCE

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for No-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance			
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	Number of Audit Committee Charter reviewed and approved by June 2022	0	Review and facilitate Council approval of 1 Audit Committee Charter by June 2022	Achieved	1	Audit Committee charter was approved by Council in October 2021	-	-	Review and facilitate Council approval of 1 Audit Committee Charter by June 2021	Achieved	1			
			Number of Internal Audit Charter and Methodology reviewed and approved by June 2022	0	Review and facilitate approval of 1 Internal Audit Charter and Methodology by June 2022	Achieved	2	The audit committee approved the internal audit committee charter and methodology in September 2021	-	-	Review and facilitate approval of 1 Internal Audit Charter and Methodology by June 2021	Achieved	2			
			Internal audit plan developed and approved by June 2022	0	Develop and facilitate approval of internal audit plan by June 2022	Achieved	1	The internal audit plan was approved by audit committee in September 2021	-	-	Develop and facilitate approval of internal audit plan by June 2021	Achieved	1	1		
			Internal audit plan implemented by June 2022	0	Implement of internal audit plan by June 2022	Achieved	1	Projects planned in the annual audit plan were executed as planned.	-	-	Implement of internal audit plan by June 2021	Achieved	1	1		
			Number of Audit committee meetings convened by June 2022	481 000	Quarterly review of reports by audit committee	Number of Audit committee meetings convened by June 2022	4	Four audit committee meetings to review each quarter set as following: 22 September 2021, 18 October 2021, 16 February 2022 and 21 April 2022.	Achieved	4	Four audit committee meetings to review each quarter set as following: 22 September 2021, 18 October 2021, 16 February 2022 and 21 April 2022.	-	-	Convene 4 audit committee meetings by June 2021	Achieved	4
			Number of Performance Audit committee meetings convened by June 2022		Performance Audit committee meetings convened by June 2022	Number of Performance Audit committee meetings convened by June 2022	2	Two performance audit committee meeting were held as following: 29 August 2021 for the annual report and AFS, 19 January for the mid term reports.	Achieved	2	Two performance audit committee meeting were held as following: 29 August 2021 for the annual report and AFS, 19 January for the mid term reports.	-	-	Convene 2 performance audit committee meetings by June 2021	Achieved	2

KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Priority Area	IP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for No-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
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 developed and approved by June 2022	0	Review and facilitate council approval of Risk management Charter by June 2022	Achieved	1	The Risk Management Committee Charter was reviewed and presented to the Risk management committee and was approved by the Council	-	-	Review and facilitate council approval of Risk management committee Charter by June 2021	Achieved	1
			Risk Management plan developed and approved by June 2022	0	Develop and facilitate approval of risk management plan by June 2022	Achieved	1	Risk Management Implementation plan developed and presented to the Risk Management Committee for approval	-	-	Develop and facilitate approval of risk management plan by June 2021	Achieved	1
		Develop and implement the risk management implementation plan	Number of 2022/2023 strategic and operational risk registers developed and approval facilitated by June 2022	0	Develop and facilitate approval of one 2022/2023 strategic and one operational risk registers by June 2022	Achieved	1	Risk assessment workshop has been conducted and Strategic Risk Register developed. Operational Risk registers are developed with directors	-	-	Develop and facilitate approval of 1 2020/2021 strategic and 1 operational risk registers by June 2021	Achieved	1
			2021/2022 and 2022/2023 strategic and operational risk registers reviewed, monitored and evaluated by June 2022	0	Review, monitor and evaluate the implementation of 2021/2022 and 2022/2023 strategic and operational risk registers quarterly by June 2022	Achieved	4	Review of Strategic and Operational Risk registers has been conducted for 2020/21/ 4th quarter and 2021/22 for 1st -3rd quarter	-	-	Review, monitor and evaluate the implementation of 2019/2020 and 2020/2021 strategic and operational risk registers quarterly by June 2021	Achieved	4
			Number of risk management committee meetings convened by June 2022	146 000	Convene 4 risk management committee meetings by June 2022	Achieved	4	All risk committee meeting have been convened as planned; 15 September 2021 13 October 2021 11 February 2022 14 April 2022	-	-	Convene 4 risk management committee meetings by June 2021	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for No-Achievement	Corrective Action	2020/2021 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	Percentage progress towards development of 2022/2027 Integrated Development Plan by June 2022	0	Develop 100% of 2022/2027 IDP by June 2022	Achieved.	1	Contributed into developing 100% of 2022/2027 IDP, IDP approved by Council on the 27 May 2022	-	-	Review 100% of 2021/2022 IDP by June 2021	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 Institutional Policies	Number of Institutional Policies reviewed and approved by June 2022	0	Coordinate review and approval of 98 Institutional Policies by June 2022	Achieved	98	98 Policies reviewed and approved by Council	-	-	Coordinate review and approval of 95 Institutional Policies by June 2021	Achieved	95
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	Percentage progress on implementation of 2021/2022 Divisional scorecards monitored by June 2022	0	Monitor 100% implementation of 2021/2022 Divisional scorecards by June 2022	Achieved	100%	100% Implementation of 2021/2022 Divisional Scorecard monitored. Twelve divisional meetings and AAs and PPs submitted to Corporate Services	-	-	Monitor 100% implementation of 2020/2021 Divisional scorecards by June 2021	Achieved	100%
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.	Number of Council Meetings monitored by June 2022	0	Monitor sitting of 4 Council Meetings by June 2022	Achieved	4	4 Ordinary Council meetings convened as planned: 30 July 2021, 21 October 2021, 21 January 2022, 28 April 2022	-	-	Monitor sitting of 4 Council Meetings by June 2021	Achieved	4

Priority Area	IDP Objective for 2017/2022	IDP Strategy	Indicator	Annual Budget	Annual Target 2021/2022	Achieved / Not Achieved	Actual Performance	Comments and Way Forward	Reason for No-Achievement	Corrective Action	2020/2021 Annual Target	Achieved/Not Achieved	Actual Performance
Legal Services	To provide Legal advice to the Municipality and monitor compliance on legal matters to reduce number of claims and litigations by June 2022	Develop and monitor Resolution Register	Percentage progress towards implementation of Council resolutions monitored by June 2022	0	Monitor 100% implementation of Council resolutions by June 2022	Achieved	100%	100% Implementation of Council resolutions monitored	-	-	Monitor 100% implementation of Council resolutions by June 2021	Achieved	100%
			Number of Mayoral Committees meetings monitored by June 2022	0	Monitor sitting of 4 Mayoral committee meetings by June 2022	Achieved	4	4 Ordinary Mayoral Committee meetings were convened as planned: 16 July 2021, 12 October 2021, 13 January 2022, 20 April 2022	100% case register updated	-	-	Monitor sitting of 4 Mayoral committee meetings by June 2021	Achieved
Legal Services	To provide Legal advice to the Municipality and monitor compliance on legal matters to reduce number of claims and litigations by June 2022	Monitor the implementation of institutional legal Compliance	Percentage progress towards updating of case register by June 2022	2 000 000	Update 100% case register by June 2022	Achieved	100%	100% case register updated	-	-	Update 100% case register by June 2021	Achieved	100%
			Number of meetings convened with instructed law firms by June 2022		Convene 4 meetings with instructed law firms by June 2022	Achieved	4	Meetings with Legal Firms were held respectively on the following dates: 29 September 2021, 27-28 October 2021, 28 March 2022 & 02.03, 09 & 23 June 2022	Meetings with Legal Firms were held respectively on the following dates: 29 September 2021, 27-28 October 2021, 28 March 2022 & 02.03, 09 & 23 June 2022	-	-	Convene 4 meetings with instructed legal firms by June 2021	Achieved

COMPARISON OF PERFORMANCE BETWEEN 2020/2021 AND 2021/2022

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	33	29	4	88%	Infrastructural Development	39	31	8	79%
Community Services	15	12	3	80%	Community Services	36	30	6	83%
Local Economic Development and Planning	33	33	0	100%	Local Economic Development and Planning	53	41	12	77%
Strategic Management	23	22	1	96%	Strategic Management	23	23	0	100%
Corporate Services	23	21	2	91%	Corporate Services	26	26	0	100%
Budget and Treasury Office	28	27	1	96%	Budget Treasury Office	29	28	1	97%
Compliance and Governance	20	20	0	100%	Compliance and Governance	19	19	0	100%
TOTALS	175	164	11	94%	Total	225	198	27	88%

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 =474
- Total number filled as at the beginning of the financial year = 467
- Total number vacant as at the beginning of the financial year = 13
- Total number of terminations (Deceased, resigned, retired, dismissed) = 28
- Total number of positions as at year end: =474

Labour Relations Function

In 2021/2022 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 2021/2022 organogram reviews with municipal stakeholders
- Payment of 13th cheque on the birth month of an employee
- Job Description Writing and Evaluation Process was completed at Municipal level, and at the PAC and District level five Directorates graded.
- Personal Protective Clothing for employees (Task Team formulated)
- Bayport Stop Order Facilities
- 2022/2023 WSP/ATP approved for submission to LGSETA
- Discontinued LLF Subcommittee meeting
 - ❖ Total number of Disciplinary cases = 13
 - ✓ Number of cases resolved = 13

Occupational Health and Safety

- During the financial year 2021/2022, the municipality conducted health and safety inspections to all the Municipal buildings.
- OHS Plan for 2021/2022 was developed and approved
- SHE Representatives were appointed as per workplaces and inducted by the Department of Employment and Labour
- Workplace inspections and awareness campaigns were Conducted to all the municipal buildings including satellite offices
- Protective Clothing has been procured for service delivery Directorates.

Employee Wellness

During the financial year 2021/2022 the following Employee Wellness programmes were conducted:

- Wellness Plan was developed and approved
- Health Screening Examination was conducted at Ngqamakhwe Satellite
- Educational Awareness Campaign for Corporate Services employees
- Financial Awareness Campaign were conducted to all the employees including employees who are retiring from work.
- 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 = 63
- Total Number of Senior Managers = 06
- Total Number of Managers =21
- Total Number of Clerks = 27
- Total Number of Foreman and Artisans = 07
- Total Number of General Workers =12

Employment Equity

The municipality reviewed Employment Equity Plan in 2021/2022 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 2021/2022			
	Approved Posts No.	Filled Positions No.	Vacancies	Budgeted and Filled current year
Municipal Manager's Office	16	15	1	16
Corporate Services Directorate	94	93	2	94
Budget and Treasury Office	51	46	4	51
Community Services Directorate	205	197	8	205
Infrastructural Development Directorate	68	67	1	68
Strategic Management Directorate	24	22	2	24
Local Economic Development and Planning	16	15	1	16
Totals	474	455	19	474

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	180.0	1
Corporate Services Directorate	94	90.0	2
Budget and Treasury Office	51	240.0	4
Community Services Directorate	205	240	8
Infrastructural Development Directorate	68	90.0	1
Strategic Management Directorate	24	240	2
Local Economic Development and Planning	16	180.0	1
Totals	474	1 260	19

Vacancy Rate: Year 2021/2022			
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	33	0
Other Managers (Finance posts)	4	19	2
Police officers	61	28	3
Fire fighters	N/A	N/A	N/A
Senior management: Levels 13-15 (excluding Finance Posts)	28	142	1
Senior management: Levels 13-15 (Finance posts)	4	0	1
Highly skilled supervision: levels 9-12 (excluding Finance posts)	121	42	2
Highly skilled supervision: levels 9-12 (Finance posts)	14	113	1
Semi –skilled and elementary levels 3-9	235	436	9
Total	474	813	19

Staff Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
Year -2021/2022	474	28	5,9%
Year -2020/2021	482	27	5,6%

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 2021
3.	Code of Conduct for employees	100	100%	18 November 2009	27 May 2021
4.	Disciplinary Code and Procedures	100	100%	None - using SALGBC Collective	28 May 2021
5.	Attraction and retention policy	100	100%	18 November 2009	27 May 2021
6.	Bereavement policy	100	0%	31 March 2014	27 May 2021
7.	Car allowance policy	100	100%	13 March 2009	27 May 2021
8.	Cellphone Allowance policy	100	0%	13 March 2009	27 May 2021
9.	Delegation of authority policy	100	100%	23 March 2009	27 May 2021
10.	Dress code policy	100	100%	23 March 2009	27 May 2021
11.	Employment equity plan	100	100%	23 March 2013	19 th January 2020
12.	Employment equity policy	100	100%	23 March 2009	27 May 2021
13.	Induction, training and staff orientation policy	100	100%	13 March 2009	27 May 2021
14.	Leave policy	100	100%	30 June 2008	27 May 2021
15.	Recruitment and Selection policy	100	100%	12 September 2007	27 May 2021
16.	Occupational health and safety policy	100	100%	18 November 2009	27 May 2021
17.	Private work and Declaration of interest policy	100	100%	July 2013	27 May 2021
18.	Provision and maintenance of municipal offices policy	100	100%	23 March 2009	27 May 2021
19.	Records management policy	100	100%	July 2013	27 May 2021

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
20.	Stand- by, Night work, shift allowance and overtime policy	100	100%	23 March 2009	27 May 2021
21.	Sport and recreation policy	100	100%	12 September 2007	27 May 2021
22.	Termination of service policy	100	100%	12 September 2007	27 May 2021
23.	Work attendance and punctuality policy	100	100%	13 March 2009	27 May 2021
24.	Task job evaluation policy	100	100%	29 March 2009	27 May 2021
25.	Subsistence and Travelling Allowance policy	100	100%		27 May 2021

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 (levels1-2)	0	0	0	0	0
Skilled (Levels 3-5)	11188	90	152	26,70	298 738,29
Highly Skilled supervision(levels 6-8)	8325	67	115	19,87	165 407,22
Highly Skilled Supervision (levels 9-12)	7463	71	104	17,81	132 926,89
Senior Management (levels 13-19)	2910	29	41	6,95	20 210,26
MM and S56	560	0	7	1,34	748,45
Total	30446	257	419	72,66	618 031,12

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	/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

4.3 SUSPENSIONS

INITIAL & SURNAME	Position/Rank	Nature of Alleged Misconduct	Date of Disciplinary Hearing	Out Come of Case
Z Gonya	Manager Revenue	Poor Performance, Insubordination	24/08/2021 postponed 09/09/2021 14/09/2021	Dismissed
Z Mahlaluca	Manager Fleet	Gross Dishonesty	Was scheduled for 17 & 18/08/2021 postponed to 07/09/2021 & 15/09/2021	Dismissed
T Bangani	Manager Legal	Loss of Laptop	08/09/2021 and 28-29/09/2021	Dismissed
E Tunzi	Driver	Irregular use of fuel	No date yet: Notice of intention issued	Deceased
L Phahlane	Admin Assistant-Traffic	Gross Misconduct: leaving the workplace without approval	Notice of intention to institute not yet issued	Written Warning
K Camagu	Fleet Officer	Gross Dishonesty	Notice of intention to institute not yet issued	Dismissed
S Mpeluzi	Security Officer	Being under the influence of alcohol while reported on duty	Notice of intention to institute not yet issued	Final written warning
F Bonga	Manager Public Participation	Abscondment from duty	DC was scheduled for 13/12/2021, 12/01/2022 20/01/2021	Final written warning
Golisite	Security Officer	Abscondment from duty	22 March 2022	Dismissed
M Sidlayi	Truck Driver	Accident	22/09/2021	Written warning and pay access
L Macamba	Security Officer	Deserted work	05/11/2021	Final Written warning
Timakwe	Traffic Officer	Lost fine book	10/09/2021	Pay and written warning
M Ngqwala	OHS	Penalties for return of earnings	29/10/2021	Written warning
ARBITRATION DISPUTES				
Name	Rank & Level	Nature of Dispute	Date of the arbitration hearing	Out Come
Z Gonya	Manager Revenue	Unfair dismissal	24/03/2022	In progress
Z Mhlaluca	Manager Assets	Unfair Dismissal	30/03/2022	Resolved Dismissal settlement
T Bangani	Manager Legal	Unfair Dismissal	32/03/2022	In progress

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 2020/2021	Proportion of beneficiaries within group
			R' 000	%
Municipal Manager	1	1	194 248.21	13%
Director Infrastructural Development	1	1	134 354.11	11%
Director Community Services	1	1	122 140.10	10%
Director Local Development and Planning	1	1	146 568.12	12%
Director Strategic Management	1	1	146 568.12	12%
Director Corporate Services	1	1	134 354.11	11%
Chief Financial Officer	1	1	146 568.12	12%
Senior Accountant	1	1	121 054.78	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	Gender	Employees in posts as at 30 June 2022	Skills Matrix																	
			Number of skilled employees required and actual as at 30 June 2022				Learner ships				Skills programmes & other short courses				Other forms of training				Total	
			Actual: End of Year 2020/21	Actual: End of 2021/22	Year 2021/22 Target	Year 2021/22 Target	Actual: End of Year 2020/21	Actual: End of 2021/22	Year 2021/22 Target	Year 2021/22 Target	Actual: End of Year 2020/21	Actual: End of 2021/22	Year 2021/22 Target	Year 2021/22 Target	Actual: End of Year 2020/21	Actual: End of 2021/22	Year 2021/22 Target	Year 2021/22 Target		
MM and s56	Female	1	0	1	0	1	1	1	1	0	0	0	0	0	0	0	0	1	1	1
	Male	6	0	2	2	3	3	3	3	0	0	0	0	0	0	0	0	3	5	7
Councillors, senior officials and managers	Female	35	24	5	10	29	26	20	20	0	0	0	0	0	0	0	0	53	31	30
	Male	60	17	7	15	15	49	50	50	0	0	0	0	0	0	0	0	32	56	65
Technicians and associate professionals*	Female	4	0	0	3	1	3	4	4	0	0	0	0	0	0	0	0	1	3	7
	Male	5	0	1	5	2	2	4	4	0	0	0	0	0	0	0	0	2	2	4
Professionals	Female	57	25	6	10	25	30	40	40	0	0	0	0	0	0	0	0	50	36	50
	Male	44	15	3	15	16	14	20	20	0	0	0	0	0	0	0	0	31	17	35
Clerks	Female	39	8	2	5	23	12	15	15	0	0	0	0	0	0	0	0	31	14	20
	Male	17	6	1	5	4	4	5	5	0	0	0	0	0	0	0	0	10	5	10
Service and sales workers	Female	29	15	5	10	13	7	15	15	0	0	0	0	0	0	0	0	28	12	25
	Male	24	14	12	10	12	9	10	10	0	0	0	0	0	0	0	0	26	21	20
Plant and machine operators and assemblers	Female	5	3	0	2	3	2	5	5	0	0	0	0	0	0	0	0	6	2	7
	Male	38	9	0	10	15	4	10	10	0	0	0	0	0	0	0	0	24	4	20
Elementary occupations	Female	44	15	0	5	21	11	15	15	0	0	0	0	0	0	0	0	36	11	20
	Male	129	26	0	10	36	44	20	20	0	0	0	0	0	0	0	0	62	44	30
Sub total	Female	214	90	19	71	116	92	115	115	0	0	0	0	0	0	0	0	206	110	160
	Male	323	87	26	72	103	129	124	124	0	0	0	0	0	0	0	0	190	154	192
Total		537	177	45	143	219	221	239	239	0	0	0	0	0	0	0	0	396	264	352

Skills Development Expenditure											
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2021/2022		Skills programmes & other short courses		Other forms of training		Total		
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	
MM and S57	Female	1	40,000.00	25,000.00	100,000.00	60,000.00	0	0	140,000.00	85,000.00	
	Male	6	100,000.00	60,000.00	100,000.00	60,000.00	0	0	200,000.00	120,000.00	
Legislators, senior officials and managers	Female	35	100,000.00	80,000.00	120,000.00	35,000.00	0	0	220,000.00	115,000.00	
	Male	60	90,000.00	50,000.00	100,000.00	30,000.00	0	0	190,000.00	80,000.00	
Professionals	Female	57	140,000.00	60,000.00	100,000.00	60,000.00	0	0	240,000.00	120,000.00	
	Male	44	45,000.00	15,000.00	100,000.00	45,000.00	0	0	145,000.00	60,000.00	
Technicians and associate professionals	Female	4	50,000.00	70,000.00	50,000.00	45,000.00	0	0	100,000.00	115,000.00	
	Male	5	70,000.00	80,000.00	70,000.00	60,000.00	0	0	140,000.00	140,000.00	
Clerks	Female	39	50,000.00	35,000.00	90,000.00	50,000.00	0	0	140,000.00	85,000.00	
	Male	17	40,000.00	20,000.00	60,000.00	45,000.00	0	0	100,000.00	65,000.00	
Service and sales workers	Female	29	70,000.00	50,000.00	60,000.00	20,000.00	0	0	130,000.00	70,000.00	
	Male	24	50,000.00	45,000.00	50,000.00	35,000.00	0	0	100,000.00	80,000.00	
Plant and machine operators and assemblers	Female	5	50,000.00	45,000.00	40,000.00	35,000.00	0	0	90,000.00	80,000.00	
	Male	38	65,000.00	50,000.00	45,000.00	40,000.00	0	0	110,000.00	90,000.00	
Elementary occupations	Female	44	50,000.00	40,000.00	60,000.00	35,000.00	0	0	110,000.00	75,000.00	
	Male	129	60,000.00	55,000.00	100,000.00	60,000.00	0	0	160,000.00	115,000.00	
Total		537	1 070,000	780,000.00	1, 245 000.00	715,000.00	0	0	2,315,000.00	1,495,000.00	

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

In the year under review, Mquma Local Municipality has seen the salaries decrease of -2.75% compared to the 2021 salaries. The municipality's budgeted expenditure is 6.25 % below the 2021 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 4.9 % as per Council Resolution dated 27 May 2022 (SCM/22/007.1.3.4) Personnel expenditure increase for Councillors is based on 3% increases for 2021/2022 as per gazette no 46470 dated 02nd June 2022 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 2021/22					
	Budget Year 2021/22	2nd Adjustment Budget	YearTD actual	YearTD budget	YTD variance	YTD Actual Under / (over)
R thousands	R'000	R'000	R'000	R'000	R'000	%
Revenue By Source						
Property rates	60 000	76 000	67 038	76 000	8 962	12%
Service charges - refuse revenue	6 000	6 000	5 290	6 000	710	12%
Rental of facilities and equipment	5 000	5 000	5 328	5 000	-328	-7%
Interest earned - external investments	4 000	4 000	7 019	4 000	-3 019	-75%
Interest earned - outstanding debtors	14 673	14 673	16 215	14 673	-1 542	-11%
Fines	8 000	8 000	9 893	8 000	-1 893	-24%
Licences and permits	1 500	1 500	1 019	1 500	481	32%
Agency services	4 000	4 000	2 842	4 000	1 158	29%
Transfers recognised - operational	290 236	296 901	295 963	296 901	938	0%
Other revenue	1 643	1 643	976	1 643	667	41%
Gains on disposal of PPE	250	250	-	250	250	100%
Total Revenue (excluding capital transfers and contributions)	395 302	417 967	411 583	417 967	6 384	2%

Description	Budget Year 2021/2022					
	Original Budget	2nd Adjusted Budget	Year TD actual	Year TD budget	YTD variance	YTD variance
R thousands	R'000	R'000	R'000	R'000	R'000	%
Expenditure By Type						
Employee related costs	215 751	215 751	192 690	215 751	23 061	11%
Remuneration of councillors	29 744	29 744	25 560	29 744	4 184	14%
Debt impairment	46 073	137 873	-	137 873	137 873	100%
Depreciation & asset impairment	110 026	110 026	-	110 026	110 026	100%
Finance charges	20	20	-	20	20	100%
Inventory Consumed	4 700	4 639	1 477	4 639	3 163	68%
Contracted services	34 569	37 927	19 192	37 927	18 735	49%
Transfers and subsidies -Bulk/Led	10 850	9 005	4 162	9 005	4 843	54%
Other expenditure	43 266	54 259	38 064	54 259	16 195	30%
Total Expenditure	494 999	599 244	281 145	599 244	318 099	53%

5.2 GRANTS RECEIVED DURING 2021/2022 FINANCIAL YEAR

The municipality on a yearly basis is allocated with funds from the Division of Revenue Act (DoRA). The municipality has received R 367 530 615 as at 30 June 2022. Interest earned from these grants is transferred to operating bank account on a monthly basis. Below is the detail of grants received to date. All grants allocated to the municipality have been committed.

Name of the Grant	DoRA Allocation	YTD Actual	Variance
MIG	66 145 000	66 145 000	-
Minerals & Energy (INEP)	9 135 000	8 730 000	405 000
Equitable share	282 161 000	280 299 000	1 862 000
FMG	1 850 000	1 850 000	-
DEDEAT	5 000 000	5 000 000	-
DSRAC	500 000	500 000	-
EPWP	2 418 000	2 418 000	-
TOTAL	367 209 000	364 942 000	2 267 000

Name of the Grant	LGSETA Allocation	YTD Actual	Variance
LGSETA	726 615	726 615	-

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.

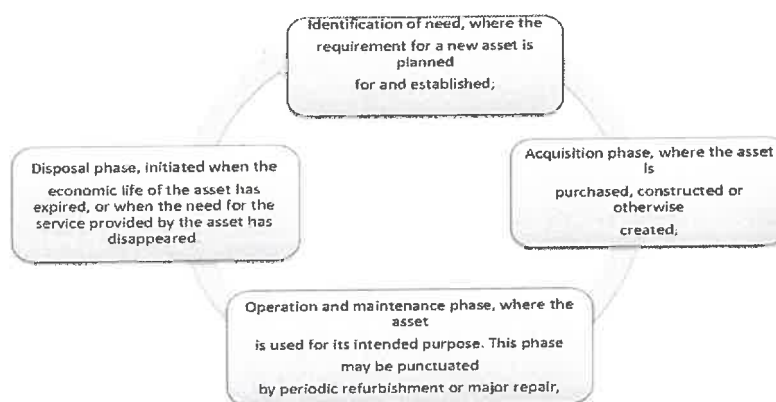
Monitoring and reporting: The municipal management oversee the utilization, safeguarding and maintenance of assets and the appropriate reporting for regulatory and decision purposes.

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:



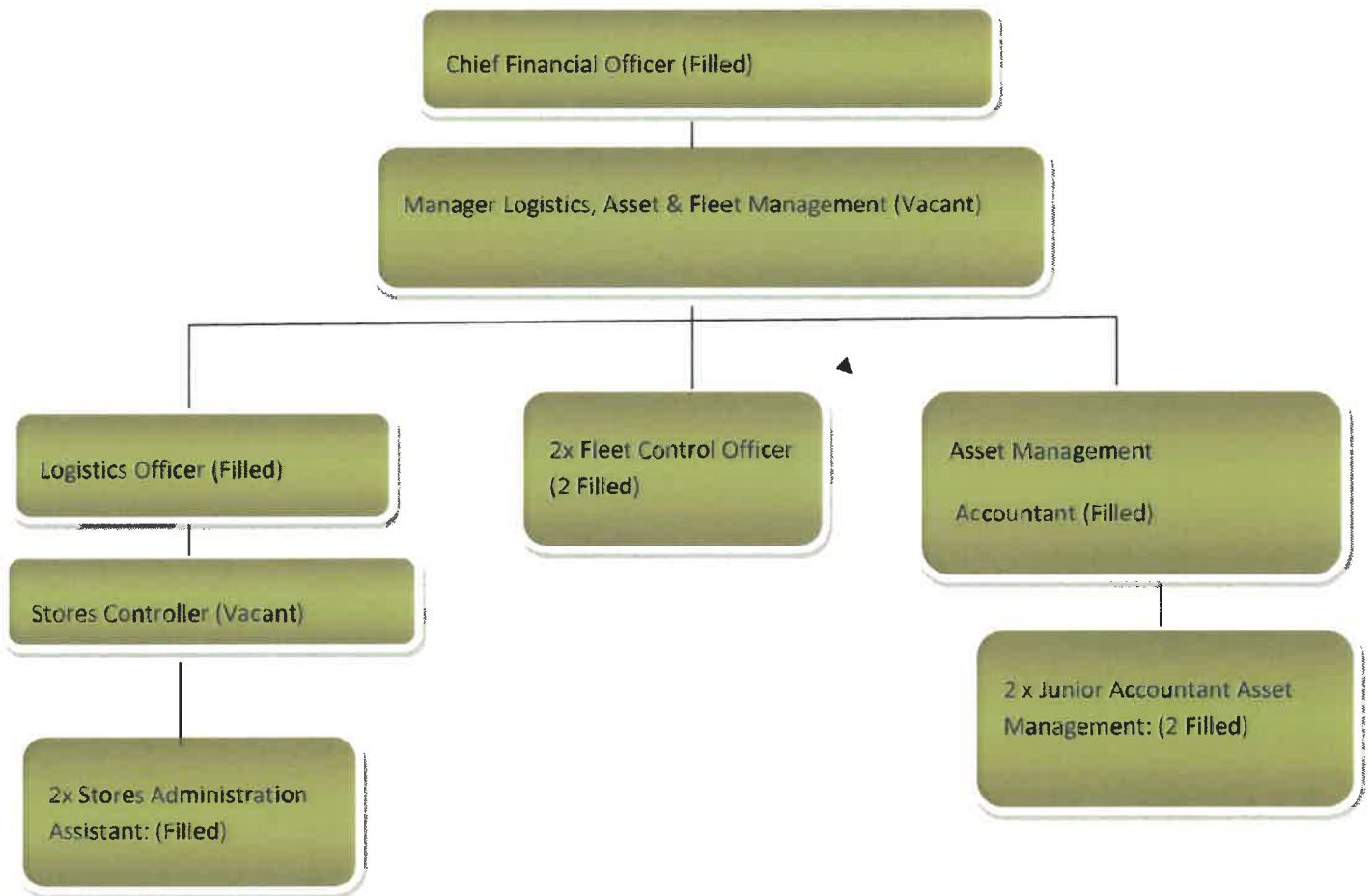
Key issues under development: During the year under review, asset verification is done as prescribed by GRAP standards and parts of the annual financial statements. Asset verification is done to ensure existence and completeness of the Asset Register. During verification condition assessment is done 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 2021/2022 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

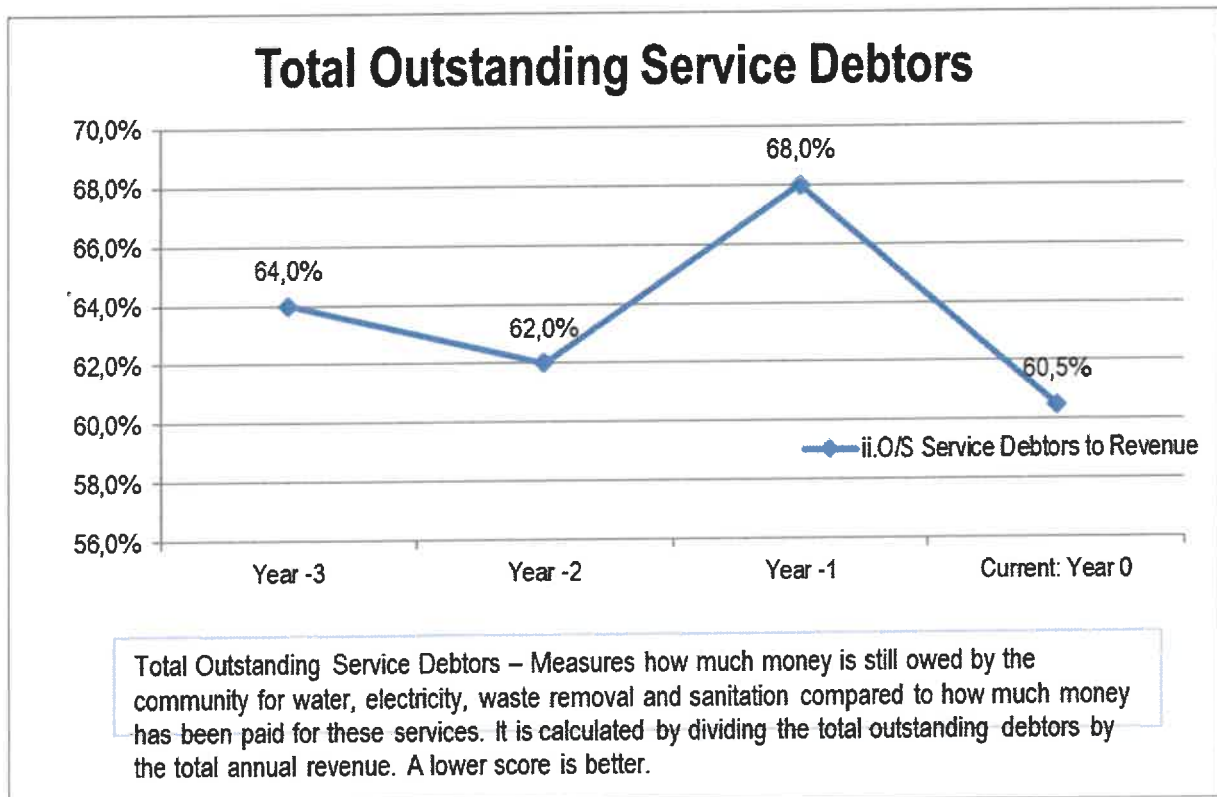
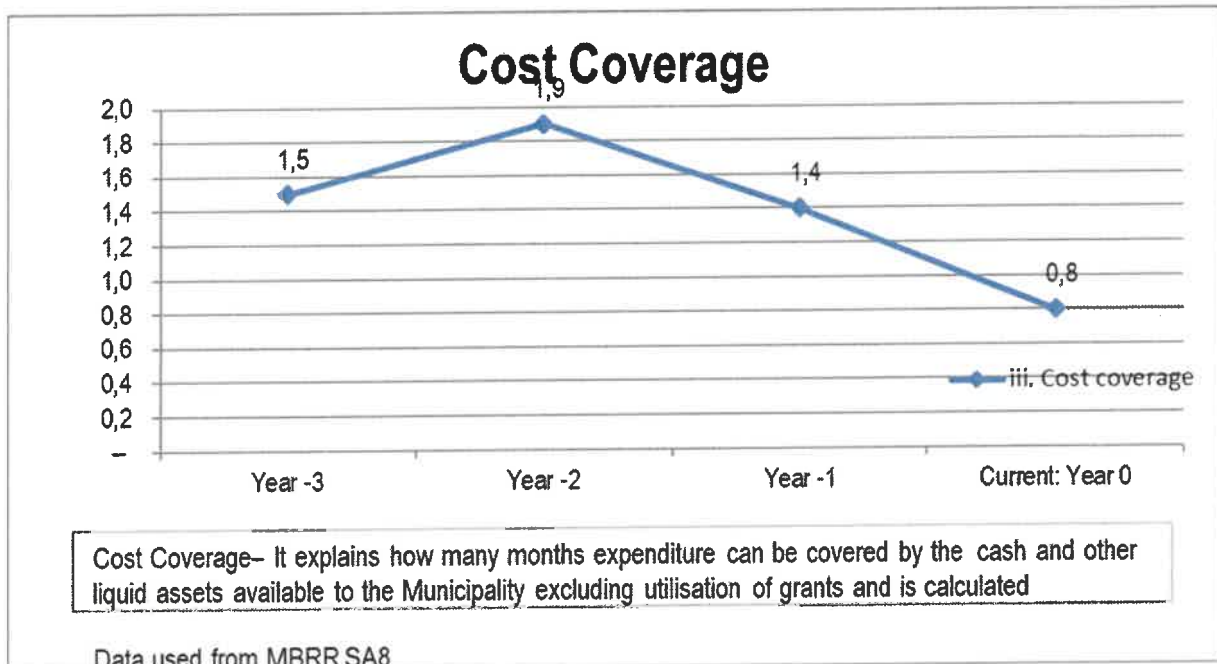
Figure 1 – Assets, Fleet and Logistics Management Structure



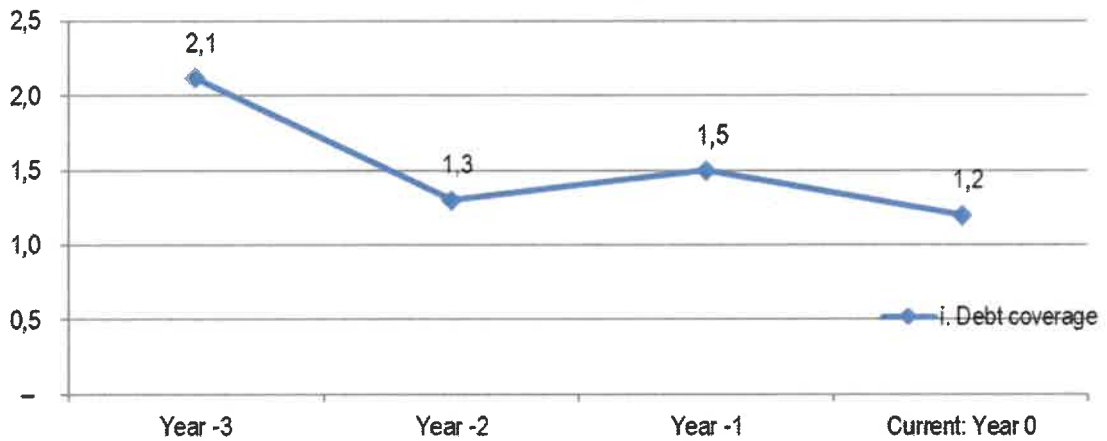
Repairs and Maintenance Expenditure on Moveable Assets: Year 2021/2022				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance	14 900 000	15 444 000	5 127 000	10 317 000

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

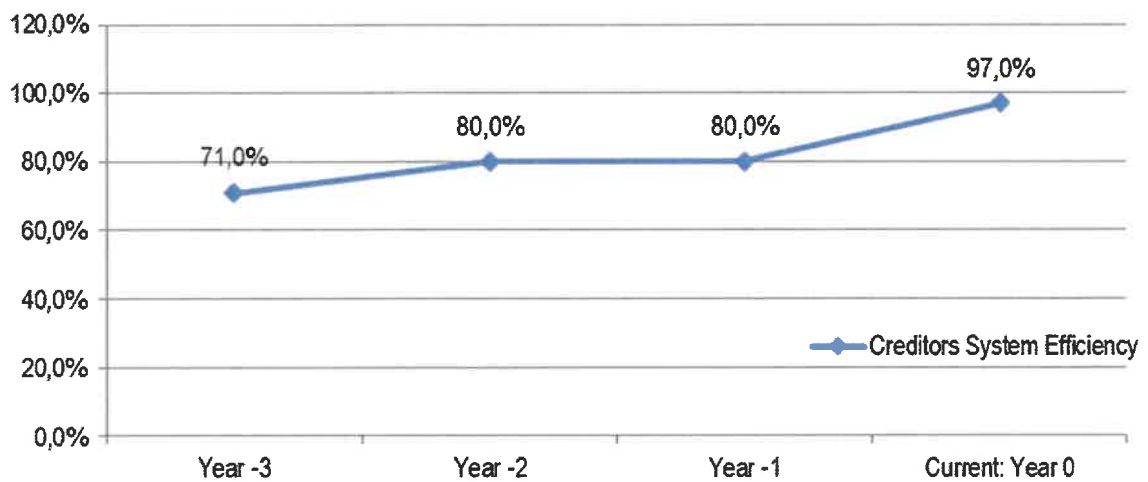


Debt Coverage



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

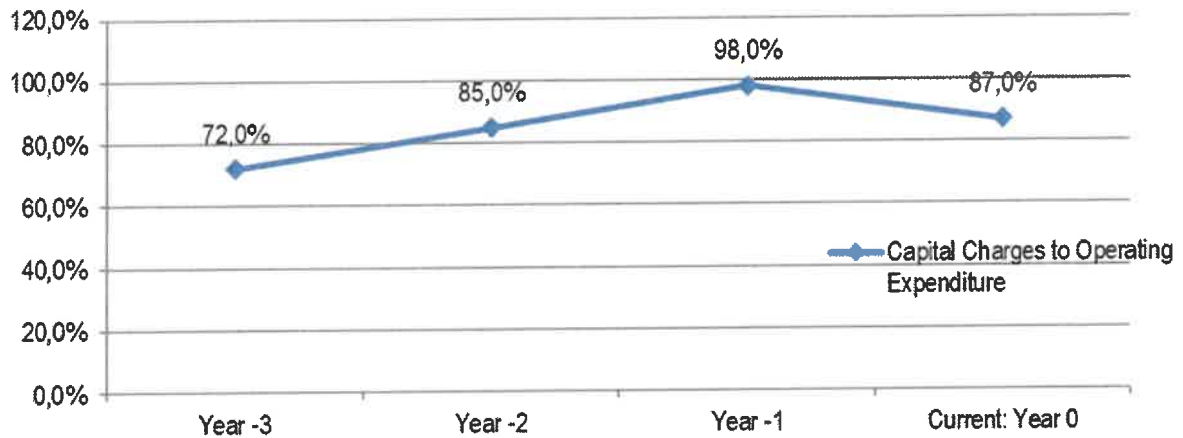
Creditors System Efficiency



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

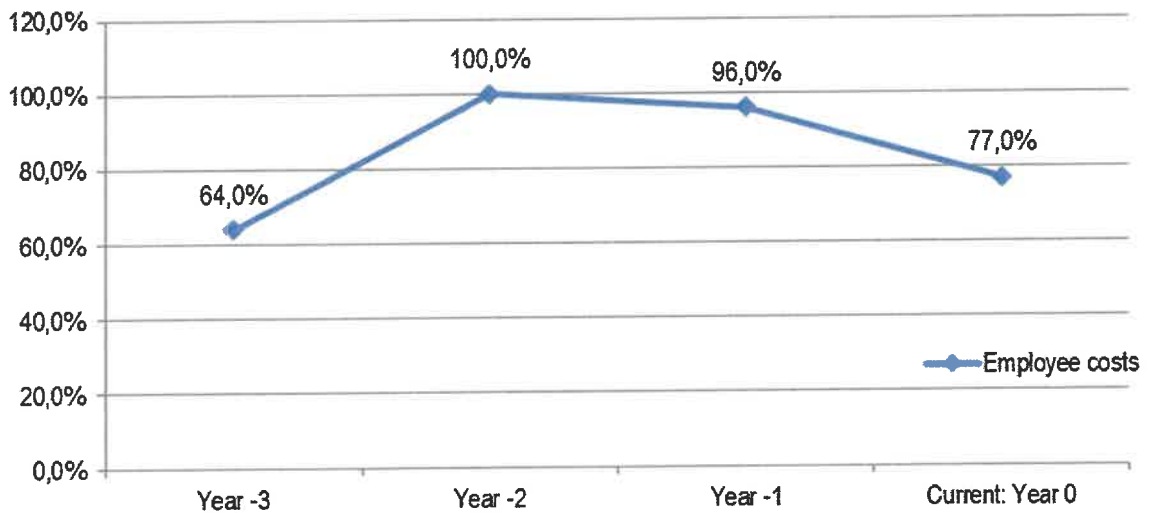
Capital Charges to Operating Expenditure



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

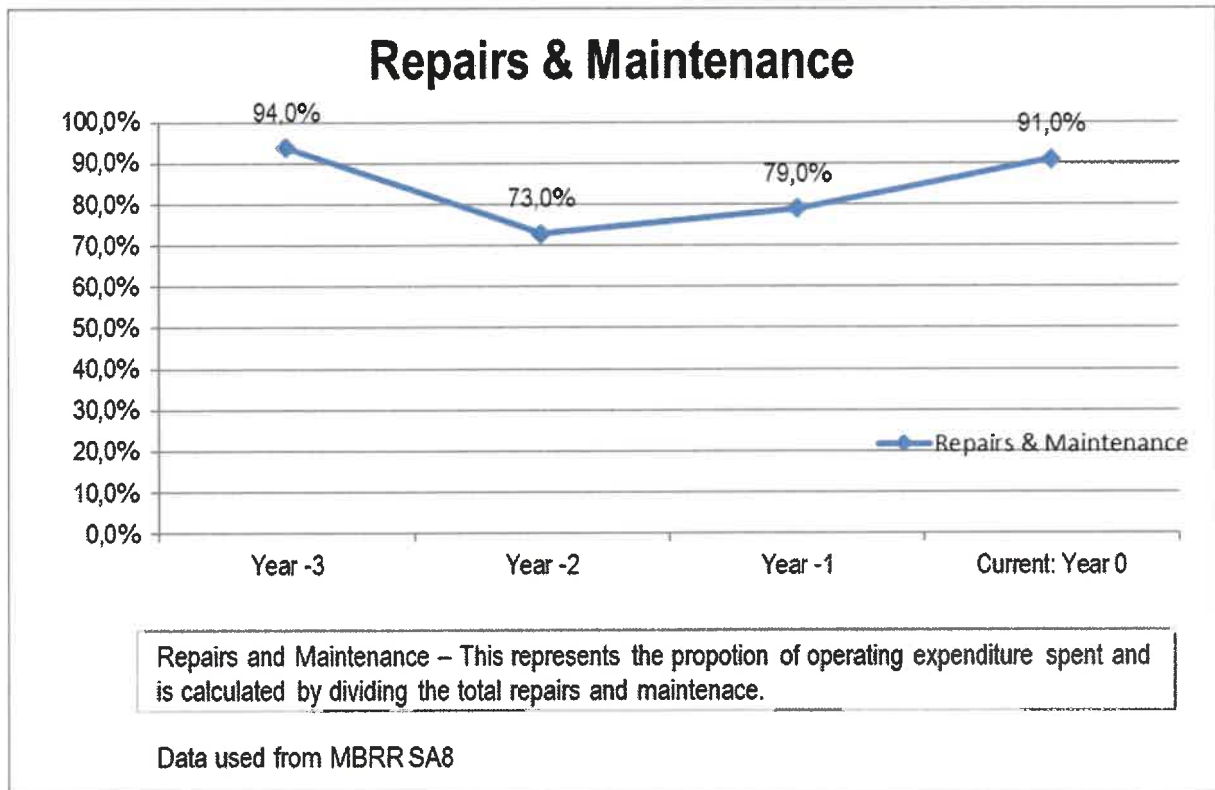
Data used from MBRR SA8

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.

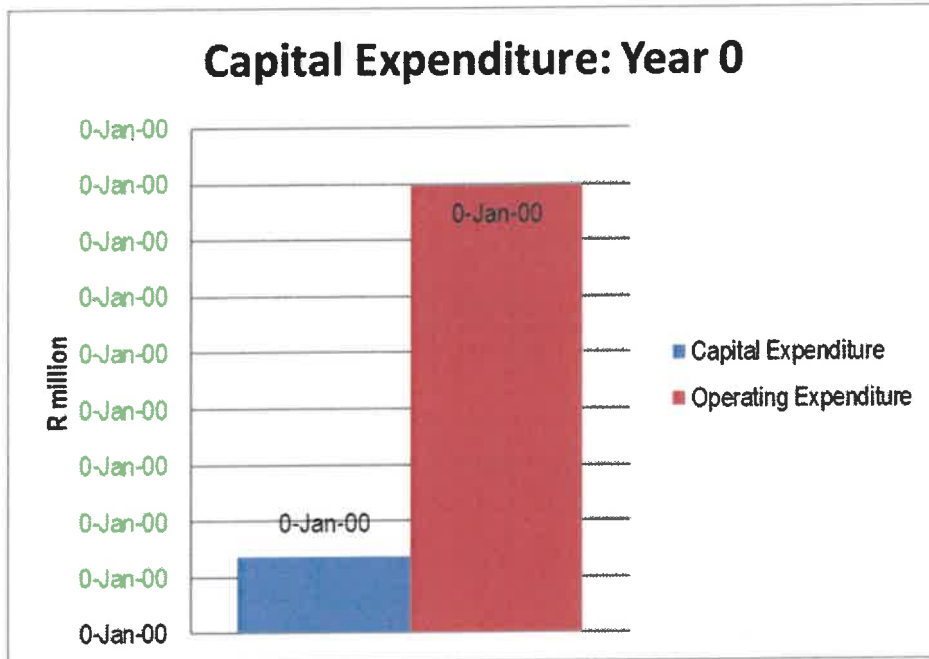
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

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

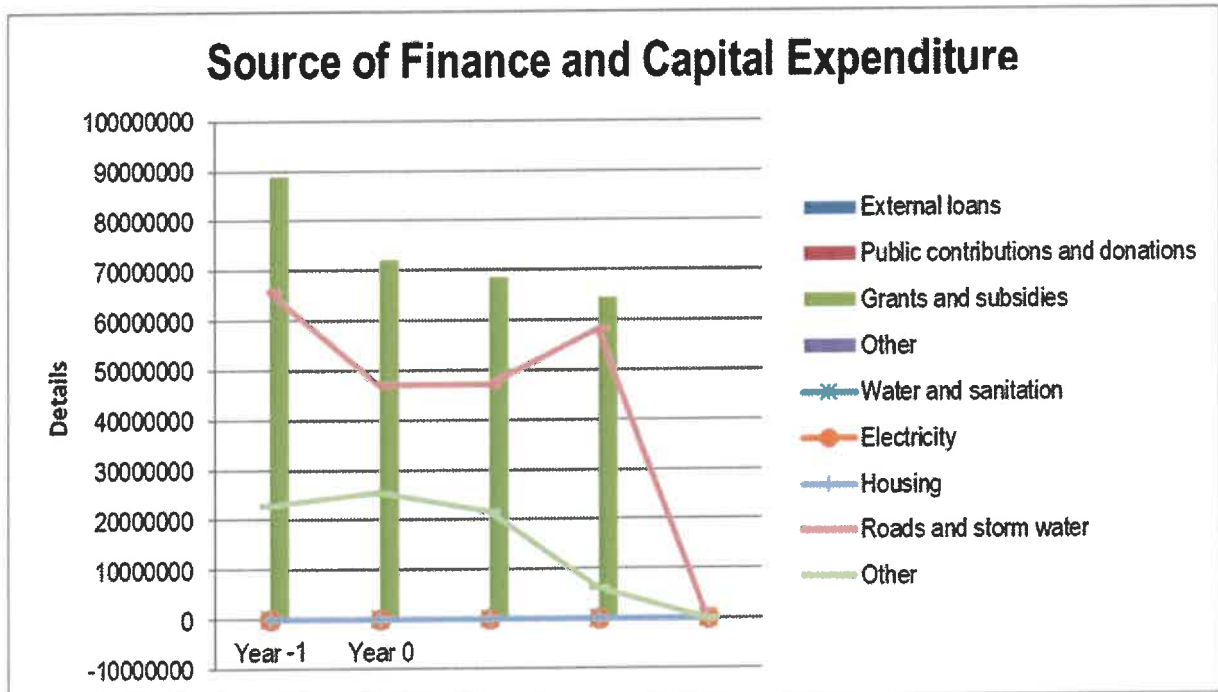
The five largest capital projects constitute 28% (R52 014 000) of the total capital expenditure. These projects were funded through the MIG and INEP grants. T.5.7.1 below has more details regarding these projects.

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 2021/2022 financial year the municipality has spent 18% of the total budget on Capital projects and 36% 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 2021/2022	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Small town revitalisation	14 653 000	19 198 000	6 206 000	42%	32%
Rehabilitation of Msobomvu Main Road	8 788 000	11 103 000	11 103 000	126%	100%
Paving of Vuli-Valley Main Road	8 000 000	7 883 000	7 730 000	97%	98%
Zizamele Internal Streets	7 421 000	7 025 000	7 025 000	95%	100%
Tar surface repairs Sauer , Bell Street	5 203 000	6 804 000	5 102 000	98%	75%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	Small town revitalisation				
Objective of Project	Nqamakwe internal streets				
Delays	None				
Future Challenges	n/a				
Anticipated Citizen Benefit					
Name of Project - B	Rehabilitation of Msobomvu Main Road				
Objective of Project	Access Road				
Delays	None				
Anticipated citizen benefits					
Name of Project - C	Paving of Vuli-Valley Main Road				
Objective of Project	Access Road				
Delays	None				
Anticipated citizen benefits					
Name of Project - D	Zizamele Internal Streets				
Objective of Project	Access Road				
Delays	None				
Anticipated citizen benefits					
Name of Project - E	Tar surface repairs Sauer , Bell Street				
Objective of Project	Access Road				
Delays	None				

COMMENT ON CAPITAL PROJECTS:

The above capital projects funded through MIG and Internally generated funds 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	Ref	2020/21	Budget Year 2021/22		YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget					
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		66 431	36 000	52 000	45 587	52 000	(6 413)	-12%	52 000
Service charges		4 572	3 600	3 600	1 353	3 600	(2 247)	-62%	3 600
Other revenue		11 548	15 143	15 143	5 399	15 143	(9 744)	-64%	15 143
Transfers and Subsidies - Operational		78 079	286 929	293 594	293 594	293 594	(0)	0%	293 594
Transfers and Subsidies - Capital		185 059	98 833	101 008	88 016	101 008	(12 992)	-13%	101 008
Interest		38 156	4 000	4 000	7 019	4 000	3 019	75%	4 000
Dividends		-	-	-	-	-	-	-	-
Payments									
Suppliers and employees		(544 351)	(327 265)	(342 051)	(276 983)	(342 051)	(65 068)	19%	(342 051)

Description	Ref	2020/21		Budget Year 2021/22		Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Original Budget	Adjusted Budget						
R thousands	1										
Finance charges		(1 081)	(20)	(20)				(20)	(20)	100%	(20)
Transfers and Grants		(9 802)	(11 620)	(9 273)	(4 162)			(9 273)	(5 111)	55%	(9 273)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(171 387)	105 600	118 001	159 822	118 001		118 001	(41 822)	-35%	118 001
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		148	250	250	-			208	(208)	-100%	250
Decrease (increase) in non-current receivables		-	-	0	-			-	-		0
Decrease (increase) in non-current investments		-	-	-	-			-	-		-
Payments											
Capital assets		-	(160 395)	(184 062)	(138 280)			(184 062)	(45 782)	25%	(184 062)
NET CASH FROM/(USED) INVESTING ACTIVITIES		148	(160 145)	(183 812)	(138 280)	(183 854)		(183 854)	(45 574)	25%	(183 812)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-			-	-		-
Borrowing long term/refinancing		-	-	-	-			-	-		-
Increase (decrease) in consumer deposits		-	(0)	(0)	(0)			0	(0)	-248%	0
Payments											

Description	Ref	2020/21	Budget Year 2021/22		YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget					
R thousands	1								
Repayment of borrowing		-	0	0	-	0	0	100%	0
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(0)	(0)	(0)	0	0	218%	0
NET INCREASE/ (DECREASE) IN CASH HELD		(171 240)	(54 545)	(65 811)	21 542	(65 853)			(65 811)
Cash/cash equivalents at beginning:		100 563	0	50 282	127 689	50 282			127 689
Cash/cash equivalents at month/year end:		(70 676)	(54 544)	(15 529)	149 231	(15 571)			61 878

COMMENT ON CASH FLOW OUTCOMES:

In 2021/2022 financial year, the municipality realized own revenue from the following sources as reflected in the table below:

Property rates = 88%

Service charges = 38%

Traffic Services, licensing and other miscellaneous income = 65%

Challenges and remedial actions

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

5.11 BORROWING AND INVESTMENTS

During 2021-2022 the municipality had no borrowings.

Municipal Investments			
R' 000			
Investment* type	Year: 2019/2020	Year: 2020/2021	Year: 2021/2022
	Actual	Actual	Actual
Municipality			
Call Investment Deposits - Bank	50 281 617	127 688 779	160 341 000
Municipality total	50 281 617	127 688 779	160 341 000

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 supply chain management policies have been further reviewed and approved by the Council on the 27 May 2022.

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 2021/2022.

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 2021/2022

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 2021-2022.

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 2021-2022

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

Deviation register for financial year 2021-2022 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.

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 2021/2022 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 2021/2022 financial year. Procurement plan is updated on monthly basis.

Bids Awarded >R30K

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
1	2021/2022	Supply and Delivery of Cleaning Material for a period of a year	MNQ/SCM/84/20-21	Tabazi Projects (Pty) Ltd	Based on Quotations
2	2021/2022	Supply and Delivery of Refuse Bags for a period of a year	MNQ/SCM/79/20-21	N2 Assist Towing and Recovery Service (Pty) Ltd	R 125.00 per bale on quotation basis
3	2021/2022	Appointment of a Service Provider to Train 21 officials on municipal governance	SCM/MLM/61/20-21	Kgolo Business Trust	R 178 500,00
4	2021/2022	Construction of Masizakhe to Nzanzana AR	MNQ/SCM/10/21-22	Mikuwo Construction	R 4 949 087,00
5	2021/2022	Construction of Rhaladiya to Jingqi AR	MNQ/SCM/05/21-22	Gqobo Investments CC	R 4 370 155,37
6	2021/2022	Construction of Gcina (Esingeni) AR	MNQ/SCM/05/21-22	ZKS and Nam General Trading	R 5 270 478,79
7	2021/2022	Supply and Delivery of LED Street Lights	MNQ/SCM/89/20-21	Mentolek Projects (Pty) Ltd	R 587 667,94
8	2021/2022	Construction of Fihlani AR	MNQ/SCM/09/21-22	Rosibu Holding	R 4 864 535,95
9	2021/2022	Construction of Ibika Internal Streets	MNQ/SCM/08/21-22	Devomix (Pty) Ltd	R 3 997 505,82
10	2021/2022	Rehabilitation of Msobomvu Main Road	MNQ/SCM/01/21-22	Lunika Investments	R 11 687 396,34
11	2021/2022	Supply & Installation of 90 hawkers Stalls	MNQ/SCM/03/21-22	AK Building Construction (Pty) Ltd	R 5 829 179,19
12	2021/2022	Construction of Ntseshe Community Hall	MNQ/SCM/07/21-22	Masiba & Son Trading (Pty) Ltd	R 4 055 784,24
13	2021/2022	Construction of Thongwana Outdoor Sport Facility	MNQ/SCM/02/21-22	Counterpoint 420 CC	R 7 265 382,44
14	2021/2022	Supply, Delivery and Installation of Network Cabling for LED Offices and Network Point for Municipality Mobile Offices	MNQ/SCM/91/20-21	SMS ICT Choice (Pty) Ltd	R 442 148,40
15	2021/2022	Construction of Zizamele Internal Streets (Gravel)	MNQ/SCM/04/21-22	Masiyabu Trading and General Civil Construction (Pty) Ltd	R 7 395 446,23
16	2021/2022	Paving of Vuli-Valley Main Road	MNQ/SCM/13/21-22	Lunika Investments	R 7 882 576,55
17	2021/2022	Supply and Installation of 20 LED Street Lights Along Mthatha Street & King Street	MNQ/SCM/05/21-22	Mabhese Electrical Projects and Trading (Pty) ltd	R 1 631 369,70
18	2021/2022	Electrification of Qwanguleni Ext, Ntandathu, Ntshatshongo, Enqileni, Mnyameni, Mnyameni Myeki and Macibe Phesheya kweDiphu	MNQ/SCM/12/21-22	Siya and Aya Engineering (Pty) Ltd	R 8 248 253,18

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
19	2021/2022	Cleaning of Extension 24 & 14, Vuli Valle, Mchubakazi, Cuba Flats, 282 Housing and Zizamele for a Period of two (02) years	MNQ/SCM/73/20-21	Vumba Lenkululeko Multi-Purpose Limited	R 1 052 845,00
20	2021/2022	Supply And Delivery of 84 Laptops and laptop bags	MNQ/SCM/95/20-21	Unathi Computer Technologies CC	R 2 913 240,23
21	2021/2022	Paving of side Walks Along King Street and Blyth Street Municipal Offices	MNQ/SCM/19/21-22	Ngomdla Trading CC	<u>R 1 447 635,53</u>
22	2021/2022	Installation of a Fleet Management System for a period of three (03) year	MNQ/SCM/98/20-21	Netstar (Pty) Ltd	R 893 259,58 including VAT and on quotation basis
23	2021/2022	Supply, Installation and Commissioning Of Standby Generators, Ups and Refurbishment of Electrical Distribution Board Including Maintenance Contracts for Mngquma Main Building	MNQ/SCM/97/20-21	Trackos Solar Engineering (Pty) Ltd	R 457 927,50
24	2021/2022	Tar Surface Repairs and Asphalt Overlay at Sauer Street, Bell Street and King Street	MNQ/SCM/16/21-22	Sincede Consulting Services	<u>R 4 994 912,22</u>
25	2021/2022	Upgrading of Ngqamakwe Internal Streets- phase 1	MNQ/SCM/14/21-22	Bathabile Construction Services CC	R23 997 050,00
26	2021/2022	Installation and Maintenance of Head Office Connectivity Link for a period of five (05) years	MNQ/SCM/93/20-21	SMS Inzalo Enterprise Management Systems (Pty) Ltd (Pty) Ltd	R 2 570 082,80
27	2021/2022	Construction of Butterworth Tourism Information Centre	MNQ/SCM/43/20-21	Bontinite (Pty) Ltd	R 3 401 257,25
28	2021/2022	Supply and Installation of Network points for Satellite Offices	MNQ/SCM/25/21-22	SMS ICT Choice (Pty) Ltd	R 213 956,41
29	2021/2022	Construction of Ext 5 Gravel Internal Streets in Centane	MNQ/SCM/15/21-22	Cycle Civils and Projects (Pty) Ltd	<u>R 4 496 883,98</u>
30	2021/2022	Supply and Delivery of two (02) Heads Industrial Embroidery Machine with Digitizing Software Programme	MNQ/SCM/32/21-22	Khushe Holdings (Pty) Ltd	R 237 500,00
31	2021/2022	Planning, Designing and Construction of Animal Pound at Mission Location Butterworth	MNQ/SCM/92/21-22	Kaazi Engineering Group (Pty) Ltd	R 3 916 068,64
32	2021/2022	Tar Surface Repairs and Asphalt Overlay at Blyth and King Link Roads	MNQ/SCM/18/21-22	Gqobo Investments CC	<u>R 4 440 337,03</u>

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
33	2021/2022	Tar Surface Repairs and Asphalt Overlay at Academy, Blyth, Stanford, Robinson and Daly Street	MNQ/SCM/17/21-22	Mantishe Construction CC	R 7 346 778,72
34	2021/2022	Refurbishment of Butterworth Town Hall	MNQ/SCM/38/21-22	ZKS and Nam General Trading	R 4 168 592,45
35	2021/2022	Construction of Thongwana Outdoor Sports Facility Phase 1	MNQ/SCM/51/21-22	Khula Africa Agriculture and Construction Projects	R 6 407 740,10
36	2021/2022	Editing, Designing, Layout, Formatting Printing, Binding and Cover of the 2021/2022 IDP	SCM/MLM/30/20-21	Copy World	R 47 472,00
37	2021/2022	Supply and Delivery of inputs for a co-operative	SCM/MLM/17/21-22	Bravo Pix 176 CC	R 30 598,28
38	2021/2022	Hiring of A Service Provider for Provision of LifeGuard Services	SCM/MLM/48/21-22	Entrust Electrical	R 174 400,00
39	2021/2022	Supply and Delivery of Food Parcels for Mandela Day	SCM/MLM/30/21-22	Swift Express and Warehouse cc	R 46 241,65
40	2021/2022	Training of forty- one (41) Officials on Performance Management	SCM/MLM/71/20-21	Fachs Business Consulting and Training	R 113 395,75
41	2021/2022	Supply and Delivery of Books for Butterworth and Thanga Libraries	SCM/MLM/69/20-21	Sothozulu Projects (Pty) Ltd	R 99 016,38
42	2021/2022	Training of Forty One (41) Officials on Risk Management	SCM/MLM/80/21-22	Summat Training Institute (Pty) Ltd	R 77 797,80
43	2021/2022	Tree Felling and Pruning of Butterworth CBD, Centane CBD and Centane Cemetery	SCM/MLM/06/21-22	DWorld Development	R 75 000,00
44	2021/2022	Fixing, Revamping, Design, Printing and Installation of Municipal Building Outdoor Signage, Directional Road Signage and Indoor Office Signafe	SCM/MLM/62/20-21	Khayasonke Communications (Pty) Ltd	R 88 500,00
45	2021/2022	Hiring of Pad Foot Roller, Grader, Water Cart (15000-20000L) for a period of ten (10) days and Water Jet Truck for a period of five (05) days for Road Maintenance at Ngqamakwe and Centane Areas	SCM/MLM/24/21-22	Temba Lesizwe Holdings (Pty) Ltd	R 192 308,75
46	2021/2022	Supply and Delivery of Inputs to Support Woman Initiatives (Pint Lay, Lay Feed and Medication)	SCM/MLM/12/21-22	Monde Holdings	R 63 800,00

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
47	2021/2022	Supply and Delivery of Fencing Material of Inputs to Support Youth Co-Operatives	SCM/MLM11//21-22	Farci Trading cc	R 108 679,00
48	2021/2022	Renewal of Antivirus Software License	SCM/MLM/67/20-21	Mjaji Technologies	R 56 300,00
49	2021/2022	Hiring Of D9 Dozer for a Period of Five (05) Days	SCM/MLM/50/20-21	SGSA Construction	R 48 141,88
50	2021/2022	Supply, Delivery and Installation of Inputs for Children's Homes to Celebrate Children's Month	SCM/MLM/13/21-22	Gobhoti Agricultural Co-Operative Limited	R 53 092,25
51	2021/2022	Design, Editing, Translation (English to Xhosa) Printing and Distribution of the Municipality's External Newsletter	SCM/MLM/04/21-22	Copy World	R 198 375,00
52	2021/2022	Procurement of Legislation Books	SCM/MLM/10/21-22	Lexis Nexis	R 108 790,00
53	2021/2022	Supply and Delivery for Design and Printing of 2022 Calendars and Diaries	SCM/MLM/15/21-22	Dalworth (Pty) Ltd/ About Design	R 47 900,00
54	2021/2022	Supply and Delivery of Road Marking Paint	SCM/MLM/07/21-22	Quezym Holding	R 88 320,00
55	2021/2022	Supply and Delivery of Road Marking Machine	SCM/MLM/07/21-22	Quezym Holding	R 88 320,00
56	2021/2022	Supply and Delivery of Alcohol Test Machine	MNQ/SCM/60/21-22	Bravo Pix 176 CC	<u>R 340 000,00</u>
57	2021/2022	Supply and Delivery of Back to School Uniform for Vulnerable Children	MNQ/SCM/61/21-22	Cyrastyle (Pty) Ltd	R 217 632,00
58	2021/2022	Provision and Deployment of Data Backup: Endpoint Protection for a Period of Three (03) Years (effective 03 January 2022 - 31 January 2025)	MNQ/SCM/46/20-21	SMS ICT Choice (Pty) Ltd	R 938 956,83
59	2021/2022	Supply and Delivery of a Container	MNQ/SCM/57/21-22	Lisakhanya Distributors (Pty) Ltd	<u>R 77 625,00</u>
60	2021/2022	Supply, Delivery, Implementation and Commissioning of Data Centre and Disaster Recovery Services for Mquma Local Municipality for a period of five (05) years (effective 03 January 2022 - 31 January 2027)	MNQ/SCM/47/20-21	Sense – IT (Pty) Ltd	R 7 796 579,51

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
61	2021/2022	Supply and Delivery of Motor Vehicle and Plant	MNQ/SCM/31/21-22	Imvelo Consulting and Project Managers	R 16 438 773,70
62	2021/2022	Appointment of a Service Provider for Re- Planning, Valuation and Surveying of Municipal Properties	MNQ/SCM/34/21-22	Fourways Consulting Services	R 618 240,00
63	2021/2022	Supply and Installation of Software for Capturing and Processing of Traffic Fines for a Period of Three (03) Years, effect 04 January 2022 to 31 January 2025	MNQ/SCM/29/21-22	Dunamis Empirium Services (Pty) Ltd and Fegza Trading Enterprise (Pty) Ltd Jv	R 2 810 600,00
64	2021/2022	Provision of comprehensive insurance cover for mnquma local municipality assets for a period of three years, (effective 01 February 2022 – 28 February 2025)	MNQ/SCM/68/21-22	Indwe Risk Services (Pty) Ltd	R6 046 015.76 subject to additions, claims history and risk profile
65	2021/2022	Appointment of a Service Provider for Refurbishment of House No.57 Blyth Street,	MNQ/SCM/63/21-22	Sihlalo & Soso Construction (Pty) Ltd	R374 264,00
66	2021/2022	Supply and Delivery of Office Furniture – DLTC	MNQ/SCM/75/21-22	Handyman and Allied Services (Pty) Ltd	R535 943,00
67	2021/2022	Supply and Delivery of Animal Medication for Two Farming Co-operatives	MNQ/SCM/71/21-22	Klaas Empire Construction (Pty) Ltd	R224 600
68	2021/2022	Supply and Delivery of Fencing Material for Two (02) Co-operative (Toleni & Amagatya)	MNQ/SCM/64/21-22	Ebusha General Pty Ltd	R477672,63
69	2021/2022	Supply and Delivery of Security Uniform	MNQ/SCM/66/21-22	Sunday Kit Uniform Supplies CC	R459 692,19
70	2021/2022	Appointment of a service provider for provision of two (02) software licenses for the preparation of annual financial statements.	SCM/MLM/50/20-21	Adapt It	R154 892,35
71	2021/2022	Appointment of Four (04) Panel of Attorneys for The Handling of Mquma Local Municipality Legal Matters for A Period of Three Years	MNQ/SCM/69/21-22	TL Luzipho Attorneys T/A TL Luzipho Attorneys Inc.	legal costs in line with the existing rates as determined by the Legal Practice Council
72	2021/2022	Appointment of Four (04) Panel of Attorneys for The Handling of Mquma Local Municipality Legal Matters for A Period of Three Years	MNQ/SCM/69/21-22	S. Mtshengu Attorneys Inc.	legal costs in line with the existing rates as determined by the Legal Practice Council

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
73	2021/2022	Appointment of Four (04) Panel of Attorneys for The Handling of Mngquma Local Municipality Legal Matters for A Period of Three Years	MNQ/SCM/69/21-22	Siyathemba Sokutu Attorneys Incorporated	legal costs in line with the existing rates as determined by the Legal Practice Council
74	2021/2022	Appointment of Four (04) Panel of Attorneys for The Handling of Mngquma Local Municipality Legal Matters for A Period of Three Years	MNQ/SCM/69/21-22	Wesley Pretorius and Associates	legal costs in line with the existing rates as determined by the Legal Practice Council
75	2021/2022	Supply and Delivery of Electrical Material for DLTC	SCM/MLM/47/21-22	Monde Holdings	R98175,09
76	2021/2022	Supply, Delivery and Installation of Gurglar Doors, Windows and Gate for DLTC Offices	SCM/MLM/25/21-22	Ubuntu Ndoko Trading	R98 175,09
77	2021/2022	Supply and Installation of network-points for mngquma DLTC offices	SCM/MLM/48/21-22	CBT Connect (Pty) Ltd	R79 152,20
78	2021/2022	Supply and Delivery of Licence Disc Scanners	SCM/MLM/30/21-22	Dworld Development	R44 000,00
79	2021/2022	for Supply and Delivery of Cold Carbon Asphalt for A Period of a Year	MNQ/SCM/67/21-22	N2 Assist Towing and Recovery Service (Pty) Ltd	R 90.00 per 25 kg bag of cold carbon asphalt as at when required.
80	2021/2022	Maintenance of Blythwood Caves in Ngqamakwe	MNQ/SCM/31/21-22	Quezym Holdings (Pty) Ltd	R269 514,00
81	2021/2022	Preparation of GRAP Compliant Immovable and Moveable Asset Register for 2021/222 Financial Year	MNQ/SCM/53/21-22	SDM Asset Management & Consulting	R1 792 001,25
82	2021/2022	Supply and delivery of cell phone and data contracts for 63 Municipal Councillors and 1 Traditional leader for a period of two (02) years	MNQ/SCM/85/21-22.	Vodacom (Pty) Ltd	R5 398 273,52
83	2021/2022	Construction of Gabion Retaining Wall at Ngqamakwe Taxi Rank	MNQ/SCM/20/21-22	Cingani Cleaning and Projects (Pty) Ltd	<u>R 780 045,00</u>
84	2021/2022	Construction of Ntseshe Community Hall	MNQ/SCM/107/21-22	Stibarol Projects (Pty) Ltd	R3 441 813,20
85	2021/2022	Rehabilitation of Ext 6 Ring Road (Surfaced)	MNQ/SCM/96/21-22	Lunika Investments (Pty) Ltd	R13 375 383,32
86	2021/2022	Appointment of a Professional Land Surveyor & Town Planning Consulting Firm for the Amendment of a Township Establishment in Centane, Ngqamakwe and Butterworth within Mngquma	MNQ/SCM/98/21-22	MNT Geomatics (Pty) Ltd	R794000

No.	Financial Year	Project name	Bid number	Contractor	Contractor Amount (R)
87	2021/2022	Appointment of a service provider to train 20 officials on Public Administration Skills Programme	SCM/MLM/50/20-21	Illinge Labantu Debt Solution CC	R160 000,00
88	2021/2022	Appointment of a service provider for Municipal Finance Management Programme Training.	MNQ/SCM/91/21-22	Morar Incorporated	R1 847 414,05
89	2021/2022	Supply and Delivery of Catering for Mayoral Cup	SCM/MLM/79/21-22	Ayazingca Trading Enterprise	R47 705,00
90	2021/2022	Supply and Delivery and kits, trophies, balls and medals for Mayoral cup	SCM/MLM/80/21-22	Bravo Pix 176 cc	R194 298,00

Municipal Bid Appeals (if applicable): There were no bids appeals received in financial year 2021/2022.

Contract Management: Contract register and commitments is maintained and updated on monthly basis. Contract register and commitments register for financial year 2021-2022 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 %
Supply and Delivery of Refuse Bags for a period of a year	MNQ/SCM/79/20-21	N2 Assist Towing and Recovery Service (Pty) Ltd	125 000.00	143 000.00	14.4
Supply, Delivery, Implementation and Commissioning of Data Centre and Disaster Recovery Services for Mquma Local Municipality for a period of five (05) years (effective 03 January 2022 - 31 January 2027)	MNQ/SCM/47/20-21	Sense – IT (Pty) Ltd	R 7 795 579,51	444 970.40	5.7
Supply and Implementation of Hosted Telephony System for a period of Two (02) years	MNQ/SCM/07/19-20	Gijima Holdings – IT (Pty) Ltd	R6 345 661.54	R44 527.09	0.7

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 2021-2022. Preferential Procurement Policy Framework Act (PPPFA), Reg. 2017

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

Project Name	Awarded Bidder	Pre-qualification criteria for preferential procurement
Rehabilitation of Msobomvu	Lunika	Tenderers must subcontract a minimum of 30% to an EME or QSE
Construction of Zizamele	Masiyabu Trading and General Civil Construction (Pty) Ltd	Tenderers must subcontract a minimum of 30% to an EME or QSE
Paving of Vulli-Valley	Lunika Investments	Tenderers must subcontract a minimum of 30% to an EME or QSE
Construction of Ntseshe	Masiba & Son	Tenderers must subcontract a minimum of 30% to an EME or QSE
Construction of Rhaladiya	Gqobo Investments CC	Tenderers must subcontract a minimum of 30% to an EME or QSE
Supply and Installation of 90 Hawkers Stalls	AK Building Construction (Pty) Ltd	Tenderers must subcontract a minimum of 30% to an EME or QSE
Construction of Fihlani	Rosibu Holdings (Pty) Ltd	Tenderers must subcontract a minimum of 30% to an EME or QSE
Construction of Ibika	Devomix	Tenderers must subcontract a minimum of 30% to an EME or QSE
Construction of Masizakhe to Nzanzana	Mikuwo Construction and Projects	Tenderers must subcontract a minimum of 30% to an EME or QSE
Construction of Gcina (Esingeni) Access Road	ZKS and Nam General Trading	Tenderers must subcontract a minimum of 30% to an EME or QSE
Upgrading of Ngqamakwe Internal Streets-phase 1	Bathabile Construction Services CC	Tenderers must subcontract a minimum of 30% to an EME or QSE
Construction of Ext 5 Gravel Internal Streets in Centane	Cycle Civils and Projects (Pty) Ltd	Tenderers must subcontract a minimum of 30% to an EME or QSE
Electrification of Qwanguleni Ext, Ntandathu, Ntshatshongo, Enqileni, Mnyameni, Mnyameni Myeki and Macibe Phesheya kweDiphu- Bid Number: MNQ/SCM/12/21-22	Siya and Aya Engineering (Pty) Ltd	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 2021/2022

5.14 GRAP COMPLIANCE

The Annual Financial Statements for 2021/2022 have been prepared in line with the applicable GRAP standards.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS: 2020/2021

AUDITOR GENERAL REPORTS Year: 2020/2021 (Previous year)


Auditor-General Report on Financial Performance: 2020/2021	
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 has performed reviews between performance reported and the fixed asset register to ensure that these are aligned.

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 with no findings 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 14/12/2022

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 T Manxila-Nkamisa	FT	JULY 2021 TO OCTOBER 2021 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%
	FT	NOVEMBER 2021 TO JUNE 2022 Executive Mayor and a member of the Mayoral Committee.	ANC-PR	100%	0%
Councillor Z M Mnqwazi	FT	JULY 2021 TO OCTOBER 2021 Seconded to Amathole District Municipality	ANC-PR	66%	34%
	FT	NOVEMBER 2021 TO JUNE 2022 Council speaker, Rules Committee	ANC-PR	100%	0%
Councillor S Ncetezo	FT	JULY 2021 TO OCTOBER 2021 Executive Mayor, Mayoral Committee	ANC-Ward 15	100%	0%
	FT	NOVEMBER 2021 TO JUNE 2022 Chief Whip, Whipperry	ANC- Ward 15	100%	0%
Councillor M Qaba	FT	NOVEMBER 2021 TO JUNE 2022 Portfolio Head Infrastructure, Mayoral Committee	ANC-PR	88%	12%
Councillor N Layiti	FT	JULY 2021 TO OCTOBER 2021 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%
	FT	NOVEMBER 2021 TO JUNE 2022 Portfolio Head Community services, Mayoral Committee member. Transport Forum	ANC-PR	100%	0%
Councillor T Bikitsha	FT	JULY 2021 TO OCTOBER 2021 Council Speaker, Employment Equity Committee and Rules Committee.	ANC-PR	100%	0%
	FT	NOVEMBER 2021 TO JUNE 2022 Portfolio Head LED, Mayoral Committee	ANC-PR	88%	12%

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			%	%
		Member and Socio-Economic Development Cluster and a member of Strategic Management Standing Committee.			
Councillor S Matutu	PT	JULY 2021 TO OCTOBER 2021 Portfolio head: Communications, Strategic Management standing committee, Good Governance Cluster, Mayoral Committee	ANC-PR	100%	0%
	FT	NOVEMBER 2021 TO JUNE 2022 Portfolio Head: Strategic Management: Strategic Management standing committee, Mayoral Committee, Good Governance Cluster, LED Standing Committee	ANC-PR	88%	12%
Councillor L. Mgandela	FT	JULY 2021 TO OCTOBER 2021 Portfolio 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	100%	0%
	FT	NOVEMBER 2021 TO JUNE 2022 Portfolio Head Corporate Services, Mayoral Committee member. Infrastructural Development Standing Committee, Basic Services Cluster	ANC-PR	75%	25%
Councillor Xolisa Innocent Pupuma	FT	JULY 2021 TO OCTOBER 2021 Portfolio Head LED, Mayoral Committee, Socio-Economic Cluster, Indigent Steering Committee, LED Standing Committee	ANC- Ward 17	100%	0%
	FT	NOVEMBER 2021 TO JUNE 2022 Portfolio Head Budget and Treasury Office (BTO) Committee, Mayoral Committee, IDP/PMS, Budget Steering Committee and Institutional Development and Financial Viability Cluster, Indigent Steering Committee.	ANC-Ward 17	88%	12%
Councillor Zinzile Gade	FT	JULY 2021 TO OCTOBER 2021 Employment Equity Committee, Rules Committee and Whippery Committee	ANC- Ward 18	100%	0%
Councillor Z. Mkiva	FT	JULY 2021 TO OCTOBER 2021 Municipal Public Accounts Committee (MPAC)	ANC- PR	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 Nomabhele Plaatjie	FT	JULY 2021 TO OCTOBER 2021 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 T Ntanga	PT	JULY 2021 TO OCTOBER 2021 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 Tandaphi	PT	JULY 2021 TO OCTOBER 2021 Strategic Management Standing Committee, Good Governance and Public Participation Cluster	ANC-PR	66%	34%
Councillor N Skelenge	PT	JULY 2021 TO OCTOBER 2021 Strategic Management Standing Committee, Good Governance and Public Participation, Local Economic Development and Planning standing committee, Socio Economic Development Cluster	ANC -PR	33%	67%
Councillor Z Xhongwanga	PT	JULY 2021 TO OCTOBER 2021 Municipal Public Accounts Committee	ANC- PR	100%	0%
Councillor Ntshonga	FT	JULY 2021 TO OCTOBER 2021 Community Services Standing committee, Socio-Economic Development Cluster, LED Standing Committee.	ANC - PR	100%	0%
Councillor G N Nombila	PT	JULY 2021 TO OCTOBER 2021 Chairperson- Women's Caucus	ANC- PR	100%	0%
Councillor N. Dube	PT	JULY 2021 TO OCTOBER 2021 Socio-Economic Development Cluster, Community Services standing Committee.	ANC - PR	33%	67%
Councillor C Mtsi	PT	JULY 2021 TO OCTOBER 2021 Rules Ethic Committee, Community Services Standing Committee, Infrastructure Standing Committee, Socio-Economic Development Cluster	ANC - PR	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 K Magwaca	PT	JULY 2021 TO OCTOBER 2021 Strategic Management standing committee, Good governance cluster, Infrastructure Standing Committee and Basic Service Delivery Cluster	UDM- PR	66%	34%
Councillor N Mpambani	PT	JULY 2021 TO OCTOBER 2021 Community Services Standing Community and Socio-Economic Development Cluster	UDM- PR	66%	34%
Councillor Z. Mqolo	PT	JULY 2021 TO OCTOBER 2021 Municipal Public Accounts Committee (MPAC), Rules Committee, Whippery Committee, Institutional Development and Financial Viability Cluster, and Corporate Services Standing Committee	UDM- PR	66%	34%
Councillor S Tshazi	PT	JULY 2021 TO OCTOBER 2021 Budget and Treasury Standing Committee, Institutional Development and Financial Viability Cluster	UDM-PR	66%	34%
Councillor Mbeki	PT	JULY 2021 TO OCTOBER 2021 Whippery Committee and Municipal Public Accounts Committee (MPAC), Rules and Ethic committee	DA-PR	66%	34%
Councillor S Mafanya	PT	JULY 2021 TO OCTOBER 2021 BTO Standing Committee, Strategic Standing Committee, Corporate Services standing committee, Good Governance and Public Participation Cluster and Institutional Development and Financial Viability Cluster.	DA-PR	100%	0%
Councillor B Kave	PT	JULY 2021 TO OCTOBER 2021 Whippery Committee, Rules and Ethic Committee and Municipal Public Accounts Committee.	EFF- PR	100%	0%
Councillor A Finca	PT	JULY 2021 TO OCTOBER 2021 Budget and Treasury Standing Committee, Institutional Development and Financial Viability Cluster, Corporate Standing Committee	EFF-PR	33%	67%
Councillor A A Krakri.	PT	JULY 2021 TO OCTOBER 2021 BTO Standing Committee, Institutional Development and Financial Viability Cluster and Whippery Committee, Rule committee	AIC-PR	66%	34%
Councillor N. Lusizi	PT	JULY 2021 TO OCTOBER 2021 Whippery Committee, Rules and Ethic committee.	PAC-PR	66%	34%

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 N Tshona	FT	<u>JULY 2021 TO OCTOBER 2021</u> Portfolio head Infrastructural Development, Infrastructure Standing committee, Basic Service Delivery Cluster, Mayoral Committee, IDP/PMS, Budget Steering Committee, Indigent Steering Committee	ANC- Ward 7	66%	34%
	PT	<u>NOVEMBER 2021 TO JUNE 2022</u> Chairperson of the Rules and Ethic Committee and a member of Infrastructural Development Standing Committee	ANC-PR	100%	0%
Councillor N Sheleni	FT	<u>JULY 2021 TO OCTOBER 2021</u> Portfolio head Land and Housing, Basic Services Delivery Cluster, Institutional Development Cluster Whippy Committee, Mayoral Committee, Infrastructure Standing Committee, IDP/PMS, Budget Steering Committee.	ANC - PR	89%	11%
	PT	<u>NOVEMBER 2021 TO JUNE 2022</u> Chairperson of the Women's Caucus, LED Standing Committee, Whippy	ANC-PR	100%	0%
Councillor Z Sobekwa	PT	<u>JULY 2021 TO OCTOBER 2021</u> Good Governance and Public Participation Cluster, Strategic Management Standing Committee, Indigent Steering committee.	ANC- Ward 5	100%	0%
	PT	<u>NOVEMBER 2021 TO JUNE 2022</u> BTO Standing Committee, Corporate Services Standing Committee, Strategic Management Standing Committee, Community Services Standing Committee, LED Standing Committee, Whippy	ANC-PR	100%	0%
Councillor Zikhethale Mngokoyi	PT	<u>JULY 2021 TO OCTOBER 2021</u> Strategic Management standing committee, Good Governance and Public Participation Cluster, indigent steering committee, Indigent Steering committee	ANC- Ward 14	100%	0%
	FT	<u>NOVEMBER 2021 TO JUNE 2022</u> Municipal Public Accounts Committee Chairperson	ANC-PR	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
	FT/PT			%	%
Councillor T Ntyinkala	PT	JULY 2021 TO OCTOBER 2021 Municipal Public Accounts Committee (MPAC)	ANC-Ward 27	100%	0%
	PT	NOVEMBER 2021 TO JUNE 2022 BTO Standing Committee, Community Services Standing Committee, Whippery	ANC-PR	100%	0%
Councillor N Sigwadi	PT	NOVEMBER 2021 TO JUNE 2022 MPAC Committee, LED Standing Committee	ANC-PR	100%	0%
Councillor V Manxodidi	PT	NOVEMBER 2021 TO JUNE 2022 MPAC	EFF-PR	38%	62%
Councillor N Nohesi	PT	NOVEMBER 2021 TO JUNE 2022 Infrastructural Development Standing Committee, Womens Caucus, Whippery	EFF-PR	50%	50%
Councillor A Soyeza	PT	NOVEMBER 2021 TO JUNE 2022 Community Services Standing Committee	EFF- PR	50%	50%
Councillor N Nogaga-Mpumpula	PT	NOVEMBER 2021 TO JUNE 2022 BTO Standing Committee	EFF-PR	63%	37%
Councillor N Kendle	PT	JULY 2021 TO OCTOBER 2021 Infrastructure Standing Committee, Basic Service Delivery Cluster	EFF-PR	66%	34%
	PT	NOVEMBER 2021 TO APRIL 2022 Infrastructure Standing Committee, Basic Service Delivery Cluster	EFF-PR	100%	0%
Councillor M Dali	PT	MAY 2022 TO JUNE 2022 Strategic Management Standing Committee	EFF-PR	33%	67%
Councillor T B Gidigidi	PT	NOVEMBER 2021 TO JUNE 2022 Corporate Services, Strategic Standing Committee, BTO Standing Committee and Whippery	UDM-PR	100%	0%
Councillor C N Filtane	PT	NOVEMBER 2021 TO JUNE 2022 BTO Standing Committee, Community Standing Committee, MPAC	UDM-PR	100%	0%
Councillor M Mkhilili	PT	JULY 2021 TO OCTOBER 2021 LED Standing Committee, Community Services Standing Committee and Socio-Economic Development Cluster.	UDM-PR	100%	0%
Councillor Z Tyandela	PT	NOVEMBER 2021 TO JUNE 2022 Infrastructural Development, Strategic, Community and Rules Committee	UDM-PR	88%	12%
Councillor L Maputuma	PT	NOVEMBER 2021 TO JUNE 2022 LED Standing Committee, Infrastructure Standing Committee Corporate Services Standing Committee, Rules Committee	UDM-PR	88%	12%

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 M Masekwana	PT	NOVEMBER 2021 TO JUNE 2022 BTO Standing Committee, Community Standing Committee and LED Standing Committee	PAC-PR	88%	12%
Councillor C Ncukana	PT	NOVEMBER 2021 TO JUNE 2022 Infrastructure Standing Committee, Rules, Whippery	PAC-PR	88%	12%
Councillor N J Mzongwana	PT	NOVEMBER 2021 TO JUNE 2022 Infrastructural Standing Committee, LED Standing Committee, Whippery, Community Services	ATM-PR	88%	12%
Councillor N Futywana	PT	NOVEMBER 2021 TO JUNE 2022 Corporate Services Standing Committee, Rules Committee	ATM-PR	88%	12%
Councillor M.W.Ntongana	PT	JULY 2021 TO OCTOBER 2021 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 and Corporate Services Standing Committee.	COPE- PR	88%	12%
Councillor N Ntolosi	PT	JULY 2021 TO OCTOBER 2021 Community Services Standing Committee, LED standing committee, Socio-economic development Cluster, Rules and Ethic Committee, BTO standing Committee, Corporate Services Standing Committee and Financial Viability Cluster.	DA-PR	100%	0%
Councillor S Magandana	PT	NOVEMBER 2021 TO APRIL 2022 BTO Standing Committee, Corporate Services, LED, Infrastructure standing Committee, Rules Committee and Whippery, Strategic Standing Committee, Community Services Standing Committee.	AIC-PR	100%	0%
Councillor B Goniwe	PT	MAY 2022 TO JUNE 2022 Strategic Management Standing Committee, Women's Caucus	AIC-PR	100%	0%
Councillor Z Bomela	PT	NOVEMBER 2021 TO JUNE 2022 BTO, Standing Committee, Infrastructure Standing Committee, Corporate Standing Committee, Strategic Standing Committee and	BPM-PR	63%	37%

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
				%	%
		Community Services Standing Committee, LED Standing Committee, Rules Committee , awhippery			
Councillor Z Siyo	PT	JULY 2021 TO OCTOBER 2021 Infrastructural Planning and Development Standing Committee, Basic Service Delivery Cluster, Community Services standing committee, Socio-Economic development cluster, and Rules and Ethic Committee, Indigent Steering committee.	ANC- Ward 1	100%	0%
Councillor N Baleka		NOVEMBER 2021 TO JUNE 2022 Strategic Standing Committee, Cluster, Good governance and Public Participation cluster, Indigent Steering committee.	ANC-Ward 1	88%	12%
Councillor S M. Molosi	PT	JULY 2021 TO OCTOBER 2021 Rules and Ethic Committee and Socio-economic development Cluster, Indigent steering committee, Municipal Public Accounts (MPAC)	ANC-Ward 2	100%	0%
Councillor N Mangwentsu	PT	Strategic Standing Committee, Cluster, Good governance and Public Participation cluster, Indigent Steering committee.	ANC-Ward 2	100%	0%
Councillor A B Madikane	PT	JULY 2021 TO OCTOBER 2021 LED Standing Committee, Socio-economic development Cluster, Whippery committee, Indigent Steering committee.	ANC-Ward 3	100%	0%
Councillor M Ndimma	PT	NOVEMBER 2021 TO MARCH 2022 MPAC Committee	ANC-Ward 3	100%	0%
Councillor M Kalimashe	PT	JUNE 2022 TO JUNE 2022 Corporate Services standing Committee, Community Services standing committee, LED and Planning Standing Committee, Indigent Steering Committee	ANC-Ward 3	100%	0%
Councillor Y Mngonyama	PT	JULY 2021 TO OCTOBER 2021 Infrastructure Standing Committee, Community Services standing committee, Socio-Economic development cluster Rules and Ethics Committee, Basic service delivery Cluster, Indigent Steering committee.	ANC-Ward 4	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
				%	%
Councillor N Paliso	PT	NOVEMBER 2021 TO JUNE 2022 Corporate Services Standing Committee, Good Governance, Public Participation Cluster, Indigent steering committee, Indigent Steering committee, Women's Caucus	ANC-Ward 4	100%	0%
Councillor M Xabela	PT	NOVEMBER 2021 TO JUNE 2022 Whippery, Corporate Services Standing Committee.	ANC Ward 5	100%	0%
Councillor W W Mbadlanyana	PT	JULY 2021 TO OCTOBER 2021 Corporate Services Standing Committee, BTO Standing Committee, and Institutional Development and Financial Viability Cluster, Indigent Steering committee.	ANC- Ward 6	100%	0%
Councillor N Ntamo	PT	NOVEMBER 2021 TO JUNE 2022 MPAC	ANC-Ward 6	100%	0%
Councillor N Mena	PT	NOVEMBER 2021 TO JUNE 2022 MPAC, Whippery	ANC-Ward 7	88%	12%
Councillor N Q Sukwana	PT	JULY 2021 TO OCTOBER 2021 Infrastructural Planning and Development Standing Committee, Basic Service Delivery Cluster, Indigent Steering committee up until 1 st November 2021.	ANCWard 8	66%	34%
Councillor L Ngindana		NOVEMBER 2021 TO JUNE 2022 Whippery, Corporate Services standing committee, LED Standing Committee, Indigent Steering committee.	ANC-Ward 8	100%	0%
Councillor N Jiya	PT	JULY 2021 TO OCTOBER 2021 Budget and Treasury Standing Committee, Corporate Services Standing Committee, Institutional Development and Financial Viability Cluster, Whippery committee, Indigent Steering committee up until 1 st November 2021.	ANC- Ward 09	66%	34%
Councillor M A Kabane M		NOVEMBER 2021 TO JUNE 2022 LED Standing Committee, Indigent Steering committee	ANC-Ward 9	100%	0%
Councillor L S Sobekwa	PT	JULY 2021 TO OCTOBER 2021 Community Services Standing Committee, Infrastructure standing committee, Socio-Economic Development Cluster, Basic service delivery cluster Indigent Steering committee	ANC-Ward 10	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 Mtintsilana Ntombizivelili Thelma	PT	NOVEMBER 2021 TO JUNE 2022 MPAC	ANC- Ward 10	100%	0%
Councillor L M Mtalo	PT	JULY 2021 TO OCTOBER 2021 BTO Standing Committee and Institutional Development and Financial Viability Cluster, Indigent Steering committee up until 1 st November 2021.	Ward 11	89%	11%
Councillor Z Mawisa	PT	NOVEMBER 2021 TO JUNE 2021 Whippery Corporate Services, Standing Committee, LED standing Committee, Indigent steering committee	ANC-Ward 11	100%	0%
Councillor N Monakali	PT	JULY 2021 TO OCTOBER 2021 BTO Standing Committee, Institutional Development and Financial Viability Cluster, Indigent Steering committee.	ANC- Ward 12	66%	34%
Councillor L L Tetana		NOVEMBER 2021 TO JUNE 2021 Strategic Management Standing Committee, Corporate Services standing committee, Community Services Standing Committee	ANC-Ward 12	88%	12%
Councillor C Z Mfazwe	PT	JULY 2021 TO OCTOBER 2021 Corporate Services Standing Committee, Community service standing committee, Socio-economic development cluster Institutional Development and Financial Viability Cluster, Indigent Steering committee up until 1 st November 2021.	ANC-Ward 13	100%	0%
Councillor M M Magobiane	PT	NOVEMBER 2021 TO JUNE 2021 Rules Committee, Community Services Standing Committee, Indigent Steering Committee	ANC-Ward 13	100%	0%
Councillor N L Mgqalelo	PT	NOVEMBER 2021 TO JUNE 2021 BTO Standing Committee, Strategic Management Standing Committee, Indigent Standing Committee.	ANC-Ward 14	100%	0%
Councillor M Ndungane	PT	JULY 2021 TO OCTOBER 2021 Corporate Services Standing Committee, Whippery Committee and Institutional Development and Financial Viability Cluster, Indigent steering committee.	ANC-Ward 16	100%	0%
Councillor S Maputeni	PT	NOVEMBER 2021 TO JUNE 2021 Strategic Management Standing Committee, Infrastructure Standing Committee, Indigent Committee	ANC-Ward 16	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
				%	%
Councillor L Dyantyi	PT	NOVEMBER 2021 TO JUNE 2021 MPAC	ANC-Ward 18	88%	12%
Councillor V Nkehle	PT	JULY 2021 TO OCTOBER 2021 Municipal Public Accounts (MPAC)	ANC- Ward 19	89%	11%
	PT	NOVEMBER 2021 TO JUNE 2021 BTO Standing Committee, WHippery, Women's caucus	ANC-Ward 19	100%	0%
Councillor K Gobeni	PT	JULY 2021 TO OCTOBER 2021 Strategic Standing Committee, Corporate services standing committee, and Good Governance and Public Participation Cluster, Institutional development and financial viability, Indigent Steering committee.	ANC-Ward 20	66%	34%
	PT	NOVEMBER 2021 TO JUNE 2022 MPAC	ANC-Ward 20	88%	12%
Councillor G T Ntshonga	PT	JULY 2021 TO OCTOBER 2021 Strategic standing committee, corporate services standing committee, Institutional development cluster, Good governance and Public Participation cluster, Indigent Steering committee.	ANC- Ward 21	100%	0%
		NOVEMBER 2021-JUNE 2022 BTO, Corporate Services, Infrastructural Development, Strategic Management stading Committee	ANC-Ward 21	100%	0%
Councillor L Tsipha	PT	JULY 2021 TO OCTOBER 2021 Municipal Public Account committee (MPAC)	ANC- Ward 22	89%	11%
Councillor Z E Kwaza		NOVEMBER 2021-JUNE 2022 Indigent Steering Committee, Community Services Standing Committee	ANC-Ward 22	75%	25%
Councillor N N Nqolomlilo	PT	JULY 2021 TO OCTOBER 2021 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.	ANC-Ward 23	44%	66%
Councillor X L Mjamba	PT	NOVEMBER 2021-JUNE 2022 Corporate Services Standing Committee, Whippery	ANC-Ward 23	88%	12%

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 N G Ndongeni	PT	JULY 2021 TO OCTOBER 2021 Institutional Development and Financial Viability Cluster and Corporate Services Standing Committee, LED Standing Committee and Socio-Economic Development Cluster, Indigent Steering committee.	ANC-Ward 24	100%	0%
Councillor M A Ntsali	PT	NOVEMBER 2021 TO JUNE 2022 Community Services, indigent Steering Committee	ANC-Ward 24	100%	0%
Councillor S Lilise	PT	JULY 2021 TO OCTOBER 2021 Institutional Development and Financial Viability Cluster and Community Services Standing Committee, Corporate Services Standing Committee and Socio-Economic Development Cluster, Indigent Steering committee.	ANC-Ward 25	100%	100%
Councillor V J Gazi	PT	NOVEMBER 2021 TO JUNE 2022 MPAC, Indigent Steering Committee,	ANC-Ward 25	88%	12%
Councillor N Zaba	PT	JULY 2021 TO OCTOBER 2021 Strategic Standing Committee, LED Standing Committee, Socio-Economic Development Cluster, Good governance and Public Participation cluster, Indigent Steering committee.	ANC-Ward 26	33%	67%
Councillor B Zondani	PT	NOVEMBER 2021 TO JUNE 2022 MPAC, Indigent Steering Committee, Rules Committee	ANC-Ward 26	100%	0%
Councillor J J Mduli	PT	NOVEMBER 2021 TO JUNE 2022 Infrastructural Standing Committee, Indigent Steering Committee, Basic Services Cluster	ANC-Ward 27	88%	12%
Councillor P Mbovane	PT	JULY 2021 TO OCTOBER 2021 BTO Standing Committee, Infrastructure Standing Committee, Basic Service delivery Cluster and Institutional Development and Financial Viability Cluster, Indigent Steering committee.	ANC-Ward 28	100%	0%
	PT	NOVEMBER 2021 TO JUNE 2022 Infrastructural Development standing committee, Indigent Steering Committee	ANC-Ward 28	100%	0%
Councillor L Mbentsula	PT	JULY 2021 TO OCTOBER 2021 Strategic Standing Committee, Good Governance and Public Participation Cluster, Indigent steering committee, Indigent Steering committee.	ANC-Ward 29	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
				%	%
Councillor M H Tangana	PT	NOVEMBER 2021 TO JUNE 2022 LED Standing Committee, Indigent Steering Committee	ANC-Ward 29	88%	12%
Councillor T Makeleni	PT	JULY 2021 TO OCTOBER 2021 Infrastructure Standing Committee, Basic service delivery Cluster, Indigent Steering committee.	ANC-Ward 30	100%	0%
Councillor P Ndabambi	PT	NOVEMBER 2021 TO JUNE 2022 Rules Committee, Infrastructure Standing Committee, Indigent Steering Committee	ANC-Ward 30	100%	0%
Councillor N Lusizi	PT	JULY 2021 TO OCTOBER 2021 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.	ANC- Ward 31	66%	34%
Councillor N Mbuku	PT	NOVEMBER 2021 TO JUNE 2022 Women's Caucus , MPAC Committee, Rules Committee	ANC-Ward 31	88%	12%
Councillor T Jizana	PT	NOVEMBER 2021 TO JUNE 2022 LED Standing Committee, Indigent Standing Committee	ANC-Ward 32	100%	0%

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 Enterprise 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 2021-2022	Ward committee meeting	Ward general meeting
1	<p>Cllr :N,Baleka</p> <p>Ward Committees Cebo Malusi Lundi Tsipa Nisisa Sityata Neliswa Mzayifani Mamela Tobotshana Nomvuzo Mtenjana Nisipho Veronica Ngcambu Fikile Mxundu</p>	01	01
2	<p>Cllr . N. Magwentsu</p> <p>Ward-Committees Nomazwi Siqhaza Zameka Leeuw Bhelwazana Delicious magaqa Deliwe Ndiaye Mandisa Klass Fetsha Axola Gangatele Ayanda Nolita Tamela Nomfundo Canca Xoliswa Biyana</p>	04	02
3	<p>Cllr .M.Kalimashe</p> <p>Ward-Committees Noluthando Mpopoma Zingisa Aric Sahluko Xoliswa Njozela PhathekaDumke Mcoselei Melani Bongwiwe Ida Gwele Nopinki Albertina Cefa Zoliswa Eunice Khundu Phendulwa Noyila Nombulelo Victoria Kulana Nolundwe Renah</p>	01	01
4	<p>Cllr .N.Paliso</p> <p>Ward Committees Nonkuleko Roboji Vuyani Mcinga Ntombentsha Mdingi Elivis TshingwaTandwa Nokuthula Mangaliso Pumza Bongoza Nothandekile Kwayi</p>	01	01

Ward Name (Number)	Verified Ward Committees Year 2021-2022	Ward committee meeting	Ward general meeting
5	Cllr .M. Xabela Ward Committees Atini Akona Stoile Tozama Mhlwawuli Nomthandazo Mzila Nomacebo Sylvia Ndlazulwana Joyce Ntantala Nosisa Lorraine Mqikela Thembekile Mabandla Lindelwa Mlandu Menzi Mtimkhulu Nokuthula Patricia Mtshaka	01	01
6	Cllr N.Ntamo Ward-Committee Nobahle Duba Xolelwa Mpokotshe Somdaka Nontle Babalwa Ntsenge Nomalinge Edith Thole Nkosikho Siki Nokuzola Luzipho Mandi Mlinjana Phikelela Nobelungu Nontiya Lungile	02	02
7	Cllr N.Mena Ward Committees Sikelelwa Similo Petros Mlamli Ngxabani Nombuyiselo Gxangxisa Vuyiseka Mbilini Ludwe Mahlanza Zakhele Tswane Siyanda Mvila Nosandile Cythia Yaso Nokuzola Magoqwana Nomakorinte Tyala	0	0
8	Cllr .L.Ngindana Ward Committee Lindani Nxusani Nozolile Magengelele Zamelikhaya Magobhiyane Nosipho Mani Nonkululeko Mbombo David Funekile Buqwana Nomzamo Anelani Centane Nolubabalo Cyntherina Sinyanya	0	01

Ward Name (Number)	Verified Ward Committees Year 2021-2022	Ward committee meeting	Ward general meeting
9	Cllr .M.Kabane Ward Committee Ntombise Priscilla Nyhila Nombambatho Nancy Finini Nocawe Langeni Olwethu Nomavayi Vuyiseka Ngolo Fundiswa Mkhunjana Zine Baleni Solam Lande Nonezile Mazolwana Zukiswa Tshibo	01	01
10	Cllr .N. Mthintsilana Ward Committee Pheliswa Ngcayichibi Simphiwe Sotha Novulile Maureen Tyomfa Nontando Lukamba Nonyamile Zameka Gwarube Fikiswa Mthintsilane Nkululeko Ntlombeni Neliswa Cecilia Sobekwa	01	01
11	Cllr .Z.Mawisa Ward Committees Nocingile Beautice Silevu Mziyanda Tofile Felicity Amanda Gomba Nofezo Ngetu Mandondo Nocokisile Lungisile Radana Nosusile Mkoko Lungiswa Sanda Nontathu Nowezile Dlepu Nozipho Nonca Matiwane	01	01
12	Cllr .L.Tetani Ward Committees Nosiphelele Xalisa Lathiwe Venge Bongile Elliot Ngwanya Veliswa Catherina Manyenyeza Pheliswa Ngcwabeni Nomapha Mkhobeni Lizeka Veronica Mbarane Mbuthokazi Ngcwana Cornelia Nongezile Zantsi	03	01

Ward Name (Number)	Verified Ward Committees Year 2021-2022	Ward committee meeting	Ward general meeting
13	Cllr .M.Magobiane Ward Committees Sweetness Khuthala Tshem Siphamandla Huza Mnonopheli Oswald Sukwana Babalwa Magangxa Phozisa Mavuso	03	01
14	Cllr N.Mgqalelo Ward Committees Nokwanda Mzukwana Nothemba Busiswa Sanda Faith Fundiswa Luzipho Zameka Veronica Sofuthe Ntombesithathu Mahlatshana Noluvuyolwetu Peko Malusi President Cekiso Menezi Cokisa Kalashe Nomonde Ndlazi Nisibusiso Mnu kwa	02	01
15	Cllr.S. Ncetezo Ward Committees Enoch Meletisi Mahlati Zukiswa Maboda Nokubonga Hlekiso Bongiwe Mvandaba Nomonose Buqa Zosuliwe Mgqoboka Nolintu Sonjica Makabongwe Makhubalo Siphiwo William Tyefu Mnonopheli Skhundla	0	0
16	Cllr.M. Sithethi Ward Committee Papama Nobanda Michel Xolile Bhenya Tembelani Godfrey Bontswayo Nokuzola Prudence Vatala Nosakele Elizabeth Makunga Nangamso Dingiswayo Masingene Madela Phathiswa Nonjongo Tom Zixolile Bethuwell Mdleleni Simpiwe Sdzumo	01	02
17	Cllr .X.Pupuma Ward Committee	0	0

Ward Name (Number)	Verified Ward Committees Year 2021-2022	Ward committee meeting	Ward general meeting
	Lindikhaya Marulunga Alfred Fundile Mdekazi Nosingatha Zisive Matafeni Ntombiyakhe Cynthia Matiwane Nowezile Edith Madenyuka Babalwa Beauty Sobekwa Nolonwabo Happines Sobinase Thozama Gladys Mpuqa Mawanda Sihele Noludwe Mavis Sentwa		
18	Cllr .L.Dyanty Ward Committees Nosiphe Euphemia Gulwa Ntombizoxolo Cynthia Majiki Mteto Neliswa Nondumiso Victoria Mahanjana Nonzukiso Cynthia Mpapela Jongikhaya Dyani Thembinkosi Dyan Vuyelwa Noganta Noxolo Nadia Mkosana Fundiswa Nosakhele Nkamisa	03	01
19	Cllr .V.Nkehle Ward Committees Sizwe Gwele Thembisile Khabane Ndumiso Manata Khayakazi Gwele Litha Morningstone Sikweza Theohylus Gxiva Nomnikelo Sylvia Nguza Bester Bongiwe Mpunge	02	02
20	Cllr.K.Gobeni Ward Committees Nomzi Gladys Meken Nontsapho Zleka Ngcuthushe Zamuxolo Michel Madolo Mzoxolo Wiberfoce Fipaza Nolusindiso Fundakubi Nontsapho Lucia Fiphaza Nompindezelo Felicious Tinzi Nokholekile Dinga Siyabonga Bungane Luvuyo Nyalambisa	03	02
21	Cllr .T.Ntshonga Ward Committees	03	01

Ward Name (Number)	Verified Ward Committees Year 2021-2022	Ward committee meeting	Ward general meeting
	Nosandile Doris Makebesane Elssie Nontshakaza Mpiyosapho Gwanqa Orienda Siphokazi Nyengule Zikhona Qwasha NonMavatakangeleko Nokwezi Gcobisa Felicity Sigadla Nomvelwano Sodladla noluyolo Dindili Nosandile Makebesane Patricia Qwasha		
22	Cllr.Z.Kwaza Ward Committes Veliswa Primrose Bulube Veeleni Abram Gilidobo Nomfuniselo Duluselo Mzwethemba Sithela Nokuthula Ntshinga Madoda Nelson Tshali Nolufefe Wali Sikelelwa Mdzanga Siyanda Annelia Ntunzi	0	0
23	Cllr.X.Mjamba Ward Committees Nkosazana Princess Peper Beatrice Mvila Bongeka Princess Mvandaba Nokuzola Njoloza Piky Matsha Noma-india Mdunyelwa Nonkangeleko Phylus Nolulamile Sityana Priscilla Nosimo Landeni Faniswa Ntabeni Bikwani Sibongiseni Dumisani Mkhwetsheni	02	00
24	Cllr .M.Tsali Ward Committees Nomaster Maqhanqa Nangamso Lele Nomampondo Nolingene Christina Mhlahlo Masakane Howard Matyipu Lungisile Tom Pikinini Zoniwe Nosecomd Dlomoyi Phila Nosabelo Tshevu Nonkumbulo Fanele Nobusile Zigayi	02	01

Ward Name (Number)	Verified Ward Committees Year 2021-2022	Ward committee meeting	Ward general meeting
25	Cllr. V. Gazi Ward Committees Vuyelwa Cynthia Bomvana Jeanet Qhina Cebisile Ngeyi David Tiyo Nomngqokwana Pateka Promise Mpetu-Tyala Ntombizodwa Bungeni Miranda Neliswa Ngwandi Siphokazi Gunya Buyiswa Sikhotho Luthando Owen Milisi	02	01
26	Cllr . B. Zondani Ward Committees Buzelwa Khethani Gladys Ntombebadi Koyo Coceka Galeni Noluvo Basa Nomvuyo Cynthia Charles Nophethile Mvila Zoleka Veronica Qondani Ncedo Sonamzi Nelani Mveleli Akhona Beauty Mandende	03	01
27	Cllr.T.Mduli Ward Committees Thuleka Londi Nosimo Cingiwe Bolosini Lungisile Welcom Doni Linah Siphokazi Falakhe Khamile Msila Victor Vakala Soga Sandiso Rabhu Pambukile Monqo Neziswa Hejana Siyabulela Ndzotyana Pambukile Monqo Neziswa Henjana	0	0
28	Cllr .P.Mbovane Ward Committees Ntombombuso Lettia Kaleni Vuyisile Gidi Zibuzele Sajini Henderson Ngenisile Mbunje Nelson Norah Gxwalintloko Ntobiyakhe Ludidi	05	02

Ward Name (Number)	Verified Ward Committees Year 2021-2022	Ward committee meeting	Ward general meeting
	Velile Mdunyelwa		
29	Cllr.H.Tangana Ward Committees Busisiwe Godongwana Athini Mavis Klaas Dingan Mgidi Nokuthula Sityebi Nosayini Mavis Hlangani Thandiwe Mjamba Nomhle Oscarina Mpitizeli Lungiswa Adonis Zukile Jibilikile	01	00
30	Cllr .P.Ndabambi Ward Committees Nobandla Sanda Cynthia Nosamkelo Nxokwana Nomlton Diniso Gcinikhaya Mphithizeli Nkwenkwe Yakhe Buthani Ntombizadile Alexander Phumza Bholo	02	01
31	Cllr.N. Mbuku Ward committees Daliwonga Neville Nqweni Nomjoli Mondliwa Mawethu Phekiso Thulani Xoki Christopher Mluleki Sibidla Sikololo Lambered Jacki Sabelo Landzelo Mandisa Ntomini Qosho Ntombizanele Siko Mzwandile Ngqoloda	01	00
32	Cllr. T. Jizana Ward committees Xolelwa Ntenteri Mvulo Jonson Ndileka Phandle Pakishile Nelson Rwaxa Siphetho Dlongwana Babalwa Cati Mncinane Mkhuhlu Sweetness Sindiswa Hadi Siviwe Mbalane Dlulisa Luxolo	02	01

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
1	6164	Ext2 Ext 6 Ext 7 Magxaki (Bungeni) Ugen(Temporals) Sikiti(AM Bam) Santin Kuphumleni Smith	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 03 03 03 Good Good 02 N/A N/A Farming Tourism/Heritage Arts and Crafts Select number of schools in the ward Primary Junior Secondary High School Select type of clinic Permanent Structure Buses Taxis Sport Fields 8	Housing -Bungeni (Magxaki) Skiti(AM Bam)Santini,Smith Ekuphumleni Electricity : Skiti, AM Bam ,Magxaki(bungeni),Ugen. Temporals ekuphumleni Toilets Skiti (Ambam) magxaki(bungeni) santin (Bungeni)santin,ekuphumleni &smith Roads Magxaki(Bungeni) Ugen Temporals Early Childhood development Centre (Bungeni)	INITIALS AND SURNAME Clr. Nomthandazo Baleka
DATE CONFIRMED 01-2022						

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	4697	Msobomvu	Water	6	Tarred road all ward	Noeline N. Magwentshu	
		New Ress	Sanitation	6			
		Zitulele	Electricity	6			
		Coloured	Housing		State of the access roads Poor x Fair Good		
		Caravan Park	Access Roads				
		Reservior Hill					
		Simunye SC	Proclaiimed Roads		State of the proclaimed roads Poor x Fair Good		
		Temporals Pumlani	Community Halls				
		Bala sc	Dipping Tanks				
		Siyanda	Stock Dams				
		Depo	LED Programmes				
							High Mast light New rest Zitural
							Community Hall new rest
							Houses Pit toilets To all squatter camps

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 Mchubakazi Cuba Smats Squaters	Water Sanitation Electricity Housing Access Roads	3 3 3 3 State of the access roads	Roads Unemployment	INITIALS AND SURNAME Clr. Mkhusele Ndima
			Proclaimed Roads	Poor x Fair Good State of the proclaimed roads	Electricity	SIGNATURE
			Community Halls	Poor Fair Good Community Hall		
			Dipping Tanks	N/A		
			Stock Dams	N/A		
			LED Programmes	Select number of LED programmes in the ward		
			Farming	N a Tourism/Heritage Arts and Crafts	Houses	
			Schools	Select number of schools in the ward		
			Clinics	Primary Junior Secondary High School Select type of clinic		
			Mode of transport	Permanent Structure 0 Mobile Clinic Select mode of transport	Clinic	DATE CONFIRMED 01-2022
			Sport Fields	Buses Taxis Sport field but in a bad condition		
			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					
4	8242		Water	none	Sport Field	Cllr .Nosisi Paliso					
			Sanitation	03							
			Electricity								
			Housing								
			Access Roads	State of the access roads <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								
			Proclaimed Roads	State of the proclaimed roads <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								
			Community Halls	01	Clinic	SIGNATURE					
			Dipping Tanks		Skill center						
			Stock Dams								
			LED Programmes	Select number of LED programmes in the ward <table border="1"> <tr> <td>Farming N/A</td> <td>n</td> <td>Tourism/Heritage</td> <td>Arts and Crafts</td> </tr> </table>		Farming N/A	n	Tourism/Heritage	Arts and Crafts		
Farming N/A	n	Tourism/Heritage	Arts and Crafts								
			Schools	Select number of schools in the ward <table border="1"> <tr> <td>Primary</td> <td>1</td> <td>Junior Secondary</td> <td>High School</td> </tr> </table>		Primary	1	Junior Secondary	High School	Pit Toilets : lindelani Newrest Ziteneni Roma houses	
Primary	1	Junior Secondary	High School								
			Clinics	Select type of clinic <table border="1"> <tr> <td>Permanent Structure</td> <td>N/A</td> <td>Mobile Clinic</td> </tr> </table>		Permanent Structure	N/A	Mobile Clinic			
Permanent Structure	N/A	Mobile Clinic									
			Mode of transport	Select mode of transport <table border="1"> <tr> <td>Buses</td> <td></td> <td>Taxis</td> </tr> </table>		Buses		Taxis			
Buses		Taxis									
			Sport Fields	none							
			Early Childhood Development Centres (Crèche's)	none	Community projects	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 INITIALS AND SURNAME		
5	9581	Area 1 Bika	Water		Road area 1 Bika Township,	Cllr. Mawande Xabela		
		Kwa7 Squarter camp	Sanitation					
		Khayelitsha	Electricity					
		Polar Park	Housing					
		Maiba	Access Roads	State of the access roads				
		Kwezi		Poor	x		Fair	Good
		Myekiso	Proclamed Roads	State of the proclaimed roads				
		Zizamele	Community Halls	Poor	x		Fair	Good
		ABC Squarter camp						
		King Hintsa TVET	Dipping Tanks					
		Extension	Stock Dams					
			LED Programmes	Select number of LED programmes in the ward				
				Farming	Tourism/Heritage		Arts and Crafts N/a	
			Schools	Select number of schools in the ward				
				Primary	Junior Secondary		High School	
			Clinics	Select type of clinic				
				Permanent Structure	Mobile Clinic			
	Mode of transport	Select mode of transport						
		Buses	Taxis					
	Sport Fields							
	Early Childhood Development Centres (Crèche's)							
					Additional of water taps to all squatter camps			
					Access road to all squatter camps and police and Ambulance			
					DATE CONFIRMED 01-2022			

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	Ibika Township	Water	All	Housing	Cllr. Nomazizi Patience Ntamo
		Mcubakazi	Sanitation	All		
		High Way	Electricity	All		
			Housing	No	Access Road	
			Access Roads			
			Proclaimed Roads			
			Community Halls	Poor	Community Hallv & Dipping Tanks	SIGNATURE
				No		
			Dipping Tanks	No		
			Stock Dams	No		
			LED Programmes			
			Schools		Sport Fields	
			Clinics			
			Mode of transport			DATE CONFIRMED
						01-2022
			Sport Fields			
			Early Childhood Development Centres (Crèche's)	1		

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
7	8812	Zagwityi Mncuncuzo High Hill Mgagasi Mawusheni Tnga Mnyamanzana Zazulwana Ibika A/A Mnqngweni Sidutyini Ibika T/SHIP	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 NOT completed in some areas N/A Poor x Fair Good State of the access roads State of the proclaimed roads Poor Fair Good NO NO NO Select number of LED programmes in the ward Farming N Tourism/ N Arts and / Heritage / Crafts A Select number of schools in the ward Primary Junior High School 3 Select type of clinic Permanent X Mobile Clinic Structure Buses Taxis X	Access Road Proclaimed Road Dipping Tanks Housing Proclaimed Roads Access Roads Community halls Sport fields Electricity Housing Social services Farming Tourism/Heritage site Community hall Access Roads Proclaimed Roads Community hall Dipping tanks electricity Access Roads Proclaimed Roads Community hall Water Dipping tanks	Cllr. Ntomboxolo Mena SIGNATURE DATE CONFIRMED 01-2022

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	CONFIRMED BY WARD CLLR INITIALS AND SURNAME
8	7181	Cegcuwana R1	Water	10	Cllr. Luyolo Ngindana
		R 2	Sanitation	19	
		R3	Electricity	19	Cllr. Luyolo Ngindana
		R4	Housing	none	
		Ceru	Access Roads	State of the access roads	Cllr. Luyolo Ngindana
		Nkanini		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/>	
		Ngxalathi	Proclaimed Roads	State of the proclaimed roads	Cllr. Luyolo Ngindana
		Mgomazi		Poor <input type="checkbox"/> Fair <input checked="" type="checkbox"/> Good <input type="checkbox"/>	
		Komshini	Community Halls	1	Cllr. Luyolo Ngindana
		Mgomazi R4 ,R7	Dipping Tanks		
		Ntambonkulu	Stock Dams		Cllr. Luyolo Ngindana
		Zigodini	LED Programmes	Select number of LED programmes in the ward	
		Ntshamazi	Schools	Farming <input type="checkbox"/> Tourism/Heritage <input type="checkbox"/> Arts and Crafts <input type="checkbox"/>	Cllr. Luyolo Ngindana
				Select number of schools in the ward	
			Clinics	Primary <input checked="" type="checkbox"/> Junior Secondary <input type="checkbox"/> High School <input type="checkbox"/>	Cllr. Luyolo Ngindana
				Select type of clinic	
			Mode of transport	Permanent Structure <input checked="" type="checkbox"/> Mobile Clinic <input type="checkbox"/>	Cllr. Luyolo Ngindana
				Select mode of transport	
			Sport Fields	Buses <input type="checkbox"/> Taxis <input checked="" type="checkbox"/>	Cllr. Luyolo Ngindana
			Early Childhood Development Centres (Crèche's)	No <input type="checkbox"/> Yes <input type="checkbox"/>	

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
9	7960	Mizazi	Water	4	Water	Cllr. Augustine M. Kabane
		Bongweni	Sanitation	4		
		Ngozana	Electricity	6		
		Upper Mpenduza	Housing	-	Electricity	
		Lower Mpenduza	Access Roads			
		Mzantsi		Poor		
		Upper Tobotshana	Proclaimed Roads			
		Mission	Community Halls	Poor		
			Dipping Tanks	Nil	Roads	SIGNATURE
			Stock Dams			
			LED Programmes			
					Halls	
			Schools			
			Clinics			
			Mode of transport			
			Sport Fields			
			Early Childhood Development Centres (Crèche's)	1	Creach	DATE CONFIRMED 02-2022

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
				Nil	90%		
10	6470	Mtintsilana	Water	Nil		Water	Cllr. Thelma N. Mtintsilana
		Magogogo	Sanitation	90%			
		Boilen	Electricity	70%			
		Tongwana	Housing	Nil		Roads	
		Qeuzana	Access Roads				
		Mkrwaqa		Poor	x Fair x Good		
		Zangwa	Proclaimed Roads				
		Mzantsi	Community Halls	Poor	x Fair x Good	Electricity	SIGNATURE
		Ndotshanga		One Vulihlanga com Hall			
		Ntabethemba	Dipping Tanks				
		Baloo Lalini	Stock Dams	Niw			
		Bawa Komkhulu	LED Programmes			Community Hall	
		Mambendeni Komkhulu	Schools				
		Mtintsilana komkhulu		Farming	x Tourism/Heritage		
		Sabalele	Clinics				
		Ndotshanga	Mode of transport				
			Sport Fields				
			Early Childhood Development Centres (Crèche's)				
				Permanent Structure	x Mobile Clinic		DATE CONFIRMED- 02-2022
				Buses	1 Taxis/Bakkies	Agric-Dams	
				Primary	x Junior Secondary		
				High School			

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											
11	7916	Diya Mnqulo Khobodi Xhaxhashimba Dyosini Mbongendlu Ngquthu Dyosini Ngwane Ngquthu Springs Maclay	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes	<p>State of the access roads</p> <table border="1"> <tr> <td>Poor</td> <td>x</td> <td>Fair</td> <td>X</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></td> <td>Good</td> </tr> </table> <p>Poor</p>	Poor	x	Fair	X	Good	Poor	x	Fair		Good	Diya ,Mnqulo,Dyasini,Ngquthu, Nciba, Xhaxhashimba	INITIALS AND SURNAME Cllr. Zithobile Mawisa	
Poor	x	Fair	X	Good													
Poor	x	Fair		Good													
				SIGNATURE													
				<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>Mobile Clinic</td> </tr> </table> <p>Select mode of transport</p> <table border="1"> <tr> <td>Buses</td> <td>Taxis/Bakkies</td> </tr> </table> <p>Nil- need to be constructed</p>	Farming	Tourism/ Heritage	Arts and Crafts	Primary	Junior Secondary	High School	Permanent Structure	Mobile Clinic	Buses	Taxis/Bakkies			
Farming	Tourism/ Heritage	Arts and Crafts															
Primary	Junior Secondary	High School															
Permanent Structure	Mobile Clinic																
Buses	Taxis/Bakkies																
				DATE CONFIRMED 01-2022													

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																	
12	7458	Mahlubini Lengeni Jojweni Komkhulu Ndabakazi Mambendeni Ngobozi RI Toleni Komkhulu Toleni Sawutana Qeqe	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes	11 Villages y y no Poor x Fair Good State of the access roads State of the proclaimed roads Poor x Fair Good nil	Roads for the entire ward Refilling of electricity poles for Households Community Hall and Sportfield Extension of piped water	Lindile L. Tetana SIGNATURE																	
		Gxakhulu	Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	<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>3</td> <td>Junior Secondary</td> <td>4</td> <td>High School</td> <td>1</td> </tr> </table> <p>Select type of clinic</p> <table border="1"> <tr> <td>Permanent Structure</td> <td>1</td> <td>Mobile Clinic</td> <td></td> </tr> </table> <p>Select mode of transport</p> <table border="1"> <tr> <td>Buses</td> <td></td> <td>Taxis</td> <td>1</td> </tr> </table>	Farming	Tourism/Heritage	Arts and Crafts	Primary	3	Junior Secondary	4	High School	1	Permanent Structure	1	Mobile Clinic		Buses		Taxis	1	Dipping Tank Sawutana	DATE CONFIRMED 01-2022
Farming	Tourism/Heritage	Arts and Crafts																					
Primary	3	Junior Secondary	4	High School	1																		
Permanent Structure	1	Mobile Clinic																					
Buses		Taxis	1																				

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	Badule	Water	12	Komkhulu Road, Zibondeni Road & kwa L Road	INITIALS AND SURNAME Michael M. Magobiane		
		Lusizini	Sanitation	16				
		Trust Farm	Electricity	15	Blythwood water installation (all areas)			
		KwaL	Housing	00				
		Kwa T	Access Roads					
		Kwa Chief			14 State of the access roads			
					Poor	x	Fair	Good
		Kwa Adam	Proclaimed Roads		State of the proclaimed roads			
		Mzantsi S			Poor 02	x	Fair	Good
		Madopholweni	Community Halls	01	Kwa Adam, Xobo, Trust farm & Badule Electricity Ext			
		Mahemini	Dipping Tanks	04	LTA Grounds Construction, Badule grounds construction			
		Carlifonia	Stock Dams	03	Blythsthood caves, Ekuphumleni Agricultural project, Dipping tank in Blythsthood			
		KwaMaphiko	LED Programmes		DATE CONFIRMED 01-2022			
					Select number of LED programmes in the ward			
					Farming	Tourism/Heritage	Arts and Crafts	
					Select number of schools in the ward			
					Primary	8	Junior Secondary	High School
			Select type of clinic					
			Permanent Structure	0	Mobile Clinic	0		
			Select mode of transport - Bakkies					
			Buses		Taxis			
			Sport Fields					
			nil					
			Early Childhood Development Centres (Crèche's)					
			04					

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	Mpukane	Water	11	Roads -Mgobhozweni	INITIALS AND SURNAME - Lady Grace N. Mgqalelo	
		Dyam-Dyam	Sanitation	11	Access road- Vuba mbiza, Houses & Sport field		
		Ntombo	Electricity	11			
		Vuba	Housing	0			
		Ndenxe	Access Roads	State of the access roads			
		Ntandathu		Poor	x	Fair	Good
		Mgodla	Proclaimed Roads	State of the proclaimed roads			
		Mthonjeni		Poor	x	Fair	Good
		Mgobhozweni	Community Halls	1	Access road -Nqileni	SIGNATURE	
		Nqileni	Dipping Tanks	Available but in bad conditions			
		Tyiniha	Stock Dams	None			
			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	x
			Clinics	Select type of clinic			
				Permanent Structure	x	Mobile Clinic	
			Mode of transport	Select mode of transport			
				Buses	x	Taxis/Bakkie	x
			Sport Fields				
			Early Childhood Development Centres (Crèche's)				
				Access road-nqileni	DATE CONFIRMED	01-2022	

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
15	6120	Mahlubini Rwantsana Hebe-Hebe Zixhotyeni Lalini,Home Mthonjeni Diphin Qolweni Ngunikazi Nkalweni Bhongithole Gxojana Mantanjeni Sikhobeni Mtshabeni Nyidiana Sivanxa Jojweni Marhambeni Tsomo,Majamaneni,Ndaba, Xhamani,Lower Ngancule	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)	21 32 32 0 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 1 Select type of clinic Permanent Structure Mobile Clinic Select mode of transport Buses 1 Taxis	Water-whole Ngancule Access sivanxa via Mtshanyaneni Bhishibha to Tsomo Dipping Tank Mtsabeni&Rwantsana Field & PLOUGH and fencing Ngancule Sport Field	Cllr. Sithembiso Ncetezo SIGNATURE DATE CONFIRMED 02-2022

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	Nobanda New look Ngculu A/A Nofotyo Upper Nofotyo Hili-Hili Dingiswayo Nyulula Masibambane Qwanguleeni Sidutyini Qolweni Bolani Gedudu Ngcisininde Nquma	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics	2 22 22 NO Poor Poor TRC 1 NO Select number of LED programmes in the ward Farming 3 Tourism/Heritage 3 Arts and Crafts 1 Select number of schools in the ward Primary 6 Junior Secondary 8 High School 1 Select type of clinic Permanent Structure Mobile Clinic Buses Taxis/bakkies Somlotha facility Yes	Mangobomvu to Nobhanda Ngcisininde to Gedudu Hili-hili Nofotyo	Cllr. Sithethi Maputeni
						DATE CONFIRMED 02-2022

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	Dudumashe A/A	Water	10	Community Hall	INITIALS AND SURNAME
		Kunene	Sanitation	12		Clr. Xolisa Innocent Pupuma
		Esikolweni	Electricity	11		
		Nkqayi	Housing	N Housing		
		Mngangcathelo	Access Roads	State of the access roads	Access Road Mission- Lower Nomaheya	
		Mjayezi		Poor x Fair Good		
		Toboyi	Proclaimed Roads	State of the proclaimed roads		
		Nomaheya		Poor x Fair Good		
		Mirrerees	Community Halls	No Community Hall	Electricity water newtown to Bhongweni	SIGNATURE
		Lower Nomaheya	Dipping Tanks	3		
		Bhongweni	Stock Dams	none		
		Newtown	LED Programmes	Select number of LED programmes in the ward		
				Farming 0 Tourism/Heritage 0 Arts and Crafts 0	Clinic & farming support programmes	
			Schools	Select number of schools in the ward		
				Primary 1 Junior Secondary 1 High School 1		
			Clinics	Select type of clinic		
				Permanent Structure 0 Mobile Clinic 0	Youth Development	DATE COONFIRMED 02- 2022
			Mode of transport	Select mode of transport		
				Buses Taxis 0		
			Sport Fields	1		
			Early Childhood Development Centres (Crèche's)	0		

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
18	8603		Water Sanitation Electricity Housing Access Roads		Water Electricity Access roads Housing Community hall Community hall	INITIALS AND SURNAME Cllr. Lunga Dyantyi
			Proclaimed Roads	State of the access roads Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/>		
			Community Halls	State of the proclaimed roads Poor <input type="checkbox"/> Fair <input checked="" type="checkbox"/> Good <input type="checkbox"/>	electricity	SIGNATURE
			Dipping Tanks			
			Stock Dams		Access Road	
			LED Programmes	Select number of LED programmes in the ward Farming <input type="checkbox"/> Tourism/Heritage <input type="checkbox"/> Arts and Crafts <input type="checkbox"/>		
			Schools	Select number of schools in the ward Primary 10 <input checked="" type="checkbox"/> Junior Secondary 0 <input type="checkbox"/> High School 1 <input type="checkbox"/>		
			Clinics	Select type of clinic Permanent Structure <input type="checkbox"/> Mobile Clinic <input type="checkbox"/>		
			Mode of transport	Select mode of transport Buses <input checked="" type="checkbox"/> Taxis <input type="checkbox"/>	Housing	DATE CONFIRMED 02-2022
			Sport Fields	Nil		
			Early Childhood Development Centres (Crèche's)	6		

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	CONFIRMED BY WARD CLLR INITIALS AND SURNAME
19	8603	Lundi	Water	3	Mahlubini access road Kotane community hall
		Mahlubini	Sanitation	All wards	
		Ngxalawe	Electricity	WONGALETHU	Kotane access road
			Housing		
		Njekezi, Siqithini, Jekezi	Access Roads	State of the access roads	Siqithini community hall
		Nkanini, Gubevu		Poor x Fair Good	
		Sautana, Ndede, Busina	Proclaimed Roads	State of the proclaimed roads	SIGNATURE V Nkehle
		Upper Kotana		Poor x Fair Good	
		Mbangweni	Community Halls	Ntsheshe construction is on site	DATE CONFIRMED 02-2022
		Maseleni	Dipping Tanks	1	
		Shlabeni	Stock Dams	All ward	Maseleli access road
		siqithin	LED Programmes	Select number of LED programmes in the ward	
				Farming x Tourism/Heritage Arts and Crafts	Siqithini Clinic
		Wongalethu	Schools	Select number of schools in the ward	
		Ntlakwevenkile		Primary Junior Secondary High School	DATE CONFIRMED 02-2022
		Simeliyane	Clinics	Select type of clinic	
				Permanent Structure 2 Mobile Clinic	Maseleli access road
			Mode of transport	Select mode of transport	
				Buses Taxis	DATE CONFIRMED 02-2022
			Sport Fields	1	
			Early Childhood Development Centres (Crèche's)	nil	

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			
20	7403	Mtebele	Water	Mzantsi Mpeta	Bridge between ndela and Zingqayi	Cllr. Kwandiswa Gobeni			
		Sihlabeni	Sanitation	5					
		Qima	Electricity	9	Roads				
		Kotane stishin	Housing						
		Kotane nomjana	Access Roads	State of the access roads		SIGNATURE			
		Lusuthu		Poor	1		Fair	x	Good
		Zingqayi	Proclaimed Roads	State of the proclaimed roads		Electricity			
				Poor	x		Fair		Good
			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	x	Junior Secondary	4	High School	2
			Clinics	Select type of clinic					
				Permanent Structure		Mobile Clinic	2		
			Mode of transport	Select mode of transport					
				Buses	1	Taxis	9		
			Sport Fields						
			Early Childhood Development Centres (Crèche's)	1					
						DATE CONFIRMED			
						01- 2022			

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		Water		Building Housing	INITIALS AND SURNAME Clr. Tandikaya G. Ntshonga
			Sanitation			
			Electricity			
			Housing			
			Access Roads	State of the access roads	Access Roads Zingcuka to Mtawelanga	
				Poor Fair Good		
			Proclaimed Roads	State of the proclaimed roads		
				Poor Fair Good		
			Community Halls		Stock Dams	SIGNATURE
			Dipping Tanks			
			Stock Dams			
			LED Programmes	Select number of LED programmes in the ward	Mgcwe school junior	
				Farming Tourism/Heritage Arts and Crafts		
			Schools	Select number of schools in the ward		
				Primary Junior Secondary High School x		
			Clinics	Select type of clinic		
				Permanent Structure x Mobile Clinic	Mobile Clinic Emgcwe and Hlobo area	DATE CONFIRMED
			Mode of transport	Select mode of transport		01-2022
				Buses Taxis/Bakkie x		
			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					
22	9694	Ntshingeni	Water	N/A	Water Roads Dams Agricultur Electricity	Cllr. Zakhele Edward Kwaza					
		Raladiya	Sanitation	N/A							
		Njingqi	Electricity	N/A							
		Rhosheni	Housing								
		Milwa	Access Roads								
		Masaleleni		Poor			x	Fair		Good	
		Zwelandile	Proclaimed Roads								
		tyhila		Poor			x	Fair		Good	
		KuNotyekile	Community Halls	N/A							
		Tshona	Dipping Tanks	Damaged							
		Mhodi	Stock Dams	N/A							
		Lamla	LED Programmes								
			Busila	Schools							
			Kunkanga				Primary	x	Junior Secondary	x	High School
			Mazikhanye	Clinics							
	Mathole		Permanent Structure		Mobile Clinic	x					
	Jama	Mode of transport									
	Mgalakanqa		Buses		Taxis/Bakkies	x					
		Sport Fields			Need upgrade						
		Early Childhood Development Centres (Crèche's)			N/A						

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
23	7495	Sighingqini	Water	Qengweni,mzantsi & Ncedani	Electricity	INITIALS AND SURNAME
		Mangweni	Sanitation			
		All Villages	Electricity	5 Mangweni,TekoFihla,ncedani Rwantnsna ,Dongqweni		Clr. Xabiso Leon Mjamba
		Rwantnsna	Housing	no		
		Nkondwane	Access Roads	State of the access roads	Water	
		Tutura		Poor x Fair Good		
		Qobo-qobo	Proclaimed Roads	State of the proclaimed roads		
		Sazile Tloyo Soga		Poor X Fair Good		
			Community Halls		Roads	SIGNATURE
			Dipping Tanks	Qobo-qobo		
			Stock Dams	mtonjen		
			LED Programmes	Select number of LED programmes in the ward	Community Hall	
				Farming x Tourism/Heritage x Arts and Crafts x		
			Schools	Select number of schools in the ward		
				Primary Junior Secondary High School 1		
			Clinics	Select type of clinic		
				Permanent Structure x Mobile Clinic x		
			Mode of transport	Select mode of transport	Stock Dams	DATE CONFIRMED
				Buses Taxis		01-2022
			Sport Fields	no		
			Early Childhood Development Centres (Crèche's)	9 mangweni.Nkondwane,Tutura,rwantnsana,qobo-qobo mtonjeni		

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
24	5253		Water		Access road- Mkhonkotho,jojweni to school gaba, Qumbulwana	Cllr. Mphuthumi Ntsali
			Sanitation			
			Electricity			
			Housing			
			Access Roads	State of the access roads	Mthonjeni Teko kona maku.JSS to sehost	
				Poor x		
				5	Fair	
					Good	
			Proclaimed Roads	State of the proclaimed roads		
				Poor	2	Fair
			Community Halls	No community halls	Good	
			Dipping Tanks	N/A		
			Stock Dams	N/A		
			LED Programmes	Select number of LED programmes in the ward	Community Hall all ward	SIGNATURE
				Farming	2	
				Tourism/Heritage		
				Arts and Crafts		
			Schools	Select number of schools in the ward	Clinic Teko springs	
				Primary	9	
				Junior Secondary		
				High School		
			Clinics	Select type of clinic		
				Permanent Structure		
				Mobile Clinic		
			Mode of transport	Select mode of transport	Access Roads, Housing Bridges Dipping,Dams	DATE CONFIRMED 01- 2022
				Buses		
				Taxis		
			Sport Fields	But not yet finished		
			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
25	11611	Ngunduza Mcotama Centuli Kabakazi	Water Sanitation Electricity Housing Access Roads	poor All One mahliathi noone Poor x Fair Good State of the proclaimed roads Poor x Fair Good One Khabakazi Three None	Ngunduza Access Road Mndundu Access road Mahliathini community hall - Centuli Clinic Ndoqa sport field	Clr. Vuyani Jackie Gazi SIGNATURE DATE CONFIRMED 01-2022
			Proclaimed Roads			
			Community Halls			
			Dipping Tanks			
			Stock Dams			
			LED Programmes	Select number of LED programmes in the ward Farming Tourism/Heritage Arts and Crafts 2		
			Schools	Select number of schools in the ward Primary 1 Junior Secondary High School 1 2 1		
			Clinics	Select type of clinic Permanent Structure x Mobile Clinic x		
			Mode of transport	Select mode of transport Buses 2 Taxis 0		
			Sport Fields	nil		
			Early Childhood Development Centres (Crèche's)	one		

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																														
26	10489	Macibe Ntilini Nkente Sintsana Nxaxo Ezingcuka	Water Sanitation Electricity Housing Access Roads Proclaimed Roads Community Halls Dipping Tanks Stock Dams LED Programmes	3 all 5 no Poor Poor no no no Select number of LED programmes in the ward	Nibe to zingwabile access road Vusani Ntilini Qolweni Access road Community hall x 3 Dipping tanks Stock dams Farming	INITIALS AND SURNAME Cllr. Bukiwe Zondani																														
			Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	<table border="1"> <tr> <td colspan="3">Select number of schools in the ward</td> </tr> <tr> <td>Farming</td> <td>Tourism/Heritage</td> <td>Arts and Crafts</td> </tr> <tr> <td>Primary</td> <td>Junior Secondary</td> <td>High School</td> </tr> <tr> <td>3</td> <td>6</td> <td>3</td> </tr> <tr> <td colspan="3">Select type of clinic</td> </tr> <tr> <td>Permanent Structure</td> <td>4</td> <td>Mobile Clinic</td> </tr> <tr> <td>x</td> <td></td> <td></td> </tr> <tr> <td colspan="3">Select mode of transport</td> </tr> <tr> <td>Buses</td> <td>x</td> <td>Taxis</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>	Select number of schools in the ward			Farming	Tourism/Heritage	Arts and Crafts	Primary	Junior Secondary	High School	3	6	3	Select type of clinic			Permanent Structure	4	Mobile Clinic	x			Select mode of transport			Buses	x	Taxis				Clinic	DATE CONFIRMED 01-2022
Select number of schools in the ward																																				
Farming	Tourism/Heritage	Arts and Crafts																																		
Primary	Junior Secondary	High School																																		
3	6	3																																		
Select type of clinic																																				
Permanent Structure	4	Mobile Clinic																																		
x																																				
Select mode of transport																																				
Buses	x	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
27	9460	Ward 27	Water	Yes all except maqoma & nobuswati	Access Road Enyinezelo Shelwana Xhibeni Gqwara Gcina & Gqola	INITIALS AND SURNAME Cllr. Tamsanqa J.J. Mduli
		Zalu village	Sanitation	Yes all	Water Gcina area Gqunqe Lusizi Diko Cebe & fihlani	
		gqunqe	Electricity	all		
		Nyiwezelo	Housing	no		
		Xhibeni	Access Roads			
		Maqoma		Poor x Fair Good		
		Singeni	Proclaimed Roads			
		Dolweni		Poor x Fair Good		
		Mazepha	Community Halls	None		SIGNATURE
		Manyube	Dipping Tanks	9/23	Dipping Trnk & stock dams	
		Diko	Stock Dams	5/23		
		Lusizi	LED Programmes	Select number of LED programmes in the ward		
				Farming 1 Tourism/Heritage x Arts and Crafts	Community hall Cebe Gqunqe Gcina -	
		Fihlani	Schools	Select number of schools in the ward		
		Lalo		Primary 3 Junior Secondary 7 High School 2		
		Mtwaku	Clinics	Select type of clinic		
		Gqola		Permanent Structure x Mobile Clinic 0		
		Ngcota	Mode of transport	Select mode of transport		
		Mngunkowa		Buses Taxis		
			Sport Fields	None		
			Early Childhood Development Centres (Crèche's)	4 villages	Mall with police station & saterlites	DATE CONFIRMED 01-2022

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
28	8780	Ngcizele	Water	1	Ngcizele access Road Electricity Water	Cllr. Phumzile Michael Mbovane
		Khobonqaba	Sanitation	6		
		Nxanxa	Electricity	6		
		Nquasi	Housing	nil		
		Ncerana	Access Roads		Khobonqaba water Roads and bridge	
		Khantolo				
			Proclaimed Roads			
			Community Halls	Poor	Nxanxa Access Roads & water	SIGNATURE
				N/A		
			Dipping Tanks	4 Village		
			Stock Dams	N/A		
			LED Programmes			
			Schools		Khantolo Water and roads	
			Clinics			
			Mode of transport		Ngqusi: water, Access Road Ncerana- water, roads and bridge	DATE CONFIRMED 10-2022
			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
29	8893	Feni Mjo Nontshinga Kei Farm Qolora by Sea	Water Sanitation Electricity Housing Access Roads	Nontshing 5 5 N/A State of the access roads Poor x Fair Good	Chwebeni access road Qlorha to Ngizele access road Access road from tar to Edakeni	INITIALS AND SURNAME Cllr. M. Highway Tangana
			Proclaimed Roads	State of the proclaimed roads Poor x Fair Good		SIGNATURE
			Community Halls	N/A		
			Dipping Tanks	3		
			Stock Dams	3 but Poor condition		
			LED Programmes	Select number of LED programmes in the ward	Access road frm kuthiso to makukhanye school	
			Schools	Farming Tourism/Heritage Arts and Crafts x Select number of schools in the ward		
			Clinics	Primary Junior Secondary High School Select type of clinic		
			Mode of transport	Permanent Structure Mobile Clinic x Select mode of transport Buses Taxis	Water new ext Feni,mjo,Nontshinga,kei farm &Qolora by sea	DATE CONFIRMED 01-2022
			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
31	9348	Ngqanda	Water	All	Khobongaba & Thala Access Road	Cllr. Nangamso Mbuku
		Khobongaba	Sanitation	All		
		Seku	Electricity	All		
		Gobe	Housing	No	Sport Field	
		Diphini	Access Roads	State of the access roads		
		Isingangala		Poor	Fair	Good
		Mirhawuzeli	Proclaimed Roads	State of the proclaimed roads		
		Jojweni		Poor	Fair	Good
		Thembani	Community Halls	No		
		Xhobani	Dipping Tanks	NO	Community Hall	SIGNATURE
		Hlangani	Stock Dams	no		
		Thala	LED Programmes	Select number of LED programmes in the ward		
				Farming	Tourism/Heritage	Arts and Crafts
		Qina Ezantsi	Schools	Select number of schools in the ward		
				Primary	6 Junior Secondary	2 High School
			Clinics	Select type of clinic		
				Permanent Structure	1 Mobile Clinic	0
			Mode of transport	Select mode of transport		
				Buses	Taxis	
			Sport Fields	none		
			Early Childhood Development Centres (Crèche's)	none		
					Housing	DATE CONFIRMED 01-2022

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
32	9348	Devilliers Qombolo Mambalu Midange Mangweni Njingini Macibe Gobe Nonyembezi Ncaluka	Water Sanitation Electricity Housing Access Roads Proclaiemed Roads Community Halls Dipping Tanks Stock Dams LED Programmes Schools Clinics Mode of transport Sport Fields Early Childhood Development Centres (Crèche's)	7 0 0 0 State of the access roads Poor Fair Good State of the proclaimed roads Poor Fair Good 0 0 0 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 0 Select mode of transport Buses Taxis 0	- Access road macibe Ncaluka mambaku Midange Qombolo water Njingini High mast light Mgiqweni Dam Gobe community hall Access road	INITIALS AND SURNAME Cllr. Tembisa Jizana SIGNATURE DATE CONFIRMED 01-2022

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2021/2022

Date of Committee	Committee Recommendation	Recommendation Adopted? (Y/N)
22 September 2021	<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 2020/2021 Fourth Quarter was reviewed by the Audit Committee as per Section 166 of the MFMA with the following recommendations:</p> <ul style="list-style-type: none"> • Aging of the municipal debtors. • Compliance with the POPIA Act. • Controls surrounding contracts management and litigation matters. • Risk Management. • Noted the presentation of AG Audit Strategy. • Noted sec 52(d) 	<p>Ongoing implementation In progress Implemented Ongoing Implementation</p>
29 August 2021	<p>The Committee reviewed the 2020/2021 Draft Annual Report with the Annual Financial Statements before submission to the Auditor General and recommended that AFS be submitted to the Auditor General after the corrections of errors noted have been rectified.</p> <ul style="list-style-type: none"> • Noted the 1st Adjustment budget. 	Y
18 October 2021	<p>Quarterly review of 2021/2022 First Quarter was reviewed by Audit Committee as per Section 166 of the MFMA with the following recommendations:</p> <ul style="list-style-type: none"> • Aging of the municipal debtors. • Compliance with the POPIA Act. • Controls surrounding contracts management and litigation matters. • Risk Management. • Noted the sec 56 and 54(a) annual performance review report. • Noted sec 52(d) • Noted performance management analysis report. 	<p>Ongoing implementation In progress Implemented Ongoing Implementation</p>
19 January 2022	<p>Audit Committee reviewed the 2021/2022 Mid-term performance report – Section 72 of the MFMA with the following recommendations:</p> <ul style="list-style-type: none"> • Noted the midterm and 2nd quarter performance analysis report. • Noted Sec 72 and Sec 52(d) 2nd quarter. • Noted 2nd Adjustment Budget. • Noted the 2020/2021 Audit Report and Audit Action Plan for implementation and monitoring. 	Y

Date of Committee	Committee Recommendation	Recommendation Adopted? (Y/N)
16 February 2022	Quarterly review of 2021/2022 Second Quarter was reviewed by Audit Committee as per Section 166 of the MFMA with the following recommendations: <ul style="list-style-type: none"> • Aging of the municipal debtors. • Compliance with the POPIA Act. • Controls weaknesses identified throughout the report. 	Ongoing implementation In progress Implemented
21 April 2022	Quarterly review of 2021/2022 Third Quarter was reviewed by Audit Committee as per Section 166 of the MFMA with the following recommendations: <ul style="list-style-type: none"> • Aging of the municipal debtors. • Compliance with the POPIA Act. • Prioritisation of ICT projects. • Transfer of residential sites at Zizamele Township. • Noted sec 52(d) • Noted performance management analysis 3rd quarter. 	Ongoing implementation In progress Implemented Implemented

AUDIT COMMITTEE RECOMMENDATIONS IN THE 2021-2022 FINANCIAL YEAR

Audit Committee recommended and improvement in the consistency of projects monitoring to ensure that all service providers adhere to the terms and conditions contained in the service level agreements; and that poor performance of services providers is identified early enough to salvage the project(s).

The committee also recommended that SMART principles should be adhered when drafting corrective actions, be it on the resolutions register, audit action plan or risk registers.

A closer monitoring of the performance of the supply chain management unit was recommended to ensure timely procurement processes.

The committee is happy with overall internal control environment within the municipality and level of performance by management.



V. HLEHLISO CIA, CCSA
AUDIT COMMITTEE CHAIRPERSON

APPENDIX I- PERFORMANCE OF SERVICE PROVIDERS- 2021/2022 FINANCIAL YEAR

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2020/2021)		Year 1 (Current Year- 2021/2022)	
		Target	Actual	Target	Actual
Lwazi Enterprise (Pty) Ltd JV Rosibu Holding (Pty) Ltd	Percentage progress towards Construction of Rhwardsana Outdoor Sports Facility	Construct 100% of Rhwardsana Outdoor Sport Facility by June 2021	75 % towards completion	-	The project was complete on the 28 March 2022
Lunika Investments (Pty) Ltd	Percentage progress towards Construction of eMalongweni to Siphahleni Access Road	-	-	Construct 100 % of Emalongweni to Siphahleni Access Road(7 kms) by June 2022	The project has been completed on the 18/02/2022
Masiba and Son Trading (Pty) Ltd	Percentage progress towards Construction of Cuba Community Hall	Construct 100% of Cuba Community Hall by June 2021	44 % towards completion	-	The project was complete on the 29 June 2022,
Gqobo Investments CC	Percentage progress towards Tar Surface Repairs & Asphalt Overlay at Butterworth CBD	-	-	100 % Tar Surface Repairs & Asphalt Overlay at Butterworth CBD	The project was complete on the 30 June 2021
Mikuwo Construction	Percentage progress towards Construction of Masizakhe to Nanzana AR	-	-	Construction 100 % of Masizakhe to Nanzana AR	The project was complete on the 29 June 2022,
Gqobo Investments CC	Percentage progress towards Construction of Rhaladiya to Jingqi AR	-	-	Construct 100 % of Rhaladiya to Jingqi Access Road(8.59 kms) by June 2022	The project was complete on the 30 June 2022
ZKS and Nam General Trading	Percentage progress towards Percentage progress towards Construction of Gcina (Esingeni) AR	-	-	Construct 100% of Gcina-Singeni Access Road (8,3 kms) by June 2022	The project was complete on the 22 June 2022,
Mentolek Projects (Pty) Ltd	Percentage progress towards Supply and Percentage progress towards Delivery of LED Street Lights	-	-	Maintenance of Roads	Goods/Services has been delivered
Rosibu Holding	Percentage progress towards Construction of Fihlani AR			Develop Design report for Fihlani Access Road by June 2022	The project was complete on the 22 June 2022,

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2020/2021)		Year 1 (Current Year- 2021/2022)	
		Target	Actual	Target	Actual
Devomix (Pty) Ltd	Percentage progress towards Construction of Ibika Internal Streets			Construct 100 % of Ibika internal streets (gravel- 4.67 kms) by June 2022	The project was complete as at 30 June 2021
Lunika Investments	Percentage progress towards Percentage progress towards Rehabilitation of Msobomvu Main Road			Rehabilitate 100 % of Msobomvu main Road (1,98 km) by June 2022	The project was complete on the 23 June 2022,
AK Building Construction (Pty) Ltd	Percentage progress towards Supply & Installation of 90 hawkers Stalls			Supply and install 100% of 90 hawker stalls by June 2022	The project was complete on the 28 June 2022,
Masiba & Son Trading (Pty) Ltd	Percentage progress towards Construction of Ntsheshe Community Hall				Failed to execute works in accordance with the conditions of contract and remedies thereof and contract was terminated.
Counterpoint 420 CC	Percentage progress towards Construction of Thongwana Outdoor Sport Facility				Service provider withdrawn the first appointment.
Masiyabu Trading and General Civil Construction (Pty) Ltd	Percentage progress towards Construction of Zizamele Internal Streets (Gravel)			Construct 100 % of Zizamele internal streets (gravel- 11.097 kms) by June 2022	The project was complete on the 28 June 2022,
Lunika Investments	Percentage progress towards Paving of Vuli-Valley Main Road			Pave 100% of Vulli-valley main road (2km) by June 2022	The project was complete on the 29 June 2022,
Mabhese Electrical Projects and Trading (Pty) Ltd	Percentage progress towards Supply and Installation of 20 LED Street Lights Along Mthatha Street & King Street			Erection of 20 LED Street Lights	Failed to execute works in accordance with the conditions of contract and remedies thereof

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2020/2021)		Year 1 (Current Year- 2021/2022)	
		Target	Actual	Target	Actual
Siya and Aya Engineering (Pty) Ltd	Percentage progress towards Electrification of Qwanguleni Ext, Ntandathu, Ntshatshongo, Enqileni, Mnyameni, Mnyameni Myeki and Macibe Phešheya kweDiphu			Connect 100% of Mnquma 2021/2022 Electrification Programme (402 Households) by June 2022	The project was complete
Ngomdla Trading CC	Percentage progress towards Paving of side Walks Along King Street and Blyth Street Municipal Offices			Pave 100% of Side packing along King Street (1785 m2) by June 2022	The project was Complete on the 10 June 2022
Sincede Consulting Services	Percentage progress towards Tar Surface Repairs and Asphalt Overlay at Sauer Street, Bell Street and King Street			Ovelay 100% Asphalt for Sauer, Bell, Blyth and King Streets (1410 m2) by June 2022	The project was complete on the 24 June 2022,
Bathabile Construction Services CC	Percentage progress towards Upgrading of Ngqamakwe Internal Streets- phase 1			Project is for the office of the Premier	The project is at 50% towards completion
Bontinite (Pty) Ltd	Percentage progress towards Construction of Butterworth Tourism Information Centre			Permanent structure for TIC	Project still in progress
Cycle Civils and Projects (Pty) Ltd	Percentage progress towards Construction of Ext 5 Gravel Internal Streets in Centane				The project was complete on the 24 June 2022,
Kaazi Engineering Group (Pty) Ltd	Percentage progress towards Planning, Designing and Construction of Animal Pound at Mission Location Butterworth			Construction of 100 % Animal Pound at Mission Location Butterworth	Project still on progress
Gqobo Investments CC	Percentage progress towards Tar Surface Repairs and Asphalt Overlay at Blyth and King Link Roads			Tar Surface 100 % Repairs and Asphalt Overlay at Blyth and King Link Roads (Road and maintenance)	The project was complete on the 07June 2022,
Mantishe Construction CC	Percentage progress towards Tar Surface Repairs and Asphalt Overlay at Academy,			Ovelay 100% Asphalt for Academy, Stanford,	The project was complete on the 28 June 2022,

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2020/2021)		Year 1 (Current Year- 2021/2022)	
		Target	Actual	Target	Actual
	Blyth, Stanford, Robinson and Daly Street			Robbinson, Daly Streets (9510 m2) by June 2022	
ZKS and Nam General Trading	Percentage progress towards Refurbishment of Butterworth Town Hall			Refurbish 100% of Butterworth Town Hall by June 2022	The project is at 80% towards completion
Khula Africa Agriculture and Construction Projects	Percentage progress towards Construction of Thongwana Outdoor Sports Facility Phase 1			Construct 100% of Thongwana Outdoor Sport Facility by June 2022	The project was re-advertised, contractor appointed and the overall progress was at 67,5% towards completion.
Cingani Cleaning and Projects (Pty) Ltd	Percentage progress towards Construction of Gabion Retaining Wall at Ngqamakwe Taxi Rank			Construct 100% of Ngqamakwe Taxi rank retaining wall by June 2022	The project was complete on the 15 June 2022
Stibarol Projects (Pty) Ltd	Percentage progress towards Construction of Ntseshe Community Hall			Construct 100% of Ntseshe Community Hall by June 2022	

APPENDIX J- DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 01 July 2021 to 30 June 2022 (2021/2022 financial year)		
Position	Name	Description of Financial interest
Executive Mayor	Cllr T. Manxila - Nkamisa	None
Council Speaker	Cllr M.Z. Mnqwazi	None
Chief Whip	Cllr S. Ncetezo	None
Members of Mayoral Committee	Cllr S. Matutu	None
	Cllr X. Pupuma	None
	Cllr N. Layiti	None
	Cllr L. Mgandela	None
	Cllr M. Qaba	None
	Cllr T. Bikitsha	None
Chairperson of MPAC	Cllr Z Mnqokoyi	None
Councillors	Cllr N. Sheleni	None
	Cllr Z. Sobekwa	None
	Cllr N. Sigwadi	None
	Cllr N. Tshona	None
	Cllr T. Ntyinkala	None
	Cllr V. Manxodidi	None
	Cllr N. Nohesi	None
	Cllr N. Dali	None

Disclosures of Financial Interests**Period 01 July 2021 to 30 June 2022 (2021/2022 financial year)**

Position	Name	Description of Financial interest
	Cllr A. Soyeza	None
	Cllr N. Nogaga - Mpumpula	None
	Cllr M. Mkhilili	None
	Cllr T.B. Gidigidi	None
	Cllr C.N.Filtane	None
	Cllr N. Ntolosi	None
	Cllr Z. Tyandela	None
	Cllr L. Maputuma	None
	Cllr M. Masekwana	None
	Cllr C. Ncukana	None
	Cllr W. M. Ntongana	None
	Cllr Z. Bomela	None
	Cllr J.N. Mzongwana	None
	Cllr N. Futywana	None
	Cllr B. Goniwe	None
	Cllr N. Baleka	None
	Cllr N. Magwentshu	None
	Cllr Kalimashe	None
	Cllr N. Paliso	None

Disclosures of Financial Interests		
Period 01 July 2021 to 30 June 2022 (2021/2022 financial year)		
Position	Name	Description of Financial interest
	Clr M. Xabela	None
	Clr N. Ntamo	None
	Clr N. Mena	None
	Clr L. Ngindana	None
	Clr M. Kabane	None
	Clr N. Mtintsilana	None
	Clr Z. Mawisa	None
	Clr L. Tetana	None
	Clr M. Magobiane	None
	Clr N. Mgqalelo	None
	Clr M. Sithethi	None
	Clr L. Dyantyi	None
	Clr V. Nkehle	None
	Clr K. Gobeni	None
	Clr T. Ntshonga	None
	Clr Z. Kwaza	None
	Clr X. L. Mjamba	None
	Clr M. Ntsali	None
	Clr V. Gazi	None

Disclosures of Financial Interests

Period 01 July 2021 to 30 June 2022 (2021/2022 financial year)

Position	Name	Description of Financial interest
	Cllr M.P. Mbovane	None
	Cllr P. Ndabambi	None
	Cllr N. Mbuku	None
	Cllr T. Jizana	None
	Cllr M.H. Tangana	None
	Cllr B. Zondani	None
	Cllr J.J.T. Mduli	None
Municipal Manager	Mr S Mahlasela	None
Chief Financial Officer	Mr M Matomane	None
Other Section 56 Managers	Mr B Nohesi	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	Budget Year 2021/22						
	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 %
R thousands							
Revenue By Source							
Property rates	60 384	60 000	76 000	68 865	76 000	7 135	91%
Service charges - refuse revenue	5 066	6 000	6 000	5 290	6 000	710	88%
Rental of facilities and equipment	5 004	5 000	5 000	5 328	5 000	-328	107%
Interest earned - external investments	4 024	4 000	4 000	7 019	4 000	-3 019	175%
Fines, penalties and forfeits	6 588	8 000	8 000	9 893	8 000	-1 893	124%
Licences and permits	1 060	1 500	1 500	1 019	1 500	481	68%
Agency services	2 704	4 000	4 000	2 842	4 000	1 158	71%
Other revenue	1 933	1 643	1 643	976	1 643	667	59%
Gains on disposal of PPE	0	250	250	-	250	250	0%
Total Revenue (excluding capital transfers and contributions)	86 763	90 393	106 393	101 232	106 393	5 161	95%

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:	340 070	295 159	295 159	295 159	100%	100%
Equitable share	327 405	282 161	282 161	282 161	100%	100%
Finance Management Grant	1 700	1 850	1 850	1 850	100%	100%
EPWP	1 695	2 418	2 418	2 418	100%	100%
INEP	9 270	8 730	8 730	8 730	100%	100%
Total Operating Transfers and Grants	340 070	295 159	295 159	295 159	100%	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			100 109 761	111 494 603	93 281 210	151 276 000	88 991 000	90 574 000	
Infrastructure – Total			78 072 968	82 685 745	76 370 056	77 926 000	60 094 000	62 796 000	
Infrastructure: Road transport - Total	3 398 554		68 937 968	73 550 745	67 591 833	67 106 000	46 440 000	48 529 000	
Roads, Pavements & Bridges			68 937 968	73 550 745	67 591 833	67 106 000	46 440 000	48 529 000	
Storm water									
Infrastructure: Electricity – Total			9 135 000	9 135 000	8 778 223	10 820 000	13 654 000	14 267 000	
Street Lighting									
Dams & Reservoirs									
Reticulation									
Infrastructure: Other – Total	-								
Community – Total	-3 398 554		15 321 793	18 578 142	12 796 603	11 161 000	8 827 000	8 315 000	
Parks & gardens			6 973 244	9 016 672	7 670 435	2 375 000	1 435 000	566 000	
Sports fields & stadia	5 777 708								
Swimming pools									
Community halls			8 348 549	9 561 470	5 126 168	3 849 000	653 000	707 000	
Libraries									
Recreational facilities	-9 176 262					4 937 000	6 739 000	7 042 000	
Cemeteries									

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
Other							
Capital expenditure by Asset Class							
Heritage assets - Total	-	4 000 000	4 000 000	-	47 650 000	8 561 000	8 946 000
Buildings	1 678 653	4 000 000	4 000 000	-	47 650 000	8 561 000	8 946 000
Other	-1 290 015						
Investment properties – Total							
Housing development	148 928						
Other	1 465 418						
Other assets	1 354 323	2 715 000	4 646 446	3 599 337	11 179 000	10 246 000	9 273 000
General vehicles							
Plant & equipment							
Computers - hardware/equipment		1 500 000	2 915 446	2 883 432	700 000	731 000	-
Furniture and other office equipment		1 215 000	1 731 000	715 905	5 074 000	3 945 000	3 453 000
Civic Land and Buildings							
Other Land							
Other					5 405 000	5 570 000	5 820 000
Biological assets							
Intangibles			1 584 270	515 214	3 360 000	1 263 000	1 244 000
Computers - software & programming			1 584 270	515 214	3 360 000	1 263 000	1 244 000
Other (list sub-class)							

APPENDIX N- CAPITAL PROGRAMME BY PROJECT: 2021/2022 FINANCIAL YEAR

Capital programme by project: 2021/2022 Financial year					
Capital projects	Original Budget	Adjustment Budget	Actual	Variance (Act-Adj)	Variance
				%	(Act-OB)
					%
COMMUNITY HALLS	8 348 549	9 561 470	5 126 168	54	61
DRIVERS LICENCE TESTING CENTRE	0	125 000	123 175	99	0
ELECTRIFICATION	9 135 000	9 135 000	8 778 233	96	96
ROADS	52 653 930	86 085 419	85 401 040	99	162
SPORTFIELDS	6 973 244	8 991 672	7 670 435	85	110
TAXI RANK	829 150	906 289	705 755	78	85
OTHER ASSETS	82 455 463	69 257 500	30 474 594	44	37

APPENDIX O- CAPITAL PROGRAMME BY PROJECT BY WARD: 2021/2022 FINANCIAL YEAR

Capital programme by project by ward: 2021/2022 Financial year		
Capital Projects	Wards Affected	Work Completed (Y/N)
Road Construction		
Rehabilitation of Msobomvu Main Road	02 & 03	Y
Construction of Gcina (Esingeni) Access Road	27	Y
eMalongweni to Siphahleni Access Road	21	Y
Rhaladiya to Jing Access Road	22	Y
Fihlani Access Road	27	Y
Masizakhe to Nzanzana Access Road	30	Y
Construct of Ibika internal streets (gravel)	06	Y
Zizamele Internal Streets (Gravel)	05	Y
Tar surface Repairs and Overlay of Sauer, Bell & King Streets	01	Y
Tar surface Repairs and Overlay of Academy, Blyth, Stanford, Robinson & Daly Street	01 & 02	Y
Tar surface repairs and asphalt overlay at Blyth and King Street (Link Road)	01	Y
Refurbishment of side walk along King Street at Blyth Municipal Offices	01	Y
Paving of Vuli-Valley Main Road	04	Y
Construction of Ext 5 gravel internal (Centane)	30	Y
Upgrading of Ngqamakwe internal Streets (Phase 1)	18	N
Electricity		
Mnquma LM 2021/22 FY Rural Electrification of 234 Households i.e. Nqanguleni, Ntshatshonga, Ntandathu, Nqileni, Machibe, and Pheshakwedipu	14, 16 & 26	Y
Supply and Installation of 20 LED street lights along Mthatha Street	01	N
Erection of two new High Mast Lights and maintenance of four existing High Mast Lights	18	Y
Community Hall		
Cuba Community Hall	04	Y
Ntseshe Community Hall	19	N
Public Facility		
Construction of Rhwantsana Outdoor Sport Facility	15	Y
Construction of Thongwana Outdoor Sport Facility	10	N

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

Declaration of Loans and Grants made by the municipality: 2021/2022 financial year				
All Organisation or Person in receipt of Loan*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2021/2022 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 2021/2022 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	474	19	100%	
2.	Percentage of appointment in all strategic positions (Municipal Manager and Section 56 Managers)	7	7	100%	One Section 56 Manager 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	474	474	100%	Skills audit was done for all employees
7.	Percentage of Councillors who attended a skill development training in the year under review	63	63	100%	
8.	Percentage of staff complement with disability	02	The percentage for staff with disability is 0.4%		
9.	Percentage of female employees	285	The percentage of female employees is 49%		
10.	Percentage of employees that are 35 and younger	104	The percentage of employees younger than 35 years is 19%		
11.	Adoption and implementation of a HRD including Workplace Skills Plan	Annually the municipality adopts, approve and implement the Workplace Skills Plan and Annual Training Plan.			

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 rates and services	244	244	100%	None
2.	Percentage of indigent households with access to basic electricity services	5526	5526	100%	None
3.	Percentage of indigent households with access to free alternative energy sources	4558	2022	33%	Approval by department of energy is done in phases. 2400 households have already been approved for installation in 2022/2023 financial year.

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	0	0	0	0
2.	Percentage of road infrastructure requiring upgrade	600kms	Achieved	100%	600km
3.	Percentage of planned new road infrastructure actually constructed	72.247kms	Achieved	100%	72.247km of total road length was achieved
4.	Percentage of capital budget reserved for road upgrading and maintenance effectively used	Original Allocation R92 837 750	R92 837 750	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 01,02,03,04,05,06,07,16,30)	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; 29; 30, 31			100%	Twenty 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 Sikiti
3.	Percentage of households in formal housing that conforms to the 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 5 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.	Existence of LED strategy	Mnquma Local Municipality's LED Strategy was reviewed and adopted by Council.			
4.	Number of LED stakeholder forum meetings held	Convene 4 IGLF meetings by June 2022	Achieved	100%	4 IGLF meetings sat, the last one was on the 27-06-2022.
5.	Percentage of SMME that have benefited from a SMME support program	Facilitate three support programmes (animal medication, 2 x Sheering Sheds and procurement of fencing material) for 6 emerging farmers by June 2022	Achieved	100%	- Animal medication and feed was delivered to 7 emerging farmers on the 27 of May 2022 - Sheering shed material and equipmet could not be delivered to two emerging farmers due to the SCM delays and the pronouncement by National Treasury Fencing material delivered to Toleni Secondary Cooperative in Butterworth on the 3 rd of March 2022 and at Amagatya Agricultural Cooperative in Butterworth on the 8 th of March 2022
		Provide support programmes (Procurement of inputs for two SMMEs/ Cooperatives by June 2022	Achieved	100%	-Inputs were procured for Nozie's Hair Salon and delivered on the 26 th May 2022.
6.	Number of job opportunities created through EPWP	1378	1378	100%	Job opportunities were created through EPWP, Community Works Programme, Solid Waste Co-operatives, Road Rangers
7.	Number of job opportunities created through PPP	0	0	0%	None

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	320	320	100%	
2.	% of ward committees that are functional	32	32	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 2022. 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	184 062	138 279	75%
	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	245 495	218 250	89%
	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	59	15	
	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	121 066	117 621	97%

	revenue as a percentage of the total actual budget			
	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	222 371	160 498	51%
6.	Percentage of MIG budget appropriately spent	R 70 814	70 814	100%
7.	Percentage of MSIG budget appropriately spent	Nil	Nil	The municipality did not get MSIG grant for 2021/2022
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 2021	31 August 2021	

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Attached is Volume II 2021/2022 Annual Financial Statement submitted to Auditor General.



**Mnquma Local Municipality
Annual Financial Statements
for the year ended 30 June 2022**

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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.

Mayoral committee

Executive Mayor

T Manxila-Nkamisa (start of term 22/11/2021)

S Ncetezo (end of term 05/11/2021)

Speaker

ZM Mnqwazi (start of term 22/11/2021)

T Bikitsha (end of term 05/11/2021)

Chief Whip

S Ncetezo (start of term 22/11/2021)

Z Gade (end of term 05/11/2021)

Exco Councillors

L Mgandela (re-elected 22/11/2021)

T Bikitsha (start of term 22/11/2021)

M Qaba (start of term 22/11/2021)

S Matutu (re-elected 22/11/2021)

N Layiti (re-elected 22/11/2021)

X Pupuma (re-elected 22/11/2021)

N Sheleni (end of term 05/11/2021)

N Plaatjie (end of term 05/11/2021)

TP Ntanga (end of term 05/11/2021)

N Thandaphi (end of term 05/11/2021)

Councillors

N Sigwadi (start of term 05/11/2021)

Z Sobekwa (re-elected 05/11/2021)

T Ntyinkala (re-elected 05/11/2021)

N Baleka (start of term 05/11/2021)

N Magwentshu (start of term 05/11/2021)

M Ndimba (start of term 05/11/2021)

N Paliso (start of term 05/11/2021)

M Xabela (start of term 05/11/2021)

N Ntamo (start of term 05/11/2021)

N Mena (start of term 05/11/2021)

L Ngindana (start of term 05/11/2021)

M Kabane (start of term 05/11/2021)

N Mtintsilana (start of term 05/11/2021)

Z Mawisa (start of term 05/11/2021)

L Tetana (start of term 05/11/2021)

M Magobiane (start of term 05/11/2021)

S Maputeni (start of term 05/11/2021)

V Nkehle (re-elected 05/11/2021)

K Gobeni (re-elected 05/11/2021)

T Ntshonga (re-elected 05/11/2021)

Z Kwaza (start of term 05/11/2021)

X Mjamba (start of term 05/11/2021)

M Ntsali (start of term 05/11/2021)

V Gazi (start of term 05/11/2021)

B Zondani (start of term 05/11/2021)

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

T Mduli (start of term 05/11/2021)
P Mbovane (re-elected 05/11/2021)
W Ntongana (re-elected 05/11/2021)
M Tangana (start of term 05/11/2021)
N Ntolosi (re-elected 05/11/2021)
P Ndabambi (start of term 05/11/2021)
N Mbuku (start of term 05/11/2021)
T Jizana (start of term 05/11/2021)
N Mzongwana (start of term 05/11/2021)
N Futywana (start of term 05/11/2021)
Z Bomela (start of term 05/11/2021)
N Kendle (end of term 05/11/2021)
V Manxodidi (start of term 05/11/2021)
M Mkhilili (re-elected 05/11/2021)
N Nohesi (start of term 05/11/2021)
A Soyeza (start of term 05/11/2021)
N Nogaga-Mpumpula (start of term 05/11/2021)
M Masekwana (start of term 05/11/2021)
C Ncukana (start of term 05/11/2021)
T Gidigidi (start of term 05/11/2021)
N Filtane (start of term 05/11/2021)
Z Tyandela (start of term 05/11/2021)
L Maputuma (start of term 05/11/2021)
S Magandana (start of term 05/11/2021)
PB Goniwe (start of term 17/05/2022 replacing N Kendle)
NH Dali (start of term 27/05/2022 replacing S Magandana)
N Lusizi (end of term 05/11/2021)
NM Mpambani (end of term 05/11/2021)
SL Mafanya (end of term 05/11/2021)
Z Mkiva (end of term 05/11/2021)
ME Ntshonga (end of term 05/11/2021)
N Monakali (end of term 05/11/2021)
NN Nqolomlilo (end of term 05/11/2021)
Z Siyo (end of term 05/11/2021)
AA Krakri (end of term 05/11/2021)
LS Sobekwa (end of term 05/11/2021)
GN Nombila (end of term 05/11/2021)
B Kave (end of term 05/11/2021)
ZC Mfazwe (end of term 05/11/2021)
TZ Xhongwana (end of term 05/11/2021)
N Lusizi (end of term 05/11/2021)
KG Magwaca (end of term 05/11/2021)
NG Ndongeni (end of term 05/11/2021)
L Tsipa (end of term 05/11/2021)
NP Dube (end of term 05/11/2021)
M Ndungane (end of term 05/11/2021)
C Mtsi (end of term 05/11/2021)
SN Tshazi (end of term 05/11/2021)
WW Mbadlanyana (end of term 05/11/2021)
ZA Mqolo (end of term 05/11/2021)

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

	ML Mtalo (end of term 05/11/2021) NL Zaba (end of term 05/11/2021) NQ Sukwana (end of term 05/11/2021) N Jiya (end of term 05/11/2021) Y Mngonyama (end of term 05/11/2021) NH Skelenge (end of term 05/11/2021) SM Molosi (end of term 05/11/2021) MW Mbeki (end of term 05/11/2021) A Finca (end of term 05/11/2021) L Mbentsula (end of term 05/11/2021) S Lilise (end of term 05/11/2021) AB Madikane (end of term 05/11/2021) T Makeleni (end of term 05/11/2021)
Traditional leaders to participate in Mnquma Municipal Council	NVG Dondashe (re-elected 10/12/2021) NS Ngxiya (end of term 05/11/2021) VL Mbasashe (end of term 05/11/2021) WM Mahlangeni (end of term 05/11/2021) BL Ntleki (end of term 05/11/2021) ZM Dyantyi (end of term 05/11/2021) M Magodla (end of term 05/11/2021) N Nyhila (end of term 05/11/2021) D Mpangele (end of term 05/11/2021) BB Vuso (end of term 05/11/2021) M Nguza (end of term 05/11/2021) P Nguza (end of term 05/11/2021)
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 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-mali Address	mmatomane@mnquma.gov.za/ sekhom23@gmail.com

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

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 2022

Index

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

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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	International Accounting Standards
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 2022

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 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 2022 to 30 June 2023 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 is 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 7 to 84, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2022 and were signed by him:



S Mahlasela
Municipal Manager

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	45&2	2 778 158	3 052 896
Receivables from non-exchange transactions	3	42 869 350	39 752 654
VAT receivable	45&4	7 657 210	4 539 572
Receivables from exchange transactions	5	1 451 349	1 190 534
Cash and cash equivalents	6	160 435 015	127 688 779
		215 191 082	176 224 435
Non-Current Assets			
Investment property	7	145 019 657	147 135 936
Property, plant and equipment	45&8	773 126 251	787 185 677
Intangible assets	45&12	1 563 857	1 185 011
Heritage assets	45&13	116 752	78 959
		919 826 517	935 585 583
Total Assets		1 135 017 599	1 111 810 018
Liabilities			
Current Liabilities			
Payables from exchange transactions	45&9	42 119 253	42 347 583
Employee benefit obligation	52	1 615 000	1 351 000
Unspent conditional grants and receipts	45&10	7 255 335	7 968 526
Provisions	14	1 322 778	1 283 954
		52 312 366	52 951 063
Non-Current Liabilities			
Employee benefit obligation	52	11 518 000	12 548 000
Total Liabilities		63 830 366	65 499 063
Net Assets		1 071 187 233	1 046 310 955
Reserves			
Revaluation reserve	45&11	292 789 894	368 915 419
Accumulated surplus	45	778 397 339	677 395 536
Total Net Assets		1 071 187 233	1 046 310 955

* See Note 15 & 45

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	16	5 467 186	5 065 670
Rental of facilities	17	5 340 908	5 003 847
Interest on outstanding debtors	18	15 772 706	15 034 312
Income from agency fees	19	2 761 725	2 704 230
Licences and permits	20	1 283 734	1 059 738
Other income	4523	681 697	1 291 481
Interest received - investment	24	7 019 122	4 024 378
Closing stock adjustment		-	243 241
Total revenue from exchange transactions		38 327 078	34 426 897
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	68 891 619	60 384 416
Transfer revenue			
Government grants & subsidies	26	372 625 337	410 778 751
Public contributions and donations	40	56 176	26 041 965
Traffic Fines	27	9 707 860	6 588 050
Staff recoveries	22	668 870	-
Unclaimed monies forfeited	4521	992 673	641 974
Total revenue from non-exchange transactions		452 942 535	504 435 156
Total revenue		491 269 613	538 862 053
Expenditure			
Employee related costs	45&28	(192 269 961)	(188 692 090)
Remuneration of councillors	29	(26 973 997)	(29 163 877)
Depreciation and amortisation	45&30	(104 785 457)	(121 046 143)
Impairment loss/ Reversal of impairments	31	(4 860 924)	(3 446 566)
Finance costs	32	(1 460 000)	(1 081 000)
Debt Impairment	45&33	(37 340 422)	(28 180 787)
Bulk purchases	34	(2 881 170)	(4 900 752)
Loss on disposal of assets	35	(21 827 368)	(14 348 592)
Repairs and maintenance	36	(4 122 681)	(9 112 036)
Obsolete inventory written-off		(18 567)	-
General expenses	45&37	(73 082 196)	(73 263 059)
Total expenditure		(469 622 743)	(473 234 902)
Surplus for the year from continuing operations		21 646 870	65 627 151
Actuarial gains / (losses)	52	3 122 098	723 715
Surplus for the year		24 768 968	66 350 866

* See Note 15 & 45

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	461 452 974	486 480 587	947 933 561
Correction of error	(118 914)	32 232 220	32 113 306
Balance at 01 July 2020 as restated*	461 334 060	518 712 807	980 046 867
Changes in net assets			
Correction of error	-	(86 751)	(86 751)
Transfer from Revaluation Reserve to Accumulated Surplus	(92 418 640)	92 418 640	-
Net income (losses) recognised directly in net assets	(92 418 640)	92 331 889	(86 751)
Surplus (deficit) for the year	-	66 350 866	66 350 866
Total recognised income and expenses for the year	(92 418 640)	158 682 755	66 264 115
Total changes	(92 418 640)	158 682 755	66 264 115
Restated* Balance at 01 July 2021	368 915 419	677 395 562	1 046 310 981
Changes in net assets			
Correction of error	-	107 312	107 312
Derecognition of revaluation reserve on immovable assets write-off.	(10 962 440)	10 962 440	-
Transfer from Revaluation Reserve to Accumulated Surplus	(65 163 086)	65 163 086	-
Net income (losses) recognised directly in net assets	(76 125 526)	76 232 838	107 312
Surplus (deficit) for the year	-	24 768 968	24 768 968
Total recognised income and expenses for the year	(76 125 526)	101 001 806	24 876 280
Total changes	(76 125 526)	101 001 806	24 876 280
Balance at 30 June 2022	292 789 894	778 397 368	1 071 187 262
Note(s)		11	

* See Note 15 & 45

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		23 942 025	17 339 535
Grants		371 912 146	415 757 372
Interest income		7 019 122	4 024 378
Other receipts		46 909 020	53 272 357
		<u>449 782 313</u>	<u>490 393 642</u>
Payments			
Employee costs		(221 408 986)	(217 045 719)
Suppliers		(79 912 406)	(83 374 551)
		<u>(301 321 392)</u>	<u>(300 420 270)</u>
Net cash flows from operating activities	38	<u>148 460 921</u>	<u>189 973 372</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(114 298 377)	(110 332 397)
Proceeds from sale of property, plant and equipment	8	281 618	1 708 469
Purchase of other intangible assets	12	(1 660 133)	(3 942 282)
Purchases of heritage assets	13	(37 793)	-
		<u>(115 714 685)</u>	<u>(112 566 210)</u>
Net cash flows from investing activities		<u>(115 714 685)</u>	<u>(112 566 210)</u>
Net increase/(decrease) in cash and cash equivalents		32 746 236	77 407 162
Cash and cash equivalents at the beginning of the year		<u>127 688 779</u>	<u>50 281 617</u>
Cash and cash equivalents at the end of the year	6	<u>160 435 015</u>	<u>127 688 779</u>

* See Note 15 & 45

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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	Note 53
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	6 000 000	-	6 000 000	5 467 186	(532 814)	
Rental of facilities	5 000 000	-	5 000 000	5 340 908	340 908	
Interest on outstanding debtors	14 673 000	-	14 673 000	15 772 706	1 099 706	
Income from agency fees	4 000 000	-	4 000 000	2 761 725	(1 238 275)	A
Licences and permits	1 500 000	-	1 500 000	1 283 734	(216 266)	B
Other income	1 894 000	-	1 894 000	681 697	(1 212 303)	C
Interest received - investment	4 000 000	-	4 000 000	7 019 122	3 019 122	D
Total revenue from exchange transactions	37 067 000	-	37 067 000	38 327 078	1 260 078	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	60 000 000	16 000 000	76 000 000	68 891 619	(7 108 381)	
Transfer revenue						
Government grants & subsidies	385 762 000	2 309 000	388 071 000	372 625 337	(15 445 663)	
Public contributions and donations	-	-	-	56 176	56 176	E
Traffic fines	8 000 000	-	8 000 000	9 707 860	1 707 860	F
Staff recoveries	-	-	-	668 870	668 870	G
Monies forfeited	-	-	-	992 673	992 673	H
Total revenue from non-exchange transactions	453 762 000	18 309 000	472 071 000	452 942 535	(19 128 465)	
Total revenue	490 829 000	18 309 000	509 138 000	491 269 613	(17 868 387)	
Expenditure						
Employee related costs	(215 751 000)	-	(215 751 000)	(192 269 961)	23 481 039	I
Remuneration of councillors	(29 744 000)	-	(29 744 000)	(26 973 997)	2 770 003	
Depreciation and amortisation	(110 026 000)	-	(110 026 000)	(104 785 457)	5 240 543	
Impairment loss/ Reversal of impairments	-	(4 860 924)	(4 860 924)	(4 860 924)	-	
Finance costs	(20 000)	(1 440 000)	(1 460 000)	(1 460 000)	-	
Debt Impairment	(46 073 000)	(86 939 076)	(133 012 076)	(37 340 422)	95 671 654	J
Bulk purchases	(5 900 000)	2 970 000	(2 930 000)	(2 881 170)	48 830	
General expenses	(72 584 904)	8 415 006	(64 169 898)	(73 082 196)	(8 912 298)	L
Total expenditure	(480 098 904)	(81 854 994)	(561 953 898)	(443 654 127)	118 299 771	

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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	
Figures in Rand						
Operating surplus	10 730 096	(63 545 994)	(52 815 898)	47 615 486	100 431 384	-
Gain/(Loss) on disposal of assets	-	(21 827 368)	(21 827 368)	(21 827 368)	-	-
Repairs and maintenance	(14 900 096)	(544 071)	(15 444 167)	(4 122 681)	11 321 486	K
Obsolete inventory written-off	-	(18 567)	(18 567)	(18 567)	-	-
	(14 900 096)	(22 390 006)	(37 290 102)	(25 968 616)	11 321 486	-
Surplus before taxation	(4 170 000)	(85 936 000)	(90 106 000)	21 646 870	111 752 870	-
Surplus for the year from continuing operations	(4 170 000)	(85 936 000)	(90 106 000)	21 646 870	111 752 870	-
Actuarial gains	-	3 122 098	3 122 098	3 122 098	-	-
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(4 170 000)	(82 813 902)	(86 983 902)	24 768 968	111 752 870	-

Statement of Financial Position

Assets

Current Assets

Inventories	7 216 000	-	7 216 000	2 778 158	(4 437 842)	M
Receivables from non-exchange transactions	16 227 000	-	16 227 000	42 869 350	26 642 350	N
VAT receivable	11 665 675	-	11 665 675	7 657 210	(4 008 465)	O
Receivables from exchange transactions	6 948 000	-	6 948 000	1 451 349	(5 496 651)	P
Cash and cash equivalents	101 928 000	-	101 928 000	160 435 015	58 507 015	Q
	143 984 675	-	143 984 675	215 191 082	71 206 407	

Non-Current Assets

Investment property	150 130 000	-	150 130 000	145 019 657	(5 110 343)	
Property, plant and equipment	910 363 000	20 959 000	931 322 000	773 126 251	(158 195 749)	R
Intangible assets	-	1 600 000	1 600 000	1 563 857	(36 143)	
Heritage assets	-	120 000	120 000	116 752	(3 248)	
	1 060 493 000	22 679 000	1 083 172 000	919 826 517	(163 345 483)	

Total Assets

	1 204 477 675	22 679 000	1 227 156 675	1 135 017 599	(92 139 076)	
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Liabilities

Current Liabilities

Payables from exchange transactions	42 604 000	-	42 604 000	42 119 253	(484 747)	
Employee benefit obligation	1 500 000	-	1 500 000	1 615 000	115 000	
Unspent conditional grants and receipts	-	-	-	7 255 335	7 255 335	S
Provisions	1 283 954	-	1 283 954	1 322 778	38 824	
	45 387 954	-	45 387 954	52 312 366	6 924 412	

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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
Figures in Rand					
Non-Current Liabilities					
Employee benefit obligation	10 966 000	-	10 966 000	11 518 000	552 000
Total Liabilities	56 353 954	-	56 353 954	63 830 366	7 476 412
Net Assets	1 148 123 721	22 679 000	1 170 802 721	1 071 187 233	(99 615 488)
Net Assets					
Net Assets Attributable to Owners of Controlling Entity					
Reserves					
Revaluation reserve	-	-	-	292 789 894	292 789 894
Accumulated surplus	-	-	-	778 397 339	778 397 339
Total Net Assets	-	-	-	1 071 187 233	1 071 187 233

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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 2022

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
- GRAP 2 - Cash Flow Statements
- GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 4 - The Effects of changes in Foreign Exchange Rates
- 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
- GRAP 10 - Financial Reporting in Hyperinflationary Economies
- GRAP 11 - Construction Contracts
- GRAP 12 - Inventories
- GRAP 13 - Leases
- GRAP 14 - Events After the Reporting Date
- GRAP 16 - Investment Property
- GRAP 17 - Property Plant and Equipment
- GRAP 18 - Segment Reporting
- GRAP 19 - Provisions, Contingent Liabilities and Contingent Assets
- 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 - Discontinued Operations
- 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 2022

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
- IGRAP 21 -The Effect of Past Decisions on Materiality

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 2022

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 52.

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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

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	5-7 Years
Office equipment	Straight line	5-7 Years
Infrastructure Roads and Storm Water	Straight line	3-100 Years
Buildings	Straight line	25-30 Years
Recreational facilities	Straight line	25-30 Years
Security	Straight line	3-5 Years
Halls	Straight line	25-30 Years
Libraries	Straight line	25-30 Years
Parks and Gardens	Straight line	30 Years
Other community assets	Straight line	25-30 Years
Specialised vehicles	Straight line	10-15 Years
Other Vehicles	Straight line	4-7 Years
Watercraft	Straight line	5-15 Years
Bins and Containers	Straight line	10-15 Years

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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	3-20 Years
Computer equipment	Straight line	2-10 Years
Plant and Machinery	Straight line	3-20 Years
Landfill Site	Straight line	10-55 Years
Leased vehicles	Straight line	4-7 Years
Leased office Equipment	Straight line	5-7 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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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 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

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1.7 Intangible assets (continued)

Item	Depreciation method	Average useful life
Computer software	Straight line	2 - 5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.8 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 13).

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

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1.8 Heritage assets (continued)

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation municipality. However, the increase is recognised in municipality or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in municipality or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in municipality or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation municipality in respect of that heritage asset.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in municipality or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.9 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 entity's statement of financial position.

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Accounting Policies

1.9 Financial instruments (continued)

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 entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by the entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

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1.9 Financial instruments (continued)

A residual interest is any contract that manifests an interest in the assets of the entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of 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;
- 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 assets	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and bank	Financial asset measured at fair value
Short-term deposits (Call accounts)	Financial asset measured at fair value

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	Category
Payables from exchange transactions	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

1.9 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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1.9 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 entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

1.10 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.

1.11 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.

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Accounting Policies

1.11 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 weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Inventories are accounted for on the perpetual inventory system.

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.

1.12 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:

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

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.

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

1.12 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.

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Accounting Policies

1.12 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.

1.13 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.

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Accounting Policies

1.13 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 oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

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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1.13 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.

1.14 Employee benefits

Employee benefits are all forms of consideration given by the entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

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

- the entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

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Accounting Policies

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and 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 entity 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 entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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Accounting Policies

1.14 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

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

When an employee has rendered service to the entity during a reporting period, the entity 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 entity 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.

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Accounting Policies

1.14 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

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

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

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

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

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

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability, the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

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

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

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in municipality or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

Mnquma Local Municipality

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Accounting Policies

1.14 Employee benefits (continued)

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

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

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

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

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

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

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

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

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

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Accounting Policies

1.14 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.

1.15 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

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Accounting Policies

1.15 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 51.

Mnquma Local Municipality

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Accounting Policies

1.15 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 1.12 and 1.13.

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.

1.16 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.

1.17 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.

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Accounting Policies

1.17 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.

1.18 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

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1.18 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.

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Accounting Policies

1.18 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

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Accounting Policies

1.18 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.

1.19 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.

1.20 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.

1.21 Comparative figures

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

1.22 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.

1.23 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.

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.24 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.

1.25 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.26 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.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.26 Budget information (continued)

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.

1.27 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.

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.

1.28 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 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
2. Inventories		
Consumable stores	1 218 158	1 043 096
Assets held for distribution	1 560 000	2 009 800
	2 778 158	3 052 896
In the current year an amount of R 4 069 756 (2021: R 2 306 916) was expensed with respect to consumable stores consumed.		
Inventory held for distribution		
Assets held for distribution relate to land on which RDP houses are built, pre-1994 houses, Zizamele plots sold to individuals and other developed land which are awaiting transfers.		
No inventory was pledged as security.		
3. Receivables from non-exchange transactions		
Traffic fines	24 567 510	15 714 810
Allowance for impairment - Traffic fines	(24 562 750)	(15 710 050)
Property rates	132 733 450	157 174 352
Allowance for impairment - Property rates	(90 194 916)	(117 426 458)
Other receivables	326 056	-
	42 869 350	39 752 654
Property rates		
Current 0 - 30 days	10 393 047	18 128 180
31 - 60 days	4 920 901	5 345 456
61 - 90 days	4 916 566	5 087 390
91 - 120 days	4 679 769	5 846 246
121 - 150 days	3 678 692	2 764 509
> 150 days	104 144 475	120 002 571
	132 733 450	157 174 352
Traffic fines		
Current 0 - 30 days	219 000	444 300
31 - 60 days	751 900	455 300
61 - 90 days	1 169 300	647 900
91 - 120 days	1 062 400	538 100
121 - 150 days	906 700	-
> 150 days	20 458 370	13 629 210
	24 567 510	15 714 810
Other receivables		
Current 0 - 30 days	8 612	-
121 - 150 days	6 077	-
> 150 days	311 367	-
	326 056	-
4. VAT receivable		
VAT	7 657 210	4 539 572

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
5. Receivables from exchange transactions		
Gross balances		
Refuse	28 423 369	40 834 428
Rentals	723 361	14 996 362
Other receivables	36 298	-
	29 183 028	55 830 790
Less: Allowance for impairment		
Refuse	(27 072 033)	(39 698 564)
Rentals	(659 646)	(14 941 692)
	(27 731 679)	(54 640 256)
Net balance		
Refuse	1 351 336	1 135 864
Housing rental	63 715	54 670
Other receivables	36 298	-
	1 451 349	1 190 534
Reconciliation of allowance for impairment		
Balance at the beginning of the year	54 640 256	45 937 626
Contributions to allowance	4 712 020	10 643 582
Bad debts written-off	(31 620 597)	(1 940 952)
	27 731 679	54 640 256
Refuse		
Current (0 -30 days)	1 397 721	703 409
31 - 60 days	648 411	687 543
61 - 90 days	658 988	681 150
91 - 120 days	629 248	676 074
121 - 150 days	610 826	668 716
> 150 days	24 478 175	37 417 536
	28 423 369	40 834 428
Housing rental		
Current (0 -30 days)	432 394	456 881
31 - 60 days	13 975	398 386
61 - 90 days	13 893	396 149
91 - 120 days	13 806	393 191
121 - 150 days	12 916	389 321
> 150 days	236 377	12 962 434
	723 361	14 996 362
Other receivables		
Current (0 -30 days)	28 385	-
> 150 days	7 913	-
	36 298	-

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

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6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1 456 288	4 523 153
Short-term deposits	158 978 727	123 165 626
	160 435 015	127 688 779

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
FNB - Cheque Primary Bank Account: 62237497872	1 362 661	4 508 858	2 032 843	1 456 288	4 523 153	1 928 233
FNB - MIG Call Acc: 62240253542	45 895	6 556 970	28 012	45 895	6 556 970	28 012
FNB - FMG: 62240252768	1 562	1 109	1 501	1 562	1 109	1 501
FNB - Call Account: 62240252198	18 563 667	12 728 766	13 430 414	18 563 667	12 728 766	13 430 414
FNB - INEP: 62326177559	6 727	5 189	1 274	6 727	5 189	1 274
FNB - EPWP: 62345680195	1 635	1 099	1 763	1 635	1 099	1 763
FNB - LG SETA: 62380069437	790 075	351 698	1 070 221	790 075	351 698	1 070 221
FNB - Salaries Account: 74737909900	1 874 456	1 543 796	1 457 292	1 874 456	1 543 796	1 457 292
FNB - ENATIS: 62772809904	527 449	382 332	2 168 198	527 449	382 332	2 168 198
FNB - DSRAC: 62823144233	1 443 511	1 090 391	782 212	1 443 511	1 090 391	782 212
FNB - Short-term Investment: 62823142774	130 707 738	100 504 276	29 412 479	130 707 738	100 504 276	29 412 479
FNB - DEDEAT: 62910424944	5 016 012	-	-	5 016 012	-	-
Total	160 341 388	127 674 484	50 386 209	160 435 015	127 688 779	50 281 599

7. Investment property

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	133 445 786	-	133 445 786	133 445 786	-	133 445 786
Buildings	72 208 949	(60 635 078)	11 573 871	72 208 949	(58 518 799)	13 690 150
Total	205 654 735	(60 635 078)	145 019 657	205 654 735	(58 518 799)	147 135 936

Reconciliation of investment property - 2022

	Opening balance	Depreciation	Total
Land	133 445 786		133 445 786
Buildings	13 690 150	(2 116 279)	11 573 871

Reconciliation of investment property - 2021

	Opening balance	Depreciation	Total
Land	133 445 786		133 445 786
Buildings	16 650 021	(2 959 871)	13 690 150

Mnquma Local Municipality

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7. Investment property (continued)

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.

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 which previously occurred in June 20219.

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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Annual Financial Statements for the year ended 30 June 2022

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Figures in Rand

8. Property, plant and equipment

	2022		2021	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Cost / Valuation	Accumulated depreciation and accumulated impairment
Land	50 394 300	-	50 394 300	-
Buildings	34 705 273	(14 554 111)	20 151 162	(19 474 291)
Plant and machinery	46 315 038	(14 413 957)	31 901 081	(13 349 206)
Furniture and fixtures	6 034 359	(4 584 135)	1 450 224	(5 369 813)
Motor vehicles	14 809 403	(3 424 720)	11 384 683	(2 948 811)
Computer equipment	7 732 037	(2 244 135)	5 487 902	(3 247 134)
Infrastructure	1 687 752 513	(1 143 924 234)	543 828 279	(1 120 082 806)
Community assets	126 848 939	(41 745 498)	85 103 441	(35 121 036)
Other property, plant and equipment	205 733	(154 312)	51 421	(164 304)
Work in progress	23 373 758	-	23 373 758	-
Total	1 998 171 353	(1 225 045 102)	773 126 251	(1 199 757 401)
			1 986 943 078	787 185 677

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Transfers made	Depreciation	Impairment loss	Total
Land	50 394 300	-	-	-	-	-	-	50 394 300
Buildings	22 351 455	6 040 741	(1 390 111)	982 589	-	(1 792 771)	-	20 151 162
Plant and machinery	29 034 884	621 177	(633 956)	-	-	(2 540 588)	-	31 901 081
Furniture and fixtures	1 127 382	8 206 708	(107 441)	-	-	(190 894)	-	1 450 224
Motor vehicles	4 433 328	4 946 972	(421 913)	-	-	(833 440)	-	11 384 683
Computer equipment	1 664 066	-	(307 408)	-	-	(815 728)	-	5 487 902
Infrastructure	589 304 566	-	(19 237 068)	66 818 567	-	(89 461 942)	(3 595 844)	543 828 279
Community assets	81 317 987	23 700	(9 843)	10 803 916	-	(5 743 539)	(1 265 079)	85 103 441
Other property, plant and equipment	37 958	-	(1 246)	-	-	(8 991)	-	51 421
Work in progress	7 519 751	106 657 516	-	(78 605 072)	(12 198 437)	-	-	23 373 758
	787 185 677	126 496 814	(22 108 986)	(12 198 437)	(101 387 893)	(4 860 923)	(4 860 923)	773 126 251

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	6 193 894	25 356 309	(688 529)	-	-	(1 826 698)	(92)	29 034 884
Furniture and fixtures	1 007 787	340 018	(35 233)	-	-	(184 219)	(971)	1 127 382
Motor vehicles	3 316 802	1 894 793	(211 121)	-	-	(567 146)	-	4 433 328
Computer equipment	2 073 046	37 515	(25 247)	-	-	(421 248)	-	1 664 066
Infrastructure	642 676 088	-	(14 382 358)	69 517 739	-	(105 153 235)	(3 353 668)	589 304 566
Community assets	44 997 835	25 756 209	-	16 204 585	-	(5 548 813)	(91 829)	81 317 987
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
	811 405 212	130 647 443	(15 834 219)	(20 315 046)	(115 271 153)	(3 446 560)	(3 446 560)	787 185 677

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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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.

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	11 282 115	11 747 961
Advance payment- consumer debtors	1 412 294	2 211 011
Unallocated deposit	173 292	-
Payroll control	1 365 476	177 486
Retention payable	7 348 542	6 216 567
Bonus Accrual	4 354 949	4 295 824
Leave Accrual	16 182 585	17 679 562
Under & over banking	-	19 172
	42 119 253	42 347 583

10. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	-	6 529 699
Municipal Infrastructure Grant (MIG)	1 439 191	1 088 243
Department of Sports, Recreation and Culture (DSRAC)	816 144	350 584
Local Government Sector Education & Training Authority (LGSETA)	5 000 000	-
Department of Economic Development Environmental Affairs & Tourism (DEDEAT)		
	7 255 335	7 968 526

Movement during the year

Balance at the beginning of the year	7 968 526	2 989 905
Additions during the year	91 613 146	90 023 372
Revenue recognition during the year	(90 465 270)	(83 374 217)
Repaid to National Treasury	(1 861 067)	(1 670 534)
	7 255 335	7 968 526

Mnquma Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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10. Unspent conditional grants and receipts (continued)

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 26 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	368 915 420	461 334 060
Change during the year	(76 125 526)	(92 418 640)
	292 789 894	368 915 420

12. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	5 585 250	(4 021 393)	1 563 857	4 092 282	(2 907 271)	1 185 011

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	1 185 011	1 660 133	(1 281 287)	1 563 857

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	57 851	3 942 282	(2 815 122)	1 185 011

13. Heritage assets

	2022			2021		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	78 959	-	78 959	78 959	-	78 959
Municipal Jewellery	37 793	-	37 793	-	-	-
Total	116 752	-	116 752	78 959	-	78 959

Reconciliation of heritage assets 2022

	Opening balance	Additions	Total
Historical monuments	78 959	-	78 959

Mnquma Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
13. Heritage assets (continued)		
Municipal jewelry	-	37 793
	78 959	116 752

Reconciliation of heritage assets 2021

	Opening balance	Total
Historical monuments	78 959	78 959

14. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Performance bonus	1 283 954	1 144 328	(1 105 504)	1 322 778

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

15. Changes in accounting policy

Inventories

During the year, the municipality voluntarily changed its accounting policy with respect to the treatment of inventories - consumerable stores.

Nature of the change

Management decided to voluntarily change the method of valuation of inventory during the period from first-in-first-out to weighted average cost method.

Reason for Change

Weighted average cost method provides a more reliable and relevant information about the effects of transactions in stock and provides more reliable valuation of inventory.

The effect of the individual line items on the financial statements

The change in accounting policy was not applied retrospectively and the corresponding comparative figures were not restated due to impracticality.

Impracticality of retrospectively adjustment

The retrospective application of change in policy is impracticable as the circumstances and events are more different as those transpired in the past. Previously inventory – consumerables stores were accounted using the periodic inventory system whereby stock was valued based on periodic count. The data have not have been collected in the prior period in a way that enables retrospective application of a new accounting policy and it's not practicable to create, or recreate, the information. The municipality did not keep full history of all inventory purchased and issued in prior years therefore, it is not able to determine the effect of the change in accounting policy on prior periods. In the current financial year the municipality has implemented an inventory management system which enables inventory to management on a transactional level for each stock item in terms of purchases and issues which provides a more reliable and relevant information. In the prior years the municipality was not using financial system to account for inventory it was done manually.

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
16. Service charges		
Refuse removal	5 467 186	5 065 670
17. Rental of facilities		
Rentals	5 323 045	4 954 180
Hall hire	17 863	49 667
	5 340 908	5 003 847
18. Interest on outstanding debtors		
Interest on debtors	15 772 706	15 034 312
19. Income from agency fees		
Income from agency fees	2 761 725	2 704 230
Income from agency fees represents a collection fee of 19% on all motoring vehicle registration and licensing fees collected on behalf of the Department of Transport.		
20. Licences and permits		
Licences and permits	1 283 734	1 059 738
21. Unclaimed monies forfeited		
Forfeited retentions realised	480 412	641 974
Unclaimed monies	512 261	-
	992 673	641 974
22. Staff recoveries		
Staff recoveries	668 870	-
23. Other Income		
Building plan fees	256 848	80 965
Cemetery fees	60 193	57 952
Clearance certificate fees	14 687	16 522
Commissions received	104 134	145 134
Other Income	129 269	958 981
Tender fees	-	16 151
Valuation service fees	15 555	15 776
Advertising	81 608	-
Appilcation for land usage	10 538	-
Removal of restrictions	2 717	-
Town planning & servitudes	2 528	-
Loading zone	3 620	-
	681 697	1 291 481

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
24. Investment revenue		
Interest revenue		
Bank	7 019 122	4 024 378
25. Property rates		
Rates received		
Property rates	68 891 619	60 384 416

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 - (2021 - 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 - (2021 - R0.01519) is applied to business and commercial property valuations to determine assessment rates.

Vacant

A general rate of R0.02917 - (2021 - R0.02917) is applied to vacant property valuations to determine assessment rates.

State Owned

A general rate of R0.02466 - (2021 - R0.02466) is applied to state owned property valuations to determine assessment rates.

Small Holdings and Farms

A general rate of R0.00311 - (2021 - R0.00311) is applied to small holdings and farm property valuations to determine assessment rates.

Industrial

A general rate of R0.0149 - (2021 - R0.0149) is applied to industrial property valuations to determine assessment rates.

Public Service Infrastructure

A general rate of R0.00311 - (2021 - R0.00311) is applied to public service infrastructure valuations to determine assessment rates.

Mining & Quarries

A general rate of R0.00311 - (2021 - 0.00311) is applied to mining & quarry valuations to determine assessment rates.

Properties owned by public benefit organisations

A general rate of R0.00311 - (2021 - R0.00311) is applied to public benefit organisations 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

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
26. Government grants and subsidies		
Operating grants		
Equitable share	282 160 067	327 404 534
Finance Management Grant	1 850 000	1 700 000
Expanded Public Works Programme	2 418 000	1 695 000
Department of Sports, Recreation and Culture (DSRAC)	149 052	97 232
Local Government Sector Education & Training Authority (LGSETA)	299 170	710 684
	286 876 289	331 607 450
Capital grants		
Municipal Infrastructure Grant (MIG)	70 813 632	69 901 301
Integrated National Electrification Programme (INEP)	8 730 000	9 270 000
Small Town Revitalisation	6 205 416	-
	85 749 048	79 171 301
	372 625 337	410 778 751

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	6 529 699	-
Current-year receipts	66 145 000	76 431 000
Conditions met - transferred to revenue	(70 813 632)	(69 901 301)
Roll-over not approved	(1 861 067)	-
	-	6 529 699

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

Local Government Sector Education & Training Authority (LGSETA)

Balance unspent at beginning of year	350 584	633 896
Current-year receipts	764 730	427 372
Conditions met - transferred to revenue	(299 170)	(710 684)
	816 144	350 584

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

Finance Management Grant (FMG)

Balance unspent at beginning of year	-	-
Current-year receipts	1 850 000	1 700 000
Conditions met - transferred to revenue	(1 850 000)	(1 700 000)
	-	-

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

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
26. Government grants and subsidies (continued)		
Expanded Public Works Programme (EPWP)		
Balance unspent at beginning of year	-	-
Current-year receipts	2 418 000	1 695 000
Conditions met - transferred to revenue	(2 418 000)	(1 695 000)
	-	-
Conditions still to be met - remain liabilities (see note 10).		
Integrated National Electrification Programme (INEP)		
Balance unspent at beginning of year	-	-
Current-year receipts	8 730 000	9 270 000
Conditions met - transferred to revenue	(8 730 000)	(9 270 000)
	-	-
Conditions still to be met - remain liabilities (see note 10).		
Department of Sports, Recreation and Culture (DSRAC)		
Balance unspent at beginning of year	1 088 243	685 475
Current-year receipts	500 000	500 000
Conditions met - transferred to revenue	(149 052)	(97 232)
	1 439 191	1 088 243
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	-	-
Conditions met - transferred to revenue	-	-
Grant repaid to National Treasury	-	(1 670 534)
	-	-
Conditions still to be met - remain liabilities (see note 10).		
DEDEAT		
Balance unspent at beginning of year	-	-
Current-year receipts	5 000 000	-
Conditions met - transferred to revenue	-	-
	5 000 000	-
Conditions still to be met - remain liabilities (see note 10).		
Small Town Revitalisation		
Balance unspent at beginning of year	-	-
Current-year receipts	6 205 416	-
Conditions met - transferred to revenue	(6 205 416)	-
	-	-
Conditions still to be met - remain liabilities (see note 10).		

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
27. Traffic Fines		
Traffic Fines	9 707 860	6 588 050

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
28. Employee related costs		
Basic salary	136 106 983	133 258 582
Performance bonus	1 011 847	946 783
Medical aid	9 401 336	9 505 947
Unemployment Insurance Fund	927 719	844 984
Skills Development Levy	1 746 177	958 649
SALGA Levy	51 747	51 391
Leave pay provision charge	(119 788)	2 034 679
Pension fund contributions	23 104 858	23 166 710
Travel, motor car, accommodation, subsistence and other allowances	2 868 453	1 348 493
Overtime payments	1 537 088	1 277 566
Long-service awards	1 445 582	1 434 000
13th Cheques	10 519 777	10 599 870
Acting allowances	435 658	602 602
Housing benefits and allowances	242 368	218 944
Other allowances	107 079	138 075
Cell phone allowances	2 600 374	2 304 815
Arbitration award	282 703	-
	192 269 961	188 692 090

Remuneration of Municipal Manager - S Mahlasela

Annual remuneration	885 452	827 194
Backpay	92 323	113 193
Performance bonus	194 248	156 239
Cell phone allowance	119 202	111 359
Contributions to pension fund	238 845	223 131
Travel allowance	232 254	216 973
UIF	2 125	1 898
SDL	17 159	16 047
	1 781 608	1 666 034

Remuneration of Chief Finance Officer - M Matomane

Annual remuneration	723 784	676 163
Backpay	75 467	92 526
Performance bonus	146 568	116 103
Cell phone allowance	40 102	37 464
Contributions to pension fund	195 236	182 391
Contributions to medical aid	46 727	43 653
Travel allowance	200 457	187 268
UIF	2 125	1 898
SDL	13 884	12 981
	1 444 350	1 350 447

Mnquma Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand

2022 2021

28. Employee related costs (continued)

Remuneration of Director of Corporate Services - S Caga

Annual remuneration	723 784	676 163
Backpay	75 467	92 526
Performance bonus	134 354	139 323
Cell phone allowance	85 355	79 739
Contributions to pension fund	144 620	135 104
Contributions to medical aid	45 179	42 206
Travel allowance	207 370	193 726
UIF	2 125	1 898
SDL	13 746	13 200
	1 432 000	1 373 885

Remuneration of Directors of Infrastructure - Z Ntile

Annual remuneration	357 364	676 163
Backpay	75 467	92 526
Performance bonus	134 354	116 103
Leave pay	117 255	-
Cell phone allowance	43 691	82 666
Contributions to pension fund	96 397	182 391
Contributions to medical aid	23 071	43 653
Travel allowance	75 084	142 065
UIF	1 417	1 898
SDL	8 111	11 246
	932 211	1 348 711

Director of Infrastructure, Z Ntile, resigned on 15 December 2021.

Remuneration of Director of Community Services - M Kibi

Annual remuneration	723 784	676 163
Backpay	75 467	92 526
Performance bonus	122 140	127 713
Cell phone allowance	68 323	63 828
Contributions to pension fund	186 094	173 850
Travel allowance	228 106	213 098
UIF	2 125	1 898
SDL	12 136	11 693
	1 418 175	1 360 769

Remuneration of Director of Local Economic Development and Planning - M Dilika

Annual remuneration	723 784	676 163
Backpay	75 467	92 526
Performance bonus	146 568	116 103
Cell phone allowance	87 218	81 479
Contributions to medical aid	54 911	51 299
Contributions to pension fund	195 235	182 390
Travel allowance	145 159	135 608
UIF	2 125	1 898
SDL	12 039	11 259
	1 442 506	1 348 725

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
28. Employee related costs (continued)		
Remuneration of Director of Strategic Management - S Benya		
Annual remuneration	723 784	676 163
Backpay	75 467	92 526
Performance bonus	146 568	116 103
Cell phone allowance	30 029	28 053
Contributions to pension fund	195 235	182 390
Contributions to medical aid	93 593	87 435
Travel allowance	163 666	152 898
UIF	2 125	1 898
SDL	12 002	11 224
	1 442 469	1 348 690
Remuneration of Director of Infrastructure - B Nohesi		
Annual Remuneration	183 210	-
Travel allowance	53 173	-
Cell phone allowance	19 500	-
Contributions to pension fund	49 467	-
UIF	531	-
SDL	2 773	-
	308 654	-
Director of Infrastructure, B Nohesi, was appointed in April 2022.		
29. Remuneration of councillors		
Executive Mayor	883 955	912 691
Chief Whip	649 540	695 676
Speaker	731 673	739 078
Mayoral Committee Members	4 783 048	7 229 492
Other Councillors	19 925 781	19 586 940
	26 973 997	29 163 877
30. Depreciation and amortisation		
Property, plant and equipment	101 387 891	115 271 150
Investment property	2 116 279	2 959 871
Intangible assets	1 281 287	2 815 122
	104 785 457	121 046 143
31. Impairment of assets		
Property, plant and equipment	4 860 924	3 446 566
32. Finance costs		
Actuarial interest	1 460 000	1 081 000

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
33. Debt impairment		
Receivables from non-exchange transactions	19 953 473	13 238 973
Receivables from exchange transactions	4 343 391	10 161 581
Bad debts written off	13 043 558	4 780 233
	37 340 422	28 180 787
34. Bulk purchases		
Electricity	2 881 170	4 900 752
35. Gain/(Loss) on disposal of assets		
Gain or (loss) on disposal of assets during the year	(21 827 368)	(14 348 592)
36. Repairs and maintenance		
Repairs and maintenance	4 122 681	9 112 036
37. General expenses		
Advertising	2 819 250	1 748 675
Auditors remuneration	4 242 803	3 391 878
Bank charges	379 418	367 669
Transfer of assets held from distribution	449 800	-
Computer expenses	3 865 713	4 355 739
Professional fees	6 103 076	3 298 134
Consumables	4 069 756	2 306 916
Legal fees	2 588 853	2 131 965
Discount allowed	5 898 405	2 570 298
Civic functions	1 016 879	357 877
Car licences and registrations	304 807	230 657
Workmen's compensation	812 937	2 095 297
Hire	1 325 674	304 261
Insurance	1 968 954	1 296 555
Audit committee	357 070	393 800
Risk committee	100 000	-
Outsourced Services - Refuse Removal	3 828 417	2 193 645
Driver's licence cards	221 516	-
Fuel and oil	4 455 513	2 581 665
Printing and stationery	487 232	43 619
Uniform and protective clothing	416 293	1 527 906
Security	349 679	170 380
Post and telecommunications	3 111 252	2 801 361
Assets expensed	90 337	297 941
Municipal services	6 587 306	11 364 970
Operating project expenditure	665 606	4 128 713
Subsistence and travelling	2 171 467	996 446
Sundry expenses	-	289 464
Operating lease	722 405	696 508
Transfers to private enterprises	6 350 639	6 294 664
Electrification projects	7 155 574	14 810 680
Signage	83 507	215 376
Other expenses	82 058	-
	73 082 196	73 263 059

Mnquma Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
38. Cash generated from operations		
Surplus	24 768 968	66 350 866
Adjustments for:		
Depreciation and amortisation	104 785 457	121 046 143
Loss on sale of assets and liabilities	21 827 368	14 348 592
Impairment deficit	4 860 924	3 446 566
Movements in employee benefit obligation	(766 000)	998 000
Movements in provisions for performance bonus	38 824	168 937
Other non-cash items	107 312	(309 594)
Changes in working capital:		
Inventories	274 738	4 163 261
Receivables from non-exchange transactions	(3 116 696)	(24 512 480)
Receivables from exchange transactions	(260 815)	(113 480)
Payables from exchange transactions	(228 330)	1 206 091
VAT	(3 117 638)	(1 776 151)
Unspent conditional grants and receipts	(713 191)	4 956 621
	148 460 921	189 973 372

39. Auditors' remuneration

Fees	4 242 803	3 391 878
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40. Public contributions and donations

Public contributions and donations	56 176	26 041 965
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The municipality received donations of computer equipment from the service provider TCS during the 2021/2022 financial year.

41. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At fair value	At amortised cost	Total
Receivables from non-exchange transactions	-	326 056	326 056
Receivables from exchange transactions	-	1 451 349	1 451 349
Cash and cash equivalents	160 435 015	-	160 435 015
	160 435 015	1 777 405	162 212 420

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	42 119 253	42 119 253

2021

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	1 190 534	1 190 534
Cash and cash equivalents	127 688 779	-	127 688 779

Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

	2022	2021
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41. Financial instruments disclosure (continued)

	<u>127 688 779</u>	<u>1 190 534</u>	<u>128 879 313</u>
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Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	42 347 583	42 347 583

42. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Capital	53 956 553	9 203 999
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Total capital commitments

Authorised capital expenditure	53 956 553	9 203 999
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Total commitments

Total commitments

Authorised capital expenditure	53 956 553	9 203 999
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Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	-	154 420
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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

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

43. Related parties

Relationships

Municipal Manager

Chief Financial Officer

Director of Strategic Management

Director of Corporate Services

Director of Infrastructural Planning & Development

Director of Infrastructural Planning & Development

Director of Community Services

Director of Local Economic Development

Executive Mayor

Speaker

Chief Whip

Exco Councillors

Councillors

S Mahlasela - refer to note 28

M Matomane - refer to note 28

S Benya - refer to note 28

S Caga - refer to note 28

Z Ntile (resigned December 2021) - refer to note 28

B Nohesi (appointed April 2022) refer to note 28

M Kibi - refer to note 28

M Dilika - refer to note 28

T Manxila-Nkamisa (start of term 22/11/2021)

S Ncetezo (end of term 05/11/2021)

ZM Mqwazi (start of term 22/11/2021)

T Bikitsha (end of term 05/11/2021)

S Ncetezo (start of term 22/11/2021)

Z Gade (end of term 05/11/2021)

L Mgandela (re-elected 22/11/2021)

T Bikitsha (start of term 22/11/2021)

M Qaba (start of term 22/11/2021)

S Matutu (re-elected 22/11/2021)

N Layiti (re-elected 22/11/2021)

X Pupuma (re-elected 22/11/2021)

N Sheleni (end of term 05/11/2021)

N Plaatjie (end of term 05/11/2021)

TP Ntanga (end of term 05/11/2021)

N Thandaphi (end of term 05/11/2021)

N Sigwadi (start of term 05/11/2021)

Z Sobekwa (re-elected 05/11/2021)

T Ntyinkala (re-elected 05/11/2021)

N Baleka (start of term 05/11/2021)

N Magwentshu (start of term 05/11/2021)

M Ndimba (start of term 05/11/2021)

N Paliso (start of term 05/11/2021)

M Xabela (start of term 05/11/2021)

N Ntamo (start of term 05/11/2021)

N Mena (start of term 05/11/2021)

L Ngindana (start of term 05/11/2021)

M Kabane (start of term 05/11/2021)

N Mtintsilana (start of term 05/11/2021)

Z Mawisa (start of term 05/11/2021)

L Tetana (start of term 05/11/2021)

M Magobiane (start of term 05/11/2021)

S Maputeni (start of term 05/11/2021)

V Nkehle (re-elected 05/11/2021)

K Gobeni (re-elected 05/11/2021)

T Ntshonga (re-elected 05/11/2021)

Z Kwaza (start of term 05/11/2021)

X Mjamba (start of term 05/11/2021)

M Ntsali (start of term 05/11/2021)

V Gazi (start of term 05/11/2021)

B Zondani (start of term 05/11/2021)

T Mduli (start of term 05/11/2021)

P Mbovane (re-elected 05/11/2021)

W Ntongana (re-elected 05/11/2021)

M Tangana (start of term 05/11/2021)

N Ntolosi (re-elected 05/11/2021)

P Ndabambi (start of term 05/11/2021)

N Mbuku (start of term 05/11/2021)

T Jizana (start of term 05/11/2021)

N Mzongwana (start of term 05/11/2021)

Mnquma Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand

2022

2021

43. Related parties (continued)

N Futywana (start of term 05/11/2021)
Z Bomela (start of term 05/11/2021)
N Kendle (end of term 05/11/2021)
V Manxodidi (start of term 05/11/2021)
M Mkhilili (re-elected 05/11/2021)
N Nohesi (start of term 05/11/2021)
A Soyeza (start of term 05/11/2021)
N Nogaga-Mpumpula (start of term 05/11/2021)
M Masekwana (start of term 05/11/2021)
C Ncukana (start of term 05/11/2021)
T Gidigidi (start of term 05/11/2021)
N Filtane (start of term 05/11/2021)
Z Tyandela (start of term 05/11/2021)
L Maputuma (start of term 05/11/2021)
S Magandana (start of term 05/11/2021)
PB Goniwe (start of term 17/05/2022 replacing N Kendle)
NH Dali (start of term 27/05/2022 replacing S Magandana)
N Lusizi (end of term 05/11/2021)
NM Mpambani (end of term 05/11/2021)
SL Mafanya (end of term 05/11/2021)
Z Mkiva (end of term 05/11/2021)
ME Ntshonga (end of term 05/11/2021)
N Monakali (end of term 05/11/2021)
NN Nqolomlilo (end of term 05/11/2021)
Z Siyo (end of term 05/11/2021)
AA Krakri (end of term 05/11/2021)
LS Sobekwa (end of term 05/11/2021)
GN Nombila (end of term 05/11/2021)
B Kave (end of term 05/11/2021)
ZC Mfazwe (end of term 05/11/2021)
TZ Xhongwana (end of term 05/11/2021)
N Lusizi (end of term 05/11/2021)
KG Magwaca (end of term 05/11/2021)
NG Ndongeni (end of term 05/11/2021)
L Tsipa (end of term 05/11/2021)
NP Dube (end of term 05/11/2021)
M Ndungane (end of term 05/11/2021)
C Mtsi (end of term 05/11/2021)
SN Tshazi (end of term 05/11/2021)
WW Mbadlanyana (end of term 05/11/2021)
ZA Mqolo (end of term 05/11/2021)
ML Mtalo (end of term 05/11/2021)
NL Zaba (end of term 05/11/2021)
NQ Sukwana (end of term 05/11/2021)
N Jiya (end of term 05/11/2021)
Y Mngonyama (end of term 05/11/2021)
NH Skelenge (end of term 05/11/2021)
SM Molosi (end of term 05/11/2021)
MW Mbeki (end of term 05/11/2021)
A Finca (end of term 05/11/2021)
L Mbentsula (end of term 05/11/2021)
S Lilise (end of term 05/11/2021)
AB Madikane (end of term 05/11/2021)
T Makeleni (end of term 05/11/2021)
NVG Dondashe (re-elected 10/12/2021)
NS Ngxiya (end of term 05/11/2021)
VL Mbasa (end of term 05/11/2021)
WM Mahlangeni (end of term 05/11/2021)

Traditional leaders to participate in Mnquma Municipal Council

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43. Related parties (continued)

BL Ntleki (end of term 05/11/2021)
ZM Dyantyi (end of term 05/11/2021)
M Magodla (end of term 05/11/2021)
N Nyhila (end of term 05/11/2021)
D Mpangele (end of term 05/11/2021)
BB Vuso (end of term 05/11/2021)
M Nguza (end of term 05/11/2021)
P Nguza (end of term 05/11/2021)

Related party transactions

Purchases from (sales to) related parties

Z Makaula the debtors clerk - Her brother, B Makaula owns Vebu Holdings	4 359	412 692
Mxolelanisi Manxiwa is an attorney representing the municipality, his brother Clayton	252 049	223 424
Mkhulisi Manxiwa is a manager in the legal department at Mbashe Municipality		

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44. 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 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Receivables from non-exchange transactions	326 056	-	-	-	326 056
Receivables from exchange transactions	1 451 349	-	-	-	1 451 349
VAT receivable	7 657 210	-	-	-	7 657 210
Cash and cash equivalents	160 435 015	-	-	-	160 435 015
Payables from exchange transactions	42 119 253	-	-	-	42 119 253
Unspent conditional grants and receipts	7 255 335	-	-	-	7 255 335
	219 244 218	-	-	-	219 244 218

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 exchange transactions	1 190 534	-	-	-	1 190 534
VAT receivable	4 539 572	-	-	-	4 539 572
Cash and cash equivalents	127 688 779	-	-	-	127 688 779
Payables from exchange transactions	42 347 583	-	-	-	42 347 583
Unspent conditional grants and receipts	7 968 526	-	-	-	7 968 526
	183 734 994	-	-	-	183 734 994

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	2022	2021
Receivables from non-exchange transactions	326 056	-
Receivables from exchange transactions	1 451 349	1 190 534
Cash and cash equivalents	160 435 015	127 688 779

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44. Risk management (continued)		
Receivables from non-exchange - Other receivables		
Current (0 - 30 days)	8 612	-
121 - 150 days	6 077	-
> 150 days	311 367	-
	326 056	-
Refuse		
Current (0 - 30 days)	1 397 721	703 409
31 - 60 days	648 411	687 543
61 - 90 days	658 988	681 150
91 - 120 days	629 248	676 074
121 - 150 days	610 826	668 716
> 150 days	24 478 175	37 417 536
	28 423 369	40 834 428
Housing rental		
Current (0 - 30 days)	432 394	456 881
31 - 60 days	13 975	398 386
61 - 90 days	13 893	396 149
91 - 120 days	13 806	393 191
121 - 150 days	12 916	389 321
> 150 days	236 377	12 962 434
	723 361	14 996 362
Receivables from exchange transactions - Other receivables		
Current (0 -30 days)	28 385	-
> 150 days	7 913	-
	36 298	-
45. Prior period errors		
Payables from exchange transactions		
As previously stated	-	42 604 203
Increase in payables from exchange due to raising liability for arbitration award to EPWP for wages owing relating to 2016/2017.	-	80 000
Decrease in payables from exchange transactions due to overstatement of retention on electrification project.	-	(350 117)
Increase in payables from exchange due to balance written-off.	-	90
Increase in payables from exchange due to building plan deposit incorrectly recorded under revenue.	-	10 576
Decrease in payables from exchange transactions due to hall deposit refund incorrectly recorded under revenue.	-	(500)
Decrease in payables from exchange transactions due to hall deposit refund incorrectly recorded under expenditure.	-	(1 581)
Increase in payables from exchange due to hall deposits incorrectly recorded under revenue.	-	4 912
Decrease in payables from exchange transactions due to EMS license fees incorrectly capitalised as intangible assets 2019.	-	(3 867 770)
Increase in payables from exchange due to understatement of creditors due to incorrect capitalisation EMS license fees pre-2021.	-	2 440 581
Increase in payables from exchange due to understatement of creditors due to incorrect capitalisation EMS license fees 2021.	-	1 427 189
	-	42 347 583

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45. Prior period errors (continued)

Property, plant & equipment

As previously stated	-	763 715 057
Increase in property, plant & equipment due to capitalisation of Country Club assets previously not recognised.	-	27 718 277
Decrease in property, plant & equipment due to depreciation on Country Club assets for 2021.	-	(2 836 514)
Decrease in property, plant & equipment due to heritage assets previously incorrectly recorded under community assets.	-	(53 333)
Increase in property, plant & equipment due to reversal accumulated depreciation incorrectly calculated on heritage asset incorrectly recorded under community assets pre-2021.	-	31 115
Increase in property, plant & equipment due to reversal accumulated depreciation incorrectly calculated on heritage asset incorrectly recorded under community assets 2021.	-	1 777
Increase in property, plant & equipment due to property, plant & equipment previously not recognised.	-	191 322
Decrease in property, plant & equipment due to depreciation for 2021 on property, plant & equipment previously not recognised.	-	(38 242)
Increase in property, plant & equipment due to computer equipment and machinery & plant incorrectly classified as furniture & office equipment.	-	75 092
Decrease in property, plant & equipment due to computer equipment and machinery & plant incorrectly classified as furniture & office equipment.	-	(75 092)
Increase in property, plant & equipment due to furniture & office equipment incorrectly classified as machinery & plant.	-	2 202
Decrease in property, plant & equipment due to furniture & office equipment incorrectly classified as machinery & plant.	-	(2 202)
Increase in property, plant & equipment due to accumulated depreciation on furniture & office equipment incorrectly classified as accumulated depreciation machinery & plant.	-	2 052
Decrease in property, plant & equipment due to accumulated depreciation on furniture & office equipment incorrectly classified as accumulated depreciation machinery & plant.	-	(2 052)
Increase in property, plant & equipment due to accumulated depreciation on computer equipment and machinery & plant incorrectly classified as accumulated depreciation on furniture & office equipment.	-	34 721
Decrease in property, plant & equipment due to accumulated depreciation on computer equipment and machinery & plant incorrectly classified as accumulated depreciation on furniture & office equipment.	-	(34 721)
Decrease in property, plant & equipment due to derecognition of Library incorrectly capitalised as municipal asset.	-	(2 157 894)
Increase in property, plant & equipment due to reversal of depreciation for 2021 due to derecognition of Library.	-	95 075
Increase in property, plant & equipment due to reversal of depreciation for pre-2021 due to derecognition of Library.	-	519 039
	-	787 185 677

Accumulated surplus

As previously stated	-	647 394 628
Increase in accumulated surplus due to capitalisation of Country Club assets previously not recognised.	-	27 718 277
Decrease in accumulated surplus due to due to depreciation on Country Club assets for 2021.	-	(2 836 514)
Increase in accumulated surplus due to heritage assets previously incorrectly recorded under community assets.	-	25 625
Increase in accumulated surplus due to reversal accumulated depreciation incorrectly calculated on heritage asset incorrectly recorded under community assets pre-2021.	-	31 115
Increase in accumulated surplus due to reversal accumulated depreciation incorrectly calculated on heritage asset incorrectly recorded under community assets 2021.	-	1 777
Increase in accumulated surplus due to property, plant & equipment previously not recognised.	-	191 322

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45. Prior period errors (continued)		
Decrease in accumulated surplus due to depreciation for 2021 on property, plant & equipment previously not recognised.	-	(38 242)
Decrease in accumulated surplus due to derecognition of Library incorrectly capitalised as municipal asset.	-	(2 038 980)
Increase in accumulated surplus due to reversal of depreciation for 2021 due to derecognition of Library.	-	95 075
Increase in accumulated surplus due to reversal of depreciation for pre-2021 due to derecognition of Library.	-	519 039
Decrease in accumulated surplus due to reversal of revaluation reserve to accumulated surplus for 2021.	-	(15 100)
Decrease in accumulated surplus due to raising liability for arbitration award to EPWP for wages owing relating to 2016/2017.	-	(80 000)
Increase in accumulated surplus due to EDM grant revenue recognition was not recorded previously when expenditure incurred.	-	6 870 040
Increase in accumulated surplus due to RDP and pre-1994 houses previously not recognised.	-	1 478 100
Decrease in accumulated surplus due to overstatement of retention on electrification project.	-	(304 449)
Increase in accumulated surplus due to output VAT on provision for refuse debt impairment previously not recognised pre-2021.	-	3 678 349
Decrease in accumulated surplus due to output VAT on refuse debt written-off incorrectly transferred from bad debt expense.	-	(85 382)
Increase in accumulated surplus due to output VAT on provision for refuse debt impairment for 2021.	-	485 458
Increase in accumulated surplus due to output VAT on provision for commercial rental debt impairment previously not recognised pre-2021.	-	25 228
Decrease in accumulated surplus due to output VAT on provision for commercial rental debt impairment for 2021.	-	(3 458)
Decrease in accumulated surplus due to overstatement of input VAT accrual.	-	(466 612)
Decrease in accumulated surplus due to balance written-off.	-	(90)
Decrease in accumulated surplus due to building plan deposit incorrectly recorded under revenue.	-	(10 576)
Increase in accumulated surplus due to hall deposit refund incorrectly recorded under revenue.	-	500
Increase in accumulated surplus due to hall deposit refund incorrectly recorded under expenditure.	-	1 581
Decrease in accumulated surplus due to hall deposits incorrectly recorded under revenue.	-	(4 912)
Decrease in accumulated surplus due to overstatement of RDP houses held for distribution.	-	(4 406 502)
Decrease in accumulated surplus due to understatement of expenditure due to incorrect capitalisation EMS license fees pre-2021.	-	(2 122 244)
Increase in accumulated surplus due to incorrectly amortising of EMS license fees pre-2021.	-	2 243 208
Decrease in accumulated surplus due to understatement of expenditure due to incorrect capitalisation EMS license fees 2021.	-	(1 241 034)
Increase in accumulated surplus due to incorrectly amortising of EMS license fees 2021.	-	1 120 070
Increase in accumulated surplus due to website development cost previously not capitalised and amortisation not recognised.	-	57 851
Decrease in accumulated surplus due to amortisation not recognised 2021.	-	(18 410)
	-	677 395 536
Employee related costs		
As previously stated	-	188 692 090
Decrease in employee related costs due to performance bonuses incorrectly disclosed as 13th cheque bonus	-	(946 783)
Increase in employee related costs due to performance bonuses incorrectly disclosed as 13th cheque bonus.	-	946 783

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45. Prior period errors (continued)

- 188 692 090

General expenses

As previously stated	-	72 326 474
Decrease in general expenses due to overstatement of retention on electrification project.	-	(304 449)
Decrease in general expenses due to assets below capitalisation threshold incorrectly disclosed as advertising	-	(297 941)
Increase in general expenses due to assets below capitalisation threshold incorrectly disclosed as advertising	-	297 941
Decrease in general expenses due to printing & stationery incorrectly disclosed as professional fees	-	(43 619)
Increase in general expenses due to printing & stationery incorrectly disclosed as professional fees	-	43 619
Decrease in general expenses due to vehicle tracking incorrectly disclosed as insurance instead of security	-	(170 380)
Increase in general expenses due to vehicle tracking incorrectly disclosed as insurance instead of security	-	170 380
Decrease in general expenses due to hire of transport services incorrectly disclosed as subsistence & travelling	-	(244 600)
Increase in general expenses due to hire of transport services incorrectly disclosed as subsistence & travelling	-	244 600
Decrease in general expenses due to insurance premium incorrectly recorded under safeguard and security expense	-	(1 265 345)
Increase in general expenses due to insurance premium incorrectly recorded under safeguard and security expense	-	1 265 345
Decrease in general expense due to insurance excess payments incorrectly recorded under safeguard and security expense	-	(16 371)
Increase in general expense due to insurance excess payments incorrectly recorded under safeguard and security expense	-	16 371
Decrease in general expense due to audit committee fees incorrectly recorded as Remuneration to Section 79 Committee Members.	-	(393 800)
Increase in general expense due to audit committee fees incorrectly recorded as Remuneration to Section 79 Committee Members.	-	393 800
Increase in general expense due to understatement of expenditure due to incorrect capitalisation EMS license fees 2021.	-	1 241 034
	-	73 263 059

Heritage assets

As previously stated	-	-
Increase in heritage assets due to heritage assets previously incorrectly recorded under community assets.	-	78 959
	-	-
	-	78 959
	-	-

Revaluation reserve

As previously stated	-	369 019 234
Decrease in revaluation reserve due to derecognition of Library incorrectly capitalised as municipal asset.	-	(118 914)
Decrease in revaluation reserve due to reversal of revaluation reserve to accumulated surplus for 2021.	-	15 100
	-	368 915 419

Depreciation and amortisation

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45. Prior period errors (continued)		
As previously stated	-	119 369 898
Increase in depreciation & amortisation due to depreciation on Country Club assets for 2021.	-	2 836 514
Decrease in depreciation & amortisation due to reversal accumulated depreciation incorrectly calculated on heritage asset incorrectly recorded under community assets 2021.	-	(1 777)
Increase in depreciation & amortisation due to depreciation for 2021 on property, plant & equipment previously not recognised.	-	38 242
Decrease in depreciation & amortisation due to reversal of depreciation for 2021 due to derecognition of Library.	-	(95 075)
Decrease in depreciation & amortisation due to incorrectly amortising of EMS license fees 2021.	-	(1 120 070)
Increase in depreciation & amortisation due to amortisation not recognised 2021.	-	18 410
	-	-
	-	121 046 143
Unspent conditional grants and receipts		
As previously stated	-	14 838 566
Decrease in unspent conditional grants & receipts due to EDM grant revenue recognition was not recorded previously when expenditure incurred.	-	(6 870 040)
Decrease in unspent conditional grants & receipts due to MIG Capital grants received incorrectly recorded as MIG Operational grants received in 2020.	-	(16 731 595)
Increase in unspent conditional grants & receipts due to MIG Capital grants received incorrectly recorded as MIG Operational grants received in 2020.	-	16 731 595
Decrease in unspent conditional grants & receipts due to MIG Capital grants received incorrectly recorded as MIG Operational grants received in 2021.	-	(7 013 750)
Increase in unspent conditional grants & receipts due to MIG Capital grants received incorrectly recorded as MIG Operational grants received in 2021.	-	7 013 750
Increase in unspent conditional grants & receipts due to repayment of capital portion of Disaster Relief Grant was incorrectly recorded in operational portion of Disaster Relief Grant.	-	750 000
Decrease in unspent conditional grants & receipts due to repayment of capital portion of Disaster Relief Grant was incorrectly recorded in operational portion of Disaster Relief Grant.	-	(750 000)
	-	7 968 526
Inventories		
As previously stated	-	7 459 398
Decrease in inventories due to overstatement of RDP houses held for distribution.	-	(4 406 502)
	-	3 052 896
VAT receivables		
As previously stated	-	951 657
Decrease in VAT receivables due to overstatement of retention on electrification project.	-	(45 667)
Increase in VAT receivables due to output VAT on provision for refuse debt impairment previously not recognised pre-2021.	-	3 678 349
Decrease in VAT receivables due to output VAT on refuse debt written-off incorrectly transferred from bad debt expense.	-	(85 382)
Increase in VAT receivables due to output VAT on provision for refuse debt impairment for 2021.	-	485 458
Increase in VAT receivables due to output VAT on provision for commercial rental debt impairment previously not recognised pre-2021.	-	25 227
Decrease in VAT receivables due to output VAT on provision for commercial rental debt impairment for 2021.	-	(3 458)

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45. Prior period errors (continued)		
Decrease in VAT receivables due to overstatement of input VAT accrual.	-	(466 612)
Decrease in VAT receivables due to EMS license fees incorrectly capitalised as intangible assets 2019.	-	(504 492)
Increase in VAT receivables due to understatement of VAT due to incorrect capitalisation EMS license fees pre-2021.	-	318 337
Increase in VAT receivables due to understatement of VAT due to incorrect capitalisation EMS license fees 2021.	-	186 155
	-	4 539 572
Debt Impairment		
As previously stated	-	28 577 405
Increase in debt impairment due to output VAT on refuse debt written-off incorrectly transferred from bad debt expense.	-	85 382
Decrease in debt impairment due to output VAT on provision for refuse debt impairment for 2021.	-	(485 458)
Decrease in VAT receivables due to output VAT on provision for commercial rental debt impairment for 2021.	-	3 458
	-	28 180 787
Other income		
As previously stated	-	1 933 455
Decrease in other income due to retentions forfeited incorrectly recorded as revenue from exchange transactions instead of non-exchange transactions.	-	(641 974)
	-	1 291 481
Unclaimed monies forfeited		
As previously stated	-	-
Increase in unclaimed monies forfeited due to retentions forfeited incorrectly recorded as revenue from exchange transactions instead of non-exchange transactions.	-	641 974
	-	641 974
Intangible assets		
As previously stated	-	1 145 570
Decrease in intangible assets due to EMS license fees incorrectly capitalised as intangible assets 2019.	-	(3 363 278)
Increase in intangible assets due to incorrectly amortising of EMS license fees pre-2021.	-	2 243 208
Increase in intangible assets due to incorrectly amortising of EMS license fees 2021.	-	1 120 070
Increase in intangible assets due to website development cost previously not capitalised.	-	150 000
Decrease in intangible assets due to amortisation not recognised pre-2021.	-	(92 149)
Decrease in intangible assets due to amortisation not recognised 2021.	-	(18 410)
	-	1 185 011
46. Unauthorised expenditure		
Opening balance	-	-
Add: Unauthorised expenditure - current year	-	-
Less: Written-off by Council	-	-
	-	-

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47. Fruitless and wasteful expenditure

Opening balance	-	-
Add: Fruitless and wasteful expenditure - current year	-	3 452
Less: Written-off by Council	-	-
Less: Amounts recovered	-	(3 452)
	-	-

48. Irregular expenditure

Opening balance	-	-
Add: Irregular Expenditure - current year	-	1 450 978
Less: Amounts written-off	-	(1 450 978)
	-	-

Details of irregular expenditure – current year

-

Details of irregular expenditure - 2021

Condoned by (condoning authority)

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>

49. Deviation from supply chain management regulations

Incurred during the year	4 798 707	3 474 673
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50. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Opening balance	-	-
Current year subscription / fee	4 879 223	3 900 193
Amount paid - current year	(4 878 086)	(3 900 193)
	<u>1 137</u>	-

PAYE, SDL and UIF

Opening balance	-	-
Current year subscription / fee	34 584 064	33 546 466
Amount paid - current year	(34 584 064)	(33 546 466)
	-	-

Pension and Medical Aid Deductions

Opening balance	-	-
Current year subscription / fee	48 209 540	52 277 881
Amount paid - current year	(48 209 540)	(52 277 881)
	-	-

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

VAT

VAT receivable	7 657 210	4 539 572
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All VAT returns have been submitted by the due date throughout the year.

SALGA Levy

Opening balance	-	-
Current year subscription/ fee	103 381	102 703
Amount paid - current year	(103 381)	(102 703)
	<hr/>	<hr/>
	-	-

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51. Contingencies

As at 30 June 2022, the Municipality had the following 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	121 112	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	20 000	25 000
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
Case No. 276/17 Wezile Mgidlana vs Mnquma Local Municipality	350 000	350 000
Musa Nho & Others vs Mnquma Local Municipality	517 964	2 071 856
Case No. 3461/15 Zolile Mshumpela vs Mnquma Local Municipality	-	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
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
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
CASE NO: 189/2022 Kanetso Johannes Ramaipato vs Mnquma Local Municipality and Mr Timakoe	59 022	-
CASE NO : 42/22 Bongani Nyhiba vs Mnquma Local Municipality	193 082	-
Case No. 124/2020 - Thabo Adam vs MLM	-	2 450
Case No.313/2020 - M. Tutu vs MLM	12 000	12 000
Case No. 114/2021 - Thandinkosi Magani vs MLM	2 000 000	200 000
	51 796 273	54 079 454

Barricade Protection Services Case No. 144/19 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for breach of contract provision security services to former Municipal Manager. Still awaiting trial date.

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 Plaintiff is suing the Municipality for damages on his motor vehicle that was impounded by the Municipality, the matter is at pre trial stage.

Thembelani Tshaka and Others Case No. 411/2020 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for damages on his motor vehicle that was impounded by the Municipality, the matter is at pre trial stage.

Bheki Sifile Case No. 73/2020 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for damages on his motor vehicle that was impounded by the Municipality.

Lesley Ronald Martin and Others vs Mnquma Local Municipality and Lukhanyo Tukani

The Plaintiff is suing the municipality for damages as a result of Mr Tukani (Employee) action who accidentally fired a shot through the neighbour's home which struck their son in the head, trial is set down for 19 August 2022.

Nontando Mvume Case No. 237/19 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for damages of a motor vehicle by the pothole, the matter is at pre trial stage.

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51. Contingencies (continued)

Wezile Mgidlana Case No. 276/17 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for unlawful assault by traffic officers, the matter is at pre trail stage.

Musa Nho and Others vs Mnquma Local Municipality

The Plaintiff is claiming the municipality for unlawful arrest, detention and other damages allegedly caused by some of the employees traffic officers during the arrest.

Vuyani Excellent Dyalo Case No.89/18 vs Mnquma Local Municipality and Municipal Manager

The Plaintiff is suing the Municipality for damages on his motor vehicle that was impounded by the Municipality, the matter is at pre trail stage.

Soyama Construction CC Case No. 3602/17 vs Mnquma Local Municipality

The Plaintiff is claiming the Municipality money for services rendered that was not paid by the Municipality, the matter is still pending.

Masixole Innocent Magwashu Case No. 4806/2017 vs Mnquma Local Municipality

The plaintiff is suing the Municipality for unlawful arrest, detention and assault by the members of the Municipality, the case is at still pending.

Siva Pillay Construction Case No.1069/2014 vs Mnquma Local Municipality

The Plaintiff is claiming the Municipality money for services rendered that was not paid, the matter is still pending.

A One Electric Case No. 2390/2017 vs Mnquma Local Municipality

The Plaintiff is claiming the Municipality money for services rendered that was not paid by the Municipality, the matter is still pending.

C.W.Z. Matota and another Case No. 463/2017 vs Mnquma Local Municipality

The plaintiff is suing the Municipality for breach of contract and/or failure to pay plaintiff's invoice, the matter is at pre trail stage.

Mpinda Hlaba Case No. 250/19 vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for unlawful arrest by traffic officers near Caltex Garage, the matter is at pre trail stage, case is still pending.

Case No.313/2020 - M. Tutu vs MLM

The Plaintiff is suing the Municipality for damages suffered as a result of negligent of Municipal driver of TLB.

Case No. 114/2021 - Thandinkosi Magani vs MLM

The Plaintiff is suing the Municipality for damages on his motor vehicle that was impounded by the Municipality, the matter is at pre trail stage.

CASE NO: 189/2022 Kanetso Johannes Ramaipato vs Mnquma Local Municipality and Mr Timakoe

The Plaintiff is suing the Municipality for an alleged, wrongful and unlawfully impoundment of Plaintiff's vehicle. Notice of acting has been prepared.

CASE NO : 42/22 Bongani Nyhiba vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for damages of a motor vehicle by the pothole, the matter is still pending.

Mnquma Local Municipality

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52. Employee benefit obligations

Employee benefit obligation consists of the following:

Long service awards	13 133 000	13 899 000
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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	13 899 000	12 901 000
Current service costs - Employee related costs	1 420 000	1 434 000
Actuarial interest - Finance costs	1 460 000	1 081 000
Benefit paid	(523 902)	(793 285)
Actuarial (Gains) Losses	(3 122 098)	(723 715)
	13 133 000	13 899 000
Non-current liabilities	11 518 000	12 548 000
Current liabilities	1 615 000	1 351 000
	13 133 000	13 899 000

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	13 899 000	12 901 000
Benefits paid	(523 902)	(793 285)
Net expense recognised in the statement of financial performance	(242 098)	1 791 285
	13 133 000	13 899 000

The amount recognised in the statement of financial performance

Current service cost	1 420 000	1 434 000
Interest cost	1 460 000	1 081 000
Actuarial (gains) losses	(3 122 098)	(723 715)
	(242 098)	1 791 285

Mnquma Local Municipality

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52. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10.15 %	8.78 %
Expected increase in salaries	8.39 %	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 %
35 - 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	13 805 000	13 133 000	12 515 000
Current service costs	1 439 000	1 355 000	1 279 000
Interest costs	1 651 000	1 566 000	1 489 000

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	12 482 000	13 133 000	13 833 000
Current service costs	1 281 000	1 355 000	1 435 000
Interest costs	1 485 000	1 566 000	1 654 000
	15 248 000	16 054 000	16 922 000

Mnquma Local Municipality

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2022

2021

53. Budget differences

Material differences between budget and actual amounts

A - Rotation of staff members and unit not operating fully from July to December due to COVID pandemic resulted in municipality not achieving its target.

B - Rotation of staff members and unit not operating fully from July to December due to COVID pandemic resulted in municipality not achieving its target.

C - Repairs of two municipal halls and the effect of economy of Butterworth which has resulted in a decline in the use of the municipality's cash-based services by consumers.

D - Variance is due to investment of large amounts of unused funds to generate interest.

E - The municipality received computers from TCS company which was never anticipated when budget was done at the beginning of the year.

F - The variance due to unexpectedly high number of motorists identified during roadblocks which are non-compliant with road regulations.

G - The municipality recovers monies as a result of negligence from employees these kind of revenues are not budgeted for because uncertainties involved. These are adhoc revenues that are not anticipated when budget is prepared.

H - These are unknown amounts not claimed by third parties after three years and retention forfeited due to contractor not correcting snags on site. These are adhoc revenues that are not anticipated when budget is prepared.

I - Cost cutting measures in overtime, acting allowances, merger of non critical posts and not filling non essential posts assisted in reduced employee costs.

J - The council introduced 50% discount on settlement of debtors, the municipality anticipated during budget stage that debtors will utilise the discount. As much as the campaign of 50% did yield positive result but it did not reduce the balance as expected.

K - The decrease is as a result of municipality investing on new plant and vehicles and disposing old machinery.

L - The expenditure variance is as a result of treasury who issued a circular requesting the municipalities to stop with procurement from February to end May because of the adverse finding by the constitutional court against it.

M - This is as a result of decrease of assets held for distribution during the current year due to transfers of RDP houses from the municipality to the beneficiaries.

N - The council introduced 50% discount on settlement of debtors, the municipality anticipated during budget stage that debtors will utilise the discount. As much as the campaign of 50% did yield positive result but it did not reduce the balance as expected.

O - The variance relate to VAT returns submitted for May and June 2022 to SARS but not yet refunded by the end of the financial year.

P - Variance is as a result of impairment of Refuse debtors.

Q - Variance is as a result of call investments that yield lot of interests and VAT refunds that are invested.

R - The contributing factor to the variance is derecognition of assets when they are replaced and the new asset is not complete at the end of the financial period, also Library was removed from our asset register as it does not belong to the municipality.

S - The municipality did not anticipate to have any unspent funds at year end.

54. Segment Reporting

General Information

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Governance	Supply of overall Governance and Internal Audit function
2	Administration	Administrative, Corporate and Finance services to the segments below
3	Community Services	Community Halls, Cemeteries, Parks and Sports fields
4	Public safety	Traffic control, Animal pounds, Public Nuisances, Fencing, Licensing and Control of Animals
5	Planning and development	Town Planning, Economic Development, Corporate Planning, Billboards and Project Management Unit
6	Roads	Construction and maintenance of Roads, Taxi Ranks, Road and Traffic Regulation
7	Electricity	Grant received and associated services provided
8	Waste management	Solid Waste Removal, Landfill Sites, Recycling and Street Cleaning
9	Other	Tourism, Markets, Licensing and Regulation, Public toilets, Housing, Information Technology, water distribution

Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed on the following page.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

54 Segment Reporting (continued)

2022

REVENUE

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Property Rates
Government Grants and subsidies
Actuarial Gains
Fines, Penalties and Forfeits

REVENUE FROM EXCHANGE TRANSACTIONS

Service Charges
Rental from Fixed Assets
Interest Earned - external investments
Interest Earned - outstanding debtors
Licences and Permits
Agency Services
Sales of Goods and Rendering of Services
Other Income

TOTAL REVENUE

EXPENDITURE

Employee related costs
Remuneration of Councillors
Debt Impairment
Depreciation and Amortisation
Impairment Loss
Actuarial Losses
Finance Charges
Bulk Purchases
Contracted services
Transfers and Subsidies
Operating Leases
Operational Cost
Loss on Disposal of Assets
Inventory Loss

TOTAL EXPENDITURE

SURPLUS/(DEFICIT) FOR THE YEAR

CAPITAL EXPENDITURE

	Governance	Administration	Community Services	Public safety	Planning and development	Roads	Electricity	Waste management	Other	Total
	-	355 995 228	-	9 707 860	-	77 019 048	8 730 000	2 567 052	299 170	454 318 358
Property Rates		68 806 888								68 806 888
Government Grants and subsidies		284 066 243				77 019 048	8 730 000	2 567 052	299 170	372 681 512
Actuarial Gains		3 122 098								3 122 098
Fines, Penalties and Forfeits				9 707 860						9 707 860
	-	26 148 815	-	2 012 159	41 225	600 466	-	11 325 432	-	40 128 097
Service Charges					30 748			5 467 186		5 467 186
Rental from Fixed Assets		5 323 045								5 323 793
Interest Earned - external investments		7 019 122								7 019 122
Interest Earned - outstanding debtors		12 594 237						3 036 328		15 630 565
Licences and Permits		264 248		1 019 486						1 283 734
Agency Services								2 761 725		2 761 725
Sales of Goods and Rendering of Services		948 163		992 673	10 477	600 466		60 193		-
Other Income										2 611 973
	-	382 144 043	-	11 720 019	41 225	77 619 514	8 730 000	13 892 484	299 170	494 446 455
Employee related costs	11 454 209.93	72 441 300	11 850 026	17 145 094	26 540 005	7 158 338		26 492 921	21 497 980	194 579 875
Remuneration of Councillors	26 973 998									26 973 998
Debt Impairment		37 113 549								37 113 549
Depreciation and Amortisation		103 504 170								103 504 170
Impairment Loss		4 860 924								4 860 924
Actuarial Losses										-
Finance Charges		1 460 000								1 460 000
Bulk Purchases		2 881 170								2 881 170
Contracted services	3 137 122	8 448 587		284 516	1 541 898	546 036		5 003 732		18 961 891
Transfers and Subsidies										-
Operating Leases		722 405								722 405
Operational Cost	676 092	42 515 100	509 507	151 755	8 042 609	1 259 354		709 107	538 962	54 402 486
Loss on Disposal of Assets		22 108 987								22 108 987
Inventory Loss		18 567								18 567
	42 241 421	296 074 759	12 359 533	17 581 365	36 124 511	8 963 729	-	32 205 761	22 036 942	467 588 021
	(42 241 421)	86 069 284	(12 359 533)	(5 861 346)	(36 083 286)	68 655 785	8 730 000	(18 313 277)	(21 737 772)	26 858 434
		194 534 084		2 666 102	2 737 680	65 200 046				265 137 912

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

54 Segment Reporting (continued)

2021

REVENUE

REVENUE FROM NON-EXCHANGE TRANSACTIONS

	Governance	Administration	Community Services	Public safety	Planning and development	Roads	Electricity	Waste management	Other	Total
Property Rates	-	390 212 665	-	6 548 320	-	95 982 996	9 270 000	1 695 000	807 917	504 516 897
Government Grants and subsidies		60 384 416				95 943 266	9 270 000	1 695 000	807 917	60 384 416
Actuarial Gains		329 104 534								436 820 716
Fines, Penalties and Forfeits		723 715		6 548 320		39 730				723 715
		34 156 855		862 350	49 667	-	-	-	-	35 068 871

REVENUE FROM EXCHANGE TRANSACTIONS

Service Charges		5 065 670			49 667					5 065 670
Rental from Fixed Assets		4 954 181			49 667					5 003 847
Interest Earned - external investments		4 024 378								4 024 378
Interest Earned - outstanding debtors		15 034 312								15 034 312
Licences and Permits		197 388		862 350						1 059 738
Agency Services		2 704 230								2 704 230
Sales of Goods and Rendering of Services		2 176 696								2 176 696
Operational Revenue										-
TOTAL REVENUE		424 369 519		7 410 670	49 667	95 982 996	9 270 000	1 695 000	807 917	539 585 769

EXPENDITURE

Employee related costs	12 390 841	58 074 426	12 444 288	29 566 744	34 653 416	15 844 438		14 612 203	11 105 734	188 692 090
Remuneration of Councillors	29 163 877									29 163 877
Debt Impairment		28 577 405								28 577 405
Depreciation and Amortisation		3 446 566				115 453 116				115 453 116
Impairment Loss										3 446 566
Actuarial Losses										-
Finance Charges		1 081 000								1 081 000
Bulk Purchases							4 900 752			4 900 752
Contracted services	2 203 541	2 821 836	182 195		705 609	6 096 245	762 607	95 350	5 934 784	18 802 167
Transfers and Subsidies										696 508
Operating Leases		696 508								696 508
Operational Cost	5 828 987	21 098 734	155 607	1 605 026	964 505	18 935 797		146 030	18 755 594	67 490 281
Loss on Disposal of Assets						14 348 592				14 348 592
Inventory Loss										-
TOTAL EXPENDITURE	49 587 247	115 796 476	12 782 089	31 171 771	36 323 529	170 678 188	5 663 359	14 853 583	35 796 113	472 652 355
SURPLUS FOR THE YEAR	(49 587 247)	308 573 044	(12 782 089)	(23 761 100)	(36 273 862)	(74 695 192)	3 606 641	(13 158 583)	(34 988 197)	66 933 414
CAPITAL EXPENDITURE		58 062 445		24 517 595	12 546 825	11 319 105	10 044 991		14 156 482	130 647 443