

2023/2024

# ANNUAL REPORT MNQUMA LOCAL MUNICIPALITY



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## LIST OF ACRONYMS

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

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

In an endeavour to fulfil its strategic agenda for the year 2023-2024 financial year, Mquma Local Municipality has made great strides in providing services to its communities through the implementation of strategic objectives. This is said against the backdrop that the municipality managed to construct municipal roads and partner with other departments to work in a collaborative way thus enabling the municipality to improve Inter-governmental relations and avoid working in silos. The advances which all directorates have made towards the realisation of its goals as the municipality cannot be overemphasized.

Notably, the Local Economic Development and Planning Directorate has provided enormous support to our communities through the implementation of wide-ranging initiatives which aim to support emerging entrepreneurial initiatives such as the provision of farming implements for the exclusive use of our communities and capacity-building programmes to transfer critical skills and address social ills: poverty, unemployment and inequality.

Furthermore, the Infrastructural Development Directorate has made us proud by successfully implementing their plans despite difficulties they encounter. The Community Services Directorate has shown commitment in its work by providing improved service for ensuring cleanliness and removal of dumping within our municipality, initiatives which contribute to the global campaigns to protect the environment and address climate change.

On financial management, the Budget and Treasury office has worked hard for the municipality to maintain its record of a Clean Audit for two consecutive years (2021-2022 & 2022-2023). The Clean Audit is testament that as a municipality we exercise financial prudence and discipline and can account for the way we use taxpayers’ money.

Of critical importance, the Strategic Management Directorate has been consistent in ensuring that the municipality keeps abreast with all development initiatives which take place both in and outside the municipality.

In conclusion, I wish to thank the co-operation between the communities, the administrative and political arms of the institution which has made it possible for all of us to move forward and on course to meet our Constitutional mandate: delivering basic services and improving the quality of life for all our communities. This is a mandate that we aim to keep and fulfil during our term of office.

Mquma Local Municipality *“Imvab’ezelingqaka”*



**CLLR T MANXILA-NKAMISA**  
**EXECUTIVE MAYOR**

## COMPONENT B: MUNICIPAL MANAGER'S FOREWORD

It is my great pleasure to present the Annual Report for the financial year 2023/2024. This report is meant to communicate the performance of the municipality for the year under review. The Municipal Systems Act (2000) as amended requires the municipality to compile annual reports which should be a reflection of progress made by the municipality towards achieving targets set in the Service Delivery and Budget Implementation Plan (SDBIP).

The SDBIP is the annual performance plan of the municipality which provides quarterly performance targets and key performance indicators per key municipal performance areas. This report was further compiled as per the requirements of the Municipal Financial Management Act 56 of 2003 which requires the Accounting Officer to report to the Executive Mayor at the end of each quarter on the Municipality's performance in implementing the SDBIP. In accordance with this legislative requirement, this Annual Report covering the period 1 July 2023 to 30 June 2024 has been prepared in order to highlight the extent to which the SDBIP was implemented. It is necessary to indicate that what was planned during the reporting period emanates from the strategic objectives with specified performance indicators and targets. The report also ensures that accountability is upheld, and all the stakeholders of the municipality are informed of the decisions that were taken in this period under review.

The 2023/2024 financial year the municipality focussed on improving service delivery and strengthening of internal controls through the following strategic objectives:

- To construct municipal roads in line with three year capital plan for improved accessibility of road infrastructure 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 facilitate implementation of high impact projects in the Master Plan and IDP for economic development by June 2027;
- To co-ordinate development and annual review of 2022/2027 Integrated Development Plan to guide municipal planning by June 2027;
- To develop and review organizational structure for implementation of IDP objectives by June 2027;
- To increase municipal own revenue base by June 2027.

During the reporting period, the municipality managed to spend 100% of its Municipal Infrastructure Grant (MIG) allocation towards roads and public amenities construction. The municipality further utilised its own funding for the surfacing of internal streets in the CBD. Use of SMME Co-operatives to render solid waste services has improved the aesthetic appearance of the towns and peri-urban areas.

The municipality supported economic development in the area through partnership with the business sector to unlock the economic potential of the area. Projects that implemented in the year under review are: Ibika Phase 2 development; Business plan development for the revitalisation of Butterworth Industries, Appointment of a development for revitalisation of Msobomvu Shopping Centre, Ndabakazi fuel station.

The municipality implemented the 2023/2024 organisational structure through filling of critical positions and continued to provide job opportunities through the Expanded Public Works Program. Job evaluation results were implemented in the period under review, only 6 positions were still outstanding.

Development and review of the Integrated Development Plan is done in line with the Municipal Systems Act through desktop work, consultation with communities, engagements with sector departments, Parastatals, Non-governmental Organisation and Community Based Organisations within the jurisdiction of the municipality. The municipality has and implements performance management system approved by Council. In the year under review the municipality achieved 96% of the targets that were set in the Service Delivery and Budget Implementation Plan.

The municipality is still challenged with non-payment of rates and taxes by debtors, rates awareness campaigns were conducted during 2023/2024 financial year. The municipality managed to collect 64% for rates, 37% on refuse and 30% for rental. Internal controls were strengthened to ensure that supply chain management processes are implemented.

The municipality worked with the assurance providers for the financial year who provide objective and independent assurance on financial, performance management and risk management. The Municipal Public Accounts Committee is a committee of council that provided oversight during 2023/2024 financial year. All these committees reported to Council at predetermined intervals in with their approved plans for 2023/2024 financial year.

I would like to thank the political leadership of the municipality for their co-operation and commitment towards service delivery improvement and ensuring that the municipality has relevant policies and procedures necessary for execution of its mandate.



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**S. MAHLASELE**  
**MUNICIPAL MANAGER**

## COMPONENT C: MUNICIPAL OVERVIEW

Mnquma Local Municipality is a Category B municipality 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 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	57 Blyth Street and Tourism Information Centre Butterworth 4960
Contact Details	Tel: +27 47 050 1337 Fax: +27 47 491 0195 Website: <a href="http://www.mnquma.gov.za">www.mnquma.gov.za</a>

### **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, lifestyle 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.

According to 2022 Census results, Mnquma Municipality has a total population of approximately 232 993 people. This female dominated municipal area comprises of 52,2% female and 47,8% male of the total population and consists of approximately 79,0% households.

A study of the age distribution revealed that the bulk of the population, approximately 29,9%% is children (0-14 years). About 10% falls within the pension group (over 65 years), whilst 59,3% are economically active (15-64 years).

As part of the Eastern Cape Province, Mnquma is one of the municipalities with the highest levels of poverty, illiteracy and unemployment. The area has limited employment opportunities, and this has huge implications on the increased need for welfare and indigent support in the municipal area. The municipality therefore needs to put priority into service provision, skills and social development.

Further to this, the municipal area also lacks a skills base. Statistics depict low levels of education in this municipal area. 7,6% of Mnquma' population has no schooling 8,6% of the population has higher education.

**Total population - Mnquma, Amatole, Eastern Cape and National Total, 2013-2023 [Numbers percentage]**

Year	Mnquma	Amatole	Eastern Cape	National Total	Mnquma as % of district municipality	Mnquma as % of province	Mnquma as % of national
2013	246,000	861,000	6,810,000	53,700,000	28.6%	3.6%	0.46%
2014	245,000	860,000	6,880,000	54,500,000	28.5%	3.6%	0.45%
2015	245,000	861,000	6,950,000	55,300,000	28.4%	3.5%	0.44%
2016	245,000	863,000	7,020,000	56,200,000	28.4%	3.5%	0.44%
2017	245,000	865,000	7,100,000	57,000,000	28.3%	3.5%	0.43%
2018	246,000	870,000	7,180,000	57,900,000	28.3%	3.4%	0.42%
2019	247,000	875,000	7,250,000	58,800,000	28.2%	3.4%	0.42%
2020	248,000	880,000	7,330,000	59,600,000	28.2%	3.4%	0.42%
2021	249,000	885,000	7,400,000	60,300,000	28.1%	3.4%	0.41%
2022	232,993	891,000	7,470,000	61,100,000	28.1%	3.4%	0.41%
2023	232,993	899,000	7,550,000	61,900,000	28.1%	3.3%	0.41%
<b>Average Annual growth</b>							
2013-2023	<b>0.25%</b>	<b>0.42%</b>	<b>1.03%</b>	<b>1.44%</b>			

## 1.1 SOCIO ECONOMIC STATUS

### *Annual Monthly Household Income Profile*

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

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

**Households by income category - Mnquma, Amatole, Eastern Cape and National Total, 2023 [Number Percentage]**

	Mnquma	Amatole	Eastern Cape	National Total	Mnquma as % of district municipality	Mnquma as % of province	Mnquma as % of national
0-2400	5	16	139	1,240	29.5%	3.4%	0.38%
2400-6000	46	162	1,390	11,400	28.5%	3.3%	0.41%
6000-12000	313	1,100	9,100	71,000	28.5%	3.4%	0.44%
12000-18000	1,020	3,590	29,000	222,000	28.5%	3.5%	0.46%
18000-30000	3,860	13,400	104,000	761,000	28.7%	3.7%	0.51%
30000-42000	6,050	21,000	160,000	1,140,000	28.8%	3.8%	0.53%
42000-54000	6,670	22,900	169,000	1,210,000	29.1%	3.9%	0.55%
54000-72000	9,890	33,900	242,000	1,740,000	29.2%	4.1%	0.57%
72000-96000	10,500	35,600	257,000	1,950,000	29.4%	4.1%	0.54%
96000-132000	9,400	31,900	238,000	1,960,000	29.4%	3.9%	0.48%
132000-192000	9,000	29,800	232,000	2,060,000	30.2%	3.9%	0.44%
192000-360000	9,060	29,300	261,000	2,630,000	30.9%	3.5%	0.34%
360000-600000	4,020	12,900	138,000	1,580,000	31.3%	2.9%	0.26%
600000-1200000	2,850	9,430	122,000	1,560,000	30.2%	2.3%	0.18%
1200000-2400000	695	2,460	40,200	558,000	28.3%	1.7%	0.12%
2400000+	57	283	7,390	112,000	20.3%	0.8%	0.05%
<b>Total</b>	<b>73,400</b>	<b>248,000</b>	<b>2,010,000</b>	<b>17,600,000</b>	<b>29.6%</b>	<b>3.7%</b>	<b>0.42%</b>

It was estimated that in 2023 7.14% of all the households in the Mnquma Local Municipality, were living on R30,000 or less per annum. In comparison with 2013's 25.40%, the number is more than half. The 72000-96000 income category has the highest number of households with a total number of 10 500, followed by the 54000-72000 income category with 9 890 households. Only 4.7 households fall within the 0-2400 income category.

### **Unemployment Levels**

The working age population in Mnquma in 2023 was 150 000, increasing at an average annual rate of 0.50% since 2013. For the same period the working age population for Amatole District Municipality increased at 0.64% annually, while that of Eastern Cape Province increased at 1.24% annually. South Africa's working age population has increased annually by 1.53% from 35 million in 2013 to 40.7 million in 2023.

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.

### **Education Levels**

Within Mquma Local Municipality, the number of people without any schooling decreased from 2013 to 2023 with an average annual rate of -5.21%, while the number of people within the 'matric only' category, increased from 18,200 to 27,600. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 5.17%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 2.56%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

The number of people without any schooling in Mquma Local Municipality accounts for 28.20% of the number of people without schooling in the district municipality, 4.32% of the province and 0.56% of the national. In 2023, the number of people in Mquma Local Municipality with a matric only was 27,600 which is a share of 27.01% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 35.59% of the district municipality, 2.93% of the province and 0.23% of the national.

<b>Natural Resources</b>	
<b>Major Natural Resource</b>	<b>Relevance to Community</b>
<b>Tourism destinations / initiatives:</b> Heritage sites, Arts and crafts and Coastal Belt	Projects as a result of local tourism, business tourism and leisure activities
Mining: Granite, sand mining, potters clay, quarries and borrow pits, 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 DAFF, 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

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. Mquma 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 chair 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:

- 2023/2024 Reviewed Integrated Development Plan
- 2023/2026 MTREF Budget
- 2023/2024 Service Delivery and Budget Implementation Plan
- Strategies, Policies and Sector Plans
- 2021/2022 Audit Action Plan to address audit queries as raised by AG
- 2023/2024 Institutional Calendar

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The five-year IDP for 2022/2027 identified 8 values of accountability and thus political and administrative governance functions are as follows:

- Accountability,
- Transparency
- Participatory governance
- Governance education
- Social Responsibility
- Capability
- Good Governance and Public Participation
- Consultation

## 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 (2023/2024)**

### **EXECUTIVE MAYOR**

Cllr T Manxila-Nkamisa

### **SPEAKER**

Cllr M Qaba

### **CHIEF WHIP**

Cllr S Ncetezo

### **MAYORAL COMMITTEE MEMBERS**

#### **Portfolio Head: Infrastructural Development**

Cllr L Mgandela

#### **Portfolio Head: Community Services**

Cllr X Mjamba (July 2023- February 2024)

Cllr N Layiti (March 2024-June 2024)

#### **Portfolio Head: Local Economic Development and Planning**

Cllr N Platjie

#### **Portfolio Head: Strategic Management**

Cllr S Matutu

#### **Portfolio Head: Corporate Services**

Cllr T Ntyinkala (July 2023-February 2024)

Cllr T Bikitsha (March 2024-June 2024)

#### **Portfolio Head: Budget and Treasury Office**

Cllr Z Sobekwa

### **COUNCILLORS**

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

## 2.2 ADMINISTRATIVE GOVERNANCE

The Administrative Governance of the municipality has been fully fledged during 2023/2024 financial year.

TOP ADMINISTRATIVE STRUCTURE	Function
<b>MUNICIPAL MANAGER</b> Mr Silumko Mahlasela	Responsible for: <ol style="list-style-type: none"> <li>1. Policy development and implementation, accountable for forward planning – municipal transformation &amp; organizational development</li> <li>2. Personnel and performance management - Directs the Key Performance Indicator's and outcomes of all employees.</li> <li>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</li> <li>4. Overseeing Management and financial administration of the municipality</li> <li>5. Responsible for sound governance and public participation</li> </ol>
<b>DIRECTOR: CORPOTATE SERVICES</b> Ms Vuyiseka Mviko	Responsible for: <ol style="list-style-type: none"> <li>1. Ensuring effective and efficient management of Human Resources</li> <li>2. Managing labour relations function</li> <li>3. Responsible for Administration services</li> <li>4. Effective management of Information and Communication Technology</li> <li>5. Functioning of Council and its Committees</li> <li>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</li> </ol>
<b>DIRECTOR: COMMUNITY SERVICES</b> Makhaya Kibi	Responsible for <ol style="list-style-type: none"> <li>1. Overall management of the environmental services function including but not limited to waste management</li> <li>2. Direct and lead management of protection services, municipal road traffic safety services as well as emergency services</li> <li>3. Ensure Development, Management and Maintenance of all municipal public amenities</li> <li>4. Liaison with sector departments, district and other municipalities on integrated planning and service delivery issues affecting community services</li> </ol>
<b>DIRECTOR: STRATEGIC MANAGEMENT</b> Mrs Sindiswa Benya	Responsible for <ol style="list-style-type: none"> <li>1. Implementing the vision of the municipality and implementation and review of the 5-year integrated development plan.</li> </ol>

TOP ADMINISTRATIVE STRUCTURE	Function
	<ol style="list-style-type: none"> <li>2. Directs the development and management of effective municipal performance management system and effective implementation of the Service Delivery and Budget Implementation Plan.</li> <li>3. Manages functioning of the Inter-Governmental Relations Forum, Effective Community Participation and communication in all service delivery issues.</li> <li>4. Manages and directs communication, marketing and branding of the municipality.</li> <li>5. Co-ordinate the development, implementation and review of municipal policies.</li> <li>6. Ensure municipal-wide research to support the development and implementation of institutional strategies.</li> <li>7. Provision of effective support to the Political offices.</li> </ol>
<b>DIRECTOR: INFRASTRUCTURAL DEVELOPMENT</b> Mr Bangikhaya Nohesi	Responsible for <ol style="list-style-type: none"> <li>1. Management of municipal roads,</li> <li>2. Ensuring that the municipality conforms to building regulations</li> <li>3. Electricity services of the municipality</li> <li>4. Manages public works, housing and land administration</li> <li>5. Manages the Municipal Infrastructure Grant (MIG) and other national and / or provincial and external funded programmes</li> </ol>
<b>DIRECTOR: LOCAL ECONOMIC DEVELOPMENT AND PLANNING</b> Mr Mongi Dilika	Responsible for <ol style="list-style-type: none"> <li>1. Investment Promotion and Marketing of Local Economic Development</li> <li>2. Development, implementation and review of the Local Economic Development Strategy, policies and procedures</li> <li>3. Ensure effective management and promotion of tourism</li> <li>4. Responsible for strategic partnerships in order to enhance service delivery and local economic development</li> <li>5. Ensure implementation of Sector Support Programmes in Agriculture, Manufacturing, Retail and Tourism/Heritage Sector</li> <li>6. Ensure regular economic research is conducted on best practices</li> </ol>
<b>CHIEF FINANCIAL OFFICER</b> Mr Mzusekho Matomane	Responsible for <ol style="list-style-type: none"> <li>1. Ensure general financial management of the municipality</li> <li>2. Management of assets of the municipality including the safeguarding and the maintenance of the assets</li> <li>3. Management of the revenue of the municipality and expenditure management</li> <li>4. Budget preparation, implementation and monitoring thereof</li> <li>5. Manages the Supply Chain Management of the municipality</li> </ol>

## 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 2023/2024 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 2022/2027 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 Provincial and District Forums: -

- District Mayor's Forum: – 12 August 2023, 14 April 2024 and 18 April 2024
- Provincial Political Munimec: 22-23 August 2023 and 19-20 September 2023
- Provincial Lekgotla – 14 August 2023
- SALGA National Lekgotla – 14-15 February 2024

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public accountability and participation deals with:

- ❖ **Establishment and functioning of Ward Committee System:** Public Participation Strategy was reviewed and adopted by Council in 2023/2024 financial year. The strategy guides functioning of Ward Committees, reporting and interface between Ward Committee and Council. Ward Committees are supported through a monthly stipend. Administrative support from the municipality is rendered during Ward Committee Meetings and Ward General Meetings.

**Refer to Appendix E: Composition of Ward Committees, 2023/2024 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. 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 2023/2024 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
IDP, PMS & Budget Representative Forum Meetings	22-08-2023 21-11-2023 26-03-2024	All	15	551	Implementation of projects on the IDP, Revenue collection and budget processes	IDP, Budget Processes and Performance Reports
IDP, PMS and Budget Roadshows	09-16 April 2024	All	15	3063	Draft 2024/2025 Reviewed IDP and 2024/2027 MTREF Budget	In May 2024 Final IDP for 2024/2025 and 2024/2027 MTREF Budget were approved by Council.
Mayoral Imbizo's	18-09-2023 26-10-2023 27-02-2024 24-04-2024	21	8	720	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.

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 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

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:

- 2022/2023 Annual Performance
- 2022/2023 Fourth Quarter Performance Review
- 2023/2024 First to Third Quarter Performance Review
- 2023/2024 Midterm Performance Review
- Supply Chain Management
- Fleet Management
- Risk Management
- Follow up on 2022/2023 implementation of Audit Action plan
- Revenue Management
- Review of 2022/2023 Annual Financial Statements

**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	Poor performance of the municipal ICT network	1. Monitor the performance of Service Provider 2. Implementations Management Systems 3. Implementation ICT Strategy 4. Implementation ICT Governance Framework	1. The performance of the ICT network which is hosted by the Service Provider has improved all sites are connected. No faults have been reported in the last six months. 2. All municipal sites are connected to the network	Poor implementation of the project	Monitor the performance of Service Provider Install network cables in all the outstanding municipal sites
2	Compromised Data Privacy	Implementation of the Data Privacy Policy	Data Privacy Policy has been implemented. There have not been any data breaches reported	Non-compliance with the policy	Implement Data Privacy Policy
3	Increased defaulters on traffic fines (low collection rate from traffic fines) 2. Inability to trace traffic offenders.	Implementation of Traffic fines * Schedule of Traffic fines * Traffic and law enforcement manual * Traffic fines procedure manual * Traffic fines software	1. The training has been moved to the next financial year due to insufficient budget. 2. Traffic fines are uploaded daily 3. Number of days to execute operations have been extended to 4 days a week, including weekends. Collection has since improved over the past two (2) quarters	1. Wrong address of offenders 2. Cancellation of traffic fines by Courts	1. Refresher training to Traffic Officers (needed by the traffic officers) 2. Continuous uploading of traffic fines data 3. Conduct weekly traffic operations to collect on traffic fines.
4	Increase in GBV and Femicide incidents.	1. Functioning Moral Regeneration Movement 2. Establishment of the GBV multi-sectoral Committee 3. GBV awareness Campaign	1. Campaigns took place and the awareness on gender-based violence is a standing agenda item on the meetings of the Imbizos. There are also a men's corners in each Imbizo 2. Meetings are held on a quarterly basis; the NGO identify areas with more GBV incidents	Moral decay Poverty and unemployment Cultural myths and beliefs	1. Conduct Quarterly awareness campaigns 2. Collaborate with other stakeholders to fight against GBV and Femicide (e.g. SAPS) (NGOs and social development) Indicate hotspots.

No.	Risk Description	Mitigation Strategies	Progress to Date	Challenges	Proposed Solutions
5	1. Loss of municipal (ICT) assets	1. Procedure manual for Security Services implemented 2. Security management policy and plan implemented.	<p>The municipality developed and implemented consequence management to all official who lost their laptops. There has since been a decrease on lost laptops reported.</p> <p>The service provider appointed to install boom gates decline the offer after the appointment was done. The process has been restarted.</p>	<p>1. Inadequate or poor ICT internal controls. 2. Lack of security equipment (community services)</p>	<p>1. Implement Consequence Management 2. Install boom gates at the main office and DLTC</p>
6	1. Illegal dumping 2. Missed opportunities on Environmental Management Programs e.g., revenue on waste recycling. 3. non-compliant waste site that attracts fines and penalties	<p>1. Implementation of the Integrated Waste Management Plan 2. Climate Change Response Framework implemented 3. Waste management policy implemented 4. Disaster Management Plan implemented.</p>	<p>1. There is a collaboration between Community Services and Infrastructure to remove illegal dumping on a weekly basis.</p> <p>2. The Integrated Waste Management Plan will be reviewed with the assistance by the Department of Environmental Affairs</p> <p>3. The municipality has agreed on a Service Level Agreement with the District Municipality on the management of the landfill sites. The municipality await the final Service Level Agreement from the District Municipality</p>	<p>1. Inadequate enforcement of by-law 2. Inadequate awareness on environmental conservation or protection to all stakeholders 3. No Integrated Waste Management Plan.</p>	<p>1. Monitor the operations 2. Conduct social mobilization programs (awareness campaigns) 3. Develop the Integrated Waste Management Plan. 4. Source the Service Provider to assist with recycling (Public Private Partnership proposed for recycling) 5. Follow up on the District Municipality to finalize new contract to manage the landfill site</p>
7	1. Misplaced/loss of records 2. Unauthorized access to municipal records.	<p>1. Records Management Policy in place 2. Registry unit fully fledged 3. Municipal Filing Plan approved by Provincial Archives</p>	<p>Provincial Archives visited the municipality in May to assess the condition of the central archives and assist in preparing the awareness programs.</p> <p>The file plan will be reviewed after the awareness programs by Provincial Archives have been conducted.</p>	<p>1. Non-compliance with the filing plan 2. Non-utilization of archives facilities 3. Improper filing by Directorates 4. Limited office space</p>	<p>1. Create awareness of records management within the municipality through Provincial Archives 2. Review file plan 3. Safeguard the municipal documents.</p>

**2.6.3 Fraud and Corruption:** Anti-Fraud and Corruption policy was reviewed and adopted by Council in 2023/2024 financial year. Fraud Risks were identified and actions to mitigate and manage risks were developed in the year under review. The Service Provider for the hosting of the municipal fraud hotline was appointed on 29 May 2023. Vuvuzela Fraud and Ethics hotline would be hosting the municipality's fraud hotline for a period of two (2) year. The municipality developed a Fraud Prevention Plan and was approved by Council on 30 May 2023; the plan was implemented through 2023/24.

#### TOP 5 Fraud Risks

Risk	Rating	Actions to Improve	Progress
Abuse of access to privilege information		1. Monitor the implementation of the Confidentiality Disclosure agreement 2. Implement Data Privacy Policy	1. The Confidentiality Disclosure agreement is workshopped to all the employees and all employees sign it 2. The protection of the electronic personal information has been ensured
Unlawful Issuing of Learner's and Driver's Licenses		1. Monitor the segregation of duties 2. Implement traffic regulations	1. Segregation of duties is monitored on an ongoing basis 2. Traffic regulations are implemented in all traffic operations. The route for the testing of the driver's license is being finalized, road marking is taking place, and the municipality is still waiting for the Department of Transport to grant permit to test driver's license.
Potential Biasness on selection of SMME's for Support		1. Develop and facilitate approval of the SMME Support selection criteria 2. Verify business licenses	1. A draft SMME Support selection criteria has been developed 2. Business licenses were verified on 02 April and 19 June 2024.
Abuse of sick leave		1. Prepare leave reconciliations 2. Monitor the frequency/ number of sick leaves taken	1. Leave reconciliation are prepared monthly 2. No abuse of sick leave has been reported.
Collusion with the bidders for appointment of rendering goods/services		1. Conduct Supplier's workshop. 2. Conduct market research on a product or services to procure. 3. Review specifications from directorates.	1. Suppliers Workshop took place on 11 April 2024 to remind the suppliers of all the SCM regulations and policies. 2. Market research is mandatory for all services and goods to be procured. 3. The specifications are reviews by the Supply Chain Management Office
Forgery of Business Licenses		1. Issue electronic business licenses 2. Enforce the trading by-law 3. Verify business licenses	1. The electronic business license machine has been procured and training on operating them was also conducted; however, the issuing of the electronic business licenses has not yet started. 2. Business licenses were verified on 02 April and 19 June 2024 by LED officials and Law enforcement. This is to check the validity of the licenses.

Theft of refuse bags		<ol style="list-style-type: none"> <li>1. Implement Security Services Plan</li> <li>2. Prepare stock reconciliation</li> <li>3. Implement Fraud prevention Plan</li> </ol>	<ol style="list-style-type: none"> <li>1. Security Officers are deployed in the municipal stores</li> <li>2. The stocks reconciliation is prepared monthly</li> <li>3. Fraud prevention plan is implemented as planned</li> </ol>
Irregular withdrawal of salary		<ol style="list-style-type: none"> <li>1. Monitor implementation of attendance policy</li> <li>2. Perform leave reconciliations</li> <li>3. Report on any suspected abuse of sick leave</li> </ol>	<ol style="list-style-type: none"> <li>1. The implementation of the attendance policy is performed daily by the directorates and monthly by Human Resources Division</li> <li>2. Leave reconciliations are prepared monthly</li> <li>3. No suspected abuse of leave has been submitted to Human Resource Division during the period under review</li> <li>4. Employee head count was conducted in May; championed by Directorate's secretaries.</li> </ol>
Ransomware		<ol style="list-style-type: none"> <li>1. Conduct Quarterly cyber security awareness programs</li> <li>2. Monitor patch management system</li> <li>3. Install and monitor back up management system</li> <li>4. Monitor the fire wall</li> </ol>	<ol style="list-style-type: none"> <li>1. Awareness Campaign took place through sending of emails and messages</li> <li>2. Patch management is monitored daily to ensure no backs are performed through the internet to limit vulnerability of the data.</li> <li>3. Back-up management system has been fully installed and is functioning properly. Data is backed up daily.</li> <li>4. Firewall is monitored daily for any suspicious attempted logs</li> </ol>

**2.6.4 Municipal Public Accounts Committee:** The MPAC is composed of 11 members in terms of proportional representation. The Municipal Public Accounts Committee is responsible for performing the following functions: but not limited to:

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

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

- 2022/2023 Annual Report
- 2022/2023 Annual Financial Statements
- 2023/2024 In-year Reports
- Development of 2024/2025 MPAC work plans and Terms of Reference

**2.6.5 Policy Environment:** The municipality reviewed One hundred and twenty-nine (129) Policies which were approved by Council in May 2024.

## 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	
2023/2024 1 <sup>st</sup> Adjustment Budget	Yes	08 September 2023
2023-2024 2 <sup>nd</sup> Adjustment Budget	No	
2022/2023 Audited Financial Statement	Yes	22 January 2024
Draft Budget (2024/2025)	Yes	05 April 2024
Final Budget (2024/2025)	Yes	12 June 2024
Draft Tariff structure (2024/2025)	Yes	05 April 2024
Final Tariff structure (2024/2025)	No	
All current budget-related policies: Property rates		11 April 2024
Supply Chain Management	Yes	09 January 2024
The previous annual report (Year 2022/2023)		
2022/2023 Oversight report	Yes	13 December 2023
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2022/2023) and resulting scorecards		11 August 2023
	Yes	
All long-term borrowing contracts (2022/2023): Long Term Contracts	No	
All supply chain management contracts above a prescribed value	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2022/2023	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 2022/2023	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2022/2023		
1 <sup>st</sup> Quarter	No	
2 <sup>nd</sup> Quarter	No	
3 <sup>rd</sup> Quarter	Yes	09 May 2024 (3 <sup>rd</sup> Quarter)
4 <sup>th</sup> Quarter	No	
By-Laws	No	
2024/2025 IDP/PMS & Budget Process Plan		04 September 2023
2024/2025 Final IDP	Yes	05 June 2024

## 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 council on Mquma Local Municipality.

#### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Mquma Local Municipality set out on pages 222 to 332, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statement, including a summary of significant accounting policies.
2. In my opinion, the financial statements presented fairly, in all material respects the financial position of Mquma Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year ended in accordance with the standards of Generally Recognised Accounting Practice (GRAF)) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

#### Basis for opinion

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

#### 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 53 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024.

### Other matters

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

### Unaudited disclosure notes

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

### Unaudited supplementary schedules

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

### Responsibilities of the accounting officer for the financial statements

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

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

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

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of our auditor's report.
15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following programme presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a programme that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
<b>Basic service delivery and infrastructure development</b>	54-63 63-66 85-57 93 & 107	The purpose of the programme is to construct municipal roads for improved accessibility of road infrastructure, to provide grid electrification through connection of households, to render solid waste and environmental management initiatives to promote the health and wellbeing of the community, to provide support to indigent beneficiaries and lastly to expand agricultural potential through implementation of initiatives for sustainable rural development

17. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
  - the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
  - the indicators relevant for measuring the municipality's performance against its primary mandated and prioritized functions and planned objectives are included.
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets/ measures taken to improve performance
19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
20. I did not identify any material findings on the reported performance information for the selected programme.

#### Report on compliance with legislation

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
24. I did not identify any material non-compliance with the selected legislative requirements.

#### Other information in the annual report

25. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on this auditor's report.
26. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information

included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

27. My responsibility is to read this other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if this is corrected this will not be necessary.

#### Internal control deficiencies

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

Auditor - General

East London

30 November 2024



AUDITOR GENERAL  
SOUTH AFRICA

## **Annexure to the auditor's report**

The annexure includes the following:

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

## **Auditor-general's responsibility for the audit**

### **Professional judgement and professional skepticism**

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

## **Financial statements**

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

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

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

### Communication with those charged with governance

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

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

### Compliance with legislation-selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii)  Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f)  Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c), 117, 122(1), 122(2), 126(1)(a)  Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2)(e), 27(2)(a), 27(2)(e).  Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i)  Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)

Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act 5 of 2002 (DoRA)	Sections: 11(6)(b), 12(5), 16(1), 16(3)
Municipal Property Rates Act 6 of 2004	Sections: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2)  Sections: 56(A)(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment of Conditions of Employment for Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations 17 (1), 31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act (PPPFA)	Sections: 2(1)(a), 2(1)(f)
Preferential procurement Regulations 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2)  Regulations: 11(1), 11(2)
Preferential procurement Regulations 2022	Regulations: 4(1), 4(2), 4(3) 4(4), 5(1), 5(2), 5(3), 5(4)

## 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 2024/2025 financial year for review of IDP and 2024/2027 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 2023/2024 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)
- Mquma Local Municipality is responsible for Access Roads: The Three-year Capital Plan is a guiding document for planning and implementation of roads priorities.

**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
Construction of Ngunduza to Jebe Access Road	Complete	15,20
Construction of Sidutyini Access Road	Complete	16,20
Construction of Mngomanzi kwa R1, R4 to Ntshamanzi (Eskom) Access Road	Complete	16,4
Construction of Ngcingcinikwe Access Road	Complete	14,5
Construction of Jojweni and Happy Valley Access Road	Complete	9,6
Construction of Nibe, Debese to Zigqwabele Access Road	Complete	8
Construction of Thala to Qina Access Road	Complete	17,5
Construction of Lunda, Mahlubini and Ngxalawe Access Road	Complete	10,7
Construction of Zixhotyeni via Lalini-Hom to Mthonjeni Access Road	Complete	10
Construction of Mkrwaqa, Zangwa, Tongwana and Vulihlanga Access Road	Complete	13,48
Rehabilitation of Ngcwazi-Ntwala-Mantuzeleni Access Road	Complete	21,31
Constuction of kwa-L to Adams Access Road	Complete	7,15
<b>SURFACED ROADS/PROJECTS</b>		
Project Name	Project Status	Number of KM
Paving of Extension 24 Internal Streets	Complete	2

Project Name	Project Status	Number of KM
Paving of Cuba Internal Streets	Complete	0,8
Casting and installation of Catch pits covers at Butterworth CBD	Complete	30

**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 (km)	BLADING (km)	POTHOLE PATCHING (Square Meters)	NUMBER STORMWATER CROSSINGS UNBLOCKED
62,55 km	378,3 km	2 668,73 Square Meters	478

### 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 under Schedule 6B and Municipality under Schedule 5B uses to electrify the villages. There are constant quarterly cluster meetings where Eskom and the Municipality presents the progress reports on the implementation of the Rural Electrification. In the year under review, two hundred (200) out of planned three hundred and fifty-two (352) households' connections were energised and the remaining households were awaiting Eskom for confirmation dates for outages and energising. The project was at 100% construction and met the municipal annual target of provision and, or installation of electrical infrastructure for 352 households. The municipality erected seventy-four (74) streetlights out of the one hundred and twenty-four (124) streetlights which translated an overall progress of 60% towards completion.

**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 within mnquma jurisdiction area, i.e., Butterworth, Ngqamakwe and Centane using municipality's own funding. In the year under review the municipality refurbished six hundred and ninety (690) streetlights. The municipality refurbished eight (08) high mast lights and maintained five (05) high mast lights.

#### Challenges and Remedial Actions

The municipality has experienced vandalism of electrical infrastructure due to lawlessness by the communities.

### 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 under construction. The contractor for interim services for the upgrading of four informal settlements i.e. Zizamele, Mcubakazi/Smutts Ngonyama, Madiba-Khayelitsha and Old and New Skiet was appointed, site has been established and pegging has been done.

#### **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 thirty-seven (37) building plans were submitted and approved. Ten (10) notices for illegal structures and twelve (12) occupancy certificates were issued. The municipality maintained municipal buildings in line with the building maintenance policy. Rural housing projects: i.e. Hlobo 350 which is on procurement for construction services and a contractor was appointed for Mnquma Destitute 200.

#### **3.1.6 WATER AND SANITATION**

Water and sanitation is the responsibility of Amathole District Municipality. Mnquma Local Municipality is neither a Water Services Authority nor a Water Services Provider.

#### **3.1.7 SOLID WASTE AND ENVIRONMENTAL SERVICES**

**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. IWMP is in the process of reviewal working jointly with Provincial Department of Environmental Affairs. The By-Law has been reviewed and adopted by Council in its Council meeting held in May 2024. During the course of 2024/2025 financial year it will be Gazetted.

In the year under review, internal and external mechanisms have been utilised for the provision of waste management services. The manpower compliment was from EPWP, 8 Co-operatives and Cleaning and Greening Project funded by Department of Environmental Affairs.

**Refuse collection:** This service is generally provided to the three urban and peri –urban areas including informal settlements, namely Butterworth, Centane and Ngqamakhwe. 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 eight (8) 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, Couloured-Zithulele, New Rest, Msobomvu Township, Msobomvu Flats, Extension 7, Extension 9, Zithulele Industrial Area, Eugene, Siyanda, Sikiti, Ibika Township, Butterworth CBD, Extension 2 & Extension 6.

**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 trucks, 1 Skip-loader truck, Mechanical street broom and 2 LDV to collect and transport waste to the Eastern Regional Waste site.

**Dumping and disposal:** Waste disposal is done to Amathole District Municipality waste site and ADM bears a legal license. Maintenance is done by Municipality through Service Level Agreement entered into with ADM. The SLA has since lapsed, and the process of its review has started.

**Recycling Services:** Recycling is done by two (2) Recyclers operating in Butterworth CBD collecting card 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	Use Municipal plant for clearing illegal dumping.
Unavailability of Waste Transfer Station	OTP promised assisting the Municipality in developing a Waste Site in Ngqamakwe. The project is part of Ngqamakwe Revitalisation Programme. The process has been on halt for the duration of the year under review due to no fund's commitment from OTP.

**Environmental Services:** The municipality developed and adopted an Integrated Environmental Management Plan and Climate Change Adaptation Framework. Programmes implemented within the Environmental Management are in line with the above strategic plans. The municipality embarked on two (1) environmental education and awareness campaigns. Arbor Day was done in Zazulwana School wherein Ten (10) trees were planted, and Environmental Day was done in Butterworth.

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
- In front of Msobomvu Hall
- Next to Msobomvu High School
- Msobomvu Clinic
- Mcubakazi next to Gxabashe
- Mcubakazi township at street behind Ezinkukhwini
- TJ Junction
- Zinkukwini up to Police Station Junction in Mcubakazi
- Ngqamakwe CBD (Main Road).
- Butterworth CBD Grubb Street and Stanford Street
- Extension 6 on route to Gcuwa Dam

**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 has not been appointed yet. However, every Thursday waste is collected from Coastal areas i.e. Qolora and Mazeppa Bay.

**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.

**Biodiversity; Landscape (INCL. OPEN SPACES):** 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.

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

**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.

**Health Inspection; food abattoir licencing and inspection:** Mquma Local Municipality adopted Trading By-Law and Liquor trading hours By-Law and will be Gazetted in the first quarter of 2024/25 F/Y. 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 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.

### **3.1.8 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
- DLTC not yet fully functional, the Department of Transport will come for inspection of the grounds and route in the first week of August 2024.

**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.

### **3.1.9 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 and Routine Patrols
- 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.

### 3.1.10 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 17 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	17	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	

**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.

In the year under review, the municipality planned to fence the Butterworth Cemetery but fencing will be finalised in 2024/2025 financial year.

Designs for upgrading of Msobomvu Sport Grounds were completed and the upgrading is in progress

### 3.1.11 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 4024 households benefited for Free Basic Electricity and 498 benefitted from rates and refuse. A total of R3 738 135 was spent towards subsidizing indigent households with free basic electricity. 1300 households have been approved for Solar system installation in the year under review. The indigent register for 2023/2024 has been updated with 10045 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

#### 3.2.1 JOB CREATION

In 2023/2024 the municipality has created 1769 job opportunities under the following programmes:

PROGRAMME	NO. OF JOBS CREATED
Expanded Public Works Programme	521
Community Works Programme	1055
Solid Waste Co-operatives	189
Road Rangers	04

#### 3.2.2. 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
- Procured 1 Tractor for mechanization programme and 6 implements.
- Provision of animal medication to 3 emerging farmers
- Procures shearing Shed building material for 3 woolgrower's cooperatives
- Procurement of Inputs for SMMEs/Cooperatives
- Conducted Market Day
- 4 Capacity Building Programmes Conducted
- Business verifications Conducted
- Renewal of business Licences and Hawkers Permits

#### 3.2.3 TOURISM, HOSPITALITY AND HERITAGE

Six tourism programmes were implemented in the year under review to market Mquma as preferred tourism destination and they were as follows;

- Installation of information and sign boards to the tourism products
- Grading of accommodation establishment

- Revived the Tourism structures
- Conduct tourism awareness campaigns

Eight heritage sites were maintained (Govan Mbeki's, King Phalo's grave, Gcuwa Dam, Bawa Falls, Tourism Information, Bowling Green Monument, Centane War Memorial, Tiyo Soga and that included the installation of information board, sign boards, grass cutting, shrubs removal, clearing of pathways.

Annually the municipality hosts Heritage Day Celebrations in September to preserve culture and heritage.

**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.

### 3.2.4 INVESTMENT PROMOTIONS

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

- Industrial Park revitalisation – funding application process is currently underway
- Construction of phase 2 development at Ibika is at 80% complete
- Construction of phase 1 development at Ndabakazi was complete and the construction of phase 2 is at an initial stage.
- An alien plant removal project was successfully implemented
- A developer for the development and revamping of Msobomvu Shopping Centre has been appointed.
- Chippa Holdings Development – technical requirements for the development are complete and approved.

### 3.2.5 PLANNING AND DEVELOPMENT

This section deals with land use management which is regulated by Spatial Development Framework and SPLUM by-law. In the year under review, the municipality processed the following land use applications:

- Mikhulu Spatial Solutions application for Cellphone Mast
- Palibu application for rezoning from residential zone 1 to Business zone 5 of Erf 4103
- T & A Town Planning Consultants application for a 45m Telecommunication Mast
- Siphila Sonke Property Holding application for Telecommunication Mast on ERF 502
- Ilizwe Town & Regional Planners Rezoning & special consent of erven 9362 & 9363 Butterworth
- DBP Consulting rezoning & removal of restrictive conditions of ERF 796
- Proplan Dynamics rezoning from residential to Business zone II of ERF 966
- T & A TOWN PLANNING CONSULTANTS 35m Telecommunication mast on Khayaletu Primary school
- Geomatics and Land Surveyors application subdivision of ERF 787
- Fourways rezoning of ERF 6377 from residential 1 to Business zone II
- Rezoning of Erf 596, Kentane from residential to business zone.
- Hansen Land Surveyors Application for consolidation ervens 144 to 154 Nqamakwe
- Ilizwe Town & Regional Planners rezoning & consolidation of erven 403, 407 & 408 B/worth
- SETPLAN Application for cell mast consent on Farm Qolora Feni J.S.S.
- SETPLAN Application for cell mask consent on Farm Qolora D

#### 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 2022/2023	Year 2023/2024	Year 2022/2023	Year 2023/2024	Year 2022/2023	Year 2023/2024
Planning application received	4	0	4	7	10	8
Determination made in year of receipt	4	0	4	7	10	5
Determination made in following year	0	0	0	0	04	3
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	4	3

The development and use of land within the area of jurisdiction of Mnquma 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.

### 3.2.6 SPECIAL PROGRAMMES

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

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

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 review:

- **Women's Month Programme**

- ❖ Celebrated through Gender Based Violence awareness/dialogue programme on the 23rd of August 2023 at Qina, Xhobani location in Centane.
- ❖ 16 Days of Activism against women and children was conducted on the 23rd of November 2023 at Elengeni A/A in Ndabakazi ward 12
- ❖ Support to a Women Owned Cooperative (Glories coop) was conducted and handover of Inputs (Poultry) was done on the 8th March 2024 at Ibika ward 7.

- **Elderly Month Programmes**

- ❖ Elderly Month programme was conducted through hand-over of an RDP House to a destitute elderly person on the 2nd of Nov 2023 at Rwantsana location in Centane
- ❖ Christmas Party in celebration of Elderly persons was held on the 6th of December 2023 at Butterworth Town Hall

○ **Disability Programmes**

- ❖ Empowerment programme for the physically challenged people was conducted on the 25th of October 2023 at Butterworth Town Hall
- ❖ Hand-over of an RDP House to a destitute physically challenged person was conducted on the 2nd of Nov 2023 at Resevior Hill in Butterworth

○ **HIV/AIDS Programmes**

- ❖ Social Ills programme on HIV/AIDS was held on the 22nd of September 2023 at Ndabankulu SSS in Ward 12
- ❖ World Aids Day programme was held on the 1st of December 2023 at Mgobozweni A/A in Ngqamakwe ward 14
- ❖ Social Ills programme on HIV/AIDS was held on the 4th of April 2024 at Cunningham in Ward 12

○ **Children's Programmes**

- ❖ Children's Month programme was conducted through hand-over of an RDP House to a destitute child-headed family on the 2nd of Nov 2023 at Butterworth Resevior Hill.
- ❖ Back to School Campaign for the disadvantaged learners was conducted from the 1st of Feb 2024 - 20th Feb 2024, a total of 180 learners benefitted
- ❖ Bring a smile campaign was held on the 15 March 2024 at Blythwood Institution - Ngqamakhwe Ward 13

○ **Youth Programmes**

- ❖ Support to a Youth Owned Cooperative (Ikusasa Lethu coop) was conducted and handover of Inputs (fencing material) was done on the 23rd of May 2024 at Nomaheya ward 17.
- ❖ Youth Month programme was celebrated on the 20th of June 2024 at Butterworth Town Hall.

## COMPONENT B: CORPORATE POLICY, OFFICES AND OTHER SERVICES

### 3.3 EXECUTIVE AND COUNCIL

Mnquma 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
M Qaba	Council Speaker	Full Time
S Ncetezo	Chief Whip	Full Time

**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:

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

**The office of the Speaker:** Over and above the functions enshrined in the Municipal Structures Act, the Speaker is also responsible for Public Participation programmes, Welfare of Councillors and Participation of Traditional Leaders in Council.

**The office of the Chief Whip:** This office is responsible for managing participation of all political parties in Council.

### 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.

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

- Property Rates Policy
- Indigent Policy
- Credit Control and Debt Management Policy
- Write off Policy
- Cash Management Policy
- Tariff Policy
- 2023/2024 Tariff Structure

The municipality has billed a total of R 98 914 000 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 non-payment of R 206 million debt owed by the following:

- Government Departments R 20 million
- Businesses R 40 million
- Households R 146 million

The municipality is implementing Credit Control and Debt Management Policy to households and businesses. Statements and demand letters are sent to customers on a monthly basis. Defaulters are sent summons and also handed over to attorneys. There are also 50% discounts offered to debtors as an incentive. Government departments in arrears are contacted and also sent monthly statements for debt collection and payment arrangements. In implementing the Credit Control Policy, the municipality has started the process of issuing out Summons for defaulting debtors. Application for default judgements was done on debtors who have not responded to summons issued to them. The municipality has also been granted eviction orders for illegal occupants in flats

Debt Recovery					
Details of the types of account billed and recovered	Year:2022/2023		Year: 2023/2024		
	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	69 191 000	111%	81 037 722	59 994 000	74%
Refuse	2 283 000	36%	11 626 000	3 181 000	27%
Rental	1 364 000	24%	6 193 000	1 607 000	26%

**Budget Planning and Financial Reporting:** In line with the legislative mandate, 2023/2026 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.

**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.

**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.

**Assets, Logistics and Fleet Management:** Council adopted the reviewed Asset Management and Fleet Management Policies in May 2024. 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:** This section is responsible for:
  - Promotion of sound labour relations in the workplace.
  - Support communication structures with the employee component (LLF)
  - Implementation and monitoring of collective agreements
  - Maintenance of Code of conduct

- **Training and Development:** This section is responsible for development, implementation of Workplace Skills Plan and 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:** This section is responsible for cascading of PMS to the levels below Section 56 Managers
- **Occupational Health and Safety:** The section is responsible for:
  - Identification of and elimination of hazards in the workplace
  - Ensuring the 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:** This section is responsible for promotion of healthy living lifestyle, emotional healing and referrals
- **Employment Equity:** This section is responsible for Implementation of affirmative action measures to redress past imbalances and 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.
- Provide quality assurance on institutional legal compliance.
- Provide legal advice on litigation matters.
- Ensure that the attorneys are paid on time.
- Institute legal proceedings against the municipal debtors by serving them with summons.
- Provide legal representation at the CCMA and SALGBC
- Represent the Employer during disciplinary hearings.

In the year under review the municipality was involved in a total number of 40 litigations including others flowing from other previous financial years as follows:

- |                               |                    |
|-------------------------------|--------------------|
| ✓ Reported cases              | : Forty (40)       |
| ✓ Dismissed and Settled Cases | : Twenty- two (22) |
| ✓ Pending cases               | : Eighteen (18)    |

### 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 2024/2025 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 2023/2024 financial year.

## CHAPTER 4: ORGANISATIONAL PERFORMANCE SCORECARD (2023/2024 ANNUAL PERFORMANCE REPORT)

### INFRASTRUCTURAL DEVELOPMENT

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not	Actual Performance
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT												
Roads Construction	To construct municipal roads in line with three year capital plan for improved accessibility of road infrastructure by June 2027.	Develop and review three year capital plan	Percentage progress towards construction of Ngunduzu to Jebe access road by June 2024	Construct 100% of Ngunduzu to Jebe Access Road (15,20 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
		Develop and implement Project Implementation Plan	Percentage progress towards construction of Sidutyini access road by June 2024	Construct 80% of Sidutyini Access Road (16,20 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
		Construct municipal roads	Percentage progress towards construction of Mngomanzi kwa R1, R4 to Ntshamanzi (Eskom) access road by June 2024	Construct 80% of Mngomanzi kwa R1, R4 to Ntshamanzi (Eskom) Access Road (16,4 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards construction of Ngcinginkwe access road by June 2024	Construct 100% of Ngcinginkwe Access Road (14,5 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards construction of Jojweni and Happy Valley access road by June 2024	Construct 50% of Jojweni and Happy Valley Access Road (9,6 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	Annual Target 2022/2023	Achieved/Not Achieved	Actual Performance
			Percentage progress towards construction of Nibe, Debese to Zigwabele access road by June 2024	Construct 100% of Nibe, Debese to Zigwabele Access Road (8,00 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards construction of Thala to Qina access road by June 2024	Construct 100% of Thala to Qina Access Road (17,5 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards construction of Lunda, Mahlubini and Ngalawe access road by June 2024	Construct 100% of Lunda, Mahlubini and Ngalawe access Road (10,7 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards Construction of Zikhohyeni via Lalini-Hom to Mthonjeni access road by June 2024	Construct 100% of Zikhohyeni via Lalini-Hom to Mthonjeni access road (10,0 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	Construct 100% of Zikhohyeni via Lalini - Hom to Mthonjeni Access Road (8,86 km) by June 2023	Not Achieved	85%
			Percentage progress towards Construction of Mkrwaqa, Zangwa, Thongwana and Vulihanga access road by June 2024	Construct 100% of Mkrwaqa, Zangwa, Thongwana and Vulihanga Access Road (13,48 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	Construct 100% of Mkrwaqa, Zangwa, Thongwana and Vulihanga Access Road (13,48 km) by June 2023	Not Achieved	92,78%
			Percentage progress towards Rehabilitation of Ngcwazi-Ntwala-Mantuzeleni access road by June 2024	Rehabilitate 100% of Ngcwazi- Ntwala- Mantuzeleni Access Road (21,31km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	Rehabilitate 30% of Ngcwazi- Ntwala - Mantuzeleni Access Road (21,31 km) by June 2023	Achieved	54,47%
			Percentage progress towards construction of kwa-L to Adams access road by June 2024	Construct 100% of kwa-L to Adams Access Road (7,15 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
			Percentage progress towards development of designs for construction of Nxaxho, Nombanjana to Access Road by June 2024	Develop 100% designs for Construction of Nxaxho, Nombanjana to Nxizela Access Road by June 2024	Achieved	100%	Detailed design report was completely developed and the first phase of the project was advertised and letter of intent to award a contractor has been issued.	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards development of designs for construction of Ngcisininde to Gedwood Access Road by June 2024	Develop 100% designs for Construction of Ngcisininde to Gedwood Access Road by June 2024	Achieved	100%	Detailed design report was completely developed and the first phase of the project was advertised and letter of intent to award a contractor has been issued.	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards paving of Ext. 24 Internal Streets by June 2024	Pave 100% of Ext. 24 Internal Streets (2,00 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress.	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards paving of Cuba Internal Streets by June 2024	Pave 100% of Cuba Internal Streets (0,8 km) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards casting and installation of Concrete Catch pit covers at Butterworth CBD by June 2024	Cast and Install 100% of 30 Concrete Catch pit Covers at Butterworth CBD by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards paving of Centane Container City by June 2024	Pave 30% of Centane Container City by June 2024	Achieved	59%	The overall progress was at 59% towards completion for paving of Centane Container City.	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards development of designs for upgrading of Mchubakazi Internal Streets and Ngqamakwe Internal streets phase 2 by June 2024	Develop 100% designs for Upgrading of Mchubakazi Internal Streets and Ngqamakwe Internal streets Phase 2 by June 2024	Achieved	100%	Detailed design report was completed with 100% designs	Not Applicable	Not Applicable	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
Electrification (Grid Electrification)	To provide grid electrification through connection of households in line with three year capital plan by June 2027	Develop business plans for submission	Percentage progress towards upgrading of Mchubakazi Internal Streets and Ngqamakwe Stormwater by June 2024	Upgrade 50% of Mchubakazi Internal Streets and Ngqamakwe stormwater (2.44 km) by June 2024	Achieved	65%	The overall progress was at 65% towards completion, for upgrading of Mchubakazi Internal Streets & Ngqamakwe stormwater	Not Applicable	Not Applicable	-	-	-
		Develop and review three year capital plan	Number of Business Plans developed and submitted for 2024/2025 MIG Funding by June 2024	Develop and submit 10 business plans for 2024/2025 MIG funding by June 2024	Achieved	13	13 MIG business plans were developed and submitted to Cogta for 2024/25 FY Programme	Not Applicable	Not Applicable	Develop and submit 10 business plans for MIG 2023/2024 funding by June 2023	Achieved	12
		Develop electrification plan in partnership with ESKOM	Percentage progress towards Installation and reticulation of Electrical Infrastructure for Mquma 2023/2024	100% of Electrical Infrastructure for Mquma 2023/2024	Achieved	100%	The installation and reticulation of electrical infrastructure for the Mquma 2023/24 FY INEP (352HH) was completed with 100% progress status.	Not Applicable	Not Applicable	Connect 100% of Mquma 2022/2023 Electrification Programme (227 Households) by June 2023	Not Achieved	94%
		Connection of households	Number of Business Plan submitted to DMRE for 2025/2026 funding by June 2024	Submit 1 Business Plan to DMRE for 2025/2026 funding by June 2024	Achieved	1	2025/26 financial year INEP business plan was submitted on the 20 <sup>th</sup> of June 2024 to the DMRE	Not Applicable	Not Applicable	-	-	-
Electrification (Operation and Maintenance)	To erect and maintain street, high masts and traffic lights in line with three year capital plan and Electrical Operations and Maintenance Plan for public lighting by June 2027	Develop and review three year capital plan	Percentage progress towards erection of street lights at Ext. 6 by June 2024	Erect 60% of Street Lights at Ext. 6 (124) and Fitz Patrick by June 2024	Achieved	60%	The overall progress was at 60% towards completion, for erection of hundred and twenty four street lights at Ext. 6 and Fitz Patrick street	Not Applicable	Not Applicable	-	-	-
		Percentage progress towards design of street lights in Ngqamakwe by June 2024	Percentage progress towards refurbishment of LED lights along	Design 100% of sixty five (65) street lights in Ngqamakwe by June 2024	Achieved	100%	Detailed design report was completely developed for erection of sixty five street lights in Ngqamakwe	Not Applicable	Not Applicable	-	-	-
		Percentage progress towards refurbishment of LED lights along	Percentage progress towards refurbishment of LED lights along	Refurbish 100% of 3 LED lights along Butterworth	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
Municipal facilities	To provide public amenities for recreation and community usability through construction of Outdoor Sport Facility, Community Halls and Drivers licensing testing centre in line with three year capital plan by June 2027	Construct Municipal Facilities	Butterworth entrance by June 2024	entrance by June 2024								
			Percentage progress towards refurbishment of high masts lights in Butterworth by June 2024	Refurbish 100% of 2 high masts lights in Butterworth (2 Ibika) by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards refurbishment of high masts lights by June 2024	Refurbish 100% of 6 High Mast Lights by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	Maintain 100% of 6 high masts lights by June 2023	Not Achieved	70%
			Percentage progress towards development of designs for Upgrading of Msobomvu Sports Ground by June 2024	Develop 100% designs for Upgrading of Msobomvu Sports Ground by June 2024	Achieved	100%	Detailed Design was completely developed for the upgrading of Msobomvu Sport Ground. The first phase of the project is on construction stage and progressing well	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards upgrading of Msobomvu Sport Ground phase 1 by June 2024	Upgrade 15% of Msobomvu Sport Ground Phase 1 by June 2024	Achieved	35%	The overall progress was at 35% towards completion for upgrading of Msobomvu Sport Ground	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards construction of new municipal offices by June 2024	Construct 30% of new municipal offices by June 2024	Achieved	30%	The overall progress was at 30% towards completion for Construction of New Municipal Offices	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards refurbishment of Customer Care offices by June 2024	Refurbish 100% of Customer Care Offices by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-
			Percentage progress towards supply and erection of	100% Supply and erection of carpet at TIC offices by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
			carpet at TIC offices by June 2024									
			Percentage progress towards development of preliminary designs for Msobomvu Hall by June 2024	Develop 100% Preliminary Designs for Msobomvu Hall by June 2024	Achieved	100%	Detailed Design was completely developed for the refurbishment of Msobomvu Hall	Not Applicable	Not Applicable			
			Percentage progress towards refurbishment of Zangwa Hall by June 2024	Refurbish 100% of Zangwa Hall by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable			
			Percentage progress towards refurbishment of Centane Satellite Offices by June 2024	Refurbish 100% of Centane Satellite Offices by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable	Refurbish 100% of Centane Offices (60 m2) by June 2023	Not Achieved	0
			Percentage progress towards construction of Shearing sheds by June 2024	Construct 100% of one Shearing shed by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable			
			Percentage progress towards fencing of animal pound by June 2024	Fence 100% of the animal pound by June 2024	Not Achieved	0	<p>The contractor appointed and was busy arranging for delivery of material.</p> <p>There are limited number of suppliers within the country that are producing the type of fencing materials specified and they're mostly manufactured on demand.</p>	<p>The project was initially advertised on the 22<sup>nd</sup> of June 2023, closed on 29 July 2023, and the contractor was appointed on 14 September 2023. In October 2023, the contractor reported that they were busy mobilising materials from their supplier, later in November 2023 there was a vandalism of electrical infrastructure wherein a transformer was stolen, and that was reported as high risk to establish as the place remain dark which caused more delays for the contractor. On the</p>	<p>There was a meeting held in June 2024 with the supplier and the contractor to conduct a physical site verification that guided the programme of Works that will accommodate the supplier's delivery schedule. The supplier confirmed the manufacturing of some materials being done and awaiting deposit to be released. The project rolled over to 2024/25 financial year and</p>			

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
								05 <sup>th</sup> of February 2024, the contractor submitted a notice of withdrawal from the contract due to price escalation which exceeds their tender amount. Subsequently, the project was re-advertised, closed on the 23 <sup>rd</sup> of April 2024 and contractor was appointed on the 20 <sup>th</sup> May 2024 for project duration of six (06) months.	planned to be completed within the contract duration of six months.			
			Percentage progress towards fencing of house No. 55 and 57 at Blyth Street by June 2024	Fence 100% of house No. 55 and 57 at Blyth Street by June 2024	Achieved	100%	The project has reached its completion stage with 100% construction progress	Not Applicable	Not Applicable			
			Percentage progress towards fencing of Municipal Main Offices by June 2024	Fence 100% of Municipal Main Offices by June 2024	Not Achieved	0	<p>The contractor appointed and was busy arranging for delivery of material.</p> <p>On close of financial year 2023-24, the contractor was busy arranging for material delivery.</p>	<p>The project was initially advertised, closed, evaluated and adjudicated and due to non-responsiveness of bidders there was no appointment made. And subsequently, the project was re-advertised, closed and contractor was appointed on the 22<sup>nd</sup> of May 2024 for project duration of two (02) months.</p>	<p>The project rolled over to 2024/25 financial year and planned to be completed within the contract duration of two months.</p>			

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
			Percentage progress towards development of designs for Ntabezulu Horse Racing Field by June 2024	Develop 100% Designs for Ntabezulu Horse Racing Field by June 2024	Achieved	100%	Detailed Design was completely developed for the Ntabezulu Horse Racing Field	Not Applicable	Not Applicable			
			Percentage progress towards fencing of Butterworth Cemetery by June 2024	Fence 80% of Butterworth Town Cemetery ( 800m) by June 2024	Not Achieved	0	<p>The contractor appointed and was busy arranging for delivery of material.</p> <p>There are limited number of suppliers within the country that are producing the type of fencing materials specified and they're most manufactured on demand.</p>	<p>The project was initially advertised, closed, evaluated and adjudicated and due to non-responsiveness of bidders there was no appointment made. And subsequently, the project was re-advertised, closed and contractor was appointed on the 29th May 2024 for project duration of six (06) months. Financial constraints / cash flow challenges were being experienced by the contractor. This has delayed the material production as the upfront deposit amount of 60% was required by the supplier in order to proceed with the</p>	<p>There was a meeting held in June 2024 with the supplier and the contractor to conduct a physical site verification that guided the programme of Works that will accommodate the supplier' delivery schedule. The supplier confirmed the manufacturing of some materials being done and awaiting deposit to be released. The project rolled over to 2024/25 financial year and planned to be completed</p>			

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non-Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: LOCAL ECONOMIC DEVELOPMENT												
Extended Public Works Programme	To create job opportunities to communities for poverty alleviation by June 2027	Prepare and submit business plan	Number of work opportunities created through EPWP by June 2024	Create 497 work opportunities through EPWP by June 2024	Achieved	521	521 EPWP of jobs were created reported on the EPWP reporting System	Not Applicable	Not Applicable	-	-	-
								manufacture of material.	within the contract duration of six months.			

## COMMUNITY SERVICES

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT												
Traffic and Law enforcement	To render traffic and law enforcement programmes in order to reduce lawlessness by June 2027	Conduct public awareness campaigns  Conduct Traffic Operations	Number of public awareness campaigns on traffic safety conducted by June 2024	Conduct 6 public awareness campaigns on traffic safety by June 2024	Achieved	9	Four Implementation Plans were developed and 9 Traffic Safety Awareness campaigns were conducted in the year under review.	None	None	Conduct 4 public traffic awareness campaigns on traffic safety by June 2023	Achieved	6
			Number of Traffic Operations conducted by June 2024	Conduct 14 traffic operations by June 2024	Achieved	14	Four Operational Plans were developed. Focus was on compliance to Public Transport Regulations and Fourteen operations were conducted in the year under review.	None	None	Conduct 14 traffic operations by June 2023	Achieved	20
			Number of operations conducted on Execution of unpaid traffic fines and warrants by June 2024	Conduct 100 operations on Execution of unpaid traffic fines and warrants by June 2024	Achieved	115	Four Operational Plans on unpaid traffic fines were developed and 115 operations on execution of unpaid Traffic fines and warrants were conducted in the year under review.	None	Noa	Conduct 60 operations on execution of unpaid Traffic fines and warrants by June 2023	Achieved	61
			Number of Liquor trading compliance monitoring programme implemented by June 2024	Implement 1 Liquor trading compliance monitoring programme (Taverns, Sheeben and Public Drinking) by June 2024	Achieved	1	Municipal By-laws and municipal by-laws were enforced in all three units i.e. Centane, Butterworth and Nqamakwe to monitor compliance and Liquor was confiscated from those found to be non-compliance.	None	None	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
Operationalise DLTC			Number of stray animal control programme implemented by June 2024	Implement 1 Stray animals control programme by June 2024	Achieved	1	Stray Animals are being chased away from CBD on daily basis	None	None	Implement 1 Stray animal control programme by June 2023	Achieved	1
			Number of learners licence applications conducted by June 2024	Conduct 768 learners licence applications by June 2024	Achieved	1476	1476 learners applications licence were conducted in the year under review.	None	None	Conduct 1000 learners licences applications by June 2023	Achieved	1094
			Number of Professional Driving Permits (PRDP) renewed by June 2024	Renew 600 PRDP by June 2024	Achieved	1512	1512 PRDP renewals were conducted in the year under review.	None	None	Renew 750 Professional Driving Permits (PRDP) by June 2023	Achieved	1037
			Number of driving licence issued by June 2024	Issue 3000 driving licence by June 2024	Achieved	3508	3508 driving licence were renewed as in the year under review.	None	None	Renew 3000 driving licences by June 2023	Not Achieved	2778
			Number of motor vehicle Licenced by June 2024	Licence 2500 motor vehicle by June 2024	Achieved	11602	11602 motor vehicle were licenced in the year under review.	None	None	Licence 8000 motor vehicles by June 2023	Achieved	14069
			Number of motor vehicle registered by June 2024	Register 1000 motor vehicle by June 2024	Achieved	1106	1106 motor vehicle were registered in the year under review.	None	None	Register 1000 motor vehicles by June 2023	Achieved	1197

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
Security and protection services	To provide security systems for safeguarding and control of municipal premises by June 2027	Implement security plan	Number of security programmes implemented by June 2024	Implement 3 security programmes (Visitor Access Control, Vehicle Access Patrols) by June 2024	Achieved	3	3 security programmes (Visitor's Access Control and Security Patrols) were implemented in the year under review.	None	None	Implement 3 security programmes by June 2023 (Vehicle Access Control, Visitor's control and Security patrols)	Achieved	3
	To promote community safety for minimizing lawlessness in communities by June 2027	Conduct Community Safety Programmes	Number of community safety programmes conducted by June 2024	Conduct 4 community safety programmes (Community policing, social crime prevention awareness, school safety and drug abuse awareness) by June 2024	Achieved	4	Four Implementation plans were developed for each quarter and Four Community Safety programmes were implemented.	None	None	Conduct 4 community safety programmes (Community Policing, Social Crime Prevention awareness, School Safety and Drug abuse awareness) by June 2023	Achieved	4
Solid Waste and Environment	To render solid waste and environmental management programmes in order to promote health and well being of communities by June 2027	Implement solid waste management programmes (Street cleaning, Waste collection and waste disposal )	Number of solid waste programmes implemented by June 2024	Implement three solid waste management programmes (Street cleaning, waste collection and waste disposal ) by June 2024	Achieved	3	The three solid waste management programmes (Street cleaning, waste collection and waste disposal) were implemented in Ngqamakwe, Centane and Butterworth CBDs, along the coast and urban residential areas	None	None	Implement three solid waste management programmes (Street cleaning, waste collection and waste disposal) by June 2023	Achieved	3
		Implement environmental management programmes (coastal clean-up and environmental education & awareness)	Number of environmental programmes and environmental awareness implemented by June 2024	Implement four (4) environmental programmes (Coastal clean-up, water week, Abor Day & Environmental Day) by June 2024	Achieved	4	Implement four (4) environmental programmes (Coastal clean-up, water week, Abor Day & Environmental Day) were implemented.	None	None	Implement two(2) environmental programmes (Coastal clean-up and environmental awareness) by June 2023	Achieved	2

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/ Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
Public Amenities	To refurbish and maintain Public Amenities for community usability by June 2027	Implement public amenities management plan	Life guards to four beaches along Centane coastal area appointed by June 2024	Appoint Life Guards to four beaches along Centane Coastal area by June 2024	Achieved		Life guards services were provided to four beaches along Centane Coastal area.	None	None	Facilitate provision of Life Guards to four beaches along Centane Coastal area by June 2023	Achieved	
			Number of chain saw machines procured by June 2024	Procure 5 chain saw machines by June 2024	Achieved	5	5 chain saw machines were procured in the year under review.	None	None	-	-	-
			Number of library Services Programmes co-ordinated by June 2024	Co-ordinate 4 Library Services Programmes (Library Week, World Book Day, Book Day, Play Day & Literacy Week and Literacy Week and Izithole Project) by June 2024	Achieved	4	4 Library Services Programmes (Library Week, World Book Day, Play Day & Literacy Week and Izithole Project) were co-ordinated in the year under review.	None	None	Manage and maintain one library by June 2023	Achieved	1
KPA: LOCAL ECONOMIC DEVELOPMENT												
Solid Waste and Environment	To implement solid waste and environmental management programmes in order to promote health and well being of communities by June 2027	Implement solid waste management programmes (street cleaning, waste collection, waste disposal)	Number of solid waste Service Providers monitored in solid waste services by June 2024	Monitor functioning of 8 solid waste Service Providers in solid waste services by June 2024	Achieved		Functioning of 8 Solid Waste Service Providers is monitored through the monitoring tool. The Service Providers render waste services coverage in all urban residential areas.	None	None	Monitor functioning of 6 solid waste Service Providers by June 2023	Achieved	6

## LOCAL ECONOMIC DEVELOPMENT AND PLANNING

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
KPA: LOCAL ECONOMIC DEVELOPMENT												
Investment promotions and marketing	To facilitate implementation of high impact projects in the Master Plan and IDP for economic development by June 2027	Engage Potential investors and relevant institutions for investment	Funding application for Butterworth Industrial Park Revitalisation developed and submitted by June 2024	Develop and submit funding application for Butterworth Industrial Park Revitalisation (ECDC, DTIC, DEDEAT & DBSA) by June 2024	Achieved		Engagement sessions with the identified stakeholders were held for the development of the funding application and was submitted to DBSA on behalf of DTIC.	None	None	Establish two governance structures for Butterworth Industrial Park Revitalisation by June 2023	Achieved	2
			Revised Building Plans for Chipipa Holdings Development approved By June 2024	Approve Revised Building Plans for Chipipa Holdings Development by June 2024	Achieved	1	Building plans were circulated to ADM and ESKOM however they had to be revised due to the change of entrance and were then submitted to both the Dept. of Transport and the municipality and were approved.	None	None	Implement One Project Implementation Plan for Chipipa Holdings Development by June 2023	Achieved	1
		Marketing Mnguma through an Investment Book as an investment destination of choice	Building Plans for Gcuwa Mall Development approved by June 2024	Approve Building Plans for Gcuwa Mall development by June 2024	Not Achieved	1	Building plans have not yet been approved however they were circulated at the ADM. They have not been circulated to ESKOM because a consolidation diagram of the two erven was required due to an extra piece of land that was requested by the developer. Consolidated diagrams were submitted to the Surveyor General for approval and registration however, they have not yet been approved.	Surveyor General has not yet responded.	To make a follow up with the developer.	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
			Service Provider for Msobomvu Shopping centre development appointed by June 2024	Appoint a Service Provider for Msobomvu Shopping centre development by June 2024	Achieved	1	An advert for the re-development and revamping of Msobomvu Shopping Centre, ERF 4786 was issued on the 13th of February 2024 and closed on the 12th of April 2024. A developer by the name of Lavela Phikolomzi Nyathi Laponta JV was appointed.	None	None	Facilitate Advertisement of Msobomvu Shopping Centre Development by June 2023	Achieved	1
			Project Implementation Plan for Alien plant removal implemented by June 2024	Implement Project Implementation Plan for Alien plant removal project by June 2024	Achieved	1	1) The project steering committee was established and terms of reference were reviewed. Monitoring of the project was continuously done by ward councillors, ward committee members, LED and DEDEAT officials. 2) The project was contractually scheduled to end in September 2023 however, it was extended until the end of October 2023 due to the availability of funds.	None	None	Develop and Implement one Project Implementation Plan for Alien Plant Removal (ward 29) by June 2023	Achieved	1
			Project Implementation Plan for Ndabakazi Development- phase 2 developed by June 2024	Develop Project Implementation Plan for Ndabakazi Development- phase 2 by June 2024	Achieved	1	1) Four engagement sessions were held with the developer and Amahlubi Development Trust towards the development of the project implementation plan for Ndabakazi Development –Phase 2 and they were held as follows; 25 January, 07 March, 18 April and 11 June 2024.	None	None	Implement One Project Implementation Plan for Ndabakazi Development by June 2023	Achieved	1

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
Tourism, Hospitality and Heritage	To reposition Mngquma as a preferred tourist destination through profiling of tourism products and services by June 2027	Develop branding and marketing systems for easy access to all tourism products and services	Number of TIC programmes in-line with Tourism Operational Plan implemented by June 2024	Implement 2 TIC programmes in-line with Tourism Operational Plan (1.Conduct data collection on tourism products, 2.Collect tourist statistic updates) by June 2024	Achieved	2	1)Tourism products-A questionnaire as the tool to collect heritage sites & attractions was developed, approved and distributed to the Councilors,Centane Tribal Authority,Ngqamakwe Tribal Authority,Amazizi Tribal Authority (Butterworth). Data was collected and analysed on accommodation establishments as follows, Ngqamakwe and Butterworth on the 16 October	None	None	Implement 5 TIC programmes in line with Tourism Operational Plan by June 2023	Achieved	5
			Project Implementation Plan for Ibika development- phase 2 developed by June 2024	Develop Project Implementation Plan for Ibika Development- phase 2 by June 2024	Achieved	1	2) Project Implementation Plan was developed and submitted which indicated that 40% of the tenants have already signed and engagements with SPAR and Pick n Pay to be anchor tenants are on the process. 3) An Environmental Impact Assessment (EIA) for construction of private hospital is currently in progress. Regular site visits are being conducted. The municipality has approved Fuel Mart building plans and a Project Implementation Plan for Phase- 2 was submitted. Upon site visits conducted the update is that the Spar and Tops are on the final stages of the construction.	None	None	Implement One Project Implementation Plan for Ibika Phase 2 business Development by June 2023	Achieved	1

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
							2023, Centane on the 19 October 2023 2) Local writers – an engagement session with the local writers was held on the 19 & 23 January 2024 and a detailed list of writers was compiled. Mngquma local writers structure was revived and currently in the process of registration. A session was also held on the 08 March 2024 for the submission of the ID copies and contributions towards the registration of the structure. However, not all members have submitted and regular follow ups are being made 3) Tourist statistics - Data was collected by visiting all the accommodation establishments as follows; Ngqamakwe - 08 April 2024 & 23 May 2024, Butterworth – 08 April 2024 & 23 May 2024, Centane – 10 April 2024 & 24 May 2024. Data was analysed according to total number visitors to determine place of origin, age group dominating & gender dominating. 4) Star Grading - Ngqamakwe Luxury Guest House been					

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
							graded to be a four star by the tourism grading council. Star grading makes it easy for the marketing of accommodation establishments because it guarantees quality assurance on their service.					
			Number of Community Tourism Organisations revived by June 2024	Revive 3 Community Tourism Organisations (Butterworth, Ngqamakwe and Centane) by June 2024	Achieved		Three Community Tourism Organisations were revived in the engagement sessions with the tourism product bowners that were held as follows: Butterworth - 24 January 2024. Centane - 01 February 2024. Ngqamakwe - 28 February 2024	None	None			
			Service Provider for procurement of one big screen appointed by June 2024	Appoint a Service Provider for procurement of one big screen by June 2024	Achieved	1	Advert was issued on the 14 February 2024 and it closed on the 15 March 2024. A service provider for LED big screen was appointed on the 30th of April 2024 and an inception meeting was held on the 20th May 2024	None	None			
			Number of Heritage day celebration convened by June 2024	Convene one Heritage day celebration by June 2024	Achieved	1	1) Concept document for the heritage day celebration was developed and approved. 2) Stakeholders were engaged as follows: DSRAC – 24 July 2023, ADM – 25 July 2023, WSU – 02 August 2023, King Hintsa TVET College – 02 August 2023 -LTO – 17 August 2023	None	None	Convene Heritage Day Celebrations by June 2023	Achieved	1

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
			Installation of information board procured for Ngqamakwe luxury Guest house by June 2024	Procure installation of information board for Ngqamakwe luxury Guest house by June 2024	Achieved		<p>3) Heritage Day Celebration event was held on the 28 September 2023 at Centane sports ground</p> <p>Through the procurement processes orders were issued to two service providers appointed for supply, delivery and installation of the sign boards and there are five sign boards and one information board that were installed to two tourism products. They are as follows;</p> <p>1) Two signboards were installed for Ngqamakwe Luxury Guest House and they are installed in both entrances of the Ngqamakwe town.</p> <p>2) Three sign boards and an information board at Govan Mbeki's home were installed</p>	None	None			

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
			Number of Heritage sites maintained by June 2024	Maintain 4 Heritage Sites (Govan Mbeki house, King Phalo's Grave, Gcuwa Dam and Bawa Falls ) by June 2024	Achieved	8	With the assistance of Community Services maintenance which includes grass cutting, shrubs removal and clearing of pathways, removing weed was done to 8 heritage sites and were done as follows; 1) Govan Mbeki's house - 21 September 2023 2) King Phalo's grave - 23 October 2023 3) Gcuwa Dam - 16 January 2024 4) Bawa Falls- 15 May 2024 5) Tourism Information Centre on the 18 August 2023 6) Bowling Green Monument on the 31 August 2023 7) Centane War Memorial on the 09 November 2023 8) Tiyo Soga on the 12 January 2024.	None	None	Facilitate Maintenance of 4 Heritage Sites (Battle of Umsinisana, King Phalo's Grave, Gcuwa Dam and Govan Mbeki house) by June 2023	Achieved	8
			Number of Tourism awareness campaigns conducted by June 2024	Conduct 4 tourism awareness campaigns by June 2024	Achieved	13	There are thirteen tourism awareness campaigns that were conducted during the 2023-2024 financial year and they were conducted as follows; • Walter Sisulu University on the 04 August 2023, Jongilizwe Senior Secondary School on the 10 August 2023, Elukhanyisweni College of	None	None	Conduct 4 Tourism Awareness campaigns by June 2023	Achieved	9

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
							<p>Commerce on the 22 August 2023, Buttenworth High School on the 17 October 2023, Emmanuel High School on the 18 October 2023, Good Shepherd Christian School on the 20 October 2023, Blythwood Historic Institution on the 14 February 2024, Zingqayi Senior Secondary School on the 22 February 2024, Zwiandile Senior Secondary School on the 18 March 2024, Vuli Valley Senior Secondary School on the 09 April 2024, Zazulwana Senior Secondary School on the 12 April 2024, Siyabulela Senior Secondary School on the 15 April 2024, Sophakama Senior Secondary School on the 24 April 2024</p> <p>These awareness campaigns are being appreciated by the schools and common interests are on career opportunities &amp; bursaries, therefore are requested to be conducted on an annual basis.</p> <p>Relevant stakeholders were engaged for the assistance regarding the declaration of these heritage sites and</p>	There were delays in the sitting of the	Follow ups will be made to ECPHRA	-	-	-
			Declaration of two Heritage sites (King Phalo and Tiyo Soga)	Facilitate Declaration of two Heritage sites (King Phalo and Tiyo Soga)	Not Achieved							

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
			as Provincial Heritage Sites facilitated by June 2024	as Provincial Heritage Sites by June 2024			<p>engagements were held as follows:</p> <ul style="list-style-type: none"> <li>Department of Sports, Recreation, Arts and Culture – 24 July 2023, Amathole District Municipality – 25 July 2023 (virtual)</li> <li>National Heritage Council – through emails, South African Heritage Resource Council – through emails, Eastern Cape Provincial Heritage Resource Authority – 11 October 2023, 12 March 2024</li> </ul> <p>After the consultations with ECPHRA, nomination forms of the two identified heritage sites to be declared were submitted which were to be tabled to the Provincial Grading and Declaration Committee for assessment in February 2024. However, the committee did not sit until their term came to an end by the end of March 2024. Follow ups were made to ECPHRA until the new committee was established in May 2024 although it has not yet sat for the assessment of the nomination forms until the date.</p>	Provincial Grading and Declaration Committee for the assessment of nomination forms				

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
Agriculture and Forestry	To expand agricultural potential through implementation of programmes and initiatives for sustainable rural development by June 2027	Engage relevant stakeholders towards development of infrastructure and systems for agriculture	Number of Emerging farmers capacitated by June 2024	Conduct capacity building of 8 emerging farmers on crop production and livestock improvement by June 2024	Achieved,	8	8 capacity buildings were conducted to the emerging farmers and sessions were held as follows; -Livestock improvement -Avumile amankomo Primary Cooperative on the 16th August 2023 -Nezisa Sogoni Poultry Cooperative capacity conducted on the 14th November 2023 -Siyakhula Vegetable Cooperative capacity conducted on the 24 February 2024 -Luzenathi Cooperative on the 15th May 2024 Crop production -Nalithuba Agricultural Cooperative on the 17th August 2023 -Khanyo Lethu Seedlings Cooperative on the 13th November 2023 -Magqaza azalele Cooperative on the 14 February 2024 -Ikusasa lolutsha Cooperative on the 16th May 2024.	None	None	Facilitate capacity building of 8 emerging farmers on crop production and livestock improvement by June 2023	Achieved	8
			Number of Tractors procured by June 2024	Procure 1 Tractor by June 2024	Achieved		Merafe holdings Pty Ltd was appointed on the 03rd of June 2024 for the supply and delivery of the 1 tractor. Delivery was done on the 27 June 2024	None	None	-	-	

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
			Number of Tractor implements procured by June 2024	Procure 6 Tractor implements by June 2024	Achieved,	6	6 Tractor implements have been procured and delivered. Brilliant Trading Enterprise was appointed on the 25th March 2024 for supply and delivery of 6 tractor implements. Delivery was done on the 09th May 2024	None	None	Facilitate Procurement of 2 Tractor implements (3 furrow ploughs) by June 2023	Achieved	1
			Bale presser procured by June 2024	Procure bale presser by June 2024	Achieved,	1	1 Bale Presser procured and delivered. Gumma Trading was appointed on the 11th December 2023 for the supply and delivery of Wool bale pressor. Delivered was done on the 05th April 2024.	None	None	-	-	-
			Shearing Shed building material for Teko Kona, Teko Fihla, Ntsheshe Woolgrowers Association and Zuvizwi Co-operative Procured by June 2024	Procure Shearing Shed building material for Teko Kona, Teko Fihla, Ntsheshe Woolgrowers Associations and Zuvizwi Co-operative by June 2024	Achieved,		Shearing Shed building material for Teko Kona, Teko Fihla, Ntsheshe Woolgrowers Associations and Zuvizwi Co-operative was procured and delivered on the 04 April 2024	None	None	Facilitate 1 support programme (Shearing Shed material and equipment) for one emerging farmer by June 2023	Achieved	1
			Tractor trailer procured by June 2024	Procure tractor trailer by June 2024	Achieved,		Tractor trailer was procured and delivered. Gumma Trading was appointed on the 30 November 2023 for supply and delivery of Tractor trailer for Ulutsha Iwendalo Agricultural Cooperative. Delivery was done on the 05th April 2024	None	None	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
SMMES, manufacturing and Retail	To provide support to SMMES/cooperatives through	Implement SMMES and Cooperatives programmes	Inputs (seedling) for one emerging farmer procured by June 2024	Procure inputs (seedlings) for one emerging farmer by June 2024	Achieved		Through procurement processes, MKJ PTY LTD was appointed for the supply and delivery of inputs (seedlings) to the emerging farmer. Seedlings were delivered and handed over to Khanyolwethu Development Project in Centane on the 22 May 2024, an acknowledgement letter was submitted by the beneficiary.	None	None	Provide one support programme (Procurement of Inputs) for 3 SMMES by June 2023	Achieved	3
			Animal medication for one emerging farmer procured by June 2024	Procure animal medication for one emerging farmer by June 2024	Achieved,		Animal medication for emerging farmers has been procured and delivered. Service provider (Agritrade and Invest Pty Ltd) was appointed on the 24th April 2024 for supply and delivery of Animal medication for Qhumani Woodgrowers Association. Delivery was done on the 15th May 2024	None	None	Facilitate 1 support programme (animal medication) for 3 emerging farmers by June 2023	Achieved	1
			Animal feed for one emerging farmer procured by June 2024	Procure animal feed for one emerging farmer by June 2024	Achieved,		Through the procurement processes, Handyman and Allied Services was appointed for supply and delivery of Animal Feed and it was delivered to Gabamlonzi Poultry and Farming Cooperative on the 05th April 2024.	None	None	-	-	-
			Number of support programmes to SMMES	Implement two support programmes (Capacity Building and market	Achieved,		Capacity Building and market day were conducted as follows: 1. Capacity building conducted by Small Business on TREP on	None	None	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
	Implementation of programmes for sustainability by June 2027		implemented by June 2024	day) for SMME's by June 2024			the 06 March 2024 and supplier awareness was conducted on the 11 April 2024 to SMME's 2. Market day was conducted on the 27th June 2024.					
			Number of support programmes for SMMEs implemented by June 2024	Implement one support programme (Procurement of Inputs) for 2 SMME's by June 2024	Achieved,	2	2 SMME's were supported with inputs as follows: 1. Zimbo Projects PTY Ltd was appointed on the 16th November 2023 for supply and delivery of Working material to Senza Kuhle Aluminium Trading. Delivery was done on the 03rd April 2024. 2. Invisible mending Company Pty Ltd was appointed on the 09th January 2024 for supply and delivery of Building material and tools of trade to Ta Tera Bric's. Delivery was done on the 02nd May 2024.	None	None		.	.
			Number of support programmes for Car Washes provided by June 2024	Provide 1 support programme (Equipment) for 1 Car Wash ( Nkuja Car Wash) by June 2024	Achieved,		Modern Elite PTY Ltd was appointed on the 7th May 2024 for Supply and delivery of Car Wash Equipment for Nkuja Car wash. Delivery was done on the 04th June 2024	None	None	Provide 1 support programme ( Equipment) for 2 Car Washes by June 2023	Achieved	4
			Number of support programmes to Hair Salons provided by June 2024	Provide 1 support programme (Equipment) for 04 Hair salons (Nandi's, VoVo's, Kwa Nongalwana and	Achieved,		04 Hair Salons (Nandi's, VoVo's, Kwa Nongalwana and Lontsho Hair) have been supported with inputs. Hair salon equipment was delivered and handed over to Nandi's,	None	None	Provide 1 support programme ( Equipment) for 10 Hair salons by June 2023	Achieved	10

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
Development Planning: Research	To provide a researched, documented information that will guide municipality's short, medium and long term planning by June 2027	Coordinate data collection and analysis for LED and Planning initiatives										
			Number of business structures established by June 2024	Lontsho Hair Salons by June 2024	Achieved		VoVo's, Kwa Nongalwana and Lontsho Hair salons. Five business structures were established as follows: 1.Contractors Association - 17 August 2023, 2.Caterers Association - 28 November 2023. 3.Centane Chamber of business and Industries - 11 July 2023. 4. Ngqamakhwe LED Forum - 20 June 2024. 5.Hairsalon association 25 June 2024	None	None	-	-	-
			Data collection for SMME's conducted by June 2024	Conduct data collection for SMME's by June 2024	Achieved,		200 Businesses have added into the SMME data base. Data was collected from ward 1, ward 2, ward 13, ward 16, ward 04 and ward 20. Data is also collected through walk-ins.	None	None	-	-	-
			Number of business licenses renewed by June 2024	Renew 40 business licenses by June 2024	Achieved,	158	158 Businesses Renewed their business licenses	None	None	Renew 32 business licenses by June 2023	Achieved	91
			Number of Trading verification to businesses conducted by June 2024	Conduct trading Verifications to sixty businesses by June 2024	Achieved,	135	135 business verifications have been conducted. (12 businesses verified in Centane, 52 in Ngqamakhwe and 71 in Butterworth)	None	None	Conduct four trading Verifications to businesses by June 2023	Achieved	11
Development Planning: Research	To provide a researched, documented information that will guide municipality's short, medium and long term planning by June 2027	Coordinate data collection and analysis for LED and Planning initiatives	Research findings on Mquma Urban Centers implemented by June 2024	Implement research findings on Mquma Urban Centers by June 2024	Achieved		Engagement sessions held to make presentations of research findings to various stakeholders concerning service delivery enablers as follows: Spatial Planning and Land Use Management - 15 Sept 2023, Small Enterprise Development - 18 Sept 2023, Community Services - 16 Oct 2023, Infrastructure Development -	None	None	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
			Research findings on Mnquma mining potential implemented by June 2024	Implement research findings on Mnquma mining potential by June 2024	Achieved		20 Nov 2023, ECDC - 23 Nov 2023, SAPS - 22 Jan 2024, ESKOM - 06 March 2024, ADM, 25 March 2024, Nqamakwe satellite - 30 April 2024, Centane satellite - 06 May 2024 Responses from these stakeholders as per the findings have been compiled and a report is available	None	None	Facilitate implementation of social labour plan on crush stone mining by June 2023	Achieved	1
			Research findings on Mnquma forestry potential implemented by June 2024	Implement research findings on Mnquma Forestry potential by June 2024	Achieved		2) Student Bursary: A best performing grade 12 student from Msobomvu has been selected to get a bursary to further his studies. The student is studying towards a BSc in Information with the University of Free State. This will cover for the entire period of study subject to academic performance. 3) Mining Indaba: A mining Indaba was conducted on the 16 November 2023. The purpose of the event was to unlock mining investment, create a transparent, equitable and optimal exploitation of mineral resources. It was well attended by all the relevant stakeholders Engagement sessions were held to make presentations on research findings for forestry potential. Findings namely: lack of beneficiation by communities to forests, delays in handover of forests to communities, community awareness and capacity building: SED - 18 Sept 2023, DFFE -	None	None	Conduct research on Forestry potential of Mnquma by June 2023	Achieved	1

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
							<p>27 Sept 2023, Zizamele community - 12 Oct 2023, Tobolshana community - 29 Nov 2023, Ceru Community - 15 Jan 2024 &amp; 13 Feb 2024, Ceru community, WBHO and SANRAL - 14 March 2024</p> <p>As at to date there was a handover of plantation to Mission, Mgomanzhi, Amahubi, Thobolshane, Ngundluza done by DFFE on the 23rd April 2024. The main purpose for the handover is to attract investors and create job opportunities</p>					
			Research on Ocean Economy conducted by June 2024	Conduct Research on Ocean Economy by June 2024	Achieved		<p>Research on Ocean Economy was conducted in partnership with the Walter Sisulu University. The objective of research is to provide guidance on achieving a sustainable MLM ocean economy. Research process plan was developed and the data was collected through the desktop study as well as engagement sessions with the relevant stakeholders i.e. ECSECC, SAIMI, Cebe Community, ADM. An analysis report was compiled that outlines the challenges faced by communities along the coastal area, ocean activities currently taking place, economic opportunities and partnerships and a final research report has been developed.</p>	None	None	-	-	-
			MOU programmes with the Institution of Higher learning implemented by June 2024	Implement programmes inline with the MOU's with the Institution of Higher learning (WSU & King Hintsa TVET College) by June 2024	Achieved		<p>As per the MOU there are eight programmes that were implemented during the 2023-2024 financial year and they are as follows: 1) Research and Innovation: Mquma conducted a research on ocean economy in collaboration with WSU and the</p>	None	None	Revive 3 MOU's with Institution of Higher learning by June 2023	Achieved	3

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
							<p>programme has been completed. 2) Skills Development Programme: The WSU has offered its resources to implement an end – user computing to 182 Mquma unemployed community members and it will take a period of 23 weeks. The municipality will be transporting the beneficiaries for the duration of the course and councilors will be doing the recruitment processes in their respective areas. Another skills development programme is implemented at Ngqamakwe on the home based care, Bead work and improving grade 12. 3) Sports tournament - Mquma hosted sport activities using the WSU sports facilities 4) Graduation ceremony on end user computing hosted by the King Hintsa TVET College. 5) Fashion Design Career Expo The purpose of the event was to connect the students in fashion design, WSU alumni and the experts on the field for information sharing about job opportunities, internships and trainings. 10 Mquma crafters were also given an opportunity to showcase their work as to motivate the students. 6) Women's Month Celebration - This was held in partnership with the Walter Sisulu university 7) WSU strategic planning - The purpose of the session is to make assessment on the programmes implemented by these two institutions and also to review the planning of other programmes to be</p>					

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
Spatial Planning and Land Use Management	To regulate and control the development and use of land within the municipal area in line with the Spatial Development Framework by June 2027	Implement Spatial Development Framework	Number of IGLF meetings convened by June 2024	Convene 4 IGLF meetings by June 2024	Achieved	8	<p>Implemented jointly. 8)Engagement session held with King Hintsa and service providers for establishment of students accommodation</p> <p>Eight IGLF meeting were conducted as follows: 28th July 2023 – it was for the surveying of erf 104 and transfer of Msoomvu police station., 24 August 2023 – it was for the boundary wall and pegging of two sites which are Erfs 8131 &amp; 8142, 9 October 2023 – it was held jointly with Human Settlements, House Development Agency for a social compact agreement of new and old Skiet settlements, 02 November 2023 - it was held jointly with Cogta for surveying and pegging of two sites which are Erfs 165 &amp; 98, 07 February 2024 – it was with Corporative Governance and Traditional Affairs. Matters that were discussed was the Surveying of Erf 881 in Butterworth and Surveying of Erven 6498 &amp; 699 Butterworth, 13 June 2024- it was with BM Engineers and discussions were based on provisions and designs of Ngqamakwe bulk service infrastructure, 18 June 2024- it was with Corporative Governance and Traditional Affairs. Matters that were discussed was the Surveying of Erf 811 in Butterworth, 19 June 2024- it was with Corporative Governance and Traditional Affairs. Matters that were discussed was the Surveying of Erf 9082, Erf 10057 and Erf 5703 in Butterworth</p>	None	None	Convene 4 IGLF meetings by June 2023	Achieved	7

KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
Spatial Planning and Land Use Management	To regulate and control the development and use of land within the municipal area in line with the Spatial Development Framework by June 2027	Implement Land Use Management scheme, Spatial Development Framework and SPLUM By-Law	Number of received land use applications processed in line with SPLUM by Law for effective use of land within 30- 60 days by June 2024	Process 12 received land use applications in line with SPLUM by Law for effective use of land within 30- 60 days by June 2024	Achieved	15	There are 15 Land Use Applications that were received and processed, they are as follows;Mkhulu Spatial Solutions application for Cellphone Mast, Palibu application for rezoning from residential zone 1 to Business zone 5 of Erf 4103, T & A Town Planning Consultants application for a 45m Telecommunication Mast, Siphila Sonke Property Holding application for Tele communication Mast on Erf 502, Ilizwe Town & Regional Planners Rezoning & special consent of erven 9362 & 9363 Buterworth, DBP Consulting rezoning & removal of restrictive conditions of Erf 796, Proplan Dynamics rezoning from residential to Business zone II of Erf 966, T & A TOWN PLANNING CONSULTANTS 35m Telecommunication mast on Khayalehu Primary school, Geomatics and Land Surveyors application subdivision of Erf 787. Fourways rezoning of Erf 6377 from residential 1 to Business zone II, Rezoning of Erf 596,Kentlane from residential to business zone, Hansen Land Surveyors Application for consolidation ervens 144 to 154 Naamakwe, Ilizwe Town & Regional Planners rezoning & consolidation of erven 403, 407 & 408 Bworth, SETPLAN Application for cell mast consent on Farm Qolora Feni J.S.S, SETPLAN Application for cell mast consent on Farm Qolora	None	None	Process 12 received land use applications in line with SPLUM by Law for effective use of land within 30- 60 days by June 2023	Achieved	13

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
			Land Audit for Mquma conduct by June 2023	Conduct Land Audit for Mquma by June 2024	Achieved		A service provider by the name MNT Geomatics was appointed on the 03 November 2023 for the development of the Mquma Land Audit. An inception meeting was held on the 30th January 2024 and a final report has been submitted by service provider.	None	None			
			Mquma land sites surveyed and re-planned by June 2024	Survey and Re-plan of Mquma land sites by June 2024	Achieved		The service provider by the name Hansen Land Surveyors was appointed for the surveying and replanning of Mquma sites. An inception meeting was held on the 17th January 2024 in Ngomakwe at the site. Identification and pegging were conducted on site. Diagrams have been submitted and approved by SG.	None	None			
			Mquma SDF & MPT Gazetted by June 2024	Gazette Mquma SDF & MPT by June 2024	Achieved		The gazette notice of Mquma SDF was issued on the 10 November 2023 and the MPT was also advertised on the 13 October 2023	None	None			
			Consolidation of different ervens into 1 parent erf in Centane conducted by June 2024	Consolidate different ervens into 1 parent erf in Centane by June 2024	Achieved		1) MNT geomatics was appointed for the Consolidation of different erven into 1 parent erf in Centane with the aim of developing an Astron Garage with KFC, Spar and offices. An inception meeting and site visit were conducted on the 10th of August 2023. A session for the establishment of a Project Steering Committee was conducted and the Project Implementation Plan was submitted on the same date which was the 07 February 2024. Draft diagrams are approved by the office of the Surveyor General. Over and above the Centane ervens the municipal	None	None			

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/ Not Achieved	Actual Performance
			Service Provider for development of Butterworth Country Club appointed by June 2024	Appoint a Service Provider for development of Butterworth Country Club by June 2024	Not Achieved		offices were also consolidated and the diagrams were also approved	No developers responded to the first advert	The project scope will be narrowed down into phases in the 2024/2025 financial year.	.	.	.
			Service Provider for development of Centane Business sites appointed by June 2024	Appoint a Service Provider for development of Centane Business sites by June 2024	Not Achieved		Terms of reference for the development of the Centane Business Sites developed and submitted to SCM. Advert was published on the 1st of March 2024 with a closing date of 29 April 2024. Arrangements for re-advertisement are being made due to none response on the first advert.	Developers did not meet the required criteria	The project will be re-advertised in the 2024/2025 financial year in a national news paper	.	.	.
			Service provider for the development of 129 residential sites in Butterworth appointed by June 2024	Appoint a Service Provider for development of 129 residential sites in Butterworth by June 2024	Achieved		An advert was issued on the 11 November 2023 and closed on the 12 December 2023. Due to non responsive of bidders it was re-advertised on the 28 April 2024 with a closing date of 14 June 2024 and a developer has been appointed.	None	None	.	.	.
			Percentage progress towards development of project implementation Plan for construction of a Private Hospital by June 2024	Develop project Implementation Plan for construction of a Private Hospital by June 2024	Achieved		DKM Health is the developer appointed for the development of a private hospital. The project implementation plan has been submitted.	None	None	.	.	.

## STRATEGIC MANAGEMENT

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for None Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
Strategic Planning- IDP	To co-ordinate development and annual review of 2022/2027 Integrated Development Plan to guide municipal planning by June 2027	Develop and coordinate the implementation of IDP, PMS and Budget Process Plan annually Review 2022-2027 IDP annually	Percentage progress towards review of 2024/2025 Integrated Development Plan by June 2024	Review 100% of 2024/2025 IDP by June 2024	Achieved	100%	2024/2025 IDP was developed and approved by Council on the 23 May 2024.	N/A	N/A	Review 100% of 2023/2024 IDP by June 2023	Achieved	100%
Institutional Communication	To market the corporate brand of the municipality internally and externally to improve relations and maintain integrity by June 2027	Develop internal, external newsletters, Coordinate issuing of press releases and publishing news articles	Number of external newsletters developed and distributed by June 2024	Develop and distribute 4 external newsletters by June 2024	Achieved	4	4 external newsletters were developed and distributed as at end June 2024	N/A	N/A	Develop and distribute 4 external newsletters by June 2023	Achieved	4
		Update information on municipal website and social media platform	Compliance documents uploaded in the municipal website by June 2024	Upload compliance documents in-line with Section 75 of MFMA by June 2024	Achieved		The website is fully-functional and official documents were uploaded: Tenders, Bid Opening Registers, Budget Documents, ID/PMS documents, Policies, Valuation Roll, Tariffs, Performance Agreements, Vacancies have been uploaded and updated.	N/A	N/A	Upload compliance documents in-line with Section 75 of MFMA by June 2023	Achieved	1
		Communicate through broadcast media platforms	Number of electronic media slots coordinated by June 2024 Number of local communicators forums (LCF) convened by June 2024	Coordinate 20 electronic media slots by June 2024 Convene 4 LCF meetings by June 2024	Achieved	20 4	A total of 20 electronic media slots were published as at year end June 2024 4 LCF meetings were held as follows, 06 September 2023, 25 October 2023, 23 February 2024, 04 June 2024	N/A	N/A	Coordinate 12 electronic media slots by June 2023 Convene 4 LCF meetings by June 2023	Achieved	16 3

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Way Forward	Reason for None Achievement	Corrective Action	Annual Target 2022/2023	Achieved/Not Achieved	Actual Performance
Intergovernmental Relations	To coordinate integrated planning, regular reporting and feedback by all stakeholders by June 2027	Standardize usage of the municipal corporate identity	Municipal branding procured by June 2024	Procure municipal branding (Municipal Flags, Outdoor Signage, Municipal Branding, Branding of municipal fleet, Diaries and Calendars) by June 2024	Achieved	4	Municipal branding was procured in the year under review (Municipal Flags, Outdoor and Indoor office Signage, Banners, Branding of Municipal Fleet, Diaries and Calendars)	N/A	N/A	Facilitate procurement of municipal branding by June 2023	Achieved	1
			Coordinate sitting of IGR forums	Co-ordinate sitting of 4 IGR meetings by June 2024	Achieved	4	4 IGR meetings sat in the financial year as follows: (1) 14 September 2023 (2) 29 November 2023 (3) 20 March 2024 (4) 07 June 2024	N/A	N/A	Co-ordinate sitting of 4 IGR meetings by June 2023	Achieved	4
			Co-ordinate Mayoral Programmes	Number of Mayoral Programmes Conducted by June 2024	Achieved	2	2 Mayoral Programmes were conducted as follows: (1) Mandela day- 18 July 2023 (1) Toleni, Gobe and Gqungqo (2) Prayer day- 12 December 2023	N/A	N/A	Conduct 2 Mayoral Programmes by June 2023 (Mandela day and Prayer Day)	Achieved	2
			Implement programmes on GBV and femicide	Number of GBV awareness campaigns implemented by June 2024	Achieved	4	4 GBV Awareness Campaigns were implemented as follows: (1) 20 September 2023 (2) 14 November 2023 (3) 18 March 2024 (4) 19 April 2024	N/A	N/A	Implement four awareness campaigns on GBV and femicide by June 2023	Achieved	4
Gender Based violence and Femicide	To provide a multi-sectoral strategic approach and response to GBV and femicide by June 2027		Number of multi-sectoral Committee meetings convened by June 2024	Convene four multi-sectoral Committee meetings by June 2024	Achieved	4	4 GBV Multi Sectoral Committee Meetings were convened as follows: (1) 07 September 2023 (2) 23 October 2023 (3) 26 February 2024 (4) 05 April 2024	N/A	N/A	Convene four multi-sectoral Committee meetings by June 2023	Achieved	4

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Way Forward	Reason for None Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
Institutional Performance Management	To monitor and review performance for accountability & performance improvement by June 2027	Develop, collate, consolidate and analyse performance information quarterly, midyear and annually	Performance Agreements developed and Performance Reviews co-ordinated for Section 54A and Section 56 Managers by June 2024	Develop Performance Agreements and Co-ordinate Performance Reviews for Section 54A and Section 56 Managers by June 2024	Achieved	Achieved	2023/2024 Performance Agreements for Section 54A and Section 56 Managers were developed, approved by Council, submitted to CoGTA and published in the Municipal website. 2022/2023 Annual Performance Reviews were held on the 09 October 2023 and 2023/2024 Mid-term Performance Reviews for S54A and Section 56 Managers were held on the 25 March 2024	N/A	N/A	Develop, monitor and evaluate performance information for Section 54A and Section 56 Managers by June 2023	Achieved	7
			2022/2023 Annual Report (Section 127) developed by June 2024	Develop 2022/2023 Annual Report (Section 127) by June 2024	Achieved	1	2022/2023 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 2021/2022 Annual Report (Section 127) by June 2023	Achieved	1
			Number of Performance reports developed, collated, consolidated and analysed quarterly, midyear and annually in line with the PMS Framework by June 2024	Develop, collate, consolidate and analyse 5 performance reports quarterly and annually in line with PMS Framework by June 2024	Achieved	5	5 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	Achieved	6

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for None Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
										Framework by June 2023		
			2023/2024 Mid-year Performance Report developed, collated, consolidated and analysed in line with PMS Framework by June 2024	Develop, collate, consolidate and analyse 2023/2024 Mid-year Performance Report in line with PMS Framework by June 2024	Achieved	1	2023/2024 Mid-year Performance Report was developed, collated, consolidated, analysed and analysis reports was submitted to Internal Audit Unit for review, discussed by the Audit Committee and approved by Council. The report was publicized in the Municipality website and submitted to CoGTA	N/A	N/A	-	-	-
			Council Strategic planning session coordinated by June 2024	Co-ordinate Council strategic Planning session by June 2024	Achieved	1	The Council Strategic Planning session was held from the 05-08 February 2024	N/A	N/A	Co-ordinate Council Strategic Plan Session by June 2023	Achieved	1
			2023/2024 Service Delivery and Budget Implementation Plan reviewed by June 2024	Review 2023/2024 Service Delivery and Budget Implementation Plan reviewed by June 2024	Achieved	1	2023/2024 Service Delivery and Budget Implementation Plan was reviewed and noted in the Council Meeting, advertised in the Daily Dispatch and municipal website.	N/A	N/A	-	-	-
<b>Public Participation</b>	To encourage involvement of communities and community organisation in the	Render administrative support to Public Participation Programmes	Number of reports developed on sitting of Public General Meetings by June 2024	Develop 4 Reports on sitting of Public General Meetings by June 2024	Achieved	4	4 Reports on sitting of Public General Meetings were developed in the year under review.	N/A	N/A	Co-ordinate 128 ward general meetings by June 2023	Not Achieved	0

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for None Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
	matters of the municipality by June 2027		Number of Public Participation Programmes supported administratively by June 2024	Render administrative support to 7 Public Participation Programmes (IDP Rep Forum, Mayoral Imbizo, Mayoral Programme, GBVF Programme, IDP Roadshows, SPU Programmes and MPAC Roadshows) by June 2024	Achieved	7	Administrative support was given to 7 Public Participation Programmes (IDP Rep Forum, Mayoral Imbizo, Mayoral Programme, GBVF Programme, IDP Roadshows, SPU Programmes and MPAC Roadshows)	N/A	N/A			
	To provide administrative support for effective and efficient performance of council and its committees by June 2027	Implement guidelines and 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 2024	Co-ordinate 4 meetings per section 79 committee (MPAC, Rules Committee, women's Caucus and Whips Committee) by June 2024	Achieved	4	4 Meetings per Section 79 committee were held as follows: <b>MPAC</b> (1) 29 September 2023 (2) 11 October 2023 (3) 21 February 2024 (4) 25 June 2024 <b>Rules Committee</b> (1) 27 September 2023 (2) 28 November 2023 (3) 26 March 2024 (4) 21 June 2024 <b>Women's Caucus</b> (1) 16 August 2023 (2) 10 November 2023 (3) 21 February 2024 (4) 26 June 2024 <b>Whips Committee</b> (1) 26 July 2023 (2) 25 October 2023 (3) 19 January 2024 (4) 29 April 2024	N/A	N/A	Co-ordinate 4 meetings per section 79 committee (MPAC, Rules Committee, women's Caucus and Whips Committee) by June 2023	Achieved	4

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Way Forward	Reason for None Achievement	Corrective Action	Annual Target 2022/2023	Achieved/Not Achieved	Actual Performance
		Implement terms of reference for Independent Committees	Number of independent committee meetings coordinated (Moral Regeneration Movement and Initiation Forum) by June 2024	Co-ordinate 4 meetings per independent committee (Moral Regeneration Movement, Initiation Forum) by June 2024	Achieved		4 Meetings per independent committee were held as follows: <b>Moral Regeneration Movement</b> (1) 19 July 2023 (2) 25 October 2023 (3) 22 January 2024 (4) 24 April 2024 <b>Initiation Forum</b> (1) 14 August 2023 (2) 13 November 2023 (3) 19 January 2024 (4) 06 June 2024	N/A	N/A	Co-ordinate 4 meetings per independent committee (Moral Regeneration Movement and Initiation Forum) by June 2023	Achieved	4
			Number of Initiation awareness campaigns conducted by June 2024	Conduct 3 Initiation Programmes by June 2024	Achieved	3	3 Initiation Programmes were held as follows: 06 September 2024(Summer initiation awareness programme), 23 February 2024 (Initiates Homecoming) 15,16 & 20 May 2024 (Winter awareness)	N/A	N/A			-
<b>KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT</b>												
<b>Public Participation</b>	To encourage involvement of communities and community organisation in the matters of the municipality by June 2027	Co-ordinate regular feedback meetings to community members	Number of Mayoral Imbizo co-ordinated by June 2024	Co-ordinate 4 Mayoral Imbizo's by June 2024		4	4 Mayoral Imbizo's were co-ordinated as follows: (1) 18 September 2023 (2) 26 October 2023 (3) 27 February 2024 (4) 24 April 2024	N/A	N/A	Co-ordinate 4 Mayoral Imbizo's by June 2023	Achieved	4
<b>Special Programmes Unit</b>	To Co-ordinate mainstreaming of designated groups into socio-economic development by June 2027	Implement SPU policies through programmes of designated groups.	Number of programmes for 6 designated groups implemented by June 2024	Implement 6 programmes for 6 designated groups by June 2024	Achieved	15	<b>Women's programmes</b> Women's Month programme was celebrated through Gender Based Violence awareness/dialogue programmes on the 23rd of	N/A	N/A	Implement 6 programmes for 6 designated groups by June 2023	Achieved	6
<b>KPA: LOCAL ECONOMIC DEVELOPMENT</b>												

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for None Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
							<p>August 2023 at Qina, Xhobani location in Centane.</p> <p>16 Days of Activism against women and children was conducted on the 23rd of November 2023 at Elengeni A/A in Ndabakazi ward 12</p> <p>Support to a Women Owned Cooperative (Glories coop) was conducted and handover of inputs (Poultry) was done on the 8th March 2024 at Ibika ward 7.</p> <p><u>Elderly programmes</u> Elderly Month programme was conducted through hand-over of an RDP House to a destitute elderly person on the 2nd of Nov 2023 at Rwantsana location in Centane</p> <p>Christmas Party in celebration of Elderly persons was held on the 6th of December 2023 at Butterworth Town Hall</p> <p><u>Disability</u> Empowerment programme for the physically challenged people was conducted on the 25th of October 2023 at Butterworth Town Hall</p> <p>Hand-over of an RDP House</p>					

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for None Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
							<p>to a destitute physically challenged person was conducted on the 2nd of Nov 2023 at Reservoir Hill in Butterworth</p> <p><b>HIV/AIDS</b> Social Ills programme on HIV/AIDS was held on the 22nd of September 2023 at Ndabankulu SSS in Ward 12</p> <p>World Aids Day programme was held on the 1st of December 2023 at Mgobozweni A/A in Nqamakwe ward 14</p> <p>Social Ills programme on HIV/AIDS was held on the 4th of April 2024 at Cunningham in Ward 12</p> <p><b>Children</b> Children's Month programme was conducted through hand-over of an RDP House to a destitute child-headed family on the 2nd of Nov 2023 at Butterworth Reservoir Hill. Back to School Campaign for the disadvantaged</p>					

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for None Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
							<p>learners was conducted from the 1st of Feb 2024 - 20th Feb 2024, a total of 180 learners benefitted</p> <p>Bring a smile campaign was held on the 15 March 2024 at Blythswood Institution - Ngqamakhwe Ward 13</p> <p>Youth Support to a Youth Owned Cooperative (Ikusasa Lethu coop) was conducted and handover of inputs (fencing material) was done on the 23rd of May 2024 at Nomaheya ward 17.</p> <p>Youth Month programme was celebrated on the 20th of June 2024 at Butterworth Town Hall.</p>					

## CORPORATE SERVICES

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT												
<b>Municipal Administration (Customer Care)</b>	To provide Customer Care through effective handling of queries and complaints by June 2027	Conduct surveys and site visits to Customer Care areas	Number of Customer Care programmes implemented (Presidential Hotline system and walk-ins) implemented by June 2024	Implement 2 Customer Care Programmes (Presidential Hotline system and walk-ins) by June 2024	Achieved	2	2 Customer Care Programme have been implemented with 197 complaints received and attended to for the following programmes: 1. Presidential Hotline system (through attending to complaints on the system & attending scheduled program by Premier's Office) 2. Walk-ins (Through attending to complaints that comes to the Municipality in all servicing points)	N/A	N/A	Implement 2 Customer Care Programmes (Presidential Hotline system and walk-ins) by June 2023	Achieved	2
<b>Satellite Office</b>	To ensure the effective operation of the Satellite Offices by June 2027	Monitor projects and programmes Implemented	Number of reports on functionality of Satellite offices (Infrastructure Development, Community Services, LED & Planning, Strategic Management, Corporate Services, BTO and Compliance and Governance) developed by June 2024	Develop 4 reports on functionality of Ngqamakwe Satellite office (Infrastructure Development, Community Services, LED & Planning, Strategic Management, Corporate Services, BTO and Compliance and Governance) by June 2024	Achieved	4	Four reports had been developed and submitted covering activities by Infrastructure Development, Community Services, LED & Planning, Corporate Services, BTO and Strategic Management Directorates	N/A	N/A	Develop 4 reports on functionality of Ngqamakwe Satellite office by June 2023	Achieved	4
			Number of reports on functionality of Satellite offices (Infrastructure Development, Community Services, LED & Planning, Strategic Management, Corporate Services, BTO and Compliance and Governance) developed by June 2024	Develop 4 reports on functionality of Centane Satellite office (Infrastructure Development, Community Services, LED & Planning, Strategic Management, Corporate Services, BTO and Compliance and Governance) by June 2024	Achieved	4	Four reports had been developed and submitted covering activities by Infrastructure Development, Community Services, LED & Planning, Corporate Services, BTO and Strategic Management Directorates	N/A	N/A	Develop 4 reports on functionality of Centane Satellite office by June 2023	Achieved	4

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
Municipal Administration (Council Support)	To ensure administrative support for effective and efficient performance of council and its committees by June 2027	Develop Institutional Calendar on annual basis and ensure its implementation.	2024/2025 Institutional calendar developed by June 2024	Develop 2024/2025 Institutional calendar by June 2024	Achieved	1	2024/2025 Institutional Calendar was developed and approved by the Council on the 23rd May 2024.	N/A	N/A	Develop 4 reports on functionality of Centane Satellite office by June 2023	Achieved	1
			Number of Council Resolution registers developed and distributed by June 2024	Develop and distribute 8 Council resolution registers by June 2024	Achieved	8	Council Resolution Registers were developed and distributed in all Directorates.	N/A	N/A	Develop and distribute 6 Council resolution registers by June 2023	Achieved	6
		Develop and monitor Resolution Register	Number of Standing Committee meetings for all Directorates coordinated by June 2024	Co-ordinate sitting of 24 Standing Committee meetings for all Directorates by June 2024	Achieved	24	All 24 Standing Committee meetings were coordinated as per the approved Institutional Calendar.	N/A	N/A	Co-ordinate sitting of 24 Standing Committee meetings for all Directorates by June 2023	Achieved	24
			Number of Ordinary Council Meetings coordinated by June 2024	Coordinate sitting of 4 Ordinary Council Meetings by June 2024	Achieved	4	Four Ordinary Council Meetings were coordinated during the financial year.	N/A	N/A	Coordinate sitting of 4 ordinary Council Meetings by June 2023	Achieved	4
			Number of Special Council Meetings coordinated by June 2024	Coordinate sitting of 4 Special Council Meetings by June 2024	Achieved	6	6 Special Council Meetings were Coordinated during the financial year 2023/2024	N/A	N/A	Coordinate sitting of 4 Special Council Meetings by June 2023	Achieved	4
			Percentage progress towards consolidation on implementation of Council resolutions by June 2024	Consolidate 100% progress on implementation of Council resolutions by June 2024	Achieved	100%	All Council Resolutions were implemented and consolidated.	N/A	N/A	Consolidate progress on implementation of Council resolutions by June 2023	Achieved	
			Number of Mayoral Committee meetings coordinated by June 2024	Coordinate sitting of 4 Mayoral committee meetings by June 2024	Achieved	6	Six Mayoral committee meetings were coordinated during 2023/2024 financial year. four planned meetings and three special mayoral committee meetings.	N/A	N/A	Coordinate sitting of 4 Mayoral committee meetings by June 2023	Achieved	4

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	Target 2022/2023 Annual	Achieved/Not Achieved	Actual Performance
Information, Communication Technology (ICT Governance)	To establish digital transformation for municipal business continuity through effective and efficient ICT services by June 2027	Provide ICT support to the municipality	Number of ICT programmes ( Desktop Support, Network support, Information security and Systems support) implemented by June 2024	<p>Implement 4 ICT programmes ( Desktop Support, Network support, Information security and Systems support) by June 2024</p> <p>1. Desktop Support - end user technical support and provision of ICT tools.</p> <p>2. Network support - maintenance of network infrastructure and connectivity.</p> <p>3. Information security - management of antivirus and firewall systems.</p> <p>4. Systems support - provision of technical support on Applications systems, Emails and Operating Systems.</p>	Achieved	4	<p>The planned ICT programmes were implemented as follows:</p> <p>1. Desktop Support - end user technical support and provision of ICT tools. The division also performed daily checklists on Network/Internet on All Site to ensure uptime of services. Technical support of the Konika Minolta photocopier machines. 64 Laptops have been procured and distributed to needy employees.</p> <p>2. Network support and maintenance was conducted. Installation of Network cabling was conducted for Town Hall building, Msobomvu-Infrastructure, Tourism Information centre building, 55 and 57 Blythe Street building. The division also performed daily checklists on Network/Internet on All Site to ensure uptime of services.</p> <p>3. Information security management conducted. Antivirus, backups and firewall monitoring was performed. Disaster Recovery Tests and vulnerability tests were performed.</p>	N/A	N/A	Implement 4 ICT programmes ( Desktop Support, Network support, Information security and Systems support) by June 2023	Not Achieved	4

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
							4. Systems support provided. Microsoft 365 has been procured, as well as latest operating system on both from the server as well as and user environment, along with training of ICT staff for first line support. Emails are up and running and Mimecast online emails have been rolled out and functional.					
Benefits and leave management	To manage employees and councillors benefits by June 2027	Record and reconcile Councillors and employees benefits	Percentage progress of submitted Benefits for municipal workforce and councillors administered by June 2024	Administer 100% of submitted benefits for municipal workforce and councillors by June 2024	Achieved	100%	100% of All submitted benefits for employees and Clifs were implemented for the financial year ending June 2023	N/A	N/A	Administer 100% of submitted benefits and leaves for municipal workforce and councillors by June 2023	Achieved	100%
Organisational Design and Implementation	To develop and review organizational structure for implementation of IDP objectives by June 2027	Develop and implement recruitment plan annually	Number of leave reconciliations administered by June 2024	Administer 12 leave reconciliations by June 2024	Achieved	12	12 Leave reconciliations were administered for the financial year ending June 2024	N/A	N/A			
			Number of budgeted vacant post filled by June 2024	Fill 32 budgeted vacant posts by June 2024	Achieved	52	There were 52 posts filled during the financial year ending June 2024	N/A	N/A	Implement 2022/23 organisational structure by June 2023	Achieved	
		Review organizational structure annually	2024/2025 Organizational Structure reviewed by June 2024	Review 2024/2025 Organisational Structure by June 2024	Achieved	1	2024/2025 Organisational structure was reviewed and approved on the 23 May 2024	N/A	N/A	Review 2022/2023 Organisational Structure by June 2023	Achieved	
Labour Relations	To maintain conditions for collective bargaining between the employer and the employees and monitor	Convene Local Labour Forum Meetings	Number of LLF Meetings Convened by June 2024	Convene 4 LLF meetings by June 2024	Achieved	5	There were 5 LLF convened during the financial year ending June 2024	N/A	N/A	Convene 4 LLF meetings by June 2023	Achieved	5

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
Employee Wellness and OHS	Implementation of code of conduct for municipal employees by June 2027											
	To promote employee wellbeing through implementation of wellness and OHS programmes by June 2027	Regulate Health and Safety practices within the municipality	2024/2025 OHS Plan developed by June 2024	Develop 2024/2025 OHS and Wellness Plans by June 2024	Achieved		2024/2025 OHS and Wellness Plans were developed and approved during the financial year ending June 2024	N/A	N/A	Develop 2023/2024 OHS and Wellness Plans by June 2023	Achieved	
Skills Development	To develop skills of the Councillors, municipal workforce and community members through implementation of the Workplace Skills Plan by June 2027	Develop, implement and monitor Workplace Skills Plan annually	2024/2025 WSP and annual training plan developed by June 2024	Develop 2024/2025 WSP and Annual Training Plan by June 2024	Achieved	1	2024/2025 WSP and Annual Training Plan were developed and approved and submitted to LGSETA on the 30 April 2024.	N/A	N/A	Develop 2023/2024 WSP and Annual Training Plan by June 2023	Achieved	1
			Number of Training programmes co-ordinated by June 2024	Co-ordinate 12 training programmes by June 2024	Achieved	30	There were 30 trainings co-ordinated for financial year ending June 2024	N/A	N/A	Co-ordinate 12 training programmes by June 2023	Achieved	12
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
Performance Management (Individual)	To establish and implement PMS procedures through monitoring, review towards an increased accountability and performance improvement by June 2027	Review divisional scorecards and monitor implementation	Percentage progress on implementation of 2023/2024 Divisional scorecards monitored by June 2024	Monitor 100% implementation of 2023/2024 Divisional scorecards by June 2024	Achieved	100%	Monitoring for 100% on the Divisional scorecard was implemented for financial year ending June 2024 and Directorate Meetings sat according to the Institutional Calendar.	N/A	N/A	Monitor 100% implementation of 2022/2023 Divisional scorecards by June 2023	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 2027	Review of Institutional Policies	Number of institutional Policies reviewed and approved by June 2024	Coordinate review and approval of 121 Institutional Policies by June 2024	Achieved	132	132 Institutional policies were reviewed and approved by the Council	N/A	N/A	Coordinate workshop and approval of 95 Institutional Policies by June 2023	Achieved	121

## BUDGET AND TREASURY OFFICE

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT												
Revenue Enhancement & Management	To increase municipal own revenue base by June 2027	Implement Financial Recovery Plan	Revenue Increased to 132 Million by June 2024	Increase revenue to R132 Million by June 2024	Achieved	R134 217 000	Revenue has been increased to R134 217 000	N/A	N/A	Increase revenue to R100 000 00 Million by June 2023	Achieved	R100231858
	To prepare Supplementary valuation roll for rating purposes by June 2027	Administer and review Supplementary valuation roll	General valuation roll prepared by June 2024	Prepare General valuation by June 2024	Achieved		General valuation roll was prepared	N/A	N/A	Prepare supplementary valuation by June 2023	Achieved	1
	To increase collection of own revenue by June 2027	Implement credit control policy and financial recovery plan	Percentage of own revenue collected against total budget by June 2024	Collect R103 000 000 of own revenue against total budget by June 2024	Not Achieved	R94 468 509	R94 325 652 has been collected against total budget	Non payment of debtors	Quarterly rates collection campaigns to be conducted during 2024/2025 financial year	Collect R79 000 000 of own revenue against total budget by June 2023	Achieved	R88771734
	To promote and enhance financial viability by June 2027	Update registers	Number of registers prepared and reviewed by June 2024	Prepare and review 144 registers (payments, direct debits, fruitless and unauthorised expenditure, irregular expenditure, traffic fines issued, grants received, procurement requisitions, investment register, retentions register,	Achieved	144	144 registers have been Prepared and reviewed.	N/A	N/A	Prepare and review 120 registers (payments, direct debits, fruitless and wasteful expenditure, traffic fines issued, grants received, procurement requisitions, investment register, retentions register, WIP and Deviations register) by June 2023	Achieved	120

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
Expenditure Management	To strengthen internal controls, authorization and withdrawal payments of funds by June 2027	Implement financial procedures and expenditure management policy	Percentage progress towards payments of creditors within 30 days by June 2024	WIP and Deviations register) by June 2024 Pay 100% of creditors within 30 days of receiving invoice by June 2024	Achieved	100%	Creditors have been paid within 30 days	N/A	N/A	100% of creditors paid within 30 days of receiving invoice by June 2023	Achieved	100%
	To promote and enhance financial viability by June 2027	Submit VAT returns to SARS	Number of VAT 201 submitted to SARS by June 2024	Submit 12 VAT 201 to SARS by June 2024	Achieved	12	12 VAT 201s have been submitted to SARS	N/A	N/A	Submit 12 VAT 201 to SARS by June 2023	Achieved	12
			Number of EMP 201 submitted to SARS by June 2024	Submit 12 EMP 201 to SARS by June 2024	Achieved	12	12 EMP 201s have been submitted to SARS	N/A	N/A	Submit 12 EMP 201 to SARS by June 2023	Achieved	12
Asset Management	To manage municipality's assets for increased accountability and safe guarding by June 2027	Review and implement municipal asset management policy and procedures. Fleet Management Policy and financial Procedures.	Number of EMP 501 submitted to SARS by June 2024	Submit 2 EMP 501 to SARS by June 2024	Achieved	2	2 EMP 501 submitted to SARS	N/A	N/A	Submit 1 EMP 501 to SARS by June 2023	Achieved	1
			Fixed asset register compiled by June 2024	Compile Fixed Assets Register by June 2024	Achieved		Asset register compiled for the 2023/24 financial year	N/A	N/A	Compile Fixed Assets Register by June 2023	Achieved	1
			Percentage progress towards insuring of Municipal Assets by June 2024	Insure 100% of Municipal Assets by June 2024	Achieved	100%	All municipal assets are insured.	N/A	N/A	Insure 100% of Municipal Assets by June 2023	Achieved	100%
			Number of stock counts conducted by June 2024	Conduct 12 Stock counts by June 2024	Achieved	12	Conduct 12 Stock counts by June 2024	N/A	N/A	Conduct 12 Stock counts by June 2023	Achieved	12

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 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 2027	Develop and monitor Budget Process Plan and Implementation of the MTREF Budget	2024/2027 MTREF Budget prepared, approved by Council and submitted to NT and PT by June 2024	Prepare and facilitate approval of 2024/2027 MTREF Budget and submission to PT and NT by June 2024	Achieved		2024/2027 MTREF Budget have been Prepared, approved by Council and submitted to Treasury.	N/A	N/A	Prepare and facilitate approval of 2023/2026 MTREF Budget and submission to PT and NT by June 2023	Achieved	1
			Implementation of 2023/2024 MTREF Budget monitored by June 2024	Monitor Implementation of 2023/2024 MTREF Budget by June 2024	Achieved		Implementation of 2023/2024 MTREF Budget has been Monitored.	N/A	N/A	Monitor Implementation of 2022/2023 MTREF Budget by June 2023	Achieved	1
			2023/2024 1st and 2nd adjustment budgets prepared, approved by council and submitted to NT and PT by June 2024	Prepare 2023/2024 1st and 2nd adjustment budgets, facilitate approval by Council and co-ordinate submission to NT and PT by June 2024	Achieved		2023/2024 1st and 2nd adjustment budgets have been Prepared, approved by Council and submitted to Treasury.	N/A	N/A	Prepare 2022/2023 1st and 2nd adjustment budgets, facilitate approval by Council and co-ordinate submission to NT and PT by June 2023	Achieved	2
			Annual Financial Statements prepared and submitted to AG by 31 August 2023	Prepare and submit 2022/2023 Annual Financial Statements to AG by 31 August 2023	Achieved		2022/2023 Annual Financial Statements have been Prepared and submitted to AG by 31 August 2023.	N/A	N/A	Prepare and submit 2021/2022 Annual Financial Statements to AG by 31 August 2022	Achieved	1

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
	To enhance financial viability by June 2027	Implement financial procedures	Number of Section 71 reports developed, reviewed and submitted to the Mayor, Provincial Treasury and National Treasury by June 2024	Develop & review 12 section 71 reports and submit to the Mayor, PT and NT by June 2024	Achieved	12	12 section 71 reports have been developed, reviewed and submitted to the Mayor and Treasury.	N/A	N/A	Develop & review 12 section 71 reports and submit to the Mayor, PT and NT by June 2023	Achieved	12
			Number of section 52(d) reports developed and submitted by June 2024	Develop and submit 4 section 52 (d) reports by June 2024	Achieved	4	4 section 52 (d) reports were developed and submitted to Council for approval.	N/A	N/A	Develop and submit 4 section 52d reports by June 2023	Achieved	4
			Number of Section 72 reports developed and approved by Council in January 2024	Develop 1 section 72 report and facilitate approval by Council in January 2024	Achieved	1	1 section 72 report was Developed and approved by Council.	N/A	N/A	Develop section 72 report and facilitate approval by Council in January 2023	Achieved	1

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
Supply Chain Management	To ensure effective, efficient and transparent SCM processes by June 2027	Annually Review and implement SCM policy and procedures	Number of reconciliations prepared and approved by June 2024	Prepare, review and approve 168 reconciliations (Bank, Unspent Conditional Grants, Debtors, Property Rates, Asset Additions, WIP, VAT, Creditors Control Account, Payroll Expenditure, Payroll Control Account, Net Pay Control Account, Inventory and Retentions) by June 2024	Achieved	168	168 reconciliations were prepared, reviewed and approved.	N/A	N/A	Prepare, review and approve 156 reconciliations (Bank, Unspent Conditional Grants, Debtors, Property Rates, Asset Additions, WIP, VAT, Creditors Control Account, Payroll Expenditure, Payroll Control Account, Inventory and Retentions) by June 2023	Achieved	156
			Number of SCM annual reports prepared and submitted to Council and Provincial Treasury by June 2024	Prepare and submit 1 SCM Annual report to Council and Provincial Treasury within 30 days after the financial year end 2022/2023	Achieved	1	SCM Annual report for 2022/23 was submitted to Council and Treasury within 30 days after financial year end 2022/23	N/A	N/A	Prepare and submit 1 SCM Annual Report 30 days after the financial year by June 2023	Achieved	1
			Number of SCM mid-term report prepared and submitted to Council and Provincial Treasury by June 2024	Prepare and submit 1 SCM mid-term report to Council and Provincial Treasury by 25 January 2024	Achieved	1	SCM mid-term report submitted to Council and Provincial Treasury.	N/A	N/A	Prepare and submit SCM mid-term report to Council and Provincial Treasury by 25 January 2023.	Achieved	1
			Number of SCM quarterly reports prepared and submitted to Council and Provincial Treasury by June 2024	Prepare and submit 4 SCM quarterly reports (SCM Regulation 6(1)(3)) to Council and Provincial Treasury within 10 working day after each quarter by June 2024.	Achieved	4	4 SCM quarterly reports have been submitted to Council and Treasury within 10 working days after each quarter.	N/A	N/A	Prepare and submit 4 SCM quarterly reports to Council and Provincial Treasury within 10 working day after each quarter by June 2023.	Achieved	4

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
			2024/2025 Procurement Plan developed by June 2024	Co-ordinate development of 2024/2025 procurement plan by June 2024	Achieved		Procurement plan for 2024/25 has been developed and approved.	N/A	N/A	Co-ordinate development of 23/2024 procurement plan by June 2023	Achieved	1
			2023/2024 Procurement Plan implemented by June 2024	Implement 2023/2024 Procurement Plan by June 2024	Achieved		Procurement plan for 2023/24 has been implemented.	N/A	N/A	Implement 2022/2023 Procurement Plan by June 2023	Not Achieved	0
			Number of Contracts and commitments registers prepared and reviewed by June 2024	Prepare and review 4 contracts & commitments registers by June 2024	Achieved	4	4 contracts and commitments registers were prepared and reviewed.	N/A	N/A	Prepare and review 4 contracts & commitments registers by June 2023	Achieved	4
			Number of performance assessment of service providers appointed by the Institution conducted by June 2024	Conduct 4 quarterly performance assessment of appointed service providers by June 2024	Achieved	4	4 Vendor performance assessments were conducted.	N/A	N/A	Conduct 4 quarterly performance assessment of service providers appointed by the Institution by June 2023	Achieved	4
KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT												
Indigent Support	To provide support to indigent beneficiaries in line with the indigent policy by June 2027	Update indigent register	Number of 2023/2024 indigent register updated with beneficiaries by June 2024	Update 2023/2024 indigent register with 10 000 beneficiaries by June 2024	Achieved	10045	Indigent register has been updated with 10 040 new beneficiaries	N/A	N/A	Update 2022/2023 indigent register with 10 000 beneficiaries by June 2023	Achieved	10528
KPA: LOCAL ECONOMIC DEVELOPMENT												
SMME'S	To provide support to SMMEs and Farmers through implementation of incubation programmes for sustainability by June 2027	Facilitate establishment of cooperative development centre	Number of SCM awareness sessions for SMME conducted by June 2024	Conduct 1 SCM awareness session to SMMEs by June 2024	Achieved	1	SCM awareness was conducted on the 11 April 2024	N/A	N/A	Conduct SCM awareness to SMMEs by June 2023	Achieved	1

## COMPLIANCE AND GOVERNANCE

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
<b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>												
<b>Internal Audit</b>	To provide an independent assurance and consulting activities designed to add value and improve the organisational operations by June 2027	Annually review Audit Committee Charter, Internal Audit Charter and methodology	Number of Audit Committee Charter reviewed and approved by June 2024	Review and facilitate Council approval of 1 Audit Committee Charter by June 2024	Achieved	1	The Audit Committee charter was approved by Council on the 27 July 2023	N/A	N/A	Review and facilitate Council approval of 1 Audit Committee Charter by June 2023	Achieved	1
			Number of Internal Audit Charter and Methodology reviewed and approved by June 2024	Review and facilitate approval of 1 Internal Audit Charter and Methodology by June 2024	Achieved	1	Internal Audit Plan and Methodology was approved by Audit Committee on the 20 July 2023	N/A	N/A	Review and facilitate approval of 1 Internal Audit Charter and Methodology by June 2023	Achieved	1
			Number of Internal audit plan developed and approved by June 2024	Develop and facilitate approval of internal audit plan by June 2024	Achieved	1	The Internal Audit Plan was approved by the Audit Committee on the 20 July 2023	N/A	N/A	Develop and facilitate approval of internal audit plan by June 2023	Achieved	1
			Number of Internal audit plan implemented by June 2024	Implement of internal audit plan by June 2024	Achieved	1	All audit planned for the year have been completed.	N/A	N/A	Implement internal audit plan by June 2023	Achieved	1
<b>Audit Committee</b>	To provide an independent oversight on the functionality of the municipality by June 2027	Quarterly review of reports by audit committee	Number of Audit committee meetings convened by June 2024	Convene 4 audit committee meetings by June 2024	Achieved	4	All four ordinary audit committee meetings were held 20 July 2023 25 October 2023 22 February 2024 24 April 2024	N/A	N/A	Convene 4 audit committee meetings by June 2023	Achieved	4
			Number of Performance Audit committee meetings convened by June 2024	Convene 2 performance audit committee meetings by June 2024	Achieved	2	The two performance audit committee were held 29 August 2023 22 January 2024	N/A	N/A	Convene 2 performance audit committee meetings by June 2023	Achieved	2
<b>Internal controls and Auditing</b>	To improve financial accountability for good financial governance by June 2027	Develop and implement audit action plan	Unqualified Audit opinion achieved by June 2024	Achieve unqualified Audit opinion by June 2024	Achieved		The municipality obtained unqualified Audit Opinion without findings for the 2022/2023 financial year	N/A	N/A	-	-	-

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
Risk Management	To maintain effective and efficient risk management and advise on strategies to minimise risk impact by June 2027	Review Risk Management Strategy, risk management committee charter	Risk management committee charter reviewed by June 2024	Review Risk management committee Charter by June 2024	Achieved		The Risk Management Committee Charter was reviewed and recommended by the Risk management Committee and it was approved by Council on 27 July 2023	N/A	N/A	Review and facilitate council approval of Risk management committee Charter by June 2023	Achieved	1
		Develop and implement the risk management implementation plan	Risk Management plan developed and approved by June 2024	Develop and approve risk management plan by June 2024	Achieved		The Risk Management Plan was developed and approved by the Risk Management Committee	N/A	N/A	Develop and facilitate approval of risk management plan by June 2023	Achieved	1
			Number of strategic and operational risk registers developed and approval facilitated by June 2024	Develop and facilitate approval of 1 2024/2025 strategic and 1 2024/2025 operational risk registers by June 2024	Achieved	1	A risk assessment workshop was conducted to develop the Strategic and fraud risk register. The operational risk registers were developed. The 2024/25 Strategic and Operational Risk Registers were approved by the Risk Management Committee	N/A	N/A	Develop and facilitate approval of 1 2022/2023 strategic and 1 2022/2023 operational risk registers by June 2023	Achieved	2
			2022/2023 and 2023/2024 strategic and operational risk registers reviewed, monitored and evaluated by June 2024	Review, monitor and evaluate the implementation of 2022/2023 and 2023/2024 strategic and operational risk registers quarterly by June 2024	Achieved		The reviews of the risk registers were conducted with all directorates to assess the progress of the mitigation strategies and identify emerging risks, for all 4 quarters. The report were prepared and presented to the Risk Management Committee and later to	N/A	N/A	Review, monitor and evaluate the implementation of 2021/2022 and 2022/2023 strategic and operational risk registers quarterly by June 2023	Achieved	2

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non Achievement	Corrective Action	2022/2023 Annual Target	Achieved/Not Achieved	Actual Performance
Policies	To co-ordinate policy development and policy review to guide decisions of the municipality and compliance of all the legislative prescripts by June 2027	Review of Institutional Policies	Number of risk management committee meetings convened by June 2024	Convene 4 risk management committee meetings by June 2024	Achieved	5	the Audit Committee by the Chairperson Risk Management Committee meetings were held as follows: <b>13 July 2023</b> <b>19 October 2023</b> <b>13 February 2024</b> <b>18 April 2024</b> <b>11 June 2024</b>	N/A	N/A	Convene 4 risk management committee meetings by June 2023	Achieved	4
			Number of Institutional Policies reviewed and approved by June 2024	Coordinate review and approval of 121 Institutional Policies by June 2024	Achieved	129	129 Institutional Policies were approved on the 30 May 2024	N/A	N/A	Coordinate review and approval of 100 Institutional Policies by June 2023	Achieved	121
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 2027	Develop Institutional Calendar on annual basis and ensure its implementation.  Develop and monitor Resolution Register	Number of Council Meetings monitored by June 2024	Monitor sitting of 4 Council Meetings by June 2024	Achieved	4	4 Council meetings were held on the the 27 July 2023, 31 October 2023, 24 Jan 2024 & 30 April 2024	N/A	N/A	Monitor sitting of 4 Council Meetings by June 2023	Achieved	4
			Percentage progress towards Implementation of Council resolutions monitored by June 2024	Monitor 100% implementation of Council resolutions by June 2024	Achieved	100%	100% implementation of council resolutions was done	N/A	N/A	Monitor 100% Implementation of Council resolutions by June 2023	Achieved	100%
			Number of Mayoral Committees meetings monitored by June 2024	Monitor sitting of 4 Mayoral committee meetings by June 2024	Achieved	4	4 Mayoral Committees were held on the 19 July 2023, 17 October 2023, 18 Jan 2024 & 23 April 2024	N/A	N/A	Monitor sitting of 4 Mayoral committee meetings by June 2023	Achieved	4

Priority Area	IDP Objective for 2022/2027	IDP Strategy	Indicator	Annual Target 2023/2024	Achieved/Not Achieved	Actual Performance	Comments and Way Forward	Reason for Non Achievement	Corrective Action	2022/2023 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 2027	Monitor the implementation of institutional legal Compliance Update and monitor case register	Percentage progress towards updating of case register by June 2024	Update 100% case register by June 2024	Achieved	100%	100% updated case registers has been submitted from the period of July 2023 to 30 June 2024	N/A	N/A	Update 100% case register by June 2023	Achieved	100%
			Number of meetings convened with instructed law firms by June 2024	Convene 4 meetings with instructed law firms by June 2024	Achieved	12	12 monthly meetings were convened during the period July 2023 to 30 June 2024.	N/A	N/A	Convene 4 meetings with instructed law firms by June 2023	Achieved	8
			Percentage progress towards provision of legal advice facilitated by June 2024	Facilitate 100% provision of legal advice by June 2024	Achieved	100%	100% provision of legal advice beginning from July 2023 to 30 June 2024 has been done and legal opinions during this period have been attached	N/A	N/A	Facilitate 100% provision of legal advice on Labour matters by June 2023	Achieved	100%
			Percentage progress towards review of municipal policies to ensure compliance with relevant legislations facilitated by June 2024	Facilitate 100% review of municipal policies to ensure compliance with relevant legislations by June 2024	Achieved	100%	100% review of municipal policies to ensure compliance from the period July 2023 and June 2024 has been done	N/A	N/A	Facilitate 100% review of municipal policies to ensure compliance with relevant legislations by June 2023	Achieved	100%
			Percentage progress of received legal invoices processed by June 2024	Process 100% legal invoices received by June 2024	Achieved	100%	100% legal invoices received by July 2023 and June 2024 have been submitted	N/A	N/A	Process 100% legal invoices received by June 2023	Achieved	100%
			Percentage progress towards organisational compliance with legislative prescripts by June 2024	Ensure 100% organisational compliance with legislative prescripts by June 2024	Achieved	100%	100% organisational compliance with legislative prescripts from the period July 2023 by June 2024 has been completed	N/A	N/A	Ensure 100% organisational compliance with legislative prescripts by June 2023	Achieved	100%

**COMPARISON OF PERFORMANCE BETWEEN 2022/2023 AND 2023/2024**

2022/2023 PERFORMANCE PER DIRECTORATE					2023/2024 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	49	38	11	78%	Infrastructural Development	43	40	3	93%
Community Services	27	25	2	93%	Community Services	18	18	0	100%
Local Economic Development and Planning	45	39	6	87%	Local Economic Development and Planning	47	43	4	91%
Strategic nagement	26	23	3	88%	Strategic Management	23	23	0	100%
Corporate Services	27	26	1	96%	Corporate Services	21	21	0	100%
Budget and Treasury Office	34	33	1	97%	Budget Treasury Office	28	27	1	96%
Compliance and Governance	23	23	0	100%	Compliance and Governance	22	22	0	100%
<b>TOTALS</b>	<b>231</b>	<b>207</b>	<b>24</b>	<b>90%</b>	<b>Total</b>	<b>202</b>	<b>194</b>	<b>8</b>	<b>96%</b>

## COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

### 4.1 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	: 456
○ Total number filled as at the beginning of the financial year	: 418
○ Total number vacant as at the beginning of the financial year	: 38
○ Total number of terminations (Deceased, resigned, retired, dismissed)	: 35
○ Number employed in the financial year	: 52
○ Total number of positions as at year end	: 435

**Labour Relations Function:** In 2023/2024 financial year, 5 Local Labour Forum meetings and 4 Technical LLF meetings were held. The following issues were discussed between the employer and the employee:

- Consultation on the following:
  - 2024/2025 organogram reviews with municipal stakeholders
  - Consultation of the 2024/2025 municipal review policies with municipal stakeholders
  - Development of the 2024-2027 Employment Equity Plan
  - Development of the 2024-2027 Human Resources Plan
- Implementation of Job evaluation results
- Implementation of Salary and Wage increases for 2023/2024
- 2024/2025 WSP/ATP approved for submission to LGSETA
- Continuation LLF Subcommittee meeting
- Update on Labour cases conducted during 2023/2024
- Progress Report on Health and Safety working conditions of employees
- Update on trainings conducted

❖ Total number of Disciplinary cases	= 29
✓ Number of cases resolved	= 29

**Occupational Health and Safety:** In 2023/2024 the following activities were performed by the municipality:

- Conducted health and safety inspections to all the Municipal buildings
- Developed and approved 2023/2024 OHS Plan and implemented.
- Appointed SHE Representatives as per workplaces and inducted by the Department of Employment and Labour.
- Conducted awareness campaigns
- Conducted Risk Assessment for all worksites within the municipality
- Submitted Return earnings for 2023/2024 Financial year and the municipality is now in good standing
- Appointed First Aiders as per General Safety Regulation 3(1) in compliance with the requirements of Occupational Health and Safety act.
- Appointed Fire Marshals as per the requirements of Occupational Health and Safety act 85 of 1993.
- Managed incidents through reporting and investigation as per the requirements of Health section 24 of Occupational Health and Safety Act 85 of 1993.
- Provided Personal Protective Equipment has been procured for service delivery Directorates in line with the provisions of the act.
- Conducted Medical Surveillance for employees who are mostly exposed to hazards i.e Infrastructure and Community Services employees.
- Conducted Health and Safety Committee Meetings in line with the provisions of OHS Act.

**Employee Wellness:** During the financial year 2023/2024 the following Employee Wellness programmes were conducted:

#### PROGRAMMES

- Wellness Plan was developed and approved and policy workshop conducted
- Women liberation for all female employees was conducted
- Spring Day event was conducted for all employees in celebration of spring day
- Cancer educational awareness was conducted for all MLM employees
- Sports tournament was hosted with other Local Municipalities
- World Aids Day Commemoration was held in collaboration with "We Care NGO

- Physical Empowerment for all MLM employees was conducted as well as policy workshop through employee relations
- STI & Condom education
- Pre- Easter Prayer and Amazwi Asixhenxe Phezu Komnqamlezo was conducted for all employees and councillors
- Health screening for employees was conducted
- Financial Empowerment and Induction for newly appointed employees was conducted as well as EAP (Employee Assistance Program) was conducted for satellites
- Drug educational awareness for employees was conducted

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

○ Total Number of councilors trained	= 25
○ Total Number of MM & Senior Managers	= 06
○ Total Number of Managers	=22
○ Total Number of Officers	= 65
○ Total Number of Clerks	= 50
○ Total Number of Foreman and Artisans	= 07
○ Total Number of Plant Operators	= 12
○ Total Number of General Workers	= 21
<b>TOTAL</b>	<b>= 208</b>

**Employment Equity:**

- The municipality developed the 2024-2027 Employment Equity Plan in 2023/2024 financial year.
- Employment Equity Report was submitted to Department of Labour by the 15<sup>th</sup> January 2024

## 4.2 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

### EMPLOYEE TOTALS

Description	Year 2023/2024			
	Approved Posts No.	Filled Positions No.	Vacancies	Budgeted and Filled current year
Municipal Manager's Office	12	11	1	11
Corporate Services Directorate	87	86	1	86
Budget and Treasury Office	50	43	7	43
Community Services Directorate	199	195	4	195
Infrastructural Development Directorate	64	59	5	59
Strategic Management Directorate	28	27	1	27
Local Economic Development and Planning	16	14	2	14
<b>Totals</b>	<b>456</b>	<b>435</b>	<b>21</b>	<b>435</b>

Designations	Vacancy Rate		
	*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	12	0,8	1
Corporate Services Directorate	87	0,6	1
Budget and Treasury Office	50	0,7	7
Community Services Directorate	199	0,6	4
Infrastructural Development Directorate	64	0,5	5
Strategic Management Directorate	28	0,9	1
Local Economic Development and Planning	16	0,5	2
<b>Totals</b>	<b>456</b>	<b>4,6</b>	<b>21</b>

Vacancy Rate: Year 2023/2024			
Designations	Total Approved Posts	Vacancies (Total time that vacancies exist using fulltime equivalents)	Vacancies (as a proportion of total posts in each category)
Municipal Manager	1	0	0
CFO	1	0	0
Other S56 Managers (excluding Finance Posts)	5	0	0
Other Managers (Finance posts)	6	0,4	2
Police officers	53	0,9	6
Fire fighters	N/A	N/A	N/A
Senior management: Levels 13-15 (excluding Finance Posts)	27	0,9	1
Senior management: Levels 13-15 (Finance posts)	6	0	0
Highly skilled supervision: levels 9-12 (excluding Finance posts)	118	0,9	5
Highly skilled supervision: levels 9-12 (Finance posts)	14	0,7	2
Semi –skilled and elementary levels 3-9	225	0,8	5
<b>Total</b>	<b>456</b>	<b>4,6</b>	<b>21</b>

Staff Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
Year -2023/2024	418	35	8,4%
Year -2022/2023	408	24	5,9%

#### COMMENT ON VACANCIES AND TURNOVER

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

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

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.

### 4.3 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.	Acting allowance policy	100	100%	18 November 2009	23 May 2024
2.	Code of Conduct for employees	100	100%	18 November 2009	23 May 2024
3.	Disciplinary Code and Procedures	100	100%	None - SALGBC Collective	23 May 2024
4.	Attraction and retention policy	100	100%	18 November 2009	23 May 2024
5.	Bereavement policy	100	0%	31 March 2014	23 May 2024
6.	Car allowance policy	100	100%	13 March 2009	23 May 2024
7.	Cellphone Allowance policy	100	0%	13 March 2009	23 May 2024
8.	Delegation of authority policy	100	100%	23 March 2009	23 May 2024
9.	Dress code policy	100	100%	23 March 2009	23 May 2024
10.	Employment equity plan	100	100%	23 May 2024	-
11.	Employment equity policy	100	100%	23 March 2009	23 May 2024
12.	Induction, training and staff orientation policy	100	100%	13 March 2009	23 May 2024
13.	Leave policy	100	100%	30 June 2008	23 May 2024
14.	Recruitment and Selection policy	100	100%	12 September 2007	23 May 2024
15.	Occupational health and safety policy	100	100%	18 November 2009	23 May 2024
16.	Private work and Declaration of interest policy	100	100%	July 2013	23 May 2024
17.	Provision and maintenance of municipal offices policy	100	100%	23 March 2009	23 May 2024
18.	Records management policy	100	100%	July 2013	23 May 2024
19.	Stand- by, Night work, shift allowance and overtime policy	100	100%	23 March 2009	23 May 2024
20.	Sport and recreation policy	100	100%	12 September 2007	23 May 2024
21.	Termination of service policy	100	100%	12 September 2007	23 May 2024
22.	Work attendance punctuality policy	100	100%	13 March 2009	23 May 2024
23.	Task job evaluation policy	100	100%	29 March 2009	23 May 2024
24.	Subsistence and Travelling Allowance policy	100	100%		23 May 2024
25.	Human Resource Plan	100%	100%	23 May 2024	-

#### 4.4 INJURIES AND SICKNESS

Salary Band	Total Sick Leave Days	Employees using sick leave	Total employees in the post	Average sick leave per employee	Estimated Cost
Lower Skilled (levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	538	118	109	1,21	651,90
Highly Skilled supervision (levels 6-8)	899	208	161	2,02	1,820,27
Highly Skilled Supervision (levels 9-12)	688	212	119	1,55	1,066,99
Senior Management (levels 13-19)	191	62	48	0,43	82,16
MM and S56	660	0	7	1,26	706,31
<b>Total</b>	<b>2876</b>	<b>600</b>	<b>444</b>	<b>6,48</b>	<b>4,326,73</b>

#### 4.5 SUSPENSIONS/ DSCILINARY ENQUIRIES

Initial & Surname	Position/Rank	Nature of Alleged Misconduct	Date of Disciplinary Hearing	Out Come of Case
T. Jama	Office Assistant	Abscondment from duty	18/08/2023	Final Written Warning and referred to Wellness Programme
K. Gwantshu	Security Officer	Negligence	21/08/2023	Written Warning
N. Zawula	Security Officer	Negligence	21/08/2023	Written Warning
N. Rata	Security Officer (EPWD)	Negligence	21/08/2023	Written Warning
Z. Mpangeva	Security Officer	Being under the influence of alcohol on duty	21/08/2023	Deceases (File Closed)
M Mlondleni	Manager Small Enterprise Development	Gross misconduct and negligence	06/09/2023 & 04/10/2023	Final Written Warning and payment cost for loss of municipal machinery
N. Mbongwana	Manager Tourism, Heritage & Hospitality	Non-compliance with General Conditions of Contract and Gross dishonesty	07/09/2023 & 06/10/2023	Final Written Warning and payment cost for poor workmanship
M. Maphazi	Manager Investment Promotion & Marketing	Misuse of municipal vehicle, non-compliance on Fleet Management Policy, Gross insubordination, negligence and Insolence	5/09/2023 & 04/10/2023	Dismissal
B. Ngqobe	Road Technician	Being under the influence of alcohol on duty and gross insubordination	15/09/2023	Final Written Warning
L. Zabesitsho	Tipper Truck Driver	Misuse and damaged of the Municipal Tipper Truck, and Gross dishonesty	09/09/2023	Dismissal
V. Mjayezi	Manager Expenditure & Payroll	Gross misconducts	24/10/2023	Final Written Warning and Demotion
B. Mbambani	Stores Officer	Gross misconducts	26/10/2023	Dismissal
N. Qakala	Principal Security Officer	Gross misconducts	30/10/2023, 21/11/2023, 23/11/2023, 12/12/2023 & 11/01/2024	Written Warning
T. Mwahla	Principal Security Officer	Gross misconducts	30/10/2023, 16/11/2023 & 02/04/2024	Verbal Warning

Initial & Surname	Position/Rank	Nature of Alleged Misconduct	Date of Disciplinary Hearing	Out Come of Case
L. Poswa	Electrical Technician	Gross misconducts	31/10/2023	Dismissal
L. Macamba	Security Officer	Being under the influence of alcohol on duty	02/11/2023	Final Written Warning and implementation of No work no pay for absented days
E. Sondaba	Security Officer	Gross misconducts	02/11/2023 & 22/11/2023	Dismissal
N. Zonke	Semi-Skilled Electrician	Being under the influence of alcohol on duty and Gross Insubordination	13/11/2023 & 20/11/2023	Final Written Warning
S. Zembe	General Assistant-Park & Garden	Being under the influence of alcohol	17/11/2023	Final Written Warning and referred to wellness programs
S. Mzolo	Supervisor-Solid Waste Ngqamakhwe	Absenteeism	13/12/2023	Final Written Warning
F. Bonga	Manager Public Participation	Absenteeism	07/11/2023	Dismissal
S. Jamjam	Manager Council Speaker	Gross Misconduct	31/01/2024	Final Written Warning
A Mhlana	Semi-s-Skilled Painter	Incapacity: Impossibility to perform the duties	30/01/2024	Dismissal
N. Mashicolo	Peace Officer	Absenteeism	01/02/2024	Dismissal
S. Mashalaba	General Assistant	Abscondment and Absenteeism	08/03/2024	Dismissal
T. Ntozini	Cemetery Caretaker	Abscondment	06/03/2024	Dismissal
<b>ARBITRATION DISPUTES</b>				
Name	Rank & Level	Nature of Dispute	Date of the arbitration hearing	Outcome
SAMWU obo N. Mhini	SCM Manager	Unfair Dismissal	24/11/2023 & 22/01/2024	The matter remains unresolved
IMATU obo B. Mbambani	Stores Officer	Unfair Dismissal	14/03/2024, 17/05/2024/ & 22/07/2024	The matter remains unresolved
SAMWU obo M. Maphazi	Manager Investment Promotion & Marketing	Unfair Dismissal	26/06/2024	The matter remains unresolved

#### 4.6 PERFORMANCE REWARDS

Performance Rewards				
Designations	Beneficiary profile			
	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2023/2024 R' 000	Proportion of beneficiaries within group %
Municipal Manager	1	1	213 750.99	13%
Director Infrastructural Development	1	1	147 843.37	11%
Director Community Services	1	1	161 283.67	12%
Director Local Development and Planning	1	1	161 283.66	12%
Director Strategic Management	1	1	161 283.66	12%
Director Corporate Services	1	1	43 680.99	13%
Chief Financial Officer	1	1	161 283.66	12%
Senior Accountant	1	1	145 318.75	12%
Legal Advisor	1	1	91 833.36	12%
<b>Has the statutory municipal calculator been used as part of the evaluation process?</b>				<b>Yes</b>

## 4.7 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix													
Management level	Gender	Employees in post as of 30 June 2024	Number of skilled employees required and actual as at 30 June 2024										
			Learner ships			Skills programmes & other short courses			Other forms of training				
			Actual: End of Year 2022/23	Actual: End of 2023/24	Year Target	Actual: End of Year 2022/23	Actual: End of 2023/24	Year Target	Actual: End of Year 2022/23	Actual: End of 2023/24	Year Target	Actual: End of Year 2022/23	Actual: End of 2023/24
No.													Year 2023/24 Target
MM and s56	Female	2	0	0	1	1	2	2	0	2	0	3	2
	Male	5	2	2	2	3	5	5	0	2	0	11	5
Councillors, senior officials and managers	Female	35	21	20	15	19	25	15	0	4	0	33	49
	Male	43	12	27	10	9	25	31	0	2	0	30	54
Technicians and associate professionals*	Female	12	0	2	2	1	2	2	0	0	0	2	4
	Male	15	0	2	3	2	4	10	0	0	0	5	6
Professionals	Female	52	3	18	20	13	15	25	0	3	0	31	36
	Male	39	9	20	35	11	12	15	0	0	0	30	32
Clerks	Female	22	4	41	25	12	11	10	0	0	0	14	66
	Male	7	2	12	8	3	7	4	0	0	0	11	19
Service and sales workers	Female	24	15	0	3	10	3	7	0	0	0	3	3
	Male	13	3	2	2	5	2	2	0	0	0	4	4
Plant and machine operators and assemblers	Female	11	1	0	0	0	0	0	0	0	0	0	0
	Male	28	9	0	0	7	12	7	0	0	0	7	12
Elementary occupations	Female	22	11	0	0	7	8	4	0	0	0	7	8
	Male	104	14	0	0	05	13	9	0	0	0	5	13
Sub total	Female	180	67	81	26	71	86	5	0	9	0	80	80
	Male	253	42	65	33	49	73	67	0	4	0	79	79
Total		435	215	146	210	240	159	218	0	13	0	364	364

Skills Development Expenditure										
Management level	Gender	Employees as at the beginning of the financial year No.	Original Budget and Actual Expenditure on skills development Year 2023/2024		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
VM and S57	Female	2	60,000.00	60,000.00	100,000.00	80,000.00	0	0	160,000.00	140,000.00
	Male	5	150,000.00	80,000.00	100,000.00	50,000.00	0	0	250,000.00	130,000.00
Legislators, senior officials and managers	Female	35	60,000.00	60,000.00	100,000.00	25,000.00	0	0	160,000.00	85,000.00
	Male	43	60,000.00	70,000.00	90,000.00	20,000.00	0	0	115,000.00	90,000.00
Professionals	Female	47	100,000.00	60,000.00	50,000.00	40,000.00	0	0	150,000.00	100,000.00
	Male	39	20,000.00	20,000.00	30,000.00	35,000.00	0	0	50,000.00	55,000.00
Technicians and associate professionals	Female	12	25,000.00	30,000.00	30,000.00	30,000.00	0	0	55,000.00	60,000.00
	Male	15	25,000.00	40,000.00	50,000.00	35,000.00	0	0	75,000.00	75,000.00
Clerks	Female	22	30,000.00	15,000.00	60,000.00	30,000.00	0	0	90,000.00	45,000.00
	Male	07	15,000.00	10,000.00	30,000.00	35,000.00	0	0	45,000.00	45,000.00
Service and sales workers	Female	22	30,000.00	20,000.00	40,000.00	20,000.00	0	0	70,000.00	40,000.00
	Male	13	15,000.00	15,000.00	30,000.00	30,000.00	0	0	45,000.00	45,000.00
Plant and machine operators and assemblers	Female	10	30,000.00	25,000.00	40,000.00	35,000.00	0	0	70,000.00	60,000.00
	Male	22	40,000.00	40,000.00	35,000.00	30,000.00	0	0	75,000.00	70,000.00
Elementary occupations	Female	102	70,000.00	60,000.00	60,000.00	35,000.00	0	0	130,000.00	95,000.00
	Male	22	40,000.00	20,000.00	100,000.00	60,000.00	0	0	140,000.00	80,000.00
<b>Total</b>		<b>418</b>	<b>725,000.00</b>	<b>625,000.00</b>	<b>845,000.00</b>	<b>525,000.00</b>	<b>0</b>	<b>0</b>	<b>1,680,000.00</b>	<b>1,215,000.00</b>

## COMPONENT B: MANAGING THE WORKFORCE EXPENDITURE

In the year under review, the salaries budget has increased by 10% compared to 2023 salaries. This is due to the budget for increment of salaries and budget for filling of critical vacant positions. The municipality has also made use of EPWP funding in order to beef up personnel on those special projects rather than creating new positions as that will increase the salaries budget.

LINE ITEM	2021-2022	2022-2023	2023-2024
Employee Related Costs Expenditure	R 211 734 000	R234 034 000	R 260 310 000

Growth on salaries and wages is based on salary and wage collective agreement and determination of upper limits.

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Cashiers	12	06	08	There were no deviations
Debt management Accountant	04	11	12	There were no deviations
Fleet Control Officer	02	11	12	There were no deviations
Stores Controller	01	09	10	There were no deviations
Junior Accountants Asset Management	02	06	10	There were no deviations
Asset Management Accountant	01	11	12	There were no deviations
Financial Reporting Accountant	01	11	12	There were no deviations
Junior Accountant Financial Reporting	01	10	11	There were no deviations
SCM Practitioner	03	07	08	There were no deviations
Demand Officer	01	11	12	There were no deviations
SCM Practitioner	03	07	08	There were no deviations
Manager Supply Chain Management	01	16	18	There were no deviations
Salaries Administrator	01	08	08	There were no deviations
Payroll Accountant	01	11	14	There were no deviations
Expenditure Filling Clerk	01	06	06	There were no deviations
Council Committee Secretary	04	07	09	There were no deviations
Senior Council & Committee Secretary	01	10	12	There were no deviations
System Administrator	01	12	13	There were no deviations
HR Assistant: Benefits	01	05	09	There were no deviations
HR Officer: Benefits	01	10	11	There were no deviations

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Skills Development Officer	01	11	12	There were no deviations
HR Assistant: Recruitment	02	05	10	There were no deviations
Manager Administration	01	16	17	There were no deviations
Administration Assistant: MM Office	01	06	09	There were no deviations
MM Personnel Assistant	01	08	13	There were no deviations
Supervisor Public Amenities	01	06	08	There were no deviations
Facilities Officer	01	09	11	There were no deviations
Chief Security Officer	01	11	12	There were no deviations
Traffic Officers	14	08	09	There were no deviations
Chief Traffic Officer	03	11	12	There were no deviations
Manager Security Services	01	14	15	There were no deviations
Chief Administration Officer	01	11	12	There were no deviations
Principal Security	04	08	09	There were no deviations
Loaders	08	03	04	There were no deviations
Superintended Solid Waste	01	11	13	There were no deviations
Chief Solid Waste Officer	02	12	13	There were no deviations
Supervisor Cemeteries	01	06	08	There were no deviations
eNatis Filling Clerk	01	06	08	There were no deviations
Chief Administration Officer	01	07	12	There were no deviations
Supervisor Solid Waste	05	06	08	There were no deviations
Chief Solid Waste Officer	02	12	13	There were no deviations
Chief Law Enforcement	01	11	12	There were no deviations
Executive Secretaries	06	07	08	There were no deviations
EPWP Coordinator	01	11	12	There were no deviations
Electrical Technician	01	11	12	There were no deviations
San	05	06	07	There were no deviations
Urban & Regional Planner	01	10	14	There were no deviations
Business Development Officer	02	10	11	There were no deviations
PA: Executive Mayor	01	08	12	There were no deviations

The municipality embarked on a Job Evaluation process and results were obtained and implemented from 2022/2023 financial year. The employees whose salary levels exceeded the Grade determined by the latest Job Evaluation were graded by the previous Job Evaluation hence there were no deviations.

## CHAPTER 5 – FINANCIAL PERFORMANCE

### COMPONENT A: FINANCIAL STATEMENT

#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE: REVENUE AND EXPENDITURE

Description	Budget Year 2023/24				
	Adjusted Budget R'000	YearTD actual R'000	YearTD budget R'000	YTD variance R'000	YTD variance %
<b>R thousands</b>					
<b>Revenue</b>					
Service charges - Waste management	5,232	8,645	5,232	3,413	65%
Sale of Goods and Rendering of Services	633	868	633	234	37%
Agency services	2,616	2,517	2,616	(99)	-4%
Interest earned from Receivables	15,280	16,687	15,280	1,407	9%
Interest from Current and Non-Current Assets	9,000	21,213	9,000	12,213	136%
Rental from Fixed Assets	4,985	5,491	4,985	506	10%
Operational Revenue	153	1,009	153	856	559%
Property rates	64,061	68,091	64,061	4,029	6%
Surcharges and Taxes	–	143	–	143	0%
Fines, penalties and forfeits	7,198	7,446	7,198	248	3%
Licence and permits	1,320	2,107	1,320	787	60%
Transfers and subsidies - Operational	348,991	345,829	348,991	(3,161)	-1%
Gains on disposal of Assets	1,315	–	1,315	(1,315)	-100%
Other Gains	5	–	5	(5)	-100%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>460,790</b>	<b>480,045</b>	<b>460,790</b>	<b>19,255</b>	<b>4%</b>

Description	Budget Year 2023/24				
	Adjusted Budget R'000	Year TD actual R'000	Year TD budget R'000	YTD variance R'000	YTD variance %
<b>R thousands</b>					
<b>Expenditure By Type</b>					
Employee related costs	236,995	219,466	236,995	(17,530)	-7%
Remuneration of councillors	31,232	32,751	31,232	1,519	5%
Inventory consumed	4,808	4,700	4,808	(108)	-2%
Debt impairment	13,542	-	13,542	(13,542)	-100%
Depreciation and amortisation	283,615	-	283,615	(283,615)	-100%
Interest	1,861	190	1,861	(1,672)	-90%
Contracted services	68,223	50,440	68,223	(17,783)	-26%
Transfers and subsidies	12,051	7,171	12,051	(4,880)	-40%
Irrecoverable debts written off	13,044	5,255	13,044	(7,789)	-60%
Operational costs	59,220	46,455	59,220	(12,766)	-22%
Losses on Disposal of Assets	26,245	-	26,245	(26,245)	-100%
Other Losses	-	224	-	224	0%
<b>Total Expenditure</b>	<b>750,837</b>	<b>366,650</b>	<b>750,837</b>	<b>(384,187)</b>	<b>-51%</b>

## 5.2 GRANTS RECEIVED DURING 2023/2024 FINANCIAL YEAR

The municipality on a yearly basis is allocated funds from the Division of Revenue Act (DoRA) and also receives additional grant funding from various provincial government departments. The DORA grants are paid out in 3 tranches in July, December and March annually. The municipality has received grants amounting to R 436 803 511 as at 30 June 2024. All allocations have been received in full as per the amounts allocated to the municipality.

Below is the detail of grants received to date.

Name of Grant	DoRA Allocation	YTD Actual	Variance
Municipal Infrastructure Grant (MIG)	77,124,000	77,124,000	-
Minerals & Energy (INEP)	10,700,000	10,700,000	-
Equitable share	323,763,000	323,763,000	-
Finance Management Grant (FMG)	1,900,000	1,900,000	-
Expanded Public Works Programme (EPWP)	1,512,000	1,512,000	-
Name of the Grant	Department Allocation	YTD Actual	Variance
Local Government Sector for Education and Training Authority (LGSETA)	1,148,934	1,148,934	
Office of the Premier	11,530,577	11,530,577	
Municipal Disaster Relief	8,625,000	8,625,000	
Department of Sport, Recreation, Arts and Culture (DSRAC)	500,000	500,000	-
<b>TOTAL</b>	<b>436,803,511</b>	<b>436,803,511</b>	<b>0</b>

### 5.3 ASSET MANAGEMENT

Asset Management involves 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.

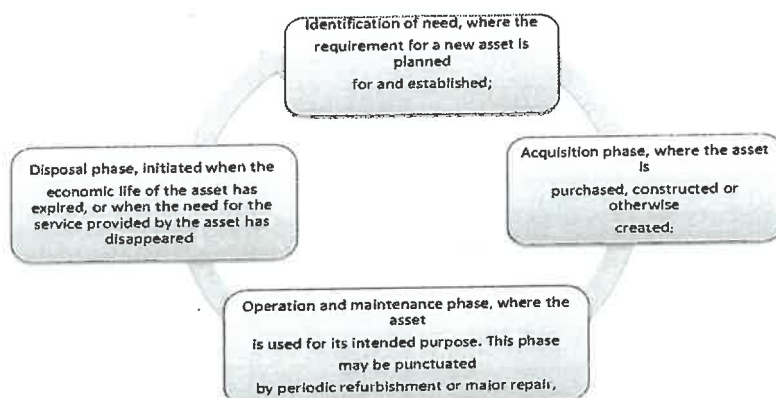
**Monitoring and reporting:** The municipal management oversee the utilization, safeguarding and maintenance of assets and the appropriate reporting for regulatory and decision purposes.

**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:



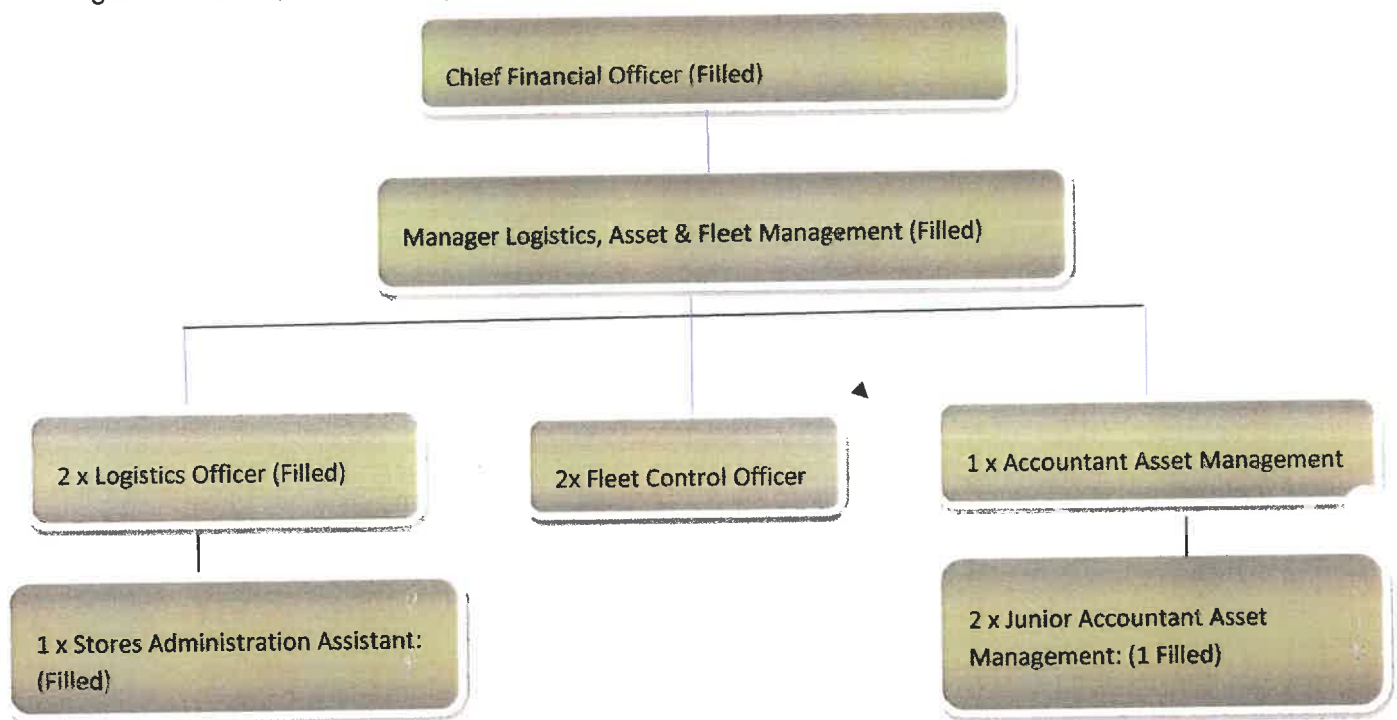
**Key issues under development:** During the year under review, asset verification is done as prescribed by GRAP standards and parts of the annual financial statements. Asset verification is done to ensure existence and completeness of the Asset Register. During verification, condition assessment is 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 2023/2024 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 2023/2024				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance	4 906 000	18 903 000	13 479 000	5 424 000

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

### CASH OR COST COVERAGE RATIO: NORM 1-3 MONTHS

	Jun-23	Jun-24	
	4 Month	6 Month	
Cash and cash equivalents	3,322,662	12,691,130	the more cash reserves a municipality, or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.
Unspent Conditional Grants	12,456,616	2,226,448	
Overdraft	-	-	
Short Term Investments	190,916,765	174,425,389	
Total Annual Operational Expenditure	592,070,861	400,450,629	

### CURRENT RATIO: NORM 1.5 –2.1

	Jun-23	Jun-24	
	4.43	5	
Current Assets	236,611,240	229,194,758	The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels
Current Liabilities	53,437,301	49,173,268	

### CREDITORS PAYMENT PERIOD: NORM 30 DAYS

	Jun-23	Jun-24	
	11 days	13 days	
Trade Creditors	6,767,429	10,552,644	The municipality takes 13 days to pay the creditors which is a good thing as to ensure compliance with 30 days payment period
Contracted Services	28,231,554	52,932,773	
Repairs and Maintenance	15,661,046	13,478,556	
General expenses	54,996,039	33,049,013	
Bulk Purchases	4,819,642	3,738,135	
Capital Credit Purchases ( <i>Capital Credit Purchases refer to additions of Investment Property and Property, Plant and Equipment</i> )	130,297,603	187,024,000	

**COLLECTION RATE: NORM 95%**

	Jun-23	Jun-24	
	73%	70%	
Gross Debtors closing balance	209,715,768	235,835,590	The municipality is below the norm of 95%. The municipality need to improve on implementation of Credit Control Policy.
Gross Debtors opening balance	186,810,044	209,715,768	
Bad debts written Off	3,377,392	5,028,491	
Billed Revenue	97,908,603	105,433,395	

**CAPITAL EXPENDITURE TO TOTAL EXPENDITURE: NORM 8%**

	Jun-23	Jun-24	
	18%	32%	
Total Operating Expenditure	592,070,861	400,450,629	The municipality has invested more on Construction of Municipal Offices which is a Capital project.
Taxation Expense	-	-	
Total Capital Expenditure	130,297,603	187,024,000	

**REPAIRS AND MAINTENANCE AS A % OF PPE AND INVESTMENT PROPERTY: NORM 8%**

	Jun-23	Jun-24	
	1%	1%	
Total Repairs and Maintenance Expenditure	15,661,046	13,478,556	The municipality still needs to improve on budgeting for repairs and maintenance to comply with the Norm
PPE at carrying value	2,101,205,859	1,921,374,052	
Investment Property at Carrying value	141,896,215	141,896,215	

**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.

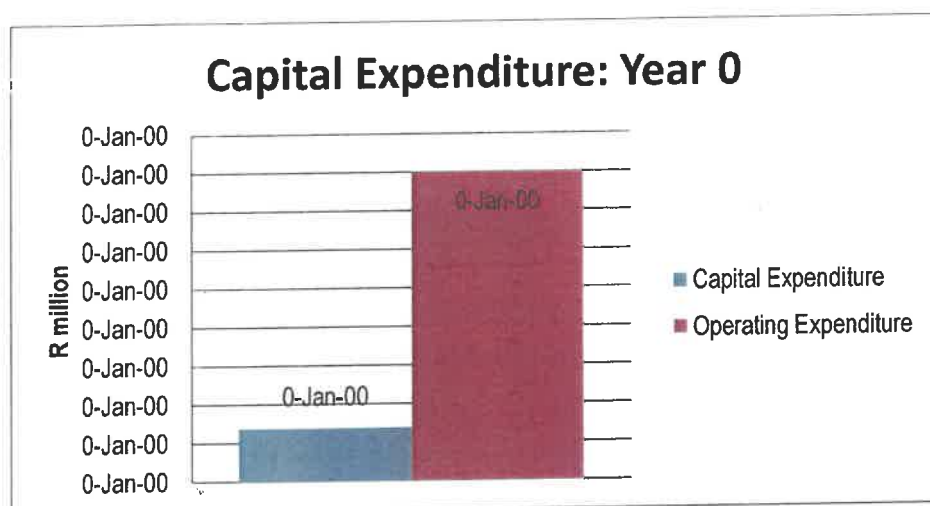
## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

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

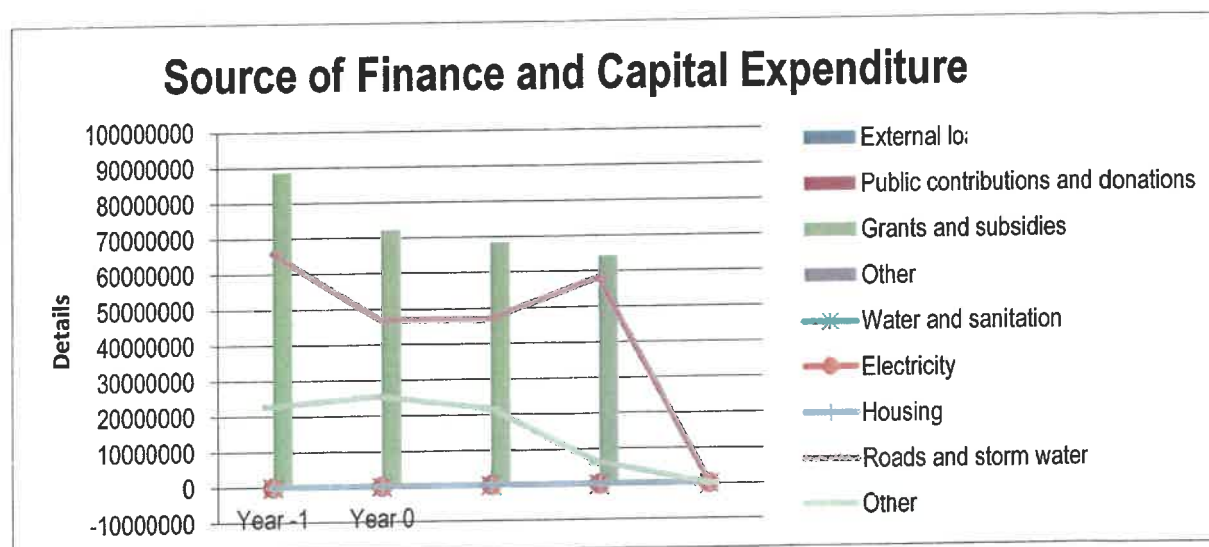
The five largest capital projects constitute 45% (R84 139 000) of the total capital expenditure. These projects were funded through the MIG and INEP grants.

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 2023/2024 financial year the municipality has spent 71% of the Capital budget.

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 2023/2024	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Construction of Municipal Offices	53 000 000	61 000 000	38 143 000	72	63
Construction of Thala to Qhina Access Road	7 494 000	12 634 000	12 002 000	160	95
Construction of Ngunduza to Jebe Access Road	11 569 000	12 799 000	11 863 000	103	93
Paving of Ext. 24 internal streets	12 500 000	11 165 000	11 083 000	89	99
Upgrading of Mchubakazi internal streets	10 000 000	10 000 000	11 049 000	110	110
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	Construction of Municipal Offices				
Objective of Project	Construction of Municipal Offices				
Delays	None				
Future Challenges	n/a				
Anticipated Citizen Benefit					
Name of Project - B	Construction of Thala to Qhina Access Road				
Objective of Project	Access Road				
Delays	None				
Anticipated citizen benefits					
Name of Project - C	Construction of Ngunduza to Jebe Access Road				
Objective of Project	Access Road				
Delays	None				
Anticipated citizen benefits					
Name of Project - D	Paving of Ext. 24 internal streets				
Objective of Project	Township Road				
Delays	None				
Anticipated citizen benefits					
Name of Project - E	Upgrading of Mchubakazi internal streets				
Objective of Project	Township Road				
Delays	None				

**COMMENT ON CAPITAL PROJECTS:** The above capital projects funded through MIG, Office of The Premier, Equitable Share and Internally generated funds were capitalized in terms of generally recognized accounting standards and the applicable legislation.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.8 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.

### 5.9 CASH FLOW

Description	Adjusted Budget R'000	YearTD actual R'000	YearTD budget R'000	YTD variance R'000	YTD variance %
<b>R thousands</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates	55,093	59,994	55,093	4,901	9%
Service charges	17,641	3,181	17,641	(14,459)	-82%
Other revenue	15,200	16,604	15,200	1,404	9%
Transfers and Subsidies – Operational	331,808	335,129	331,808	3,321	1%
Transfers and Subsidies – Capital	115,702	111,875	115,702	(3,827)	-3%
Interest	9,000	21,213	9,000	12,213	136%
<b>Payments</b>					
Suppliers and employees	(358,706)	(353,811)	(358,706)	(4,895)	1%
Interest	–	–	–	–	
Transfers and Subsidies	(12,876)	(7,171)	(12,876)	(5,705)	44%
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>172,861</b>	<b>187,014</b>	<b>172,861</b>	<b>(14,153)</b>	<b>-8%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	300	–	300	(300)	-100%
Decrease (increase) in non-current receivables	–	202	298	(96)	-32%

Description R thousands	Adjusted Budget R'000	YearTD actual R'000	YearTD budget R'000	YTD variance R'000	YTD variance %
<b>Payments</b>					
Capital assets	(244,669)	(187,024)	(244,669)	(57,645)	24%
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(244,369)</b>	<b>(186,822)</b>	<b>(244,071)</b>	<b>(57,249)</b>	<b>23%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Increase (decrease) in consumer deposits	–	–	–	–	0%
<b>Payments</b>					
Repayment of borrowing	–	–	–	–	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0%</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(71,508)</b>	<b>192</b>	<b>(71,210)</b>		
Cash/cash equivalents at beginning:	160,435	194,239	160,435		
Cash/cash equivalents at month/year end:	88,927	194,432	89,225		

#### COMMENTS ON CASH FLOW OUTCOMES:

During 2023/2024 financial year, the municipality has realized own revenue from the following sources as reflected in the table below:

Property rates = 9% more than the targeted collection amount. This is due to payment of historical debt by debtors.

Service charges = 82% less than the targeted collection. This is due to non-payment by debtors.

Interest received from Cash and Cash equivalents – Increase is due to VAT refunds that were invested, and the municipality is receiving interest on a monthly basis.

**Challenges and remedial actions:** The total budgeted amount from own sources has not been realized.

## 5.10 BORROWING AND INVESTMENTS

During 2023-2024 the municipality had no borrowings.

Municipal Investments			
R' 000			
Investment* type	Year: 2020/2021	Year: 2021/2022	Year: 2022/2023
	Actual	Actual	Actual
Municipality			
Call Investment Deposits – Bank	160 435 000	194 239 000	187 117 000
Municipality total	160 435 000	194 239 000	187 117 000

## 5.11 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 the hereunder approved Supply Chain Management (SCM) policies:

- Supply Chain Management policy for General Goods and Services
- Supply Chain Management policy for Infrastructure Delivery Management
- Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy
- Unauthorized, Irregular, Fruitless and Wasteful Expenditure Prevention and Reduction Strategy

The above supply chain management policies were reviewed and approved by the Council on the 20 May 2023, Council Resolution Number SCM6/22/007.1.2.1 and 24 January 2024, Council Resolution Number OCM/3/24/007.3.2.6 Supply Chain Management policy for General Goods and Services and Supply Chain Management policy for Infrastructure Delivery Management have been further reviewed for compliance with the Preferential Procurement Regulations 2022 and were approved by the Council on the 09 December 2023, council resolution number SCM5/22/007.2.2 for implementation on the 16 January 2023.

**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

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

- Acting SCM Manager (Senior SCM Practitioner)
- Demand Officer – Vacant
- Acquisition Officer
- Acting Contract Management Officer
- 07 Supply Chain Management Practitioners (01 Practitioner for contracts management; 03 Practitioners for demand management and 03 Practitioners for acquisition management).
- 03 Supply chain management trainees

The Supply Chain Management division operates under direct supervision of the Chief Finance Officer (CFO). Acting 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 2023/2024.

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

**Training of SCM Personnel:** Supply chain management for bid committees, managers, directors and all supply chain management officials were trained by Provincial Treasury on the 4th of March 2024.

**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 2023-2024.

**Regulation 32 (Procurement of goods and services under contracts secured by other organs of State):** There is one contract for RT57- 2022 SUPPLY AND DELIVERY OF SEDAN, LIGHT AND HEAVY COMMERCIAL VEHICLES, BUSES, MOTORCYCLE, AGRICULTURAL TRACTORS, CONSTRUCTION PLANT, AND EQUIPMENT TO THE STATE FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2026 procured under contracts secured by other organs of State (National Treasury) for financial year 2023-2024

**Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)** Deviation register for financial year 2023-2024 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 the 2023/2024 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 the 2023/2024 financial year. Procurement plan is updated on monthly basis.

### Bids Awarded >R30K

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
1.	2023/2024	Supply, Delivery and Installation of Sign Boards and Information Board at Govan Mbeki's Heritage Site	SCM/MLM/12/23-24	Beliza Construction and Other Services	R 29 214.80
2.	2023/2024	Supply and delivery of Building material for Ntseshe Woolgrowers, Teko Fihla and Teko Kona Woolgrowers and Zuvizwi Primary Cooperative	SCM/MLM/10/23-24	Straight Breakdown	R 87 040.00
3.	2023/2024	Supply and delivery of Five Chainsaws	SCM/MLM/07/23-24	Exousia 07 Facilities (Pty) Ltd	R 84 525.00
4.	2023/2024	Supply and delivery of four shredder machines	SCM/MLM/05/23-24	Tabazi Projects (Pty) Ltd	R 70 694.00
5.	2023/2024	Supply and delivery of two containers	SCM/MLM/06/23-24	Luqaqambo Agencies	R 167 900.00
6.	2023/2024	Supply and delivery of road marking paint	SCM/MLM/02/23-24	Bulumko Trading	R 45 000.00
7.	2023/2024	Catering and Event Facilities for Mining Indaba	SCM/MLM/21/23-24	Yizani Holding Group (Pty) Ltd	R 93 550.00
8.	2023/2024	Edit, Design, Layout, Formating and Binding plus cover of the 2023/2024 IDP	SCM/MLM/08/23-24	Copy World	R 100 000.00
9.	2023/2024	Supply and Delivery of Catering, Tent and Chairs	SCM/MLM/39/23-24	Gumma Trading	R 113 800.00
10.	2023/2024	Design, Printing and Installation of Municipal Building Outdoor Signage, Mnquma Border points, welcome road signage and Ngqamakhwe offices indoor signage	SCM/MLM/29/23-24	Zimimbo Trading	R 186 515.00
11.	2023/2024	Supply and Delivery of Christmas Gifts for Elderly	SCM/MLM/29/23-24	Thingo Contractors	R 44 425.60
12.	2023/2024	Supply, Delivery and Installation of Bullet Proof Windows	SCM/MLM/28/23-24	Cyrastyle	R 49 420.00
13.	2023/2024	Supply and delivery of wheelchairs	SCM/MLM/27/23-24	Beliza Construction and Other Services	R 134 860.04
14.	2023/2024	Supply and Delivery of Catering, and Decor for Elderly Programme	SCM/MLM/39/23-24	Ayazingca Trading Enterprise	R 57 795.00
15.	2023/2024	Supply and delivery of carwash equipment	SCM/MLM/25/23-24	Khawuleza meats	R 105 629.84
16.	2023/2024	Design, printing and deliveries of 2023 dairies and desktop year planner	SCM/MLM/26/23-24	Copy World	R 73 577.92

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
17.	2023/2024	Supply and Deliveries of Inputs (working material) for Senza Kuhle Aluminium	SCM/MLM/20/23-24	Zimimbo Trading	R 96 455.53
18.	2023/2024	Supply and Delivey of Grass Cutting Machine Parts	SCM/MLM/18/23-24	Luqambo Agencies	R 40 744.50
19.	2023/2024	Supply, Design and Delivery of Municipal Branding Material	SCM/MLM/13/23-24	Sondlo & Knopp Advertising	R 121 845.95
20.	2023/2024	Supply and Installation of Network Cabling for town hall and Tourism Information Centre	SCM/MLM/09/23-24	CBT Connect	R 147 269.08
21.	2023/2024	Supply and Delivery of Two Boom Gates	SCM/MLM/04/23-24	Beliza Construction and Other Services	R 85 887.75
22.	2023/2024	Supply and Delivery of One Tractor Trailer for One (1) emerging farmer	SCM/MLM/19/23-24	Gumma Trading	R 135 000.00
23.	2023/2024	Surveying and re-planning of Mnquma Land sites	SCM/MLM/01/23-24	Hansen Land Surveyors Inc.	R 32 500.00
24.	2023/2024	Supply and Delivery of a wheelchair	SCM/MLM/34/23-24	Beyond Unlimited Projects	R 74 750.00
25.	2023/2024	Supply and Delivery of Woolbale Pressor	SCM/MLM/30/23-24	Gumma Trading	R 68 000.00
26.	2023/2024	Facilitation of Strategic planning session for 3 days	SCM/MLM/40-23-24	Ndokhula Consulting	R 151 200.00
27.	2023/2024	Hiring of VIP Toilets, Generator, Tents, Chairs, Stage and Sound System for Debt Colletion Campaign	SCM/MLM/38/23-24	Awovuya Trading (Pty) Ltd	R 88 000.00
28.	2023/2024	Supply and delivery of tyres	SCM/MLM/49/23-24	Nciba Trading	R 244 581.89
29.	2023/2024	Supply and delivery of three furrow ploughs with hooks and three furrow plate plough disks	SCM/MLM/41/23-24	Brilliant Trading Enterprise Pty Ltd	R 284 670.00
30.	2023/2024	Supply, delivery and installation of three sign boards and one information board at Govan Mbeki's house	SCM/MLM/50/23-24	Ndalo Solutions	R 35 075.00
31.	2023/2024	Supply and delivery of youth inputs for ikusasa lethu project- ward 17	SCM/MLM/52/23-24	Serve Quest	R 114 810.64
32.	2023/2024	Hiring of Transport for 5 days	SCM/MLM/53/23-24	Bizza Boy	R 300 000.00
33.	2023/2024	Supply and delivery of two containers	SCM/MLM/06/23-24	Ncethani Holdings	R 180 000.00
34.	2023/2024	Debt Collection Campaign printing, delivery and installation of outdoors posters	SCM/MLM/43/23-24	Hlalumi Printers	R 118 440.00

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
35.	2023/2024	Supply and delivery of inputs for cooperatives	SCM/MLM/35/23-24	MKJ 360 (Pty) Ltd	R 262 206.61
36.	2023/2024	Supply and delivery of cartridges	SCM/MLM/48/23-24	Lindela Kuwe (Pty) Ltd	R 48 068.00
37.	2023/2024	Supply and delivery of office furniture	SCM/MLM/44/23-24	Insight Office Furnitures	R 193 056.25
38.	2023/2024	Supply and delivery of car wash equipment	SCM/MLM/31/23-24	Modern Elite (Pty) Ltd	R 80 387.50
39.	2023/2024	Supply and delivery of Kits, Trophies, Medals and Balls for the Mayoral Cup 2023-2024	SCM/MLM/63/23-24	Bravo Pix 176	R 128 277.00
40.	2023/2024	Supply and delivery of Catering for Mayors Cup	SCM/MLM/62/23-24	Zubenathi Maduma Trading	R 53 280.00
41.	2023/2024	Refurbishment of Zangwa Community Hall	SCM/MLM/45/23-24	SML Trading (Pty) Ltd	R 273 231.44
42.	2023/2024	Supply and Erection of Carpot at TIC offices	SCM/MLM/47/23-24	FBU Trade CC	R 148 120.00
43.	2023/2024	Refurbishment of Three LED Streets Lights in Mthatha Street	SCM/MLM/51/23-24	Kumkani Trading	R 250 000.00
44.	2023/2024	Modification of four traffic Vehicles (Blue Lights and Siren)	SCM/MLM/59/23-24	Tshitshi Trade	R 136 120.00
45.	2023/2024	Supply and delivery of Horse feed for the Mayoral Cup 2023-2024	SCM/MLM/65/23-24	About Design	R 58 843.00
46.	2023/2024	Supply and delivery of digital camera	SCM/MLM/64/23-24	Tume Construction	R 45 622.00
47.	2023/2024	Supply and delivery of foldable tables and Hall Chairs	SCM/MLM/36/23-24	Platinum Supplies	R 49 438.50
48.	2023/2024	Supply and delivery of Wheelchairs	SCM/MLM/24/23-24	Bravo Pix 176	R 192 650.00
49.	2023/2024	Supply, Delivery and Installation of Air Conditioners	SCM/MLM/54/23-24	V and A Airconditioners	R 129 720.00
50.	2023/2024	Branding of Municipal Vehicles	SCM/MLM/58/23-24	About Design	R 110 226.00
51.	2023/2024	Supply and Delivery of Tools and Equipment	SCM/MLM/56/23-24	Zubenathi Maduma Trading	R 177 335.00
52.	2023/2024	Supply and delivery of Hair Salon Equipment	SCM/MLM/55/23-24	Platinum Supplies	R 219 431.22
53.	2023/2024	Supply and delivery of youth inputs for youth initiatives Apapab and Inombe Holdings	SCM/MLM/70/23-24	Imbewutech Projects (Pty) Ltd	R 254 304.91

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
54.	2023/2024	Supply and delivery of Machine Parts (Brush Cutter Machine)	SCM/MLM/61/23-24	CSD Legacy Group	R 59 375.00
55.	2023/2024	Firearm Training for 20 employees	SCM/MLM/14/23-24	Tiger Line	R 46 799.90
56.	2023/2024	One solid waste co-op for for Centane CBD & township	MNQ/SCM/89/22-23	Tinigri General Trading	R 3 245 760.00
57.	2023/2024	One solid waste co-op for Ngqamakwe	MNQ/SCM/90/22-23	Mlibo Trading cc	R 2 308 750.24
58.	2023/2024	One solid waste co-op for Cluster One Butterworth	MNQ/SCM/91/22-23	Themba Labafazi Primary Co-op	R 2 998 464.00
59.	2023/2024	One solid waste co-op for Cluster Two Butterworth	MNQ/SCM/92/22-23	Iqunube General Services Pty Ltd	R 1 356 491.70
60.	2023/2024	One solid waste co-op for Cluster Three Butterworth	MNQ/SCM/93/22-23	Mutigen (Pty) Ltd T/A Torchbar Security Services	R 2 241 300.92
61.	2023/2024	One solid waste co-op for Cluster Four Butterworth	MNQ/SCM/94/22-23	Vumba Lenkululeko Multi-Purpose Limited	R2 091 436.00
62.	2023/2024	One solid waste co-op for Cluster Five Butterworth	MNQ/SCM/95/22-23	Magcina Construction and Cleaning Catering	R 1 581 558.94
63.	2023/2024	One solid waste co-op for Cluster Six Butterworth	MNQ/SCM/96/22-23	Tuliswe Trading Enterprise	R 2 370 340.00
64.	2023/2024	Development of Butterworth Private hospital on Portion of ERF 135	MNQ/SCM/105/22-23	DKM Healthcare (Pty) Ltd	R416 000 000.00
65.	2023/2024	Construction of Jojweni to Happy Valley Access Road	MNQ/SCM/01/23-24	Kaazi Engineering Group Pty Ltd	R 5,785 988.98
66.	2023/2024	Construction of Ngcingcinikwe Access Road	MNQ/SCM/02/23-24	Lwazi Enterprise (Pty) Ltd	R 10 879 586.00
67.	2023/2024	Construction of Mgomanzi Kwa R1 & R4 to Ntshamanzi (Eskom) Access Road	MNQ/SCM/03/23-24	Qamasande / Edify Africa Jv	R 8 199 677.12
68.	2023/2024	Construction of Nibe, Debese to Zigqwabele Access Road	MNQ/SCCM/04/23-24	Zenzile Building and Civil Engineering	R 5 594 158.75
69.	2023/2024	Construction of Thala to Qina Access Road Access Road	MNQ/SCM/05/23-24	Investorex 28 (Pty) Ltd T/A GS Civils	R 13 000 000.00
70.	2023/2024	Construction of Sidutyini Access Road (Ward 7)	MNQ/SCM/06/23-24	Dintwa Trading cc	R 10 284 808.30
71.	2023/2024	Construction of Ngunduza to Jobe Access Road	MNQ/SCM/07/23-24	Ilitha Pty Ltd	R 13 111 349.96
72.	2023/2024	Construction of Kwa L to Adams Access Road	MNQ/SCM/08/23-24	Maboka Contractors	R 2 978 697.65
73.	2023/2024	Construction of Lunda, Mahlubini and Ngxalawe Access Road	MNQ/SCM/09/23-24	Malimiso	R 7 812 084.03

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
74.	2023/2024	Paving of Cuba Internal Streets	MNQ/SCM/10/23-24	Maliswana Pty Ltd	R 7 078 834.72
75.	2023/2024	Paving of EXT. 24 Internal Streets	MNQ/SCM/11/23-24	Lunika Investments Pty Ltd	R 11 752 595.09
76.	2023/2024	Traveling and accommodation agency services for a period of three years	MNQ/SCM/111/22-23	Silver Solutions 2840 CC T/A Harvey World Travels East London	Rates based
77.	2023/2024	Professional service provider for planning, design and project management for Ngqamakwe public lighting	MNQ/SCM/102/22-23	Akal Genesis	R 558 622.56
78.	2023/2024	Professional services for upgrading of Mchubakazi internal street and Ngqamakwe internal street	MNQ/SCM/98/22-23	HSC Consulting	R 2 814 484.88
79.	2023/2024	Appointment of a contractor for 2023-2024 financial year electrification of 447 households within Mquma Local Municipal Area	MNQ/SCM/23/23-24	Siya and Aya Engineering	R 9 959 183.89
80.	2023/2024	Hosting and maintenance of municipal website for a period of three years	MNQ/SCM/115/22-23	Vargafon (Pty) Ltd	R 138 296.70
81.	2023/2024	Compilation of 2024-2029 general valuation and supplementary valuation rolls	MNQ/SCM/113/22-23	Black Dot Property Consultants	R 1 981 376.00
82.	2023/2024	Construction of New Mquma Offices in Butterworth:	MNQ/SCM/24/23-24	Transtruct Pty Ltd	R184 500 000.00
83.	2023/2024	Fencing of Animal Pound	MNQ/SCM/16/23-24	Bontinite (Pty) Ltd	R 970 533.00
84.	2023/2024	Rehabilitaion of Mphesheya to Ndabakazi Low-Level Bridge and Approaches	MNQ/SCM/39/23-24	Cingani Cleaning and Projects (Pty) Ltd	R 1 000 342.65
85.	2023/2024	Rehabilitation of Bridge Approaches and Retaining Structure for Mqambeli to Ndotshanga Access road	MNQ/SCM/40/23-24	Vikisync	R 2 070 877.71
86.	2023/2024	Refurbishment of Two High Masts at Ibika Township	MNQ/SCM/19/23-24	Kumkani Trading Pty Ltd	R 472 276.35
87.	2023/2024	Construction of Concrete Bridge Deck for Mazizini to Ngozana Road	MNQ/SCM/38/23-24	Omsinga Investments (Pty) Ltd	R464 916.89
88.	2023/2024	Refurbishment of Customer Care Office	MNQ/SCM/14/23-24	FBU Trade cc	R941 979.20
89.	2023/2024	Refurbishment of Centane Satellite Office	MNQ/SCM/15/23-24	A.K. Building Construction	R2 894 123.93

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
90.	2023/2024	Casting and Installation of 30 Concrete catchip covers in Butterworth CBD	MNQ/SCM/13/23-24	Black Starline Trading	R275 108.46
91.	2023/2024	Professional Services provider for Planing, design and project management for the construction of Ngcisininde-Gedwood access road	MNQ/SCM/22/23-24	CNN Development	R1 371 623.11
92.	2023/2024	Design and Edit External news letter	MNQ/SCM/56/23-24	Copy World (Pty) Ltd	R238 050.00
93.	2023/2024	Hiring of a service provider for provision of lifeguard services	MNQ/SCM/44/23-24	Entrust Electrical	R283 000.00
94.	2023/2024	Professional Services to Develop designs for the construction of Nxaxo, Nombanjana to Ngcizela access road	MNQ/SCM/21/23-24	MBSA Consulting CC	R1 742 636.36
95.	2023/2024	Supply and Delivery of School uniform	MNQ/SCM/41/23-24	Gumma Trading	R234 620.00
96.	2023/2024	Supply and Delivery of Excavator and Motor graders	RT57- 2022	Komatsu South Africa	R12 126 792.34
97.	2023/2024	Supply and Delivery of Laptops for a Period of Three Years	MNQ/SCM/33/23-24	SMS ICT Choice (Pty) Ltd	Rates based
98.	2023/2024	Land Audit for the Mmquma Local Municipality towns, Butterworth, Centane and Ngqamakwe	MNQ/SCM/26/23-24	MNT Geomatics	R584 982.00
99.	2023/2024	Upgrading of Mchubakazi internal streets & Ngqamakwe Stormwater	MNQ/SCM/61/23-24	Lunika Investments Pty Ltd	R20 991 782.72
100.	2023/2024	Supply and Maintenance of Indigent Vetting system for a period of three years	MNQ/SCM/49/23-24	Cigicell (Pty) Ltd	Rates based
101.	2023/2024	Construction of Jojweni Sheading Shed	MNQ/SCM/25/23-24	Magadana Business Solutions JV Mbenya Plant Hire	R1 121 400.00
102.	2023/2024	Panel of six (06) service providers for hiring of construction equipment/ plant on an instructed basis for a period of twelve (12) months within the Mmquma Local Municipal area	MNQ/SCM/46/23-24	Lunika Investments Pty Ltd	Rates based

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
103.	2023/2024	Panel of six (06) service providers for hiring of construction equipment/ plant on an instructed basis for a period of twelve (12) months within the Mquma Local Municipal area	MNQ/SCM/46/23-24	Ayabona Construction and Projects	Rates based
104.	2023/2024	Panel of six (06) service providers for hiring of construction equipment/ plant on an instructed basis for a period of twelve (12) months within the Mquma Local Municipal area	MNQ/SCM/46/23-24	Ilitha Pty Ltd	Rates based
105.	2023/2024	Panel of six (06) service providers for hiring of construction equipment/ plant on an instructed basis for a period of twelve (12) months within the Mquma Local Municipal area	MNQ/SCM/46/23-24	PMB Projects	Rates based
106.	2023/2024	Panel of six (06) service providers for hiring of construction equipment/ plant on an instructed basis for a period of twelve (12) months within the Mquma Local Municipal area	MNQ/SCM/46/23-24	Cingani Trading	Rates based
107.	2023/2024	Panel of six (06) service providers for hiring of construction equipment/ plant on an instructed basis for a period of twelve (12) months within the Mquma Local Municipal area	MNQ/SCM/46/23-24	Alomna Construction	Rates based
108.	2023/2024	Fencing of Staff Houses No.55 and No.57 Blyth Street, Butterworth	MNQ/SCM/58/23-24	Lingomso Lethu Capital	R498 465.00
109.	2023/2024	Supply and delivery of Hair Salon Equipment	MNQ/SCM/47/23-24	Lhlhiz Trading (Pty) Ltd	R151 087.00
110.	2023/2024	Supply and Installation of Antivirus software Licences for a period of three (03) years	MNQ/SCM/53/23-24	Resilient Servers and Networks	R126 656.40
111.	2023/2024	Upgrading of Msobomvu Sports Ground-phase 1	MNQ/SCM/55/23-24	Investorex 28 (Pty) Ltd T/A GS Civils	R 16 379 486.34

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
112.	2023/2024	Erection and Refurbishment of street lights in Ext 06 and Fitz Patric Road	MNQ/SCM/20/23-24	Mentolek (Pty) Ltd	R5 323 220.00
113.	2023/2024	Supply and Delivery of Building Material and Tools for one SMME (Tar Tera Bricks)	MNQ/SCM/48/23-24	Invisible Mending Company (Pty) Ltd	R237 069.33
114.	2023/2024	Provision of Three (03) Software Licenses for the Preparation of Annual Financial Statements	MNQ/SCM/62/23-24	Adapt It (Pty) Ltd	R518 291.81
115.	2023/2024	Construction of Jojweni to Happy Valley access road	MNQ/SCM/60/23-24	PMB Projects	R4 576 967.86
116.	2023/2024	Preparation of Grap Compliant Immovable and Movable Asset Register for 2023/24 financial year	MNQ/SCM/63/23-24	SDM Asset Management	R1 995 278.29
117.	2023/2024	Supply and delivery of Catering, Tent Chairs, and PA System for 5 days	MNQ/SCM/81/23-24	Fegza Trading Enterprise	R286 510.00
118.	2023/2024	Supply and delivery of building material	MNQ/SCM/72/22-23	Klass Empire Contractors	R534 777.00
119.	2023/2024	Fencing of Tally Cemetery	MNQ/SCM/36/23-24	Lingomso Lethu Capital	
120.	2023/2024	Provision of Auction Services for a period of one year	MNQ/SCM/66/23-24	Mozi Auctioneers	Rate based
121.	2023/2024	Hiring of hygiene equipment and Maintenance services for a period of one year	MNQ/SCM/83/22-23	Rentokil Initial	Rate based
122.	2023/2024	Supply and Delivery of animal medication for Qhumani woolgrower Association	MNQ/SCM/82/23-24	AgriTrade and Invest (Pty) Ltd	R77 537.40
123.	2023/2024	Paving of Centane Container City	MNQ/SCM/67/23-24	Vikisync (Pty) Ltd	R2 275 120.00
124.	2023/2024	Professional Services for Planning, Design and Project Management of 2024/2025 financial year electrification programme within Mquma area	MNQ/SCM/29/23-24	Inyusa Holdings Group	R1 223 259.60
125.	2023/2024	Professional Services for Planning, Design and Project Management for the Construction of Ntabezulu horse racing field	MNQ/SCM/73/23-24	Beecon Holdings	R1 104 301.51

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
126.	2023/2024	Service provider for planning and design for the refurbishment of Msobomvu Hall	MNQ/SCM/79/23-24	Platinum Aloe Trading T/A Ubuchule Design Studio	R581 512.74
127.	2023/2024	Fencing of Butterworth Cemetery	MNQ/SCM/17/23-24	Kantera Trading Enterprise	R827 482.22
128.	2023/2024	Pest Control Services for a period of two years	MNQ/SCM/68/23-24	Bidvest Stainers (Pty) Ltd	R80 934.69
129.	2023/2024	Design, Supply Installation and Commissioning of V-shaped outdoor LED Electrical Display screen	MNQ/SCM/35/23-24	Origins Events Management & Trading	R1 895 250.00
130.	2023/2024	Supply and Installation of Micro Soft Licences for a period of three year	MNQ/SCM/34/23-24	Unathi Computer Technologies	R11 541 759.92
131.	2023/2024	Refurbishment of Zingcuka to Mthawela Storm Water facilities	MNQ/SCM/84/23-24	Rosibu Holdings (Pty) Ltd	R1 077 729.40
132.	2023/2024	Fencing of Municipal Offices	MNQ/SCM/77/23-24	Pinx Trading (Pty) Ltd	R359 585.11
133.	2023/2024	Fencing of Animal Pound-Concrete Palisade	MNQ/SCM/83/23-24	Imivuzo Trading T/a SMZ Building Construction & Civils	R1 116 023.48
134.	2023/2024	Fencing of Butterworth Cemetery	MNQ/SCM/17/23-24	Njabomvu Construction (Pty) Ltd	R1 439 473.66
135.	2023/2024	Supply and delivery of Black Refuse Bags for a period of Two years	MNQ/SCM/64/23-24	Magamve Management Services	R161.00
136.	2023/2024	Supply and delivery of Asset verification software ldevices for a period of three years	MNQ/SCM/30/23-24	Songo Chartered Accountants	R640 315.40
137.	2023/2024	Supply of fuel for a period of three years	MNQ/SCM/59/23-24	Spring Forest Trading 666 CC T/A Walker Motors Caltex Freshstop	R6 565.00
138.	2023/2024	Procurement of ICT Audit	MNQ/SCM/70/23-24	Rain Chartered Accountants	R952 292.00
139.	2023/2024	Supply and delivery of Lowbed Trailer	MNQ/SCM/87/23-24	Marburg Industrial Supplies	R1 794 000.00
140.	2023/2024	Supply and delivery of 4x4 tractor	MNQ/SCM/74/23-24	Merafe Holdings	R1 319 050.00
141.	2023/2024	Refurbishment of Zangwa Community Hall	SCM/MLM/45/23-24	SML TRADING	R273 231.44
142.	2023/2024	Supply, Delivery and Installation of Eighty (80) Concrete Bins for Butterworth, Centane and Ngqamakwe	MNQ/SCM/85/22-23	Perfect Ablution	R328 000.00

No	Financial Year	Project Name	Bid Number	Contractor	Awarded Amount
143.	2023/2024	Supply and delivery of Electrical Material for a period of Two years	MNQ/SCM/50/23-24	Creed Aventus (Pty) Ltd	Rate Based
144.	2023/2024	Supply and delivery of four motor vehicles	RT57-02-30-06	Isuzu Motors	R2 803 501.52
145.	2023/2024	Development of 129 vacant residential sites in Butterworth	MNQ/SCM/57/23-24	BMBS Group Pty Ltd	R299 704 729.02

Municipal Bid Appeals (if applicable): There were no bids appeals received in financial year 2023/2024.

Contract Management: Contract register, and commitments is maintained and updated on monthly basis. Contract register and commitments register for financial year 2023-2024 has been prepared and reviewed. Variations above 15% or 20% (Comply with MFMA S116(3)) (this can be part of contracts register):

Leko Engineering Consultants -Professional service provider for planning, design, and project management for upgrading of Msqobomvu Sports Ground, MNQ/SCM/84/22-23 the fee of the professional services to be increased by **R5 723 395.40 incl. VAT**

Project name	Bid number	Contractor	Contract Duration	Project Start Date	Project End Date	Anticipated Completion
Casting and Installation of 30 Concrete catchip covers in Butterworth CBD	MNQ/SCM/13/23-24	Black Starline Trading	2 Months	17-Nov-23	17-Feb-24	15-Mar-24
Construction of Mgomanzi Kwa R1 & R4 to Ntshamanzi (Eskom) Access Road	MNQ/SCM/03/23-24	Qamasande / Edify Africa Jv	8 months	12-Jul-23	11-Apr-24	28-Jun-24
Refurbishment of Two High Masts at Ibika Township	MNQ/SCM/19/23-24	Kumkani Trading Pty Ltd	4 Months	20-Sep-23	20-Jan-24	20-Apr-24
Paving of Cuba Internal Streets	MNQ/SCM/10/23-24	Maliswana Pty Ltd	6 months	12-Jul-23	06-Feb-24	29-Mar-24
Construction of Sidutyini Access Road (Ward 7)	MNQ/SCM/06/23-24	Dintwa Trading cc	8 months	12-Jul-23	11-Apr-24	28-Jun-24
Paving of EXT. 24 Internal Streets	MNQ/SCM/11/23-24	Lunika Investments Pty Ltd	8 months	12-Jul-23	11-Apr-24	29-Feb-24
Construction of Lunda, Mahlubini and Ngxalawe Access Road	MNQ/SCM/09/23-24	Malimiso Projects Pty Ltd	8 months	12-Jul-23	30-Apr-24	15 May-24
Fencing of Animal Pound	MNQ/SCM/16/23-24	Bontinite (Pty) Ltd	3 Months	10 Oct 23	09-Dec-23	28-Feb-24

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 2023-2024.

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

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

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

(Contract Participation Goals) (Regulation 4)- Sub Contracting: N/a

#### **5.14 GRAP COMPLIANCE**

The Annual Financial Statements for 2023/2024 have been prepared in line with the applicable GRAP standards.

## CHAPTER 6- AUDITOR GENERAL AUDIT FINDINGS: 2022/2023 FINANCIAL YEAR

### AUDITOR GENERAL REPORTS Year: 2022/2023 (Previous year)


Auditor-General Report on Financial Performance: 2022/2023	
Audit Report Status*:	Unqualified with no findings
Non-Compliance Issues	Remedial Action Taken
There were no material findings.	

### COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR

The Auditor General's opinion is an indication that the municipality has maintained the previous Audit opinion. The municipality is busy with preparing the AFS for current to ensure that we maintain the Audit Report.

### COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

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

Signed (Chief Financial Officer) .....  ..... Dated ..... 10/12/2024 .....

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” 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.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	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.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	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.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	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.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> </ul>

	<ul style="list-style-type: none"> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	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".
<b>Outputs</b>	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.
<b>Performance Indicator</b>	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)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	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 EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	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.
<b>Service Delivery Budget Implementation Plan</b>	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.
<b>Vote:</b>	<p>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.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><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></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## 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	Executive Mayor, Mayoral Committee, Good Governance IGR Forum and, IDP/PMS, Budget Steering Committee	ANC – PR	100%	0%
Councillor S Ncetezo	FT	Chief Whip, Rules Committee Whippery Ward Councillors Forum	ANC–Ward 15	100%	0%
Councillor M Qaba	FT	Council Speaker, Rules Committee and Ward Councillors Forum	ANC-PR	100%	0%
Councillor L. Mgandela	FT	Port-folio Head Infrastructural Development Standing Committee, Mayoral Committee, IDP/PMS, Budget Steering Committee and Basic Service Delivery Cluster.	ANC –PR	90%	10%
Councillor N Layiti	PT	<b><u>JULY 2023 TO MARCH 2024</u></b> PR Councillor	ANC – PR	90%	10%
	FT	<b><u>MARCH 2024 TO JUNE 2024</u></b> Portfolio Head Community services, Member of Corporate Services Standing Committee, Mayoral Committee and a member of IDP/PMS and Budget Steering.			
Councillor N Plaatjie	FT	Port-folio Head LED and LED Standing Committee, Mayoral Committee, Socio-economic development Cluster and a member of IDP/PMS and Budget Steering.	ANC-PR	80%	20%
Councillor S Matutu	FT	Portfolio Head: Strategic Management: Strategic Management standing committee, Mayoral Committee, Good Governance Cluster, LED Standing Committee	ANC-PR	90%	10%
Councillor T Bikitsha	PT	<b><u>JULY 2023 TO MARCH 2024</u></b> PR Councillor	ANC-PR	90%	10%
	FT	<b><u>MARCH 2024 TO JUNE 2024</u></b> Portfolio Head Corporate Services, Mayoral Committee Member and member of, Good Governance and Public Participation Cluster and a member of Strategic Management Standing Committee, Chairperson of the LLF and a member of IDP/PMS and Budget Steering.			
Councillor Z Sobekwa		BTO Standing Committee, Corporate Services Standing Committee, Strategic Management Standing Committee, Community Services Standing Committee, LED Standing Committee, Whippery and member of IDP/PMS and Budget Steering.	ANC-PR	90%	10%
Councillor Z Mnqokoyi	PT	Municipal Public Accounts Committee Chairperson	ANC- PR	80%	20%
Councillor N Sheleni	FT	Chairperson of the Women's Caucus, LED Standing Committee, Whippery	ANC – PR	80%	20%

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 Sigwadi	PT	MPAC, LED Standing Committee	ANC-PR	100%	0%
Councillor N Tshona	FT	Chairperson of the Rules and Ethic Committee and a member of Infrastructural Development Standing Committee	ANC- PR	70%	30%
Councillor T Ntyinkala	FT	<b>JULY 2023 TO MARCH 2024</b> Portfolio Head Corporate Services, Mayoral Committee, Corporate Services Standing Committee, Rep Forum <b>MARCH 2024 TO JUNE 2024</b> Socio-Economic Development Cluster, Community Services standing Committee. BTO Standing Committee, Women's Caucus	ANC – PR	60%	40%
Councillor V Manxodidi	PT	MPAC	EFF-PR	80%	20%
Councillor N. Dali	PT	Strategic Management Standing Committee	EFF-PR	70%	30%
Councillor N Nohesi	PT	Infrastructural Development Standing Committee, Women's Caucus, Whippers	EFF-PR	60%	40%
Councillor A Soyeza	PT	Community Services Standing Committee, Corporate Services Standing Committee	EFF- PR	60%	40%
Councillor N Nogaga-Mpumpula	PT	BTO Standing Committee	EFF-PR	40%	60%
Councillor T B Gidigidi	PT	Corporate Services, Strategic Standing Committee, BTO Standing Committee and Whippers	UDM-PR	40%	60%
Councillor C N Filtane	PT	BTO Standing Committee, Community Standing Committee, MPAC	UDM-PR	50%	50%
Councillor M Mkhilili	PT	LED Standing Committee, Community Services Standing Committee and Socio-Economic Development Cluster.	UDM-PR	50%	50%
Councillor Z Tyandela	PT	Infrastructural Development, Strategic, Community and Rules Committee, BTO Standing Committee.	UDM-PR	50%	50%
Councillor L Maputuma	PT	LED Standing Committee, Infrastructure Standing Committee Corporate Services Standing Committee, Rules Committee	UDM-PR	40%	60%
Councillor M Masekwana	PT	BTO Standing Committee, Community Standing Committee and LED Standing Committee	PAC-PR	60%	40%
Councillor C Ncukana	PT	Infrastructure Standing Committee, Rules, Whippers	PAC-PR	70%	30%
Councillor N J Mzongwana	PT	Infrastructural Standing Committee, LED Standing Committee, Whippers, Community Services	ATM-PR	50%	50%
Councillor N. Xoki	PT	Corporate Services Standing Committee, Rules Committee	ATM-PR	70%	30%
Councillor M Ntongana	PT	Infrastructural Planning and Development Standing Committee, Basic Service Delivery Cluster, Whippers, BTO Standing Committee, Institutional Development and Financial Viability	COPE- PR	80%	20%

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			%	%
		Cluster, LED Standing committee, Socio-Economic Development Cluster, Rules and Ethic committee and Corporate Services Standing Committee.			
Councillor N Ntolosi	PT	Community Services Standing Committee, LED standing committee, Socio-economic development Cluster, Rules Committee, BTO standing Committee,	DA-PR	80%	20%
Councillor B Goniwe	PT	Strategic Management Standing Committee, Women's Caucus	AIC-PR	80%	20%
Councillor Z Bomela	PT	<b>JULY 2023 – MAY 2024</b> BTO, Standing Committee, Infrastructure Standing Committee, Corporate Standing Committee, Strategic Standing Committee and Community Services Standing Committee, LED Standing Committee, Rules Committee, whippery	BPM-PR	75%	25%
Councillor N Baleka	PT	Strategic Standing Committee, Cluster, Good governance and Public Participation cluster, Indigent Steering committee.	ANC-Ward 1	90%	10%
Councillor N Mangwentsu	PT	Strategic Standing Committee, Cluster, Good governance and Public Participation cluster, Indigent Steering committee.	ANC-Ward 2	100%	0%
Councillor M Kalimashe	PT	Corporate Services standing Committee, Community Services standing committee, LED and Planning Standing Committee, Indigent Steering Committee	ANC-Ward 3	60%	40%
Councillor N Paliso	PT	Corporate Services Standing Committee, Good Governance, Public Participation Cluster, Indigent steering committee, Indigent Steering committee, Women's Caucus	ANC-Ward 4	90%	10%
Councillor M Xabela	PT	Whippery, Corporate Services Standing Committee.	ANC Ward 5	80%	20%
Councillor N Ntamo	PT	MPAC	ANC-Ward 6	80%	20%
Councillor N Mena	PT	MPAC, Whippery, BTO Standing Committee	ANC-Ward 7	50%	50%
Councillor L Ngindana	PT	Whippery, Corporate Services standing committee, LED Standing Committee, Indigent Steering committee.	ANC-Ward 8	90%	10%
Councillor M A Kabane	PT	LED Standing Committee, Indigent Steering committee	ANC-Ward 9	90%	10%
Councillor N T Mtintsilana	PT	MPAC, Corporate Services Standing Committee, Indigent Steering Committee	ANC- Ward 10	80%	20%
Councillor Z Mawisa	PT	Whippery Corporate Services, Standing Committee, LED standing Committee, Indigent steering committee	ANC-Ward 11	90%	10%
Councillor L L Tetana	PT	Strategic Management Standing Committee, Corporate Services standing committee, Community Services Standing Committee	ANC-Ward 12	70%	30%

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 M M Magobiane	PT	Rules Committee, Community Services Standing Committee, Indigent Steering Committee	ANC-Ward 13	80%	20%
Councillor N L Mgqalelo	PT	BTO Standing Committee, Strategic Management Standing Committee, Indigent Standing Committee.	ANC-Ward 14	70%	30%
Councillor S Maputeni	PT	Strategic Management Standing Committee, Infrastructure Standing Committee, Indigent Committee	ANC-Ward 16	50%	50%
Councillor X I Pupuma	PT	Ward Councillors Forum, Indigent Steering Committee, Corporate Services Standing Committee	ANC- Ward 17	80%	20%
Councillor L Dyantyi	PT	<b>JULY 2023 – MAY 2024</b> MPAC, Corporate Services Standing Committee, Indigent Steering Committee.	ANC-Ward 18	38%	62%
Councillor V Nkehle	PT	Municipal Public Accounts (MPAC), Indigent Steering Committee, Ward Councillors Forum, Corporate Services Standing Committee.	ANC- Ward 19	70%	30%
Councillor K Gobeni	PT	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	90%	10%
Councillor G T Ntshonga	PT	Strategic standing committee, corporate services standing committee, Good governance and Public Participation cluster, Indigent Steering committee.	ANC- Ward 21	80%	20%
Councillor Z E Kwaza		Indigent Steering Committee, Community Services Standing Committee	ANC-Ward 22	70%	30%
Councillor X Mjamba	FT	<b>JULY 2023 TO MARCH 2024</b> Port Folio Head Community Services Standing committee, Socio-Economic Development Cluster, Mayoral Committee.	ANC – Ward 23	90%	10%
	PT	<b>MARCH 2024 TO JUNE 2024</b> Ward Councillor, Corporate Services Standing Committee, Ward Councillors Forum.			
Councillor M A Ntsali	PT	Community Services, indigent Steering Committee	ANC-Ward 24	100%	0%
Councillor V J Gazi	PT	MPAC, Indigent Steering Committee,	ANC-Ward 25	90%	10%
Councillor B Zondani	PT	MPAC, Indigent Steering Committee, Rules Committee	ANC-Ward 26	100%	0%
Councillor J J Mduli	PT	Infrastructural Standing Committee, Indigent Steering Committee, Basic Services Cluster	ANC-Ward 27	100%	0%
Councillor P Mbovane	PT	BTO Standing Committee, Infrastructure Standing Committee, Institutional Development and Financial Viability Cluster, Indigent Steering committee.	ANC-Ward 28	80%	20%

### 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 M H Tangana	PT	LED Standing Committee, Indigent Steering Committee	ANC-Ward 29	100%	0%
Councillor P Ndabambi	PT	Rules Committee, Infrastructure Standing Committee, Indigent Steering Committee	ANC-Ward 30	100%	0%
Councillor N Mbuku	PT	Women's Caucus, MPAC	ANC-Ward 31	50%	50%
Councillor T Jizana	PT	LED Standing Committee, Indigent Standing Committee	ANC-Ward 32	90%	10%

### 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	Legal Advisor Manager Legal Services Manager Internal Audit Manager Risk Management
Infrastructural Development	Manager Civil Engineering Manager: Electrical Services 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 Revenue and Debt Management Manager Budget and Financial Reporting Manager Asset Fleet and Logistics Manager Supply Chain Management

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No	
Building regulations	Yes	
Childcare 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		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 and control of undertakings that sell food to the public	No	ADM and DoH
Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	Yes	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	

## APPENDIX E – WARD REPORTING

Ward Name (Number)	Verified Ward Committees Year 2023-2024	Ward committee meeting	Ward general meeting
1	<b>Cllr :N.Baleka</b> <b>Ward Committees</b> Cebo Malusi Lundi Tsipa Nosisa Sityata Neliswa Mzayifani Mamela Tobotshana Nomvuzo Mtenjana Nisipho Veronica Ngcambu Fikile Dolt Mxuthu Wendy Majeke	08	09
2	<b>Cllr . N. Magwentshu</b> <b>Ward-Committees</b> Nomazwi Sighaza Zameka Leeuw Bhelwazana Delicius Magaqa Nokubonga Pongwana Mandisa Klass Axola Fetsha Ayanda Gangatele Nolita Tamela Nomfuneko Canca Nosisa Patricia Ndabazandile	09	09
3	<b>Cllr .M.Khalimashe</b> <b>Ward-Committees</b> Noluthando Mpopoma Phatheka Dumke Bongiwe Ida Gwele Zoliswa Eunice Khundu Phendulwa Noyila Nombulelo Victoria Kulana Renah Noludwe Babalo Nannie Mgaba	03	2
4	<b>Cllr .N.Paliso</b> <b>Ward Committees</b> Nonkululeko Roboji Lamla Nkwali Elvis Tshingwa Tandwa Nokuthula Mangaliso Pumza Bongoza Nothandekile Kwayi Athenkosi Kweza Sixolisiwe Ngcingwana Swetness Nodumo Apleni Katleho Tiisetso Mangauto	10	09

Ward Name (Number)	Verified Ward Committees Year 2023-2024	Ward committee meeting	Ward general meeting
5	Cllr .M. Xabela <b>Ward Committees</b>  Atini Akona Stofile Nomthandazo Primrose Msila Nomacebo Sylvia Ndiazulwana Joyce Ntantala Nosisa Lorraine Mqikela Thembekile Mabandla Lindelwa Mlandu Nokuthula Patricia Mtshaka Tozama Ndinisa Mhlawuli	02	07
	Cllr N.Ntamo <b>Ward-Committee</b>  Nobahle Duba Xolelwa Mpokotshe Nontle Somdaka Babalwa Ntsenge Nomalinge Edith Thole Nkosikho Sikiti Nokuzola Luzipho Lungile Nontiya Mandi Michael Mlinjana Mandi Michael Mlinjana	0	05
7	Cllr N.Mena <b>Ward Committees</b>  Sikelelwa Similo Petros Mlamli Ngxabani Nombuyiselo Gxagxisa Vuyiseka Mbilini Ludwe Mahlanza Zakhele Tswane Siyanda Mvila Cythia Nosandile Yaso Nokuzola Magoqwana Nomakorinte Tyala	0	0
8	Cllr .L.Ngindana <b>Ward Committee</b>  Lindani Nxusani Nozoliile Magengelele Zamelikhaya Magobiane Nosipho Mani Nonkululeko Mbombo Davide Funekile Buqwana Nomzamo Anelani Centane Nolubabalo Cynthia Sinyanya Mlungiseleli Ngcangca Boyce Masebe	01	01

Ward Name (Number)	Verified Ward Committees Year 2023-2024	Ward committee meeting	Ward general meeting
9	Cllr .M.Kabane <b>Ward Committee</b>  Ntombise Priscilla Nyhila Nombambatho Nancy Finini Nocawe Langeni Vuyiseka Ngolo Fundiswa Mkunjana Zine Baleni Solam Lande Abongile Mashece Zukiswa Tshibo	02	11
10	Cllr .L.Mthintsilana <b>Ward Committee</b>  Cyntheria Nokwakha Magida Pheliswa Ngcayichibi Novulile Maureen Tyomfa Nontando Lukamba Nonyamile Zameka Gwarube Nelisa Cecilia Sobekwa Mdekazi Bukiwe Fikiswa Mthintsilana	06	17
11	Cllr .Z.Mawisa <b>Ward Committee</b>  Nocingile Beautice Silevu Mziyanda Tofile Felicity Amanda Gomba Nofezo Ngetu Mandondo Nocokisile Lungisile Radana Nosusile Mkoko Lungiswa Sanda Nowezile Nontathu Dlepu Nozipho Nonca Matiwane	06	01
12	Cllr .L.Tetani <b>Ward Committee</b>  Nosiphelele Xalisa Lathiwe Venge Bongile Elliot Ngwanya Nopasika Ngwanya Pheliswa Ngwabeni Nomapha Mkhobeni Lizeka Veronica Mbarane Mbuthokazi Wivie Ngcwana Cornelia Nongezile Zantsi Linda Artha Mthonjeni	10	03

Ward Name (Number)	Verified Ward Committees Year 2023-2024	Ward committee meeting	Ward general meeting
13	Cllr .M.Magobiane <b>Ward Committee</b>  Sweetness Khuthala Tshem Siphamandla Huza Mnonopheli Sukwana Babalwa Magangxa Phozisa Primrose Mavuso Ludwe Brian Magida Vatiswa Somagaca Bukeka Mdudo Pearl Bongeka Mnwana	07	13
14	Cllr N.Mgqalelo <b>Ward Committee</b>  Nokwanda Mzukwa Nothemba Busiswa Sanda Faith Fundiswa Luzipho Dumisani Thomas Tyandela Ntombesithathu Mahlatswana Noluvuyolwetu Peko Malusi President Cekiso Menezi Cokisa Kalashe Nomonde Ndlazi Nosibusiso Mnukwa	09	06
15	Cllr.S. Ncethezo <b>Ward Committees</b>  Enoch Meletisi Mahlati Zukiswa Maboda Bongiwe Mvandaba Nomonose Buqa Zosuliwe Mgqoboka Noluntu Sonjica Makabongwe Makhubalo Siphiwo William Tyefu Mnonopheli Sikhundla Nokubonga Cynthia Hlekiso	0	0
16	Cllr.S.Maputeni <b>Ward Committee</b>  Papama Nobanda Michel Xolile Bhenya Tembelani Godfrey Bontswayo Nokuzola Prudence Vatala Nosakele Elizabeth Makunga Nangamso Dingiswayo Masingene Madela Phathiswa Nonjongo Tom Zixolile Bethuwell Ndeleleni Simpiwe Peacemaker Sidzumo	02	07

Ward Name (Number)	Verified Ward Committees Year 2023-2024	Ward committee meeting	Ward general meeting
17	Cllr .X.Pupuma <b>Ward Committee</b>  Lindikhaya Marulubha 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	12	04
18	Cllr .L.Dyantyi <b>Ward Committee</b>  Nosiphe Euphemia Gulwa Ntombizoxolo Cynthia Majiki Nondumiso Victoria Mahanjana Mteto Neliswa Nonzukiso Cynthia Mpapela Jongikhaya Dyani Thembinkosi Dyan Vuyelwa Noganta Noxolo Nadia Mkosana Fundiswa Nosakhele Nkamisa	08	10
19	Cllr .V.Nkehle <b>Ward Committees</b>  Sizwe Gwele Thembisile Nimrod Khabane Khayakazi Gwele Litha Morningstone Sikweza Theohylus Gxiva Sylvia Nomnikelo Nguza Bester Bongiwe Mpuqa Philasande Mgoqi Mgangatho Nyalambisa	04	14
20	Cllr.K.Gobeni <b>Ward Committees</b>  Nontsapho Zoleka Ngcuthushe Zanoxolo Michel Madolo Mzoxolo Wiberfoce Fipaza Nolusindiso Fundakubi Nontsapho Fiphaza Nompindezelo Felicious Tinzi Nokholekile Dinga Siyabonga Bungane Veliswa Primrose Bulube Nomzi Gladys Meken	08	06

Ward Name (Number)	Verified Ward Committees Year 2023-2024	Ward committee meeting	Ward general meeting
21	Cllr .T.Ntshonga <b>Ward Committees</b>  Nosandile Doris Makebesane Elssie Nontshakaza Noziphivo Elina Ntongana Orienda Siphokazi Nyengule Zikhona Qweshu Nokwezi Nokangeleko Mavatha Gcobisa Felicity Sigadla Nomvelwano Sodladla Noluyolo Dindili Patricia Nomvula Qweshu	10	16
22	Cllr.Z.Kwaza <b>Ward Committes</b>  Patrick Zweni Veleleni Abram Gilidobo Nomfuniselo Duluselo Noxolo Nqumba Nokuthula Ntshinga Nolufefe Wali Sikelelwa Mdzanga Siyanda Annelia Ntunzi Noboma Mbutho	0	01
23	Cllr.X.Mjamba <b>Ward Committees</b>  Beatrice Nonkonelo Mvila Bongeka Princess Mvandaba Nokuzola Njoloza Pinky Matsha NomaIndia Mdunyelwa Nonkangeleko Phylus Nolulamile Sityana Priscilla Nosimo Landeni Faniswa Ntabeni Sibongiseni Bikwani Dumisani Mkhwetsheni	04	02
24	Cllr .M.Ntsali <b>Ward Committees</b>  Nomaster Maqhanqa Nangamso Lele Nomampondo Nolingene Christina Mhlahlo Lungisile Tom Pikinini Zoniwe Nosecond Dlomoyi Phila Nosabelo Tshevu Nonkumbulo Fanele Nobusile Zigayi Masakhane Howard Matyiphu	07	04

Ward Name (Number)	Verified Ward Committees Year 2023-2024	Ward committee meeting	Ward general meeting
25	<b>Cllr V.J.Gazi</b> <b>Ward Committees</b>  Jeanet Qhina Cebisile Ngeyi David Tiyo Nomngqokwana Pateka Promise Mpetu-Tyala Ntombizodwa Bungeni Miranda Neliswa Ngwandi Siphokazi Gunya Buyiswa Sikhotho Luthando Owen Milisi Vuyelwa Cynthia Bomvana	12	01
26	<b>Cllr .B Zondani</b> <b>Ward Committees</b>  Buzelwa Khethani Gladys Ntombebedi Koyo Coceka Galeni Noluvo Basa Nomvuyo Cynthia Charles Nophethile Mvila Zoleka Veronica Qondani Ncedo Sonamzi Mvelelo Nelani Akhona Beauty Mandende	04	02
27	<b>Cllr.T.Mduli</b> <b>Ward Committees</b>  Thuleka Londi Nosimo Cingiwe Bolosini Lungisile Welcom Doni Zoleka Meyisi Khalamile Msila Victor Vakala Soga Sandiso Rabhu Pambukile Monqo Neziswa Hejana Siyabulela Ndzotyana	03	08
28	<b>Cllr .P.Mbovane</b> <b>Ward Committees</b>  Ntombombuso Lettia Kaleni Vuyisile Gidi Zibuzele Sajini Henderson Ngenisile Mbunje Nonelson Norah Gxwalintloko Ntombiyakhe Victoria Ludidi Velile Mdunyelwa Zameka Ziwani Tsitsa Malusi Moni Mzolisi Siximba	07	08

Ward Name (Number)	Verified Ward Committees Year 2023-2024	Ward committee meeting	Ward general meeting
29	Cllr.H.Tangana <b>Ward Committees</b> Busisiwe Godongwana Athini Mavis Klaas Dingan Mgidi Nokuthula Sityebi Nosayini Mavis Hlangani Thandiwe Mjamba Nomhle Oscarina Mpitizeli Lungiswa Adonis Zukile Jibilikile	10	08
30	Cllr .P.Ndabambi <b>Ward Committees</b>  Nobandla Sanda Cynthia Nosamkelo Nxokwana Nomilton Diniso Gcinikhaya Mphithizeli Nkwenkwe Yakhe Buthani Ntombizadile Alexander Phumza Bholo Zanecebo Cwangco Nqamra Mluleki Tinkler Xulashe Fundisile Kwekwana	10	07
31	Cllr.N.Mbuku <b>Ward committees</b>  Neville Daliwonga Nqweni Nomjoli Mondliwa Mawethu Phekiso Thuliswa Patricia Xoki Christopher Mluleki Sibidla Sikololo Lambered Jack Sabelo Landzela Ntombini Mandisa Qosho Ntombizanele Siko Mzwandile Ngqoloda	04	04
32	Cllr. T.Jizana <b>Ward committees</b>  Xolelwa Ntentseni Jonson Mvulo Ndileka Phandle Pakishile Nelson Rwaxa Siphetho Dlongwana Babalwa Cati Mncinane Mkhuhlu Sweetness Sindiswa Hadi Siviwe Mbalane Luxolo Dlulisa	07	18

# 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	Water	8/1	Road- Euggen and Magxaki	INITIALS AND SURNAME  Cllr. Nomthandazo Baleka
		Ext 6	Sanitation	3/6		
		Ext 7	Electricity	3/6		
		Magxaki (Bungeni)	Housing	3/6		
		Ugen(Tempora ls)	Access Roads	State of the access roads	Toilets: Squater camps	
		Sikiti(AM Bam)		Good      Fair      x      Poor		
		Santin	Proclaimed Roads	State of the proclaimed roads	Houses Squater camps	SIGNATURE
		Kuphumleni		Good      Fair      x      Poor		
		Smith	Community Halls	2 yes		
			Dipping Tanks	nono	Ext 7 Rail way near Street light	
			Stock Dams			
			LED Programmes	Select number of LED programmes in the ward		
				Farming      y      Tourism/Heritage      y      Arts and Crafts      y	Sport ground Kit squatter camp	DATE CONFIRMED 17/10/2023
			Schools	Select number of schools in the ward		
				Primary      y      Junior Secondary      y      High School      y		
			Clinics	Select type of clinic		
				Permanent Structure      y      Mobile Clinic      n		
			Mode of transport	Select mode of transport		
				Buses      Taxis		
			Sport Fields	no		
			Early Childhood Development Centres (Crèche's)	yes		

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				
2	4697	Msobomvu	Water	All	Paving of Road All ward	INITIALS AND SURNAME  Cllr Noeline N. Magwentshu				
		New Rest	Sanitation	All EXP Squatter Camps						
		Zitulele	Electricity	All Except squatter Camps	High Must light New Rest & Zitulele	Multi Purpose Centre New Rest	SIGNATURE			
		Coloured	Housing	All Except Squatter camps						
		Caravan Park	Access Roads	State of the access roads						
		Reservior Hill		Poor	Fair	Good				
		Simunye SC	Proclaimed Roads	State of the proclaimed roads	Toilets Squatter Camps	Houses Squatter Camps	DATE CONFIRMED 17/10/2023			
		Temporals		Poor				Fair	Good	
		Pumlani	Community Halls	No						
		Bala sc	Dipping Tanks	No						
		Siyanda	Stock Dams	No						
		Depo	LED Programmes	Select number of LED programmes in the ward						
		Silver town Section A		Farming	N	Tourism/ Heritage	Arts and Crafts			
				Schools	Select number of schools in the ward	Primary	y	Junior	Secondar	y
				Clinics	Select type of clinic	Permanent Structure	y	Mobile Clinic		
				Mode of transport	Select mode of transport	Buses		Taxis	y	
				Sport Fields	y					
				Early Childhood Development Centres (Crèche's)	y					

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		
3	7606	Msobomvu	Water		Roads : Mchubakazi/ Msobomvu	Cllr. M Khalimashe		
		Mchubakazi	Sanitation					
		Cuba	Electricity					
		Smuts Squatters	Housing					
			Access Roads		State of the access roads	Smuts Mchubakazi High Mast Light		
					Poor x Fair Good			
			Proclaimed Roads		State of the proclaimed roads			
					Poor x Fair Good			
			Community Halls		none	Smuts / Mchubakazi Water	SIGNATURE	
			Dipping Tanks					
			Stock Dams					
			LED Programmes		Select number of LED programmes in the ward	LED Programmes for Msobomvu/ Mchubakazi		
					Farming Tourism/ Heritage Arts and Crafts			
			Schools		Select number of schools in the ward			
					Primary 2 Junior Secondary High School			
	Clinics		Select type of clinic					
			Permanent Structure Mobile Clinic					
	Mode of transport		Select mode of transport					
			Buses Taxis	x				
	Sport Fields							
	Early Childhood Development Centres (Crèche's)			Sport field but in a bad condition	Community Halls	DATE CONFIRMED 17/10/2023		

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
4	8242	Roma	Water	8/2	Roads: Ext 15, Pilot Houses, Cuba, B section & Cuba Flatas	INITIALS AND SURNAME Cllr .Nosisi Paliso
		Cuba Flats	Sanitation	8/2		
		Vulli Valley	Electricity	Yes Exp Squatter Camps	Houses: Ziteneni, new Rest , Lindelani & Cuba	
		Ziteneni	Housing	8/2		
		New Rest	Access Roads	State of the access roads		
		Lindelani		Poor x Fair Good	Toilets : Lindelani S/C,Ziteneni & NewRest S/C	SIGNATURE
		Cuba Zone 2, 3, 4 & 5	Proclaimed Roads	State of the proclaimed roads		
			Community Halls	Poor Fair Good		
			Dipping Tanks	01 yes	Speed Humps-Taxi Route, Ext 15 & Pilot Houses	
			Stock Dams	none		
			LED Programmes	none		
				Select number of LED programmes in the ward	Sport Ground Cuba & Roma	DATE CONFIRMED 17 /10/2023
				Farming N/A Tourism/H eritage Arts and Crafts		
				Select number of schools in the ward		
			Schools	Primary y Junior Secondary y High School y		
			Clinics	Select type of clinic		
				Permanent Structure n Mobile Clinic y		
			Mode of transport	Select mode of transport		
				Buses Taxis y		
			Sport Fields	none		
			Early Childhood Development Centres (Crèche's)	yes		

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
5	9581	Area 1 Bika	Water	100%	Mayekiso Proclaimed Roads	INITIALS AND SURNAME  Cllr. Mawande Xabela
		Kwa7 Squarter camp	Sanitation	100%		
			Electricity	60/40		
		Khayelitsha	Housing	70/30	Electricity all informal Settlements	
		Polar Park	Access Roads	State of the access roads		
		Mdiba		Poor      Fair      x      Good		
		Kwezi	Proclaimed Roads	State of the proclaimed roads	Sport fields Madiba, Khayelitsha & Zizamele	SIGNATURE
		Myekiso		Poor      x      Fair      Good		
		Zizamele	Community Halls	01 yes		
		ABC Squarter camp	Dipping Tanks	none	Community Hall at Zizamele	
		King Hintsa TVET	Stock Dams	none		
		Extension	LED Programmes	Select number of LED programmes in the ward		
				Farming N/A      Tourism/H eritage      Arts and Crafts	Housing for all Informal Settlements	DATE CONFIRMED 17/10/2023
			Schools	Select number of schools in the ward		
				Primary      y      Junior Secondary      y      High School      y		

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
6	6162	Ibika Township	Water	Yes Exp New Ext	Electricity :Mchubakazi High Way	INITIALS AND SURNAME  Cllr. Nomazizi Patience Ntamo
		Mchubakazi	Sanitation	Yes Exp New Ext		
		High Way	Electricity	Yes Exp New Ext		
			Housing	Yes	Access Roads: Mchubakazi Highway	SIGNATURE
			Access Roads	State of the access roads		
				Poor x Fair Good		
			Proclaimed Roads	State of the proclaimed roads N/A	Sport Field Ibika	
				Poor Fair Good		
			Community Halls	No		
			Dipping Tanks	NO	Led Programme: WSU & IBIKA	DATE CONFIRMED 18/10/2023
			Stock Dams	NO		
			LED Programmes	Select number of LED programmes in the ward		
				Farming y Tourism/ Heritage y Arts and Crafts n	Housing: Mchubakazi	
			Schools	Select number of schools in the ward		
				Primary y Junior Secondary y High School n		
			Clinics	Select type of clinic		
				Permanent n Mobile Clinic n		
			Mode of transport	Select mode of transport		
				Buses Taxis		
			Sport Fields	no		
			Early Childhood Development Centres (Crèche's)	Yes but not in Good Condition		



WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT							TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR	
8	7181	Cegcuwana R1	Water	No water							Access Road R3 Mgagasi , R2 Cegcwana & Zigadini- Ntlambonkulu	INITIALS AND SURNAME  Cllr. Luyolo Ngindana	
		R 2	Sanitation										
		R3	Electricity										
		R4	Housing										
		Ceru	Access Roads	State of the access roads									
		Nkanini		Poor	x	Fair		Good	Water to entire ward				
		Ngxalathi	Proclaimed Roads	State of the proclaimed roads									
		Mgomazi Komshini	Community Halls	Poor	x	Fair		Good					
		Mgomazi R4 ,R7 Ntambonkulu	Dipping Tanks Stock Dams										
		Zigodini	LED Programmes	Select number of LED programmes in the ward							Electricity R5,R1 ,Zigadini Ntlambonkulu- Ndenxe- Komanishini	SIGNATURE	
				Farming	x	Tourism/ Heritage		Arts and Crafts	x				
		Ntshamazi	Schools	Select number of schools in the ward									
				Primary	8	Junior Secondary	5	High School	2				
			Clinics	Select type of clinic							Sanitation to whole ward		
				Permanent Structure		Mobile Clinic		x					
			Mode of transport	Select mode of transport									
				Buses		Taxis		x					
			Sport Fields	R6 Mgomannzi							Sport Field R6 Mgomanzi a/a	DATE CONFIRMED  06-11-2023	
	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
9	7960	Mzazi	Water	nil	Community Hall- Bongweni Water - Bongweni	INITIALS AND SURNAME  Cllr. Augustine M. Kabane
		Bongweni	Sanitation	mostly		
		Ngozana	Electricity	mostly		
		Upper Mpenduza	Housing	N/A	Pre-school- Ngozana	
		Lower Mpenduza	Access Roads	State of the access roads		
		Mzantsi		Poor x Fair Good		
		Upper Tobotshana	Proclaimed Roads	State of the proclaimed roads	Dipping Tanks-Lower Mpenduza	SIGNATURE
		Mission		Poor Fair Good		
			Community Halls	nil		
			Dipping Tanks	yes	Sport Grounds- Mzantsi	
			Stock Dams	yes		
			LED Programmes	Select number of LED programmes in the ward		
				Farming Tourism/Heritage Arts and Crafts	Roads- Bongweni	DATE CONFIRMED 18 October 2023
			Schools	Select number of schools in the ward		
				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
10	6470	Mtintsilana	Water		Access Road-Zangwa	INITIALS AND SURNAME Cllr. Thelma N. Mtintsilana
		Magogogo	Sanitation		,Mtintsilana,	
		Boilen	Electricity		Ndotshanga	
		Tongwana	Housing		Jikwana to Nobuhle	
		Qeuzana	Access Roads		Water –Whole ward	SIGNATURE
		Mkrwaga				
		Zangwa	Proclaimed Roads			
		Mzantsi				
		Ndotshanga	Community Halls			
		Ntabethemba	Dipping Tanks			
		Baloe Lalini	Stock Dams			
		Bawa Komkhulu	LED Programmes			
		MambendeniKomkhulu	Schools			
		Mtintsilana komkhulu				
		Sabatele	Clinics			
		Ndotshanga				
			Mode of transport			
			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
11	7916	Diya	Water	Yes but no water in whole ward	Road- Diephu, Diya Dyosini, Ngquthu , Khaxhashimba & Mahlubini	INITIALS AND SURNAME  Cllr. Zithobile Mawisa
		Mnqulo	Sanitation	Yes ext new rest ext		
		Khobodi	Electricity	Yes expt new extension		
		Khaxhashimba	Housing	None		
		Dyosini	Access Roads	State of the access roads	Water: Manqulo, Diya, Eagle , Mangweni, Khobodi & Zibhityolo	
		Mbongendlu		Poor x Fair X Good		
		Ngquthu	Proclaimed Roads	State of the proclaimed roads		
		Dyosini		Poor x Fair Good		
		Ngwane	Community Halls	Yes	Alian Plan: Ngwane, Manqulo, Dyosini, Diya, Diephu & Mangweni	SIGNATURE
		Ngquthu	Dipping Tanks	2 yes Need more		
		Springs	Stock Dams	No		
		Maclay	LED Programmes	Select number of LED programmes in the ward		
				Farming y Tourism/ Heritage y Arts and Crafts y	Electricity: Ngwane, Dyosini, Diya, Zibhityolo	
		Dyosini	Schools	Select number of schools in the ward		
				Primary y Junior Secondary y High School Y 2		
			Clinics	Select type of clinic	Fields: Mgquthu & Dyosini	
				Permanent Structure 2 Mobile Clinic n		DATE CONFIRMED 17/10/2023
			Mode of transport	Select mode of transport		
				Buses x Taxis/Bakkies x		
			Sport Fields	No		
			Early Childhood Development Centres (Crèche's)	Yes not in good condition		

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR	
12	7458	Mahlubini	Water	yes	Roads From Mambendeni to Qeqe	INITIALS AND SURNAME	
		Lengeni	Sanitation	yes			
		Jojueni	Electricity	yes			
		Komkhulu	Housing	no	Dipping Tanks	Cllr Lindile Tetana	
		Ndabakazi	Access Roads	State of the access roads			
		Mambendeni		Poor Fair Good			
		Ngobozi	Proclaimed Roads	State of the proclaimed roads	Extension of Piped water	SIGNATURE	
		R1 Toleni		Poor Fair Good			
		Komkhulu	Community Halls	NO			
		Toleni	Dipping Tanks	Yes but not whole ward	Housing for the need		
		Sawutana	Stock Dams	Yes but not whole ward			
		Qeqe	LED Programmes	Select number of LED programmes in the ward			
		Gxakhulu			Farming	Tourism/ Heritage	Arts and Crafts
					Select number of schools in the ward		
					Primary	5 Junior Secondary	4 High School
1							
Select type of clinic							
		Clinics	Permanent Structure	x	Mobile Clinic	1	
			Select mode of transport				
			Buses		Taxis	x	
		Mode of transport	yes				
			Sport Fields				
			Early Childhood Development Centres (Crèche's)				
			3				

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
13	7155	Badule	Water	NO	Maphiko to Mahemini Ekuphumleni to Ncora	INITIALS AND SURNAME  Cllr Michael M. Magobiane
		Lusizini	Sanitation	Yes		
		Trust Farm	Electricity	15/4		
		KwaL	Housing	NO	Roads-Emaxelegwini 1 & 2	Cllr Michael M. Magobiane
		Kwa T	Access Roads	14 State of the access roads		
		Kwa Chief		Poor Y Fair Good	Dipping whole ward	
		Kwa Adam	Proclaimed Roads	State of the proclaimed roads		
		Mzantsi S		Poor 02 Y Fair Good	Electricity for New extensions	SIGNATURE
		Madopholweni	Community Halls	1		
		Mahemini	Dipping Tanks	NO		
		Carlifonia	Stock Dams	NO	Community Hall	
		KwaMaphiko	LED Programmes	Select number of LED programmes in the ward		
				Farming N Tourism/Heritage Arts and Crafts		
		Ezibondeni	Schools	Select number of schools in the ward		
		Komkhulu		Primary Y Junior Secondary High School		
		Ekuphumleni	Clinics	Select type of clinic		
		Ncorha		Permanent Structure N Mobile Clinic	Stock Dams & Dipping Tanks	DATE CONFIRMED 17:10 23
		Mkhobeni	Mode of transport	Select mode of transport - Bakkies		
		Mmangondini		Buses Taxis Y		
		Xobo	Sport Fields	Not in good Condition		
			Early Childhood Development Centres (Crèche's)	Yes		

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	6	Access Roads: Ntombo, Dumalenja & Vuba Access Road	INITIALS AND SURNAME  Cllr Lady Grace N. Mgqalelo			
		Dyam-Dyam	Sanitation						
		Ntombo	Electricity						
		Vuba	Housing						
		Ndenxe	Access Roads	State of the access roads	Access Road Macibini to Ntandathu, electricity –Ndexe access Dyani Dyam Housing	SIGNATURE			
		Ntandathu	Poor	Fair			Good		
		Mgodla	Proclaimed Roads	State of the proclaimed roads					
		Mthonjeni	Poor	Fair			Good		
		Mgobhozweni	Community Halls	1	Access road Nqileni speed humps tyinirha access road Dipping tank Community hall Mgobhozweni	Dyam Dyam sport field Magodla Clinic			
		Nqileni	Dipping Tanks	no					
		Tyinirha	Stock Dams	no					
			LED Programmes	Select number of LED programmes in the ward					
				Farming	Tourism/Heritage	Arts and Crafts	Dipping Tank	DATE CONFIRMED 24/10/2023	
			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/Bakkie			
			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
15	6120	Mahlubini	Water	21 Areas					Access Road: Svandla, Matshanganeni, via Jojweni to Mjamaneni	INITIALS AND SURNAME  Cllr. Sithembiso Ncetezo
		Rwantsana	Sanitation	27 Areas						
		Hebe-Hebe	Electricity	Whole ward 32						
		Zixhotyeni	Housing	None					Water Nqancule	
		Lalini, Home	Access Roads	State of the access roads						
		Mthonjeni		Poor x Fair Good						
		Diphin	Proclaimed Roads	State of the proclaimed roads					Rwantsana & Mtshabeni Dipping Tank	SIGNATURE
		Qolweni		Poor x Fair Good						
		Ngunikazi	Community Halls	1						
		Nkalweni	Dipping Tanks	6					Field Fencing	
		Bhongithole	Stock Dams	N/A						
		Gxojana	LED Programmes	Select number of LED programmes in the ward						
				Farming Tourism/ Heritage Arts and Crafts					Nqancule Sport Field	DATE CONFIRMED
		Mantanjeni	Schools	Select number of schools in the ward						
		Sikhobeni		Primary 1 Junior 7 High School 1						
		Mtshabeni	Clinics	Select type of clinic						
		Nyidlana		Permanent Structure Mobile Clinic						
		Sivanxa	Mode of transport	Select mode of transport						
		Jojweni		Buses 3 Taxis						
		Marhambeni	Sport Fields	1						
		Tsomo, Majama neni, Ndaba, Xhamani, Lower Nqancule	Early Childhood Development Centres (Crèche's)	8						

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
16	7440	Nobanda	Water	all	Ngculu to Nobanda	INITIALS AND SURNAME Cllr. Sithethi Maputeni
		New look	Sanitation	all		
		Ngculu A/A	Electricity	all		
		Nofotyo	Housing	State of the access roads	Nofotyo to Upper Nofotyo	
		Upper Nofotyo	Access Roads			
		Hili-Hili				
		Dingiswayo	Proclaimed Roads	Poor x Fair Good	Sidutyini to Memela	SIGNATURE
		Nyulula		State of the proclaimed roads		
		Masibambane	Community Halls	Poor Fair Good x		
		Qwanguleni	Dipping Tanks	TRC	Ngquma to Qolweni	
		Sidutyini	Stock Dams	no		
		Qolweni	LED Programmes	yes		
				Select number of LED programmes in the ward		
				Farming x Tourism/Heritage x Arts and Crafts x		
				Select number of schools in the ward		
		Bolani	Schools	Primary x Junior Secondary x High School	Hili Hili to Bolani	DATE CONFIRMED 03/10/23
		Gedudu		Select type of clinic		
		Ngcisininde	Clinics	Permanent Structure Mobile Clinic		
		Nquma		Select mode of transport		
			Mode of transport	Buses Taxis/bakkies x		
			Sport Fields	Ngculu Sport Field		
			Early Childhood Development Centres (Crèche's)	No		

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	2 not having taps	Community Hall	INITIALS AND SURNAME  Cllr. Xolisa Innocent Pupuma
		Kunene	Sanitation	Yes but few doesn't have Toilets		
		Esikolweni	Electricity	09 house doesn't have electricity	Dudumashe Mission lower- Access roads	
		Nkqayi	Housing	Need houses for distitutes		
		Mngcangcathelo	Access Roads	State of the access roads		
		Mjayezi		Poor x Fair Good	Shearing shed	SIGNATURE
		Toboyi	Proclaimed Roads	State of the proclaimed roads		
		Nomaheya		Poor x Fair Good		
		Mirrerees	Community Halls	No community Hal	Formers support programmes	
		Lower Nomaheya	Dipping Tanks	none		
		Bhongweni	Stock Dams	11 need maintainance		
		Newtown	LED Programmes	Select number of LED programmes in the ward	Old age early childhood centres	DATE COONFIRMED 03 /10/2023
				Farming Tourism/ Heritage Arts and Crafts		
			Schools	Select number of schools in the ward		
				Primary 1 Junior 2 High School 1		
			Clinics	Select type of clinic		
				Permanent Structure Mobile Clinic		
			Mode of transport	Select mode of transport		
				Buses Taxis	Sport Fields	
				1 Sport field		
			Early Childhood Development Centres (Crèche's)	We need 2 centres		

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	Mtwaku, Mpahleni	Water	All	Access Road Water and Sanitation: Ncisininde Komkhulu New Look	INITIALS AND SURNAME Cllr. Lunga Dyantyi
		ALL	Sanitation	All		
		ALL	Electricity	All		
			Housing		Tunga Loc Ntibanane Loc & Ezifletin	
		Mthwaku, Ntwala	Access Roads	State of the access roads		
		Mpahleni, Ngcwazi		Poor x Fair Good		
		Nqamakwe town	Proclaimed Roads	State of the proclaimed roads	Marikana	SIGNATURE
		Mntwaku		Poor Fair x Good		
		Mantunzeleni, Ezifletin	Community Halls			
		Ngcwazi, Mpahleni	Dipping Tanks			
			Stock Dams			
			LED Programmes	Select number of LED programmes in the ward		
				Farming x Tourism/Heritage Arts and Crafts		
		All	Schools	Select number of schools in the ward		
		Mantunzeleni		Primary 10 Junior Secondary y High School		
		Nqamakwe	Clinics	Select type of clinic		DATE CONFIRMED 23/10/2023
				Permanent Structure x Mobile Clinic		
			Mode of transport	Select mode of transport		
				Buses Taxis 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
19	8603	Lundi	Water	6 Xilinx Village, Sqithini, Mahlubini, Lunda, Ngxabin Lunda	Dakaneni to Good Hope Access Road Kotane	INITIALS AND SURNAME  Cllr V. Nkehle
		Mahlubini	Sanitation	Whole ward but extension		
		Ngxalawe	Electricity	Jekezi Wongalethu Maseleni		
			Housing	15 Villages	Sawutana to Maseleni access roads to Hlathini	
		Njekeni, Siqithini, Jekezi	Access Roads	State of the access roads		
		Nkanini, Gubevu		Poor Fair Good		
		Sautana, Ndede, Busina	Proclaimed Roads	State of the proclaimed roads	Siqithini access road Community Siqithini Hall	SIGNATURE
		Upper Kotana		Poor Fair Good		
		Mbangweni	Community Halls	Siqithini, Kotane Mthla		
		Maseleni	Dipping Tanks	Mseleni & Kotane	Jekezi to Mahlubini Access Road, Gubevu Dkaneni to Santin	DATE CONFIRMED 16/10/2023
		Shlabeni	Stock Dams	Sawutana, Maseleni XILINXA		
		siqithin	LED Programmes	Select number of LED programmes		
				Farming Tourism/Heritage Arts and Crafts	Sihlabeni Komkhulu Access Road Maseleni Sport Field	
		Wongalethu	Schools	Select number of schools in the ward		
		Ntlakwevenkile		Primary Junior Secondary High School		
		Simeliyane	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)			

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 Ndela	Water		Lusuthu Mpetha Luxhomo zingqayi No Water	Cllr. Kwandiswa Gobeni
		Sihlabeni & Mtebele	Sanitation			
		Qima, Mpeta	Electricity			
		Kotane stishin	Housing		Sanitation &n Electricity whole ward	
		Kotane nomjana Lusuthu Mpeta	Access Roads	State of the access roads Poor Fair Good		
		Zingqayi	Proclaimed Roads	State of the proclaimed roads Poor Fair Good	Jam Nomjana Access Road	SIGNATURE
		Komkhulu	Community Halls			
			Dipping Tanks			
			Stock Dams		Community Hall Qima	DATE CONFIRMED 10/10/2023
			LED Programmes	Select number of LED programmes		
				Farming Tourism/Heritage Arts and Crafts		
			Schools	Select number of schools in the ward	Lindsay Mtebele Road Maintenance	
				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)	3		

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
21	7737	Zwelitsha	Water		Roads-Mazizini to Lahlangubo, Geoge to Tyeni	INITIALS AND SURNAME Cllr. Tandikaya G. Ntshonga
		Kwaymani	Sanitation			
		Ntshamanzi	Electricity			
		Malongweni	Housing		Ndana to Hlobo ,Guntsoni,Mzizini to Sawufana	
		Mambabaleneni	Access Roads			
		Mgcwe ezantsi		State of the access roads Poor Fair Good		
		Matolweni	Proclaimed Roads		Dipping Tanks, Water and Electricity all Ward	SIGNATURE
		Mbaniwa		State of the proclaimed roads Poor Fair Good		
		Etyeni	Community Halls			
		Ngwanaya	Dipping Tanks		Toilets, CoMMUNITY hall	
		Mission	Stock Dams			
		Tshazibane, Mazizini, Lahlangubo	LED Programmes			
				Select number of LED programmes in the ward	Stock Dams, Sport Grounds	DATE CONFIRMED 24/11/23
				Farming Tourism/H eritage Arts and Crafts		
				Select number of schools in the ward		
		Radu, Sphahleni, Zingcuka	Schools			
		Ziqhamnganeni, Zintuku		Primary Junior Secondary High School		
		Qoliwe, Marhawuleni	Clinics	Select type of clinic		
		Bongweni		Permanent Structure Mobile Clinic		
		Sawutana	Mode of transport	Select mode of transport		
		Siqithini		Buses Taxis/Bakkie		
			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
22	9694	Ntshingeni	Water	no	Water- Whole ward	INITIALS AND SURNAME Cllr. Zakhele Edward Kwaza
		Raladiya	Sanitation	yes		
		Njingqi	Electricity	yes	Access Road- Magalakanqa, Bluesky, Qora, Cafutweni Maintenance	
		Rhosheni	Housing	N/A		
		Milwa	Access Roads	State of the access roads	Proclaimed Road from B/worth to Gatyana	SIGNATURE
		Masaleleni		Poor Fair Good		
		Zwelandile	Proclaimed Roads	State of the proclaimed roads	Clinic –Cafutweni Community Hal	
		tyhila		Poor Fair Good		
		KuNotyekile	Community Halls	No	Stock dams whole ward, Electricity new extension	DATE CONFIRMED 25/10/2023
		Tshona	Dipping Tanks	No		
		Mhodi	Stock Dams	No		
		Lamla	LED Programmes	Select number of LED programmes in the ward		
				Farming y Tourism/ Heritage y Arts and Crafts		
		Busila	Schools	Select number of schools in the ward		
		Kunkanga		Primary y Junior y High School y		
		Mazikhanye	Clinics	Select type of clinic		
		Mathole		Permanent n Mobile Clinic		
		Jama	Mode of transport	Select mode of transport		
		Mgalakanqa		Buses Taxis/Bakkies y		
			Sport Fields	no		
			Early Childhood Development Centres (Crèche's)	Yes but need maintenance		

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	Sigingqini	Water	Qengqweni, Nkondwane	Roads-Sixhotyeni, Teko Fihla & Krakrayo	INITIALS AND SURNAME  Cllr. Xabiso Leon Mjamba
		Mangweni	Sanitation	all		
		All Villages	Electricity	Mangweni, Teko Fihla, Rwantsana, Qengqweni, Ngcukana		
		Rwantsna	Housing		Electricity-All New Extension	
		Nkondwane	Access Roads	State of the access roads		
		Tutura		Poor x Fair Good		
		Qobo-qobo	Proclaimed Roads	State of the proclaimed roads	Stock DAMs-Mtonjeni	SIGNATURE
		Sazile Tioyo Soga		Poor x Fair Good		
			Community Halls	1		
			Dipping Tanks	Qoboqobo	Water-Qengqweni & Ncedani	
			Stock Dams	Mthonjeni Komkhulu		
			LED Programmes	Select number of LED programmes in the ward		
				Farming x Tourism/Heritage Arts and Crafts x	Community Hall-Thuthura	DATE CONFIRMED 15 Nov 2023
			Schools	Select number of schools in the ward		
				Primary 1 Junior High School 0 Secondary 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
24	5253	Booi Farm	Water	All we ask to more taps	Access Road Monakali, Booi Farm, Mkhonkotho Salakuphathwa school School MeKl iSS	INITIALS AND SURNAME  Cllr. Mphuthumi Ntsali
		Monakali Farm	Sanitation	All Magele & Glo need toilets		
		Mkhonkotho	Electricity	All infields & Extension		
		Jojweni	Housing			
		Ngqokweni	Access Roads	State of the access roads	Addition of water tap Whole Ward	
		Fotini		Poor x      Fair      Good		
		Mkhulu	Proclaimed Roads	State of the proclaimed roads		
		Gaba		Poor      Fair      Good	Stock Dams Renovate Holela & Teko Dipping Tank	SIGNATURE
		Magele	Community Halls	None		
		Cilo	Dipping Tanks	Two need to renovate		
		Teko Kona	Stock Dams	None		
		Teko Msintsana	LED Programmes	Select number of LED programmes in the ward		
				Farming      Tourism/Heritage      Arts and Crafts		
		Qumbulwana	Schools	Select number of schools in the ward	Road From Mkhonkotho to Dondolo Chief Komkhulu	
		Mthonjeni		Primary      Junior      High School      1		
		Nkelekethe	Clinics	Select type of clinic		
		Teko Springs		Permanent Structure      1      Mobile Clinic      y	Msintsana ans Magele we need additional of water tap and water for new Extension	DATE CONFIRMED 23/10/2023
			Mode of transport	Select mode of transport		
				Buses      Taxis		
			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
25	11611	Ngunduza	Water	All of Them in Ngunduza/Cats pass/Mkwezeni	Access Road: Mndundu to Kabakazi to Nyityaba	INITIALS AND SURNAME Cllr. Vuyani Jackie Gazi
		Mcotama	Sanitation			
		Centuli	Electricity	Mahlathini/Nkonkweni/Mathole	Community Hall Centuli Area	
		Kabakazi	Housing	Whole area		
			Access Roads	State of the access roads		
				Poor x Fair Good		
			Proclaimed Roads	State of the proclaimed roads		
				Poor Fair Good		
			Community Halls	Only one in Kabakazi	Clinic Mahlabatini Location	SIGNATURE
			Dipping Tanks	Only One in Revived		
			Stock Dams	Nothing		
			LED Programmes	Select number of LED programmes in the ward		
				Farming x Tourism/Heritage n Arts and Crafts o	Sport Field Mcothama A/A	
			Schools	Select number of schools in the ward		
				Primary 7 Junior Secondary High School 1		
			Clinics	Select type of clinic		
				Permanent Structure 1 Mobile Clinic 3	Stock Dams Dipping Tank Kabakazi	DATE CONFIRMED 14/10/2023
			Mode of transport	Select mode of transport		
				Buses Taxis y		
			Sport Fields			
			Early Childhood Development Centres (Crèche's)	Only 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	Water	4/7	Water –Msintsana Nkente	INITIALS AND SURNAME Cllr. Bukiwe Zondani
		Ntlini	Sanitation	Yes Ext New Ext		
		Nkente	Electricity	Yes except DoMBO	Access Road- Nkente to Msento Vusani-Mnyameni Nxaxo-Mandlo Macibe Ndlambe	SIGNATURE
		Sintsana	Housing	N/A		
		Nxaxo	Access Roads	State of the access roads		
		Ezingcuka		Poor Y Fair Good		
			Proclaimed Roads	State of the proclaimed roads	Community Hall- Macibe Electricity -Dombo	
				Poor y Fair Good		
			Community Halls	No	Sport Field - Godidi	
			Dipping Tanks	Yes not in good condition		
			Stock Dams	No	Godidi Tank Nkente	DATE CONFIRMED 25/10/2023
			LED Programmes	Select number of LED programmes in the ward		
				Farming y Tourism/ Heritage Arts and Crafts		
			Schools	Select number of schools in the ward		
				Primary y Junior Secondary y 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	
27	9460	Ward 27	Water	Pipes No water	Access Roads: Xhiben Via Maqoma ,Tafeni Nyineze Gqola via cele Sholwana to lalo Hlontweni to ngcwara 7 Mozana	INITIALS AND SURNAME  Cllr. Tamsanqa J.J. Mduli	
		Zatu village	Sanitation	Not Completed			Water & Sanitation Gcina,Ngqungqe,Lu sizi Cebe Gcina ,Ngcwara
		gqunqe	Electricity	Not Completed			
		Nyiwezelo	Housing	N/A			
		Xhibeni	Access Roads	State of the access roads	Electricity Cebe,Lusizi,Lalo,Fihl ani,Gcina,Gqunqe,M aqoma	SIGNATURE	
		Maqoma		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/>			
		Singeni	Proclaimed Roads	State of the proclaimed roads			
		Dolweni		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/>	Creches: Zalu Gqunqe,Maqoma,La lo,Ngcota	DATE CONFIRMED 18/10/2023	
		Mazepha	Community Halls	Only 5			
		Manyube	Dipping Tanks	9			
		Diko	Stock Dams				
		Lusizi	LED Programmes	Select number of LED programmes in the ward	Farming: Gcina,Cebe, Gqunqe, Dipping Tank Ngcata,Ngcwara,Co mmunity Hall Gqunqe gcina		
				Farming <input type="checkbox"/> 3 <input type="checkbox"/> Tourism/ Heritage <input type="checkbox"/> 1 <input type="checkbox"/> Arts and Crafts <input type="checkbox"/> 1 <input type="checkbox"/> 1			
		Fihlani	Schools	Select number of schools in the ward			
		Lalo		Primary <input type="checkbox"/> 2 <input type="checkbox"/> Junior Secondary <input type="checkbox"/> 8 <input type="checkbox"/> High School <input type="checkbox"/> 2 <input type="checkbox"/> 2			
		Mtwaku	Clinics	Select type of clinic	Farming: Gcina,Cebe, Gqunqe, Dipping Tank Ngcata,Ngcwara,Co mmunity Hall Gqunqe gcina		
Gqola		Permanent <input type="checkbox"/> 1 <input type="checkbox"/> Mobile Clinic <input type="checkbox"/> 4					
Ngcota	Mode of transport	Select mode of transport					
Mngunkowa		Buses <input type="checkbox"/> Taxis <input type="checkbox"/> X <input type="checkbox"/>					
	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
28	8780	Ngcizele	Water	6 Areas	Access Roads	INITIALS AND SURNAME Cllr. Phumzile Michael Mbovane
		Khobonqaba	Sanitation	7 Areas		
		Nxanxa	Electricity	7 Areas	Water	
		Nquasi	Housing	no		
		Ncerana	Access Roads	State of the access roads		
		Khantolo		Poor y Fair Good	Dipping nTanks	SIGNATURE
			Proclaimed Roads	State of the proclaimed roads		
				Poor y Fair Good		
			Community Halls	no	Community Hall	
			Dipping Tanks	3		
			Stock Dams	no		
			LED Programmes	Select number of LED programmes in the ward	Houses	DATE CONFIRMED
				Farming n Tourism/ n Arts and no o Heritage o Crafts		
			Schools	Select number of schools in the ward		
				Primary 9 Junior 2 High 1 Secondary School		
			Clinics	Select type of clinic		
				Permanent 1 Mobile Clinic Structure		
			Mode of transport	Select mode of transport		
				Buses 2 Taxis 10		
			Sport Fields	no		
			Early Childhood Development Centres (Crèche's)	3		

WARD NO.	POPULATION	VILLAGES	SERVICES CURRENTLY ACCESSED IN THE WARD	HOW MANY VILLAGES THAT HAVE ACCESS TO THE SERVICES OR SELECT	TOP 5 WARD PRIORITIES	CONFIRMED BY WARD CLLR
29	8893	Feni Mjo Nontshinga Kei Farm Qolora by Sea	Water Sanitation Electricity Housing Access Roads	State of the access roads Poor Fair Good	Access Road Mjo- Ech ebeni Kei Farm Edakeni, KwaNontshinga Community Hall Kwa Nontshinga	INITIALS AND SURNAME Cllr. M. Highway Tangana
			Proclaimed Roads	State of the proclaimed roads Poor Fair Good	Water Feni ,Mjo KwaNontshinga	SIGNATURE
			Community Halls			
			Dipping Tanks			
			Stock Dams			
			LED Programmes	Select number of LED programmes in the ward Farming Tourism/ Heritage Arts and Crafts		
			Schools	Select number of schools in the ward Primary Junior Secondary High School	Sport Field – Feni	
			Clinics	Select type of clinic Permanent Structure Mobile Clinic		
			Mode of transport	Select mode of transport Buses Taxis	Dipping Tank- Whole Ward & Stock Dams Whole ward	DATE CONFIRMED Nov 2023
			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
30	7546	Msentu	Water	Town only others don't have	Nxokwana Access Road\ Nyumaga Access Roads Golisin Access Road Centane Street Machelesini Bridge	INITIALS AND SURNAME  Cllr. Pumla Ndabambi
		Xeni	Sanitation	All expect new area		
		Centane Town	Electricity	All Expect new area		
		Nxokwana	Housing	No		
		Nyumaga	Access Roads	State of the access roads	Water town, Nxokwana, Msentu, Xeni, Ngede, Mthwaku, Nyumagu KuloMbombo	SIGNATURE
		KuloMbombo		Poor x Fair Good		
		Mthwaku	Proclaimed Roads	State of the proclaimed roads		
		Ngede		Poor x Fair Good		
			Community Halls	Town	Dipping Tank Kulombombo Ngede	
			Dipping Tanks	no		
			Stock Dams	no		
			LED Programmes	Select number of LED programmes in the ward		
				Farming Tourism/ Heritage Arts and Crafts	Clinic: Mthwaku KuloMbombo & Nyumaga Houses All wards=sw3	
			Schools	Select number of schools in the ward		
				Primary x Junior Secondary High School		
			Clinics	Select type of clinic		
				Permanent Structure x Mobile Clinic	Community Hall Highmast Town Street Light	DATE CONFIRMED 23/10/2023
			Mode of transport	Select mode of transport		
				Buses Taxis		
			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
31	9348	Ngqanda	Water	Yes exp new ext					Access Road: Isigangala jojweni, Mrhawuzeli,	INITIALS AND SURNAME  Cllr. Nangamso Mbuku
		Khobongqaba	Sanitation	Yes exp new ext						
		Seku	Electricity	Yes exp new ext						
		Gobe	Housing	no					Sport Field Qhina,	
		Diphini	Access Roads	State of the access roads						
		Isigangala		Poor		Fair		Good		
		Mrhawuzeli	Proclaimed Roads	State of the proclaimed roads						
		Jojweni		Poor		Fair		Good		
		Thembani	Community Halls	no					Dipping Tank Khobongqaba, Qhina	SIGNATURE
		Xhobani	Dipping Tanks	Not in good condition						
		Hlangani	Stock Dams	no						
		Thala	LED Programmes	Select number of LED programmes in the ward						
				Farming		Tourism/Heritage		Arts and Crafts	Clinic Isigangala & Nganda	
		Qina Ezantsi	Schools	Select number of schools in the ward						
				Primary	y	Junior Secondary		High School		
			Clinics	Select type of clinic						
				Permanent Structure	y	Mobile Clinic		2	Houses wholeward	DATE CONFIRMED 18/10/2023
			Mode of transport	Select mode of transport						
				Buses		Taxis				
			Sport Fields	no						
			Early Childhood Development Centres (Crèche's)	Yes need attention						

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	Water	7						Access road Divillias Community Hall Qombolo, Water	INITIALS AND SURNAME Cllr. Tembisa Jizana
		Qombolo	Sanitation	10							
		Mambalu	Electricity	0							
		Midange	Housing	0						Mambali Access road & Water Midange Vd Midange VD Access road & water	
		Mangweni	Access Roads		State of the access roads						
		Njingini		Poor		Fair		Good			
		Macibe	Proclaimed Roads		State of the proclaimed roads					Magiqweni VD Magiqweni VD , Community Hall Njingini VD Water access rd & Dipping Tank	SIGNATURE
		Gobe		Poor		Fair		Good			
		Nonyembezi	Community Halls	NO							
		Ncaluka	Dipping Tanks	NO						Macibe VD access road Community Road Community Hall	
			Stock Dams	NO							
			LED Programmes		Select number of LED programmes						
				Farming		Tourism/Heritage		Arts and Crafts	1		
				Select number of schools in the ward							
			Schools	Primary	Y	Junior	Secondary	High School	2		
				Select type of clinic							
			Clinics	Permanent Structure		Mobile Clinic				Nonyembezi VD community hall Ncaluka vd Community Hall	DATE CONFIRMED 25 /10 /2025
				Select mode of transport							
			Mode of transport	Buses		Taxis					
			Sport Fields								
			Early Childhood Development Centres (Crèche's)								

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2023/2024

Date of Committee	Committee Recommendation	Recommendation Adopted? (Y/N)
20 July 2023	<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. Quarterly review of 2022/2023 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"> <li>• Noted Risk Management report.</li> <li>• Noted Sec 52(d) report, with recommendation to improve the collection of ageing municipal debtors.</li> <li>• Noted Litigation report with recommendation on Compliance with the POPIA Act.</li> <li>• Noted ICT report with the recommendation to 100% implementation of planed ICT projects.</li> </ul>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>
25 August 2023	<p>The Committee reviewed the 2021/2022 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"> <li>• Noted the 1<sup>st</sup> Adjustment budget.</li> </ul>	<p>Y</p>
25 October 2023	<p>Quarterly review of 2023/2024 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"> <li>• Noted the ICT report</li> <li>• Noted Sec 52(d) report</li> <li>• Noted Litigation report</li> <li>• Noted Risk Management report</li> <li>• Noted PMS report with recommendation to closely monitoring of the performance of Infrastructure Department as it has significantly declined.</li> </ul>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>
22 January 2024	<p>Audit Committee reviewed the 2023/2024 Mid-term performance report – Section 72 of the MFMA with the following recommendations:</p> <ul style="list-style-type: none"> <li>• Noted the midterm and 2nd quarter performance analysis report.</li> <li>• Noted Sec 72 and Sec 52(d) 2nd quarter with recommendation to Council for writes off and disposal report.</li> <li>• Noted 2nd Adjustment Budget.</li> <li>• Noted the 2022/2023 Audit Action Plan for implementation and monitoring</li> </ul>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>
22 February 2024	<p>Quarterly review of 2023/2024 Second Quarter was reviewed by Audit Committee as per Section 166 of the MFMA with the following recommendations:</p>	<p>Y</p>

Date of Committee	Committee Recommendation	Recommendation Adopted? (Y/N)
	<ul style="list-style-type: none"> <li>• Noted Litigation report.</li> <li>• Noted the Risk management report</li> <li>• Noted the Sec 54(d) report.</li> <li>• Noted the ICT report .</li> </ul>	Y Y Y Y
24 April 2024	<p>Quarterly review of 2023/2024 Third Quarter was reviewed by Audit Committee as per Section 166 of the MFMA with the following recommendations:</p> <ul style="list-style-type: none"> <li>• Noted the Risk Management report.</li> <li>• Noted the Litigation report.</li> <li>• Noted the ICT report.</li> <li>• Noted Sec 54(d) report with the recommendation that the asset write off and disposals, 8 months extension on one of Infrastructure projects, debtors write off list and short-term credit with the service provider.</li> </ul>	Y Y Y Y

### AUDIT COMMITTEE RECOMMENDATIONS IN THE 2023-2024 FINANCIAL YEAR



**V. HLEHLISO CIA, CCSA**  
**AUDIT COMMITTEE CHAIRPERSON**

## APPENDIX I – PERFORMANCE OF SERVICE PROVIDERS- 2023/2024 FINANCIAL YEAR

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2022/2023)		Year 1 (Current Year- 2023/2024)	
		Target	Actual	Target	Actual
Kaazi Engineering Group Pty Ltd	Percentage progress towards construction of Jojweni to Happy Valley Access Road by June 2024			Construction of Jojweni to Happy Valley Access Road	The contract was terminated for non-performance. The overall progress at the stage of termination was 44% towards completion
Lwazi Enterprise (Pty) Ltd	Percentage progress towards construction of Ngcingcinikwe Access Road by June 2024			Construction of Ngcingcinikwe Access Road	Construction was at 100% as at end June 2024
Qamasande / Edify Africa Jv	Percentage progress towards construction of Mgomanzi Kwa R1 & R4 to Ntshamanzi (Eskom) Access Road by June 2024			Construction of Mgomanzi Kwa R1 & R4 to Ntshamanzi (Eskom) Access Road	Construction was at 100% as at end June 2024
Zenzile Building and Civil Engineering	Percentage progress towards construction of Nibe, Debese to Zigqwabele Access Road by June 2024			Construction of Nibe, Debese to Zigqwabele Access Road	Construction was at 100% as at end June 2024
Investorex 28 (Pty) Ltd T/A GS Civils	Percentage progress towards construction of Thala to Qina Access Road by June 2024			Construction of Thala to Qina Access Road	Construction was at 100% as at end June 2024
Dintwa Trading cc	Percentage progress towards construction of Sidutyini Access Road (Ward 7) by June 2024			Construction of Sidutyini Access Road (Ward 7)	Construction was at 100% as at end June 2024
Ilitha Pty Ltd	Percentage progress towards construction of Ngunduza to Jobe Access Road by June 2024			Construction of Ngunduza to Jobe Access Road	Construction was at 100% as at end June 2024
Maboka Contractors	Percentage progress towards construction of Kwa L to Adams Access Road by June 2024			Construction of Kwa L to Adams Access Road	Construction was at 100% as at end June 2024
Malimiso	Percentage progress towards construction of Lunda, Mahlubini and Ngxalawe Access Road by June 2024			Construction of Lunda, Mahlubini and Ngxalawe Access Road	Construction was at 100% as at end June 2024
Maliswana Pty Ltd	Percentage progress towards the Paving of Cuba Internal Streets by June 2024			Paving of Cuba Internal Streets	Construction was at 100% as at end June 2024

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2022/2023)		Year 1 (Current Year- 2023/2024)	
		Target	Actual	Target	Actual
Lunika Investments Pty Ltd	Percentage progress towards the Paving of EXT. 24 Internal Streets by June 2024			Paving of EXT. 24 Internal Streets	Construction was at 100% as at end June 2024
Akal Genesis	Percentage progress towards the appointment of a Professional service provider for planning, design and project management for Ngqamakwe public lighting by June 2024			Professional service provider for planning, design and project management for Ngqamakwe public lighting	Designs complete, project at 50%
HSC Consulting	Percentage progress towards the appointment of a Professional service provider for upgrading of Mchubakazi internal street and Ngqamakwe internal street			Professional services for upgrading of Mchubakazi internal street and Ngqamakwe internal street	Designs complete, project monitoring, progress at 65%
Siya and Aya Engineering	Percentage progress towards the Appointment of a contractor for 2023-2024 financial year electrification of 447 households within Mquma Local Municipal Area by June 2024			Appointment of a contractor for 2023-2024 financial year electrification of 447 households within Mquma Local Municipal Area	Construction was at 80% as at end June 2024. Progress at 80%
Transtruct Pty Lt	Percentage progress towards the Construction of New Mquma Offices in Butterworth by June 2024			Construction of New Mquma Offices in Butterworth	Construction was at 25% as at end June 2024
Bontinite (Pty) Ltd	Percentage progress towards the Fencing of Animal Pound by June 2024			Fencing of Animal Pound	Bidder withdrew from contract
Cluni Cleaning and Projects (Pty) Ltd	Percentage progress towards the Rehabilitaion of Mphesheya to Ndabakazi Low-Level Bridge and Approaches by June 2024			Rehabilitaion of Mphesheya to Ndabakazi Low-Level Bridge and Approaches	Construction was at 100% as at end June 2024
Vikisync	Percentage progress towards the Rehabilitation of Bridge Approaches and Retaining Structure for Mqambeli to Ndotshanga Access road by June 2024			Rehabilitation of Bridge Approaches and Retaining Structure for Mqambeli to Ndotshanga Access road	Construction was at 100% as at end June 2024
Kumkani Trading Pty Ltd	Percentage progress towards the Refurbishment of Two High Masts at Ibika Township by June 2024			Refurbishment of Two High Masts at Ibika Township	The project was 10% complete as at June 2024
Omsinga Investments (Pty) Ltd	Percentage progress towards the Construction of Concrete Bridge Deck for Mazizini to Ngozana Road by June 2024			Construction of Concrete Bridge Deck for Mazizini to Ngozana Road	Construction was at 100% as at end June 2024

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2022/2023)		Year 1 (Current Year- 2023/2024)	
		Target	Actual	Target	Actual
FBU Trade cc	Percentage progress towards the Refurbishment of Customer Care Office by June 2024			Refurbishment of Customer Care Office	Construction was at 100% as at end June 2024
A.K. Building Construction	Percentage progress towards the Refurbishment of Centane Satellite Office by June 2024			Refurbishment of Centane Satellite Office	Construction was at 100% as at end June 2024
Black Starline Trading	Percentage progress towards the Casting and Installation of 30 Concrete catchip covers in Butterworth CBD by June 2024			Casting and Installation of 30 Concrete catchip covers in Butterworth CBD	Construction was at 100% as at end June 2024
CNN Development	Percentage progress towards the Appointment of a Professional Service provider for Planing, design and project management for the construction of Ngcisininde-Gedwood access road by June 2024			Professional Services provider for Planing, design and project management for the construction of Ngcisininde-Gedwood access road	Designs comple. project monitoring
MBSA Consulting CC	Percentage progress towards the Appointment of Professional Services to Develop designs for the construction of Nxaxo, Nombanjana to Ngcizela access road by June 2024			Professional Services to Develop designs for the construction of Nxaxo, Nombanjana to Ngcizela access road	Design development
Lunika Investments Pty Ltd	Percentage progress towards the Upgrading of Mchubakazi internal streets & Ngqamakwe Stormwater by June 2024			Upgrading of Mchubakazi internal streets & Ngqamakwe Stormwater	Project progress was at 65% as at June 2024
Investorex 28 (Pty) Ltd T/A GS Civils	Percentage progress towards the Upgrading of Msobomvu Sports Ground-phase 1 by June 2024			Upgrading of Msobomvu Sports Ground-phase 1	Project progress was at 25% as at June 2024
Mentolek (Pty) Ltd	Percentage progress towards the Erection and Refurbishment of street lights in Ext 06 and Fitz Patric Road by June 2024			Erection and Refurbishment of street lights in Ext 06 and Fitz Patric Road	Project progress was at 60% as at June 2024
PMB Projects	Percentage progress towards the Construction of Jojweni to Happy Valley access road by June 2024			Construction of Jojweni to Happy Valley access road	Construction was at 100% as at end June 2024
Vikisync (Pty) Ltd	Percentage progress towards the Paving of Centane Container City by June 2024			Paving of Centane Container City	Construction was at 59% as at end June 2024

Name of Entity (Service Provider)	Service Indicators	Year 0 (Previous Year- 2022/2023)		Year 1 (Current Year- 2023/2024)	
		Target	Actual	Target	Actual
Beecon Holdings	Percentage progress towards the Appointment of Professional Services for Planning, Design and Project Management for the Construction of Ntabezulu horse racing field by June 2024			Professional Services for Planning, Design and Project Management for the Construction of Ntabezulu horse racing field	Preliminary Design stage
Inyusa Group Holdings	Percentage progress towards the Appointment of Professional Services for Planning, Design and Project Management of 2024/2025 financial year electrification programme within Mnquma area by June 2024			Professional Services for Planning, Design and Project Management of 2024/2025 financial year electrification programme within Mnquma area	Project progress was at 10% as at June 2024
Platinum Aloe Trading T/A Ubuchule Design Studio	Percentage progress towards the Appointment of a Service provider for planning and design for the refurbishment of Msobomvu Hall by June 2024			Service provider for planning and design for the refurbishment of Msobomvu Hall	Preliminary Design stage
Njabomvu Construction (Pty) Ltd	Percentage progress towards the Fencing of Butterworth Cemetery by June 2024			Fencing of Butterworth Cemetery	Project kick-off
Rosibu Holdings (Pty) Ltd	Percentage progress towards the Refurbishment of Zingcuka to Mthawela Storm Water facilities by June 2024			Refurbishment of Zingcuka to Mthawela Storm Water facilities	Construction was at 100% as at end June 2024
Pi Trading (Pty) Ltd	Percentage progress towards the Fencing of Municipal Offices by June 2024			Fencing of Municipal Offices	Project kick-off
Imivuzo Trading T/a SMZ Building Construction & Civils	Percentage progress towards the Fencing of Animal Pound- Concrete Palisade by June 2024			Fencing of Animal Pound- Concrete Palisade	Project kick-off
SML TRADING	Percentage progress towards the Refurbishment of Zangwa Community Hall by June 2024			Refurbishment of Zangwa Community Hall	Construction was at 100% as at end June 2024
BMBS Group Pty Ltd	Percentage progress towards the Development of 129 vacant residential sites in Butterworth by June 2024			Development of 129 vacant residential sites in Butterworth	Project kick-off

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS: 2023/2024 FINANCIAL YEAR

Disclosures of Financial Interests		
Position	Name	Description of Financial interest
Executive Mayor	Cllr T. Manxila - Nkamisa	None
Council Speaker	Cllr M. Qaba	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 Mngokoyi	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
	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
	Cllr M. Xabela	None
	Cllr N. Ntamo	None
	Cllr N. Mena	None
	Cllr L. Ngindana	None
	Cllr M. Kabane	None
	Cllr N. Mtintsilana	None

## Disclosures of Financial Interests

Position	Name	Description of Financial interest
	Cllr Z. Mawisa	None
	Cllr L. Tetana	None
	Cllr M. Magobiane	None
	Cllr N. Mgqalelo	None
	Cllr M. Sithethi	None
	Cllr L. Dyantyi	None
	Cllr V. Nkehle	None
	Cllr K. Gobeni	None
	Cllr T. Ntshonga	None
	Cllr Z. Kwaza	None
	Cllr X. L. Mjamba	None
	Cllr M. Ntsali	None
	Cllr V. Gazi	None
	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
Legal Advisor	Mr S Caga	None
Other Section 56 Managers	Mr B Nohesi	None
	Mr M Kibi	None
	Mr M Dilika	None
	Ms S Benya	None
	Ms V Mviko	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	404 738	419 274	420 294	444 395	106	106
LED AND PLANNING	2 608	45	2 535	2 539	5642	100
CORPORATE SERVICES	1 687	99	2 481	1 990	2010	81
COMMUNITY SERVICES	14 692	18 900	20 789	24 163	128	116
INFRASTRUCTURAL DEVELOPMENT	98 918	119 970	142 717	108 134	90	76
<b>Total Revenue by Vote</b>	<b>522 642</b>	<b>558 289</b>	<b>588 816</b>	<b>581 221</b>	<b>104</b>	<b>99</b>

### APPENDIX K (ii): REVENUE PERFORMANCE BY SOURCE

Description	Budget Year 2023/24				
	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands	R'000	R'000	R'000	R'000	%
<b>Revenue</b>					
Service charges - Waste management	5,232	8,645	5,232	3,413	65%
Sale of Goods and Rendering of Services	633	868	633	234	37%
Agency services	2,616	2,517	2,616	(99)	-4%
Interest earned from Receivables	15,280	16,687	15,280	1,407	9%
Interest from Current and Non-Current Assets	9,000	21,213	9,000	12,213	136%
Rental from Fixed Assets	4,985	5,491	4,985	506	10%
Operational Revenue	153	1,009	153	856	559%
Property rates	64,061	68,091	64,061	4,029	6%
Surcharges and Taxes	-	143	-	143	0%
Fines, penalties and forfeits	7,198	7,446	7,198	248	3%
Licence and permits	1,320	2,107	1,320	787	60%
Transfers and subsidies - Operational	348,991	345,829	348,991	(3,161)	-1%
Gains on disposal of Assets	1,315	-	1,315	(1,315)	-100%
Other Gains	5	-	5	(5)	-100%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>460,790</b>	<b>480,045</b>	<b>460,790</b>	<b>19,255</b>	<b>4%</b>

# 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		
Transfers and Grants						
<b>National Government:</b>	<b>322 514</b>	<b>346 500</b>	<b>346 500</b>	<b>346 500</b>	<b>100%</b>	<b>100%</b>
Equitable share	307 329	323 763	323 763	323 763	100%	100%
Finance Management Grant	1 850	1 900	1 900	1 900	100%	100%
EPWP	2 015	1 512	1 512	1 512	100%	100%
INEP	7 320	10 700	10 700	10 700	100%	100%
Municipal Disaster Relief	4 000	8 625	8 625	8 625	100%	100%
<b>Total Transfers and Grants</b>	<b>322 514</b>	<b>346 500</b>	<b>346 500</b>	<b>346 500</b>	<b>100%</b>	<b>100%</b>

## APPENDIX M – CAPITAL EXPENDITURE

Vote Description	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>					
<b>Capital Expenditure - Functional Classification</b>					
<b>Governance and administration</b>	<b>20,075</b>	<b>13,382</b>	<b>20,075</b>	<b>(6,693)</b>	<b>-33%</b>
Executive and council	231	–	231	(231)	-100%
Finance and administration	19,844	13,382	19,844	(6,462)	-33%
<b>Community and public safety</b>	<b>4,278</b>	<b>1,389</b>	<b>4,278</b>	<b>(2,889)</b>	<b>-68%</b>
Community and social services	1,547	120	1,547	(1,427)	-92%
Public safety	2,371	1,269	2,371	(1,102)	-46%
Housing	360	–	360	(360)	-100%
<b>Economic and environmental services</b>	<b>228,060</b>	<b>167,853</b>	<b>228,060</b>	<b>(60,207)</b>	<b>-26%</b>
Planning and development	5,650	2,266	5,650	(3,385)	-60%
Road transport	222,410	165,587	222,410	(56,822)	-26%
<b>Trading services</b>	<b>11,310</b>	<b>4,400</b>	<b>11,310</b>	<b>(6,910)</b>	<b>-61%</b>
Energy sources	11,230	4,400	11,230	(6,830)	-61%
Waste management	80	–	80	(80)	-100%
<b>Total Capital Expenditure - Functional Classification</b>	<b>263,722</b>	<b>187,024</b>	<b>263,722</b>	<b>(76,698)</b>	<b>-29%</b>
<b>Funded by:</b>					
National Government	89,645	81,185	89,645	(8,460)	-9%
Provincial Government	27,681	11,419	27,681	(16,262)	-59%
<b>Transfers recognised – capital</b>	<b>117,325</b>	<b>92,604</b>	<b>117,325</b>	<b>(24,722)</b>	<b>-21%</b>
<b>Internally generated funds</b>	<b>146,397</b>	<b>94,420</b>	<b>146,397</b>	<b>(51,976)</b>	<b>-36%</b>
<b>Total Capital Funding</b>	<b>263,722</b>	<b>187,024</b>	<b>263,722</b>	<b>(76,698)</b>	<b>-29%</b>

## APPENDIX N – CAPITAL PROGRAMMES BY PROJECT: 2023/2024 FINANCIAL YEAR

Capital programme by project: 2023/2024 Financial year					
Capital Projects	Original Budget R'000	Adjustment Budget R'000	Actual R'000	Variance (Act-Adj)	Variance (Act-OB)
Roads	72,051,909	91,196,665	76,682,124	84	106
Electrical Infrastructure	10,700,000	10,700,000	10,700,000	100	100
Community Facilities	1,237,091	1,476,091	776,034	53	63
Sport & Recreation Facilities	6,787,167	2,914,323	2,625,883	90	39
Operational Buildings	60,290,001	69,014,754	39,695,195	58	66
Other Assets	93,602,847	88,420,286	56,544,674	64	60
<b>TOTAL</b>	<b>244,669,015</b>	<b>263,722,119</b>	<b>187,023,910</b>	<b>71</b>	<b>76</b>

## APPENDIX O– CAPITAL PROGRAMMES BY PROJECT BY WARD: 2023/2024 FINANCIAL YEAR

Capital programme by project by ward: 2023/2024 Financial year		
Capital Projects	Ward No.	Work Completed (Y/N)
<b>Road Construction</b>		
Paving of Extension 24 Internal Streets (Surfaced)	05	Y
Paving of Cuba Internal Streets (Surfaced)	04	Y
Cast and installation of 30 Concrete Catchpit Covers at Butterworth CBD	01	Y
Paving of Centane Container City	30	N
Upgrading of Mchubakazi Internal Streets and Ngqamakwe Stormwater	04 & 18	N
Rehabilitation of Zingcuka to Mthawelanga Access Road	21	Y
Construction of Concrete Bridge Deck in Mazizini to Ngozana Access Road	10	Y
Rehabilitation of bridge approaches & Retaining structure for Mqambeli to Ndotshanga main road	10	Y
Rehabilitation of Mphesheya to Ndabakazi Low-level bridge approaches	08 & 13	Y
Construction of Ngcingcinikwe Access Road	14	Y
Construction of Lunda, Mahlubini and Ngxalawe Access Road	19	Y
Construction of Kwa-L to Adams Access Road	13	Y
Construction of Jojweni and Happy Valley Access Road	12	Y
Construction of Mgomanzi kwa R1 & R4 to Ntshamanzi (Eskom) Access Road	08	Y
Construction of Sidutyini Access Road	07	Y
Construction of Ngunduza to Jebe Access Road	25	Y
Construction of Thala to Qina Access Road	31	Y

**Capital programme by project by ward: 2023/2024 Financial year**

<b>Capital Projects</b>	<b>Ward No.</b>	<b>Work Completed (Y/N)</b>
Construction of Nibe, Debese to Zigqwabele Access Road	26	Y
Upgrading of Msobomvu Sports Ground Phase 1	02 & 03	Y
Zixhotyeni via Lalini- Hom to Mthonjeni Access Road	15	Y
Mkrwaqa, Thongwane, Vulihlanga Access Road	10	Y
<b>Electrical Projects</b>		
Refurbishment of six (06) High Mast Lights	01, 04, 05 & 30	Y
Refurbishment of Two (02) High Mast Lights in Ibika Township	06	Y
Erection Of Two (2) High Masts Lights (Qolora & Centane CBD)	29 & 30	Y
Refurbishment of 3 LED streetlights at Butterworth entrance	01	Y
Erection and refurbishment of 124 streetlights at Extension 6 and Fitzpatrick Road	01	N
Install and Reticulate Electrical Infrastructure for Mquma 2023/2024 Electrification Programme (352 Households)	07, 08, 16, 30	Y
<b>Building Projects</b>		
Construction of New Mquma Municipal Offices	01	N
Refurbishment of Centane Satellite Office	30	Y
Refurbishment of Customer care office	01	Y
Develop Designs for the refurbishment of Msobomvu Hall.	03	Y
Construction of Shearing shed	12	Y
Supply and Erection of Carport at TIC Office	01	Y
Fencing of No.55&57 Blyth Street Butterworth	01	Y
<b>Public Facility</b>		
Construction of Msobomvu Sport Field (Phase 1)	02 & 03	N
Fencing Butterworth Town Cemetery	01	N
Fencing of Animal Pound	01	N
Fencing of Butterworth Town Hall	01	N
Renovation at Zangwa Community Hall	10	Y

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

<b>Declaration of Loans and Grants made by the municipality: 2023/2024 financial year</b>				
<b>All Organisation or Person in receipt of Loan*/Grants* provided by the municipality</b>	<b>Nature of project</b>	<b>Conditions attached to funding</b>	<b>Value 2023/2024 FY</b>	<b>Total Amount Committed over previous and future years</b>
NO LOANS				

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

<b>MFMA Section 71 Returns Not Made during 2023/2024 According to Reporting Requirements</b>	
<b>Return</b>	<b>Reason Return has not been properly made on due date</b>
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	38	52	137%	52 posts have been filled in the year under review
2.	Percentage of appointment in all strategic positions (Municipal Manager and Section 56 Managers)	7	7	100%	MM and six Section 56 Manager were appointed
3.	Percentage of Section 56 Manager including Municipal Managers who attended at least 1 skill development training course within the FY	7	7	100%	All section 56 managers were trained during the year under review.
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	364	364	100%	Skills audit was done for all employees and 121 people were training during the year under review
	Percentage of Councillors who attended a skill development training in the year under review	25	25	100%	25 Councillors were trained as planned
8.	Percentage of staff complement with disability	03	The percentage for staff with disability is 0.7%		
9.	Percentage of female employees	171	The percentage of female employees is 39%		
10.	Percentage of employees that are 35 and younger	69	The percentage of employees younger than 35 years is 16%		
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	498	498	100%	None
2.	Percentage of indigent households with access to basic electricity services	4024	4024	100%	None
3.	Percentage of indigent households with access to free alternative energy sources	1300	1300	100%	None

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	5,24 km	Achieved	100%	4,264 km out of 5,24km road length were completed as at end June 2024, the remaining 0,976km were planned to rollover and completed during 2024/25 Y.
3.	Percentage of planned new road infrastructure actually constructed	160kms	Achieved	108%	173 km of total road length was achieved for gravel access roads. The reason for over achievement was because of disaster projects that did not initial formed part of the planning which totalled to 13kms.
4.	Percentage of capital budget reserved for road upgrading and maintenance effectively used	Original Allocation – R132 Million	Achieved	100%	R120 Million was spent for construction and upgrading of municipal roads. The outstanding balance of R12Million, for Mchubakazi upgrading of internal streets and Ngqamakwe stormwater facility was planned to be rolled over to 2024/25FY

**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, 32			100%	Twenty-one 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, except the Mnquma 205 disaster housing that is under construction for 205 units.		
2.	Percentage of informal settlements that have been provided with basic services	2782 informal settlement household	The Department of Human Settlements appointed a contractor for provision of water, sanitation and roads, and the contractor is busy with the site establishment for and the program includes Old and New Sikiti, Madiba Khayelitsha, Zizamele and Smuts Ngonyama informal Settlement		
3.	Percentage of households in formal housing that conforms to the building standards for residential houses	There is a small number of households conform to the National building regulation and building standards.			
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 2024	Achieved	100%	8 IGLF meetings were convened
5.	Percentage of SMME that have benefited from a SMME support program	Procure Shearing Shed building material for Teko Kona, Teko Fihla, Ntseshe Woolgrowers Associations and Zuvizwi Co-operative by June 2024	Achieved	100%	Shearing Shed building material was procured for the following; -Teko Kona, -Teko Fihla -Ntseshe Woolgrowers Associations -Zuvizwi Co-operative
		Provide support programmes (Procurement of inputs for three SMMEs/ Cooperatives by June 2024	Achieved	100%	<ul style="list-style-type: none"> <li>Nandi's, VoVo's, Kwa Nongalwana and Lontsho Hair salons were supported with the hairsalon equipment</li> <li>Nkuja Car wash – supported with car wash equipment</li> <li>Qhumani Woolgrowers Association was supported with animal medication</li> <li>Khanyolwethu development project was supported with seedlings</li> <li>Teko Kona, Teko Fihla and Ntseshe Woolgrowers Associations</li> <li>Zuvizwi Agricultural Cooperative – were supported with shearing shed building material</li> <li>Senza Kuhle Aluminium Trading was supported with the working material</li> <li>Gabamlonzi Poultry and Farming Cooperative was</li> </ul>

No	Indicator Name	Target Set for the year	Achievement level during the year under review (absolute figure)	Achievement percentage during the year	Comments
					<p>supported with the animal feed</p> <ul style="list-style-type: none"> <li>• Qhumani Woolgrowers Association was supported with the animal medication</li> <li>• Khanyolwethu Development Project was supported with seedlings</li> <li>• Ulutsha Iwendalo Agricultural Cooperative was supported with the tractor trailer.</li> <li>• Masiphumelele Wool growers was supported with the wool bale presser.</li> </ul>
6.	Number of job opportunities created through EPWP	497	521	105%	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	Mnquma has 23 Community Development Workers and they are monitored by Councillors. CDW's participates in Ward Committee Meetings, Ward General Meetings, IDP/PMS and Budget Representative Forum & Ward Councillor's Forum Meetings.			
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 in the year under review			
6.	Existence of an effective communication strategy	Communication and Marketing strategy was reviewed and adopted by Council 23 May 2024. 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 2023/2024 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	263 722	187 024	71%
	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	268 227	252 217	94%
	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	6 767	10 431	35%
	Indicator Name	Target set for the year (80% and more) R (000)	Achievement level during the year R (000)	Achievement percentage during the year
4.	Total municipal own revenue as a percentage of the total actual budget	111 799	134 216	120%
	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	27 595	30 149	8%
6.	Percentage of MIG budget appropriately spent	R 80 876	80876	100%
7.	Percentage of MSIG budget appropriately spent	Nil	Nil	The municipality did not get MSIG grant for 2023/2024
8.	AG audit opinion	Unqualified with no findings (Clean Audit)	Unqualified with no findings (Clean Audit)	
9.	Functionality of the Audit Committee	Fully functioning	Fully functioning	
10.	Submission of AFS after the end of the financial year	31 August 2023	31 August 2023	

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

Attached is Volume II 2023/2024 Annual Financial Statement submitted to Auditor General.



**Mnquma Local Municipality  
Annual Financial Statements  
for the year ended 30 June 2024**

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Index

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

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# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Index

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### Abbreviations used:

GRAP	Generally Recognised Accounting Practice
DORA	Division of Revenue Act
SALGA	South African Local Government Association
INEP	Integrated Electrification Programme
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
EPWP	Expanded Public Works Programme
UIF	Unemployment Insurance Fund
PAYE	Pay as you earn
SARS	South African Revenue Services
MPRA	Municipal Property Rates Act
LGSETA	Local Government Sector Education and Training Authority
ASB	Accounting Standards Board
VAT	Value Added Tax
SDL	Skills Development Levy

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## General Information

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Legal form of entity	South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act No. 117 of 1998.
Nature of business and principal activities	Mnquma Local Municipality performs the functions as set out in the Constitution of the Republic of South Africa (No. 108 of 1996).
The following is included in the scope of operation	<p>The following principal activities of the municipality are:</p> <ul style="list-style-type: none"><li>- Provide democratic activities and accountable government</li><li>- Ensure sustainable service delivery to communities</li><li>- Provide social and economic development</li><li>- Provide basic services to the community</li></ul>
<b>Mayoral committee</b>	
Executive Mayor	T Manxila-Nkamisa
Speaker	M Qaba
Chief Whip	S Ncetezo
Exco Councillors	N Plaatjie
	Z Sobekwa
	L Mgandela
	S Matutu
	N Layiti
	T Bikitsha
Councillors	N Ntlosi
	M Mkhilili
	WM Ntongana
	Z Bomela
	Z Mnqokoyi
	N Sheleni
	NR Tshona
	V Nkehle
	N Baleka
	NN Magwentshu
	N Paliso
	L Ngindana
	L Dyantyi      Deceased 25/05/2024
	N Sigwadi
	VJ Gazi
	B Zondani
	MH Tangana
	P Ndabambi
	N Mena
	GT Ntshonga
	K Gobeni
	PM Mbovane
	N Mbuku
	T Jizana
	JJT Mduli
	M Ntsali
	ZE Kwaza
	S Maputeni
	M Magobiane
	LL Tetana
	Z Mawisa

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# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## General Information

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N Mtintsilana  
M Kabane  
M Xabela  
PN Ntamo  
NJ Mzongwana  
C Ncukana  
M Masekwana  
NLG Mgqalelo  
V Manxodidi  
N Nogaga Mpumpula  
N Nohesi  
A Soyeza  
TB Gidigidi  
Z Tyandela  
CN Filtane  
LL Maputuma  
MHN Dali  
PB Goniwe  
M Kalimashe  
N Xoki  
XI Pupuma  
T Ntyinkala  
X L Mjamba

Traditional leaders to participate in Mnquma Municipal Council

N Mtoto  
T Vuso

**Grading of local authority**

Grade 3

**Executive management**

**Accounting Officer**

S Mahlasela

**Chief Financial Officer (CFO)**

M Matomane

**Executive Director: Corporate Services**

NV Mviko

**Executive Director: Local Economic Development and Planning**

M Dilika

**Executive Director: Community**

M Kibi

**Executive Director: Strategic Management**

S Benya

**Executive Director: Infrastructure Development**

B Nohesi

**Registered office**

Corner King and Umtata Street  
Butterworth  
4960

**Postal address**

P.O. Box 36  
Butterworth  
4960

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## General Information

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<b>Bankers</b>	First National Bank
<b>Auditors</b>	Auditor-General of South Africa Registered Auditors
<b>Attorneys</b>	S Mtshengu Attorneys Incorporated Siyathemba Sokutu Attorneys Incorporated T.L Luzipho Attorneys Incorporated Wesley Pretorius & Associates Incorporated
<b>Preparer</b>	The annual financial statements were internally compiled by: M Matomane
<b>Telephone</b>	(047) 050 1167
<b>Email address</b>	<a href="mailto:mmatomane@mnquma.gov.za">mmatomane@mnquma.gov.za</a> <a href="mailto:sekhom23@gmail.com">sekhom23@gmail.com</a>
<b>Jurisdiction</b>	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 and Centane Traditional Regional Councils. Mnquma Local Municipality shares borders with 3 other local municipalities: Mbhashe, 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 2024

## Accounting Officer's Responsibilities and Approval

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

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

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

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the set 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.

The Accounting Officer has reviewed the municipality's cash flow forecast for the 01 July 2024 to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the Department of Cooperative Governance 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 municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although, I am primarily responsible for the financial affairs of the municipality, this is supported by the municipality's senior management team, external auditors and other oversight governance structures of Council.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements.

The annual financial statements set out on page 7 to 110, which have been prepared on the going concern basis, were approved by the 31 August 2024 and were signed on its behalf by:

  
\_\_\_\_\_  
**S Mahlasela**  
**Municipal Manager**

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Assets</b>			
Current Assets			
Inventories	2&53	1 642 723	1 085 613
Receivables from non-exchange transactions	3	31 828 160	30 200 266
VAT receivable	4&53	7 849 478	6 685 162
Receivables from exchange transactions	5	6 552 582	3 215 755
Cash and cash equivalents	6	187 116 519	194 239 427
		<b>234 989 462</b>	<b>235 426 223</b>
Non-Current Assets			
Investment property	7&53	49 642 603	49 524 337
Property, plant and equipment	8&53	1 679 223 315	1 905 628 823
Intangible assets	9&53	4 957 472	2 710 872
Heritage assets	10	116 752	116 752
		<b>1 733 940 142</b>	<b>1 957 980 784</b>
<b>Total Assets</b>		<b>1 968 929 604</b>	<b>2 193 407 007</b>
<b>Liabilities</b>			
Current Liabilities			
Finance lease obligation	11&53	986 409	808 336
Payables from exchange transactions	12&53	21 544 752	15 021 522
Employee benefit obligation	13&53	25 803 096	25 114 868
Unspent conditional grants and receipts	14	2 226 448	12 456 616
VAT payables	15&53	433 809	202 083
Consumer deposits	16&53	12 232	22 959
		<b>51 006 746</b>	<b>53 626 384</b>
Non-Current Liabilities			
Finance lease obligation	11&53	411 390	1 318 241
Employee benefit obligation	13&53	10 681 000	10 822 000
		<b>11 092 390</b>	<b>12 140 241</b>
<b>Total Liabilities</b>		<b>62 099 136</b>	<b>65 766 625</b>
<b>Net Assets</b>		<b>1 906 830 468</b>	<b>2 127 640 382</b>
Reserves			
Revaluation reserve	17&53	1 097 078 941	1 444 926 992
Accumulated surplus	53	809 751 528	682 713 390
<b>Total Net Assets</b>		<b>1 906 830 468</b>	<b>2 127 640 382</b>

\* See Note 53

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	18	8 632 390	6 363 180
Rental of facilities	19	5 479 584	5 626 056
Interest on outstanding debtors	20	3 739 981	2 828 059
Income from agency fees	60	2 517 141	2 614 599
Licences and permits	21	2 106 444	1 559 539
Construction contracts	27	12 770 878	7 320 000
Other income	22	1 058 462	1 027 216
Interest received - investment	23	21 212 522	14 921 314
<b>Total revenue from exchange transactions</b>		<b>57 517 402</b>	<b>42 259 963</b>
<b>Revenue from non-exchange transactions</b>			
Property rates	24	67 923 022	62 310 601
Fines and penalties	25	26 522	-
Interest on outstanding debtors	20	12 947 147	11 759 107
Government grants & subsidies	26	434 262 802	405 914 524
Public contributions and donations	28	-	342 907
Traffic Fines	29	6 715 200	9 021 600
Staff recoveries	30	206 092	164 389
Forfeits	31	913 181	1 174 462
<b>Total revenue from non-exchange transactions</b>		<b>522 993 966</b>	<b>490 687 590</b>
<b>Total revenue</b>		<b>580 511 368</b>	<b>532 947 553</b>
<b>Expenditure</b>			
Employee related costs	32&53	(218 504 101)	(204 540 198)
Remuneration of councillors	33&53	(27 126 355)	(24 647 820)
Depreciation and amortisation	34&53	(297 087 095)	(86 017 151)
Impairment loss/ Reversal of impairments	35&53	(5 936 469)	3 449 890
Finance costs	36&53	(1 893 572)	(1 738 650)
Construction contract expenses	37	(10 956 752)	(6 591 661)
Debt Impairment	38	(36 070 636)	(36 664 571)
Revaluation losses	39&53	-	(103 962 416)
Repairs and maintenance	40	(13 478 556)	(15 661 046)
Bulk purchases	41	(3 738 135)	(4 819 642)
Loss on disposal of assets	42&53	(57 160 007)	(22 107 725)
Obsolete inventory written-off	43	(224 213)	-
General Expenses	44&53	(93 258 703)	(89 065 220)
<b>Total expenditure</b>		<b>(765 434 594)</b>	<b>(592 366 210)</b>
<b>Deficit for the year from continuing operations</b>		<b>(184 923 226)</b>	<b>(59 418 657)</b>
Actuarial gains / (losses)	13&53	2 387 887	1 999 450
<b>Deficit for the year</b>		<b>(182 535 339)</b>	<b>(57 419 207)</b>

\* See Note 53

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	292 789 894	778 762 821	1 071 552 715
Correction of errors note 53	(3 549 838)	(94 527 033)	(98 076 871)
<b>Balance at 01 July 2022 as restated*</b>	<b>289 240 056</b>	<b>684 235 788</b>	<b>973 475 844</b>
Changes in net assets			
Derecognition of revaluation reserve on immovable assets write-off	(12 374 612)	12 374 612	-
Transfer from Revaluation Reserve to Accumulated Surplus	(43 522 204)	43 522 204	-
Revaluation gains	1 237 636 728	-	1 237 636 728
Revaluation losses	(26 052 976)	-	(26 052 976)
Net income (losses) recognised directly in net assets	1 155 686 936	55 896 816	1 211 583 752
Surplus (deficit) for the year	-	(57 419 207)	(57 419 207)
Total recognised income and expenses for the year	1 155 686 936	(1 522 391)	1 154 164 545
Total changes	1 155 686 936	(1 522 391)	1 154 164 545
<b>Restated* Balance at 01 July 2023</b>	<b>1 444 926 992</b>	<b>682 713 392</b>	<b>2 127 640 384</b>
Changes in net assets			
Derecognition of revaluation reserve on immovable assets write-off	(53 574 806)	53 574 806	-
Realisation of revaluation reserve on transfer of Property, plant and equipment to investment property	(4 721 040)	4 721 040	-
Recognition of revaluation gain on transfer of investment property to property, plant and equipment	8 304 761	-	8 304 761
Realisation of revaluation reserve to accumulated surplus on depreciation of property, plant and equipment	(251 277 632)	251 277 632	-
Realisation of revaluation reserve to accumulated surplus on impairment of property, plant and equipment	(46 579 334)	-	(46 579 334)
Net income (losses) recognised directly in net assets	(347 848 051)	309 573 478	(38 274 573)
Surplus (deficit) for the year	-	(182 535 339)	(182 535 339)
Total recognised income and expenses for the year	(347 848 051)	127 038 139	(220 809 912)
Total changes	(347 848 051)	127 038 139	(220 809 912)
<b>Balance at 30 June 2024</b>	<b>1 097 078 941</b>	<b>809 751 531</b>	<b>1 906 830 472</b>
Note(s)	17		

\* See Note 53

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		6 695 684	6 183 366
Grants		436 803 511	418 435 805
Interest income		27 581 607	14 921 314
Other receipts		53 661 155	64 377 651
		<u>524 741 957</u>	<u>503 918 136</u>
<b>Payments</b>			
Employee costs		(242 695 340)	(229 609 938)
Suppliers		(115 330 328)	(111 278 826)
Interest paid		(203 572)	-
		<u>(358 229 240)</u>	<u>(340 888 764)</u>
<b>Net cash flows from operating activities</b>	49	<u><b>166 512 717</b></u>	<u><b>163 029 372</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(176 886 767)	(127 714 736)
Proceeds from sale of property, plant and equipment	8	6 846 337	997 635
Proceeds from disposal of financial asset		-	5 003
Proceeds from sale of investment property	7	1 850 565	-
Purchase of other intangible assets	9	(4 920 554)	(2 074 740)
		<u>(173 110 419)</u>	<u>(128 786 838)</u>
<b>Net cash flows from investing activities</b>			
<b>Cash flows from financing activities</b>			
Finance lease payments		(525 206)	(438 122)
		<u>(7 122 908)</u>	<u>33 804 412</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><b>194 239 427</b></u>	<u><b>160 435 015</b></u>
Cash and cash equivalents at the beginning of the year			
<b>Cash and cash equivalents at the end of the year</b>	6	<u><b>187 116 519</b></u>	<u><b>194 239 427</b></u>

\* See Note 53

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	5 232 036	-	5 232 036	8 632 390	3 400 354	F
Rental of facilities	4 985 049	-	4 985 049	5 479 584	494 535	G
Interest on outstanding debtors	3 413 720	9 000	3 422 720	3 739 981	317 261	
Income from agency fees	2 615 720	-	2 615 720	2 517 141	(98 579)	
Licences and permits	1 320 482	-	1 320 482	2 106 444	785 962	H
Construction contracts	10 700 000	2 070 878	12 770 878	12 770 878	-	
Other income	786 641	-	786 641	1 058 462	271 821	I
Interest received - investment	9 000 000	-	9 000 000	21 212 522	12 212 522	J
<b>Total revenue from exchange transactions</b>	<b>38 053 648</b>	<b>2 079 878</b>	<b>40 133 526</b>	<b>57 517 402</b>	<b>17 383 876</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	64 061 176	-	64 061 176	67 923 022	3 861 846	
Fines and penalties	-	5 001	5 001	26 522	21 521	K
Interest on outstanding debtors	11 866 280	(9 000)	11 857 280	12 947 147	1 089 867	
<b>Transfer revenue</b>						
Government grants & subsidies	436 809 250	27 436 052	464 245 302	434 262 802	(29 982 500)	
Traffic Fines	7 198 166	-	7 198 166	6 715 200	(482 966)	
Staff recoveries	-	-	-	206 092	206 092	L
Forfeits	-	-	-	913 181	913 181	M
<b>Total revenue from non-exchange transactions</b>	<b>519 934 872</b>	<b>27 432 053</b>	<b>547 366 925</b>	<b>522 993 966</b>	<b>(24 372 959)</b>	
<b>Total revenue</b>	<b>557 988 520</b>	<b>29 511 931</b>	<b>587 500 451</b>	<b>580 511 368</b>	<b>(6 989 083)</b>	
<b>Expenditure</b>						
Employee related costs	(229 794 000)	(2 770 000)	(232 564 000)	(218 504 101)	14 059 899	
Remuneration of councillors	(25 246 000)	(2 500 000)	(27 746 000)	(27 126 355)	619 645	
Depreciation and amortisation	(125 942 010)	(174 515 990)	(300 458 000)	(297 087 095)	3 370 905	
Impairment loss/ Reversal of impairments	-	(54 000 000)	(54 000 000)	(5 936 469)	48 063 531	
Finance costs	(1 649 001)	(250 999)	(1 900 000)	(1 893 572)	6 428	
Construction contract expenses	(10 700 000)	(256 752)	(10 956 752)	(10 956 752)	-	
Debt Impairment	(26 586 155)	(10 413 845)	(37 000 000)	(36 070 636)	929 364	
Bulk purchases	(6 000 000)	-	(6 000 000)	(3 738 135)	2 261 865	N
Repairs and maintenance	(4 417 028)	(10 286 372)	(14 703 400)	(13 478 556)	1 224 844	
Obsolete inventory written-off	-	(225 000)	(225 000)	(224 213)	787	
Loss on disposal of assets	-	(58 000 000)	(58 000 000)	(57 160 007)	839 993	
General Expenses	(93 365 711)	(25 308 505)	(118 674 216)	(93 258 703)	25 415 513	O
<b>Operating expense</b>	<b>(523 699 905)</b>	<b>(338 527 463)</b>	<b>(862 227 368)</b>	<b>(765 434 594)</b>	<b>96 792 774</b>	
<b>Operating deficit</b>	<b>34 288 615</b>	<b>(309 015 532)</b>	<b>(274 726 917)</b>	<b>(184 923 226)</b>	<b>89 803 691</b>	
Actuarial gains/losses	300 010	2 224 990	2 525 000	2 387 887	(137 113)	
<b>Surplus (deficit) for the year</b>	<b>34 588 625</b>	<b>(306 790 542)</b>	<b>(272 201 917)</b>	<b>(182 535 339)</b>	<b>89 666 578</b>	

## Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

### Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
	34 588 625	(306 790 542)	(272 201 917)	(182 535 339)	89 666 578	

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	2 778 000	-	2 778 000	1 642 723	(1 135 277)	A
Receivables from non-exchange transactions	27 617 000	-	27 617 000	31 828 160	4 211 160	B
VAT receivable	7 846 000	(412 000)	7 434 000	7 849 478	415 478	
Receivables from exchange transactions	30 651 000	(23 651 000)	7 000 000	6 552 582	(447 418)	
Cash and cash equivalents	89 226 000	24 774 000	114 000 000	187 116 519	73 116 519	C
	<b>158 118 000</b>	<b>711 000</b>	<b>158 829 000</b>	<b>234 989 462</b>	<b>76 160 462</b>	
<b>Non-Current Assets</b>						
Investment property	145 020 000	-	145 020 000	49 642 603	(95 377 397)	D
Property, plant and equipment	882 148 000	917 852 000	1 800 000 000	1 679 223 315	(120 776 685)	
Intangible assets	11 270 000	(6 070 000)	5 200 000	4 957 472	(242 528)	
Heritage assets	117 000	-	117 000	116 752	(248)	
	<b>1 038 555 000</b>	<b>911 782 000</b>	<b>1 950 337 000</b>	<b>1 733 940 142</b>	<b>(216 396 858)</b>	
<b>Total Assets</b>	<b>1 196 673 000</b>	<b>912 493 000</b>	<b>2 109 166 000</b>	<b>1 968 929 604</b>	<b>(140 236 396)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Finance lease obligation	-	910 000	910 000	986 409	76 409	
Payables from exchange transactions	48 629 000	(25 701 151)	22 927 849	21 544 752	(1 383 097)	
Employee benefit obligation	6 565 000	21 707 151	28 272 151	25 803 096	(2 469 055)	
Unspent conditional grants and receipts	-	-	-	2 226 448	2 226 448	E
VAT payables	-	412 000	412 000	433 809	21 809	
Consumer deposits	9 000	4 150	13 150	12 232	(918)	
	<b>55 203 000</b>	<b>(2 667 850)</b>	<b>52 535 150</b>	<b>51 006 746</b>	<b>(1 528 404)</b>	
<b>Non-Current Liabilities</b>						
Finance lease obligation	-	435 000	435 000	411 390	(23 610)	
Employee benefit obligation	11 518 000	-	11 518 000	10 681 000	(837 000)	
	<b>11 518 000</b>	<b>435 000</b>	<b>11 953 000</b>	<b>11 092 390</b>	<b>(860 610)</b>	
<b>Total Liabilities</b>	<b>66 721 000</b>	<b>(2 232 850)</b>	<b>64 488 150</b>	<b>62 099 136</b>	<b>(2 389 014)</b>	
<b>Net Assets</b>	<b>1 129 952 000</b>	<b>914 725 850</b>	<b>2 044 677 850</b>	<b>1 906 830 468</b>	<b>(137 847 382)</b>	
<b>Net Assets</b>						
<b>Reserves</b>						
Revaluation reserve	292 789 894	837 629 106	1 130 419 000	1 097 078 941	(33 340 059)	
Accumulated surplus	801 467 052	38 156 948	839 624 000	809 751 527	(29 872 473)	
<b>Total Net Assets</b>	<b>1 094 256 946</b>	<b>875 786 054</b>	<b>1 970 043 000</b>	<b>1 906 830 468</b>	<b>(63 212 532)</b>	

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

### Budget variance explanation

**A** - Variance is due to de-recognition of Land held for distribution as a result of Loss of substantive rights to property.

**B** - Variance is due to increase on property rates from properties previously in the name of the Municipality that were transferred to individuals and subsequently billed.

**C** - Variance is due to savings that were re-invested on a short-term deposit account and the interest is calculated on a daily basis.

**D** - Variance is due to correction of prior period error which resulted in impairment of Land earmarked for donation and invaded as well as properties were the municipality loss substantive rights.

**E** - Variance is due to LGSETA and DSRAC grants that were not spent in full.

**F** - Improvement in livelihood of indigent households has led to a reduction in the number of households eligible for indigent status. This resulted in an increase in the number of households that are able to pay for refuse services, thus boosting refuse revenue, also the municipality transferred properties to private individuals that were previously registered under the municipality's name. The owners are now responsible for paying for refuse, contributing to the overall increase in refuse revenue.

**G** - The increase in revenue from the rental of facilities is primarily due to an annual rental increase in some of the properties. This adjustment in rental rate has resulted in higher income from existing tenants, contributing to the overall rise in rental revenue.

**H** - Increase in number of applications for driver's licenses, PDP renewals and learner's license has resulted to increase in revenue.

**I** - The increase is a result of implementation of revenue enhancement strategy which resulted in increased revenue base.

**J** - Variance is due to savings that were re-invested on a short-term deposit account.

**K** - The increase in fines and penalties is a result of implementation of bylaws on illegal business trading.

**L** - Staff recovery revenue is ad-hoc revenue and cannot be budgeted for as it is not possible to determine when events of employee negligence will occur. Therefore, there will be a variance between the budgeted and actual

**M** - These are retentions and unclaimed deposits and forfeits. These are ad-hoc revenues thus they cannot be budgeted for as it is not possible to determine when the events that cause the forfeit will occur. Therefore, there will be a variance between the budgeted and actual figures

**N** - Improvement in livelihood of indigent households has led to a reduction in the number of households eligible for indigent status. This resulted in a decrease in the number of households that benefit from free basic electricity.

**O** - The variance is attributed to the implementation of cost containment measures and thorough market research when procuring goods and services. These strategies have helped in identifying areas where cost could be reduced without compromising operations leading to more efficient spending.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

Figures in Rand	Note(s)	2024	2023
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### 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.

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 9 - Revenue from Exchange Transactions
- 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 31 - Intangible Assets
- GRAP 34 - Separate Financial Statements
- GRAP 103 - Heritage Assets
- GRAP 104 - Financial Instruments
- GRAP 108 - Statutory Receivables
- GRAP 109 - Accounting by Principals and Agents

#### 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 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 14 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP 16 - Intangible Assets - Website Costs
- IGRAP 18 - Recognition and Derecognition of Land
- IGRAP 19 - Liabilities to Pay Levies
- IGRAP 20 - Accounting for Adjustments to Revenue

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality and all values are rounded to the nearest rand.

### 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:

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

#### Trade receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment 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

Cash and cash equivalent is assessed to approximate their fair value due to its short - term nature.

#### 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 assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of 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/service potential for each group of assets. Expected future cash flows/service potential used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors.

## Accounting Policies

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### 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 and other assets

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

The policy is also applicable to intangible assets and investment property.

#### 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.

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 improve the property, or to replace a part of. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequently, 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 instalments over the useful life of the property, which is as follows:

Item	Depreciation Method	Useful life
Property - land		indefinite
Property - buildings	Straight line	5 - 50 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.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.4 Investment property (continued)

#### Derecognition/Disposal

Investment properties are derecognised (eliminated from the Statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of financial performance.

### 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, 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.

#### Initial measurement

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 or the value of similar asset. If the acquired item's fair value was not determinable, its 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. The restoration cost is the present value determined using discount rate at prime rates.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

#### Subsequent measurement

After initial recognition, infrastructure, community assets, Land 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.

# Mnquma Local Municipality

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## Accounting Policies

### 1.5 Property, plant and equipment (continued)

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 surplus or deficit to the extent that it reverses an impairment of the same asset previously recognised in surplus or deficit.

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

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to accumulated surplus when the asset is derecognised.

Subsequent to initial recognition, computers equipment, machiner equipment, furniture&. office equipment , motor vehicle & security equipment are measured using cost model .

### Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight line method, to allocate their cost less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the municipality. The depreciation rates are based on the following estimated useful lives:

Item	Depreciation method	Average useful life
Buildings	Straight-line	5-30 Years
Furniture and fixtures	Straight-line	3-10 Years
Office equipment	Straight-line	5-10 Years
Infrastructure Roads and Storm Water	Straight-line	3-100 Years
Recreational facilities	Straight-line	25-30 Years
Security	Straight-line	3-7 Years
Halls	Straight-line	25-30 Years
Parks and Gardens	Straight-line	15-30 Years
Other community assets	Straight-line	25-50 Years
Transport Assets	Straight-line	4-10 Years
Bins and containers	Straight-line	10-15 Years
Other property, plant and equipment	Straight-line	3-20 Years
Computer equipment	Straight-line	5-15 Years
Plant and Machinery	Straight-line	3-20 Years
Assets under construction	Straight-line	0 Years
Land	Straight-line	0 years
Leased asset	Straight-line	3 - 5 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life however lease assets are depreciated over its lease term.

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 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 surplus or deficit unless it is included in the carrying amount of another asset.

### Derecognition

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.5 Property, plant and equipment (continued)

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

### 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.

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 surplus 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

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services.

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.

#### Initial measurement

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.

#### Subsequent measurement

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# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.7 Intangible assets (continued)

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

#### Amortisation

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. Amount commences when the asset is ready for use

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:

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

#### Derecognition:

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.

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.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 10).

#### Recognition

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

#### Initial measurement

Heritage assets are measured at cost.

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

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.8 Heritage assets (continued)

#### Subsequent measurement

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

#### 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.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.

### 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 an entity on terms that are not market related.

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

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

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

## Accounting Policies

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### 1.9 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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

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

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

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

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

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

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

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

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

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

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

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

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.9 Financial instruments (continued)

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

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

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

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

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

- derivatives;
- 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.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.9 Financial instruments (continued)

#### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Type of financial asset	Classification in terms of GRAP 104
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost

#### Initial recognition

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

The entity recognises financial assets using trade date accounting.

#### Subsequent measurement of financial assets and financial liabilities

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

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

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

#### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, 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

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.9 Financial instruments (continued)

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.

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 Statutory receivables

#### Identification

The municipality has the following major categories under the ambit of statutory receivables:

- VAT receivables
- Property rates debtors
- Fines debtors

#### Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

#### Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

# Mnquma Local Municipality

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## Accounting Policies

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### 1.10 Statutory receivables (continued)

#### Subsequent measurement

The municipality measures statutory receivables after initial recognition using the amortised cost method. Under the amortised cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

#### Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current prime rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

#### Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.11 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.

#### Municipality as lessee - Finance leases

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 or incremental rate where the interest rate is not implicit.

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.

#### Municipality as lessee - operating leases

### 1.12 Inventories

Inventories are assets in the form of materials or supplies to be consumed or distributed in the rendering of services or held for distribution in the ordinary course of operations.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the municipality and the cost of the inventories can be measured reliably.

Inventories are initially measured at cost. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired through a non-exchange transaction, their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost replacement cost.

Net Current replacement cost is the cost the municipality incurs to acquire the asset at reporting date.

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..

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 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.

### 1.13 Impairment of cash-generating assets

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

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year.

# Mnquma Local Municipality

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## Accounting Policies

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### 1.13 Impairment of cash-generating assets (continued)

#### Value in use

Value in use of a cash-generating asset is determined as 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.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.13 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 surplus or deficit.

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

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the 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.

#### Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

### 1.14 Impairment of non-cash-generating assets

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.14 Impairment of non-cash-generating assets (continued)

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach, the selection depends on the availability of data and nature of the impairment.

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.14 Impairment of non-cash-generating assets (continued)

#### Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

### 1.15 Employee benefits

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

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

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

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

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

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

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

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

## Accounting Policies

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### 1.15 Employee benefits (continued)

#### Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.15 Employee benefits (continued)

#### Defined benefit 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.

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.

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.

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

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

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

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

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

The entity determines the present value of defined benefit obligations on an annual basis such that the amounts recognised in the annual financial statements fairly present at the reporting date by an independent actuaries.

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

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

The entity 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).

## Accounting Policies

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### 1.15 Employee benefits (continued)

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.

#### Staff leave

Liability for annual leave are recognised as they accrue to employees. The Liability is based on the total amount of leave days due to employees at year end and is calculated based on the basic salary of the employee.

Accumulated leave is carried forward and can be used in future periods if the current periods entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employees employment term.

#### Staff bonuse

Liability for staff bonus are recognised as they accrue to employee. The liability is based on the total amount of leave days due to employees at year end and is calculated based on the total basic salary of employee.

Accumulated leave is vesting.

#### Performance Bonuses

A provision, in respect of the liability relating to anticipated costs of performance bonuses payable to section 57 employees, is recognised as it accrues to section 57 employee. the performance bonus provision is based on the employment contract stipulations as well as previous performance bonus payment trend.

Employee overtime/ standby allowance accrual.

The cost of short term employee benefits is recognised in the period in which the service is rendered. Liability are the recognised as they accrue to employees.

#### 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.

#### Long-service employee benefits

The municipality has an obligation to provide Long-service Employee Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the entity instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service.

Long service 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.

The municipality has an obligation to provide long term service allowance benefits to all of its employees.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.
- Payments made by the municipality are set-off against the liability

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.16 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 47.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.16 Provisions and contingencies (continued)

#### Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.13 and 1.14.

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
  - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
  - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

### 1.17 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.18 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### 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 .

#### Interest, royalties and dividends

Interest income from investments debtors is recognised when received by or accrued to the municipality.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.19 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.19 Revenue from non-exchange transactions (continued)

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

#### Taxes

The municipality recognises an revenue in respect of taxes when the taxable event occurs and the revenue recognition criteria are met.

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.

#### 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 issued and meet the recognition criteria for revenue.

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 a 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.

#### 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 income and it is recognised as interest earned in the Statement of Financial Performance.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.20 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.

### 1.21 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.

### 1.22 Accounting by principals and agents

#### Identification

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

#### Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

#### Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- ? It does not have the power to determine the significant terms and conditions of the transaction.
- ? It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- ? It is not exposed to variability in the results of the transaction.

- 5 Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

#### Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.23 Comparative figures

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

### 1.24 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.25 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic 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.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.27 Segment information

A segment is an activity of an entity:

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

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

#### 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.

### 1.28 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by 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 a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

The budget for the economic 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.

### 1.29 Related parties

In terms of GRAP 20 for related party disclosure, a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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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.

Remuneration of management includes remuneration derived for services provided to the municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration.

In the case of permanent employees acting in management positions, only the remuneration received additionally for acting in that position is disclosed.

Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the municipality.

### 1.30 VAT

Value Added Tax on revenue and expenditure transactions are recorded in the books of the municipality on accrual basis of accounting, however the municipality is registered with South African Revenue Service (SARS) for Value Added Tax on the payments basis, in accordance with section 15(2) of the Value-Added Tax No 89 of 1991.

The Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### 1.31 Materiality

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

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

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>2. Inventories</b>		
Consumable stores	1 642 723	1 085 613
<b>Consumable stores</b>		
In the current year an amount of R 4 754 238 (2023: R 3 317 629) was expensed with respect to consumable stores consumed. Refer to note 44.		
Inventories are measured at the lower of cost or net replacement cost.		
No inventory was pledged as security.		
<b>Inventory held for distribution</b>		
Prior year Inventory held for distribution were adjusted, refer to note 53. This adjustment relates to pieces of land where the municipality is the legal owner according to deeds office records. The municipality has assessed that it does not have a control over the land due to loss of substantive rights in terms of IGRAP 18 paragraph 6, these properties were therefor derecognised.		
<b>3. Receivables from non-exchange transactions</b>		
Traffic fines	35 961 410	31 588 710
Property rates	153 652 091	136 399 506
Other receivables	279 395	334 775
	<b>189 892 896</b>	<b>168 322 991</b>
<b>Less: Allowance for impairment</b>		
Traffic fines	(30 323 711)	(26 850 404)
Property rates	(127 741 025)	(111 272 321)
Other receivables	-	-
	<b>(158 064 736)</b>	<b>(138 122 725)</b>
<b>Net balance</b>		
Traffic fines	5 637 699	4 738 306
Property rates	25 911 066	25 127 185
Other receivables	279 395	334 775
	<b>31 828 160</b>	<b>30 200 266</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at the beginning of the year	138 122 725	114 757 666
Contributions to allowance	23 724 414	25 116 917
Fines reduction	(542 380)	(444 900)
Bad debts written-off	(3 240 023)	(1 306 958)
	<b>158 064 736</b>	<b>138 122 725</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 3. Receivables from non-exchange transactions (continued)

<b>Property rates</b>		
Current 0 - 30 days	3 523 139	2 757 057
31 - 60 days	2 866 371	2 708 922
61 - 90 days	2 762 981	2 442 363
91 - 120 days	2 717 343	2 799 192
121 - 150 days	2 717 371	2 302 928
> 150 days	139 064 886	123 389 044
	<b>153 652 091</b>	<b>136 399 506</b>

#### Property rates by customer group - 2024

	Organs of state	Commercial customers	Households	Total
Current 0 - 30 days	913 943	580 091	2 029 105	3 523 139
31 - 60 days	458 035	476 880	1 931 456	2 866 371
61 - 90 days	419 978	475 671	1 867 332	2 762 981
91 - 120 days	435 596	471 697	1 810 050	2 717 343
121 - 150 days	419 505	469 757	1 828 109	2 717 371
> 150 days	22 182 445	18 776 837	98 105 604	139 064 886
	<b>24 829 502</b>	<b>21 250 933</b>	<b>107 571 656</b>	<b>153 652 091</b>

#### Property rates by customer group - 2023

	Organs of state	Commercial customers	Households	Total
Current 0 - 30 days	477 432	236 381	2 043 244	2 757 057
31 - 60 days	438 331	258 043	2 012 548	2 708 922
61 - 90 days	372 985	224 474	1 844 904	2 442 363
91 - 120 days	751 067	220 147	1 827 978	2 799 192
121 - 150 days	314 233	209 678	1 779 017	2 302 928
> 150 days	21 074 833	16 235 260	86 078 951	123 389 044
	<b>23 428 881</b>	<b>17 383 983</b>	<b>95 586 642</b>	<b>136 399 506</b>

#### Traffic fines

Current 0 - 30 days	453 800	614 500
31 - 60 days	474 800	781 100
61 - 90 days	553 900	807 700
91 - 120 days	500 500	465 400
121 - 150 days	270 100	636 200
> 150 days	33 708 310	28 283 810
	<b>35 961 410</b>	<b>31 588 710</b>

#### Other receivables

Current 0 - 30 days	500	-
61 - 90 days	-	9 814
> 150 days	278 895	324 961
	<b>279 395</b>	<b>334 775</b>

Other receivables are made up of staff debt from non-exchange transactions owing to the municipality.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 3. Receivables from non-exchange transactions (continued)

Property Rates- Municipal Property Rates Act (MPR Act) section 2 states that a local municipality may levy a rate on property in it's area.

Traffic Fines - Fines are issued in terms of the National Road Traffic Regulations of 2000 and the National Road Traffic Act 93 of 1996.

#### Determination of transaction amount

Rates - Rates are amounts determined in terms of section 11 of the Municipal Property Rates Act and the approved policy of the municipality.

Fines - All fines are governed by the specific regulation which is applicable to the offence.

#### Interest or other charges levied/charged

Rates - interest is raised on past due balance at the prime interest rate.

Fines - No interest or other charges are raised on outstanding fines.

#### Receivables impaired but not past due

Rates - Payment percentage of receivables is used to assess whether the receivable is impaired.

Fines - Provision for impairment of traffic fine debtors is calculated based on the payment history of traffic fines in aggregate as the municipality does not have sufficient information to calculate the payment history per debtor as with property rates and services.

#### Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

#### Receivables from non-exchange transactions past due but not impaired

The ageing of amounts past due but not impaired is as follows:

<b>Property rates</b>		
Current 0 - 30 days (not due)	1 214 870	604 734
31 - 60 days (past due)	657 283	533 297
61 - 90 days (past due)	602 869	436 980
91 - 120 days (past due)	611 305	807 419
121 - 150 days (past due)	591 704	364 209
> 150 days (past due)	22 233 035	22 380 546
	<b>25 911 066</b>	<b>25 127 185</b>
<b>Traffic fines</b>		
Current 0 - 30 days (not due)	71 143	92 175
31 - 60 days (past due)	74 435	117 165
61 - 90 days (past due)	86 835	121 155
91 - 120 days (past due)	78 464	69 810
121 - 150 days (past due)	42 344	95 430
> 150 days (past due)	5 284 479	4 242 571
	<b>5 637 700</b>	<b>4 738 306</b>
<b>Other receivables</b>		
Current 0 - 30 days	500	-
61 - 90 days	-	9 814
> 150 days	278 895	324 961
	<b>279 395</b>	<b>334 775</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 3. Receivables from non-exchange transactions (continued)

#### Receivables from non-exchange transactions impaired

The ageing of these receivables is as follows:

##### Property rates

Current 0 - 30 days (not due)	2 308 269	2 152 323
31 - 60 days (past due)	2 209 089	2 175 625
61 - 90 days (past due)	2 160 112	2 005 383
91 - 120 days (past due)	2 106 038	1 991 773
121 - 150 days (past due)	2 125 667	1 938 720
> 150 days (past due)	116 831 850	101 008 497
	<b>127 741 025</b>	<b>111 272 321</b>

##### Traffic fines

Current 0 - 30 days (not due)	382 657	522 325
31 - 60 days (past due)	400 365	663 935
61 - 90 days (past due)	467 065	686 546
91 - 120 days (past due)	422 036	395 590
121 - 150 days (past due)	227 756	540 770
> 150 days (past due)	28 423 831	24 041 238
	<b>30 323 710</b>	<b>26 850 404</b>

### 4. VAT receivable

VAT control	5 257 310	4 881 664
VAT input accrual	2 592 168	1 803 498
	<b>7 849 478</b>	<b>6 685 162</b>

VAT is received and paid as required by the Value Added Tax Act No. 89 of 1991 (VAT Act).

VAT is applied to all relevant goods and services as stated in the VAT Act and the amount thereof is determined in terms of the VAT Act

VAT is submitted and paid on a monthly basis.

VAT control is a statutory receivable in context of GRAP 108. Statutory receivable arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. Refer to Note 54 for statutory receivables.

#### VAT receivables past due but not impaired

By the reporting date there were no statutory VAT that are past due.

#### Factors the municipality has considered in assessing VAT receivables past due but not impaired

VAT receivable from SARS is not impaired as the South African Revenue Services has sufficient funds to pay any outstanding amounts and SARS has been refunding the municipality in the previous periods.

#### VAT receivables impaired

No impairment on VAT receivables, balance expected to be fully recoverable.,

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>5. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Refuse	42 436 494	34 427 861
Rentals	9 995 310	5 256 481
Other receivables	3 294 920	1 708 435
	<b>55 726 724</b>	<b>41 392 777</b>
<b>Less: Allowance for impairment</b>		
Refuse	(39 295 101)	(33 020 388)
Rentals	(9 879 041)	(5 156 634)
Other receivables	-	-
	<b>(49 174 142)</b>	<b>(38 177 022)</b>
<b>Net balance</b>		
Refuse	3 141 393	1 407 473
Housing rental	116 269	99 847
Other receivables	3 294 920	1 708 435
	<b>6 552 582</b>	<b>3 215 755</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at the beginning of the year	38 177 022	27 731 679
Contributions to allowance	12 243 208	12 070 877
Bad debts written-off	(1 246 088)	(1 625 534)
	<b>49 174 142</b>	<b>38 177 022</b>
<b>Refuse</b>		
Current (0 -30 days)	1 393 479	1 197 191
31 - 60 days	1 018 210	973 552
61 - 90 days	1 069 621	787 146
91 - 120 days	959 639	776 586
121 - 150 days	950 099	764 370
> 150 days	37 045 446	29 929 015
	<b>42 436 494</b>	<b>34 427 860</b>
<b>Rentals</b>		
Current (0 -30 days)	425 850	480 943
31 - 60 days	440 388	415 730
61 - 90 days	463 851	408 477
91 - 120 days	429 616	402 494
121 - 365 days	1 050 758	399 724
> 150 days	7 184 847	3 149 113
	<b>9 995 310</b>	<b>5 256 481</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

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2023

### 5. Receivables from exchange transactions (continued)

#### Other receivables

Current (0 -30 days)

31 - 60 days

121 - 150 days

452 026

12 042

2 830 852

**3 294 920**

91 370

7 805

1 609 260

**1 708 435**

#### Rental Aging per customer group - 2024

Current 0 - 30 days

31 - 60 days

61 - 90 days

91 - 120 days

121 - 150 days

> 150 days

Organs of  
state

Commercial  
customers

Households

Total

-

5 068

420 782

425 850

-

5 060

435 328

440 388

-

5 142

458 709

463 851

-

4 874

424 741

429 615

-

4 355

1 046 404

1 050 759

-

534 490

6 650 357

7 184 847

-

**558 989**

**9 436 321**

**9 995 310**

#### Refuse Aging per customer group - 2024

Current 0 - 30 days

31 - 60 days

61 - 90 days

91 - 120 days

121 - 150 days

> 150 days

Organs of  
state

Commercial  
customers

Households

Total

561 635

92 449

739 395

1 393 479

214 055

82 083

722 072

1 018 210

228 655

104 413

736 553

1 069 621

178 373

74 875

706 390

959 638

174 874

73 353

701 872

950 099

1 597 991

2 142 399

33 305 056

37 045 446

**2 955 583**

**2 569 572**

**36 911 338**

**42 436 493**

#### Rental Aging per customer group - 2023

Current 0 - 30 days

31 - 60 days

61 - 90 days

91 - 120 days

121 - 150 days

> 150 days

Organs of  
state

Commercial  
customers

Households

Total

-

70 394

410 549

480 943

-

14 595

401 135

415 730

-

14 341

394 136

408 477

-

14 224

388 270

402 494

-

13 469

386 255

399 724

-

373 915

2 775 198

3 149 113

-

**500 938**

**4 755 543**

**5 256 481**

#### Refuse Aging per customer group - 2023

Current 0 - 30 days

31 - 60 days

61 - 90 days

91 - 120 days

121 - 150 days

> 150 days

Organs of  
state

Commercial  
customers

Households

Total

143 973

157 123

896 096

1 197 192

83 690

58 543

831 319

973 552

66 279

53 090

667 777

787 146

65 871

50 328

660 387

776 586

69 226

48 530

646 613

764 369

967 415

1 566 913

27 394 688

29 929 016

**1 396 454**

**1 934 527**

**31 096 880**

**34 427 861**

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

2024

2023

### 5. Receivables from exchange transactions (continued)

#### Consumer debtors past due but not impaired

The ageing of amounts past due but not impaired is as follows:

Aging by debt type - 2024	Current 0 - 30 days (not due)	31 - 60 days (past due)	61 - 90 days (past due)	91 - 120 days (past due)	121 - 150 days (past due)	> 150 days (past due)
Refuse	601 355	230 138	239 764	187 328	182 996	1 699 811
Rentals	11 054	7 012	6 448	5 671	5 395	80 688
	<b>612 409</b>	<b>237 150</b>	<b>246 212</b>	<b>192 999</b>	<b>188 391</b>	<b>1 780 499</b>

Aging by debt type - 2023	Current 0 - 30 days (not due)	31 - 60 days (past due)	61 - 90 days (past due)	91 - 120 days (past due)	121 - 150 days (past due)	> 150 days (past due)
Refuse	175 248	97 758	77 563	74 441	74 444	908 019
Rentals	61 425	3 343	2 371	1 646	1 370	29 692
	<b>236 673</b>	<b>101 101</b>	<b>79 934</b>	<b>76 087</b>	<b>75 814</b>	<b>937 711</b>

#### Consumer debtors impaired

The ageing of these debtors is as follows:

Aging by debt type - 2024	Current 0 - 30 days (not due)	31 - 60 days (past due)	61 - 90 days (past due)	91 - 120 days (past due)	121 - 150 days (past due)	> 150 days (past due)
Refuse	792 124	788 072	829 857	772 310	767 103	35 345 636
Rentals	414 796	433 376	457 403	423 943	1 045 363	7 104 160
	<b>1 206 920</b>	<b>1 221 448</b>	<b>1 287 260</b>	<b>1 196 253</b>	<b>1 812 466</b>	<b>42 449 796</b>

Aging by debt type - 2023	Current 0 - 30 days (not due)	31 - 60 days (past due)	61 - 90 days (past due)	91 - 120 days (past due)	121 - 150 days (past due)	> 150 days (past due)
Refuse	1 021 943	875 794	709 583	702 146	689 926	29 020 996
Rentals	419 519	412 387	406 106	400 848	398 354	3 119 421
	<b>1 441 462</b>	<b>1 288 181</b>	<b>1 115 689</b>	<b>1 102 994</b>	<b>1 088 280</b>	<b>32 140 417</b>

Other receivables are made-up of over/ under banking, prepaid expenses and proceeds owed from disposal of property, plant and equipment.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	12 691 130	3 322 662
Short-term deposits	174 425 389	190 916 765
	<b>187 116 519</b>	<b>194 239 427</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
FNB - Cheque Primary Bank Account: 62237497872	12 691 142	3 257 389	1 362 661	12 691 130	3 322 662	1 456 288
FNB - MIG Call Acc: 62240253542	17 305	3 808 600	45 895	17 305	3 808 600	45 895
FNB - FMG: 62240252768	6 800	6 896	1 562	6 800	6 896	1 562
FNB - Call Account: 62240252198	51 650	5 875 523	18 563 667	51 650	5 875 523	18 563 667
FNB - INEP: 62326177559	1 000	1 000	6 727	1 000	1 000	6 727
FNB - EPWP: 62345680195	1 000	1 017	1 635	1 000	1 017	1 635
FNB - LG SETA: 62380069437	170 731	671 481	790 075	170 731	671 481	790 075
FNB - Salaries Account: 74737909900	1 168 211	2 736 158	1 874 456	1 168 213	2 736 159	1 874 456
FNB - eNatis: 62772809904	113 570	369 937	527 449	113 570	369 937	527 449
FNB - DSRAC: 62823144233	2 058 752	1 921 278	1 443 511	2 058 752	1 921 278	1 443 511
FNB - Short-term Investment: 62823142774	170 793 269	173 015 759	130 707 738	170 793 269	173 015 759	130 707 738
FNB - DEDEAT: 62910424944	30 330	2 509 115	5 016 012	30 330	2 509 115	5 016 012
FNB - Disaster Grant : 63092717182	12 769	-	-	12 769	-	-
<b>Total</b>	<b>187 116 529</b>	<b>194 174 153</b>	<b>160 341 388</b>	<b>187 116 519</b>	<b>194 239 427</b>	<b>160 435 015</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods, depending on the immediate cash requirements and earn interest at the respective short-term deposit rate.

The Management of the municipality is of the opinion that the carrying value of the short term deposit, approximate to their fair values due to their short term nature.

No cash and cash equivalents were pledged as security for liabilities.

No restrictions were placed on the use of cash and cash equivalent.

# Mnquma Local Municipality

## Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand

#### 7. Investment property

	2024		2023			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	107 160 542	(69 502 421)	37 658 121	109 503 849	(69 502 421)	40 001 428
Buildings	79 895 003	(67 910 521)	11 984 482	71 292 615	(61 769 706)	9 522 909
Total	187 055 545	(137 412 942)	49 642 603	180 796 464	(131 272 127)	49 524 337

#### Reconciliation of investment property - 2024

	Opening balance	Disposals	Transfers to /from Investment property	Impairments	Depreciation	Total
Land	40 001 428	(2 057 121)	(286 186)	-	-	37 658 121
Buildings	9 522 909	(7 482)	8 991 675	(4 786 173)	(1 736 447)	11 984 482
	<b>49 524 337</b>	<b>(2 064 603)</b>	<b>8 705 489</b>	<b>(4 786 173)</b>	<b>(1 736 447)</b>	<b>49 642 603</b>

#### The amounts recognised in surplus or deficit

Rental revenue from investment property	5 434 065	5 581 111
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#### Expenditure incurred to repairs and maintain investment property

Repairs and maintenance arising from investment property that generated rental revenue during the period	2 182	-
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# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

### 7. Investment property (continued)

#### Reconciliation of investment property - 2023

	Opening balance	Disposals	Reclassification on	Transfer out	Depreciation	Total
Land	41 073 908	(321 480)	-	(751 000)	-	40 001 428
Buildings	11 573 869	-	1 193	(539 467)	(1 512 686)	9 522 909
	<b>52 647 777</b>	<b>(321 480)</b>	<b>1 193</b>	<b>(1 290 467)</b>	<b>(1 512 686)</b>	<b>49 524 337</b>

All of the municipality's investment property is held under freehold interests and no investment property had been pledged as security for any liabilities of the municipality.

No investment property is in the process of being constructed or developed.

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.

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.

There are pieces of land where the municipality is the legal owner according to deeds office records. The municipality has assessed that it does not have a control over the land due to loss of substantive rights in terms of IGRAP 18 paragraph 6. these properties were therefore derecognised.

There are no Capital commitments.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 8. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	91 806 087	-	91 806 087	85 148 009	-	85 148 009
Buildings	53 731 297	(24 133 791)	29 597 506	65 610 759	(34 903 584)	30 707 175
Plant and machinery	53 601 210	(15 742 240)	37 858 970	48 420 673	(16 597 005)	31 823 668
Furniture and fixtures	8 864 450	(4 542 572)	4 321 878	9 128 265	(4 843 322)	4 284 943
Motor vehicles	19 480 981	(6 024 802)	13 456 179	19 596 873	(5 240 489)	14 356 384
Computer equipment	11 917 471	(5 943 304)	5 974 167	10 374 948	(4 079 786)	6 295 162
Infrastructure	3 221 387 451	(1 864 273 288)	1 357 114 163	3 236 749 377	(1 631 806 161)	1 604 943 216
Community assets	127 571 690	(48 358 718)	79 212 972	152 082 640	(48 551 625)	103 531 015
Other property, plant and equipment	162 410	(154 853)	7 557	162 410	(146 050)	16 360
Work in progress Community	63 188 630	(3 314 794)	59 873 836	27 837 685	(3 314 794)	24 522 891
<b>Total</b>	<b>3 651 711 677</b>	<b>(1 972 488 362)</b>	<b>1 679 223 315</b>	<b>3 655 111 639</b>	<b>(1 749 482 816)</b>	<b>1 905 628 823</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 8. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Transfers to and from investment property	Disposals	Transfer movable assets	Transfers	Revaluatio ns	Lease contract adjustment	Transfers (expenses/Do nations)	Depreciation	Impairment loss	Total
Land	85 148 009	-	286 185	-	-	-	6 371 893	-	-	-	-	91 806 087
Buildings	30 707 175	247 770	455 271	(7 011 654)	-	6 480 291	1 932 869	-	-	(3 211 894)	(2 322)	29 597 506
Plant and machinery	31 823 668	15 811 324	-	(5 903 813)	-	-	-	-	-	(3 837 154)	(35 055)	37 858 970
Furniture and fixtures	4 284 943	653 785	-	(136 914)	188 000	-	-	-	-	(524 019)	(143 917)	4 321 878
Motor vehicles	14 356 384	2 506 254	-	(1 317 447)	-	-	-	-	-	(2 089 012)	-	13 456 179
Computer equipment	6 295 162	1 767 274	-	(68 964)	-	-	-	(12 670)	-	(1 978 354)	(28 281)	5 974 167
Infrastructure	1 604 943 216	64 500	-	(48 368 770)	-	113 971 334	-	-	-	(268 947 778)	(44 548 339)	1 357 114 163
Community assets	103 531 015	354 950	(9 446 944)	(1 436 770)	-	1 262 118	-	-	-	(12 084 386)	(2 967 011)	79 212 972
Other property, plant and equipment	16 360	-	-	-	-	-	-	-	-	(4 096)	(4 707)	7 557
Work in progress	24 522 891	158 458 976	-	-	(188 000)	(121 713 743)	-	-	(1 206 288)	-	-	59 873 836
	<b>1 905 628 823</b>	<b>179 864 833</b>	<b>(8 705 488)</b>	<b>(64 244 332)</b>	<b>-</b>	<b>-</b>	<b>8 304 762</b>	<b>(12 670)</b>	<b>(1 206 288)</b>	<b>(292 676 693)</b>	<b>(47 729 632)</b>	<b>1 679 223 315</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

### 8. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers from investment property	Transfers	Revaluation losses	Revaluation gains	Reclass	Depreciation loss	Impairment reversal	Total
Land	50 394 300	-	(115 000)	-	-	(4 739 168)	38 856 877	751 000	-	-	85 148 009
Buildings	20 151 162	-	-	539 468	6 739 472	(7 725 455)	12 524 538	4 518	(1 526 864)	335	30 707 175
Plant and machinery	32 438 659	3 432 380	(1 060 674)	-	-	-	-	-	(2 980 780)	-	31 823 668
Furniture and fixtures	1 467 347	2 952 963	(19 160)	-	160 691	-	-	-	(262 429)	-	4 284 943
Motor vehicles	11 634 595	4 787 470	(211 829)	-	-	-	-	-	(1 853 851)	-	14 356 384
Computer equipment	5 722 800	2 552 750	(146 325)	-	-	-	-	-	(1 830 083)	-	6 295 162
Infrastructure	541 851 418	-	(21 601 015)	-	86 970 209	(66 509 720)	1 127 239 754	(5 910)	(69 535 966)	6 534 447	1 604 943 217
Community assets	85 103 441	-	(28 842)	-	18 214 098	(51 029 519)	56 599 880	198	(5 652 616)	324 375	103 531 015
Other property, plant and equipment	29 862	-	(1 058)	-	-	-	-	-	(6 678)	-	16 360
Work in progress	23 373 758	116 548 397	-	-	(112 084 470)	-	-	-	(3 314 794)	-	24 522 891
	<b>772 167 342</b>	<b>130 273 960</b>	<b>(23 183 903)</b>	<b>539 468</b>	<b>-</b>	<b>(130 003 862)</b>	<b>1 235 221 049</b>	<b>749 806</b>	<b>(83 649 267)</b>	<b>6 859 157</b>	<b>1 905 628 824</b>

### Other information

No portion of property, plant and equipment has been pledged as security for liabilities.

There are no restrictions on the realisability of Property, Plant and Equipment or the remittance of revenue and proceeds of de-recognition.

There were no significant delays on projects or any construction halted in the reporting period.

Refer to Note 46 for the amount of contractual commitment for the acquisition of PPE. The amount of R188 629 410 for contracted commitments is approved and contracted.

Photocopiers & speedpoints under lease were capitalised under computer equipment with a carrying amount of R 1 186 107 as at 30 June 2024 (2023: R 1 786 286), and the corresponding finance lease liability raised in accordance with GRAP 13 on note 11. The leases are payable in monthly instalments.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 8. Property, plant and equipment (continued)

#### Revaluations

The effective date of the revaluations was Friday, 30 June 2023. Mr Franco Maartens (Worth Authority). Professional body Registrations: South African Council for the Property Valuers Profession: SACPVP, and Gerhard Zandberg Professional body Registrations: South Africa Institute for Professional Engineer, Project Management Professional (PMP).

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

A supplementary revaluation was performed by Mr Franco Maartens (Worth Authority). Professional body Registrations: South African Council for the Property Valuers Profession: SACPVP on 01 October 2023 due to a change in asset classification from investment property which is on the cost model to property, plant and equipment, namely land and operational buildings which were previously rented properties which are being used as a municipal offices.

The valuation was performed using the following methods:

#### a) Comparable Sales Approach:

This approach analysis the 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.

These assumptions were based on current market conditions.

### Property, plant and equipment in the process of being constructed or developed

#### Assets under construction

Reconciliation of Property, Plant and Equipment being Constructed or Developed 2024

	Opening Balance	Additions /Capital Expenditure 2023/24	Completed Projects (Donated Assets)	Completed Projects (Transfers)	Total WIP Balance as at 30 June 2024
Community Assets	1 009 064	7 645 706	(1 206 288)	(1 262 118)	6 186 364
Infrastructure	18 577 420	111 526 176	-	(113 971 333)	16 132 263
Operational Buildings	4 936 407	39 287 094	-	(6 668 292)	37 555 209
	<b>24 522 891</b>	<b>158 458 976</b>	<b>(1 206 288)</b>	<b>(121 901 743)</b>	<b>59 873 836</b>

Reconciliation of Property, Plant and Equipment being Constructed or Developed 2023

	Opening Balance	Additions /Capital Expenditure	Completed Projects (Transfers)	Impairment	Total WIP Balance as at 30 June 2023
Community Assets	10 902 846	11 642 367	(18 221 355)	(3 314 794)	1 009 064
Infrastructure	10 199 036	95 348 593	(86 970 209)	-	18 577 420
Operational Buildings	2 271 876	9 557 437	(6 892 906)	-	4 936 407
	<b>23 373 758</b>	<b>116 548 397</b>	<b>(112 084 470)</b>	<b>(3 314 794)</b>	<b>24 522 891</b>

## Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

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#### 8. Property, plant and equipment (continued)

There are no property, plant and equipment under construction that is taking a significantly longer period of time to complete than expected.

There are no property, plant and equipment under construction that has been halted either during the current or previous reporting period.

Compensation from third parties for the Property, Plant and Equipment that were either lost/damage

##### The amount of compensation received from third parties

Computer Equipment	66 338	62 632
Machinery and Equipment	140 638	-
Motor Vehicles	707 096	153 090
Community Assets	-	21 250
Furniture	-	25 736
	<b>914 072</b>	<b>262 708</b>

The municipality received compensation from the insurers for the lost or written off of assets resulting from damages, this insurance income is included in the surplus or deficit.

##### Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Repairs and maintenance	13 476 374	15 661 046
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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.

**Mnquma Local Municipality**  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

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**9. Intangible assets**

	2024		2023		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
6 379 781	(1 422 309)	4 957 472	3 789 794	(1 078 922)	2 710 872

Computer software

**Reconciliation of intangible assets - 2024**

	Opening balance	Additions	Amortisation	Total
Computer software	2 710 872	4 920 554	(2 673 954)	4 957 472

**Reconciliation of intangible assets - 2023**

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	1 531 045	2 074 740	(39 715)	(855 198)	2 710 872

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 9. Intangible assets (continued)

#### Other information

No portion of intangible assets has been pledged as security for liabilities.

A register containing information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

There are no intangible assets whose title is restricted.

There are no intangible asset that are under construction .

.Refer to Note 46 for the amount of contractual commitment for the acquisition of intangible assets.The amount of R7 363 285 for contracted commitments is approved and contracted.

The amortisation expense is included in the line item "Depreciation and amortisation" Note 34 in the statement of financial performance.

**Mnquma Local Municipality**  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

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**10. Heritage assets**

	2024		2023	
	Cost / Valuation	Accumulated impairment losses	Cost / Valuation	Accumulated Carrying value impairment losses
Historical monuments	78 959	-	78 959	-
Municipal jewellery	37 793	-	37 793	-
<b>Total</b>	<b>116 752</b>	<b>-</b>	<b>116 752</b>	<b>-</b>

**Reconciliation of heritage assets 2024**

	Opening balance	Total
Historical monuments	78 959	78 959
Municipal jewellery	37 793	37 793
	<b>116 752</b>	<b>116 752</b>

**Reconciliation of heritage assets 2023**

	Opening balance	Total
Historical monuments	78 959	78 959
Municipal jewellery	37 793	37 793
	<b>116 752</b>	<b>116 752</b>

**Restrictions on heritage assets**

There are no heritage assets whose title is restricted.  
There are no heritage asset that are under construction.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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<b>10. Heritage assets (continued)</b>		
<b>Pledged as security</b>		
No portion of heritage assets has been pledged as security for liabilities.		
<b>11. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	1 095 807	1 015 920
- in second to fifth year inclusive	425 723	1 444 625
	<b>1 521 530</b>	<b>2 460 545</b>
less: future finance charges	(123 731)	(333 968)
<b>Present value of minimum lease payments</b>	<b>1 397 799</b>	<b>2 126 577</b>
Non-current liabilities	411 390	1 318 241
Current liabilities	986 409	808 336
	<b>1 397 799</b>	<b>2 126 577</b>

Photocopiers & speedpoints under lease were capitalised, and the corresponding finance lease liability raised in accordance with GRAP 13. The leases are payable on fixed monthly instalments.

No arrangements have been entered into for contingent rental payments.

There is no terms of renewal or purchases options and escalation clauses.

No restrictions imposed by lease arrangements.

## 12. Payables from exchange transactions

Trade payables	10 552 644	6 767 429
Advance payment- consumer debtors	582 302	731 116
Unallocated deposit	59 894	150 034
Other payables	29 337	-
Retention payable	10 320 575	7 372 943
	<b>21 544 752</b>	<b>15 021 522</b>

The average credit period on purchases is 30 days from the receipts of the statement as determined by MFMA, no interest is charged for the first 30 days from the date of receipt of the invoice thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has the financial risk policies in place to ensure that all payables are paid within the credit time frame.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 13. Employee benefit obligations

Employee benefit obligation consists of the following:

<b>Current Liabilities</b>		
Long service awards	2 245 000	2 351 000
Provision for performance bonus	1 771 145	1 417 056
13th cheque Accrual	5 002 117	4 831 272
Provision for leave	16 258 967	16 396 958
Payroll control	525 867	118 582
	<b>25 803 096</b>	<b>25 114 868</b>
<b>Non-Current Liabilities</b>		
Long service awards	10 681 000	10 822 000
	<b>36 484 096</b>	<b>35 936 868</b>
<b>Total</b>		

#### Long service awards

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 on 5 years and longer, in a 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

#### Valuation Method

The Projected Unit Credit funding method has been used to determine the past-service liabilities at the valuation date and the projected annual expense in the year following the valuation date.

#### Valuation of Assets

As at the valuation date, the long service leave award liability of the Municipality was unfunded, i.e. no dedicated assets have been set aside to meet this liability. the actuaries therefore did not value any assets as part of the valuation.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 13. Employee benefit obligations (continued)

#### Movement in the present value of the defined benefit obligation

<b>Carrying value</b>		
Opening balance	13 173 000	13 133 000
Current service costs - Employee related costs	1 387 000	1 355 000
Actuarial interest - Finance costs	1 690 000	1 566 000
Benefit paid	(936 113)	(881 550)
Actuarial (Gains) Losses	(2 387 887)	(1 999 450)
	<b>12 926 000</b>	<b>13 173 000</b>
Non-current liabilities	10 681 000	10 822 000
Current liabilities	2 245 000	2 351 000
	<b>12 926 000</b>	<b>13 173 000</b>

#### The amount recognised in the statement of financial performance

Current service cost	1 387 000	1 355 000
Interest cost	1 690 000	1 566 000
Actuarial gains / (losses)	(2 387 887)	(1 999 450)
	<b>689 113</b>	<b>921 550</b>

#### Key assumptions used

In estimating the unfunded liability for long service awards a number of assumptions are required. GRAP 25 requires the actuarial assumptions to be unbiased and mutually compatible.

#### Assumptions used at the reporting date:

Discount rates used	12,28 %	12,91 %
Expected increase in salaries	7,80 %	8,98 %
Consumer Price Index	6,80 %	7,98 %
Net Discount rate	4,16 %	3,61 %

#### Demographic and mortality assumption:

Average Retirement Age	63 years	63 years
Normal Retirement Age	65 years	65 years
Mortality Rates	SA85-90	SA85-90

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 13. Employee benefit obligations (continued)

#### Sensitivity Analysis

##### 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 %
60+	- %	- %

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	13 492 000	12 926 000	12 399 000
Current service costs	1 492 000	1 411 000	1 337 000
Interest costs	1 622 000	1 547 000	1 478 000

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	12 307 000	12 926 000	13 590 000
Current service costs	1 335 000	1 411 000	1 493 000
Interest costs	1 467 000	1 547 000	1 634 000
	<b>15 109 000</b>	<b>15 884 000</b>	<b>16 717 000</b>

##### Provision for Performance bonus

Provision has been made for performance bonuses in accordance with the performance agreements of the Municipal Manager, Chief Financial Officer, Director of Corporate Services, Director of Infrastructure, Director of Community Services, Director of Local Economic Development & Planning, Director of Strategic Management, Senior Accountant and Legal Advisor using the best estimate of the potential performance bonus payable. The actual bonuses will only be paid once the evaluation committee appointed in terms of the Performance Management Regulations has reviewed the performance agreements of the Executive Management team and recommendation to the Council for final approval. The performance bonuses have been provided for as follows:

##### The movement consist of the following:

Opening Balance	1 417 056	1 322 778
Additions	1 641 651	1 096 093
Performance bonus paid	(1 287 562)	(1 001 815)
	<b>1 771 145</b>	<b>1 417 056</b>

##### 13th Cheque Accrual

Annual bonuses accrue to all eligible municipal employees excluding Section 57 Managers on an annual basis, based on the employee contract. The balance as at year-end represents the portion of the bonus which has already vested as at year-end.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

	2024	2023
Figures in Rand		

### 13. Employee benefit obligations (continued)

	4 831 271	4 354 948
Opening balance	4 947 521	4 831 271
13th Cheque Accrual	(4 776 675)	(4 354 948)
13th Cheque paid	<b>5 002 117</b>	<b>4 831 271</b>

### Provision for Annual Leave

Provision for annual leave is recognised as it accrues to employees. The provision for annual leave is based on the total annual paid leave days due to an employee multiplied by the basic salary as at year-end.

#### The movement consist of the following:

	16 396 958	16 182 585
Opening Balance	1 143 105	1 653 579
Additions	(1 281 096)	(1 439 206)
Provision for leave paid	<b>16 258 967</b>	<b>16 396 958</b>

### Payroll Control

Payroll accruals are made up of overtime, backpay, terminal emoluments and acting allowance that accrued to employees as at year-end.

	525 867	118 582
Payroll Control		

### 14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

<b>Unspent conditional grants and receipts</b>	-	3 751 853
Municipal Infrastructure Grant (MIG)	-	4 000 000
Disaster Grant	2 031 945	1 888 383
Department of Sports, Recreation and Culture (DSRAC)	170 732	302 912
Local Government Sector Education & Training Authority (LGSETA)	-	2 489 697
Department of Economic Development Environmental Affairs & Tourism (DEDEAT)	23 771	23 771
Small town revitalisation	<b>2 226 448</b>	<b>12 456 616</b>

### Movement during the year

	12 456 616	7 255 335
Balance at the beginning of the year	113 040 513	103 786 805
Additions during the year	(123 270 681)	(98 585 524)
Income recognition during the year	<b>2 226 448</b>	<b>12 456 616</b>

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.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>15. VAT payables</b>		
<b>VAT output accrual</b>		
VAT output accrual	433 809	202 083
<b>16. Consumer deposits</b>		
Hall Deposits	12 232	22 959
No Gurantees are held in liue of hall deposits . No interest accrues on hall deposits.		
<b>17. Revaluation reserve</b>		
The revaluation reserve is not distributable, given that this is a municipality.		
Opening balance	1 444 926 992	289 240 056
Change during the year	(347 848 051)	1 155 686 936
	<b>1 097 078 941</b>	<b>1 444 926 992</b>
<b>18. Service charges</b>		
Refuse removal	8 632 390	6 363 180
<b>19. Rental of facilities</b>		
<b>Premises</b>		
Rentals on investment property	5 434 065	5 581 111
Hall hire	45 519	44 945
	<b>5 479 584</b>	<b>5 626 056</b>
<b>20. Interest on outstanding debtors</b>		
Interest on debtors from exchange transactions	3 739 981	2 828 059
Interest on debtors from non-exchange transactions	12 947 147	11 759 107
	<b>16 687 128</b>	<b>14 587 166</b>
<b>21. Licences and permits</b>		
Licences and permits	2 106 444	1 559 539

The Municipality derives revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences, issue of roadworthy certificates, business and hawkers licenses.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>22. Other income</b>		
Building plan fees	453 529	429 397
Cemetery fees	35 883	43 124
Clearance certificate fees	107 647	56 059
Commissions received	180 489	158 335
Valuation service fees	15 478	11 240
Advertising	189 670	214 014
Application for land usage	31 583	53 349
Loading zone	-	8 524
Event and escorting	2 847	-
Municipal tractor	11 087	44 478
Enchroachment fees	28 696	8 696
Removal of restriction	1 553	-
	<b>1 058 462</b>	<b>1 027 216</b>

## 23. Interest received - investment

Bank	21 212 522	14 921 314
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The municipality earned interest income during the year from Bank deposits, Call accounts and Short-term Investment.

Interest is earned on a daily compound basis and paid monthly into the municipality bank account.

Interest income recognised

interest is recognised on a monthly basis when is deposited into the municipal bank account.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 24. Property rates

#### Rates

Property rates	67 923 022	62 310 601
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Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2019. Interim valuations are conducted at least once annually to take into account changes in 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 - (2023 - 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 - (2023 - R0.01519) is applied to business and commercial property valuations to determine assessment rates.

#### Vacant

A general rate of R0.02917 - (2023 - R0.02917) is applied to vacant property valuations to determine assessment rates.

#### Public Service Purposes

A general rate of R0.02466 - (2023 - R0.02466) is applied to state owned property valuations to determine assessment rates.

#### Small Holdings and Farms

A general rate of R0.00294 - (2023 - R0.00311) is applied to small holdings and farm property valuations to determine assessment rates.

#### Industrial

A general rate of R0.01490 - (2023 - R0.0149) is applied to industrial property valuations to determine assessment rates.

#### Public Service Infrastructure

A general rate of R0.00294 - (2023 - R0.00311) is applied to public service infrastructure valuations to determine assessment rates.

#### Mining & Quarries

A general rate of R0.03938 - (2023 - 0.003938) is applied to mining & quarry valuations to determine assessment rates.

#### Properties owned by public benefit organisations

A general rate of R0.00294 - (2023 - 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.

#### Valuations

Residential	1 837 122 500	1 837 122 500
Commercial	869 283 209	869 283 209
Public Service Purposes	1 306 374 633	1 306 374 633
Public Service Infrastructure	61 609 400	61 609 400
Public Benefit Organization	30 731 000	30 731 000
Public Open Space	35 196 000	35 196 000
Agricultural	197 180 000	197 180 000
Industrial	224 900 000	224 900 000
Municipal	77 780 000	77 780 000
Vacant	187 396 000	187 396 000

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 24. Property rates (continued)

4 827 572 742 4 827 572 742

### 25. Fines and penalties

Illegal Trading Stock	14 000	-
Business Permit fines	12 000	-
Public Nuisance	522	-
	<b>26 522</b>	<b>-</b>

### 26. Government grants and subsidies

#### Operating grants

Equitable share	323 763 000	307 329 000
Department of Sports, Recreation and Culture (DSRAC)	356 438	50 808
Finance Management Grant	1 900 000	1 850 000
Expanded Public Works Programme	1 512 000	2 015 000
Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)	2 489 697	2 510 303
Local Government Sector Education & Training Authority (LGSETA)	1 281 115	1 219 558
	<b>331 302 250</b>	<b>314 974 669</b>

#### Capital grants

Municipal Infrastructure Grant (MIG)	80 875 853	72 726 147
Small Town Revitalisation	11 530 577	18 213 708
Disaster Grant	10 554 122	-
	<b>102 960 552</b>	<b>90 939 855</b>
	<b>434 262 802</b>	<b>405 914 524</b>

### 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.

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	3 751 854	-
Current-year receipts	77 124 000	76 478 000
Conditions met - transferred to revenue	(80 875 854)	(72 726 146)
	<b>-</b>	<b>3 751 854</b>

MIG is given to the municipality To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities; to provide specific funding for the development of asset management plans for infrastructure servicing the poor.

During the financial year the municipality received a notification from National Government on the reduction of MIG funding amounting to R5 528 000 (R.00 in 2022/23) in terms of DoRA as amended. The municipality met all the conditions of the MIG funding and realised the grant in full as revenue.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 26. Government grants and subsidies (continued)

#### Local Government Sector Education & Training Authority (LGSETA)

Balance unspent at beginning of year	302 912	816 144
Current-year receipts	1 148 934	706 326
Conditions met - transferred to revenue	(1 281 115)	(1 219 558)
	<b>170 731</b>	<b>302 912</b>

Conditions still to be met - remain liabilities (see note 14).

The grant is given to the municipality that provide an environment to facilitate the training and up skilling of various employees and people involved in local government structures. Other than the amounts unspent, the conditions of the grants have been met. No funds were delayed during the financial year.

#### Finance Management Grant (FMG)

Balance unspent at beginning of year	-	-
Current-year receipts	1 900 000	1 850 000
Conditions met - transferred to revenue	(1 900 000)	(1 850 000)
	<b>-</b>	<b>-</b>

The Financial Management Grant is paid by National Treasury to municipalities to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA). The conditions of the grants have been met. No funds were delayed during the financial year.

#### Expanded Public Works Programme (EPWP)

Balance unspent at beginning of year	-	-
Current-year receipts	1 512 000	2 015 000
Conditions met - transferred to revenue	(1 512 000)	(2 015 000)
	<b>-</b>	<b>-</b>

The Expanded Public Works Programme Grant is incentive funding given to the municipality to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised.

#### Department of Sports, Recreation and Culture (DSRAC)

Balance unspent at beginning of year	1 888 383	1 439 191
Current-year receipts	500 000	500 000
Conditions met - transferred to revenue	(356 438)	(50 808)
	<b>2 031 945</b>	<b>1 888 383</b>

Conditions still to be met - remain liabilities (see note 14).

This grant is given to the municipality to transform urban and rural public library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives. Other than the amounts unspent, the conditions of the grants have been met. No funds were delayed during the financial year.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 26. Government grants and subsidies (continued)

#### Disaster Grant

Balance unspent at beginning of year	4 000 000	-
Current-year receipts	8 625 000	4 000 000
Conditions met - transferred to revenue	(10 554 122)	-
Conditions met - transferred to revenue construction contract	(2 070 878)	-
	<b>-</b>	<b>4 000 000</b>

The Municipal Disaster Recovery Grant is allocated to rehabilitate and reconstruct municipal infrastructure damaged by a disaster. Based on the approval of the National Disaster Management Centre, it should be noted that the grant is also funding the rehabilitation of Mqambeli to Ndotshanga Main Road which belongs to the Department of Public Works and has been recognised as a construction contract.

#### Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)

Balance unspent at beginning of year	2 489 697	5 000 000
Current-year receipts	-	-
Conditions met - transferred to revenue	(2 489 697)	(2 510 303)
	<b>-</b>	<b>2 489 697</b>

The grant is given to the municipality in assistance for the removal of the alien trees within the municipal damarcation. The conditions of the grant was met and revenue recognised.

#### Small Town Revitalisation

Balance unspent at beginning of year	23 771	-
Current-year receipts	11 530 577	18 237 479
Conditions met - transferred to revenue	(11 530 577)	(18 213 708)
	<b>23 771</b>	<b>23 771</b>

Conditions still to be met - remain liabilities (see note 14).

The Small Town Revitalisation Grant is given to the municipality by the provincial government to promote the capital finance for development of small town infrastructure backlog. The conditions of the grant for the financial year were met and revenue recognised.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 27. Construction contracts

#### Movements during the year for Rehabilitation of Public Works bridge

Opening balance	-	-
Current-year receipts	2 070 878	-
Conditions met - transferred to revenue	(2 070 878)	-
	-	-

#### Movements during the year for rural electrification

Opening balance	-	-
Current-year receipts	10 700 000	7 320 000
Conditions met - transferred to revenue	(10 700 000)	(7 320 000)
	-	-

At 30 June 2024, retention of contracts in progress are R 472 691.79 (2023: R 646 567).

#### Method used to determine the contract revenue recognised in the period

The revenue recognised is based on the amount of expenditure incurred by the municipality for rural electrification projects and construction of public works bridge, which is in terms of the stage of completion determined by the progress payments claimed.

#### Construction contracts revenue recognised

Rural electrification projects in terms of INEP	10 700 000	7 320 000
Rehabilitation of bridge	2 070 878	-
	<b>12 770 878</b>	<b>7 320 000</b>

#### Method used to determine the stage of completion of contracts in progress

The proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

#### Construction contract costs

Rural electrification projects in terms of INEP	10 700 000	7 320 000
Rehabilitation of Public Works bridge	2 070 878	-
	<b>12 770 878</b>	<b>7 320 000</b>

The Integrated National Electrification Programme Grant is given to the municipality to implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrade of informal settlements, new, and normalisation), and the installation of relevant bulk infrastructure.

The Municipal Disaster Recovery Grant is allocated to rehabilitate and reconstruct municipal infrastructure damaged by a disaster. Based on the approval of the National Disaster Management Centre,

All conditions of the grant was met and revenue recognised.

### 28. Public contributions and donations

Public contributions and donations	-	342 907
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The municipality received donations of computer equipment and CCTV cameras from the service provider Sense-IT and Gijima Holdings during the 2022/2023 financial year.

### 29. Traffic Fines

Fines	6 715 200	9 021 600
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## Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>30. Staff recoveries</b>		
Staff recoveries	206 092	164 389
<b>31. Forfeits</b>		
Forfeited retentions realised	827 376	1 161 155
Other forfeits	85 805	13 307
	<b>913 181</b>	<b>1 174 462</b>

Other forfeits includes monies that are not claimed for the period of 3 years and non-refundable deposits as a result of cancellation of sale on land auction.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>32. Employee related costs</b>		
Basic salary & wages	154 584 525	144 807 039
Performance bonus	1 641 651	1 096 093
Medical aid	10 251 992	9 554 530
Unemployment Insurance Fund	970 600	951 302
Skills Development Levy	1 763 167	1 657 563
SALGA Levy	56 866	53 471
Leave pay provision charge	1 356 389	2 940 031
Pension fund contributions	25 639 013	24 409 137
Travelling Allowance	1 824 313	1 636 424
Overtime, night shift and shift allowance	2 241 838	1 391 830
Long-service awards	1 408 904	1 329 418
13th Cheques	11 682 776	11 087 519
Acting allowances	787 437	182 764
Housing benefits and allowances	310 325	284 307
Other allowances	1 149 324	281 294
Cell phone, data and SMS allowances	2 834 981	2 877 476
	<b>218 504 101</b>	<b>204 540 198</b>

### Remuneration of Municipal Manager - S Mahlasela

Basic salary	967 342	940 460
Backpay	108 806	73 217
Performance bonus	213 750	188 092
Cell phone allowance	130 227	126 608
Contributions to pension fund	260 935	253 683
Travel allowance	253 734	246 683
Leave pay	-	445 151
Unemployment insurance fund	2 125	2 125
Skills development levy	18 840	22 246
	<b>1 955 759</b>	<b>2 298 265</b>

Municipal Manager, S. Mahlasela, contract expired in November 2022 and was subsequently re-appointed through recruitment processes in November 2022.

### Remuneration of Chief Finance Officer - M Matomane

Basic salary	790 723	768 750
Backpay	88 940	59 849
Performance bonus	161 283	140 937
Cell phone allowance	43 811	42 593
Contributions to pension fund	213 293	207 366
Contributions to medical aid	51 049	49 630
Travel allowance	218 996	212 911
Leave pay	-	297 250
Unemployment insurance fund	2 125	2 125
Skills development levy	15 243	17 366
	<b>1 585 463</b>	<b>1 798 777</b>

Chief Financial Officer, M Matomane, contract expired in May 2023 and was subsequently re-appointed through recruitment processes in June 2023.

### Remuneration of Director of Corporate Services - S Caga

Basic salary	-	320 312
Backpay	-	59 849
Performance bonus	-	153 750
Cell phone allowance	-	37 774

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>32. Employee related costs (continued)</b>		
Contributions to pension fund	-	64 002
Contributions to medical aid	-	19 994
Travel allowance	-	91 772
Leave pay	-	379 249
Unemployment insurance fund	-	886
Skills development levy	-	5 753
	<b>-</b>	<b>1 133 341</b>

Director of Corporate Services, Adv. S Caga, resigned in November 2022.

### Remuneration of Corporate Services - NV Mviko

Basic salary	1 120 191	246 335
Backpay	40 359	-
Performance bonus	43 681	-
Travel allowance	197 681	43 471
Unemployment insurance fund	2 125	531
Skills development levy	11 943	2 442
	<b>1 415 980</b>	<b>292 779</b>

Director Corporate Services, NV Mviko was appointed in April 2023.

### Remuneration of Director of Community Services - M Kibi

Basic salary	790 723	738 244
Backpay	88 940	59 849
Performance bonus	161 284	115 312
Cell phone allowance	74 642	69 688
Contributions to pension fund	203 304	189 811
Leave pay	-	394 624
Travel allowance	249 203	232 663
Unemployment insurance fund	2 125	2 125
Skills development levy	13 601	16 256
	<b>1 583 822</b>	<b>1 818 572</b>

Director of Community Services, M Kibi, contract expired in March 2023 and was subsequently re-appointed through recruitment processes in April 2023.

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

Basic salary	790 723	768 750
Backpay	88 940	59 849
Performance bonus	161 284	102 500
Cell phone allowance	95 284	92 636
Contributions to medical aid	59 990	58 323
Contributions to pension fund	213 291	207 364
Travel allowance	158 584	154 177
Leave pay	-	333 124
Unemployment insurance fund	2 125	2 125
Skills development levy	13 825	15 383
	<b>1 584 046</b>	<b>1 794 231</b>

Director of Local Economic Development and Planning, M Dilika, contract expired in May 2023 and was subsequently reappointed through recruitment processes in June 2023.

### Remuneration of Director of Strategic Management - S Benya

Basic salary	790 723	768 750
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# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>32. Employee related costs (continued)</b>		
Backpay	88 940	59 849
Performance bonus	161 284	153 750
Cell phone allowance	32 806	31 894
Contributions to pension fund	213 291	207 364
Contributions to medical aid	102 249	99 407
Travel allowance	178 803	173 834
Leave pay	-	205 000
Unemployment insurance fund	2 125	2 125
Skills development levy	13 188	14 921
	<b>1 583 409</b>	<b>1 716 894</b>

Director of Strategic Management, S Benya, contract expired in March 2023 and was subsequently re-appointed through recruitment processes in April 2023.

### Remuneration of Director of Infrastructure - B Nohesi

Basic salary	790 723	768 750
Backpay	88 940	14 962
Performance bonus	147 843	32 031
Travel allowance	229 493	223 115
Cell phone allowance	84 161	81 822
Contributions to pension fund	213 495	207 562
Unemployment insurance fund	2 125	2 125
Skills development levy	12 953	10 922
	<b>1 569 733</b>	<b>1 341 289</b>

Director of Infrastructure, B Nohesi, was appointed in April 2022.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>33. Remuneration of councillors</b>		
Executive Mayor	1 015 645	935 347
Chief Whip	775 114	730 470
Speaker	822 510	759 058
Mayoral Committee Members	4 590 628	4 268 485
Other Councillors	19 922 458	17 954 460
	<b>27 126 355</b>	<b>24 647 820</b>
<b>Executive Mayor</b>		
Basic Salary	683 967	665 016
Backpay	49 873	-
M/Vehicle Allowance	227 988	221 671
Cellphone allowance	42 600	40 800
Data Card Allowance	2 853	-
Skills development levy	8 364	7 858
	<b>1 015 645</b>	<b>935 345</b>
<b>Chief Whip</b>		
Basic Salary	512 976	514 485
Backpay	39 344	-
M/Vehicle Allowance	170 992	169 199
Cellphone Allowance	42 600	40 800
Data Card Allowance	2 853	-
Skills development levy	6 349	5 986
	<b>775 114</b>	<b>730 470</b>
<b>Speaker</b>		
Basic Salary	547 174	537 531
Backpay	40 747	-
M/Vehicle Allowance	182 391	173 764
Cellphone allowance	42 600	40 909
Data Card Allowance	2 853	-
Skills development levy	6 745	6 852
	<b>822 510</b>	<b>759 056</b>
<b>Fulltime Mayoral Members</b>		
Basic Salary	3 073 031	2 988 758
Backpay	180 745	-
M/Vehicle Allowance	1 024 344	997 265
Cellphone allowance	255 600	244 800
Data Card Allowance	17 117	-
Skills development levy	39 791	37 662
	<b>4 590 628</b>	<b>4 268 485</b>
<b>Ordinary Councillors</b>		
Basic Salary	12 228 110	11 845 618
Backpay	1 194 072	-
M/Vehicle Allowance	3 883 635	3 762 819
Cellphone allowance	2 296 800	2 193 000
Data Card Allowance	153 745	-
Skills development levy	166 096	153 024
	<b>19 922 458</b>	<b>17 954 461</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>34. Depreciation and amortisation</b>		
Property, plant and equipment	292 676 694	83 649 267
Investment property	1 736 447	1 512 686
Intangible assets	2 673 954	855 198
	<b>297 087 095</b>	<b>86 017 151</b>
<b>35. Impairment loss/ Reversal of impairments</b>		
Impairment loss/ Reversal of impairments	5 936 469	3 409 266
Reversal of impairments	-	(6 859 156)
	<b>5 936 469</b>	<b>(3 449 890)</b>
<b>36. Finance costs</b>		
Finance leases	203 572	172 650
Actuarial interest	1 690 000	1 566 000
	<b>1 893 572</b>	<b>1 738 650</b>
<b>37. Construction contract expenses</b>		
Rural electrification projects in terms of INEP	9 155 989	6 591 661
Rehabilitation of bridge	1 800 763	-
	<b>10 956 752</b>	<b>6 591 661</b>
<b>38. Debt impairment</b>		
Receivables from non-exchange transactions	23 724 415	25 116 917
Receivables from exchange transactions	11 555 135	11 364 850
Bad debts written off	791 086	182 804
	<b>36 070 636</b>	<b>36 664 571</b>
<b>Reconciliation of bad debts written-off</b>		
Bad debts approved by council for write off	5 254 697	3 560 196
Receivables from exchange transactions - Bad debts written-off against bad debt provision	(1 134 693)	(1 625 534)
Receivables from non-exchange transactions - Bad debts written-off against bad debt provision	(3 240 024)	(1 751 858)
Reversal of bad debts written off	(88 894)	-
	<b>791 086</b>	<b>182 804</b>
<b>39. Revaluation loss</b>		
Revaluation loss	-	103 577 694
<b>40. Repairs and maintenance</b>		
Repairs and maintenance	13 478 556	15 661 046
<b>41. Bulk purchases</b>		
Electricity	3 738 135	4 819 642

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>42. Gain or loss on disposal of assets</b>		
Loss on disposal of assets during the year	57 160 007	22 107 725
<b>43. Obsolete inventory written-off</b>		
Write-downs	224 213	-
<b>44. General expenses</b>		
Advertising	2 399 953	3 994 692
Auditors remuneration	5 957 926	4 793 391
Bank charges	822 119	635 851
Transfer of assets held from distribution	-	172 900
Computer expenses	5 648 181	5 813 097
Professional fees	7 182 324	10 111 890
Consumables	4 754 238	3 317 629
Legal fees	9 540 360	11 254 283
Discount allowed	2 967 429	7 604 674
Civic functions	1 549 040	1 695 845
Car licences and registrations	296 645	317 325
Workmen's compensation	1 171 970	902 435
Hire charges	2 009 168	1 414 438
Insurance	3 497 069	1 312 767
Audit committee	504 689	418 307
Risk committee	156 882	60 599
Outsourced Services - cleaning services	8 144 430	3 727 162
Driver's licence cards	268 442	222 385
Fuel and oil	7 380 505	6 345 090
Printing and stationery	383 355	468 302
Uniform and protective clothing	311 390	391 571
Security	233 051	418 764
Post and telecommunications	2 137 392	2 334 793
Assets expensed	23 538	28 000
Municipal services	6 533 085	5 730 334
Professional body and registration fees	5 000 359	2 604 573
Operating project expenditure	-	112 885
Subsistence, travelling and accommodation	2 985 318	2 758 133
Transfers to private enterprises	4 228 615	4 178 759
Signage	589 689	37 445
Ward committees	5 760 631	5 771 573
Allowance for traditional leaders	150 203	66 054
Swimming supervision	283 000	-
Other expenses	387 707	49 274
	<b>93 258 703</b>	<b>89 065 220</b>

## 45. Financial instruments disclosure

### Categories of financial instruments

2024

### Financial assets

	At fair value	At amortised cost	Total
Receivables from non-exchange transactions	-	279 394	279 394
Receivables from exchange transactions	-	6 540 540	6 540 540

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 45. Financial instruments disclosure (continued)

Cash and cash equivalents	187 116 519	-	187 116 519
	<b>187 116 519</b>	<b>6 819 934</b>	<b>193 936 453</b>

### Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	21 515 404	21 515 404
Finance lease obligation	1 397 799	1 397 799
Consumer deposits	12 232	12 232
	<b>22 925 435</b>	<b>22 925 435</b>

### 2023

### Financial assets

	At fair value	At amortised cost	Total
Receivables from non-exchange transactions	-	334 775	334 775
Receivables from exchange transactions	-	3 207 950	3 207 950
Cash and cash equivalents	194 239 427	-	194 239 427
	<b>194 239 427</b>	<b>3 542 725</b>	<b>197 782 152</b>

### Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	15 021 522	15 021 522
Finance lease obligation	2 126 578	2 126 578
Consumer deposits	22 959	22 959
	<b>17 171 059</b>	<b>17 171 059</b>

The average credit period on purchases is 30 days from the receipts of the statement as determined by MFMA, no interest is charged for the first 30 days from the date of receipt of the invoice thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has the financial risk policies in place to ensure that all payables are paid within the credit time frame.

The management of the municipality is of the opinion that carrying value of creditors is measured at amortised cost.

### Risk management

#### Market risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

#### Liquidity risk

The average credit period on purchases is 30 days from the receipts of the invoice as determined by MFMA, no interest is charged for the first 30 days from the date of receipt of the invoice thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has the financial risk policies in place to ensure that all payables are paid within the credit time frame.

The table below analyses the municipality's 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.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand 2024 2023

### 45. Financial instruments disclosure (continued)

As at June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Payables from exchange transactions	21 515 404	-	-	-	21 515 404
Consumer deposits	12 232	-	-	-	12 232
Finance lease obligations	986 408	411 391	-	-	1 397 799
	<b>22 514 044</b>	<b>411 391</b>	<b>-</b>	<b>-</b>	<b>22 925 435</b>

As at 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Payables from exchange transactions	15 021 522	-	-	-	15 021 522
Consumer deposits	22 959	-	-	-	22 959
Finance lease obligations	808 337	904 210	414 034	-	2 126 581
	<b>15 852 818</b>	<b>904 210</b>	<b>414 034</b>	<b>-</b>	<b>17 171 062</b>

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

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 counterparty

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. Credit risk relating to consumer debtors is managed in accordance with the municipality's credit control and debt's collection policy. The municipality's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts

The carrying amount of financial assets recorded in the audited annual financial statements which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Financial assets exposed to credit risk at year end were as follows:

### Financial instrument

Receivables from non-exchange transactions	279 395	334 775
Receivables from exchange transactions	6 540 540	3 207 950
Cash and cash equivalents	187 116 519	194 239 427
	<b>193 936 454</b>	<b>197 782 152</b>

### Receivables from non-exchange - Other receivables

Current 0 - 30 days	500	-
61 - 90 days	-	9 814
> 150 days	278 895	324 961
	<b>279 395</b>	<b>334 775</b>

### Receivables from exchange transactions - Refuse

Current (0 - 30 days)	1 393 479	1 197 191
31 - 60 days	1 018 210	973 552
61 - 90 days	1 069 621	787 146
91 - 120 days	959 639	776 586
121 - 150 days	950 099	764 370
> 150 days	37 045 446	29 929 015

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 45. Financial instruments disclosure (continued)

	42 436 494	34 427 860
<b>Receivables from exchange transactions - Housing rental</b>		
Current (0 -30 days)	425 850	480 943
31 - 60 days	440 388	415 730
61 - 90 days	463 851	408 477
91 - 120 days	429 616	402 494
121 - 150 days	1 050 758	399 724
> 150 days	7 184 847	3 149 113
	<b>9 995 310</b>	<b>5 256 481</b>

### Receivables from exchange transactions - Other receivables

Current (0 -30 days)	452 026	91 370
121 - 150 days	2 830 852	1 609 260
	<b>3 282 878</b>	<b>1 700 630</b>

### 46. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Property, plant and equipment	188 629 410	27 813 829
• Intangible assets	7 363 286	12 061 354
	<b>195 992 696</b>	<b>39 875 183</b>

##### Total capital commitments

Already contracted for but not provided for	195 992 696	39 875 184
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# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>47. Contingencies</b>		
<b>Cases against the Municipality</b>		
Case no144/19 Barricade Protection Services vs Mnquma Local Municipality	-	1 350 484
Case No. 55/2020 VJ Transport vs Mnquma Local Municipality	195 062	195 062
Case No. 297/2019 Lungi Dyantyi vs Mnquma Local Municipality	121 112	121 112
Case No. 453/2020 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
Case No. 2559/16 Ndikho Makutsu & Others vs Mnquma Local Municipality	517 964	517 964
Case No. 89/2018 Vuyani Excellent Dyalo vs Mnquma Local Municipality and MM	-	150 000
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. 250/2019 Mpinda Hlaba vs Mnquma Local Municipality	150 000	150 000
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.313/2020 - M. Tutu vs Mnquma Local Municipality	-	12 000
Case No. 114/2021 - Thandinkosi Magani vs Mnquma Local Municipality	200 000	2 000 000
Case No. 5291/2022 Nqaba Dekeda vs Mnquma Local Municipality	-	7 000 000
Case No .PR76/23 Camagu vs Mnquma Local municipality	1 025 790	1 025 790
Case No.PR82/23 V Gonya vs Mnquma Local Municipality	1 751 020	1 751 020
Case No.PR103/23 T C Hlazo vs Mnquma Local Municipality	2 010 714	2 010 714
Case No.44/2022 Weziwe Bhobho Vs Mnquma Local Municipality	44 874	44 874
Case No. 444/17 Minister of water and sanitation vs Mnquma Local Municipality	6 037 591	6 037 591
Case No. PR90/24 SAMWU obo Mnini/ Mnquma Local Municipality	2 193 995	-
Case No. ECD032403 Mnquma Local Municipality / M Maphazi SALGBC	500 000	-
	<b>56 019 007</b>	<b>63 889 600</b>

### Case No. 55/2020 VJ Transport vs Mnquma Local Municipality

The Plaintiff is suing the Municipality on the damage arising on the unidentified collapsed bridge. The matter is at pre-trial stage. A memorandum was prepared and we are now waiting for further instructions from the municipality. The plaintiff has filed amended particulars of claim and the matter is now at discovery stage.

### Case No. 297/2019 Lunga Dyantyi vs Mnquma Local Municipality

The Plaintiff is suing the municipality for damages on his motor vehicle that was impounded by the Municipality. Dyantyi has filed a notice of appeal against the judgement handed down in the Magistrate's Court. The appeal is pending.

### Case No 453/2020 Lesley Ronald Martin and Others vs Mnquma Local Municipality and Lukhanyo Tukani

The Plaintiffs are suing the municipality and Mr Tukani for damages as a result of Mr Tukani's (employee) actions who accidentally fired a shot through the neighbour's home which struck their son in the head. The application for leave to appeal has been dismissed with costs. We have been instructed to deal with the quantum claimed by the Martins. Awaiting a new date for the hearing of the matter.

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

The Plaintiff is suing the municipality for damages of the motor vehicle by the pothole. The matter was heard in court on the 20th March 2024 for further argument. The presiding magistrate on the matter is reportedly transferred and until a new magistrate has been appointed the matter has no new trial date.

### Case No. 2559/16 Ndikho Makutsu & 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. We are awaiting a new date for hearing of the matter.

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

The plaintiff is suing the Municipality for unlawful arrest, detention and assault by the members of the Municipality. The matter is now serving before the Butterworth court, All the papers have been exchanged between the parties; we are now in the process of applying for a date of the hearing of the matter.

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

The Plaintiff is claiming the Municipality money for services rendered that was not paid. Consultation with Adv Rorke SC and the municipality on 15 February 2024. Council to provide an opinion. Awaiting Council's opinion.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 47. Contingencies (continued)

#### Case No. 250/2019 Mpinda Hlaba vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for unlawful arrest by traffic officers near Caltex Garage. The matter was heard on the 17th and 24th Nov 2023. The matter was fully argued, heads of argument were filed and we are now waiting for judgement.

#### Case No. 114/2021 - Thandinkosi Magani vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for damages on his motor vehicle that was impounded by the Municipality. This matter was set for trial on the 10th day of May 2024, and was postponed on a date to be arranged. The presiding magistrate on the matter is reportedly transferred and until a new magistrate has been appointed the matter has no new trial date.

#### Case No. PR76/23 Camagu vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for Unfair dismissal to SALGBC. All the necessary pleadings have been filed. We await a date for the hearing of the matter.

#### Case No. PR82/23 V Gonya vs Mnquma Local Municipality

The Plaintiff is suing the Municipality Unfair dismissal to SALGBC. All the necessary pleadings have been filed. We await a date for the hearing of the matter.

#### Case No. PR103/23 T C Hlazo vs Mnquma Local Municipality

The Plaintiff is suing the Municipality Unfair dismissal to SALGBC. All the necessary pleadings have been filed. We are awaiting a date for the hearing of the matter.

#### Case No. 44/2022 Weziwe Bhobho Vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for damages on the motor vehicle as a result of a pothole. A memorandum has been prepared to client for consideration regarding the future conduct of the matter. Instructions are for the legal representative to proceed to trial.

#### Case No. 444/17 Minister of water and sanitation vs Mnquma Local Municipality

The Plaintiff is suing the Municipality for failure to pay water for usage under the national water Act 36 of 1998. we have filed the notice in term of Rule 30 advising that the filing of the amended particulars of claim to be an irregular step. We wait for that process to unfold.

#### Case No. PR90/24 SAMWU o.b.o Mnini/ Mnquma Local Municipality

Mnini referred an unfair dismissal dispute to the SALGBC. The SALGBC has issued an arbitration award in terms of which the municipality has been ordered to reinstate her retrospectively. Review application has been launched on the award. SAMWU's attorneys have filed a notice of opposition. The matter is pending.

#### Case No. ECD032403 Mnquma Local Municipality / M Maphazi SALGBC

Maphazi was dismissed for misconduct. He has referred an unfair dismissal dispute to the SALGBC under Case No. ECD032403. The matter set for arbitration on 26 June 2024 and awaiting outcome.

### 48. Deviation from Supply Chain Management Regulations

Sole Provider	59 042	38 839
Emergency	35 000	-
Impractical to follow SCM process	5 527 954	6 301 331
	<b>5 621 996</b>	<b>6 340 170</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>49. Cash generated from operations</b>		
Deficit	(182 535 339)	(57 419 207)
<b>Adjustments for:</b>		
Depreciation and amortisation	297 087 095	86 017 151
Loss on disposal of assets	57 160 007	22 107 725
Finance costs	1 893 572	-
Impairment loss/ reversal of impairments	5 936 469	(3 449 890)
Donations received	-	(342 907)
Debt impairment	36 070 636	36 664 571
Discount allowed	2 967 428	7 604 674
Obsolete inventory written-off	224 213	-
Donations made	1 206 288	436 480
Actuarial gains / (losses)	(2 387 887)	-
Transfers of assets held for distribution	-	172 900
Other non cash items	19 593	(83 232)
Revaluation losses	-	103 962 416
Forfeits	(913 181)	-
Movement in employee benefit obligations	547 229	(421 920)
<b>Changes in working capital:</b>		
Inventories	(557 110)	1 692 545
Receivables from exchange transactions	(16 050 634)	(13 835 282)
Consumer deposits	(10 727)	13 950
Receivables from non-exchange transactions	(25 828 997)	(20 052 507)
Finance lease obligations	(728 778)	(438 121)
Payables from exchange transactions	3 575 598	(5 194 721)
VAT receivables	(1 164 316)	393 466
VAT payables	231 726	-
Unspent conditional grants and receipts	(10 230 168)	5 201 281
	<b>166 512 717</b>	<b>163 029 372</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 50. Related parties

#### Relationships

Municipal Manager - refer to note 32  
 Chief Financial Officer - refer to note 32  
 Director of Strategic Management - refer to note 32  
 Director of Corporate Services - refer to note 32  
 Director of Infrastructural Planning & Development - refer to note 32  
 Director of Community Services - refer to note 32  
 Director of Local Economic Development - refer to note 32  
 Executive Mayor - refer to note 33  
 Speaker - refer to note 33  
 Chief Whip - refer to note 33  
 Exco Councillors - refer to note 33

Ordinary Councillors - refer to note 33

S Mahlasela  
 M Matomane  
 S Benya  
 NV Mviko  
 B Nohesi  
 M Kibi  
 M Dilika  
 T Manxila-Nkamisa  
 M Qaba  
 S Ncetezo  
 N Plaatjie  
 Z Sobekwa  
 L Mgandela  
 S Matutu  
 N Layiti  
 T Bikitssha  
 N Ntlosi  
 M Mkhilili  
 WM Ntongana  
 Z Bomela  
 Z Mngokoyi  
 N Sheleni  
 NR Tshona  
 V Nkehle  
 N Baleka  
 NN Magwentshu  
 N Paliso  
 L Ngindana  
 L Dyantyi Deceased 25 May 2024  
 N Sigwadi  
 VJ Gazi  
 B Zondani  
 MH Tangana  
 P Ndabambi  
 N Mena  
 GT Ntshonga  
 K Gobeni  
 PM Mbovane  
 N Mbuku  
 T Jizana  
 JJT Mduli  
 M Ntsali  
 ZE Kwaza  
 S Maputeni  
 M Magobiane  
 LL Tetana  
 Z Mawisa  
 N Mtintsilana  
 M Kabane  
 M Xabela  
 PN Ntamo  
 NJ Mzongwana  
 C Ncukana  
 M Masekwana  
 NLG Mgqalelo  
 V Manxodidi  
 N Nogaga Mpumpula  
 N Nohesi  
 A Soyeza

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 50. Related parties (continued)

TB Gidigidi  
Z Tyandela  
CN Filtane  
LL Maputuma  
MHN Dali  
PB Goniwe  
M Kalimashe  
N Xoki  
XI Pupuma  
T Tyinkala  
X L Mjamba

### Disclosure of Related Party Transactions

#### Revenue

Consumer services rendered to Key Management Personnel	129 956	118 848
Consumer services rendered to Councillors	50 306	42 809
	<b>180 262</b>	<b>161 657</b>

#### Outstanding Balances

Key Management Personnel	595	3 629
Councillors	156 122	145 730
	<b>156 717</b>	<b>149 359</b>

Key Management and Councillors receive and pay for services from the municipality on the same terms and conditions as other ratepayers / residents. Services rendered to key management personnel occurred within normal supplier and customer relationships on terms and conditions no more or less favourable than those which the municipality is reasonable to expect to have adopted if dealing with the individual persons in the same circumstances. These terms and conditions are within the normal operating parameters established by the municipality's legal mandate.

The amounts outstanding are unsecured and will be settled in cash.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

### Awards to close family members of persons in service of the state - SCM Regulation 45

The detail listed below is disclosed in terms of section 51 of Supply Chain Management Policy that determines that the municipality must disclose particulars of any awards of more than R2 000 to a person who is a spouse, child or parent of a person in service of the state or has been in service of the state in the previous twelve months.

#### Purchases from (sales to) related parties

Inzalo Enterprise Management Systems (Pty) Ltd (Pty) Ltd - S.T. Mazibuko who is one of the Directors of the company is the spouse of Mr N.T Mazibuko who is in the employment of the Dept of Arts and Culture KZN.	3 611 431	6 280 879
Ebusha General Trading - Daughter of Director, Ms Nkosi Yankey works for Department of Economic Development, Environmental Affairs at the Head Office Eastern Cape	-	25 889
Limitless Strategic Solutions - Director's wife Mrs.N.Qwede is an employee of Buffalo City Municipality	-	1 161 155
Ian Dickie & Co PTY LTD - Mauricha Samuels financial director spouse-saps-supply chain	28 675	45 023
SMS ICT Choice (Pty) Ltd - Mrs NJ Maqula is working for the department of Human Settlement	1 774 555	399 118
Adapt IT - Nombali Mbombo a Director of Adapt It (Pty) Ltd is married to Mr D Mbombo, he is on operation and maintenance manager at Sanral	518 291	245 665
MNT Geomatics - S.Ntambo who is the wife of the director of the company is in the employ of Buffalo City Municipality	609 027	794 000

## Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>50. Related parties (continued)</b>		
Tokizone (Pty) Ltd - Sister Ziyanda Makaula who is working at Mnquma Local Municipality and wife Pumza Makaula is working at social Development	-	22 813
Provincial Government of the Eastern Cape : Department of public works and infrastructure - Land donated to the Municipality	-	321 480
Vikisync (Pty) Ltd - Mr Nkululeko Dlova who is the director of the company is the son of Ms Nompumeleo Dlova who is an employee of Mnquma Local Municipality and a Spouse to Somila Kala who is intern at Revenue Office	3 331 838	-
Omsinga Investments - Mr. S .Mngomnyama who is the brother of the Director of the company is under the employment of Mnquma Local Municipality as an Accountant	464 916	-
Liya and Mila Training and Development - Mrs Zukiswa Ndikinda the director of the Company is the spouse of Mr.Z.J Lolo who is an employee of Mnquma Local Municipality as a Traffic Officer	24 760	-
Hansen Land Surveyors Inc - Mr Charles Hansen the Director of the Company is the spouse of Mrs Katie Hansen who is employed at the pharmacy of the sate owned fronteir hospital	32 500	-
The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.		
<b>51. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Audit fees</b>		
Opening balance	-	1 137
Current year subscription / fee	6 851 614	5 512 400
Amount paid - current year	(6 851 614)	(5 513 537)
	-	-
<b>PAYE, SDL and UIF</b>		
Current year subscription / fee	39 682 200	36 854 122
Amount paid - current year	(39 682 200)	(36 854 122)
	-	-
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	56 333 885	53 032 503
Amount paid - current year	(56 333 885)	(53 032 503)
	-	-

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 51. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more & less than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Nosisi Paliso	893	27 431	28 324
Thibile Benjamini Gidigidi	4 659	99 899	104 558
Nomfundiso Tshona	975	14 776	15 751
Mandisa Dali	445	1 314	1 759
Luxolo Mgandela	884	-	884
Bukiwe Zondani	528	2 509	3 037
Mputumi Andrew Ntsali	488	1 320	1 808
	<b>8 872</b>	<b>147 249</b>	<b>156 121</b>

The above councillors have arranged for these debts to be paid directly through payroll deductions.

30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Tenana Lindile	496	292	788
Gidigidi Benjamin T	5 420	110 325	115 745
Paliso Nosisi	1 225	27 972	29 197
	<b>7 141</b>	<b>138 589</b>	<b>145 730</b>

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

#### SALGA Levy

Current year subscription/fee	113 732	106 941
Amount paid - current year	(113 732)	(106 941)
	<b>-</b>	<b>-</b>

#### VAT

VAT receivable	5 257 310	4 881 664
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All VAT returns have been submitted by the due date throughout the year.

### 52. Segment information

#### General information

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 52. Segment information (continued)

#### Identification of segments

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.

#### Aggregated segments

Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments were sufficiently similar to warrant aggregation.

#### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Budget & Treasury	Revenue and Debt Management, Budget Planning and Financial Reporting, Supply Chain Management, Expenditure and Payroll and Logistics, Assets and Fleet Management
Community Services	Traffic and Law Enforcement, Solid Waste and Public Amenities, Security Services and Environmental Management
Corporate Services	Administration, Human Resources and Employee Relations, Council Support and Information and Communication Technology
Infrastructural Planning & Development	Civil Services, Building and Housing and Public Works Roads
Local Economic Development	Investment Promotions, Land Use Management, Research and Policy Development, Tourism Development, Small Enterprise Development and SMME & Cooperate Services
Municipal Manager and Executive Council	Office of the Municipal Manager, Internal Audit, Risk Management and Legal Services
Strategic Management	Intergrated Development Plan & Performance Management System , Communication, Strategic Management and Special Programmes Unit

#### 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.

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

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 52. Segment information (continued)

#### Segment surplus or deficit.

2024

	Budget & Treasury	Community Services	Corporate Services	Infrastructural Planning & Development	Local Economic Development	Municipal Manager and executive council	Strategic Management	Total
<b>Revenue from exchange transactions</b>								
Service charges	-	8 632 390	-	-	-	-	-	8 632 390
Rental of facilities	5 434 065	-	-	-	45 519	-	-	5 479 584
Interest on outstanding debtors	758 732	2 981 249	-	-	-	-	-	3 739 981
Income from agency fees	-	2 517 141	-	-	-	-	-	2 517 141
Licences and permit	-	1 397 883	708 561	-	-	-	-	2 106 444
Other income	535 328	36 471	-	453 527	33 136	-	-	1 058 462
Interest received - investment	21 212 522	-	-	-	-	-	-	21 212 522
Construction contract	2 070 878	-	-	10 700 000	-	-	-	12 770 878
<b>Total revenue from exchange transactions</b>	<b>30 011 525</b>	<b>15 565 134</b>	<b>708 561</b>	<b>11 153 527</b>	<b>78 655</b>	<b>-</b>	<b>-</b>	<b>57 517 402</b>
<b>Revenue from non-exchange transactions</b>								
Property rates	67 923 022	-	-	-	-	-	-	67 923 022
Interest on outstanding debtors	12 947 147	-	-	-	-	-	-	12 947 147
Government grants and subsidies	332 466 236	1 868 438	1 281 115	96 157 317	2 489 696	-	-	434 262 802
Staff recoveries	206 092	-	-	-	-	-	-	206 092
Traffic Fines	-	6 715 200	-	-	-	-	-	6 715 200
Forfeits	913 181	-	-	-	-	-	-	913 181
Fines and penalties	26 522	-	-	-	-	-	-	26 522
<b>Total revenue from non-exchange transactions</b>	<b>414 482 199</b>	<b>8 583 638</b>	<b>1 281 115</b>	<b>96 157 317</b>	<b>2 489 697</b>	<b>-</b>	<b>-</b>	<b>522 993 966</b>
<b>Total revenue</b>	<b>444 493 724</b>	<b>24 148 772</b>	<b>1 989 676</b>	<b>107 310 844</b>	<b>2 568 352</b>	<b>-</b>	<b>-</b>	<b>580 511 368</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

### 52. Segment information (continued)

Expenditure	Budget & Treasury	Community Services	Corporate Services	Infrastructure Planning & Development	Local Economic Development	Municipal Manager and executive council	Strategic Management	Total
Employee related costs	(33 135 771)	(64 273 751)	(45 354 839)	(31 998 459)	(15 354 975)	(12 302 547)	(16 083 759)	(218 504 101)
Remuneration of councillors	-	-	-	-	-	(27 126 355)	-	(27 126 355)
Finance costs	(1 893 572)	-	-	-	-	-	-	(1 893 572)
Debt Impairment	(36 070 636)	-	-	-	-	-	-	(36 070 636)
Bulk purchases	(3 738 135)	-	-	-	-	-	-	(3 738 135)
Repairs and maintenance	(7 970 696)	(22 890)	(4 350)	(5 480 620)	-	-	-	(13 478 556)
General Expenses	(38 600 072)	(9 537 215)	(17 266 916)	(1 522 480)	(3 026 682)	(17 281 568)	(6 023 770)	(93 258 703)
Construction Contract Expenses	-	-	-	(10 956 752)	-	-	-	(10 956 752)
Depreciation & amortisation	(297 087 095)	-	-	-	-	-	-	(297 087 095)
Loss on disposal of PPE	(58 084 840)	-	-	924 833	-	-	-	(57 160 007)
Impairment loss/reversal of impairment	(5 936 469)	-	-	-	-	-	-	(5 936 469)
Obsolete inventory written-off	(224 213)	-	-	-	-	-	-	(224 213)
Actuarial gains / (losses)	2 387 887	-	-	-	-	-	-	2 387 887
<b>Total segment expenditure</b>	<b>(480 353 612)</b>	<b>(73 833 856)</b>	<b>(62 626 105)</b>	<b>(49 033 478)</b>	<b>(18 381 657)</b>	<b>(56 710 470)</b>	<b>(22 107 529)</b>	<b>(763 046 707)</b>
<b>Total segmental surplus/(deficit)</b>	<b>(35 859 888)</b>	<b>(49 685 084)</b>	<b>(60 636 429)</b>	<b>58 277 366</b>	<b>(15 813 304)</b>	<b>(56 710 470)</b>	<b>(22 107 530)</b>	<b>(182 535 339)</b>

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

### 52. Segment information (continued)

2023

	Budget & Treasury	Community Services	Corporate Services	Infrastructure Planning & Development	Local Economic Development	Municipal Manager and executive council	Strategic Management	Total
<b>Revenue from exchange transactions</b>								
Service charges	-	6 363 180	-	-	-	-	-	6 363 180
Rental of facilities	5 581 111	-	-	44 945	-	-	-	5 626 056
Interest on outstanding debtors	318 611	2 509 448	-	-	-	-	-	2 828 059
Income from agency fees	-	2 614 599	-	-	-	-	-	2 614 599
Licences and permits	-	1 093 547	465 992	-	-	-	-	1 559 539
Other income	501 801	43 124	-	429 397	52 894	-	-	1 027 216
Interest received - investment	14 921 314	-	-	-	-	-	-	14 921 314
Construction contract revenue	-	-	-	7 320 000	-	-	-	7 320 000
<b>Total revenue from exchange transactions</b>	<b>21 322 837</b>	<b>12 623 898</b>	<b>465 992</b>	<b>7 794 342</b>	<b>52 894</b>	<b>-</b>	<b>-</b>	<b>42 259 963</b>
<b>Revenue from non-exchange transactions</b>								
Property rates	62 310 601							62 310 601
Government grants & subsidies	309 179 000	2 065 808	1 219 558	90 939 855	2 510 303			405 914 524
Interest Earned - outstanding debtors	11 759 107							11 759 107
Public contributions and donations	342 907							342 907
Traffic fines		9 021 600						9 021 600
Staff recoveries	164 389							164 389
Forfeits	1 174 462							1 174 462
<b>Total revenue from non-exchange transactions</b>	<b>384 930 467</b>	<b>11 087 408</b>	<b>1 219 558</b>	<b>90 939 854</b>	<b>2 510 303</b>	<b>-</b>	<b>-</b>	<b>490 687 590</b>
<b>Total Revenue</b>	<b>406 253 304</b>	<b>23 711 306</b>	<b>1 685 550</b>	<b>98 734 196</b>	<b>2 563 197</b>	<b>-</b>	<b>-</b>	<b>532 947 553</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

### 52. Segment information (continued)

	Budget & Treasury	Community Services	Corporate Services	Infrastructure Planning & Development	Local Economic Development	Municipal Manager and executive council	Strategic Management	Total
<b>Expenditure</b>								
Employee related costs	(29 961 328)	(56 098 965)	(48 809 051)	(29 432 069)	(13 006 869)	(11 873 605)	(15 358 311)	(204 540 198)
Remuneration of councillors	-	-	-	-	-	(24 647 820)	-	(24 647 820)
Construction contract	(6 591 661)	-	-	-	-	-	-	(6 591 661)
Debt Impairment	(36 664 571)	-	-	-	-	-	-	(36 664 571)
Depreciation and Amortisation	(86 017 151)	-	-	-	-	-	-	(86 017 151)
Impairment Loss/reversal	3 449 890	-	-	-	-	-	-	3 449 890
Finance Charges	(1 738 650)	-	-	-	-	-	-	(1 738 650)
Bulk Purchases	(4 819 642)	-	-	-	-	-	-	(4 819 642)
Revaluation Losses	(103 962 416)	-	-	-	-	-	-	(103 962 416)
Repairs and Maintenance	(14 174 774)	-	(96 405)	(1 377 867)	-	-	(12 000)	(15 661 046)
General Expenses	(47 535 240)	(7 720 499)	(12 110 532)	(598 442)	(4 559 002)	(12 862 182)	(3 579 323)	(89 065 220)
Loss on Disposal of Assets	(22 366 044)	-	-	258 319	-	-	-	(22 107 725)
Actuarial gains / (losses)	1 999 450	-	-	-	-	-	-	1 999 450
<b>Total segment expenditure</b>	<b>(348 482 137)</b>	<b>(63 819 464)</b>	<b>(61 015 988)</b>	<b>(31 150 059)</b>	<b>(17 565 871)</b>	<b>(49 383 607)</b>	<b>(18 949 634)</b>	<b>(590 366 760)</b>
<b>Total segmental surplus/(deficit)</b>	<b>57 771 166</b>	<b>(40 108 157)</b>	<b>(59 330 438)</b>	<b>67 584 137</b>	<b>(15 002 674)</b>	<b>(49 383 607)</b>	<b>(18 949 634)</b>	<b>(57 419 207)</b>

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
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**53. Prior period errors**

It should be noted that due to the correction of prior period errors, the comparative segment reporting note has been adjusted in line with the changes detailed below.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>53. Prior period errors (continued)</b>		
<b>Revaluation losses</b>		
As previously stated	-	103 577 694
Decrease in revaluation losses due to the derecognition of Centane Main Road belonging to Public Works.	-	(646)
Increase in revaluation losses due to due to impairment previously not recognised on invaded land.	-	385 368
	-	103 962 416
<b>Investment property</b>		
As previously stated	-	141 896 216
Decrease in investment property due to derecognition of erven where the municipality did not have substantive right.	-	(19 106 839)
Decrease in investment property due to derecognition of erven previously sold.	-	(3 762 620)
Decrease in investment property due to impairment on invaded land.	-	(69 502 420)
	-	49 524 337
<b>Intangible assets</b>		
As previously stated	-	2 730 978
Decrease in intangible assets due to disposal previously not recognised - cost.	-	(499)
Increase in intangible assets due to disposal previously not recognised - accumulated depreciation.	-	244
Decrease in intangible assets due to computer operating system incorrectly classified as intangible assets instead of computer - cost.	-	(38 922)
Decrease in intangible assets due to computer operating system incorrectly classified as intangible assets instead of computer - accumulated depreciation.	-	19 071
	-	2 710 872
<b>Inventories</b>		
As previously stated	-	2 472 713
Decrease in inventories due to RDP and pre-1994 housing incorrectly recorded as assets held for distribution when the municipality did not have substantive right.	-	(1 387 100)
	-	1 085 613
<b>Remuneration of councillors</b>		
As previously stated	-	30 485 447
Decrease in remuneration of councillors is due to Ward committees incorrectly classified under remuneration of councillors instead of general expenditure	-	(5 771 574)
Decrease in remuneration of councillors' is due to traditional leaders incorrectly classified under remuneration of councillors instead of general expenditure	-	(66 053)
	-	24 647 820
<b>Payables from exchange transactions</b>		
As previously stated	-	38 462 859
Decrease in payables from exchange transactions due to 13th cheque (bonus) accrual incorrectly classified as payable from exchange transactions instead of employee benefit obligation.	-	(6 310 193)
Decrease in payables from exchange transactions due to provision for leave incorrectly classified as payable from exchange transactions instead of employee benefit obligation.	-	(16 396 958)
Decrease in payables from exchange transactions due to payroll control incorrectly classified as payable from exchange transactions instead of employee benefit obligation.	-	(118 582)
Decrease in Decrease in payables from exchange transactions due to consumer deposit incorrectly classified as payables from exchange transactions instead separate line item consumer deposits.	-	(22 959)

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 53. Prior period errors (continued)

Decrease in payables from exchange transactions due to part of invoice disputed.	-	(12 320)
Decrease in payables from exchange transactions due to part of invoice disputed.	-	(1 950)
Decrease in payables from exchange transactions due to an accrual incorrectly recognised.	-	(149 201)
Decrease in payables from exchange transactions is due to overstatement of expenditure.	-	(429 174)

- 15 021 522

### Employee benefit obligation (current liabilities)

As previously stated	-	2 364 000
Increase in employee benefit obligation due to 13th cheque (bonus) accrual incorrectly classified as payable from exchange transactions instead of employee benefit obligation.	-	6 310 193
Decrease in employee benefits obligation due to overstatement of the 13th cheque (bonus) accrual.	-	(1 478 921)
Increase in employee benefit obligation due to provision for leave incorrectly classified as payable from exchange transactions instead of employee benefit obligation.	-	16 396 958
Increase in employee benefits obligation due to provision for performance bonus not classified as employee benefit obligation.	-	1 417 056
Increase in employee benefit obligation due to payroll control incorrectly classified as payable from exchange transactions instead of employee benefit obligation.	-	118 582
Decrease in employee benefits obligation is due to overstatement of long service award employee benefits obligation.	-	(13 000)

- 25 114 868

### Employee benefit obligation (Non-Current Liabilities)

As previously stated	-	11 587 000
Decrease in employee benefits obligation is due to overstatement of long service award employee benefits obligation.	-	(765 000)

- 10 822 000

### Actuarial gains / (losses)

As previously stated	-	1 221 450
Increase in actuarial gain/(losses) is due to overstatement of long service award employee benefits obligation.	-	778 000

- 1 999 450

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>53. Prior period errors (continued)</b>		
<b>Provisions</b>		
As previously stated	-	1 417 056
Decrease in provision is due to provision for performance bonus reclassified to employee benefit obligation.	-	(1 417 056)
	-	-
<b>Consumer deposits</b>		
As previously stated	-	-
Increase in consumer deposits due to consumer deposit incorrectly classified as payables from exchange transactions.	-	22 959
	-	22 959
<b>Employee related costs</b>		
As previously stated	-	206 019 120
Decrease in employee related costs due to overstatement of the 13th cheque (bonus) accrual.	-	(1 478 922)
	-	204 540 198
<b>Property, plant and equipment</b>		
As previously stated	-	1 921 374 052
Increase in property, plant and equipment due to overstatement computer equipment on recognition of finance lease - decrease in accumulated depreciation	-	4 578
Decrease in property, plant and equipment due to overstatement computer equipment on recognition of finance lease - decrease in cost.	-	(23 644)
Increase in property, plant and equipment due to computer operating systems incorrectly classified as intangible assets instead of computer equipment - cost.	-	38 922
Decrease in property, plant and equipment due to computer operating systems incorrectly classified as intangible assets instead of computer equipment - accumulated depreciation.	-	(11 297)
Decrease in property, plant and equipment due to impairment previously not recognised on invaded land - cost.	-	(2 730 941)
Decrease in property, plant and equipment due to derecognition of Centane Main Road belonging to Public Works - cost 2022	-	(5 060 334)
Decrease in property, plant and equipment due to derecognition of Centane Main Road belonging to Public Works - cost 2023	-	(18 833 849)
Increase in property, plant and equipment due to derecognition of Centane Main Road belonging to Public Works - accumulated depreciation 2022	-	3 083 472
Increase in property, plant and equipment due to derecognition of Centane Main Road belonging to Public Works - accumulated depreciation 2023	-	8 746 787
Decrease in property, plant and equipment due to correction on valuation of assets RD04518/000 and RD06049/000 - accumulated depreciation.	-	(958 923)
	-	1 905 628 823
<b>Finance lease obligation (non current liabilities)</b>		
As previously stated	-	1 332 145
Decrease in finance lease is due to overstatement computer equipment on recognition of finance lease.	-	(13 904)
	-	1 318 241
<b>Impairment loss/ Reversal of impairments</b>		
As previously stated	-	3 519 996
Decrease in impairment loss/ reversal of impairments due to correction on valuation of assets RD04518/000 and RD06049/000.	-	(70 106)
	-	3 449 890

# Mnquma Local Municipality

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## Notes to the Annual Financial Statements

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### 53. Prior period errors (continued)

#### Depreciation and amortisation

As previously stated	-	86 151 331
Decrease in depreciation and amortisation due to overstatement computer equipment on recognition of finance lease.	-	(4 578)
Decrease in depreciation and amortisation due to reclassification of computer operating system from intangible asset to computer equipment.	-	(12 962)
Increase in depreciation and amortisation due to reclassification of computer operating system from intangible asset to computer equipment.	-	12 962
Decrease in depreciation and amortisation due to overstatement of depreciation as result of reclassification of computer operating system from intangible assets to computer equipment.	-	(5 182)
Decrease in depreciation and amortisation due to derecognition of Centane Main Road belonging to Public Works.	-	(154 553)
Increase in depreciation and amortisation due to depreciation incorrectly recorded under loss on disposal of assets.	-	30 133
	-	86 017 151

#### Finance costs

As previously stated	-	1 717 474
Increase in finance costs due to reversal of input VAT incorrectly charged on finance cost on finance lease - Konica Minolta.	-	17 345
Increase in finance costs due to reversal of input VAT incorrectly charged on finance cost on finance lease - FNB.	-	3 831
	-	1 738 650

#### VAT payables

As previously stated	-	-
Increase in VAT payables due to output VAT accrual payable incorrectly classified under VAT receivables.	-	202 083
	-	202 083

#### VAT Receivables

As previously stated	-	6 585 587
Decrease in VAT receivables is due to overstatement computer equipment on recognition of finance lease.	-	(21 630)
Decrease in VAT receivables due to reversal of input VAT incorrectly charged on finance cost on finance lease.	-	(3 831)
Decrease in VAT receivables due to part of invoice disputed.	-	(1 607)
Decrease in VAT receivables due to an accrual incorrectly recognised.	-	(19 461)
Decrease in VAT receivables due to overstatement of expenditure.	-	(55 979)
Increase in VAT receivable due to output VAT accrual payable incorrectly classified under VAT receivables	-	202 083
	-	6 685 162

#### General expenses

As previously stated	-	83 735 862
Increase in general expenses due to overstatement computer equipment on recognition of finance lease.	-	5 379
Decrease in general expenses due to Decrease in part of invoice disputed.	-	(10 709)
Decrease in general expenses due to an accrual incorrectly recognised in 2022/2023.	-	(129 744)
Decrease in general expenses due to overstatement.	-	(373 195)
Increase in general expenses is due to Ward committees incorrectly classified under remuneration of councillors	-	5 771 574
Increase in general expenses is due to Traditional leaders incorrectly classified under remuneration of councillors	-	66 053

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>53. Prior period errors (continued)</b>	-	<b>89 065 220</b>
<b>Accumulated Surplus</b>	-	<b>774 901 793</b>
As previously stated	-	1 478 921
Increase in accumulated surplus due to overstatement of the 13th cheque (bonus) accrual.	-	(18 146)
Decrease in accumulated surplus due to overstatement computer equipment on recognition of finance lease.	-	(3 831)
Decrease in accumulated surplus due to reversal of input VAT incorrectly charged on finance cost on finance lease.	-	1 950
Increase in accumulated surplus due to part of invoice disputed.	-	129 740
Increase in accumulated surplus due to an accrual incorrectly recognised.	-	373 195
Increase in accumulated surplus due to overstatement of expenditure.	-	10 713
Increase in accumulated surplus due to overstatement of depreciation as result of reclassification of computer operating system from intangible assets to computer equipment 2023.	-	5 181
Increase in accumulated surplus due to overstatement of depreciation as result of reclassification of computer operating system from intangible assets to computer equipment 2022.	-	2 590
Decrease in accumulated surplus due to intangible assets disposal previously not recognised.	-	(255)
Decrease in accumulated surplus due to RDP and pre-1994 housing incorrectly recorded as assets held for distribution when the municipality did not have substantive right.	-	(1 387 100)
Decrease in accumulated surplus due to impairment previously not recognised on invaded land.	-	(385 368)
Decrease in accumulated surplus due to correction on valuation of assets RD04518/000 and RD06049/000.	-	(70 106)
Decrease in accumulated surplus due to derecognition of Centane Main Road belonging to Public Works 2022.	-	(772 596)
Increase in accumulated surplus due to derecognition of Centane Main Road belonging to Public Works 2023.	-	40 587
Decrease in accumulated surplus due to derecognition of erven previously sold.	-	(3 762 618)
Decrease in accumulated surplus due to impairment on invaded land.	-	(69 502 421)
Decrease in accumulated surplus due to derecognition of erven where the municipality did not have substantive right.	-	(19 106 839)
Increase in accumulated surplus due to overstatement of long service award employee benefits obligation.	-	778 000
	-	<b>682 713 390</b>
<b>Finance lease obligation (current liabilities)</b>	-	<b>816 982</b>
As previously stated	-	(8 646)
Decrease in finance lease is due to overstatement computer equipment on recognition of finance lease.	-	
	-	<b>808 336</b>

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>53. Prior period errors (continued)</b>		
<b>Loss on disposal of assets</b>		
As previously stated	-	22 137 602
Decrease in intangible assets due to disposal previously not recognised - cost.	-	499
Increase in intangible assets due to disposal previously not recognised - accumulated depreciation.	-	(244)
Decrease in loss on disposal of assets due to depreciation incorrectly recorded under loss on disposal of assets.	-	(30 132)
	-	22 107 725
<b>Revaluation reserve</b>		
As previously stated	-	1 459 493 295
Decrease in revaluation reserve due to impairment previously not recognised on invaded land.	-	(2 345 573)
Decrease in revaluation reserve due to correction on valuation of assets RD04518/000 and RD06049/000.	-	(888 817)
Decrease in revaluation reserve due to derecognition of Centane Main Road belonging to Public Works 2022.	-	(1 204 265)
Decrease in revaluation reserve due to derecognition of Centane Main Road belonging to Public Works 2023.	-	(10 127 648)
	-	1 444 926 992
<b>Revenue from exchange transactions</b>		
As previously stated	-	34 939 963
Increase in revenue from exchange transactions is due to construction contract revenue incorrectly classified under revenue from non exchange transactions	-	7 320 000
	-	42 259 963
<b>Revenue from non-exchange transactions</b>		
As previously stated	-	498 007 590
Decrease in revenue from non exchange transactions is due to construction contract revenue incorrectly classified under revenue from non exchange transactions instead of revenue from exchange transactions	-	(7 320 000)
	-	490 687 590

## 54. Statutory Receivables

Statutory receivables are receivables that arise from a legislation, supportive regulations, or similar means are require settlement by another entity in cash or another financial assets.

In accordance with principles of GRAP 108, Statutory receivables of the municipality is classified as follows:

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 54. Statutory Receivables (continued)

#### Statutory receivables included in the statement of financial position under VAT

<b>Receivables</b>	<b>5 257 310</b>	<b>4 881 664</b>
VAT receivable		

#### Statutory receivables included in the statement of financial position under receivable from non-exchange transactions

Traffic fines	5 637 699	4 738 306
Property rates	25 911 066	25 127 185
<b>31 548 765</b>	<b>29 865 491</b>	

#### Statutory receivables transactions

#### Statutory receivables included in the statement of financial performance

Property rates	67 906 456	62 310 601
Interest on outstanding debtors	12 947 147	11 759 107
Traffic Fines	6 715 200	9 021 600
Fines and penalties	26 522	-
Government grants & subsidies	434 262 802	405 914 524
Construction contracts	12 770 878	7 320 000
<b>534 629 005</b>	<b>496 325 832</b>	

#### Reconciliation of provision of impairment for statutory receivables

#### provision for impairment included under receivables from non exchange transactions

Property rates	(127 741 025)	(111 272 321)
Traffic Fines	(30 323 711)	(26 850 404)
<b>(158 064 736)</b>	<b>(138 122 725)</b>	

#### Reversal of impairment Loss on statutory receivables

#### Statutory receivables

Property rates	3 240 023	1 085 159
Traffic Fines	-	221 800
<b>3 240 023</b>	<b>1 306 959</b>	

#### Statutory receivables past due but not impaired

#### Statutory receivables

Property rates	25 911 066	25 127 185
Traffic Fines	5 637 699	4 738 306
<b>31 548 765</b>	<b>29 865 491</b>	

#### Transactions arising from statute

Property rates-related transactions arise in terms of the Municipal Property Rates act, 6 of 2004, Municipal finance Management act, 56 of 2003, as well as the property rates policy of the municipality approved by the council as part of the budget process.

Traffic fines arise from the national road traffic Act 93 of 1996, National road traffic regulations 2000 and criminal procedure Act 51 of 1977. prosecutor performs prosecutorial functions in terms of general delegation awarded by the national prosecuting Authority and is subject to the control of the control prosecutor at the Magistrate court

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

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### 54. Statutory Receivables (continued)

Government grants-related transactions arise in terms of the applicable annual Division of Revenue Act Bill as well as the relevant provincial gazette.

**Fines and penalties arise in terms of applicable by laws.**

VAT transactions arise from the Value Added Tax Act 89 of 1991. VAT is an indirect tax on the consumption of goods and services in the economy. VAT is levied on all goods and services subject to certain exemptions, deductions, and adjustment adjustments provided for in the Value Added Tax Act 89 of 1991.

#### Determination of transaction amount

Property rates amounts are determined in line with the annual tariff list of the municipality approved by the council as part of the budget process in terms of the Municipal Finance Act 56 of 2003.

Fines and penalties amounts are determined in line with the annual tariff list approved by council as part of the budget process in terms of the municipal ac 56 of 2003.

Traffic fines transaction amount are determined in line with the traffic offence code book as approved by senior magistrate.

Government grants related transactions amounts allocated to the municipality are stipulated in the applicable annual of division of revenue act bill as well as the relevant provincial Gazette.

VAT transaction amounts are determined in line with the Value Added Tax Act 89 of 1991. The VAT is levied at 15%.

#### Interest charged

Interest charged on property rates are in line with the annual tariff list of the municipality approved by council as part of budget process in terms of the municipal finance management Act 56 of 2003. The interest is calculated at prime rate.

#### Basis used to test whether the statutory receivable is impaired

The basis used to assess for property rates receivables is to look at the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

Provision for impairment of traffic fine debtors will be calculated based on the payment history of traffic fines in aggregate as the municipality does not have sufficient information to calculate the payment history per debtor as with property rates and services

Each individual grant is assessed for collectability in line with the legislative prescripts or contract arrangements that relates to the specific grant.

No impairment on VAT receivables, Balance is expected to be fully recoverable.

### 55. Unauthorised expenditure

Opening balance	-	-
Add: Unauthorised expenditure - current	-	-
Less: Amount recovered - current	-	-
<b>Closing balance</b>	-	-

### 56. Fruitless and wasteful expenditure

Opening balance	-	-
Add: Fruitless and wasteful expenditure - current year	-	-
Less: Written-off by Council	-	-
Less: Amounts recovered	-	-
<b>Closing balance</b>	-	-

# Mnquma Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>57. Irregular expenditure</b>		
Opening balance	-	-
Add: Irregular expenditure incurred in current year	535 093	-
Add: Irregular expenditure identified in current year but relating to prior year- 2022/2023*	113 784	-
Less: Written-off by Council	-	-
<b>Closing balance</b>	<b>648 877</b>	<b>-</b>

There is an anomaly at Mnquma Local Municipality where Managers reporting directly to the Directors earn more than the Directors and Municipal Manager and some are above the upper limits of a Grade 3 Municipality as per the current gazette on upper limits of Senior Managers. All these positions have been evaluated through TASK Job Evaluation System and are remunerated accordingly. Furthermore, these Managers are in the Bargaining Unit and therefore are covered by the Collective Agreement on Salary Increase of the SALGBC and their salaries will increase by 4.5% for the financial year 2024/2025. This will further increase the remuneration packages of Managers reporting directly to Senior Managers and this remains an untenable situation which has a negative impact on the superiority and morale of Senior Managers.

After careful consideration the Council resolved to bring the anomaly to the attention of the MEC for concurrence when Directors were appointed and the MEC concurred that the parties must enter into a contract on terms agreed upon by both parties and the municipality implemented the resolution after the concurrence by the MEC. After careful consideration, it was noted that the Minister should have approved the waiver, not the MEC which now resulted in the irregular expenditure.

The municipality will apply for the waiver to the Minister to ensure that it complies with the regulations of upper limits and further it will ensure that senior managers are remunerated as per the gazette until the waiver is approved.

\* During the 2023/2024 financial year, the Auditor-General identified irregular expenditure totalling R113 784 relating to the 2022-2023 financial due to non-compliance with Upper Limits of Senior Managers Government Gazette.

## 58. Change in estimate

### Change in useful life

GRAP 17: Property, Plant and Equipment requires that the Mnquma Local Municipality shall at each reporting date assess whether there has been an indication that the Municipality's expectation about the remaining useful lives of assets have changed. Such review has been completed and the following results were achieved.

The indicator, "The asset is approaching the end of its previously expected useful life", was identified in respect of 2,865 immovable assets and 249 movable assets. Management determined that these assets will still be in use for at least the next two financial periods and the remaining useful lives of these assets were extended accordingly.

The impact of the adjustment is that depreciation charges on Property, Plant and Equipment for the 2024 financial period has decreased by R74,808,398.92 in respect of immovable assets and R281,187.22 in respect of movable assets for the 2024, 2025, and 2026 financial periods.

### Change in residual value

During the financial year ended 30 June 2024, management assessed the accounting estimates on residual values of its Property, Plant and Equipment. Management identified a change in estimates on four transport asset's residual values to which it was previously estimated at 13% of the purchase cost and was changed to 15%.

The impact of this change is that depreciation charges on movable Property, Plant and Equipment has decreased with R11,800.22 for the 2024 and future financial period

## 59. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 59. Going concern (continued)

The ability of the municipality to continue as a going concern is dependent on a number of factors. In assessment whether the going concern assumption is appropriate under the current economic climate, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and, if necessary, potential sources of replacement funding.

further to that the municipality has put in place cost containment measures to curb unnecessary spending. All stakeholders are referred to the municipal budget as well as long term financial plan which is used to assess whether the going concern assumptions is appropriate.

### 60. Accounting by principals and agents

The municipality is party to a principal /agent agreement.

Vehicle registration.

The municipality is an agent on behalf of the Eastern Cape Provincial Department of Transport in collecting motor vehicle licences at an agency fee of 19%, VAT inclusive

There were no significant changes in the agreement which occurred during the reporting period.

No material risks were identified on the agreement for the municipality.

The municipality does not incur any expenses on behalf of the principal.

There is no liability at the end of accounting period.

Income from agency fees	2 517 141	2 614 599
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Administration of court fees

The municipality undertakes to collect court fines on behalf of department of justice and get no commission for this service.

There were no significant changes in the agreement which occurred during the reporting period.

No material risks were identified on the agreement for the municipality.

The municipality does not incur any expenses on behalf of the principal.

The amount owing in respect of court is R29 337 as at 30 June 2024.

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Annexure: Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>2024</b>											
<b>Financial Performance</b>											
Property rates	64 061 176	-	64 061 176	-	-	64 061 176	67 923 022		3 861 846	106 %	106 %
Service charges	5 232 036	-	5 232 036	-	-	5 232 036	8 632 390		3 400 354	165 %	165 %
Rental of facilities and equipment	4 985 049	-	4 985 049	-	-	4 985 049	5 479 584		494 535	110 %	110 %
Interest earned - external investments	9 000 000	-	9 000 000	-	-	9 000 000	21 212 522		12 212 522	236 %	236 %
Interest earned - outstanding debtors	15 280 000	-	15 280 000	-	-	15 280 000	16 687 128		1 407 128	109 %	109 %
Fines, penalties and forfeits	7 198 166	5 001	7 203 167	-	-	7 203 167	7 654 903		451 736	106 %	106 %
Licences and permits	1 320 482	-	1 320 482	-	-	1 320 482	2 106 444		785 962	160 %	160 %
Agency services	2 615 720	-	2 615 720	-	-	2 615 720	2 517 141		(98 579)	96 %	96 %
Transfers recognised - operational	331 807 600	29 808 580	361 616 180	-	-	361 616 180	354 627 250		(6 988 930)	98 %	107 %
Other revenue	786 641	-	786 641	-	-	786 641	1 264 554		477 913	161 %	161 %
Gains	300 000	2 224 990	2 524 990	-	-	2 524 990	2 387 887		(137 103)	95 %	796 %
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>442 586 870</b>	<b>32 038 571</b>	<b>474 625 441</b>	<b>-</b>	<b>-</b>	<b>474 625 441</b>	<b>490 492 825</b>		<b>15 867 384</b>	<b>103 %</b>	<b>111 %</b>
Employee costs	(229 794 000)	(2 770 000)	(232 564 000)	-	-	(232 564 000)	(218 504 101)		14 059 899	94 %	95 %
Remuneration of councillors	(25 246 000)	(2 500 000)	(27 746 000)	-	-	(27 746 000)	(27 126 355)		619 645	98 %	107 %
Debt impairment	(26 586 155)	(10 413 845)	(37 000 000)	-	-	(37 000 000)	(36 070 636)		929 364	97 %	136 %
Depreciation & asset impairment	(125 942 010)	(174 515 990)	(300 458 000)	-	-	(300 458 000)	(297 087 095)		3 370 905	99 %	236 %
Finance charges	(1 649 001)	(232 410)	(1 881 411)	-	(18 589)	(1 900 000)	(1 893 572)		6 428	100 %	115 %
Bulk purchases	(6 000 000)	-	(6 000 000)	-	-	(6 000 000)	(3 738 135)		2 261 865	62 %	62 %
Inventory consumed	(7 314 000)	(1 878 285)	(9 192 285)	-	4 184 285	(5 008 000)	(4 754 237)		253 763	95 %	65 %

# Mnquma Local Municipality

Annual Financial Statements for the year ended 30 June 2024

## Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments	Shifting of funds (i.t.o. MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Contracted services	(25 615 000)	(24 772 063)	(50 387 063)	-	(14 835 937)	(65 223 000)	(53 202 554)	-	12 020 446	82 %	208 %
Transfers and subsidies	(12 711 000)	(1 725 864)	(14 436 864)	-	2 494 864	(11 942 000)	(4 228 615)	-	7 713 385	35 %	33 %
Other expenditure	(62 842 739)	(7 719 006)	(70 561 745)	-	8 175 377	(62 386 368)	(55 732 818)	-	6 653 550	89 %	89 %
Losses	-	(112 000 000)	(112 000 000)	-	-	(112 000 000)	(109 675 811)	-	2 324 189	98 %	DIV/0 %
<b>Total expenditure</b>	<b>(523 699 905)</b>	<b>(338 527 463)</b>	<b>(862 227 368)</b>	-	-	<b>(862 227 368)</b>	<b>(812 013 929)</b>	-	<b>50 213 439</b>	<b>94 %</b>	<b>155 %</b>
<b>Surplus/(Deficit)</b>	<b>(81 113 035)</b>	<b>(306 488 892)</b>	<b>(387 601 927)</b>	-	-	<b>(387 601 927)</b>	<b>(321 521 104)</b>	-	<b>66 080 823</b>	<b>83 %</b>	<b>396 %</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	115 701 650	(301 650)	115 400 000	-	-	115 400 000	92 406 430	-	(22 993 570)	80 %	80 %
<b>Surplus (Deficit) after capital transfers and contributions</b>	<b>34 588 615</b>	<b>(306 790 542)</b>	<b>(272 201 927)</b>	-	-	<b>(272 201 927)</b>	<b>(229 114 674)</b>	-	<b>43 087 253</b>	<b>84 %</b>	<b>(662)%</b>
<b>Surplus/(Deficit) for the year</b>	<b>34 588 615</b>	<b>(306 790 542)</b>	<b>(272 201 927)</b>	-	-	<b>(272 201 927)</b>	<b>(229 114 674)</b>	-	<b>43 087 253</b>	<b>84 %</b>	<b>(662)%</b>
<b>Capital expenditure and funds sources</b>											
Total capital expenditure	(244 669 015)	(19 053 184)	(263 722 199)	-	-	(263 722 199)	(184 785 387)	-	78 936 812	70 %	76 %
<b>Sources of capital funds</b>											
National Government	(89 396 118)	(248 536)	(39 644 654)	-	-	(89 644 654)	(80 875 430)	-	8 769 224	90 %	90 %
Provincial Government	(26 482 250)	(1 198 568)	(27 680 818)	-	-	(27 680 818)	(11 530 577)	-	16 150 241	42 %	44 %
Internally generated funds	(128 790 647)	(17 606 000)	(146 396 647)	-	-	(146 396 647)	(92 379 380)	-	54 017 267	63 %	72 %
<b>Total sources of capital funds</b>	<b>(244 669 015)</b>	<b>(19 053 104)</b>	<b>(263 722 119)</b>	-	-	<b>(263 722 119)</b>	<b>(184 785 387)</b>	-	<b>78 936 732</b>	<b>70 %</b>	<b>76 %</b>

# Mnquma Local Municipality

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## Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MFMA)	Final adjustments (i.t.o. council approved policy)	Shifting of funds (i.t.o. MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>Cash flows</b>											
Net cash from operating	200 334 932	(13 142 251)	187 192 681	-	-	187 192 681	166 512 717		(20 679 964)	89 %	83 %
Net cash from (used) investing	(244 369 001)	(16 827 999)	(261 197 000)	-	-	(261 197 000)	(173 110 419)		88 086 581	66 %	71 %
Net cash from (used) financing	-	-	-	-	-	-	(525 206)		(525 206)	DIV/0 %	DIV/0 %
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(44 034 069)</b>	<b>(29 970 250)</b>	<b>(74 004 319)</b>	-	-	<b>(74 004 319)</b>	<b>(7 122 908)</b>		<b>66 881 411</b>	<b>10 %</b>	<b>16 %</b>
Cash and cash equivalents at the beginning of the year	160 435 016	-	160 435 016	-	-	160 435 016	194 239 427		33 804 411	121 %	121 %
<b>Cash and cash equivalents at year end</b>	<b>116 400 947</b>	<b>(29 970 250)</b>	<b>86 430 697</b>	-	-	<b>86 430 697</b>	<b>187 116 519</b>		<b>(100 685 822)</b>	<b>216 %</b>	<b>161 %</b>

