



PORT ST JOHNS
• MUNICIPALITY •
OUR HERITAGE, OUR PEOPLE

FINAL ANNUAL REPORT

2023/2024

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CHAPTER 1: MAYORS' FOREWORD AND EXECUTIVE SUMMARY



1.1. Mayor's Foreword

In accordance with section 127(2) of the Local Government Municipal Finance Management Act (56 of 2003 as amended), I submit this annual report on behalf of the council for the financial year ended June 2024. According to this clause, the mayor of a municipality must within seven months after the end of the financial year, table the Annual Report of the municipality and of a municipal entity under the sole or shared control to the municipal council within seven months of the financial year. This report describes how well the council performed in meeting the goals it established for the financial year under review. The five-year Integrated Development Plan which is our service delivery bible has served as the foundation for the goals.

I have a privilege to present to the Port St Johns stakeholders the annual report with the detail of activities performed during the reporting period. Indeed, Port St. Johns Municipality has come a long way to reach its current state, and we continue to make decisions and take meaningful actions by working together. Our strategic vision is still to provide our people with services in an efficient, consultative, and well-coordinated manner and therefore the alignment of the municipal strategic direction to those of the National and Province is crucial.

The goals pertaining to the five key performance areas that are relevant to local government have been considerably met. Even though the municipality has dropped the performance, we want to recognize all the strides made in enhancing our road system and all the complete infrastructure improvements. We want to highlight that a number of 64,2 km of new roads have been constructed with 1.8km of surfaced roads at Agate Terrace however the works were incomplete and there are plans to complete in the next financial year. We are proud to mention that 649.9 km across all wards through clustering was done. Three bridges were rehabilitated and completed at Butho,

Magumbini and Sinangwana. Only one community hall was constructed at ward 07 as opposed to 4 that were planned. Other community halls are still under construction and are expected to be completed in the next financial year.

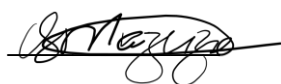
On electricity, the designs for 1778 households for electricity have been completed, these designs are for wards 7,19,4,24,6,26,08,20,1 and 5. The connection of 794 households to electricity has been completed at wards 1,2,17,20,12 and 13. The challenge is with Eskom in terms of finalizing the commissioning of the completed projects under electrification. 5 high mast lights were installed at wards 01,09,07,11 and 14 with 48.6km of a link line that will connect the households being completed.

The grant expenditure was sitting at 84% by the end of the financial year with Municipal Infrastructure Grant (MIG) at 100%, the unspent funds were related to Municipal Disaster Recovery Grant (MDRG) funds that were received in February and should be fully spent by January 2025, DSRAC funds the rollover was only approved in May 2024.

The municipality will continue its visibility to our communities to ensure accountability as it is mandated by the Constitution. The continued support of other spheres of government and private institutions has meaningfully changed the lives of our people. The Municipality is in the center of providing services to the communities it is intended to serve because of its proximity to the populace. We shall continue to strive to provide services for a better life for all. Maintaining our distinctive natural resources could boost tourism and make our destination choice a Jewel of the Wild Coast.

The presented performance in this report has not come without challenges but to reach a well-thought-out direction, we should continue to provide guidance on how to address our issues in collaboration with the people of Port St. Johns Local Municipality. The effort put by our administration in collaboration with stakeholders to better the lives of our communities has not come unnoticed.

Yours in developmental local government



Cllr. C.S. Mazuza

The Mayor



1.2. EXECUTIVE SUMMARY

Port St Johns local Municipality is a small entity that relies on grants as provided by the national and provincial government institutions. The municipality's powers and functions are aligned to Section 152 d of the Constitution of the Republic which emphasizes the provision of basic services to the communities. The municipality is therefore responsible for the provision of access roads, waste management, the building and maintenance of public amenities, provision of electricity through INEP grant, public safety, spatial planning and local economic development. The financial management according to the Municipal Finance Management Act and applicable circulars of the Act.

The municipality adopted the IDP which is set as a guide and approach to ensure that services provided to the communities are in line with the needs on the ground. The process of IDP adoption is a participatory process aligned with the District Development Model which includes the participation of departments that operate in municipal jurisdiction to ensure the alignment of planning and reporting thereof.

During the year 2023/24 the municipality achieved 51% of the total annual performance. This reflects poor performance for PSJ municipality. Some of the challenges were related to the vacancies in the engineering services where the department operated without a Senior Manager, Manager PMU as well as the Project Management Officers. The District Municipality seconded an expert in the engineering field to assist the municipality to perform its functions.

The performance per Key Performance Area: Basic Service delivery accounts for 11 indicators and a number of 7 indicators were achieved, which is a total of 64%. Local Economic Development and Spatial Planning achieved 33% of all indicators, the total number of indicators were 12 and the total achieved was 4. Municipal Transformation and organizational development achieved 9% of its total indicators. Financial viability and management achieved 67% of its indicators, out of 15 indicators, 10 indicators were

achieved. Good governance and public participation achieved 83% of all its planned indicators with community services section achieving 38% of its indicators.

Our primary goal in the coming integrated development plan review is to improve each of the key performance areas. We have received positive results for the MTREF Budget assessment for the reporting financial year. This is due to the strategies put in place and the continuous skills development provided by the key personnel.

The municipality has a low revenue base and low collection due to its rural nature. However, there are plans in place including expanding the revenue base and implementation of strategies to improve collection.

The bulk infrastructure remains the challenge for the facelift of Port St Johns and requires collaborative efforts from other stakeholders in government and private sector. Two of the fundamental tasks that define Port St. Johns Municipality is to ensure that new businesses are also benefiting from our processes. This will assist in job creation and empowering the people of the area. Partnerships with both government and private institutions is key to find amicable solutions for service delivery and fight triple challenges

In order to guarantee that the people receive the services they need, the Port St Johns administration continues to support the political arm of the municipality in the implementation of the Integrated development Plan (IDP). We do this guided by the IDP priorities as contained in the document which was adopted at the start of the term and reviewed annually including the reporting period. The results of our IDP assessment have seen some regression due to capacity issues that require financial and other resources.

We are consistent in the implementation of the policies as approved by the Council while also acknowledging gaps for the next review. The municipality has retained the qualified audit opinion in the audit conducted by Auditor General of South Africa. Management has put stringent measures including the development of the audit action plan to respond to the qualifying matters. We are confident that these matters will be dealt with before the next audit period. We are committed to the improvement of our performance in the coming audit.

The implementation of individual performance management is at the center of our performance management system implementation as a measure to improve organizational performance. Training and development, including the upskilling and reskilling of personnel, has been put at the core of our personnel development on an incremental basis.

We recommend to the stakeholders to read and critic this report and provide constructive feedback through provided platforms. Our hope is that the year ahead will provide an opportunity to turn around the situation.

A handwritten signature in black ink, appearing to read 'E. Mzayiya', written over a horizontal line.

E.Mzayiya
Acting Municipal Manager

ANNUAL REPORT PURPOSE, BACKGROUND & APPLICABLE REQUIREMENTS AND MANDATE

PURPOSE

The Purpose of the annual report is to provide record of the activities of the Municipality during the year 2023-2024 financial year. It also provides the report of the performance of the Municipality against the budget or to promote accountability to the local community for the decisions made throughout the year.

BACKGROUND

Port St Johns Local Municipality adopted a policy for Performance Management System in 2014 as a guiding tool for monitoring and evaluation of its performance. The Municipality recognizes the significance of having a Performance Management System not only as a legal requirement in terms of the applicable laws, but as an important instrument of corporate governance which aims at ensuring that a process of goal setting in the workplace is followed by a systematic success measuring process. In the previous financial years, the municipality slowly started the cascading of performance management system by introducing this aspect to the staff below senior management but experienced some challenges which have not yet been resolved.

APPLICABLE LEGISLATIVE REQUIREMENT/S AND MANDATE

Section 121(1) of the Municipal Finance Management Act (32 of 2003) requires that every municipality and every municipal entity must for each financial year prepare an annual report in accordance with Chapter 12 of the same act.

(3) The annual report of a municipality must include- the annual financial statements of the municipality, and in addition, if section 122(2) applies, the consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1); the Auditor-General's audit report in terms of section 126(3) on those financial statements; the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act; the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act; an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges; an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year; particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d) of the same act; any explanations that may be necessary to clarify issues in connection with the financial statements; any information as determined by the municipality; any recommendations of the municipality's audit committee; and any other information as may be prescribed.

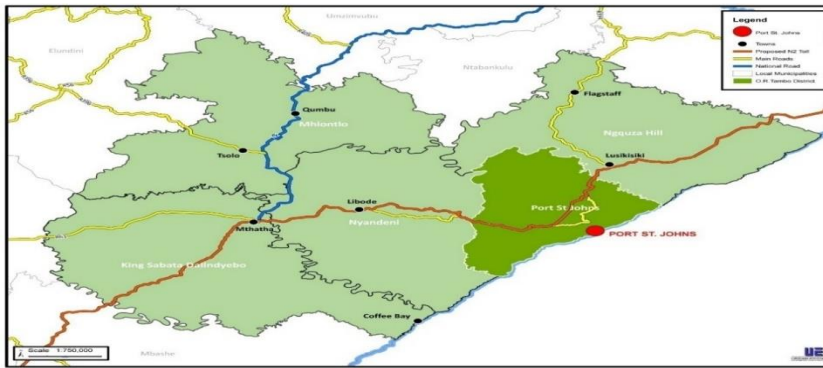
Section 46 of the Municipal Systems Act (32 of 2000) states that.

(1) A municipality must prepare for each financial year an annual performance report reflecting: -
(a) The performance of the municipality and of each external service provider during the financial year.

- (b) A comparison of the performances referred to in paragraph (a) with targets and performances in the previous financial year, and
 - (c) Measures taken to improve performance
- (2) An Annual Performance report must form part of the municipality's Annual report in terms of Chapter 12 of the Municipal Finance Management Act (56 of 2003).

1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Port St Johns Municipality is a category B Municipality, situated on the coast of the Indian Ocean in the largely rural Province of the Eastern Cape. It is bounded by Lusikisiki in the north, Libode in the west and Mthatha in the south. This municipality is one of the coastal municipalities within the O.R. Tambo District Municipality.



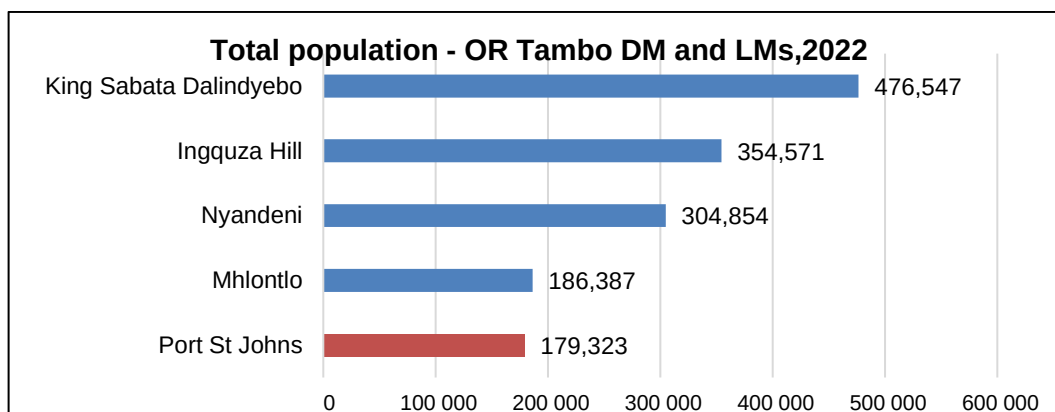
The municipality spans a total area of 1,291km² (8800 hectares) and comprises of 20 wards. It has a total population of 179 325 consisting mainly of Blacks (99%). The remaining 1% is composed of Whites, Coloureds, and Indian/Asian ethnic groups. Port St John's is known for its beautiful beaches, mountainous terrain with Hills, Cliffs, and sandy Dunes. The municipality's beautiful scenery, its natural vegetation and pristine beaches referred to above are main attractions for tourism.

It has land for commercial use and environmentally friendly residential areas. There are 1053 types of plants, and 164 plant families found around Port St John's. Five of these plant families and 196 plant types are only found in the Pondoland area, of which Port St John's is the heart. This unique vegetation harbours rare bird species, providing evidence of the rich biodiversity in Port St John's. The municipality has two key economic sectors: tourism and agriculture. In terms of commercial and economic activity, the municipality is growing at a steady pace.

Population Trends

There is a significantly smaller share of the child population - aged 5 to 14, down by 4.0% between 2011 and 2022. Youth increased by 20.1% between 2011 and 2022. The adult

and elderly population increased largely by over 39.8%. The area seems to be a migrant sending area, with many people leaving the area to find work in the bigger cities. As a result, PSJ has a higher aging population. The Municipality is situated along the Indian ocean and is well resourced with natural assets such as forests, rivers, sea, beautiful Cliffs and Mountains. We have roughly 30 7643 households of which 91% earn less than R19 200 per annum and only 1.7% has an income of more than R76 800 per annum. According to the census conducted in 2022, we have roughly 179 342 people. The overwhelming majority of these people i.e. 97.4% live in the rural areas of the municipality, while only 2.6% are classed as urban. There is one urban centre and 134 villages. We also have a young population with almost 45% between the ages 5-19 years i.e. school going age.



Summary of Census findings for PSJ	2011	2022
Households	31 713	30 643
Average household size	4,9	5,9
Formal main household dwelling	7 817	20 225
Traditional main household dwelling	23 475	9 876
Informal main household dwelling	319	422
Regional/local water scheme household water	6 232	7 641
Flush household toilet	967	5 947
Electricity for household cooking	9 885	13 502

Socio Economic Trends

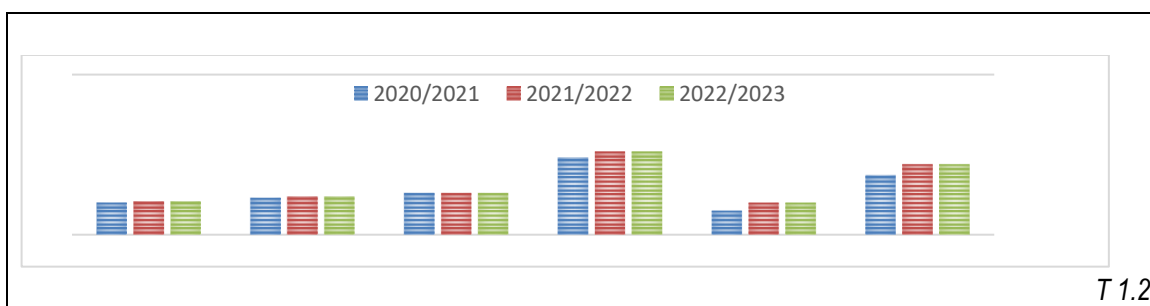
The Port St Johns Local Municipality had a total GDP of R 3.44 billion. In terms of total contribution towards O.R. Tambo District Municipality the Port St Johns Local Municipality ranked lowest relative to all the regional economies to total O.R. Tambo District Municipality GDP.

ANNUAL REPORT 2023-2024- PORT ST JOHNS MUNICIPALITY

	2012	2017	2022	Average Annual growth
Agriculture	39.3	42.0	46.2	1.63%
Mining	31.0	27.2	20.5	-4.06%
Manufacturing	163.7	160.8	162.4	-0.08%
Electricity	44.3	37.0	33.8	-2.66%
Construction	55.9	53.7	39.5	-3.41%
Trade	360.6	361.1	343.6	-0.48%
Transport	75.3	78.9	78.7	0.45%
Finance	242.9	291.2	304.9	2.30%
Community services	1,204.7	1,198.9	1,239.2	0.28%
Total Industries	2,217.6	2,250.9	2,268.8	0.23%

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2021/2022	20%	23%	26%	48%	15%	43%
2022/2023	21%	24%	26%	52%	20%	44%
2023/2024	22%	24%	26%	53%	20%	44%

T 1.2.4



T 1.2.

Overview of Neighbourhoods within Port St Johns Local Municipality

Settlement Type	Households	Population
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Towns		
Port St Johns		
Sub-Total		491
Townships		
Mthumbane		
Sub-Total	0	9760
Rural settlements		
Sub-Total	0	22 500
Informal settlements		
Zwelitsha		
Mpantu		
Nonyevu		
Sub-Total	311	311
Total	0	32751
		<i>T 1.2.6</i>

Natural Resources	
Major Natural Resource	Relevance to Community
Forest	Firewood & other
Rivers	Used as source for water (drinking etc.)
Oceans	Fishing activities, swimming etc.
<i>T 1.2.7</i>	

COMMENT ON BACKGROUND DATA:

The Municipality is situated along the Indian ocean and is well resourced with natural assets such as forests, rivers, sea, beautiful Cliffs and Mountains. We have roughly 37 200 households of which 91% earn less than R19 200 per annum and only 1.7% has an income of more than R76 800 per annum. According to the census conducted in 2022, we have roughly 179 342 people. The overwhelming majority of these people i.e. 97.4% live in the rural areas of the municipality, while only 2.6% are classed as urban. There is one urban centre and 134 villages. We also have a young population with almost 45% between the ages 5-19 years i.e. school going age.

*T 1.2.8***1.1.1. Service Delivery**

The O.R Tambo District Municipality is the Water services authority and Water services provider responsible for planning, implementation, and operation and maintenance of water and sanitation services within the 5 Local Municipalities in its jurisdiction. The District Municipality has not delegated any of its functions to the local municipality. Port St John's municipality is characterized by huge service delivery backlogs. These backlogs

are also substantial increased by unplanned settlement growths. The state and capacity of existing infrastructure has become a constraint to growth and development.

Water provision

The O.R. Tambo District Municipality is both the Water and sanitation Services Authority and Water and sanitation Services Provider responsible for planning, implementation, operation and maintenance of water and sanitation services within the five Local Municipalities. In terms of the law the District Municipality is therefore responsible for the development and the implementation of its water services by-laws, District Wide Water and sanitation Master plans, Water Conservation & Water Demand Management. O.R. Tambo District Municipality is a grant dependent municipality and most of its water capital projects are funded through the Municipal Infrastructural Grant (MIG) which the Department of Cooperative Government and Traditional Affairs (COGTA), National Treasury and Provincial Treasury has micro control. The District Municipality is unable to meet its backlog and properly maintain of existing infrastructure.

1.1.2. Financial Health

The Port St Johns municipality is financially sound and successfully manages its daily operations without encountering financial difficulties, despite still relying on grants. The cash-to-cost coverage ratio, excluding conditional grants, is seven months, significantly higher than the 3-month norm, indicating a strong positive cash flow.

This financial stability ensures that the municipality can meet its liabilities on time, with creditors paid within 30 days. Grant funds are used appropriately for their intended purposes, and all statutory payments are made promptly. Both the annual and adjustment budgets are fully funded and backed by cash. All budget-related policies were reviewed and approved by the Council during the budget and Integrated Development Plan approval in May 2024 To address the low revenue base, the municipality has identified new revenue streams to enhance its financial position.

The municipality continues to enforce its Supply Chain Management (SCM) Policy, with no successful challenges to any bid adjudication decisions, reflecting the fairness and accuracy of its SCM processes. The SCM policy has been updated to address gaps and incorporate recent legal and regulatory developments. However, there is a need for improvement in contract management to enhance effectiveness in this area.

Challenges.

- Debt collection remains a challenge due to the prolonged payment periods of ratepayers for rates and services. Additionally, the municipality continues to face issues with extended turnaround times for procuring goods and services.

Action to address challenges: -

- The municipality has formulated a revenue enhancement strategy designed to boost revenue generation, improve data accuracy, and strengthen the implementation of its credit control policy. Also, the development and implementation of procurement plans are aimed at enhancing the Supply Chain Management (SCM) office's capacity by providing it with necessary human resources

Overview: 2023/24			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	200917	200753	281937
Taxes, Levies and tariffs	11965	14965	15559
Other	58139	78723	50435
Sub Total	271021	294441	347931
Less: Expenditure	300345	323217	380105
Net Total*	-29324	-28776	-32174
Note: surplus/(deficit)			T 1.4.2

The indicated grants allocations were inclusive of capital and operational budget. The municipality had a budgeted amount of R271,021,500 for grants and the actual amount realised for the year was R347,933,081. An amount R9,168,292.78 was transferred to Port St John's Development Agency for operations. On taxes, levies, and tariffs the municipality over performed as it had a budget of R14 965,000 and the actual billing amounted to R15 559,721. The expenditure is less than what was budgeted for due to the cost containment measures in place and the financial year closed with a net deficit of R32,174

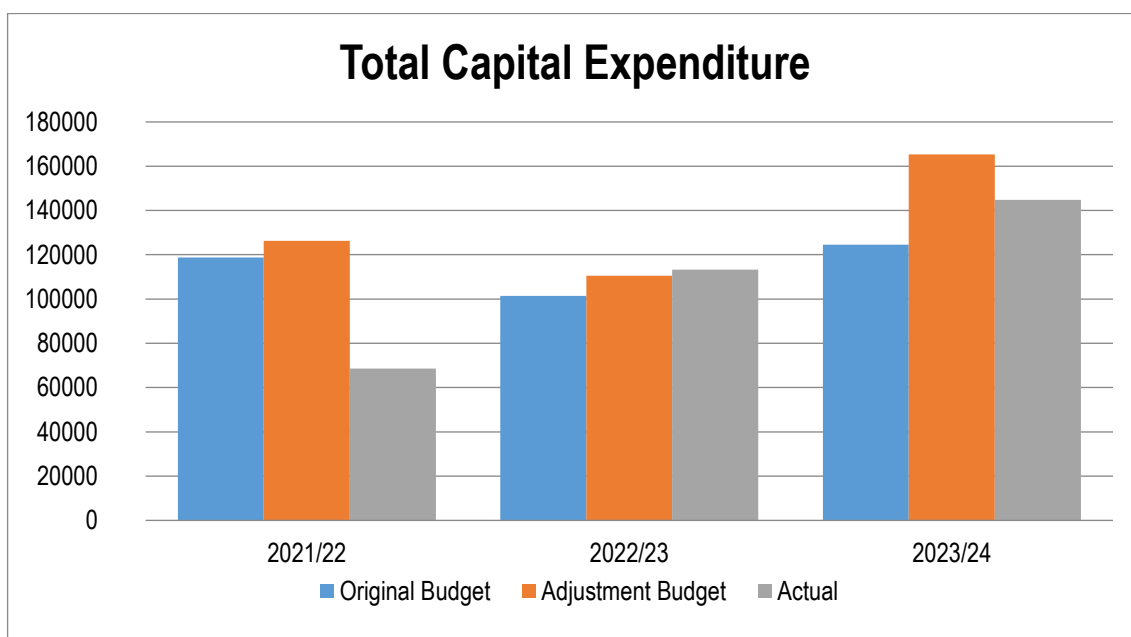
Operating Ratios	
Detail	%
Employee Cost	33%

Repairs & Maintenance	7,98%
Finance Charges & Impairment	1%

Employee Costs are expected to be approximately 40% at maximum of the total operating cost in terms of the National Treasury norms. During the reporting period, the municipality was sitting at 32%, which is below the norm. Repair and maintenance costs were below the norm of 8% as required by the treasury. The ratio has improved as the municipality is now prioritizing repairs and maintenance of infrastructure assets. Finance charges are sitting at 1%.

Total Capital Expenditure: 2021 to 2023/24			
			R'000
Detail	2021/22	2022/23	20223/24
Original Budget	118779	101386	124551
Adjustment Budget	126329	110543	165278
Actual	68548	113240	144871

Capital expenditure is mostly funded by grants such as Municipal Infrastructure Grant (MIG) at 26,27%, Municipal Disaster Response Grant (MDRG) at 33,09%, Integrated National Electrification Programme (INEP) and small-town revitalization (STR) making up the remaining 23,82%. Capital expenditure for the current financial year increased compared to the previous financial year due to an additional allocation received by the municipality for disaster relief and funds from own revenue. At year end the capital expenditure against the allocation for Municipal Infrastructure Grant is sitting at 100%, INEP 100%, Small-town revitalization 115% and MDRG 44%.



1.6. Organizational Development Overview

The organisational structure was approved by the Council together with Integrated Development Plan & MTREF Budget on the 31 May 2022. The review for 2024/2025 is underway. The position of a senior manager Engineering was vacant until the end of the financial year of 2023/2024. The recruitment process resumed and is almost in its final stages. The positions of the CFO and Senior Manager Planning and LED are permanent, and the Senior Manager Corporate Services and Community Services are on a five-year contract.

Table 1: Top management

POST	STATUS
Municipal Manager	Filled
Senior Manager: Corporate Services	Filled
Senior Manager: Community Services	Filled
Senior Manager: Engineering services	Vacant
Senior Manager: LED & Planning	Filled
Chief Financial Officer	Filled

The Municipality has made strides to ensure that the budgeted critical positions are identified but temporally suspended recruitment to look at the issue of threshold which seemed to be moving up. This suspension of recruitment was unlocked in 2023/2024 financial year. The organisational structure review process was initiated but not finalised hoping for the final product in the next financial year 2024/25.

In year 2014 the performance management system was established in Port St Johns Local Municipality, however more efforts are needed to ensure full implementation of the

Performance management framework. The following financial years concentrated in improving the system in the institution focusing mainly on compliance matters. Implementation of the performance management remained a challenge but there are strides to address challenges which includes policy review and an attempt to cascade the performance management system to the level below senior management

1.8 Annual Report Process

Annual report is the key reporting instrument for departments to give report against the performance targets and budgets outlined in their strategic plans and Municipal Budget allocations. Annual report is therefore required to contain information on service delivery as contained in the Service Delivery & Budget Implementation Plan (SDBIP) of the financial year under review. In addition to financial statements and the audit report. It is meant to be a backward-looking document, focusing on performance in the financial year that has just ended.

It also reports on how the budget for that financial year was implemented as well as the challenges encountered throughout. In terms of section 121(1) of the Local Government Municipal Finance Management Act (No. 56 of 2003), every municipality and municipal entity must prepare an Annual Report for each financial year. The purpose of the Annual Report is to provide a record of activities, report on performance against the budget and promote accountability to the local community for the decisions made throughout the year.

The mayor must submit the Annual Report within seven months after the end of the financial year. Following that, the Council is required to consider the Annual Report and the oversight report on the Annual Report within nine months after the end of the financial year, i.e. before the end of March.

The Annual Report for 2023/2024 was compiled in terms of the Local government Municipal Finance Management Act 56 of 2003 (MFMA) and the Municipal Systems Act, 32 of 2000 (MSA), MFMA National Treasury Circular 63 read in conjunction with MFMA National Treasury Circular 11, and National Treasury Annual Reporting template requirements. It reflects the financial and non-financial performance of the Municipality and its entity for the period 1 July 2022 to 30 June 2023 against the approved revised Budget and Service Delivery & Budget Implementation Plan (SDBIP) for the reporting period.

CHAPTER 2: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1. Political Governance and Administrative Governance

2.1.1. Political governance

Council is the highest decision-making body in a municipality and sits on quarterly basis unless a special Council meeting is arranged by the Speaker to consider urgent matters. For purposes of administering political oversight, the Council is supported by the Executive Committee which is chaired by the mayor and was composed among the members the six Standing Committee chairpersons (Section 80 Committees). In addition to the Standing Committees (section 80), there were also Section 79 Committees with specific tasks delegated to them by Council as contained in the delegation of responsibilities policy. Municipal Public Accounts Committee (MPAC) was also in place and there was an on-going programme to capacitate its members. MPAC performed its responsibilities that were assigned to it by the Council, but the resources remain a challenge.

2.1.2. Administrative Governance

The Municipal Manager is the principal accounting officer employed in terms of section 54A of the Municipal Systems Act 32 of 2000. The Municipal Manager reports direct to the mayor and is supported by five senior managers appointed in terms of section 57. The senior managers and the Accounting Officer are contracted for a four-year term. The Municipality has six departments, five of each are headed by section 57 managers (Senior Managers) with the office of the Municipal manager as the sixth department headed by the municipal manager. The municipality is organizationally arranged into the following line functions: -

- Municipal Manager's office
- Engineering Services department
- Community Services department
- Budget and Treasury Office (Financial Services)
- Corporate Services department
- Local Economic Development & Planning department

In addition to the municipal departments, there is development agency which acts as a wheel to realize Local Economic development through the mandate delegated by Council. The Port St Johns Development Agency is headed by the Chief Executive Officer (CEO).

POLITICAL LEADERSHIP



Cllr N. Mlombile-Cingo
Mayor



Cllr C.S. Mazuza
Council Speaker



Cllr. X. Moni
Council Whip

EXECUTIVE COMMITTEE



Cllr N. Mlombile- Cingo
Mayor



Cllr. S.E Sichocho
Ward 14
& P/head- Corporate Services



Cllr N. Tani
Budget & Treasury Office



Cllr F. Mafaka
P/ Head: Community services



Cllr A. Gantsho
P/Head LED & Planning



Cllr S. Madolo
P/head -Engineering services



Cllr O. Ndumela
EXCO Member

COUNCILLORS



Cllr B. Mjakuja
Ward 08 & Chair
Women's caucus



Cllr B. Ncomfu
Ward 11



Cllr P. Ngozi
Ward 12



Cllr K. Bikiza
Chairperson-
Petitions & PP



Cllr S. Mvimbela
Ward 16 & MPAC



Cllr P. Nomarhobho
Chair Ward 2



Cllr. N. Vava
Ward 01



Cllr M. Madotyeni
Ward 03



Cllr K. Kawu
Ward 04



Cllr M. Maninjwa
Ward 05



Cllr Z. Mhlabeni
Ward 06



Cllr P.B. Ndudu
Ward 07



Cllr S. Ndabeni
Ward 09



Cllr N. Javu
Ward 10



Cllr N. Puzi
Ward 13



Cllr N Dobe
Ward 13



Cllr S. I Ncolosi
Ward 18



Cllr T. Tshikitshwa
PR Cllr.



Cllr Zozi
PR Cllr



Cllr N.F. Dobe
Ward 19



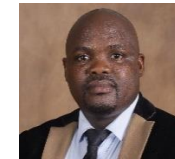
Cllr M. Makaula
Ward 20



Cllr Mzalen
PR Cllr.



CllrZ. Mtiki
PR. Cllr.



Cllr M.A. Jam-Jam
PR Cllr



Cllr M. Ntiyantiya
PR Cllr.



Cllr Z. Pato
PR Cllr.



Cllr T.C. Xhangayi
PR Cllr.



Cllr S.L. Ntlatywa
PR Cllr.



Cllr C. Hashibe
PR Cllr.

TRADITIONAL LEADERS IN COUNCIL

There were two traditional leaders sitting in council from the local traditional councils at year end. The traditional leadership that is part of the council was as follows:



Chief V. Ndabeni



Chief Sigcau

2.1.3. Political Decision-Taking

Political decisions are taken in a form of Council resolutions through voting system as documented in the Rules & Order of Council. Council successfully implemented the Rules and Order of Council document adopted by Council to ensure a smooth running of its meetings and compliance to relevant legislations. Council also implemented the delegation of responsibilities policy and monitored all delegations by ensuring that they are reported to Council for final decision making. The reporting lines were observed to ensure proper processing of reports and other related information submitted to Council for decision making. Almost 90% of decisions taken by Council were implemented with the remaining still to be processed

2.2. Administrative Governance structure

TOP ADMINISTRATIVE STRUCTURE		FUNCTION
Accounting officer	Mr M. Fihlani	Municipal Manager
Section Managers 56	Ms T. Sikolo Mr C.C.A. Obose Mr S. Wana Mr S. Matubatuba Ms S. Batyi Mr E. Mzayiya	CFO (from August 2023) Engineering services (till August 2023) Engineering services (from September 2023-May 2024) Corporate Services LED & Planning (from August 2024) Community Services
Middle Managers	Ms T.P. Godlwana Ms F.A. Mshiywa Ms F. Lusiti Mr M. Mbangi Mr X. Nobuya Adv. T. Liwani Mr S. A. Bunge Mr T. Kwape Ms N. Dwakaza-Makhunga Ms L. Majozini Mr A. Mpukuzela Mr T. Mzondi Mr L. Mangxa Ms Z. Jim Ms N. Baleni Mr B. Nkwahla Mr M. Gcaleka	Manager Strategic Services Acting strategic Manager (till January 2024) Office Manager-Mayor's office Manager- Internal Audit services Enterprise development Manager Legal Advisor Construction & Mechanical Manager (February 2024) PMU Manager Acting Human Resource Manager (till March 2024) Human Resources Manager (from April 2024) Public Participation & Council Support Manager (till November 2023) Public Participation & Council support Manager (from March 2024) Rural Development Manager Supply chain Manager (from February 2024) Supply Chain Manager (till October 2023)

	Mr A. Notobela Mr T. Mzondi	Public Safety Manager (till March 2024) Acting Manager-Public Amenities, Cemetery & Pound (till September 2023) Manager –Public Amenities, Cemetery & Pound (from January 2024) Acting Manager- Council Whip's office
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Accounting Officer : Mr. M. Fihlani

Head of Administration and as Accounting Officer in terms of section 55 of Local Government Municipal Systems Act No. 32 of 2000 and section 60 of Local Government Municipal Finance Management Act No. 56 of 2003 respectively, takes responsibility of the overall performance of the organization, including: -

- Transformation of the organization to one that is developmentally focused.
- The development of an economical, effective, efficient, and accountable administration equipped to carry out the task of implementing the municipality's Integrated Development Plan, operating in accordance with the Municipality's Performance Management System, that is responsive to the needs of the local community and to participate in the affairs of the municipality.
- Implementation of the Municipality's Integrated Development Plan and monitoring the progress with regard to implementing the plan; administering and implementing the Municipality's by-laws and other legislations.
- Advising the political structures and political office bearers of the Municipality.
- Rendering support to the office of the Mayor, Speaker, and the Office of the Council Whip.

Ms T. Sikolo: Chief Financial Officer

Performs duties of the CFO in terms of section 81 of Municipal Finance Management act 56 of 2003 as amended. Implements integrated development plan and strategic goals of the budget and treasury office; Provides support and advice to the Council and municipal manager; Implements service delivery budget implementation plan; Prepares and implement municipal budget; Prepares annual financial statements and other legislative financial management reports; Performs duties and functions delegated to CFO by the Municipal Finance Management Act; Manage efficient provision of municipal service; Establish, operate and maintain the support structures, processes and systems; Leads and directs staff in the department to ensure that they meet the objectives in line with the municipality's requirements and resources.

Mr.E. Mzayiya: Senior Manager Community Services

Ensures the development of appropriate Strategies, Policies and plans for all relevant areas; Directs the implementation of specific procedures, systems and controls associated with key functional areas embodied in the Community Services departmental Structure; Provides Strategic leadership and planning for the department, Community development Management; Responsible for public safety, which amongst other things includes traffic management, security management and Law Enforcement; Responsible Management of Community Facilities e.g. Community Halls, Cemeteries, Sports Fields, Libraries, Beaches, Pounds, and other facilities; Responsible for environmental management in general and the coordination of disaster management; Coordinates and monitors development of Sports, Arts and Cultural programs and development of social programs. Alignment, creating awareness, capacity, and relationship management in all stakeholder forums.

Mr. S. Matubatuba- Senior Manager: Corporate Services

Leading and directing the Corporate Services Directorate; Ensures the Municipality is provided with an effective support services regarding corporate administration, human resources, information technology and legal services; Manages corporate administration functions which relate to the provision of record managements Managing the directorates budget planning, implementation and budget review to support priorities and deliveries in the context of IDP; Advising the Municipal Manager timeously and effectively on matters pertaining the Directorate; Provides visionary and innovative leadership to diverse workforce, to ensure optimal utilization of the Council's resources in terms of implementing its strategic objectives articulated in the IDP and in the fulfilment of its legislative mandate • Manages Human Resource portfolio in accordance with labour legislation and collective agreement.

Mr. S. Wana -Senior Manager: Acting Engineering services

Contract management, quality assurance and compliance, and ensure their proper integration to the local municipality's overall plan (IDP); Performs financial monitoring through commissioning, operations and maintenance to ensure effective and efficient functioning of the department within the budgetary constraints of the municipality; Provides professional advisory services to the municipality in respect of engineering services; Manages all the department's contracts and tenders according to the signed Service Level Agreements (SLAs), Council requirements, ensuring adherence to the Service Level Agreements (SLAs), terms of reference, letter of appointment and contracted project time lines as per specification; Develops methodologies and

approaches to guide specific urban design investigations and research processes; Ensures that projects reflecting to IDP are registered in accordance with CIDB requirements; Manages the IDP implementation and review process, advises the Municipal Manager on planning and development matters.

Ms S. Batyi -Senior Manager: Local Economic Development & Planning

Develops, co-ordinate and manage the operations of the Local Economic Development and Tourism sub-sections; Manages developmental project management processes associated with scoping, resourcing, implementation, monitoring, and communication; Prepares reports on the activities of the component, as and when required to do so.

2.3. INTERGOVERNMENTAL RELATIONS

2.3.1. Intergovernmental Relations

Platforms were created to ensure that there is budget alignment, coordinated planning and approach to service delivery. Port St John's Mayor chairs the local Inter-governmental relations forum which meets quarterly to discuss and evaluate progress on the implementation of plans that are committed in the Integrated Development Plan and departmental annual plans (SDBIPs). In the local Inter-governmental relations forum, the municipality is represented by the Executive Committee (EXCO) with the mayor as the chairperson of the forum, Management led by the Municipal Manager. During the reporting period, the Inter-Governmental Relations forum was separated as political and technical.

Technical IGR forum is composed of the administrative arm chaired by the Accounting Officer of the Municipality. Port St Johns municipality has several platforms to ensure the implementation of intergovernmental relations act. The IDP technical committee is one of the platforms and is formed by Heads of Sector departments and the municipal officials led by the accounting officer. The technical committee encourages the planning and coordinating the review of the IDP and sits to ensure the planning and reporting by all sector departments operating in the space of the municipality.

The committee is functional and has sat in accordance with the IDP process plan. The technical committee prepares the reports for the IDP representative forum which is politically led by the Mayor. The IGR meetings in a form of Technical IGR and IDP meetings sat in all quarters to review the IDP and to present the progress reports on the implementation of approved plans. The municipality continuously attends the meetings that are coordinated by the district. The Mayors reports directly to the District Mayors representative forum. All the structures have been coordinated successfully.

2.3.2. District & Local Intergovernmental Structure

Port St Johns Municipality as the local sphere in local government coordinated the sitting of the Intergovernmental Relations forum at local level. At a local level the Intergovernmental Relations Forum is chaired by the mayor of Port St Johns Local Municipality or delegated member. The forum was functional, but some deviations were noted in terms of meeting all the obligations this financial year.

Four IGR forums were conducted to ensure the acceleration of service delivery. The participation of stakeholders in the processes of the Integrated Development Plan review has improved but there is still a need for improvement. The Intergovernmental relations policy has not been adopted by Port St Johns Council. The review of the policy will commence in 2024/2025 financial to ensure that the terms of reference for foruming clusters are clearly reflected in the policy. The war room are still a major challenge however, the policy will also assist in ensuring that the war rooms are revived and are coordinated for presentation to the cluster meetings. As part of the measures to improve on IGR co-ordination, the Municipality has put plans to ensure that all IGR structures are in place and functional.

2.3.3. Provincial Intergovernmental Structure

At Provincial level there is Premier's Intergovernmental Forum (PIF) which is the provincial structure that coordinate the relationship between all spheres. The Port St Johns Municipality has actively participated in Inter-Governmental Relations platforms at the Provincial level through Premier's Intergovernmental Forum and through MuniMecs which are categorised as Technical and Political. At Technical MuniMec the Municipality was represented by the Municipal Manager, and at Political MuniMec by both the Mayor & Municipal Manager. The municipality also participated in convened SALGA working groups for different sectors. The Municipal Manager is also a member and an active participant of the Municipal Manager's forums at provincial level

2.4. PUBLIC PARTICIPATION

2.4.1. Overview of Public Participation

Council promotes local democracy and community involvement in its affairs by facilitating capacity building and establishing operational mechanisms for ensuring public participation in planning, project implementation and general Council affairs. The Municipality has a communication strategy that was adopted in 2017, this is a comprehensive communication and public participation strategy that among other things

has informed the participation of traditional leaders that are not part of Council on governance matters and the public. During the financial year under review, public participation strategy was a draft hoping to finalise in the financial year together with other municipal policies. Port St Johns Municipality has not reached the required level of performance in public participation due to challenges of capacity as the unit is not well resourced. This resulted to the participation of stakeholders not properly coordinated.

2.4.2. Public Meetings

2.4.2.1. Communications, Public Participation and Forums

The Council took a resolution in 2014/15 financial year that the Mayor must hold at least one outreach per quarter alternated throughout the wards with reports submitted to Council for consideration. The resolution taken was meant to enhance public participation in addition to the Integrated Development Plan and Budget Road shows, Integrated Development Plan representative forums and Inter-governmental relations forums platforms. This resolution is still standing and has been complied with since the previous and during the current term of Council. Ever since the Municipality started the outreach programs, public participation has improved from the state it was. All planned (four) mayoral outreach programs were convened during the financial year under review.

2.4.2.2. Ward Committees

Port St John's Municipality is composed of twenty wards, each established a ten-member ward committee structure in terms of section 73 of the Local Government Municipal structures act No.117 of 1998. The main purpose of the ward committees is to link communities with Council and champion all development work in their respective areas. The municipality sets aside from its operational budget resources to constantly capacitate ward committees and payment of stipend. The Council had ward committees selected in all twenty wards as part of public participation and for service delivery coordination. Ward committees are the core invitees of the Integrated Development Plan representative forum. Consultation is specifically done with each of the twenty ward committees when updates are done to the ward plans and project priorities for their respective wards.

Most wards are allocated Community Development Workers (CDWs) who assist the ward committees with compilation and submission of reports on community development needs and progress. CDWs also assist with conducting basic research aimed at supporting the work of ward committees. It is common for each CDW to attend to a minimum of ten to fifteen cases per month in each ward. CDWs always part of the municipal gatherings especially those that involve IDP, and they make a valuable contribution. The office of the Speaker and ward councillors monitored and elevated issues emanated from the monthly ward committee meetings with constant feedback being provided to the ward committees of which CDWs participated. Ward Committees held their

monthly ward committee meetings and quarterly public meetings in maximising public participation. The outcomes of these meetings were then processed to form reports and submitted to the office of the Speaker for review and decision making and or interventions where necessary. Ward profiling has not been done to package the ward information for planning purposes but are part of the programs planned for the next financial year.

Public meetings

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP Rep Forum held at Port St Johns Town Hall	13-Sep-23	14	48	19	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
Technical IGR Meeting	01-Nov-23	00	16	00	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
Traditional leadership consultation on nodal development at Mvumelwano traditional council in ward 09.	02 November 2023,	04	08	68	Yes	Some of the issues were dealt with in the same meeting and others were considered during planning for 2024/2025 financial year
Technical IGR Meeting	07-Nov-23	15	36	28	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document

Traditional leadership consultation on Nodal development at Zwaligugi traditional Council ward 04.	08 November 2023,	02	06	32	Yes	Some of the issues were dealt with in the same meeting and others were considered during planning for 2024/2025 financial year
Nodal development consultative session at Ndluzula traditional Council ward 02.	09 November 2023,	02	06	88	Yes	Some of the issues were dealt with in the same meeting and others were considered during planning for 2024/2025 financial year
IDP Rep Forum held at Port St Johns Town Hall	14-Nov-23	18	40	16	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
Traditional leadership consultation on Nodal development at Bomvini traditional Council ward 19.	22 November 2023	2	04	130	Yes	Some of the issues were dealt with in the same meeting and others were considered during planning for 2024/2025 financial year

IDP Rep Forum held at Port St Johns Town Hall	19-Mar-24	06	27	25	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
Traditional leadership consultation on Nodal development at Mhlanganisweni traditional Council ward 14.	22 March 2024	01	4	118	Yes	Some of the issues were dealt with in the same meeting and others were considered during planning for 2024/2025 financial year
Traditional leadership consultation on Nodal development consultative session at Manzamhlophe traditional Council ward.	26 March 2024	01	04	93	Yes	Some of the issues were dealt with in the same meeting and others were considered during planning for 2024/2025 financial year
IDP & Budget Roadshow Held at Qandu Hall	8-April-24	03	05	50	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document

IDP & Budget Roadshow Held at Nkqantosini Sports Ground	8-April-24	05	04	102	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Mqhakama Sports Ground	8-April-24	06	03	140	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Mthalala Sports Ground	8-April-24	04	03	150	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Buthulo Sports Ground	8-April-24	03	06	115	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at KwaNyathi Village	12-Apr-24	03	02	50	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at	12-Apr-24	03	03	105	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document

Lutshaya Community Hall						
IDP & Budget Roadshow Held at KwaNgcoya Komkhulu	12-Apr-24	01	03	100	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Ntlenga Sports Ground	12-Apr-24	02	06	150	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Dumezweni (Assembles of God Church)	12-Apr-24	02	02	120	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Caguba Sports Ground	15-Apr-24	03	04	100	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at	15-Apr-24	03	13	200	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document

Municipal Town Hall						
IDP & Budget Roadshow Held at Rhawutini Sports Ground	15-Apr-24	03	03	102	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Zintonga Sports Ground	15-Apr-24	04	05	200	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Lingatshoni J.S. S	15-Apr-24	03	03	100	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Dedeni Sports Ground	16-Apr-24	02	06	150	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Matane Community Hall	16-Apr-24	01	05	50	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document

IDP & Budget Roadshow Held at Ntafufu Sports Ground	16-Apr-24	02	03	100	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at KwaTom Sports Ground	16-Apr-24	02	02	200	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP & Budget Roadshow Held at Goqwana Sports Ground	16-Apr-24	02	05	200	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
Technical IGR Meeting	09-May-24	00	30	00	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
IDP Rep Forum held at Port St Johns Town Hall	17-May-24	14	25	10	Yes	Their inputs were incorporated for the 2024/2025 Final IDP Document
Nodal development consultative session at Gunyeni traditional Council ward 14.	27 June 2024	02	2	61	Yes	Some of the issues were dealt with in the same meeting and others were considered during planning for 2024/2025 financial year

2.4.2.3 COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The meetings that are continuously convened by the municipality have proved to be one of the best ways to improve communication and the relations between the municipality and the community. The number of protests has noticeably been increased, however the public participation meetings led by the mayor had positively responded. The Municipality has taken a decision to have a dedicated public participation unit to effectively respond to the public participation challenges. This would be implemented in the beginning of the next financial year.

2.5. IDP Participation and Alignment

During the Integrated Development Plan (IDP) compilation process, Integrated Development Plan structures were convened to consider Municipality's Integrated Development Plan priorities. Subsequent to the tabling of draft Integrated Development Plan and draft Budget in Council in March, the Integrated Development Plan and Budget Roadshows/Imbizo's were convened where all wards were visited by the delegation led by the Executive Committee for community participation. From the previous financial year 2022/2023, the clustered approach was changed, and IDP/Budget and PMS Roadshows were conducted on ward to ward as part of improving in community participation.

In these roadshows the draft documents of the IDP and Budget were presented, community comments were sought, and where applicable, necessary changes were made prior to the final adoption by council. There were also constant engagements with the key stakeholders (Ratepayers Association; Chaguba Community Property Association; Traditional Leaders, etc.) whenever there are matters. During the reporting period the central Imbizo's were conducted in a form of IDP and Budget reviews for all our wards.

The Council had successfully convened its strategic planning session and subsequently a management planning session to develop SDBIP was convened. This was preceded by the successful convening of four Integrated Development Plan representative forums. The tabling of the Integrated Development Plan & Medium-Term Revenue & Expenditure Framework (MTREF) Budget to Council was done and Council approved both documents within the prescribed timeframe.

The review of the IDP was done and is aligned with the national and Provincial plans and linked to the District Development Model. MTREF Budget was prepared in alignment with the IDP priorities. Service delivery and budget implementation plan and performance agreements were aligned to the approved Integrated Development Plan.

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate 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 57 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
* Section 26 Municipal Systems Act 2000	T 2.5.1

2.6. CORPORATE GOVERNANCE

The municipality had a functional Audit, Risk & Performance Committee of four members which was appointed in terms of section 166 of the Local Government Municipal Finance Management Act (No.56 of 2003) to oversee the effective management of Risks of all municipal operations. This includes compliance with all applicable legislations and regulations and supervision of operational internal controls; financial management; and human resources. The Audit, Risk & Performance Committee had an approved charter and adhered to it. There were at least four ordinary sittings planned and successfully held on quarterly basis. In addition, special meetings were held to discuss special matters of governance.

Audit, Risk & Performance Committee members.

1. Advocate Simthandile Gugwini-Peter - Chairperson (till April 2024)
2. Ms T. Mnqeta - Chairperson (from May 2024)
3. Mr V. Magan - Member
4. Mr M, Mdani - Member

All the appointed members have requisite skills and relevant qualifications to serve in the structure.

The Municipality has a Disciplinary board for financial misconduct that was appointed in line with National Treasury regulations on Financial Misconduct. The board convened one ordinary sitting, but no matters of alleged financial misconduct were brought to its attention. The following members served in the DC board: -

- | | |
|-----------------------|--|
| 1. Ms T. Mnqeta | - chairperson (Audit committee member) |
| 2. Mrs. T. Mbombo | - Assistant Director (Provincial treasury) |
| 3. Advocate T. Liwani | - Legal Advisor (Port St Johns Local Municipality) |
| 4. Mr. M. Mbangi | - Internal Audit Manager (Port St Johns Local Municipality). |

The appointed members have the required qualifications and skills necessary to serve in the Disciplinary board on financial misconduct. Furthermore, we are audited by the Auditor General of South Africa in terms of Public Audit Act (No 25 of 2004) and provides opinion on financial statements.

2.6.1. RISK MANAGEMENT

Risk management is about identifying, avoiding, or mitigating threats that may lead to losses. It is a systematic process of identifying, analyzing, evaluating, treating, monitoring, and communicating the risks associated with the organization. Risk management is important for the achievement of the municipality's objectives as outlined in the Integrated Development Plan. Risk management is a managerial function, individual sections and departments differ in their exposure and reaction to risks, therefore sections, departments and individuals form a vital part of the overall risk management process within the municipality.

The municipality established a Risk Management Committee (RMC) that sits on a quarterly basis, but the committee was not fully functional, and this led to the risk management function not performed to the expected level. The risk management strategy and a risks management plan were reviewed. Risk management policy review process was initiated and awaiting council decision. Both the strategy and the policy were implemented during the reporting financial year. This function does not have dedicated personnel within the Municipality but relies on the support from the Provincial treasury and COGTA.

The reviewed operating staff establishment has accommodated the position of the Chief Risk Officer to ensure smooth coordination of the risk management work within the Municipality. Risk assessment was conducted and subsequently the strategic risk register was developed. Amongst the risks that were identified the municipality identified; non-compliance with legislative requirements; Inadequate monitoring of projects; supervision or monitoring of municipal expenditure; non-adherence to Integrated Development Plan Process; We did not successfully implement our Risk Management policy, but efforts were made to ensure that the risks identified are mitigated on a quarterly basis.

2.6.2. Anti-Corruption And Fraud

Port St Johns Municipality subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent fashion. Consequently, Port St John's is committed to fighting fraudulent behavior at all levels within the organization. The municipality has an approved fraud prevention plan that is intended to assist in preventing, detecting, investigating, and sanctioning fraud and corruption. The main principles upon which this plan is based on are; Creating a culture which is ethical and intolerant to fraud and corruption; Deterrence of fraud and corruption; Preventing fraud and corruption which cannot be deterred; Detection of fraud and corruption; Investigating detected fraud and corruption; Taking appropriate action in the event of such irregularities e.g.: disciplinary actions, recovery of losses, prosecution, etcetera: and applying sanctions that include blacklisting and prohibition from further employment.

2.7. Overview of Supply Chain Management

Supply chain management in the municipality encompasses a broad range of activities and processes, all aimed at maximizing efficiency, reducing costs, and ensuring the smooth flow of goods and services. Here are the key components of supply chain management:

2.7.1. Demand Management

Includes timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and delivered timely. The municipality has developed a procurement plan that is aligned with the SDBIP

2.7.2. Acquisition management

All goods and services procured by the municipality are according to the SCM policy and processes. The municipality has implemented its Supply Chain Management (SCM) policy, and all the bid committees were functional however there were challenges of sitting caused by other municipal competing activities. The SCM is a small and functional unit but is understaffed. There were no successful challenged cases of bid adjudication decisions. The Municipality experienced challenges of receiving poor responses to adverts posted on the website, local newspaper and notice boards which caused delays on procurement process. Sometimes the bids received were found non-responsive leading to the bid being re-advertised. The implementation of procurement plans was also not properly monitored.

2.7.3. Logistics Management

Includes applying appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased; regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes. The Municipality does not have a secure warehouse for inventories and thus we do not do bulk purchases we buy as and when goods are required.

2.7.4. Disposal Management-

The disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the MFMA, are by public tender in all cases.

Performance Management Officials and project managers monitor and evaluate the contractor's performance, this is essentially in determining whether the requirements are being met and to avoid any future conflict over unsatisfactory performance by using the developed. Reports are submitted to the Supply Chain office of the Contract Performance.

2.8. By-Laws

By-laws Introduced during Year 2023-2024					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
	Building by-laws	Yes		Yes	
	SPLUMA by-law	Yes		Yes	
	Outdoor advertising by-law	Yes		In progress	
	Prevention of land invasion by-law	Yes		In progress	
	Filming by-law	Yes		In progress	
Business trading by-law		Yes			
Stret trading by-law		Yes			
					T 2.8.1

2.9.1 COMMENT ON BY-LAWS:

The Municipality has several by-laws that needs to be reviewed and implemented in various areas of function. The by-laws that were prioritised are related to LED and town Panning. Some of the by-laws were reviewed and others developed to assist the municipality in controlling the areas. Two bylaws were approved and gazetted, three developed and approved but still in the process of gazetting. The rest were in the draft stage.

2.9. 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	
All current budget-related policies	Yes	
The previous annual report (Year -1)	Yes	
The annual report (Year 0) published/to be published	n/a	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	n/a	
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 Year 1	No	n/a
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	n/a	n/a
Public-private partnership agreements referred to in section 120 made in Year 0	n/a	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0		
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		<i>T 2.10.1</i>

2.10. COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The website was functional during the reporting period and necessary documents were loaded, however continuous improvement is required to make sure it serves the entire population of Port t Johns stakeholders efficiently. There is timeous upload of statutory documentation in compliance with MFMA section 75 and MSA section 21A

2.10. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

2.11.1 Public Satisfaction Levels

The municipality did not conduct any surveys during the reporting period and has been getting comments from the public through Mayoral outreach programs and ward committee meetings. The Municipality had limited resources to address all the service delivery challenges and backlogs that were raised by the public.

Satisfaction Surveys Undertaken during: Year -2022/2023 and Year 2023/2024				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality	n/a	n/a	n/a	n/a
(b) Municipal Service Delivery	n/a	n/a	n/a	n/a
(c) Mayor	n/a	n/a	n/a	n/a
Satisfaction with:	n/a	n/a	n/a	n/a
(a) Refuse Collection	n/a	n/a	n/a	n/a
(b) Road Maintenance	n/a	n/a	n/a	n/a
(c) Electricity Supply	n/a	n/a	n/a	n/a
(d) Water Supply	n/a	n/a	n/a	n/a
(e) Information supplied by municipality to the public	n/a	n/a	n/a	n/a
(f) Opportunities for consultation on municipal affairs	n/a	n/a	n/a	n/a

** The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory*

T 2.11.2

The Municipality did not conduct any new satisfaction survey during the reporting period but is considering it to ensure that service delivery touches on real issues on the ground. This may also help to improve community participation on issues of service delivery that affect them

The Communities raised their issues through various public participation platforms that are created by the municipality as part of improving public participation. During the Integrated Development Plan Roadshows and Mayoral outreach programs, people from all wards registered their concerns in all service delivery areas. The Municipality took a record of all the issues and responded through Integrated Development Plan priorities or interventions depending on the nature of the matter reported. The Municipality acknowledged the fact that the services provided did not meet all the expectations of the community but tried to ensure the provision of quality services to the people.

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

3. INTRODUCTION

Basic services include Water, Wastewater, Electricity, Waste management, Housing services and Free basic services. Port St John's Municipality provides basic services such as Waste management, Free Basic Services. Water and wastewater services are provided by O.R. Tambo District Municipality in terms of power and functions. Housing is the responsibility of the department of Human settlement, but the Municipality plays a facilitation role to ensure that communities are provided with decent shelters. The Municipality is dependent on Eskom program for provision of electricity in Port St John's town and surroundings. The maintenance of streetlights in town is done by our planning & engineering services department.

3.1.1. Waste Management

The waste management section is responsible for ensuring that efficient removal of waste in town and surroundings happens and that our towns, streets, and verges are maintained at a desirable level for our communities. This section is also responsible for the management of the land fill site. In the past there were challenges with ensuring that the service is rendered efficiently due to ageing fleet but the resolved the matter. The removal of refuse from the urban area has been adhered to with minimum standards of once per week collection for residential households and commercial properties. The Municipality engaged into a strategy of conducting an annual clean-up campaign where stakeholders and community join hands to clean and educate each other about cleanliness.

3.1.2. Free Basic Services (FBS)

Port St John's Municipality provides free basic electricity service through Eskom by giving tokens of 50 KWt per month. Alternative energy is provided annually in a form of paraffin or gas. We also provided free basic services for waste collection to the deserving households. The distribution of free basic services is done guided by the indigent policy that is approved by council and reviewed annually. The register is compiled for indigent beneficiaries and updated on an annual basis. We also provided free basic services for waste collection to the deserving households.

3.1.3. Electricity:

Port St Johns Municipality has done regular maintenance of streetlight in ward 04 and ward 06. Eskom provides electricity in the rural areas of Port St John's. Further to that the Municipality received an INEP grant allocation of 17,680,000.00 for electricity distribution in

the rural areas. 794 households were connected at the following villages and was completed waiting for the commissioning by Eskom for the project to be fully complete and effective.

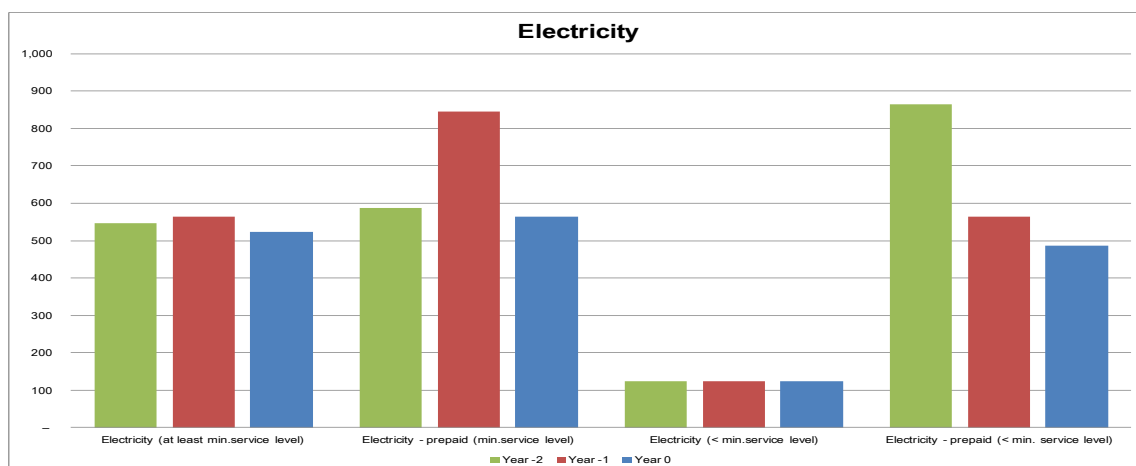
Port St John's Local Municipality together with Eskom are responsible for provision of households' electrification in rural areas. Port St John's Municipality was allocated an amount of R11 666 000.00, for provision of electrification of 794 households and were all completed, the connection was done at wards 1, 2, 17-20,12, 13. The following villages were connected:

-

1. Qandu village – 150h/h
2. Gomolo village – 110h/h
3. Lutshaya Village 90h/h
4. Ndayini Mkhumbini 40h/h
5. .- Zinyosini 106h/h
6. lukwazweni-emasimini 80h/h
7. Mnqezu 98 h/h

The designs for the following projects were also completed this financial year:-

1. Ngqwaleni village – 140 h/h
2. Ntlanjeni village – 106 h/h
3. Jambeni Village - 106 h/h
4. Tombo village – 180 h/h
5. Sobaba village – 140 H/H
6. Nkampini village – 120H/H
7. Ngxongweni village – 140H/H
8. Emadwaleni-Qhoboshendlini village – 180h/h
9. Lwandlana village – 120 h/h
10. Mswakazi Village – 106 h/h
11. Mpantu Village – 110h/h



Financial Performance Year 2023/2024: Electricity Services					
R'000					
Details	Year -2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	14622	12682	19747	18810	-48%
Repairs and Maintenance	5217	7800	10400	6852	12%
Other	4549	37697	40824	32141	15%
Total Operational Expenditure	24388	58179	70478	57803	1%
Net Operational Expenditure	24388	58179	70478	57803	1%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.3.7

Electricity Service Delivery Levels				
Households				
Description	Year -2019/2020	Year -2020/2022	Year -2021/2022	Year -2022/2023
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Energy: (above minimum level)				
Electricity (at least min.-service level)	—	488	785	1,001
Electricity - prepaid (min.-service level)	—	587	846	565
Minimum Service Level and Above sub-total	—	1,075	1,631	1,566
Minimum Service Level and Above Percentage	0.0%	68.8%	67.5%	61.0%

Energy: (below minimum level)				
Electricity (< min-. service level)	112	488	785	1,001
Electricity - prepaid (< min. service level)	955	488	785	1,001
Other energy sources	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	33	488	785	1,001
<i>Below Minimum Service Level Percentage</i>	100.0%	31.2%	32.5%	39.0%
Total number of households	33	1,563	2,416	2,567
T 3.3.3				

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -2019/2020	Year -2020/21	Year - 2021/22	Year 2022/23		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	–	180	3600	3600	3600	3600
Households below minimum service level	–	180	3600	3600	3600	3600
Proportion of households below minimum service level	0	1	1	1	1	1
Informal Settlements						
Total households	746	1299	25940	25940	25940	21000
Households ts below minimum service level	746	19955	25940	25940	25940	21000
Proportion of households ts below minimum service level	100%	1536%	100%	100%	100%	100%
T 3.3.4						

Employees: Electricity Services					
Task grade	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	3	1	2	67%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	3	1	2	67%

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*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.3.6

Capital Projects	2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	26 768 000.00	24 368 000.00	24 368 000.00	9%	
Lutshaya 90	R2 668 793,00	R2 020 465.00	R 2 020 465.00	24%	R 2 020 465.00
Mthimde- Luzupho 120	R2 400 000,00	R2 693 954,66	R 2 693 954.65	12%	R 2 693 954.65
Ndayini-Mkhumbini 40	R800 000,00	R897 984.89	R 897 984.89	12%	R 897 984.89
Zinyosini 106	R2 120 000,00	R2 379 659.95	R 2 379 659.95	12 %	R 2 379 659.95
Qandu 150	R3 000 000,00	R3 367 443.32	R 3 367 443.32	12 %	R 3 367 443.32
Gomolo 110	R2 200 000,00	R 2 469 458.44	R 2 469 458.44	12%	R 2 469 458.44
Lukhwazweni -Emasimini 80	R1 600 000,00	R 1 795 969.77	R 1 795 969.77	12%	R 1 795 969.77
Mnqezu 98	R1 960 000,00	R2 200 062.97	R2 200 062.97	12%	R2 200 062 .97
Bulk Infrastructure Project	12 000 000.00	11 863 221.77	R11 863 221.77	1%	11 863 221.77
Pre-engineering projects: - Ngqwaleni- Ntsimbini Dumasi Ntlanjeni Jambeni Tombo Sobaba Nakmpini Ngxongweni Amdwaleni-Qhobishendlini Mswakazi Mpantu Phahlakazi	2 556 507.50	2 068 114.06	2 068 114.06	19%	2 556 507 .50
Municipal Total	26 768 000.00	24 368 000.00	24 368 000.00	9%	29 688 226.77
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.3.8

3.1.4. Comment on overall Electricity Services

Port St John's Municipality has implemented the electrification projects in the rural villages of Port St John's through INEP grant funding. Eskom was also part of the electrification work done during the reporting period. The connection of 794 households was completed awaiting commissioning by Eskom. The installation of 5 high mast lights was completed in 5 wards of Port St Johns. The municipality also constructed 48.8 km of bulk infrastructure to connect the

households to electricity. The total budget for electricity projects was R 17 824 996,89. The INEP expenditure was fully completed at 100% by the of June 2024.

3.2. WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

3.2.1. Introduction to Waste Management

Port St John's town is the only urban area in the Port St John's Municipality area (PSJ LM) and constitutes only 2.6% of its total population; hence economic activities associated with urban areas (e.g. industry) do not exist in the municipality. It is only in town and in some tourism nodes where waste management actively takes place. This function of waste management is not extended to rural areas. Most of the Port St John's Local Municipality area is rural in nature, as are their economic activities.

The active economic sectors of the Port St John's Local Municipality can be divided into community services, trade, agriculture, transport, construction, electricity, energy, & mining and they are mainly clustered around the main urban node. The municipality has very limited resources to adequately provide the service to all its areas. The reviewed Integrated Waste Management Plan (IWMP) was adopted by the Council in the previous financial year, MEC endorsed it during the reporting period. Port St John's Municipality conducted an annual cleaning campaign in May 2024 as one of the means of educating people about waste management and its impact on the environment. The municipality has a community recycling project (Vukayibambe recyclers) taking place at land fill site.

3.2.2. Waste Management achievements

Port St Johns Municipality won a competition for the Greenest Award at District Level and became number 1 with an award of R200 000 which bought the working material such as the grass cutters and canvas covers to mention the few. The material was bought by the district. In the provincial award an amount of R300 000 was won as the municipality won second prize and the Bakkie was purchased through the provincial award. The municipality has been receiving the award for the past 3 years and received a national acknowledgement award as well where the municipality was awarded a tipper truck.

The following areas are workstations where waste was collected:

Mpantu (Business and Residential Area), Agate Terrace (Residential Area, B&B Establishments), Greens Farm (Informal Settlement), Naval Base, Second Beach (Business and Residential), Military Camp, CBD, Second Beach residential area, Tombo Business Area and Isinuka Area. The removal of illegal dumps has been done around the municipality CBD.

On cleaning and greening, the municipality has identified three (3) schools to plant vegetables which will also assist in school nutrition. These schools are Roma SPS in ward 06, Caguba High School in ward 05 and Jabavu Senior secondary school. The revenue made at Jabavu was R7 100,00 for harvesting and selling of vegetables at Tombo Supermarket.

3.2.3. Landfill site management

The municipality has licensed landfill sites, and the monitoring of landfill sites has been done, and medical waste is monitored by the Landfill site attendant during disposal of waste at the Landfill site. We would also like to reflect that there are two recyclers that are stationed at the landfill sites which are Ekuphileni and PSJ recyclers. The development of Parks has also assisted in the management of illegal dumping, we have Mpantu Park, the second beach park where the municipality installed the tabled and at Isinuka Park.

Solid Waste Service Delivery Levels			
Description	Households		
	2021/2022	2022/2023	2023/2024
	Actual	Actual	Actual
	No.	No.	No.
Solid Waste Removal: (Minimum level)			
Removed at least once a week	2846	2235	2235
Minimum Service Level and Above sub-total	2846	2235	2235
Minimum Service Level and Above percentage	100%	0%	0%
Solid Waste Removal: (Below minimum level)			
Removed less frequently than once a week	565	523	523
Using communal refuse dump	487	865	865
Using own refuse dump	565	523	523
Other rubbish disposal	938	720	720
No rubbish disposal	124	124	124
Below Minimum Service Level sub-total	2678	2755	2755
Below Minimum Service Level percentage	0	1	1
Total number of households	5524	5524	5524
			T 3.4.2

Employees: Solid Waste Management Services					
Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	49	74	45	29	39%
4 - 6	6	15	5	10	66%
7 - 9	0	2	1	1	50%
10 - 12	2	2	2	0	0%
13 - 15	0	1	0	1	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	57	92	53	41	45%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.4.5

Financial Performance Year 2023/2024: Solid Waste Management Services					
R'000					
Details	Year -2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1173	2170	3394	1966	91
Expenditure:					
Employees	32088	27352	38683	36727	134
Repairs and Maintenance	35	1750	1507	369	21
Other	5665	14299	16916	11185	78
Total Operational Expenditure	37788	43401	57106	48281	111
Net Operational Expenditure	-36615	-41231	-53712	-46315	112
<i>b</i>					T 3.4.7

Financial Performance Year 2023/2024 Waste Disposal and Other Services					
R'000					
Details	Year -2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	0	0	0	0	0%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.4.8

2.3.4. COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL: -

Port St John's Municipality is responsible for providing refuse removal service for its communities in town and surroundings. Due to limited resources, the services are limited to the urban node. In the areas where the service is currently rendered, the Municipality collected waste on a weekly basis. According to Stats SA 2022 the Municipality services 18.7% of its population. The major challenge in providing the service for the entire Municipality is the limited resources.

The sub-function of waste management includes refuse removal, land-fill site management, and street cleaning. Out of the functions stated, the municipality generates the following estimated quantities: -

FREQUENCY QUANTITY (TONS)

Per month 1989

Per year 23 656

The capital projects prioritised for the financial year were not completed as such moved to the next financial. The municipality has conducted its annual cleaning campaign with support from stakeholders like DEFF, DEDEAT, O.R. Tambo District Municipality Municipal health, and other stakeholders. The aim of the campaign was to educate communities about the risks of an unhealthy environment, their impacts and promote sustainable living spaces. This campaign also raised awareness to keep the environment clean. The recycling project that was established continued to receive support and mentoring from the Municipality, O. R. Tambo District Municipality and the Department of Economic Development, Environmental Affairs and Tourism.

Rehabilitation of the land fill site was done on a quarterly basis using internal and hired plant. The availability of machinery remained a challenge for sustainable management of the land-fill site according to the license conditions and best practices. The initiative to improve security of the landfill site through fencing and electrification was not finalised.

3.5 HOUSING

3.5.1 Introduction to Housing

The Municipality through the assistance of the Department of Human Settlements (DoHS) developed a housing sector plan that has been aligned to the Integrated Development Plan. It is used to guide housing development within the municipality. Department of Human Settlements is the primary funding agent for housing development in Port St John's. It is also the developer for the projects identified and budgeted for. The role of the municipality is limited to human settlement development facilitation and beneficiary administration. The progress of the housing projects implemented within the municipality has been very slow due to low subsidy quantum on the human settlement policy and limited budget for Human Settlements projects. Out of the hundred houses planned, seventy-four were provided.

Capital Expenditure Year 2023/2024: Housing Services	
R' 000	
Capital Projects	2023/2024

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Ntafufu 350	R 22 520 595.20	0	R 5 397 700	0%	R 5 397 700
Port St Johns 259	R 47 250 730	0	R 36 367 095	0%	R 36 367 095
Caguba 300	R 274 654 05	0	R 236 800 00	0%	R 236 800 00
Port St Johns 256 & Port St John's	R 41 321 134.00	0	R 14 435 801	0%	R 14 435 801
Bolani 97 Destitute	0	0	0	0%	0
Mthumbane 321	R 60 900 000.00	0	R11 597 308.94	0%	R11 597 308.94
Port St Johns 50	R 6 100 000.00	0	R 5 208 000.00	0%	R 5 208 000.00
	0	0	0	0%	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.5.6</i>

3.5.2 COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The Department of Human Settlements appointed the Service Provider to conduct feasibility studies for seven projects that were prioritized by the Municipality other than the projects that are in the implementation stage. The additional priorities include the following projects. The projects that were running in this financial year are –

Ntafufu, Port St Johns 259, Caguba 300, Port St Johns 256, Bolani 97, Mthumbane 321 and Port St Johns 50 and projects have incurred expenditure. Municipality is in the process of formalizing informal settlements around port St John's town namely Mpantu, Nonyevu, Zwelitsha and greens Farms. The final report on the study has been completed and therefore recommended that these future projects' numbers be reduced from at least between 200 to 300 units per project to be much more implementable. Through the intervention of the MEC for Human Settlements to address the Human Settlements backlog in Port St John's Municipality, 200 units have been approved and 10 beneficiaries were allocated per ward, and that process has been completed.

3.6. FREE BASIC SERVICES AND INDIGENT SUPPORT

3.6.1 Introduction to Free Basic Services and Indigent Support

The Constitution of the Republic of South Africa Act, 1996, in the Bill of Rights protects social and economic rights, which include Free Basic Services (FBS). The role of developmental local government in partnership with the other spheres of government, that is, provincial and national, is to ensure the improvement of access of free basic services by the vulnerable

groups. FBS are, therefore, a poverty alleviation measure that exists to cushion poor households against vulnerability.

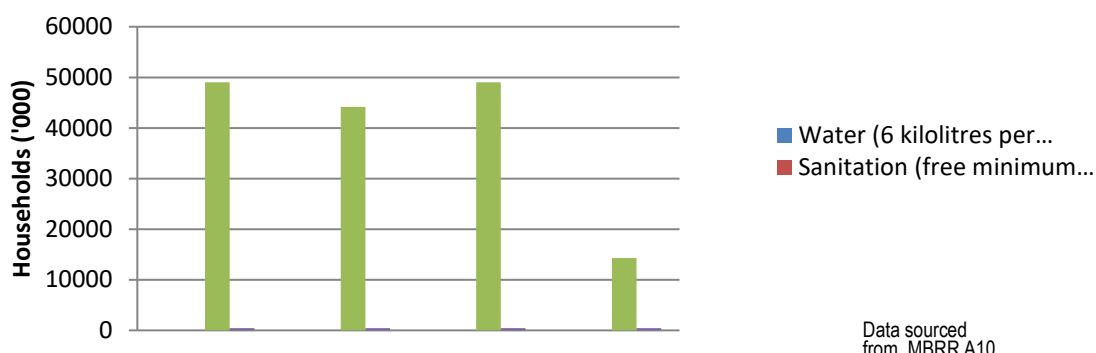
Port St John's Local Municipality adopted an indigent support policy which embodies an indigent support programme, not only providing procedures and guidelines for the subsidization of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence.

The indigent support offered by Port St John's Local municipality is free basic electricity, and alternative energy in a form of nine kg gas cylinder and two burner gas stoves. Indigent register for 2023/24 was approved by Council. Port St John's is largely rural with a huge need for indigent support, the municipality continues to update its indigent register on an annual basis.

The number of households benefitted from free basic services in 2023/2024 was 6727, which includes free basic electricity and alternative energy. The target for 2023/2024 was 5900 as per the IDP and SDBIP, the municipality realized an over achievement in FBS. Below are the pictures where the municipality was handing over alternative energy this financial year.



Free Basic Household Services



Free Basic Services to Low Income Households												
	Number of households											
	Total	Households earning less than R1,980 per month										
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Alternative Energy		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%	Access	%
2020/2021	0	0	0	0%	0	0%	14293	100%	1835	100%	444	100%
2021/2022	0	0	0	0%	0	0%	13000	100%	2000	100%	444	100%
2022/2023	0	0	0	0%	0	0%	4800	100%	1000	100%	444	100%
												T 3.6.3

Financial Performance Year (0) 2023/2024: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year 1(2022/2)3	Year 0 (2023/24)			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	0	0	0	0	0%
Wastewater (Sanitation)	0	0	0	0	0%

3.6.2 COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The municipality offers Free Basic Services in a form of electricity, alternative energy and refuse removal to the needy. Water and sanitation services are offered by O.R. Tambo district municipality. The indigent policy is implemented with indigent register updated annually to ensure it is inline with the policy and other related legislations. The Municipality has put efforts to ensure that indigent services are provided but due to resource limitations it finds it difficult to provide to the satisfaction of the needy.

3.7 ROADS

3.7.1 INTRODUCTION TO ROAD TRANSPORT

Integrated Transport plan was done with the assistance of O.R. Tambo District Municipality and is still valid. The Municipality conducts need assessment from communities on an annual basis as required by chapter 4, & 5 of the constitution of the Republic of South Africa (Act 108 of 1996). After assessment of service needs from communities to be included in the IDP of the municipality in each financial year, priorities are done as per needs assessment and implementation is monitored through SDBIP, Operation and Maintenance and monthly MIG reports.

For the current year, the municipality planned to construct 68.8 km of the new gravel roads. A total number of 64.2km was achieved. Agate Terrace was prioritised for 2023/24 for the surfaced roads with 3,500km however the roads was incomplete and 1,8km was achieved. Some of the challenges in the department were related to the shortage of staff. The department operated without the Senior Manager Engineering for the whole financial year and the Manager PMU was on suspension during the financial which put a strain in the department.

For the provision of access, the municipality has a responsibility to ensure that the construction of bridges and three bridges were completed.

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Kilometers Gravel roads graded/maintained
2021/22	13.00	13.00	2.00	149.30
2022/23	15.00	7.00	1.00	259.20
2023/2024	09	64.8km	1.8km	649.9km
T 3.7.2				

Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Kilometers Tar roads maintained
2020/21	0	0	0	0	0
2021/22	2	2	0	0	1
2022/23	01	01	0	0	1.8km
T 3.7.3					

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2020/2021	33345	0	4900	0	0	0
2021/2022	34000	34000	6100	33000	0	0
2022/2023	55723	55723	6100	33000	0	0

T 3.7.4

Employees: Road Services					
Task grade	Year -2022/2023	Year 2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	11	14	14	0	0%
4 - 6	1	1	1	0	100%
7 - 9	0	0	0	0	0%
10 - 12	3	6	3	3	50%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	5	8	5	3	38%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
T3.7.7					

Financial Performance Year 2023/2024: Road Services					
R'000					
Details	Year - 2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	65536	65785	65907	0
Expenditure:					
Employees	14622	11081	18104	19747	0
Repairs and Maintenance	5217	8400	11100	7266	0
Other	4549	10328	14313	7999	
Total Operational Expenditure	24388	29809	43517	35012	0
Net Operational Expenditure	-24388	35727	22268	30895	0
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8

R' 000					
Capital Projects	Year 2023-2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	64 208 800	64 208 800	64 208 800	0	
Cwebeni access road	R6,252,255.83	R6,252,255.83	R3,870,662.37	0	R6,252,255.83

Codesa to Madakeni Access Road	R6,048,556.68	R6,048,556.68	R6,035,777.88	0	R6,048,556.68
Ngcoya Access Road	R5,761,947.35	R5,761,947.35	R5,737,221.94	0	R5,761,947.35
Babeke Access Road	R4,095,908.31	R4,095,098.31	R3,686,260.56	0	R4,095,098.31
Bizana Access Road	R 6,441,883.85	R6,441,883.85	R6,441,783.85	0	R6,441,883.85
Rhawutini Access Road	R6,354,687.25	R6 354 687.25	R6,328,616.73	0	R6 354 687.25
Luzuphu Access road	R6,663,512.85	R6 663 512.85	R6,657,513.31	0	R6 663 512.85
Gogogo access road	R5,908,225.05	R5,908,225.05	R5,858,897.34	0	R5,908,225.05
Lityeni to Tyiwani Access road	R5,258,289.90	R5,258,289.90	R5,258,288.90	0	R5,258,289.90
Ward 7 community Hall	R5,306,555.01	R5,306,555.01	R5,306,455.01		R5,306,555.01
Military Base Sport Filed Facilities	R4,011,580.62	R4,011,580.62	R3,250,102.87	0	R4,011,580.62
Aggate phase 3	R17,274,995.52	R17,274,995.52	R17,274,995.52	0	R17,274,995.52
Butho Bridge	R10,054,332.29	R10,054,332.29	R10,054332.29	0	R10,054,332.29
Snangwana bridge	R5,409,698.31	R5,409,698.31	R5,409,698.31	0	R5,409,698.31
Magumbini bridge	R5,997,108.14	R5,997,108.14	R5,997,108.14	0	R5,997,108.14
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.7.9</i>

3.7.2 COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

There were five gravel access roads planned to be completed in 2023/24 financial year, and one 3km paved road, 1 community hall and Sports Field as well as four access roads that were rolled over for practical completion from 2022/23 FY which was included in 2023/24 SDBIP during mid-year adjustment period. At the financial year end of 2023/24, the municipality had successfully constructed 64.2 km of access roads from nine access roads projects that were completed and the remainder of 3km for Cwebeni project which will be closed off where it is. The projects were funded from MIG, DMRG and OTP. The allocations were fully spent at financial year end. There were in-house implemented projects. In-house Plant Maintained the roads in all 20 wards to a total of kilometres.

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

3.8.1. INTRODUCTION TO TRANSPORT

The Municipality has a driving license testing centre that is operational but is only limited to learners license testing with the view to extend the scope in future to include the vehicle registration and testing

of driving licenses. Construction of the testing ground is underway planned for completion in the next financial year.

Financial Performance Year 0: Transport Services					
R'000					
Details	Year - 2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	0	0	0	0	0%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.8.5</i>

3.8.2. Comment on the performance of transport overall:

The Municipality has managed to make the driving License centre operational during but only limited to issuing of learner's license

3.9. WASTE WATER (STORMWATER DRAINAGE)

3.9.1 Introduction to stormwater drainage

The storm water management is addressed during implementation of access roads, and it is catered for in all road's projects. Storm water drainage is maintained continuously to ensure that no blockages that can cause flooding due to overflow. Construction and mechanical unit is responsible for maintenance of drains in all existing roads using internal resources (Machinery & human resources).

Stormwater Infrastructure				
Kilometers				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2021/22	39		0	8
2022/23	38		0	0
2023/24	43		0	1900
<i>T 3.9.2</i>				

Capital Expenditure Year 2023/2024: Storm-water Services					R' 000
Capital Projects	Year-2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.9.8

3.10. PLANNING AND DEVELOPMENT

3.10.1. Introduction Planning

The Development Planning unit develops and implements policies for regulating the use and development of land in support of the Municipal IDP plans and vision. The Unit works towards guiding new development that allows for growth while advertising impacts, protecting sensitive natural areas, promoting good urban design, ensuring adequate infrastructure to accommodate growth, and lessening the impact of new development on existing settlements.

The Development Planning Unit is involved in various projects which assist other service delivery units to focus on problem solving to uplift and sustain development within the Municipality as a whole. The unit also supports a wide range of economic development programmes that are aimed towards enabling Municipal-wide growth and sustainable development.

The Municipality has adopted key spatial development strategies (Port St John's Master Plan, Nodal Development Strategy and Spatial Development Framework). These strategies have been linked to the Integrated Development Plan and are geared towards addressing spatial disparities in both rural and urban areas. The above-mentioned strategies are also used as guidelines for development coordination and investment promotion. Funding for implementing projects identified in the strategies remains a challenge.

The Municipality does not receive substantial number of land use applications, as a result, there are no backlogs. It is also worth noting that the decision-making body for land use and land development applications for the Municipality being the joint planning tribunal established with Ingquza Hill Local Municipality for a period of 5 years from 2018 in terms of SPLUMA lapsed in 2022 and since then the Municipality could not make any decision on such applications. The Unit is also responsible for the following functions related to building inspectorate; Building Plan approval services and consultation; The inspection of various stages of building work; Attending to complaints regarding building work, dangerous buildings, storm water problems advice on demolitions. The municipality was able to achieve the target

it set to approve plans without concerns within three weeks of submission. However, a building control office has not been employed which has resulted in limited building construction monitoring as stipulated in the National Building Regulations and Building Standards Act.

Applications for Land Use Development 2023-2024						
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	0	0	2	1	0	0
Determination made in year of receipt	0	0	0	0	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	1	0	0	0
Applications outstanding at year end	0	0	0	1	0	0
						T 3.10.2

Planning Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -2022/2023		Year 2022/2023		Year 2023/2024	Year 3 2024-2025		
		Target	Actual	Target	Actual		Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Determine planning application within a reasonable timescale	Approval or rejection of all build environment applications within a x week	Determination within x weeks	Determination within x weeks	Determination within 12 weeks	Determination within 12 weeks	Determination within x weeks	Determination within 11 weeks	Determination within 8 weeks	Determination within 8 weeks
	Reduction in planning decisions	0 planning decisions overturned	0 planning decisions overturned	0% planning decisions overturned	0% planning decisions overturned	0 planning decisions overturned	0% planning decisions overturned	No planning decisions overturned	No planning decisions overturned

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	overturned								
		0	0	0	0	0	0	0	0
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T 3.10.3

Employees: Planning Services					
Task grade	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	2	0	2	100%
7 - 9	0	0	0	0	0%
10 - 12	0	4	1	1	25%
13 - 15	1	2	2	2	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	100%
Total	1	8	3	5	63%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T 3.10.4

Financial Performance Year 0: Planning Services						R'000
Details	Year - 2022/23	Year 2023/24				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	1219	0			0%	
Expenditure:						
Employees	4772	7394	7635	3798	49%	
Repairs and Maintenance	0	0	0	0	0%	
Other	2889	16470	16802	12412	25%	
Total Operational Expenditure	7661	23864	24437	16210	32%	
Net Operational Expenditure	-6442	-23864	-24437	-16210	32%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.10.5

Capital Expenditure Year 2023/2024: Planning Services					
Capital Projects	Year 2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	750	750	0	100.00%	
Spatial Development Framework	0	0	0	100.00%	0
Land Use Scheme	0	0	0	100.00%	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.10.6

3.10.2. COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Spatial Planning plays a crucial role in shaping physical environment and guiding development. Key roles that the Unit is discharging include. Land use management where there is regulation of land use, zoning and subdivision to ensure compatible uses, housing development which include facilitation of housing development. GIS by maintaining spatial data, maps and analysis to inform planning decisions. This financial year the municipality has developed comprehensive Spatial development Framework, Land Use Scheme and Mater Plan taking into cognisance of new development. Land Audit is one the projects that the municipality has engaged on, but the projects will be finalised in 2024/2025 financial year. Bylaws on prevention of illegal eviction and outdoor advertising have been adopted by the Council There is still a prevalent challenge of land claim.

3.11. LOCAL ECONOMIC DEVELOPMENT

While the community is at the centre of all efforts, local economic development is underpinned by private sector initiative and government support. Local SMMEs are included in the private sector, in addition to big businesses. The local municipality in Port St. Johns is referred to as the government in this context, with supporting functions also played by the district, province, and other branches of the public sector. There are several issues that need to be resolved to ensure that future developments do take place as well as to attract investments. Infrastructure needs urgent planning, as well as upgrading to be able to deal with future growth and development. The focus therefore needs to be on these critical aspects in terms of planning, fund raising and implementation. Improvement of civil services, especially sewage and storm water; improvements to road infrastructure; finalisation of land transfers to complete the land restitution project and the compilation of an Environmental Management Plan to clarify environmental issues are all identified as critical actions with regards to the town's development.

The approved LED strategy has goals, key pillars and projects as follows:

Goals:

- Economic Diversification
- Business Retention and Expansion

- Economic Infrastructure
- Technology and digital Infrastructure
- Tourism Development, marketing, and Promotion
- Arts, Crafts, and cultural promotion
- SMME development and poverty alleviation including support to informal Traders.
- Investment Promotion, Business development and support
- Innovation and Entrepreneurship
- Foster Partnerships and collaboration
- Exports and trade

Targeted Sector Support

Agriculture.

It is identified as the fruit hub of the Eastern Cape due to various fruits that are grown in the area. The municipality is in the processing of having banana hub, fruit packaging centre and fresh produce market. Other commodities include maize production, livestock, macadamia nuts and honey. Port St Johns is as known for cannabis production due to indigenous farmers growing cannabis. One of the great challenges facing the agricultural sector is to increase the number and variety of viable and sustainable economic agricultural enterprises. The global downturn in the past few years has further amplified this challenge. Government is of the view that strengthening competitiveness and promotion of small and medium-sized enterprises and cooperatives remain cornerstones for the growth of the economy and the creation of decent work opportunities. In the agricultural sector, it is found that entrepreneurial and management skills/abilities are lacking in many individuals who are trying to access enterprising opportunities. The climatic conditions render Port St John's viable for several agricultural products. Although agriculture is prevalent throughout the area, it is not a significant contributor to the economy of the area because of its subsistence nature. Agriculture appeals to the rural nature of settlement throughout the municipality, whilst accounting for the biophysical endowments that support the up scaling of this form of activity. The main objective for agricultural development is to recognise the fact that most agricultural activity in the locality is currently undertaken by small holders, and that commercial enterprise is currently bounded in its possibilities by the land tenure system.

Tourism

Port St Johns is a popular holiday destination due to the excellent fishing sports at the river and seas. Other activities on offer include golf, hiking boat-based dolphin viewing, quad biking, fly fishing and Silaka Nature Reserve. Because of its setting, natural beauty, and man-made attractions, Port St. John's enjoys an advantage over its competitors. To maximise the number of tourists and their spending in the area, this goal will solve the difficulties associated with product creation and marketing. According to Port St. John's local economic development strategy, the tourism industry is expected to grow. It could boost economic activity and serve as a job generator.

Enhancement of Rural Livelihoods

This goal recognises the fact that over 90% of our community resides in non-urban settings as such it is important that one of the strategic goals directly seek to uplift the quality of services and programmes implemented. Infrastructure has been identified as deemed to be predetermining for any forms of investment and thus development of the area. In effort to enhance rural live hoods, the department continues to support small scale farmers with agricultural inputs as means to ensure food security to our communities. Informal trading represents some of the initiatives taken by the rural unemployed as means of addressing the challenges of unemployment and poverty. Informal trading involves unorganized small-scale, self-employment creating activities which might involve individuals or unremunerated relatives of the business owner. The municipality therefore recognises the role played by informal trader in improving rural livelihoods. Through a developmental approach, the Municipality seeks to facilitate the access to job and entrepreneurial opportunities within the informal trading sector. Furthermore, and the nurturing of a positive relationship with the formal business sector and consumers by providing a stable regulatory and flexible management environment that is predictable, empowering, and sustainable.

Enterprise Capacitation

The development of small businesses is recognized as a common strategy for Local Economic Development in South Africa. The municipality is playing a facilitator role between government departments and agencies to support SMME's and further play a pivotal role in creating a conducive environment for entrepreneurial development.

Through this sector support, the municipality aims at creating opportunities and tools to develop small business through procurement, a partnership with relevant partners and the development of a small business programme for the area. This approach ensures that the Municipality addresses in a more effective way interrelated objectives of poverty eradication, employment creation and economic growth. It also includes the development and use of labour intensive and community-based construction measures and affirmative procurement to direct infrastructure to SMMEs. Promotion of Entrepreneurship spirit, development of Small Enterprise and the Cooperatives has been identified as crucial area of consideration. This goal addresses issues on the creation, attraction, and retention of enterprises either small or large business.

Key Pillars:

- Tourism Development and Promotion
- Entrepreneurial Development and Support
- Agricultural Development
- Infrastructure Development
- Skills Development
- Enabling Municipal Environment
- Projects implemented in the financial year are as follows:

- Construction of Mpantu Hawkers' Stalls
- Construction of Staircases at Isinuka
- Development of an Agricultural Support Plan
- Support to Small Scale Farmers with Agricultural Inputs
- Facilitation of Isingqisethu Cultural Festival
- Hosting of Cultural Heritage Celebrations
- Training of SMME's on manufacturing of cleaning products
- SMME Development and Support
- Implementation of the Community Works Programme
- Marketing and promotion of Port St Johns and craft products in Tourism events
- Training of SMME's in Construction
- Awareness workshops on Informal Trader By-laws
- Building Inclusive Green Municipalities

Targeted Sector Support

Agriculture.

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- Agricultural Development

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 - Implementation of the Community Works Programme
 - Marketing and promotion of Port St Johns and craft products in Tourism events
 - Training of SMME's in Construction
 - Awareness workshops on Informal Trader By-laws
 - Building Inclusive Green Municipalities

Economic Activity by Sector			
			R '000
Sector	Year -2021/2022	Year 2022/2023	Year 2023/2024
Agriculture forestry and fishing	2	4	9
Mining and quarrying	2	4	8
Manufacturing	63	65	65
Wholesale and retail trade	52	55	58
Finance, property, etc.	52	54	56
Government, community, and social services	25	27	30
Infrastructure services	41	60	67
Total	236.5	269	293
			T 3.11.2

Economic Employment by Sector			
			Jobs
Sector	Year -2021/2022	Year -202/22023	Year 2023/2024
Agriculture, forestry, and fishing	No.	No.	39 000
Mining and quarrying	30,000	36 000	36 000
Manufacturing	372,000	385 000	390 000
Wholesale and retail trade	270,000	270 000	285 000
Finance, property, etc.	210,000	230 000	240 000
Government, community, and social services	235,000	235 000	250 000

Infrastructure services	320,000	325 000	350 000
Total	450,000	490 000	1 590 000
			T 3.11.3

3.11.1 COMMENT ON LOCAL JOB OPPORTUNITIES:

Job opportunities were created mostly on the EPWP Projects that are under the Engineering services department as reported in the table below on EPWP. 400 employment opportunities have been created in the year under review through various EPWP projects and the projects implemented under the Small-Town Revitalisation funded by the Office of the Premier.

Government, community, and social services remain the major employer to the community of Port St Johns. This is attributed to the inability of the town to attract private investment because of dilapidated infrastructure. With the Eastern Seaboard Development/ Coastal Smart City to start from Port St Johns, it is envisaged that major infrastructure investment will be directed to the area which will attract more businesses thus creating more employment opportunities. Agriculture Forestry and Fisheries is one primary sector that if fully supported would contribute towards reducing unemployment in Port St Johns and a lot is still required to boost the potential of Majola and the fishing coastal communities. Mantusini dairy has remained the beacon of hope to the rural communities surrounding Mantusini and an integrated effort must ensue between government and private sectors, led by the local municipality to look at possible models of running the dairy farm.

Temporary employment opportunities created through implementation of SANRAL projects have benefited the local communities and with the projects planned under the N2 Wild Coast Highway, there are possibilities of employment for our local people. The municipality has implemented most planned projects in various wards thus creating temporary job opportunities. The Small-Town Revitalisation funded by the Office of the Premier continues to support our SMME's and local employment.

Jobs Created during Year 2023/2024 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (01)				
2021/2022	1078.00	5.00	1073.00	MIS
2022/2023	1084.00	12.00	1072.00	MIS

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Community Works Programs (2018/19)	3242.00	25.00	3262.00	
T 3.11.5				
Initiative C (Year 0)	0	0	0	

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2021/2022	14	453
2022/2023	15	261
2023/2024	9	490
* - Extended Public Works Program		T 3.11.6

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -2021/2022		Year 2022/2023			Year 2023/2024	Year -2023-2024	
		Target	Actual	Target	Actual		Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Tendering and construction management skills	35.00	33.00	33.00	34.00	33.00	33.00	x people trained	x people trained	x people trained
SMME Training in Construction	20	15.00	34.00	25.00	20.00	20.00			
Business Skills Training	25.00	0.00	20.00	0.00	20.00	20.00			
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T 3.11.7

Employees: Local Economic Development Services					
Task grade	Year - 2022/2023	Year 2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%

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7 - 9	1	2	1	1	50%
10 - 12	3	9	2	7	78%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	1	1	1	0	0%
Total	7	14	6	8	57%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.11.8

R'000					
Details	Year -2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	310	74	80	677	-815%
Expenditure:					
Employees	3052	5958	5958	4235	29%
Repairs and Maintenance	22	33	50	30	9%
Other	11480	11772	13802	11396	3%
Total Operational Expenditure	14597	15317	17364	14718	4%
Net Operational Expenditure	-14287	-15243	-17284	-14041	8%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the original budget.					T 3.11.9

Capital Expenditure Year 2023/24: Economic Development Services					
R' 000					
Capital Projects	Year 2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0			
Refurbishment of adventure centre	478600	0	0	0	100%
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.11.10

3.11.2. COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The municipality's economy is based mostly on LED, which prioritizes the development of the economic sectors that propel the economy. The municipality's primary sources of income are agriculture, tourism, and the maritime economy, all of which have significant economic growth potential. Sustainable partnerships with the commercial sector, the community, and sector departments enable the realization of LED. One of the initiatives to improve LED will be the implementation of mentoring programs to guarantee the supply of high-quality produce. Ocean-related economic activity encompasses both directly and indirectly ocean-based economic activity. The municipality has authorized fishermen who receive equipment assistance.

Travel to the municipality is a popular activity, drawing both domestic and foreign visitors. Due to its many attractions, tourism to the municipality is expanding rapidly. To guarantee that local businesses are promoted, there are marketing venues like the quarterly flea markets and tourism event, as well as the yearly Isingqisethu Provincial Event, which benefits local artisans, visitors, and the lodging industry.

3.12. COMMUNITY SERVICES**3.12.1. introduction to Community and Social Services**

The Community Services Department has the following key functions; establish, conduct and control facilities for the purpose of disposing human remains; Co-ordinate community needs for health services; Provide, manage and maintain libraries for public use in partnership with the Department of Sport; Arts and Culture and O.R. Tambo District Municipality.; Provide, manage and maintain community facilities for public use; Respond and provide support to affected communities; Provide recreational services to all communities; Improve social welfare of the community; Provide, manage, preserve and maintain any municipal place, land, and building reserved for the protection of places or objects of scenic, natural, historical and cultural value or interest;

- Ensure public safety,
- Waste management services

The department strives to provide and coordinate all the services listed above with the limited resources. There are funding constraints that impact on the provision of some of the services. The department consistently reports to Council on the externally managed services like health care service, disaster management and libraries.

**3.12.2. LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES;
OTHER (THEATRES, ZOOS, ETC.)**

Libraries: The purpose of providing library services is to provide communities at each stage of their development with access to educational material, information, programmes, and services that instil and nurture a culture of reading and lifelong learning.

Objectives.

Closing the gap between resourced and under-resourced communities

- Support the cultural, educational, and recreational needs of communities.
- Promote internet as a valuable research tool for information.
- Promote freedom of Information

Key programmes.

1. Library Week
2. Literacy day

Objectives of the Library week.

Highlighting how libraries promote access to information, as enshrined in the Bill of Rights

Enhancing nation building and community development by opening the doors of learning to all.

Showcasing libraries as desired spaces for connecting people to each other, learning resources, communities, government, the world and the environment; advancing literacy through the intellectual and aesthetic development of all ages; providing access to global knowledge and information in different formats to advance research and create new knowledge; fostering a spirit of enquiry and desire for lifelong learning; challenging one's own beliefs and inculcating a respect for diverse beliefs, opinions and views; contributing towards the development of an informed nation, and South Africa becoming an information society.

Literacy day,

International literacy day is an annual United Nations sanctioned event that falls on September 8 aimed at raising people's awareness of and concern for literacy issue.

The Municipality also host this event annually and rotated amongst the schools within the Municipality. Inter-schools' competitions are also held on the day for drama, poetry, reading, storytelling, and other cultural activities. Awards are then handed to the top achiever for each of the sub-events.

Archives: The Municipality is still experiencing some challenges regarding archiving of documents due to insufficient resources; assistance was received from the Archives office in Umtata for development of necessary guiding documents (File Plan and Records Management policy) but have not yet approved by the Municipal Council.

Community facilities.

Community halls

The municipality did not construct a new community hall during the year under review. Due to limited resources, it has also struggled to maintain the existing halls to a reasonable use standard. There are challenges that still need to be addressed to ensure that all community halls are kept at a state that they can be used and managed effectively by the municipality and the communities. There is a shortage of staff for managing the community halls and security personnel to guard against vandalism.

3.12.3. SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

The Municipality has a provision for the community services listed below which are maintained as required but due to limited resources, we might not provide services to the level expected by our communities.

Facility	Number
Community Halls	13
Sports facilities	5
Cemeteries	2
Beach facilities	9
Library	3
Heritage Sites	2
Parks	6

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Task grade	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	2	1	1	50%
7 - 9	0	0	0	0	0%
10 - 12	1	2	2	0	0%
13 - 15	0	1	1	1	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	5	4	2	40%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior					

management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T 3.12.4

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year - 2022/23	Year 2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	550	550	840	556	-1%
Expenditure:					
Employees	436	801	801	464	42%
Repairs and Maintenance		60	60	40	0%
Other		417	712	334	20%
Total Operational Expenditure	436	1278	1573	838	34%
Net Operational Expenditure	114	-728	-733	-282	61%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the original budget.					
T 3.12.5					

Capital Expenditure Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	96	0	101	5%	
Library Programs	100 000.00	100 000.00			
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.12.6					

3.12.4. COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERAL:

There were no capital projects for Libraries, Archives, Museums, Galleries, Community Facilities; and other in implemented in 2023/2024 financial year. We have participated to the literacy day event that was convened by the Department of Sports, Arts, & Recreational and the Library week.

3.13. CEMETORIES AND CREMATORIUMS

3.13.1 Introduction to cemeteries & crematoriums

The Municipality has two official cemeteries, one of the cemeteries has reached its maximum capacity and the second cemetery is 99% full. The Municipality provides space for communities to bury their loved ones at the cemetery in town at a fee. There are no crematorium services provided by the Municipality.

3.13.2 SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

The Municipality experienced a challenge regarding cemetery services due to non -availability of space. The Municipality provided the grave digging services which is done and completed within 3 days of payment. We have since approached the Caguba Traditional authority and Caguba CPA to acquire a space for Cemetery development, but this did not bear any good results.

Employees: Cemeteries and Crematoriums					
Task grade	Year -2022/2023	Year 2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	3	6	3	3	50%
7 - 9	0	0	0	0	0%
10 - 12	0	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	4	3	1	25%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
					T 3.13.4

Financial Performance Year 2022/2023: Cemeteries and Crematoriums					
R'000					
Details	Year - 2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	152	55	53	25	55%
Expenditure:					
Employees	1411	424	424	429	%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	9282	5743	5743	9873	-72%
Net Operational Expenditure	-9130	-5688	-5690	-9848	-73%
					T 3.13.5

Capital Expenditure Year 2023/24: Cemeteries and Crematoriums					R' 000
Capital Projects	Year 2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	750	0	133	0%	
None	0	0	0	0%	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.13.6

3.13.3 COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OVERALL:

In our plan for 2023/2024 we planned to acquire a land parcel for Cemetery development project but due to delays to finalise agreement with Caguba traditional authority and CPA the project could not be implemented and as such it was moved to 2024/2025 due to challenges around the land issues.

3.14. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

3.14.1. INTRODUCTION TO CHILDCARE; AGED CARE; SOCIAL PROGRAMME

Social programmes.

The municipality hosts an annual mayoral cup, an event that is aimed at promoting sports development within the Municipality. In this financial year winners at ward level were given sports equipment and sports clothing

Childcare

- The Municipality provides the following as part of childcare and support: -
- Child protection week program,

Youth

- Memorial lecture
- Back to school campaign

Aged care.

- Local Golden Games
- District Golden Games
- Alzheimer dementia awareness

Women

- Women's month celebration in partnership with Women solidarity movement
- Debriefing dialogue on Gender Based Violence (16 Days of activism)

HIV/Aids Programmes.

- World Aids Day build-up program -Candlelight
- Draft HIV/AIDS Strategy

Disabled

- Disability Rights awareness program

3.14.2. SERVICE STATISTICS FOR CHILDCARE

Childcare, aged care and social programs are provided by the municipality under a Special Programs unit within the office of the mayor. Port St John's Municipality needs to ensure that the communities are cared for, and that support is given to those who are vulnerable in our communities. This unit within the municipality seeks to ensure that senior citizens, people living with disabilities, vulnerable children, Women, Youth and people living with HIV/Aids receive the needed support.

The unit programs also focus on women empowerment which assists in providing life skills training that ensure men and women can sustain themselves through life on their own. There are also programs targeting awareness around women and child abuse which ensures that communities are well informed and empowered regarding their rights and how to act in such instances of abuse. During the financial, the Special Programs forum was established which is the umbrella of all SPU programs. The Municipality hosted a. Mayoral cup program on the 11-12 May 2024 which was aimed at enhancing sport development. The program started from the ward level and finalized at local level winners given monetary prizes and roving Cups.

Employees: Childcare; Aged Care; Social Programmes					
Task grade	Year -2022/2023	Year 2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	2	1	1	50%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	2	1	1	50%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.14.4

Financial Performance Year 2023/2024: Childcare; Aged Care; Social Programmes					
R'000					
Details	Year -2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	359	381	381	381	0%
Repairs and Maintenance	88	125	105	49	61%
Other	1682	2733	3324	2640	3%
Total Operational Expenditure	2107	3179	3750	3048	4%
Net Operational Expenditure	-2107	-3179	-3750	-3048	4%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.14.5

Capital Expenditure Year 2023/2024: Childcare; Aged Care; Social Programmes					
R' 000					
Capital Projects	Year 2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
None	0	0	0	0	0%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.14.6

3.14.3. COMMENT ON THE PERFORMANCE OF CHILDCARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

The municipality coordinated the childhood development programs, women development forum, HIV/AIDS, TB & candlelight, plan, hosted disability sector summit, hosted disability rights months. These were aimed at promoting social cohesion and promote sports development. The programmes were very successful, and all wards participated in some of them.

3.15. ENVIRONMENT PROTECTION**3.15.1. Introduction To Environmental Protection**

Port St John's is an environmental sensitive area with various environmental management issues, and has an environmental management office that is responsible for environmental related issues including EIA, Alien Plant vegetation, illegal sand mining, deforestation, illegal dumping etc.

3.15.2. Pollution Control

Port St John's has no measures to control pollution nor a budget thereof. Fire awareness campaigns are conducted quarterly by O.R. Tambo District Municipality to ensure that the community is aware of the dangers.

Employees: Pollution Control					
Task grade	Year - 2022/2023	Year 2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
T 3.15.4					

Financial Performance Year 2020/21: Pollution Control					
R'000					
Details	Year -2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
Total Operational Expenditure	0	0	0	0	0

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Net Operational Expenditure	0	0	0	0	0
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.15.5</i>

Capital Expenditure Year 2023/2024: Pollution Control					R' 000
Capital Projects	Year 2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
None	0	0	0	0	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.15.6</i>

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL: -

. The Municipality has maintained regular cleaning and waste collection in town and surroundings.

T 3.15.7

3.16. BIO DIVERSITY, LANDSCAPE AND OTHER

3.16.1. Introduction Bio-Diversity And Landscape

No biodiversity and landscape related incident ever experienced and as such no measures of improvement was undertaken. The issues of biodiversity and landscaping are handled through DFFE.

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

There are no capital projects or a budget for this function.

T 3.16.2

Financial Performance Year 0: Biodiversity; Landscape and Other					
R'000					
Details	Year -2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	0	0	0	0	0%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.16.5</i>

Capital Expenditure Year 2023/2024: Biodiversity; Landscape and Other		R' 000
Capital Projects	Year 2023/2024	

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
None	0	0	0	0	0%
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.16.6</i>

Capital Expenditure Year 2023/2024: Biodiversity; Landscape and Other					
R' 000					
Capital Projects	Year 2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
None	0	0	0	0	0%

3.16.2. COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

There are no capital projects or a budget for this function

3.17. SAFETY AND SECURITY

3.17.1. Introduction To Security & Safety

The Municipality provided public safety services in the form of Traffic Control Services, and security services. The Safety and Security Unit helps to ensure a safe environment and improves quality of life through effective traffic policing combined with efficient use of security officers. Traffic services include control and regulation of all forms of traffic; Promote education and training in road and traffic safety; Attend to scenes of motor vehicle collisions and assist with traffic control, removal of injured persons, and removal of vehicles so that traffic may flow freely. Eliminate points of congestion, obstruction, hindrance, interference, or danger to vehicles and pedestrians. Other areas of service provision that require the attention include by-law enforcement and crime prevention.

The internal Security Services section responsibilities include protection of municipal assets, and access control to municipal buildings. Security personnel provided services for protection of Municipal assets (movable and immovable). There were challenges regarding working tools, and human resource capacity (limited skills), due to limited financial resources. The Municipality is embarking on safety and lawful initiative. Key objective of this initiative is to provide camera surveillance of certain areas within the Municipality, so as to encourage a crime-free environment for the benefit of Port St. Johns communities, and to attract investors and promote development, tourism and job creation.

The Municipality in its commitment to fight against crime, closely works with partners such as South African Police Services, Department of Justice and other safety and security agencies in a bid to prevent and reduce the negative effect of crime to our communities. Port St John's municipality's structure on public safety unit has a limited staff compliment whose service is to fight crime or law enforcement. Only few traffic officers and security personnel who currently work with external stakeholders to combat crime.

The municipality is in a process for reviving its forums including safety forum. With the structures having been established and endorsed, the Municipality would developing a community safety plan that will coordinate and integrate the duties of the structure with the assistance of Department Safety and Liaison.

3.17.2. POLICE

3.17.2.1. Introduction To Police

Port St John's area has one police station situated in town. Port St John's police station assist in visible policing and crime fighting within the jurisdiction of Port St John's. An area of approximately 1 300 square kilometres in Port St Johns is currently policed. The ratio of functional police officials per community is reported to be 1:2377 whereas the recommended ratio is 1:500. That implies that there is still a shortage of workforce in the field of SAPS. The most common incidents are the following: - Attacks on tourists; Faction fights; Theft; Robbery; Domestic related crimes; incidents (road accidents and drowning) etc. The station, among its priority, is focussed on addressing rape, murders, armed robbery, house breaking and assault with grievous bodily harm. Their main objective, however, is to make the community safe and secure for all its members. These crimes are commonly believed to be because of lack of or limited streetlights in certain areas, liquor abuse, deserted informal houses, shebeens as well as incautious movements of tourists.

Community awareness programmes are constantly held by the police and the relevant stakeholders such as municipal law enforcement officers. This is most likely to reduce the crime rate in Port St John's Local Municipality.

Employees': Police officers					
Task grade	2022/2023	2023/2024			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	31	65	27	38	58%
7 - 9	5	15	11	4	27%
10 - 12	3	5	3	2	40%
13 - 15	1	2	0	2	100%

16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	40	87	41	46	53%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.20.4

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

3.18.1. introduction to disaster management, animal licencing and control, control of public nuisances, etc.

Disaster Management is the District Municipal function, and Port St Johns Municipality plays a facilitation role. Animal control will soon be addressed through animal pound that is underway. Control of public nuisances is addressed using the by-laws enforcement.

3.18.2. SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

The Municipality was hit by floods in the previous financial year which had an effect to the plans of the current year. Some people were displaced due to the fact their houses were severely damaged. We received some assistance from all corners of the country to rescue the situation. Port St Johns was declared as a disaster zone. Some of our infrastructure assets and project such as roads, bridges and buildings were badly affected, and assistance had to be requested from various institutions to repair the damaged areas.

3.18.3. COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

Disaster Management is managed at a district level. We acquired a land parcel for the development of the animal pound for control of animals otherwise we do not provide licensing services for animals.

3.19. SPORTS AND RECREATION

3.19.1. Introduction to Sport and Recreation

The main priority regarding sports development was the hosting of the mayoral cup and assisting the Department of Sports, Arts and Culture to successfully host the annual festival

(Isingqisethu) in Port St John's. Mayoral cup is meant to enhance sport development in Port St Johns in different areas of sport.

3.19.2. SPORT AND RECREATION

3.19.2.1. SERVICE STATISTICS FOR SPORT AND RECREATION

The municipality planned to maintain two sports fields of which were not done due to challenges related to supply chain processes.

Employees: Sport and Recreation					
Task grade	2022/2024	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	0	1	100%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	1	50%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
T 3.23.3					

3.22.2 COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

Port St Johns hosts mayoral cup annually and it has a budget for that with all the twenty wards participating. The Mayoral cup was hosted in May 2024 with tournaments started at ward level. The winners were ward 11 men's soccer team, ward 02 ladies' soccer and ward netball team

3.23. CORPORATE POLICY OFFICES

3.23.1. INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.

Policies are developed to establish expectations and to provide guidance on how to consistently handle workplace situations. Although most company policies are not all-encompassing, they provide direction regarding what is appropriate as well as inappropriate or unacceptable behaviour. Corporate services department is the driver of the policy development in the municipality. These policies are then taken to council for approval following internal processes.

3.23.2. EXECUTIVE AND COUNCIL

3.23.2.1. Introduction to executive and council

Council is the highest decision-making body in a municipality and seats every quarter unless a special council meeting is arranged by the Speaker for urgent matters. Port St John's Municipal Council has executive and legislative powers. The office of the Mayor and Speaker are full-time with the rest of the Council members' part-time. Council has five section 80 committees reporting to Executive, and six section 79 committees including Executive committee. Section 79 committees are performing functions delegated to them by council as documented in the delegation of responsibilities policy and directly reporting to Council Committees.

For purposes of administering political oversight the Council is supported by the following standing committees which are each chaired by a nominated Councillor. The following table reflects the committees of Council and their respective purposes, as well as the frequency of meetings during a financial year.

COMMITTEE NAME	COMMITTEE TYPE	FUNCTIONS	NO. OF MEETINGS
COUNCIL	Council	Political oversight	4 Ordinary Council meetings, Special Councils depend on the Municipal business
Executive Committee	EXCO	Deals with matters delegated to it by Council and legislation as indicated in the delegation of responsibilities policy	4 ordinary EXCO, Special EXCO depend on the Municipal business
Budget Treasury Office Standing Committee	Section 80	Financial Management Oversight	4 Ordinary standing Committee Meetings. Special Standing Committee are convened as per need arises
Local Economic Development & Planning Standing Committee	Section 80	All matters requiring attention arising from the provisions of the relevant legislation inline the departmental mandate and the Municipal Delegation Framework	4 Ordinary standing Committee Meetings. Special Standing Committee are convened as per need arises.
Corporate Services & Planning, Research & IGR	Section 80	All matters requiring attention arising from the provisions of the relevant legislation inline the departmental mandate and the Municipal Delegation Framework	4 Ordinary standing Committee Meetings. Special Standing Committee are convened as per need arises
Community Services Standing & SPU	Section 80	All matters requiring attention arising from the provisions of the relevant legislation inline the departmental	4 Ordinary standing Committee Meetings. Special Standing Committee are convened as per need arises

		mandate and the Municipal Delegation Framework	
Engineering Standing Committee	Section 80	All matters requiring attention arising from the provisions of the relevant legislation inline the departmental mandate and the Municipal Delegation Framework	4 Ordinary standing Committee Meetings. Special Standing Committee are convened as per need arises
MPAC	Section 79	Deals with matters delegated to it by Council	4 Ordinary standing Committee Meetings. Special Standing Committee are convened as per need arises.
Rules Committee	Section 79	Deals with matters delegated to it by Council and legislation as indicated in the delegation of responsibilities policy	4 Ordinary standing Committee Meetings. Special Standing Committees are convened as per need arises
Ethics & Members Interests	Section 79	Deals with matters delegated to it by Council and legislation as indicated in the delegation of responsibilities policy	4 Ordinary standing Committee Meetings. Special Standing Committees are convened as per need arises
Public Participation	Section 79	Deals with matters delegated to it by Council and legislation as indicated in the delegation of responsibilities policy	4 Ordinary standing Committee Meetings. Special Standing Committees are convened as per need arises
Women's Caucus	Section 79	Deals with matters delegated to it by Council and legislation as indicated in the delegation of responsibilities policy	4 Ordinary standing Committee Meetings. Special Standing Committees are convened as per need arises.
Audit Committee		Deals with matters delegated to it by Council and legislation as indicated in the delegation of responsibilities policy	4 Ordinary Committee Meetings. Special Committee meetings are convened as per need arises

3.23.2. SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Each standing committee is operationally linked to one or more-line functional departments. In addition to the standing committees, Council has also established a Municipal Public Accounts Committee (MPAC) that is chaired by a nominated Councillor. The Municipality established a panel for performance management that is responsible for evaluating the Municipal Manager and other section 57 manager's performance. The Municipal Manager is the principal accounting officer employed in terms of section 54(a) of the Municipal Systems Act 32 of 2000. The Municipal Manager reports to council through the

mayor and is supported by section 57 managers who are contracted for a five-year term. These section 57 managers directly report to the Municipal manager. With this complementary structure, the Municipality in the financial year under review took a resolution to focus on improving road networks in its rural municipal area. The Municipality also committed to focus and explore ways to improve local economic development in the municipal area. Much focus has also been projected towards improving social services more especially public amenities.

Employees: The Executive and Council					
Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	6	7	7	2	29%
7 - 9	4	12	9	3	25%
10 - 12	3	4	4	0	0%
13 - 15	2	3	2	1	33%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	15	26	22	6	23%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i> T 3.24.4					

3.23.4 COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The council and its committees adhered to the scheduled meetings that was approved at the beginning of the financial year. The Council successfully convened a strategic planning session to review the integrated development plan and later approved Integrated Development Plan and budget for financial year 2023-2024.

3.24.FINANCIAL SERVICES

3.24.1 Introduction to financial services

The municipality's financial services office is made up of the following units: Budget & Reporting: Responsible for preparation of the budget and related policies. This section has also ensured that the Municipality's Annual Financial Statements are prepared, and this is evident by qualified audit opinion (with matters of emphasis) expressed by the Auditor General's office during the past financial year audits and the current year's audit.

Expenditure Management: Responsible for monitoring payments made to service providers, ensuring that controls exist regarding the municipality's contract management and that all payments made by the municipality have followed the proper control process.

Supply Chain Management (SCM): Responsible for monitoring controls over the procurement process and ensuring that controls exist to mitigate against any risks that might affect the supply chain processes. The unit oversees procurement process from minor purchase order, mini tenders to open bid tenders and reports on the system in place to Provincial and National Treasury as stipulated in the Local Government Municipal Finance Management Act No.56 of 2003.

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	Year -2020/2021		Year 2021/2022			Year 2022/202023	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	11270	74.40%	10916	10916	66%	8754	94%
Electricity - B	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Electricity - C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water - B	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water - C	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sanitation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Refuse	1187	46%	804	804	42%	861	88%
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.							
T 3.25.2							

Financial Performance Year 2023/2024: Financial Services					
R'000					
Details	Year -2022/2023	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	69268	37856	37856	40838	-8%
Expenditure:					
Employees	9089	9572	9321	9089	-195%
Repairs and Maintenance	3387	1460	1955	1468	-1%
Other	12351	16379	17889	10384	37%
Total Operational Expenditure	24827	27411	29165	20941	24%
Net Operational Expenditure	44441	10445	8691	19897	48%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.25.5					

Capital Expenditure Year 2023/2024: Financial Services					
R' 000					
Capital Projects	Year 2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	457	491	450	8.35%	

Computers & accessories	75	75	61	18.66 %	50
Furniture & Fittings	82	82	55	32.9%	50
Motor vehicle Purchase	300	334	334	0%	323
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.25.6</i>

3.24.2 COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

There were no major challenges in the financial performance of the municipality, however most of the targets set according to the IDP were achieved.

3.25. HUMAN RESOURCE SERVICES

3.25.1 Introduction to human resource services

Improvement on quality of administration through the introduction and review of policies. Increase of the capacity through recruitment or filling of vacant positions. Improvement on relations between the labour and the employer. Empowerment of employees or staff through skills development and training. Improvement on management of overtime and leaves through periodical reconciliations.

Improvement of wellness through provision of employee assistance programs and sporting activities. Salary and employee benefit administration.

3.25.2 SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The Municipality has necessary skills to deliver services to the communities, though in some cases support is required from the District Municipality, SALGA, COGTA and Treasury. This is because of the areas where we identify some gaps that can hinder us from fulfilling the mandate of the Municipality.

3.25.3 COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Capacity building programs were rolled out for both councilors and officials namely, project. The municipality continued with its partnership with Sector Education Training Authorities for provision of internships.

3.26. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.26.1 Introduction to information and communication technology (ICT) services

The municipality has a standalone ICT unit, but it is not fully-fledged. The ICT infrastructure is currently not functioning to its maximum performance due to budget constraints and limited capacity of the institution, however some, improvement initiatives have been undertaken.

3.26.2 SERVICE STATISTICS FOR ICT SERVICES

Port St Johns municipality had ICT steering committee but was not functioning to the expected level due to the limited capacity within the unit. The reviewed structure has made provision for the fully

fledged ICT unit to keep up with new development in the Country. The Unit relied on service providers for financial systems (Promun and Payday), and our personnel can handle other ICT matters. The ICT infrastructure is currently not functioning to its maximum performance due to budget constraints however, improvement has been done. We initiated the project for the installation of fibre which could not be completed and moved to the financial year 2023/2024 financial year.

Employees: ICT Services					
Task grade	Year - 2022/2023	Year 2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	3	3	0	0%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
T3.27.4					

Capital Expenditure Year 2023/2024: ICT Services					
R' 000					
Capital Projects	Year 2023/2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	305 000				
Installation of Fiber	305 000				
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.27.6					

3.26.3 COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The Municipality has an ICT unit which has not fully populated but has improved a lot using the limited resources. The municipality managed to revamp its ICT infrastructure on the following areas:

(a) Network

(b) Telephone system

© Initiated upgrade on infrastructure

3.27.PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES**3.27.1 Introduction to property; legal; risk management and procurement services**

Port St John's Municipality has a panel of attorneys and in addition the litigation register is updated timeously. The legal department achieved significant milestones in supporting the municipality's governance and compliance objectives. It had successfully provided legal advice, guidance, and presentation across various domains.

Key Achievements:

1. Legal Advisory Services
2. Litigation Management
3. Regulatory Compliance
4. Contract Management

Challenges:

Legal services unit was also faced with certain challenges during the reporting period that need to be addressed in the future.

1. Workload and Resource Constraints
2. Capacity building

Risk Management

Risk Management is still a challenge however, the internal audit unit has been a support for the risk management. The meetings were conducted, and the implementation of the risk management plan has been executed even though it was not fully implemented. The risk assessment was done successfully, and the review of the risk management framework was done successfully and is awaiting the adoption by the Council. The challenge is that the unit is not yet established as the vacancy of the risk management officer is still not filled. The Manager Strategic Services is performing the duties of the risk management officer and cannot fully execute all the duties due to limitations.

Procurement

Procurement plans were compiled by departments and consolidated into one institutional procurement plan. Bid Committees were appointed; procurement plans were not successfully implemented because of the unforeseen challenges which include non-response by service providers to the advertised.

3.27.2 SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Port St John's Municipality has a panel of attorneys and in addition the litigation register is updated timeously. The legal department achieved significant milestones in supporting the municipality's governance and compliance objectives. It had successfully provided legal advice, guidance, and presentation across various domains

Employees: Property; Legal; Risk Management					
Task grades	Year -2022/2023	Year 2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	1	0	1	100%
10 - 12	0	2	0	2	50%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	4	1	3	75%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
T 3.28.4					

Financial Performance Year 2023/2024: Property; Legal; Risk Management and Procurement Services R'000					
Details	Year -2021/2022	Year 2023/2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	0	0	0	0	0%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.28.5					

COMPONENT J: MISCELLANEOUS

INTRODUCTION TO MISCELLANEOUS

The Municipality has been longing to have the airstrip for landing of small Aircrafts. The project was supported by the Department of Transport but stalled. Attempts are in place to reactivate the project. There are no Abattoirs in and around Port St John's, the area is only dependent to Umtata and Kokstad. So far there has not been any identified area where abattoir can be done.

Port St John's Municipality is surrounded by forests controlled by the Department of Forestry. Illegal cutting of protected trees was a challenge of which the stakeholders condemned

3.28. SERVICE DELIVERY PERFORMANCE

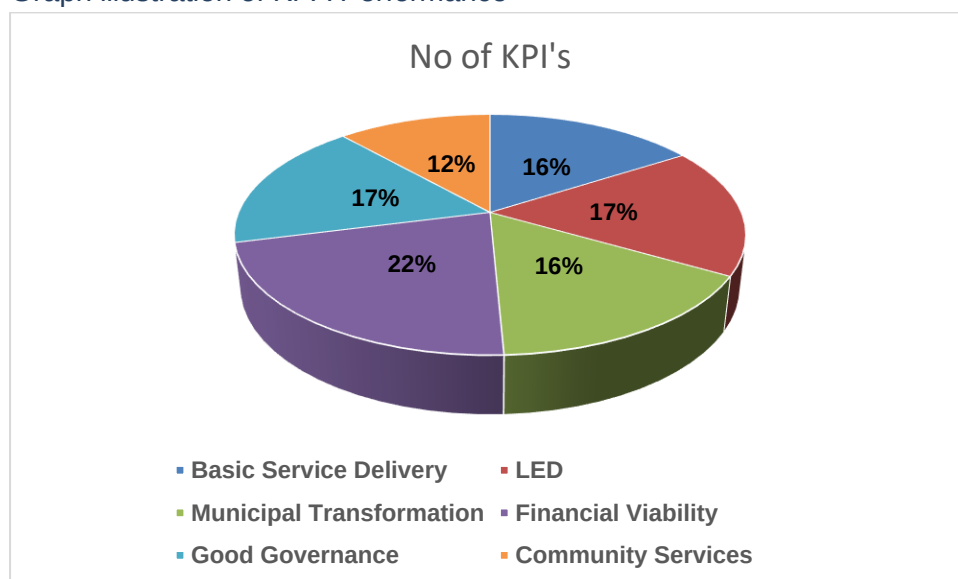
The municipality had a total of SDBIP 69 indicators for 2023/2024 financial year and achieved 34 indicators which accounts for 51% of the total annual performance. This reflects poor performance for PSJ municipality. Basic Service delivery accounts for 11 indicators and a number of 7 indicators were achieved which is a total of 64%. Local Economic Development and Spatial Planning achieved 33% of all indicators, the total number of indicators were 12 and the total achieved was 4.

Municipal Transformation and organisational development achieved 9% of its total indicators. Financial viability and management achieved 67% of its indicators, out of 15 indicators, 10 indicators were achieved. Good governance and public participation achieved 83% of all its planned indicators with community services section achieving 38% of its indicators. Below is the table reflecting the summary of performance per indicator and the achieved percentages.

3.28.1. Performance per Key Performance Area

KPA	No of KPI's	Achieved	Not Achieved	%
Basic Service delivery	11	7	4	64%
Local Economic Development and Spatial Planning	12	4	8	33%
Municipal Transformation & Organizational Development	11	1	9	9%
Financial Viability & Management	15	10	5	67%
Good Governance & Public Participation	12	10	2	83%
Community Services	8	3	5	38%
Total	69	35	33	51%

Graph illustration of KPA Performance



Challenges

- Vacancy of the Senior Manager Engineering

- Vacancy of the Risk Management Officer
- Delays in finalisation of disciplinary processes for Manager PMU and delays in filling the vacancy of the Project Management Officer
- Delays in the appointment of the service providers for some of the projects under Local Economic Development and Community Services
- Delays in preparation for the policy review which led to policies being at draft phase
- Delays in finalising the approval of the organisational structure
- Delays by the appointed service providers in completing the projects
- Demands by the communities for extensions of roads which were not part of the scope of works

Recommendations

- The appointment of the senior manager engineering is underway
- Close monitoring of projects should be improved
- Recruitment processes for critical positions should be speed up
- The policy review has been scheduled for the first quarter of the next financial year and finalization of the organizational structure will also be done in the first quarter of 2024/2025.
- Improvement in planning processes to ensure timely appointments of the service providers

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3.28.2. ANNUAL PERFORMANCE REPORT 2023/2024

3.28.2.1. Basic Service Delivery

KPI NO	Project	Key performance indicator	Annual target	Means of verification	Annual Report 2022/23		Annual Report 2023/2024		Reasons for variance	Remedial Action	General Comment
					Annual Target	Actual	Annual Target	Actual			
GOAL: Equitable And Sustainable Provision Of Municipal Infrastructure											
Strategic Objective: Adequate provision and maintenance of basic infrastructure services by end June 2024											
8.1.1.	1. Bizana AR-7km 2. Lityeni-Tyiweni AR – 6km 3. Rhawutini AR-6km 4. Luzuphu AR – 7km 5. Gogogo AR – 6km 6.Cwebeni AR-7.8 km 7. Ngcoya AR-9km 8. Babheke AR-7km 9. Codesa to Madakeni AR- 11km	Number of kms of gravel access roads constructed	68.8kms by 30 June 2024	1. Quarterly Progress Reports 2.APR Listing 3.Practical completion certificate	100% of 75km	30%	68.8kms by 30 June 2024	64.2km	Community requested an additional 400m and bridge to link the villages at Bizana which led to 7.4 km. The remaining 3km at Cwebeni AR the Contractor could not complete project due to Bolani villagers demanding Contractor to construct 400m of road before they can commence with work at Cwebeni only 4.8km could be completed at Cwebeni.	Cwebeni A/R will be closed off where it is and be re-advertised for completion as the project currently requires standing time and re-establishment costs that the municipality has no budget for. The project to be closed off in July 2024	The total number of kilometers planned were 68,8km, however the total number of projects amounted to 66.8km, there is a difference of 2km between the projects and target on IDP &SDBIP.
8.1.2.	1. Construction of paved internal streets -450m 2. Construction of Agate Terrace paved	Number of kms of surfaced access road constructed	3.450km by 30 June 2024	1. Quarterly Progress Reports 2. APR Listing 3. Practical Completion certificate	100% of 3 km	100%	3.450km by 30 June 2024	1.8km	Change of Scope for the surfaced access road due to floods occurred and damaged all the construction of paved works to concrete slab.	The contractor to be engaged to put more team on site to fast track the progress, and to submit revised schedule of works, the target will	Target not achieved

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	Access Road Phase 3 – 3km								And also Heavy rains delayed the contractor's progress on site.	be achieved in the 1st quarter of 2024/25 financial year.	
8.1.3	Maintenance of gravel access roads in wards (blading Tipping and Processing) –	Number of kms of gravel access roads maintained.	300km by 30 June 2024	1. Quarterly progress Report co-signed by Ward Councilor	92 km	260%	300km by 30 June 2024	649.9km	The appointment of plant hire contractors contributed in over achievement.	None	Target overachieved
8.1.4	Ablution facilities supplied for construction of Welisizwe Bridges	Number of ablution facilities supplied for construction of each of 9 Welisizwe Bridges	45 by 30 June 2024	1. Progress reports 2. Distribution register/delivery note	N/A	N/A	45 by 30 June 2024	45	None	None	Target achieved
8.1.5.	Rehabilitation of Bridges : Butho, Sinangwana, Magumbini , Buthulo causeway, Nyakeni , Ezintakumbeni to Dubulweni, Dedeni to Ekhumeni, Gabelana to Diphini, Ntlantsana Farm	Number of bridges rehabilitated	9 by 30 June 2024	1. Quarterly Progress Reports 2. APR Listing 3. Practical Completion certificate	N/A	N/A	9 by 30 June 2024	3	Consulting Engineers delayed the process of finalizing designs for the bridges, which contributed in the construction to commence.	The contractors were appointed on the 28 June 2024, The construction now will commence in July after 14 days of the appointment, The bridges are set to be completed in the 3rd quarter of 2024/25 FY and are included in the SDBIP for 2024-25FY.	Target not achieved

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8.1.6	Community Hall ward 07,15, 16 and Upgrade Military sports field facilities	Number of public amenities constructed	4 by 30 June 2024	1. Quarterly Progress Reports 2. APR Listing 3. Practical completion certificate	100% of 2	0	4 by 30 June 2024	1	Delays in the appointment of service providers, lack of monitoring due to limited capacity within the department	The department is in the process of appointing the Senior Manager and two project managers which will contribute in monitoring of the projects. The target will be achieved in the 1st quarter of 2024/25 financial year.	Target not achieved
8.1.7	1. Ngqwaleni village – 140 H/H 2. Ntlanjeni village – 106 H/H 3. Jambeni Village - 106 H/H 4. Tombo village – 180 H/H 5. Sobaba village – 140 H/H 6. Nkampini village – 120H/H 7. Ngxongweni village – 140H/H 8. Emadwaleni-Qhoboshendlini village – 180H/H 9.. Lwandlana village – 120 H/H 10. Mswakazi Village	Number of full design packages of households completed & submitted to Eskom	1778 by 30 June 2024	1. Quarterly Progress Reports 2. APR Listing 4. Full Design package (Pre-Engineering)	N/A	N/A	1778 by 30 June 2024	1778	None	None	Target achieved

	– 106 11. Mpantu Village – 110H/H										
8.1.8	1. Qandu village – 150H/H 2. Gomolo village – 110h/h 3. Lutshaya Village 90h/h 4. Ndayini Mkhumbini 40h/h 5. Zinyosini 106h/h 6. lukwazweni- emasimini 80h/h 7. Mnqezu 98h/h	Number of households connected with electricity	794 by 30 June 2024	1. Quarterly Progress Reports 2. APR Listing 3. Practical Completion certificate	100% of 794	0	794 by 30 June 2024	794	None	None	Target achieved
8.1.9	Construction of 48.6 km Bulk infrastructure (Dumasi/kohlo and 2 feeder bays) and (Tombo/Majola and 1 feeder bay)	Km of link line constructed	48.6 km by 30 June 2024	1. Quarterly Progress Reports	N/A	N/A	48.6 km by 30 June 2024	48.6 km	None	None	Target achieved
8.1.10	Installation of High- mast lights – Qandu, Mampube Dangwana, Gemvale, Sobaba High school,	Number of High-Mast lights installed	5 by 30 June 2024	1. Quarterly Progress Reports 2. Practical Completion certificate	5 high mast lights	3	5 by 30 June 2024	5	None	None	Target achieved

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8.1.11.	Maintenance of streetlights in ward 4 & 6	Number of streetlights maintained	280 by 30 June 2024	1. Quarterly Progress Reports 2. APR Listing	70 streetlights	303	280 by 30 June 2024	280	None	None	Target achieved
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3.28.2. Community Services

KPI No.	PROJECT	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Measurement source	Annual Report 2022/2023		Annual Report 2023/2024		Reason for variance	Remedial Action	General Comment
					Annual target	Actual	Annual Target	Actual			
Goal : Rapid provision of social and community services											
Strategic Objective: Rapid provision of social and community services by end June 2024											
8.2.1.	1. Landfill site Management 2.Environmental Education & Awareness Campaigns. 3. Creek Maintenance	Number of environmental management projects implemented.	3 by 30 June 2024	Environmental Management Report with proof of implementation per project.	3 Alien Plant removal clean-up campaign Landfill site rehabilitation Landfill site assessment	3 -Alien Plant removal -clean-up campaign Landfill site rehabilitation	3 by 30 June 2024	3	None	None	Target achieved
8.2.2.	1. Development of the new Park 2.Construction of Ablution facilities at Mpantu Park 3. Procurement of Park home of at animal Pound 4. Construction of Animal Gates/ Grid at R61	Number of public amenities constructed	5 public amenities by 30 June 2024	Public Amenities Construction report with completion and delivery confirmations	6	0	5 public amenities by 30 June 2024	0	1. The park is 95% complete due to delays on delivery of material by service provider. 2. Construction of Ablution facilities of Mpantu park is 90% due to delays at SCM 3. Delayed by SCM processes, requisition for installation of 2 containers for Animal Pound was done on the	1. As per the email sent by the service provider, the park will be complete by end of July 2024. 2. July month end. 3. End of August 4. End of August 5. Construction is on progress, the owner removed fence.	Target not achieved

	5. Construction of K53 Testing Centre								10 April 2024 and approved on 11 April 2024. 4. Delays by SCM Processes, requisition for the Animal grid was done on the 07 March 2024. 5. It was difficult to get the owner of erf 5 for removing the fence that has encroached into the K53 ground. The problem was resolved on the 27th of June 2024.		
8.2.3.	1. Ward 06 Sports Grounds Maintenance 2. Ward 08 Sports Grounds Maintenance 3. Ward 06 Community Halls maintenance 4. Ward 08 Community Halls maintenance	Number of public amenities maintained	4 Public Amenities by the end of June 2024	Public Amenities Maintenance Report with proof of maintenance	1	0	4 Public Amenities by the end of June 2024	0	SCM delays, requisition for maintenance of halls and grounds was done on the 5 March 2024 and authorized on the 12 March 2024. (February 2024)	All projects will be roll over to 2024/2025 and will be completed in the first quarter	Target not achieved

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8.2.4.	1. Installation of warning signs – 2 beaches	Number of beach management projects implemented	1 by 30 June 2024	Beach Management Report with proof of warning signs installation	1	1	1 by 30 June 2024	6	6 Signs have been installed at Mngazi, Manteku, Agate terrace, Mpande, First beach and Second beach. The department utilized vote of beach equipment to buy signs.	None	Target over achieved
8.2.5	1. Weigh bridge construction, 2. Landfill site management 3. Installation of bailing machine	Number of waste management projects implemented	3 by 30 June 2024	1. Delivery note, and report weigh bridge	3 Landfill site quarterly rehabilitation, Environmental awareness campaigns	3 (Landfill site quarterly rehabilitation, environmental awareness campaigns	3 by 30 June 2024	1	1. The appointment of the service was only done in June. 2. The bailing machine should have been removed from the SDBIP since it was donated by ORTDM.	1. Expected completion date is end of July 2024 2. The bailing machine awaits delivery from ORTDM.	Target not achieved
8.2.6.	1. DLTC 2. Traffic law enforcement 3. Awareness campaigns	Number of traffic services projects implemented	3 by 30 June 2024	2. Installation report and delivery note	3	3	3 by 30 June 2024	3	None	None	Target achieved
8.2.9.	1. By-laws & policies reviewed 2. Policies & By-laws Developed	Number of policies and by-laws reviewed and developed.	10 by 30 June 2024	4. landfill site management report	N/A	N/A	10 by 30 June 2024	8	By-laws not reviewed, all policies are on draft stage and are waiting the policy review	Adoption of policies by council is scheduled for July 2024	Target not achieved

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8.2.10.	Ward Assistance Grant	Number of beneficiaries receiving support from ward assistance fund	120 by 30 June 2024	Ward Assistance Fund Report with proof of support & beneficiary listing.	N/A	N/A	120 by 30 June 2024	620	More requests on ward assistance from the councilors were attended	None Substantiate	Target overachieved
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3.28.3. Local Economic Development

IDP No.	Project	Key performance indicator	Annual target	Measurement source	Annual Report 2022/2023		Annual Report 2023/2024		Reasons for variance	Remedial Action	General Comment
					Annual Target	Actual	Annual Target	Actual			
KPA : Basic Service Delivery											
GOAL: Equitable And Sustainable Provision Of Municipal Infrastructure											
Strategic Objective: Adequate provision and maintenance of basic infrastructure services by end June 2024											
8.3.1.	Construction of Jam mini-Factory	Number of economic structures constructed	1 by 30 June 2024	1. Advert 2.Appointment 3.Progress report 4.Close-out report 5. Completion Certificate	N/A	N/A	1 by 30 June 2024	0	The project currently is 30 % this is due to late appointment of service provider contributed to delays in achieving the actual target. The contactor has started with the work however completion will be in 2024/2025 financial year	Since it is a capital project funds will be rolled over to this financial year.	Target not achieved

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8.3.2.	Refurbishment of Adventure tourism Centre	Number of economic structures refurbished	1 by 30 June 2024	1. Advert 2. Appointment 3. Progress report 4. Close-out report 5. Completion Certificate	N/A	N/A	1 by 30 June 2024	0	Late appointment of service provider contributed to delays in achieving the actual target. However, the service provider is busy with designs for the projects.	Since it is a capital project funds will be rolled over to this financial year	Target not achieved
KPA: Local Economic Development											
Goal 2: To promote viable, liveable and sustainable developmental municipality that promotes transformative economic livelihoods											
Strategic Objectives: Promote Local Economic development through agriculture, tourism and oceans economy by end June 2024											
8.3.3.	1. Macadamia nuts Farmers x 5 2. Tourism Businesses x 4 3. Small scale Farmers x 05 4. Fisheries Cooperatives x5	Number of SMEs and cooperatives in farming, tourism & fisheries supported	4 by 30 June 2024	Progress report and closeout report with Beneficiary & APR Listing; Distribution register	3	3	4 by 30 June 2024	3	Fisheries could not be achieved this quarter, the specification was revised but the support could not be advertised.	The support will be implemented in the 2024/25	Target not achieved
8.3.4.	Informal Trading	Number of informal traders supported	10 Informal traders by 30 June 2024	Close-out report with beneficiary listing & distribution register	N/A	N/A	10 Informal traders by 30 June 2024	0	Delays in advertisement of the support needed the requisition was submitted in the first quarter of 2023/24	The support will be implemented in the 2024/25 through entrepreneur support program	Target not achieved

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8.3.5.	Provision of support to SMMEs co-operatives	Number of SMMEs co-operatives supported with equipment	9 SMMEs by 30 June 2024	SMME Support Report with delivery notes & distribution register.	N/A	N/A	9 SMMEs by 30 June 2024	0	Delays in advertisement of the support needed the requisition was submitted in the first quarter of 2023/24	The support will be implemented in the 2024/25 through entrepreneur support program	Target not achieved
8.3.6.	1. Cultural heritage celebrations 2. Cultural Intsizwa event 3. Isingqisethu cultural festival 4. Mountain run	Number of tourism projects implemented	4 Cultural Heritage, Isingqisethu, Ntsizwa Event, Mountain run marathon by 30 June 2024	Events Closeout Report	3	2	4 Cultural Heritage, Isingqisethu, Ntsizwa Event, Mountain run marathon by 30 June 2024	3	Late appointment of service provider	The project will be implemented in July 2024	Target not achieved
8.3.7.	Marketing and networking of local products to external marketing platforms	Number of exhibitors exposed to trade shows	5 by 30 June 2024	Report and list of exhibitors	N/A	N/A	5 by 30 June 2024	15	Target over achieved due more exhibitions hosted by Ingquza Hill 1 exhibit for tourism indaba, 4 exhibitors attended Umzimvubu trade show and 4 attended Royal show	None	Target overachieved

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8.3.8.	Trade Shows and Flea market	Number of local trade shows hosted (Flea market)	2 by 30 June 2024	Report on exhibition. Attendance register	2	2	2 by 30 June 2024	2	None	None	Target achieved
8.2.12.	EPWP	Number of work opportunities created through EPWP	60 by 30 June 2024	EPWP Report with copy of contracts	N/A	N/A	60 by 30 June 2024	43	There were 43 people that were placed under EPWP on Community Services. The contract of appointment is 11 months and was done in July 2023. The full report on EPWP employment resides with Engineering services.	The appointment of EPWP is done in the first quarter of each financial year	Target not achieved
8.3.9..	1. Review of Spatial Development Framework (SDF) 2. Review of Wall to Wall	Number of SDF projects implemented	3 SDF; Wall to Wall; Masterplan by 30 June 2024	Approved wall to wall land use scheme with extract of Council Resolution Approved SDF with Extract of Council resolution Approved Masterplan with Council	3	0	3 SDF; Wall to Wall; Masterplan by 30 June 2024	3	None	None	Target achieved

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				Resolution Extract							
8.3.10.	Land Audit	Number of Land audits conducted & submitted to Council for approval	1 by 30 June 2024	Land audit report with Council Resolution Extract	N/A	N/A	1 by 30 June 2024	0	Request for quotation was issued and was non-responsive	The project has been planned for 2024/2025	Target not achieved
8.3.11.	Rezoning of Erf 1640	Number of land parcels to be rezoned	1 land parcel rezoned by 30 June 2024	Advert	N/A	N/A	1 land parcel rezoned by 30 June 2024	1	None	None	Target achieved

3.28.4. Municipal Transformation and Organisational Development

KPI No.	Project	Key performance indicator	Annual target	Measurement source	Annual Report 2022/23		Annual Report 2023/24		Reasons for variance	Remedial Action	General Comment
					Annual Target	Actual	Annual Target	Actual			
Goal: An enabling environment to enhance institutional capacity to promote governance and integrated support services											
Strategic Objectives: Create a conducive administrative environment and organizational development by end June 2024											
8.1.1.	Functioning of LLF	Percentage functionality of Local Labour forum and its committees	100% by the end of 30 June 2024	1.Notice 2. Attendance Register 3.Minutes	12 LLF Meetings convened	2 LLF Meetings convened	100% by the end of 30 June 2024	0	LLF Meeting could not sit due to other commitments from the members, sub-committees reminded to sit but that did not materialize	The Draft Schedule for the LLF and its committees has been developed for the 2024/25 financial year to ensure that members of the committee are fully aware of the dates of meetings in advance. The commencement date is August 2025	Target not achieved

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8.4.2.	Workplace skills Plan	Number of Workplace skills plan compiled and submitted to LGSETA	1 by 30 June 2024	1. Proof of submission to LGSETA (Acknowledgement letter) 2.Final WSP	1 Workplace skills plan compiled and submitted to LGSETA	1 Workplace skills plan compiled and submitted to LGSETA	1 by 30 June 2024	1	None	None	Target achieved
8.4.3.	Submission of compliance reports	Number of legislative compliance reports submitted to relevant public bodies (WSP & EE)	2 by 30 June 2024	Proof of submission of reports	0	0	2 by 30 June 2024	1	Lack of Capacity to drive the function, as responsible sectoral manager position has been vacant since 2018.	Employment Equity Report will be submitted in the 2nd quarter of the 2024/2025 financial year.	Target not achieved
8.4.4.	1. Employee Training 2. Councilor Training 3. Ward Committee Training	Number of people trained as per municipal workplace skills plan	269 30 Staff 39 Clrs 200 WC by 30 June 2024	Training report with Attendance register & copies of accredited certificates	235 20 employees trained 15 Cllrs 200 WC	210 20 employees trained 190 WC	269 30 Staff 39 Clrs 200 WC by 30 June 2024	139	Lack of capacity and poor planning, the department will align training with bursary and capacity building to ensure that training is achieved	Training will be structured accordingly and implemented in the 2024/25 FY.	Target not achieved
8.4.5.	Filling of critical posts	Number of Critical posts filled	22 by 30 June 2024	1. Recruitment report	N/A	N/A	22 by 30 June 2024	13	Recruitment could not be completed due to other municipal commitments that resulted with the panels unable to sit	Recruitment will be finalized by 30 September 2024	Target not achieved
8.4.6.	Review of HR Policies	Number of Policies reviewed	28 by 30 June 2024	1.Approved policies with Council Resolution Extract	N/A	N/A	28 by 30 June 2024	0	34 policies are at a draft stage, but have been presented to management but has	Facilitate processes for HR policies to be taken to Council for approval and adoption in the first quarter of 2024/2025	Target not achieved

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									not been submitted to Council		
8.4.7.	Review of Organizational structure	Number of organizational structures reviewed & submitted for approval by Council	1 by 30 Juen 2024	Approved Organizational structure by Council , Council resolution	1Organizational structure reviewed & submitted for approval by Council by 30 June 2023	0	1 by 30 Juen 2024	0	Draft Organizational Structure has been presented to Management, to be submitted to Council for approvalDraft Organizational Structure has been presented to Management, to be submitted to Council for approval.	Draft organizational structure has been submitted to the Management committee. The structure is to be submitted to Exco retreat and the office of the municipal manager has undertaken to call for the retreat by not later than 30th July 2024 and they will be approved by the 2nd quarter of the 2024/2025 FY.	Target not achieved
8.4.8..	1. EAP Strategy 2. HR Strategy & Plan 3. OHS Strategy	Number of Human Resources and related strategies developed.	3 by 30 June 2024	Approved Strategies with Council Resolution Extract	N/A	N/A	3 by 30 June 2024	0	The HR strategy and OHS Strategy are on draft phase and have been presented to management and the EAP strategy has not been developed due to capacity	The strategies will be finalised with the policies in the first quarter of 2024/2025. The EAP strategy will be developed in 2024/25 financial year	Target not achieved
8.4.9.	Records Management	Number of File Plans developed	1 File Plans developed by 30 June 2024	1.Approved File Plan by Council, Council Resolution	N/A	N/A	1 File Plans developed by 30 June 2024	0	The file plan is in draft phase	The file plan will be finalized with policies in the first quarter of 2024/2025	Target not achieved

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8.4.10.	Career Exhibition	Number of Career exhibitions facilitated	1 by 30 June 2024	1. Invitation letters 2. Program 3. Consultation registers 4. Event report	N/A	N/A	1 by 30 June 2024	0	Project was initially intended to be implemented in Q3 as per the recommendations of DOE, through KSD FET College, but could not materialize due to other commitments	Project to be implemented during Q3 (advised by DoE) of 2024-25 financial year	Target not achieved
8.4.11.	Placement of Unemployed graduates	Number of unemployed graduates placed	12 by 30 June 2024	1. Placement contracts	0	0	12 by 30 June 2024	0	An advertisement for 12 was issued on 25 January 2024, closing on 31 January. Awaiting Shortlisting	The interns will be appointed in 2024/2025	Target not achieved

3.28.5. Financial Viability and Management

KPI No.	Project	Key performance indicator	Annual target	Annual Target 2022/2023		Annual Target 2023/2024		Reasons for variance	Remedial action	General Comment
				Target	Actual	Target	Actual			
KPA: Basic Services Delivery										
Goal : Equitable and sustainable provision of municipal infrastructure										
Strategic Objective: Rapid provision of social and community services by end June 2024										
8.5.1.	1. Free basic services – electricity 2. Free Basic Services – Alternative Energy	Number of indigent households benefited from the electricity Free Basic services	5900 4800-FBEE 1100-FBEAE by 30 June 2024	1.approved Indigent register 2. Confirmed list of beneficiaries and report.	4000	5900	5900 4800-FBEE 1100-FBEAE by 30 June 2024	6727	The target overachieved due to the community outreach were conducted to increase the number of beneficiaries and make them aware of the FBE token.	None
KPA: Municipal Transformation and Organizational Development										

Goal: To create a financially viable environment in accordance with relevant Acts towards clean administration

Strategic Objective: Create sound financial management, Supply Chain and Asset Management environment by end June 2024

8.5.2.	1. Maintenance of GRAP compliant fixed asset register 2. Asset verification	Number of asset management projects implemented.	2	1 GRAP asset management register updated	1 GRAP asset management register updated	2	2	None	None	Target achieved
8.5.3.	1. Implementation of unauthorized, irregular fruitless and wasteful expenditure (UIFW) reduction strategy	% implementation of UIFWE the strategy.	100% by 30 June 2024	N/A	N/A	100% by 30 June 2024	100%	None	None	Target achieved
8.5.4.	Improve on Revenue generation	Number of revenue enhancement strategies reviewed	1 by 30 June 2024	N/A	N/A	1 by 30 June 2024	1	None	None	Target achieved
8.5.5.	1. Implementation of budget process plan	% implementation of budget process plan	100% by 30 June 2024	N/A	N/A	100% by 30 June 2024	100%	None	None	Target achieved
8.5.6.	Review of Budget related policies and by -laws	Number of budget related policies reviewed & submitted to council for approval	16 by 30 June 2024	16 Budget related policies reviewed and submitted to Council	16 Budget related policies reviewed and submitted to Council	16 by 30 June 2024	16	None	None	Target achieved
8.5.7.	Management of grants	% expenditure on grant	100% by 30 June 2024	100% funds spent on grant allocation for each grant	100% EPWP 100% MIG 100% FMG 100% INEP 46.74% DSRAC 100.% STR 43% MDRG	100% by 30 June 2024	84%	Unspent funds relate MDRG funds that were received in February and should be fully spent by January 2025	contractors have been appointed to complete work by January	Not achieved

								DSRAC funds the rollover was only approved in May 2024.		
8.5.8.	1 Procurement plan development. 2. Procurement implementation. 3. Contract Management 4. Regulation 36 reporting.	Number of Supply Chain Management projects implemented.	4 by 30 June 2024	N/A	N/A	4 by 30 June 2024	4	None	None	Target Achieved
8.5.9.	1.Budgeted Capital vs Total Expenditure ratio	Budgeted Capital vs Total Expenditure ratio	20% by 30 June 2024	N/A	N/A	20% by 30 June 2024	29%	the municipality received additional grant fund for capital projects which then increase the capital expenditure	None	Target Achieved
8.5.10.	Current Ratio calculation	Current Ratio	3:1 by 30 June 2024	N/A	N/A	3:1 by 30 June 2024	2:1%	The Municipality accelerated expenditure on capital projects which results in a decrease in bank balances through payments	None	Target Achieved

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8.5.11	Cost /cash Coverage Ratio calculation	Cost /cash Coverage Ratio	3:1 by 30 June 2024	N/A	N/A	7months by 30 June 2024	9 months	activities such as discount scheme, interest on investments and debt collection resulted in an increase on the bank balance improving the cashflow	None	Target Achieved
8.5.13.	1 Increase Debt collection 2.Review Revenue enhancement plan	Average number of days for collection of debtors (net debtors' days	30 days Increase debt collection by 30 June 2024	N/A	N/A	30 days Increase debt collection by 30 June 2024	246 days	General culture of non payment for services in PSJ	More stakeholder engagements needs to be done to deal with culture of non payment	Target not achieved
8.5.14.	1.AFS Plan 2. Interim AFS 3. AFS	Number of credible interim and annual GRAP compliant AFS	1 Interim AFS 1 AFS 1AFS plan by 30 June 2024	Consolidated Annual Financial statement produced & submitted to AG & Treasury	Consolidated Annual Financial statement produced & submitted to AG & Treasury	1 Interim AFS 1 AFS 1AFS plan by 30 June 2024	2	None	None	Target achieved
8.2.11.	Rapid provision of social and community services by DLTC	Revenue generated from Traffic Services	R330 000 by 30 June 2024	N/A	N/A	R330 000 by 30 June 2024	R293,436.96	Nonpayment of traffic fines by offender's	Improve intergovernmental relations with magistrate office	Target not achieved

8.3.12.	Business Licenses and permits	Revenue generated from business licensing	R 75 000 by 30 June 2024	N/A	N/A	R 75 000 by 30 June 2024	R2,267.00	There is no dedicated official responsible for collecting licenses however post will be filled in the next financial year	The target set will be achieved this financial year. Benchmarking has been done, which will assist to achieve the desired target	Target not achieved
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3.28.6. Good Governance and Public Participation

KPI No.	Project	Key performance indicator	Annual target	Measurement source	Annual Report 2022/2023		Annual report 2023/2024		Reasons variance for	Remedial Action	General Comment
					Annual Target	Actual	Annual report	Actual			
Goal To improve public trust and credibility in local governance through public participation											
Strategic Objective : To promote sound leadership, good governance, public participation and enabling environment by end June 2024											
8.6.1.	1.Implementation of the IDP Process Plan	Percentage implementation of IDP Process Plan	100% by 30 June 2024	IDP Process Plan Report with proof of implemented activities	N/A	N/A	100% by 30 June 2024	100%	None	None	Target achieved
8.6.2.	1.Council Strategic Planning 2.Council Strategic Planning	Number of Strategic Planning Sessions convened	2 by 30 June 2024	Strategic planning reports with Attendance registers	1 Strategic Planning Sessions convened	1 Strategic Planning Sessions convened	2 by 30 June 2024	2	None	None	Target achieved
8.6.3.	Implementation of Institutional Performance Management System	Percentage implementation of PMS Process Plan	100% by 30 June 2024	PMS Report and POE's of implemented activities	N/A	N/A	100% by 30 June 2024	100%	None	None	Target achieved

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8.6.4.	Functionality of IGR	Number of IGR clusters established	3 by 30 June 2024	Terms of reference Attendance registers and minutes	N/A	N/A	3 by 30 June 2024	0	No activities were held in the IGR due to limited capacity, the indicator was supposed to be adjusted during the adjustment period	The project will be implemented in 2024/2025 financial year	Target not achieved
8.6.5.	1. Risk assessment. 2. Risk management policy review 3. Risk management implementation	Number of risk management projects implemented	3 by 30 June 2024	1.Risk Management Implementation Report , attendance register 2.Draft Risk management policy 3. Risk Assessment Report	N/A	N/A	3 by 30 June 2024	3	2 risk meetings were held in April 2024 in line with the implementation of the risk management and the Risk assessment workshop was held in June 2024	None	Target achieved
8.6.6.	Implementation of Risk Based Internal Audit Plan and Audit Committee Workplan	Percentage of audits conducted as per approved risk-based audit plan	100% by 30 June 2024	1. Notice 2. Attendance registers 3. Minutes 4. Quarterly report to Council	N/A	N/A	100% by 30 June 2024	100%	None	None	Target achieved

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8.6.7.	1. Ward committee co-ordination. 2. Community based meetings. 3. Public participation event. 4. Ward based plans 5. War rooms	Number of public participation and oversight projects implemented	5 by 30 June 2024	1. Attendance registers and reports 2. Ward Profiles	4 public participation engagements	4 public participation engagements	5 by 30 June 2024	4	Out of five projects planned only war rooms that were not achieved as they are not functional	The municipality has since appointed public participation officer and war rooms will be implemented in second quarter of 2024/25 after completion of Ward Profiles in first quarter	Target not achieved
8.6.8.	Functionality of Council and its committees 1. Council meetings 2. S 79 committee meetings 3. Section 80 committee 4. Exco meetings	Percentage functionality of council and its committees	100% by 30 June 2024	1. Agenda 2. Attendance registers 3. Minutes	1 Council	4 Council meetings	100% by 30 June 2024	100%	None	None	Target achieved
8.6.9.	1. HIV/AIDS coordination. 2. People With Disabilities	Number of focus groups social projects implemented	4 by 30 June 2024	SPU report, attendance register, Draft HIV/Aids	9	9	4 by 30 June 2024	4	None	None	Target achieved

	program 3. Youth Programs 4. Women and Children			Strategy proof of support given to designated group							
8.6.10.	1. Revival of website and digital platforms	Number of communications projects implemented	1 by 30 June 2024	Report and Updated web pages	12 Website updates	12 Website updates	1 by 30 June 2024	1	None	None	Target achieved
8.6.11	1.Litigation management 2. SLA Vetting	Number of legal services projects implemented	2 by 30 June 2024	1.Litigation report 2.Contract Management report	N/A	N/A	2 by 30 June 2024	2	None	None	Target achieved
8.3.13.	1. Prevention of land invasion policy 2. Outdoor Advertising policy 3. Film Production By-Law	Number of policies and bylaws reviewed	3 by 30 June 2024	1.Attendance registers 2. Presentations 3. Film Production, Prevention of land invasion and outdoor advertising	N/A	N/A	3 by 30 June 2024	3	None	None	Target achieved

3.29. Performance of the Service Providers

ANNEXURE B- PERFORMANCE OF SERVICE PROVIDER 2023/2024

1 – Not meeting the standards (0-30%); 2 – Meet some of the standards (30-50%); 3 – Meet most of the standards (50-70%); 4 – Meet all the standards (70-100%)								
Name of service provider	Service rendered	Set target of performance	Status of performance (2022/2023)	Set target of performance (2023/2024)	Status of performance (2023/2024)	Measure taken to improve performance	Rating for current financial year	Comments /recommendations
Department: Engineering Services								
Unit: Project Management Unit (PMU)								
Dolly & Sons Construction and Trading	1. Bizana AR-7km	n/a	n/a	7KM	7.4 KM		3	Completed the project
Breaking Force	2. Lityeni-Tyiweni AR – 6km	n/a	n/a	6KM	6KM	There were meetings to push the contractor to complete the project	2	Struggled to Complete the project on time but the project is on completion
Tswella Trading	3. Rhawutini AR-6km	n/a	n/a	6KM	6KM		3	Completed the project
Dolly & Sons Construction and Trading775555	4. Luzuphu AR – 7km			7KM	7KM		3	Completed the project
Kula Africa Agriculture and Construction Projects	7. Ngcoya AR-9km			9KM	9KM	There were meetings to push the contractor to complete the project	2	Struggled to Complete the project on time. Completed the project at the end of 2023-24FY

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1 – Not meeting the standards (0-30%); 2 – Meet some of the standards (30-50%); 3 – Meet most of the standards (50-70%); 4 – Meet all the standards (70-100%)								
Name of service provider	Service rendered	Set target of performance	Status of performance (2022/2023)	Set target of performance (2023/2024)	Status of performance (2023/2024)	Measure taken to improve performance	Rating for current financial year	Comments /recommendations
Q&A Contractors	5. Gogogo AR – 6km			6KM	6KM	There were meetings to push the contractor to complete the project	2	Struggled to Complete the project on time
Matthew & Son Group	6.Cwebeni AR-7.8 km		7.8KM		4.8km	Remaining scope of work to be carried out by the municipality	2	The project was closed off
Ndikho Trading	9. Codesa to Madakeni AR-11km		11km		11km	There were meetings to push the contractor to complete the project	2	Struggled to Complete the project on time. Completed the project at the end of 2023-24FY
LM Development	Snangwana - Bridge			Bridge	Bridge		4	Completed the project before time
Rhweba Trading	Butho Bridge - MDRG			Bridge	Bridge		3	Completed the project before time
Rhweba Trading	Magumbini - MDRG			Bridge	Bridge		3	Completed the project before time
Tabono	Household Electrification - INEP			794	794		3	The projects have been completed

1 – Not meeting the standards (0-30%); 2 – Meet some of the standards (30-50%); 3 – Meet most of the standards (50-70%); 4 – Meet all the standards (70-100%)									
Name of service provider	Service rendered	Set target of performance	Status of performance (2022/2023)	Set target of performance (2023/2024)	Status of performance (2023/2024)	Measure taken to improve performance	Rating for current financial year	Comments /recommendations	
Mbongeni Trading	High mast light Installation	5	5	5	5		3	The projects have been completed	
PLANT HIRE FOR GRAVEL ROAD MANTAINENCE									
Fez Construction <									

1 – Not meeting the standards (0-30%); 2 – Meet some of the standards (30-50%); 3 – Meet most of the standards (50-70%); 4 – Meet all the standards (70-100%)									
Name of service provider	Service rendered		Set target of performance	Status of performance (2022/2023)	Set target of performance (2023/2024)	Status of performance (2023/2024)	Measure taken to improve performance	Rating for current financial year	Comments /recommendations
	DangwanaAR	0.8							
	Noduva AR	1.25							
	Dangwana AR	1.4							
	Nomandi AR	8.9							
	Ngqwaleni AR	3.3							
	Mantusini AR	0.7							
	Bokweni AR	0.7							
	105.36km								
Manyobo Group	Cluster 2				600km	198km		3	Wards were maintained and completed.
	Swazini AR	40.8							
	Caguba AR	39.6							
	Sicambeni AR	5.2							
	Mpantu AR	12.8							
	Sinuka AR	4.9							
	PSJ CBD AR	4.1							

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1 – Not meeting the standards (0-30%); 2 – Meet some of the standards (30-50%); 3 – Meet most of the standards (50-70%); 4 – Meet all the standards (70-100%)										
Name of service provider	Service rendered		Set target of performance	Status of performance (2022/2023)	Set target of performance (2023/2024)	Status of performance (2023/2024)	Measure taken to improve performance	Rating for current financial year	Comments /recommendations	
	Ndwalane AR	5.9								
	Mvume AR	25.9								
	Nocuze AR	10.7								
	Tshakude AR	12								
	Majola AR	4.4								
	Bakery AR	8.4								
	Langalitshoni AR	4.3								
	Nomabungeni AR	6.2								
	Sitini AR	12.8								
	198km									
Tswella Trading	Cluster 3				600km	151.96km		3	Wards were maintained and completed.	
	Nomvalo AR									1.80
	Xovula AR									1.00
	Noqhekwana AR									1.80
	Gemvale AR									22.90
	Skhululweni AR									0.80

1 – Not meeting the standards (0-30%); 2 – Meet some of the standards (30-50%); 3 – Meet most of the standards (50-70%); 4 – Meet all the standards (70-100%)								
Name of service provider	Service rendered	Set target of performance	Status of performance (2022/2023)	Set target of performance (2023/2024)	Status of performance (2023/2024)	Measure taken to improve performance	Rating for current financial year	Comments /recommendations
	Enkwalini AR	0.60						
	Mthalala AR	1.00						
	Mthonjeni AR	0.50						
	Mjilo AR	1.00						
	Luqhoqweni AR	3.30						
	Sobaba AR	11.70						
	Gemvile AR	17.50						
	Luphoko AR	28.70						
	Gabelana	14.80						
	Sandlulube	4.40						
	Luqhoqhweni	0.80						
	Tshiyibo	10.80						
	Mgugwana	4.20						
	Sandlulube AR	10.00						
	Goqwana AR	1.00						
	Mpophomeni AR	3.00						

ANNUAL REPORT 2023-2024- PORT ST JOHNS MUNICIPALITY

1 – Not meeting the standards (0-30%); 2 – Meet some of the standards (30-50%); 3 – Meet most of the standards (50-70%); 4 – Meet all the standards (70-100%)								
Name of service provider	Service rendered	Set target of performance	Status of performance (2022/2023)	Set target of performance (2023/2024)	Status of performance (2023/2024)	Measure taken to improve performance	Rating for current financial year	Comments /recommendations
	Mantusini AR	1.60						
	Mfifelo AR	1.08						
	Mjobo Street AR	2.38						
	Buchele AR	5.30						
	151.96							
Milibo Trading	Cluster 4			600km	194.53km		3	Wards were maintained and completed.
	Gangatha AR	76.90						
	Luzuphu AR	68.33						
	Mthimde AR	17.50						
	KwaNyathi AR	6.30						
	Sihlitho AR	3.90						
	Mnqezu AR	0.50						
	Jambeni AR	6.30						
	KwaNgcoya AR	14.80						
	Total km's	194.53						

**CHAPTER 4 – CHAPTER 4. ORGANISATIONAL DEVELOPMENT PERFORMANCE
(PERFORMANCE REPORT PART II)**
4.1. INTRODUCTION

The approved staff establishment has 454 approved positions during the reporting year.

- There are 257 positions filled.
- The total number of vacant positions is 197
- The total turnover in the financial year under review is 14

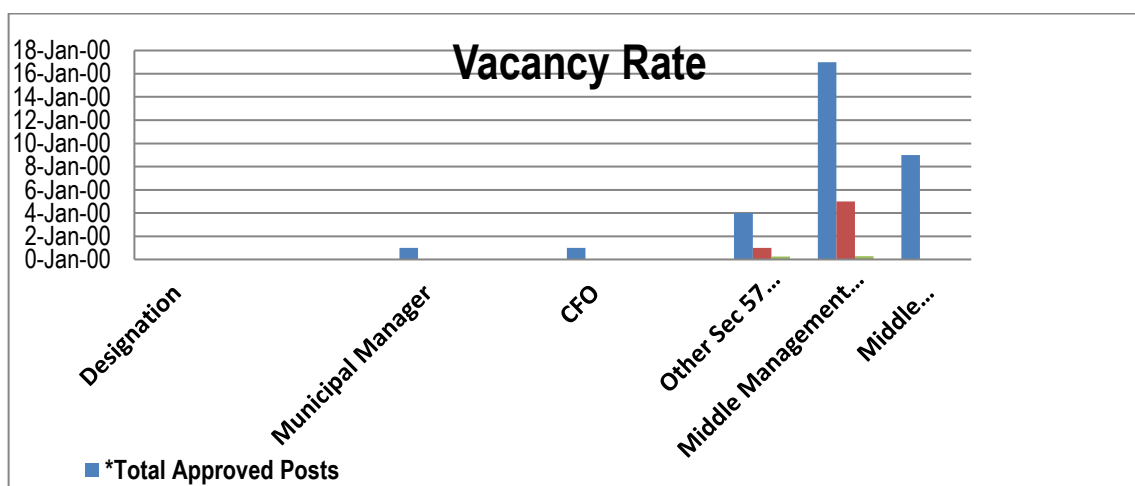
EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year - 2022/2023	Year 2023/2024			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Municipal Manager	1	1	1	0	0%
Corporate Services Manager	1	1	1	0	0%
Finance Manager (CFO)	0	1	1	0	0%
Community Services Manager	1	1	1	0	0%
Engineering Manager	1	1	0	1	100%
LED Manager	1	1	1	0	0%
Office Manager Mayor's Office	1	1	1	0	0%
Office Manager Speaker's Office	1	1	1	0	0%
Strategic Manager IDP, Performance Management, M&E	0	1	1	1	0%
Waste Management Officer	1	1	1	0	0%
Housing Officer	1	1	1	0	0%
Roads Technical	0	0	0	0	0%
LED Officer	3	9	2	7	78%
Town Planning & Land use Manager	0	1	1	1	0%
Community – General workers	44	74	40	34	45%
Security & Safety	35	95	37	58	61%
Sport & Recreation Officer	1	1	1	1	100%
Electrician (street lighting)	1	1	1	0	0%
PMU Manager	1	1	1	0	0%
Chief Technician	0	0	0	0	0%
Handyman	0	2	0	2	100%
Project Management Officer	1	2	0	1	100%
Data Capturer	1	3	1	2	67%
Superintendent (Construction & maintenance)	0	1	0	1	100%
Construction and Mechanic Manager	0	1	1	0	0%
Building Control Officer	0	1	0	0	100%
Environmental Management Officer	0	1	1	0	0%

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Team Leader (Roads Construction & Maintenance)	0	4	0	4	100%
Team Leader (Storm water & Drainage)	0	2	0	2	100%
Team Leader (Cemeteries)	0	1	0	1	100%
Team Leader (Parks & Gardens)	0	1	0	1	100%
Plant operators	21	21	21	0	0%
General Workers- Engineering	5	14	5	9	64%
General Assistants (Parks)	0	4	0	4	0%
Assistant Mechanic	0	1	1	1	0%
Clerk Administration	0	1	0	1	100%
Workshop Attendant	0	6	0	6	100%
Store man Workshop	0	1	0	1	100%
					T 4.1.1

Vacancy Rate: Year 2023/2024			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Designation	Total Approved posts No.	Vacancies (Total time that vacancies exist using fulltime equivalents)	Vacancies (as a proportion of total posts in each category)
		No.	
Municipal Manager	1	0	0%
CFO	1	0	0%
Other Sec 57 (Excluding Finance posts)	4	1	25%
Middle Management Levels 13-15 (excluding Finance Posts)	17	2	12%
Middle Management Levels 13-15 (Finance posts)	4	2	50%



4.2. COMMENT ON VACANCIES AND TURNOVER:

The recruitment process for the senior managers, which are Chief Financial Officer and Senior Manager Local Economic Development & Planning, and twelve middle managers was finalized.

4.2.1. INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Workforce management is effective and this is informed by the fact that systems and policies are in place. Human resource policies were reviewed and adopted by the Council on the 31 May 2022. No reviews were done during the reporting period, the review was initiated but could not be finalised.

4.3. POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed/ New Developed	Date adopted by council or comment on failure to adopt
		%	%	
1.	Special bereavement arrangement for members & ex-members of Council	100%	Reviewed	31 May 2022
2.	Human Capital and Retention	100%	Reviewed	31 May 2022
3.	Capacity building of members of Council	100%	Reviewed	31 May 2022
4.	Bursary	100%	Reviewed	31 May 2022
5.	Termination of Services	100%	Reviewed	31 May 2022
6.	Leave Management	100%	Reviewed	31 May 2022
7.	Sexual Harassment	100%	Reviewed	31 May 2022
8.	Acting appointment	100%	Reviewed	31 May 2022
9.	Municipal HIV and AIDS	100%	Reviewed	31 May 2022
10.	Overtime, Under time and Flextime	100%	Reviewed	31 May 2022
11.	Management of Customer Service	100%	Reviewed	31 May 2022
12.	Employee Assistance and Wellness	100%	Reviewed	31 May 2022
13.	Employment Equity	100%	Reviewed	31 May 2022
14.	Employment	100%	Reviewed	31 May 2022
15.	Occupational Health and Safety	100%	Reviewed	31 May 2022
16.	Substance and travelling	100%	Reviewed	31 May 2022
17.	Training and Development	100%	Reviewed	31 May 2022
18.	Bereavement	100%	Reviewed	31 May 2022
19.	Job Evaluation	100%	New	31 May 2022
20.	Induction Manual	100%	New	31 May 2022
21.	Individual performance Management	100%	New	31 May 2022

22.	Labour Relations	100%	New	31 May 2022
23.	Shift and Night Allowance Policy	100%	New	31 May 2022
24.	Remuneration Policy	100%	New	31 May 2022
25.	Secondment Policy	100%	New	31 May 2022
26.	Renewal of Extension of employment Contract	100%	New	31 May 2022
27.	Appointment of Staff in the office of Office Bearers	100%	New	31 May 2022
28.	Annual Leave Encashment Policy	100%	New	31 May 2022
29.	Employee Relocation Policy	100%	New	31 May 2022
30.	Inclement Weather Policy	100%	New	31 May 2022
31.	Standby Allowance Policy	100%	New	31 May 2022
32.	Migration and Placement Policy	100%	New	31 May 2022
33.	Young People Practical	100%	New	31 May 2022
34.	Organizational Staff Establishment	100%	New	31 May 2022
35.	Promotion and Transfer policy	1000%	New	31 May 2022
36.	Car Allowance	100%	New	31 May 2022
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

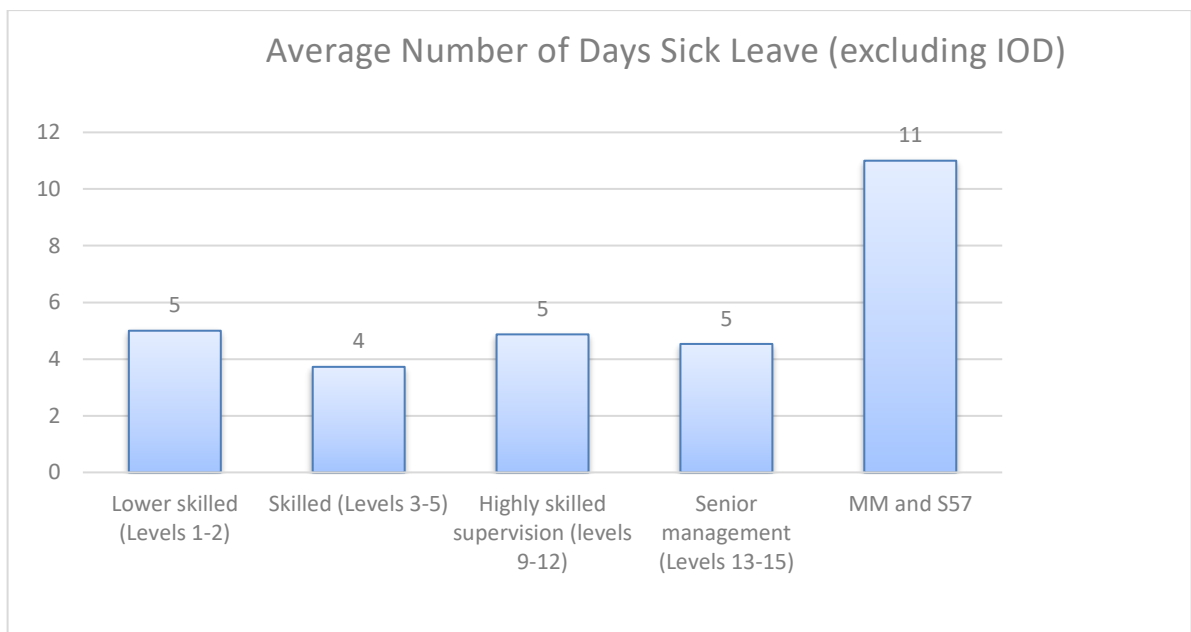
Gaps identified on the policies adopted by the Council. Process has started for the review of at least 16 existing policies as follows :- Leave Management policy, Overtime policy, Placement Policy, IPMS policy, Training and Development policy, Placement policy, Employment Equity policy, Employee Wellness policy, Induction policy, Bursary policy, Employment policy, Occupational Health and Safety policy, Bereavement policy, Records Management policy, Remunerations and Secondment policy.

4.4. INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	107	4	41%	26	64093
Temporary total disablement	62	1	10%	62	107801
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	169	5	3%	88	171894
					T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost

	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	522	0%	69	116	5	312,678
Skilled (Levels 3-5)	257	5%	63	69	4	216908
Highly skilled supervision (levels 9-12)	151	7%	49	31	5	262,438
Senior management (Levels 13-15)	68	1%	7	15	5	174,896.00
MM and S57	55	0%	4	5	11	232,705.00
Total	1053		192	236	29.13	1199625
* - Number of employees in post at the beginning of the year						T 4.3.2
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						



COMMENT ON INJURY AND SICK LEAVE:

There were no injuries reported generally during the period under review, sick leaves taken were more in the following departments generally, Community Services and Engineering, especially among lower-level occupations and during December time. Steps were taken to prevent and reduce injuries, which included provision of protective clothing to workers. Reports on injuries are normally forwarded to Department of Labour as required by Occupational Health & Safety (OHS) Act.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised	Date Finalised

PMU Manager	- Gross dishonesty - Fraud - Financial Misconduct - Gross Negligence - Municipal Sabotage /Mutilating Public Records	28 July 2023	Employee representative held up on other commitments	Awaiting suction
Project Management Officer	- Gross dishonesty - Fraud - Financial Misconduct - Gross Negligence - Municipal Sabotage /Mutilating Public Records	28 July 2023	Affected employee was hospitalized & subsequently passed away.	Closed
T.4.3.5				

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
PMU Manager & Project Management Officer	- Gross dishonesty - Fraud - Financial Misconduct - Gross Negligence - Municipal Sabotage /Mutilating Public Records	Awaiting findings	<i>In progress</i>
PMU Manager & Project Management Officer	- Gross dishonesty - Fraud - Financial Misconduct - Gross Negligence - Municipal Sabotage /Mutilating Public Records	The incumbent was deceased in February 2024	<i>closed</i>
T 4.3.6			

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were two suspension/ cases or allegation of various kinds of misconduct which relate to project management the PMU staff. The disciplinary hearing was conducted, however there were some delays because of several reasons including the availability of employee representative. One of the affected employees was reported sick and later died before the case was finalised.

4.5. PERFORMANCE REWARDS

PERFORMANCE REWARDS Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within group
				R' 000	%
Lower skilled (Levels 1-2)	Female	0	0	0	0%
	Male	0	0	0	0%
Skilled (Levels 3-5)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled production (levels 6-8)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled supervision (levels 9-12)	Female	0	0	0	0%
	Male	0	0	0	0%
Senior management (Levels 13-15)	Female	0	0	0	0%
	Male	0	0	0	0%
MM and S57	Female	0	0	0	0%
	Male	0	0	0	0%
Total		0			0%
Has the statutory municipal calculator been used as part of the evaluation process?					Yes/No
<i>Note: MSA 2000 S51 (d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).</i>					T 4.4.1

COMMENT ON PERFORMANCE REWARDS:

Although there is a performance management system policy in place, the performance management system has not yet been cascaded to the lower level of staff. The policy gaps were attended through policy review to enable the smooth running of the performance management. The reviewed policy has been adopted by the Council and will cascade from higher level (TG 16 to TG 11) for the purpose of understanding before cascading to lower levels.

4.6. CAPACITATING THE MUNICIPAL WORKFORCE

Port St John's Local Municipality has a high illiteracy rate at 57% amongst low level employees, there is a skills gap identified in ABET/ Basic Literacy, followed by technical skills, Administrative Skills, and Computer Literacy. These have been identified through submission of skills gaps from departments and processed by training Committee.

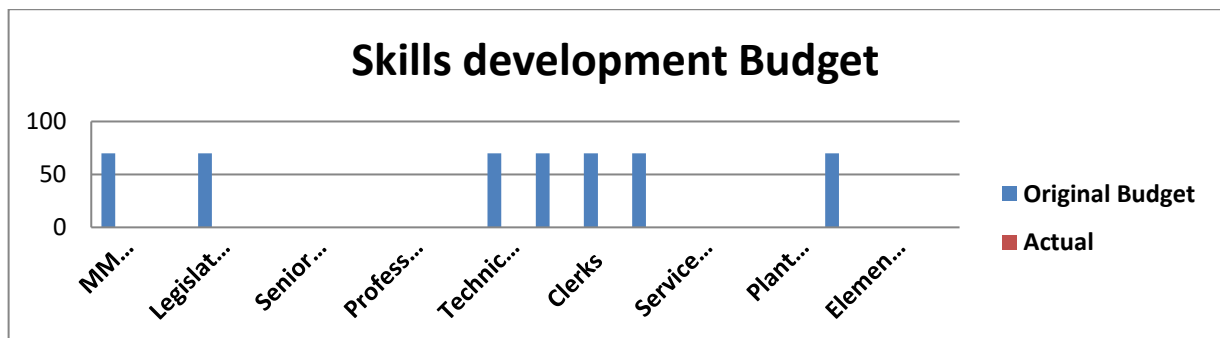
Improvement made included regular compliance for annual submission of the Workplace Skills Plan and annual training report by Corporate Services department. Municipality has managed to capacitate 64 employees in different fields. Challenges faced include limited budget and financial allocation for workforce capacity building and development.

4.7. SKILLS DEVELOPMENT AND TRAINING

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	1	2	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	4	0	4	4	4	4
Any other financial officials	0	0	0	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	1	1	1
TOTAL	6	1	7	7	7	7
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	0	0	70	3	0	0	70	
	Male	0	0	0	0	0	0	0		
Legislators	Female	19	0	0	70	2	0	0	70	
	Male	20	0	0						
Senior Officials & Manager	Female	1	0	0	70	3	0	0		
	Male	3	0		70	2	0	0		
Professionals	Female	0	0	0	0	0	0	0		
	Male	0	0	0	0	0	0	0		
	Female	1	0	0	70	2	0	0	70	

Technicians and associate professionals	Male	2	0	0	70	4	0	0	70	
Clerks	Female	3	0	0	70	6	0	0	70	
	Male	1	0	0	70	2	0	0	70	
Service and sales workers	Female	0			0	0	0	0		
	Male	0			0	0	0	0		
Plant and machine operators and assemblers	Female	0	0		0	0	0	0		
	Male	1			70	3	0	0	70	
Elementary occupations	Female	0	0	0	0	0	0	0	0	
	Male	0	0	0	0	0	0	0	0	
Sub total	Female	24			280	13			280	
	Male	23			140	6			140	
Total		47	0	0	420	19	0	0	420	19
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R



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

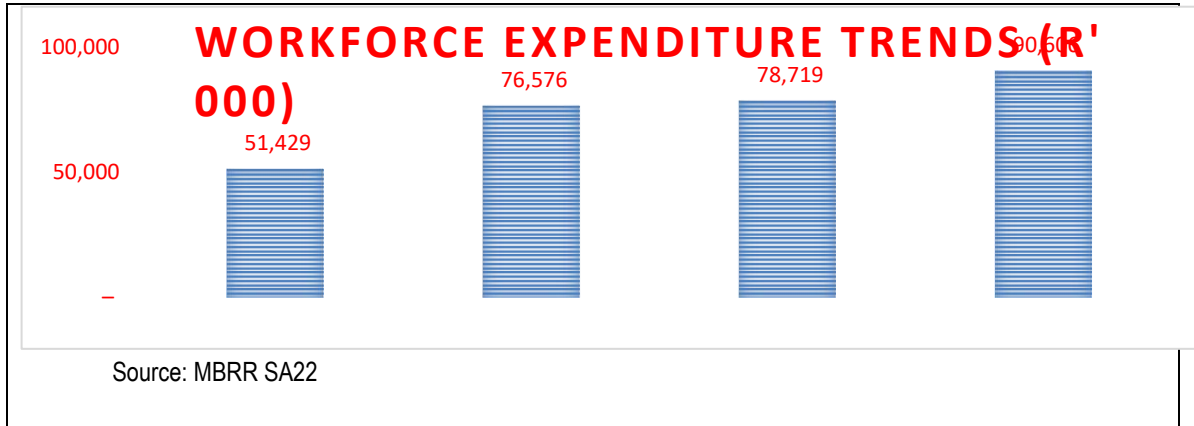
Skills audit was conducted, and training implementation plan developed to accommodate training priorities. In addition, the departments continue to identify training needs over the year where skills gaps are encountered. The available funds do not effectively cover all the training interventions/ bursaries identified. Currently most finance officials and interns have been subjected to the competency related training as referred in the MFMA Competency Regulations

4.8. WORKFORCE EXPENDITURE

The Employee Related Costs continue to rise with the expenditure sitting above 40% budget threshold as stipulated by the National Treasury. Controls on the expenditure include controls on overtime usage, limiting acting allowances, and freezing filling of other considered non- critical positions. The Council took a resolution to prioritise only critical post as a measure to curb this increasing employee related costs. The move is informed by the fact that expenditure should be contained to allow monies to be released and utilised for service delivery issues. There are pressures to overspend wherein

departments continue to recommend post for filling and requesting approval for filling, recommending working of overtime, and Travelling allowance claims.

4.5. EMPLOYEE EXPENDITURE



The Employee Related Costs continues to rise with the expenditure sitting 45% budget threshold as stipulated by the National Treasury. Controls on the expenditure include controls on overtime usage, limiting acting allowances, and freezing filling of other considered non- critical positions.

The Council took a resolution in 2022 to prioritise only critical post as a measure to curb this increasing employee related costs. The move is informed by the fact that expenditure should be contained to allow monies to be released and utilised for service delivery issues. There are pressures to overspend wherein departments continue to recommend post for filling and requesting approval for filling, recommending working of overtime, and travelling allowance claims.

Number of employees whose salaries were Increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).

T 4.6.2

Employees Whose Salary Levels Exceed the Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Middle Managers	10	No Job evaluated	Benchmarked	Variety of reasons including negotiated salary offers at appointment, counteroffer, attraction of scarce skills
Chief Registry Clerk	1	11	Above TG	
Sports Development Officer	1	11	Above TG	
Forman- Roads & Maintenance	1	9	Above TG	
Traffic Officer	1	8	Personal to incumbent	
Town Planner	1	13	Personal to incumbent	
Admin Clerk	1	5	Personal to incumbent	
				T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
n/a	n/a	n/a	n/a	n/a
				T 4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There were no upgraded posts in the municipality during the year under review. The Municipality's positions on the current structure are still on job evaluation exercise to determine whether there are any to be upgraded. Currently, the Municipality is using the job evaluation results of 2006. There are few positions evaluated by District Job Evaluation Committee and confirmed by Provincial Audit Committee as per operating structure.

DISCLOSURES OF FINANCIAL INTERESTS

All councillors and officials disclosed their financial interest through signing of forms that were issued by SCM. The disclosure of interests forms are safely filed in the Accounting Officer's office and a file copy at SCM for reference

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1. INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components: -

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

5.2. STATEMENT OF FINANCIAL PERFORMANCE

5.2.1. Introduction To Financial Statements

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

5.2.2.1. Comments On Financial Statements

The financial statements were prepared according to the GRAP standards. The municipality's financial position is healthy. The municipality is reliant on government grant however this does not affect its going concern. Port St. Johns municipality was using Khwalo Business Accountant & Auditors for the preparation of financial statements on a contract amount of R6 068 562.50 on a 3-year contract which will expire in July 2025.

STATEMENTS OF FINANCIAL PERFORMANCE

R' 000						
Description	Year 2022/23	Current: Year 2023/24			Year 2023/24 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	11118,00	11 965	14 965	15680	131	105
Service charges	1085,00	1500	2435	1141	76	47
Investment revenue	7099,00	0	0	0	0	0
Transfers recognised - operational	259920,00	49201	68301	17005	35	25
Other own revenue	3404,00	210325	211250	206396	98	98
Total Revenue	302944,00	272991	296950	240222	88	81
Employee costs	93763,00	95990	112915	110279	115	98

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Remuneration of councillors	13223,00	14101	16791	15219	108	91
Depreciation & asset impairment	49793,00	57414	57414		0	0,
Finance charges	1665,00	274	274	165	60	60
Materials and bulk purchases	494,00	2946	3305	2091	71	63
Transfers and grants	265692,00	15130	16595	14208	94	86
Other expenditure	70824,00	114551	121866	87639	76	72
Total Expenditure	279074,00	300406	328861	229700	76	70
Surplus/(Deficit)	23088,00	-27415	-31910	10522	-38	-33
Contributions recognised - capital & contributed assets	-		-	-		
Surplus/(Deficit)	23088,00	-27415	-31910	10522	-38	-33
	-	-	-	-		
Share of surplus/ (deficit) of associate	-	-	-	-	-	-
Capital expenditure & funds sources	63581	88298	137477	92525	105	67
Capital expenditure	66275,00	124551	168405	98096	79	58
Transfers recognised - capital	60108,00	88804	137477	86791	98	63
Internal generated funds	18807,00	35748	27801	8279	23	30
Public contributions & donations						
Borrowing						
Total sources of capital funds	78915,00	124551	165278	95070	76	58
Financial position						
Current assets	225337,00	190952	191482	259044	136	135
Non -current assets	554825,00	559045	603198	637806	114	106
Current liabilities	85028,00	65367	65367	105895	162	162
Non- current liability	16495,00	13725	13725	15254	111	111
Community wealth/Equity ACC SUR	610022,00	670905	823345	672599	100	82
Cash flows						
Net cash from (used) operating	105555,00	84342	116980	169668	201	145
Net cash from (used) investing	-74286,00	-124250	-163476	-51205	41	31
Net cash from (used) financing	-283,00	-	-	-		-
cash and cash equivalent at the beginning of the year	121988,00	82 079	75 492	271778		

5.2.2.2. Comments On Financial Performance:

The municipality operates within the approved budget. The revenue collection performed well because of the discount scheme. Debtors' payments for rates and services within 30 days (about 4 and a half weeks) remains a challenge. The implementation of the cost containment policy adopted by the council assisted in reducing non-essential expenditure. The cashflow status improved the municipality as well can carry its day-to-day operations and meet its immediate obligations.

5.2.3. GRANTS

Grant Performance						
R' 000						
Description	Year – 2022/23	Year 2023/24			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	7 636	–	–			
Equitable share	182	193515	193515	190710		
Municipal Systems Improvement	2 182					
Department of Water Affairs	4 283					
Levy replacement	988					
Other transfers/grants [insert description]						
Provincial Government:	6 056	–	–			
Health subsidy	3 786					
Housing	1 502					
Ambulance subsidy	219					
Sports and Recreation	550	550	840	840		
Other transfers/grants [insert description]						
District Municipality:	–	–	–	–		
[insert description]						
Other grant providers:	–	–	–	–		
[insert description]						
Total Operating Transfers and Grants	27 486	–	–			
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.						T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The municipality received all its gazetted grants. No variances were experienced except for grants received by the municipality which were not gazetted. These grants include grant from local government support and Local Government seta grant. All grants received by the municipality were spent within their conditions for the current year.

T 5.2.2

Grants Received from Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year - 2021/2022	Actual Grant Year 2022/2023	Year 2022/2023 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"	0	0	0	0	0	0
Foreign Governments/Development Aid Agencies						
A - "Project 1"	0	0	0	0	0	0
Private Sector / Organisations						
A - "Project 1"	0	0	0	0	0	0
Provide a comprehensive response to this schedule						T 5.2.3

5.2.3.1. Comments On Conditional Grants And Grant Received From Other Sources

The municipality received Small-Town Revitalization (STR) and operational Grant such as DSRAC other than those on DORA.

5.3. ASSET MANAGEMENT

5.3.1 Introduction to Asset Management

The municipality adopts an integrated approach to asset management, taking the municipal strategy, converting that into an asset management strategy and producing plans based upon an analysis of service delivery options; formulating an asset management strategy consisting of detailed plans for acquisitions and replacements, operation and maintenance as well as disposals in terms of the municipality's policies; informing the Integrated

Development Program (and revised Integrated Development Program) and then the annual budget, using the detailed plans; funding approved asset management plan appropriately through the budget; including in the Service Delivery and Budget Implementation Plan (SDBIP) the measurable objectives and targets of asset management plan and reporting on the performance of assets as measured in terms of service delivery based upon an approved Service Delivery & Budget Implementation

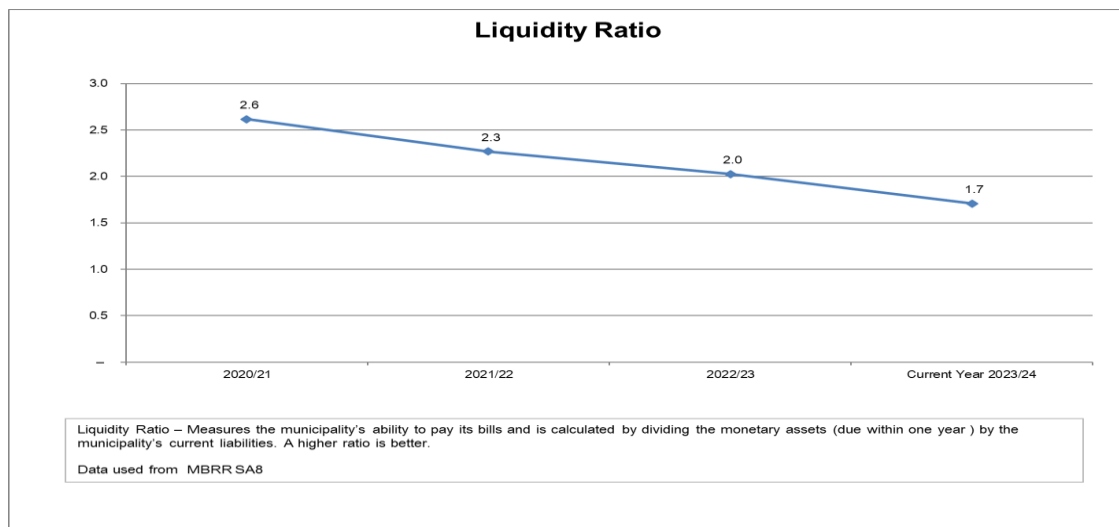
Plan, budget and Integrated Development Plan. The Municipality has an asset register that is compliant with GRAP standards.

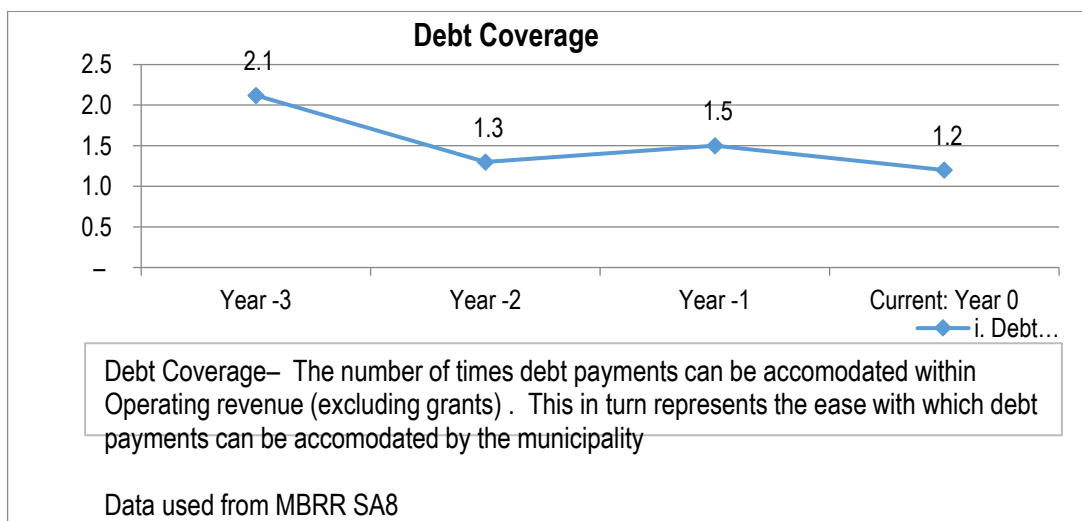
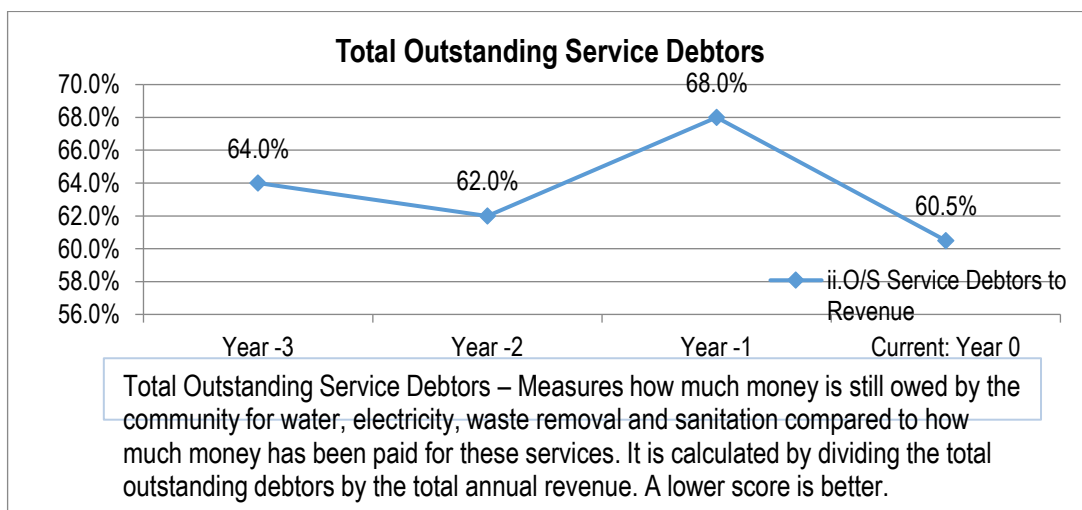
Repair and Maintenance Expenditure: Year 2023/24				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	R12070	R12514	R9504	R3010
				T 5.3.4

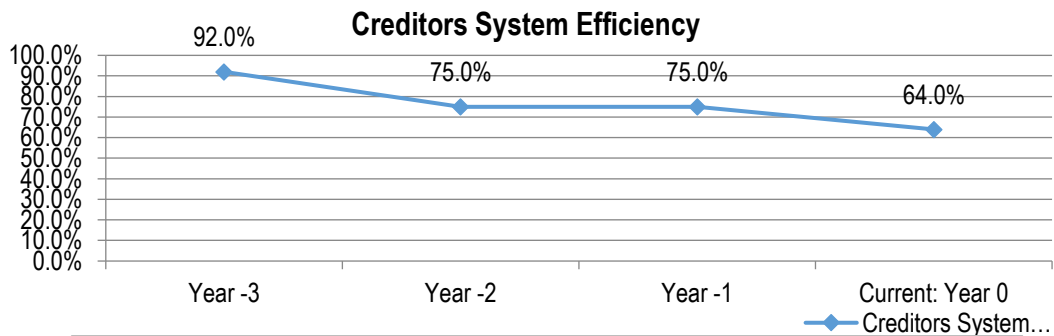
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The Municipality has increased its budget in order to meet the demands for road maintenance and upkeep of plant and machinery. The plant and machinery of the municipality is ageing thus requiring regular repairs.

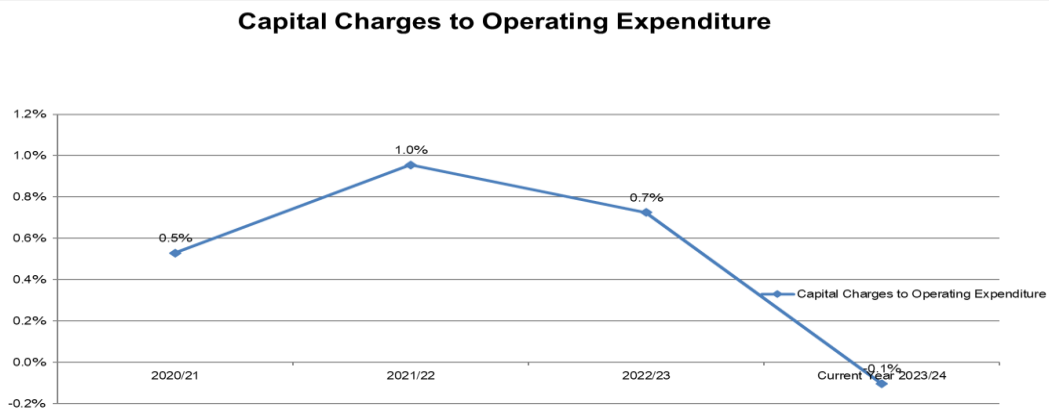
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS





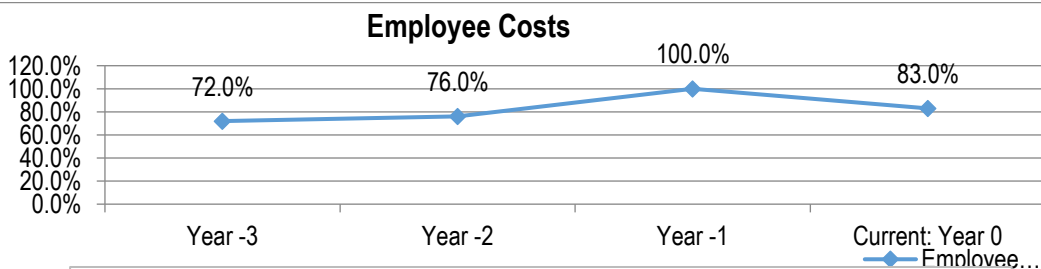


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases



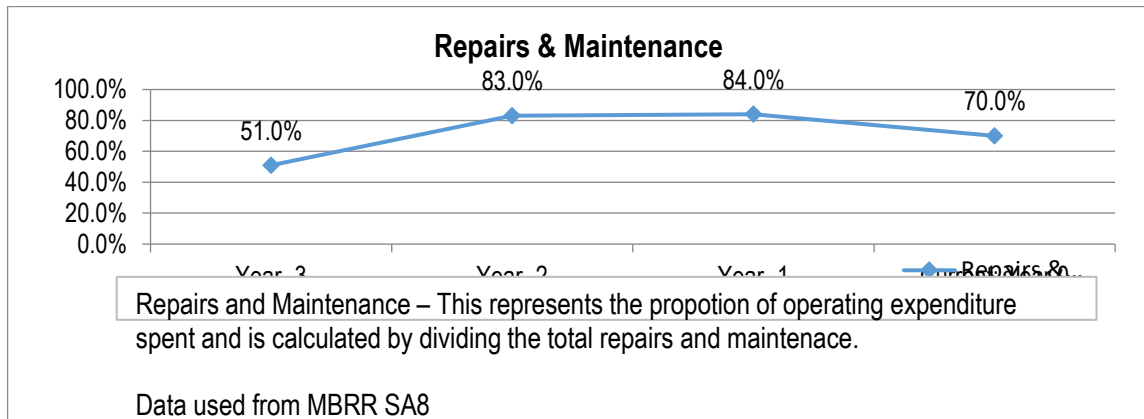
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8



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

Data used from MBRR SA8



COMMENT ON FINANCIAL RATIOS:

The liquidity ratios have decreased from 2: 0 in the previous year to 1:7 in the current year. This is caused by the change in how we account for the electrification project. The change resulted in a reduction of the balance for inventory by 62Million. The total outstanding debtor's ratio improved from 68 to 60%. This can be attributed to the 50 % discount scheme that was offered to the ratepayers.

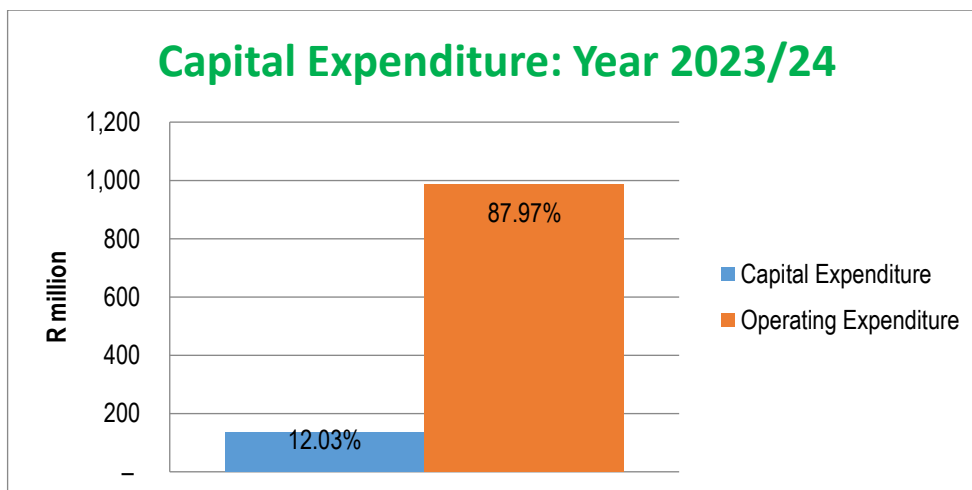
Debt coverage has decreased to 1.2 due to the decrease in the current assets. have increased in liabilities and assets and the increase in investments has increased the municipalities current assets compared to the previous year.

5.4. SPENDING AGAINST CAPITAL BUDGET

5.4.1. Introduction To Spending Against Capital Budget

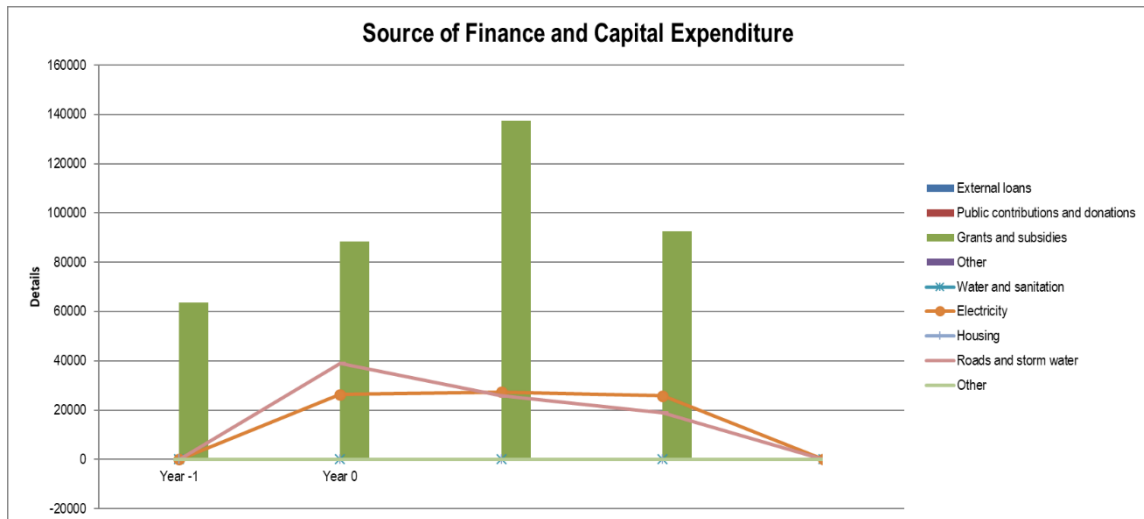
Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. The municipality's capital expenditure is funded by grants and operation surpluses. The municipality spent all its allocated funds from municipal infrastructure grant.

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FUNDING

Capital Expenditure - Funding Sources: Year -1 to Year 0							
R' 000							
Details		Year -1	Year 0				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	0	0	0	#DIV/0!	#DIV/0!
	Public contributions and donations	0	0	0	0	#DIV/0!	#DIV/0!
	Grants and subsidies	63581	88298	137477	92525	55.70%	4.79%
	Other	0	0	0	0	#DIV/0!	#DIV/0!
Total		63581	88298	137477	92525	#DIV/0!	#DIV/0!
Percentage of finance							
	External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Grants and subsidies	100.0%	100.0%	100.0%	100.0%	#DIV/0!	#DIV/0!
	Other	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Capital expenditure							
	Water and sanitation	0	0	0	0	#DIV/0!	#DIV/0!
	Electricity	0	26410	27316	25830	3.43%	-2.20%
	Housing	0	0	0	0	#DIV/0!	#DIV/0!
	Roads and storm water	0	39020	25812	18898	-33.85%	-51.57%
	Other	0	0	0	0	#DIV/0!	#DIV/0!
Total		0	65430	53128	44728	#DIV/0!	#DIV/0!
Percentage of expenditure							
	Water and sanitation	#DIV/0!	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Electricity	#DIV/0!	40.4%	51.4%	57.7%	#DIV/0!	#DIV/0!
	Housing	#DIV/0!	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
	Roads and storm water	#DIV/0!	59.6%	48.6%	42.3%	#DIV/0!	#DIV/0!
	Other	#DIV/0!	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
T 5.6.1							



COMMENT ON SOURCES OF FUNDING:

The municipality relies mostly on grant funding for capital projects. There are no other sources except for own revenue which also not enough to fund even our operations.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 2023.24			Variance: Current Year 2023/24	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Rhawutini Access Road	6058	6354	6657	110%	105%
Luzuphu Access Road	5908	6663	6657	113%	100%
Gogogo Access Road	6391	6095	5858	92%	96%
Bizana Access Road	5895	5895	6441	109%	109%
Lityeni to Tyiwani Access Road	5560	5560	5258	95%	95%
Agate Terrace Phase 2	15000	17274	17277	115%	100%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	Aggate Terrace Phase 2& 3				
Objective of Project	Pavement Road				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	25				
Name of Project - B	Luzuphu Access Road				
Objective of Project	Access Road				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	25				
Name of Project - C	Rhawutini Access Road				
Objective of Project	Access Road				

Delays	None
Future Challenges	None
Anticipated citizen benefits	25
Name of Project - D	Gogo Access Road
Objective of Project	Access Road
Delays	None
Future Challenges	None
Anticipated citizen benefits	25
Name of Project - E	Bizana Access Road
Objective of Project	Access Road
Delays	None
Future Challenges	None
Anticipated citizen benefits	25

COMMENT ON CAPITAL PROJECTS:

The municipality relies mostly on grant funding for capital projects. There are no other sources except for own revenue which also not enough to fund even our operations. There is a need for additional funds to finance infrastructure backlogs within the municipality. The current infrastructure is unable to meet the needs of the communities.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.8.1 INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Port St John's Local Municipality has a lot of backlogs because the area is rural and dependent on grants. The revenue is minimal which makes it difficult to sustain itself. In terms of housing needs, we have 22 000 backlogs, 12 000 backlog on electrification, and 790.5km of roads backlog. The budget allocation for infrastructure does not meet expectations of the communities.

Service Backlogs as at 30 June Year 2022/2023				
Households (HHs)				
	*Service level above minimum standard		*Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	2500	95%	15000	51.00%
Sanitation	2500	95%	12000	15.00%
Electricity	2500	85%	12000	15.00%
Waste management	2500	95%	30000	95%
Housing	0	0	22000	60.00%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				T 5.8.2

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges	33	33	33	0%	0%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation	25	25	21	82%	0%	
Street Lighting				%	%	
Other Specify:				%	%	
Total				%	%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.8.3

COMMENT ON BACKLOGS:

A three- year capital plan was developed to ensure proper implementation of projects. The applications of MIG funds for projects implementation are done in time to avoid any delays of approval process. We have since improved in our project spending and reporting without compromising quality of services provided.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

This section deals with cash flow management and investment activities undertaken by the municipality during the reporting year.

5.9 CASH FLOW

5.9.1 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

This section deals with cash flow management and investment activities undertaken by the municipality during the reporting year.

Cash Flow Outcomes				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				

Ratepayers and other	17,274	8,154	14,757	55,266
Government - operating	203,082	200,917	201,293	292,300
Government - capital	67,725	88,298	137,477	–
Interest	–	–	–	–
Dividends	–	–	–	–
Payments				
Suppliers and employees	194,941	221,265	246,995	258,751
Finance charges	1,665	274	274	2,033
Transfers and Grants	8,204	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	492,890	518,908	600,796	608,350
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	302	302	–
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets				
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	302	302	–
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Repayment of borrowing	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	492,890	519,210	601,098	608,350
Cash/cash equivalents at the year begin:	146,974	121,987	121,987	154,517
Cash/cash equivalents at the year-end:	176,045	82,079	75,492	173,085
Source: MBRR A7				T 5.9.1

5.10 BORROWING AND INVESTMENTS

5.10.1 INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality does not have any borrowings for the reporting period .

Actual Borrowings: Year 2022/23 to Year 2023/2024			
R' 000			
Instrument	2021/2022	Year 2022/2023	Year 2023/2024
Municipality			
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Installments Credit	0	0	0
Financial Leases	0	0	0
PPP liabilities	0	0	0
Finance Granted By Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptances	0	0	0
Financial derivatives	0	0	0
Other Securities	0	0	0
Municipality Total	0	0	0
Municipal Entities			
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
installments Credit	0	0	0
Financial Leases	0	0	0
PPP liabilities	0	0	0
Finance Granted By Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptances	0	0	0
Financial derivatives	0	0	0
Other Securities	0	0	0
Entities Total	0	0	0
			T 5.10.2



Municipal and Entity Investments			
			R' 000
Investment* type	Year -2021/2022	Year -2022/2023	Year 2023/2024
	Actual	Actual	Actual
Municipality			
Securities - National Government	0	0	0
Listed Corporate Bonds	0	0	0
Deposits - Bank	0	0	0
Deposits - Public Investment Commissioners	0	0	0
Deposits - Corporation for Public Deposits	0	0	0
Bankers' Acceptance Certificates	0	0	0
Negotiable Certificates of Deposit - Banks	0	0	0
Guaranteed Endowment Policies (sinking)	0	0	0
Repurchase Agreements - Banks	0	0	0
Municipal Bonds	0	0	0
Other	0	0	0
Municipality sub-total	0	0	0
Municipal Entities			
Securities - National Government	0	0	0
Listed Corporate Bonds	0	0	0
Deposits - Bank	0	0	0
Deposits - Public Investment Commissioners	0	0	0
Deposits - Corporation for Public Deposits	0	0	0
Bankers' Acceptance Certificates	0	0	0
Negotiable Certificates of Deposit - Banks	0	0	0
Guaranteed Endowment Policies (sinking)	0	0	0
Repurchase Agreements - Banks	0	0	0
Other	0	0	0
Entities sub-total	0	0	0
Consolidated total:	0	0	0
			<i>T 5.10.4</i>

COMMENT ON BORROWING AND INVESTMENTS:

There were no borrowings and investments in the 2023/2024 financial year.

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS (PPP):

There are no PPPs entered into by the municipality for the reporting year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

5.12.1 SUPPLY CHAIN MANAGEMENT

Supply chain management (SCM) unit has been established in terms of the MFMA and SCM regulations. Committees are in place and are functioning in terms of their functions. Procurement plans will be introduced and implemented during the next financial year. This is for purposes of ensuring constant procurement of municipal services 2.8.1.

5.13 GRAP COMPLIANCE

5.13.1 GRAP COMPLIANCE

The municipality has compiled its annual financial statements in terms of GRAP.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

6.1 INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements, and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year -2023/24 IS QULIFIED OPINION.

6.1 AUDITOR GENERAL REPORTS YEAR (2023/2024)

6.1 INTRODUCTION

The Constitution S188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements, and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General. Accordingly, Port St Johns Local Municipality submitted the financial statements in terms of section 126 of the Municipal Finance Management Act 56 of 2003.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -2023/24

6.1 AUDITOR GENERAL REPORTS YEAR -0 (2023/2024)

Auditor-General Report on Financial Performance: Year 0 (2023/2024)	
Audit Report Status*:	qualified
Emphasis of matter	Remedial Action Taken
Unauthorized expenditure Fruitless & wasteful expenditure	The municipality to fast track the investigations of prior years' UIFWE and new instances To update and implement the UIFWE reduction strategy and report to council quarterly.
Receivables from non-exchange transactions- due to certain accounts not billing and not appearing on the Age analysis	To perform verification of all debtor accounts 2. Investigate accounts closed with balances 3. System vendor to align the debtors subledger accounts to the age analysis 4. perform reconciliation of all individual debtors' account
Debt impairment policy not in line with Grap standards	To update the debt impairment policy to be in line with GRAP 104 2. Recalculate and adjust debt impairment for prior year

Irregular expenditure – SCM policy not aligned to the updated preferential procurement regulations of November 2022 resulting in all procurements under 30 000 being deemed as irregular expenditure	. To update the SCM policy 2.To identify all procurements below 30 000 in the financial year 2022/23 and 2023/24 and disclose them under irregular expenditure
Restatement of corresponding figures	Review all restatement journal with its supporting documents All journals to be supported with source documents going back to prior years
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
T 6.1.1	

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE: YEAR 1 (2022/2023)

Auditor-General Report on Financial Performance: Year 1 (2022/2023)	
Audit Report Status*:	qualified
Emphasis of matter	Remedial Action Taken
Irregular expenditure	Unauthorized, irregular, fruitless and wasteful expenditure for prior year must be reported to council for proper action in line with section 32 of the MFMA
Material Impairment of Receivables	Contrary to what AG stated in their report, the Municipality is not writing-off debtors but we are providing for an amount that we deem irrecoverable as per our policy. Write off requires a council resolution which we do not have now. 2.We will engage our service provider (Credit Intel) on ways we can implement to recover debts from our customers 3. We might offer discounts to encourage payments of rates and refuse billed to our customers
<i>Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
T 6.1.2	

Report of the auditor-general to the Eastern Cape Provincial Legislature and Council on Port St Johns Local Municipality

Report on the audit of the consolidated and separate financial statements

Qualified opinion

1. I have audited the consolidated and separate financial statements of the Port St Johns Local Municipality set out on pages ... to ..., which comprise the consolidated and separate statement of financial position as at 30 June 2024, consolidated and separate 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 ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of the auditor's report, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Port St Johns Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act no.5 of 2023 (Dora).

Basis for opinion

Receivable from non-exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for the receivables from non-exchange transactions. This is due to certain debtors that appear in the age analysis which were not billed in the billing report. I was unable to confirm accuracy of the property rates by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to receivables from non-exchange transactions stated at R4 million in note 5 and 7 to the consolidated and separate financial statements.

Debt impairment

4. Debt impairments were not calculated in accordance with the Standard of GRAP 104, *financial instruments*, which resulted in debt impairments disclosed in note 37 to the financial statements being overstated by R2.9 million. In addition, I was unable to obtain sufficient appropriate audit evidence to determine the full extent of the debt impairments understatement as adequate systems were not in place to maintain records valid applications for debt relief and approvals. I could not confirm this by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to debt impairments stated at R13.4 million in note 38 to the consolidated and separate financial statements.

Irregular expenditure

5. The irregular expenditure incurred during the current financial year under audit and related information on irregular expenditure was not included in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. Expenditure was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure. I was unable to determine the full extent of the irregular expenditure that occurred during the financial year as it was impracticable to do so.

Restatement in corresponding amounts

6. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding amounts disclosed in the prior period error note to the financial statements. As described in note 57 to the separate financial statements, the restatements were made to rectify a previous year's misstatements, but these could not be substantiated by supporting audit evidence. I was unable to confirm the restatements by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the prior period error note 57 to the consolidated and separate financial statements.

Context for opinion

7. 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 consolidated and separate financial statements section of my report.
8. 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.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Unauthorized expenditure

11. As disclosed in note 52 to the consolidated and separate financial statements, the municipality incurred unauthorised expenditure of R43 million (2023: R20.2 million), as it did not adequately monitor budget to spending and by vote.

Fruitless and wasteful expenditure

12. As disclosed in note 53 to the consolidated and separate financial statements, the municipality incurred fruitless and wasteful expenditure of R2.1 million (2023: R2.2 million) and R2.3 million (2023: R0.78 million), respectively, as it did not adequately ensure that there is commensurate value for all expenditure incurred.

Other matters

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the consolidated and separate financial statements

15. The accounting officer (AO) is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the GRAP and the requirements of the MFMA; and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the consolidated and separate 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 consolidated and separate financial statements

17. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.
18. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located in the annexure to the auditor's report, forms part of our auditor's report.

Report on the audit of the annual performance report

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

Development priority]	Page numbers	Objective
Basic service delivery	[XX]	Adequate provision and maintenance of basic infrastructure services by end June 2024
Community services	[XX]	Rapid provision of social and community services by end June 2024

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

- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

23. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

24. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements / measures taken to improve performance.

27. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets / measures taken to improve performance are included in the annual performance report on pages ... to

Basic service delivery

<i>Targets achieved: 64%</i> <i>Budget spent: 43%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of kms of gravel roads constructed	68.8km	64.3km
Number of kms of surfaced access road constructed	3.45km	1.8km
Number of bridges rehabilitated	9	3
Number of public amenities constructed	4	1

Community services

<i>Targets achieved: 38%</i> <i>Budget spent: 6%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of public amenities constructed	5	0
Number of public amenities maintained	4	0

Number of waste management projects implemented	3	1
Number of policies and by-laws reviewed and developed	10	8

Report on compliance with legislation

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

Annual financial statements, annual performance report, and annual report

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements relating to consumer debtors, receivables from non-exchange transactions, debt impairment, revenue from exchange and revenue from non-exchange transactions, and restatement in correspondence amounts for Restatement in corresponding amounts were identified.

Expenditure management

33. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R43.7 million (2023: R20.2 million), as disclosed in note 52 to the separate financial statements, in contravention of section 62(1)(d) of the MFMA.
34. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R2 million (2023: R0.78 million), as disclosed in note 53 to the separate financial statements, in contravention of section 62(1)(d) of the MFMA.
35. Reasonable steps were not taken to prevent irregular expenditure amounting to R1.5 million (2023: R7.6 million) as disclosed in note 54 to the separate financial statements, as required by section 62(1)(d) of the MFMA.

Other information in the annual report

45. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
46. My opinion on the consolidated and separate 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.
47. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate 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.

Internal control deficiencies

48. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
49. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on compliance with legislation included in this report.
50. Management did not implement an effective review process before finalization of the annual financial statements.
51. Management did not implement adequate control over reviews and monitoring over compliance with applicable laws and regulations.
52. Management did not ensure implementation of consequence management as no investigations were conducted against allegations of irregular, fruitless and wasteful, and unauthorised expenditure.
53. Management did not ensure that controls around the oversight exercised by management in record keeping and the performance of reconciliations as support for the financial and performance information presented and disclosed. Journal entries were approved with no dates of approval indicated.
54. Management did not ensure that oversight responsibilities exercised by management around the internal controls of the Municipality and compliance with the relevant laws and regulations.
55. Management did not ensure that implementation of the prior year recommendations and action plan items highlighted in the prior year audit outcomes to address significant control deficiency issues.

56. Management did not put processes in place to ensure that the municipality follows normal procurement processes to avoid the incurrence of irregular expenditure.
57. Management did not put measures in place to ensure that all debtors are billed and that the impairment determination process has valid applications from debtors and approvals are processed correctly before debtors are impaired.

AUDITOR GENERAL

East London

12 December 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPENDICES

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
	FT/PT			%	%
Cllr N. Mlombile - Cingo	Full Time	EXCO Member & Chairperson	PR -ANC	70.6	29.4
Cllr C. Mazuza	Full Time	Council Chairperson (November 2021 to November 2024)	PR- ANC	94	6
Cllr X. Moni	Part Time	Council Whip (November 2021 to date)	PR-ANC	76.5	23.5
Cllr F. Mafaka	Part Time	Portfolio Head Community Services and S P U Standing Committee	Ward 17 Cllr-ANC	88	12
Cllr A. Gantsho	Part Time	Council chairperson (01 July November 2021 to date) Portfolio Head LED (November 2021 to date)	PR-ANC	82	18
Cllr N. Tani	Part Time	BTO Standing Committee	PR-ANC	88	12
Cllr. E.S. Sicoto	Part Time	Portfolio Head Corporate Services and Planning Research and IGR Standing Committee	Ward 14 Cllr-ANC	94	6
Cllr. S. Madolo	Part Time	Portfolio Head Engineering & Planning Standing Committee	PR- ANC	70	30
Cllr. N. Vava	Part Time	Petitions and Public Participation Committee	Ward 01 Cllr-	65	35
Cllr. P. Nomarhobo	Part Time	BTO Standing Committee Member	Ward 02 Cllr	82	18
Cllr. M. B. Madotyeni	Part Time	Ethics & Members Interest Member	Ward 03 Cllr- ANC	88	12
Cllr. N. Kawu	Part Time	LED Member	Ward 04 Cllr-ANC	76	24
Cllr. M. Maninjwa	Part Time	LED Member	Ward 05 Cllr-ANC	65	35
Cllr. Z. Mhlabeni	Part Time	MPAC	Ward 06 Cllr-ANC	70	30
Cllr. B. I. Ndudu	Part Time	Community Services	Ward 07 Cllr-ANC	65	35
Cllr. B. Mjakuja	Part Time	Women's Caucus	Ward 08 Cllr-ANC	70	30
Cllr. S. Ndabeni	Part Time	Corporate Services	Ward 09 Cllr-ANC	65	35
Cllr. T. Javu	Part Time	Ethics & Members Interest	Ward 10 Cllr- ANC	94	6
Cllr. B. Ncomfu	Part Time	Ethics & Members Interest	Ward 11 Cllr-ANC	47	53
Cllr. P. Ngozi	Part Time	LED	Ward 12 Cllr-ANC	88	12

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Cllr. N. Puzi	Part Time	Women's Caucus	Ward 13 Cllr-ANC	70	30
Cllr. N. Dobe	Part Time	Petitions & Public Participation	Ward 15 Cllr-ANC	88	12
Cllr. S.V. Mavimbela	Part Time	Municipal Public Accounts Committee	Ward 16 Cllr-ANC	84	16
Cllr. S. Ncolosi	Part Time	LED	Ward 18 Cllr-ANC	76	24
Cllr. N. F. Dobe	Part Time	Community Services	Ward 19 Cllr-ANC	88	12
Cllr. M. Makaula	Part Time	Community Services	Ward 20 Cllr-ANC	88	12
Cllr. Z. Mtiki	Part Time	Ethics and Members Interest Committee	PR-ANC	59	41
Cllr. K. Bikiza	Part Time	Ethics and Members Interest Committee	PR- ANC	82	18
Cllr. T. Tshikitshwa	Part Time	Engineering Committee	PR- ANC	71	29
Cllr. N. Mazaleni	Part Time	Community Services	PR- ANC	82	18
Cllr. S.L. Ntlatywa	Part Time	Municipal Public Accounts Committee	PR-UDM	59	41
Cllr. A.M. Jam-jam	Part Time	Corporate Services	PR-ATM	82	18
Cllr. M. Ntiyantiya	Part Time	Petition and Public Participation	PR-ATM	65	35
Cllr. C. Hashibi	Part Time	Ethics & Members Interest	PR- EFF	59	41
Cllr. D. L. Mafaka	Part Time		PR- EFF	29	71
Cllr. O. Ndumela	Part Time	EXCO Member	PR- EFF	53	47
Cllr. Z. Zozi	Part Time	ENG	PR- ANC	76	24
Cllr. T. Xangayi	Part Time	ENG	PR- DA	59	41
Cllr. Z.T. Pato	Part Time	BTO	PR- CI	76	24
Note: * Councilors appointed on a proportional basis do not have wards allocated to them					T A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees		
Municipal Committees	Purpose of Committee	
Council	Council	Political oversight
EXCO	EXCO	All matters requiring attention arising from the provisions of the relevant legislation inline the departmental mandate and the Municipal Delegation Framework
BTO Standing Committee	Section 80	Financial Management Oversight
LED Standing Committee	Section 80	All matters requiring attention arising from the provisions of the relevant legislation in line with the departmental mandate and the Municipal Delegation Framework
Corporate Services and Research Planning and IGR	Section 80	All matters requiring attention arising from the provisions of the relevant legislation in line with the departmental mandate and the Municipal Delegation Framework
Community Services Standing & SPU	Section 80	All matters requiring attention arising from the provisions of the relevant legislation in line with the departmental mandate and the Municipal Delegation Framework
Engineering Services Standing Committee	Section 80	All matters requiring attention arising from the provisions of the relevant legislation in line with the departmental mandate and the Municipal Delegation Framework
Municipal Public Accounts Committee (MPAC)	Section 79	All matters requiring attention arising from the provisions of the relevant legislation in line with the Municipal Delegation Framework
Rules committee	Section 79	All matters requiring attention arising from the provisions of the relevant legislation in line with the Municipal Delegation Framework
Ethics & members interest	Section 79	All matters requiring attention arising from the provisions of the relevant legislation in line with the Municipal Delegation Framework
Petitions & Public Participation	Section 79	All matters requiring attention arising from the provisions of the relevant legislation in line with the Municipal Delegation Framework
Women's Caucus	Section 79	All matters requiring attention arising from the provisions of the relevant legislation in line with the Municipal Delegation Framework

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Audit Committee	Section 166	All matters requiring attention arising from the provisions of the relevant legislation in line with the Municipal Delegation Framework
Disciplinary board	MFMA Regulations	Investigate allegations of financial misconduct in the municipality or municipal entity, and to monitor the institution of disciplinary proceedings against an alleged transgressor.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager	Mr M. Fihlani
Corporate Services	Mr. S.R..Matubatuba
Budget & Treasury Office	Ms. T. Sikolo (August 2023)
Community Services	Mr. E. Mzayiya
Engineering Services	Mr. C. Obose (Till August 2024)
Engineering Services	Mr S. Wana (from September 2023- May 2024)
Local Economic Development and Planning	Ms S. Batyi
<i>Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).</i>	
T C	

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

1Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	No
Building regulations	Yes	No
Childcare facilities	No	No
Electricity and gas reticulation	Yes	No
Firefighting services	No	No
Local tourism	Yes	Yes
Municipal airports	Yes	No
Municipal planning	Yes	No
Municipal health services	No	No
Municipal public transport	Yes	No

Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	No
Pontoons, ferries, jetties, piers, and Harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	Yes
Storm water management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	No	No
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, Funeral Parlours and Crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	No	Yes
Municipal abattoirs	No	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
* If municipality: indicate (yes or no); * If entity: Provide name of entity		T D

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councilor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	Cllr Nomsa Vava	Yes	12	12	4
Ward Committee	1. Duba Tembile 2. Maphetshana Mfundo 3. Ntsunguzi Nomfanelo 4. Magqagqa Vuyani 5. Gantsho Nobuhle 6. Hlawula Khanyiswa 7. Maselanga Nolubode 8. Zabonke Mkhusele 9. Ndabambi Zuzekile 10. Nquzu Nomathemba				
Ward 2	Cllr Patric Nomarhobo	Yes	09	09	3
Ward Committee	Peyise Nomonde Bambaliphi Zanele B Xamba Nobonke Tholeka Xhongo Nobesuthu Malekenya Luyanda Nomgwantu Vuyolwethu Nondoda Nosipho Xinwa Pumezo Sithelo Sanga				
Ward 3	Cllr Makhosandile Madotyeni	Yes	12	12	4
Ward Committee	1. Noqhakuva Zingisa 2. Mthobela Nophumzile 3. Mafuna Sindiswa 4. Matsilela Bonke 5. Makhosi Lungiswa 6. Mthakathi Ntombosindiso 7. Ntlatombi Nontsebenzo 8. Mcacelwa Nkathalo 9. Baliso Ntuthuzelo 10. Mzinzelwa Nontsabelo				
Ward 4	Cllr Ndimiso Kawu	Yes	12	12	4
Ward Committee	1. Magungxu Zukiswa 2. Mnyamana Mvuyisi 3. Rolo Xoliswa 4. Mbulawa Phindile				

	5. Diphu Ivy 6. Nompaka Siphosoxolo 7. Gqibela Sindiso 8. Mtyana Thabisa 9. Mdibaniso Nombeko 10. Makati Fikile				
Ward 5	Cllr Mziwabantu Maninjwa	Yes	12	12	4
Ward Committee	1. Bongiwe Maninjwa 2. Pumza Bara 3. Lindelwa Bashe 4. Daliwonga Mkhungwana 5. Sifiso Ntsunguzi 6. Mbeko Makubalo 7. Khanyisa Sigidi 8. Mziwethemba Mdokwe 9. Noxolisa Mgxekwa 10. Nomsa Majija				
Ward 6	Cllr Zwelivumile Mhlabeni	Yes	12	12	4
Ward Committee	1. Stephrina Mbuthuma 2. Boniswa Magabela 3. Mbulelo Qhekeza 4. Mkhuseli Mfuywa 5. Khayiza Noxungwana 6. Bonginkosi Ntinini 7. Nokuzola Ngxola 8. Mbongeni Kotana 9. Nohombile Sago 10. Ayanda Liwani				
Ward 7	Cllr Bongile Ndudu	Yes	12	12	4
Ward Committee	1. Mthuthuzeli Rutsha 2. Jongikhaya Mbulungwana 3. Vuyokazi Mahlalani 4. Cebisa Gxotyana 5. Xolile Msolwa 6. Veliswa Mabhombo 7. Ongezwa Nyingwa 8. Boniswa Cele 9. Nokuzola Mantaka 10. Mkhuseli Ndamase				
Ward 8	Cllr Mjakuja Bulelwa	Yes	12	12	4
Ward Committee	1. Nomzamo Mdeni 2. Ntombizandile Bhotyani 3. Nwabisa Nontsabongo 4. Xoliswa Majali 5. Mfundiso Nqongophele 6. Zithembele Zikhali 7. Thembisile Hundlela 8. Nokuthula Majali 9. Boniwe Mlityalwa 10. Mkhwenkwe Mdunyelwa				
Ward 9	Cllr Siphiwo Ndabeni	Yes	12	12	4
Ward Committee	1. Yalokile Nkqwili 2. Momelezi Mgewu 3. Noneka Taliwe 4. Nomawonga Ndabeni 5. Noluvuyo Mqingo				

	6. Welani Ngobo 7. Nkululeko Qekeka 8. Lungiswa Gwiji 9. Thobeka Mpokompoko 10. Nokulunga Xego				
Ward 10	Cllr Nomthndazo Javu	Yes	12	12	4
Ward Committee	1. Bonginkosi Hanxa 2. Fikile Bengu 3. Zikhona Mdlazi 4. Zwelehlile Tshonono 5. Luthando Tshabiso 6. Nomnikelo Mahlamvu 7. Nompumelelo Ziqetu 8. Zanele Mfethi 9. Fundiswa Manyingana 10. Aphelele Senza				
Ward 11	Cllr Boniswa Ncomfu	Yes	12	12	4
Ward Committee	1. Nomalungisa Mjikwa 2. Xolile Ntsholweni 3. Siphelele Tshwaphile 4. Thandi Ngcofa 5. Nonzwakazi Sele 6. Jerry Dorkin 7. Veliswa Qhoboshiyane 8. Nokubonga Sothiya 9. Nomvano Magemntu 10. Noluthando Bukuza				
Ward 12	Cllr Phiwaba Ngozi	Yes	12	12	4
Ward Committee	1. Xolisa Dyasi 2. Mmeli Innocent Nzama 3. Phumza Catala 4. Nowethu Mabhayiza 5. Nofundile Nombuyekezo Mlamla 6. Zameka Nkalweni 7. Nosandile Sitshisa 8. Mzukisi Mhlunguthi 9. Nophelo Fikiswa Ntola 10. Nokwaxhiwa Ncomfu				
Ward 13	Cllr Nokwanda Puzi	Yes	12	12	4
Ward Committee	1. Mbongeni Eric Gamndana 2. Nofezile Ndoko 3. Silindile Dambeni 4. Nontuthuzelo Mgayo 5. Mveliso Puzi 6. Bonelwa Mahlangalala 7. Yanga Manxele 8. Nontsikelelo Dobe 9. Zakhele Siwinile 10. Ntombentle Njenene				
Ward 14	Cllr Simthembil Sicotho	Yes	12	12	4
Ward Committee	1. Nompumelelo Njongo 2. Ntombikanina Vazidlula 3. Thenjiswa Dosini 4. Nontlahla Guqa 5. Sibulele Tuse 6. Ncebakazi Mabhide				

	7. Nomfuneko Asanda Voco 8. Vuyani Hlalyzedwa 9. Vuyokazi Mtshoko 10. Ayanda Nonkenge				
Ward 15	Cllr Nomakhosi Dobe	Yes	12	12	4
Ward Committee	1. Simthembile Gqibani 2. Nandipha Sobayeni 3. Nolungile Tembisa Civita 4. Mlungiseleli Mmeli 5. Anathi Twayi 6. Ntombovuyo Nikelwa Sitwa 7. Lindani Sotshongaye 8. Thandiswa Mahlasela 9. Bongani Mbali 10. Nomvelo Matshingane				
Ward 16	Cllr Sivuyile Mavimbela	Yes	12	12	4
Ward Committee	1. Mfuneko Dike 2. Noma-Efese Ndabeni 3. Nomfundo Ndzlezini 4. Nontembeko Nobununu 5. Nontobeko Noxwembe 6. Khuselwa Matshikwe 7. Kholiswa Mthunzini 8. Nondumiso Manxiweni 9. Sinikelo Nopiyo 10. Xolelwa Mapepe				
Ward 17	Cllr Fezeka Mafaka	Yes	12	12	4
Ward Committee	1. Thozama Silwanyana 2. Vusumzi Jabulile Jojo 3. Okuhle Gqala 4. Nolubabalo Mkhohlwa 5. Ngenisile Sisweli 6. Nolungisa Mbangi 7. Phumza Ntshangase 8. Nomandla Mthiywa 9. Lumka Mvunywa 10. Gwegwe Thembeke				
Ward 18	Cllr Simnikiwe Ncolosi	Yes	12	12	4
Ward Committee	1. Silindile shobongo 2. Phumla Jojo 3. Faniswa Jackson 4. Nosindiso Mzenge 5. Morris Siwexu 6. Nelisiwe Xinixini 7. Mncedisi Mampokoza 8. Yonela Giyama 9. Nosandi Macoto 10. Sebenzile Mathobisa				
Ward 19	Cllr Nomakhosi Dobe	Yes	12	12	4
Ward Committee	1. Noluzuko Magobongo 2. Msawenkosi Mfundisi 3. Bomela Tuleleni 4. Mzuvukile Mzaza 5. Nomfundo Mayekiso 6. Bongani Mnyameni				

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	7. Nomzamo Mgoduka 8. Thembaliphele Madiloyi 9. Lamleka Sikhundlwana 10. Wandisile Mancipha				
Ward 20	Cllr Mongezi Makaula	Yes	12	12	4
	1. Vuyisa Notha 2. Mluleki Mjucwa 3. Nomfuneko Soga 4. Nokhanyo Mahlikihla 5. Mkhululi Shingana 6. Nompumezo Zakomba 7. Nokubonga Mafletshana 8. Fikiswa Mngangwa 9. Ntombifikile Marwarwa 10. Nokonwaba Nduku				
					<i>TE</i>

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 2023/2024(Full List at Appendix O)				
No.	Project Name and detail	Start Date	End Date	R' 000 Total Value
1				
2				
3				
4				
5				
6				
8				
				<i>TF.1</i>

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	1950	1950	24500	3500	
Households without minimum service delivery	9465	7100	11042.5	31550	
Total Households*					
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T F.2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 2023/2024
1	Babheke Access Road 7km	Completed
2	Rhawutitni Access road 6km	Completed
3	Codes-Madakeni access road 9km	Completed
4	Ngcoya access roads 9km	Completed

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

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
24-Aug-23	That no conflict of interest exists from the members in relation to the business of the municipality	Yes
	That the Auditor General circulates for ARPC members a breakdown of fees for the audit fee of the municipality	Yes
	That the Audit strategy of the municipal entity be forwarded to the committee upon presentation to management of the municipal entity	Yes
	The review of the Annual Performance Report be deferred to the ARPC follow up meeting of the 29th August 2023. That the Annual Performance Report, be updated and be resent prior to 28 August 2023	Yes
29-Aug-23	That the Draft Annual Financial Statements for 2022/23 updated with all corrections identified in the Audit Committee meeting	Yes
	That Annual Financial Statement be submitted to the Auditor General for review on/before the legislated date of 31 August 2023	Yes
	That amendments be effected to the Annual Performance Report for 2022/23 as per the findings of Internal Audit and issues raised in the Audit Committee meeting	Yes
	That the Annual Performance Report be submitted for auditing to the Auditor General on/before 31 August 2023	Yes
26-Jan-24	That the Auditor General be invited in all Audit Committee meetings	Yes
	The committee recommended that an in-committee meeting with the Municipal Manager and CAE be organized on how to resolve the organizational challenges identified	Yes
	That the Accounting Officer's quarterly update report be submitted in writing in all future Audit Committee meetings	Yes
	That the Audit Committee Charter be submitted at the next Audit Committee meeting	Yes
	That a follow up be done with Khwalo Consultants regarding the bank reconciliations	Yes
	That the irregular expenditure on the Ward Assistance fund procurement be declared and reported to Council	
	The committee noted the findings of Internal Audit on quarter two and mid-year reports, with concern on the noncooperation of management in the auditing process	Yes

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during Year 2023/2024)					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Q and A	Construction of gogogo access road ward 01	04/08/2023	04/03/2024	Mr N Bunge	R5,908,225.05
Breaking force trading	Construction of Lityeni to tyiwani access road in ward 14	04/08/2023	04/03/2024	Mr N Bunge	R5,258,289.90
Dolly and Sons construction and trading	Construction of Bizana Access Road in ward 09	04/08/2023	04/03/2024	Mr N Bunge	R5,424,997.35
tswella Trading 88	Construction of Rhawutini access road in ward 08	04/08/2023	04/03/2024	Mr N Bunge	R6,354,687.25
Dolly and Sons construction and trading	Construction of Luzuphu Access Road in ward 19	04/08/2023	04/03/2024	Mr N Bunge	R5,415,715.70
Lithubalam projects/imvelo consulting	Service provider for professional services for PSJ local municipality (Turkey project) of community hall 2023/24	08/08/2023	08/04/2023	Mr N Bunge	R5,306,555.01
Tabono engineering	INEP electrification programme bulk infrastructure	01/08/2023	01/08/2024	Mr N Bunge	R11,863,221.76
Tabono engineering	INEP electrification pre-engineering project for 2023/24	01/08/2023	01/08/2024	Mr N Bunge	R2,556,507.50
Rhweba Trading 1136	Panel of constructors for disaster projects as and when required for period of two years	25/08/2023	01/08/2025	Mr N Bunge	RATE BASED
Ekene Investments	Panel of constructors for disaster projects as and when required for period of two years	01/08/2023	01/08/2025	Mr N Bunge	RATE BASED
LM Development	Panel of constructors for disaster projects as and when required for period of two years	01/08/2023	01/08/2025	Mr N Bunge	RATE BASED
Xariba Enterprises CC T/A Nankho	Upgrading for of magumbini bridge 2023/24	18/09/2023		Mr N Bunge	R645,150.00
Isidingo Development and Manager	Consultant for Upgrading of Butho Bridge 2023/24	18/09/2023		Mr N Bunge	R877,403.33
Mnoza Investment	Maintainance of Community Hall in ward 11	03/10/2023	03/12/2023	Mr A. Notobela	R279,850.00
Isidingo Development and Manager	Consultant for Upgrade of snangwana bridge 2023/24	19/10/2023		Mr N.Bunge	R620,091.17
Xhasanan trading and projects	Supply and delivery of stationery for period of one year when the need arises	03/10/2023	03/10/2024	Various departments	Rate based
MTN	Supply & delivery of cellular phones & mobile data for a	02/10/2023	01/12/2025	Mr S.Fono	Rate Based

	period of two years as when need arise				
Olon Consulting	Project Monitoring of gogogo, Rhawutini, and Luzuphu access road	01/11/2023	01/04/2024	Mr Kwape	R526,191.91
Xariba Enterprises CC T/A Nankho	Project Monitoring of bizana and lityeni to tyiweni access roads	01/11/2023	01/04/2024	Mr Kwape	R156,227.50
Rhweba trading 1136	Construction of Butho Bridge	13/11/2023	15/05/2024	Mr Kwape	R9,620,066.11

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Entity report is attached as annexure

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures		
Period 1 July to 30 June of Year 2023/24 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
Mayor	ClIr Cingo	Nil
EXCO Member	ClIr Gantsho	Nil
EXCO Member	ClIr Mafaka	Nil
EXCO Member	ClIr Tani	Nil
EXCO Member	ClIr Madolo	Nil
EXCO Member	ClIr Ndumela	Nil
EXCO Member	ClIr Sicoto	Nil
EXCO Member		
EXCO Member		
Council Speaker	ClIr Mazuza	Nil
Council Whip	ClIr Moni	Nil
Councillor	ClIr Ncomfu	Nil
Councillor	ClIr Mjakuja	Nil
Councillor	ClIr Hashibi	Nil
Councillor	ClIr Xangayi	Nil
Councillor	ClIr Fono	Nil
Councillor	ClIr Ndudu	Nil
Councillor	ClIr Bikiza	Nil
Councillor	ClIr Madotyeni	Nil
Councillor	ClIr Ntiyantiya	Nil
Councillor	ClIr Makaula	Nil
Councillor	ClIr Maninjwa	Nil
Councillor	ClIr Jam-jam	Nil

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Councillor	Cllr Kawu	Nil
Councillor	Cllr Puzi	Nil
Councillor	Cllr Mazaleni	Nil
Councillor	Cllr Dobe	Nil
Councillor	Cllr Vava	Nil
Councillor	Cllr Ndabeni	Nil
Councillor	Cllr Ngozi	Nil
Councillor	Cllr Ndabeni	Nil
Councillor	Cllr Nomarhobo	Nil
Councillor	Cllr Ndumela	Nil
Councillor	Cllr Mavimbela	Nil
Councillor	Cllr Ntlatywa	Nil
Councillor	Cllr Pato	Nil
Councillor	Cllr Tshikishwa	Nil
Councillor	Cllr Mtiki	Nil
Councillor	Cllr Zozi	Nil
Councillor	Cllr Mhlabeni	Nil
Municipal Manager	Mr M. Fihlani	Nil
Chief Financial Officer	Ms T. Sikolo	
Senior Manager	Mr S. Matubatuba	Nil
Senior Manager	Mr. E. Mzayiya	Nil
Senior Manager	Ms S. Batyi	Nil
Senior Manager	Mr S. Wana	Nil

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

A PPENDIX K(I) REVENUE COLLECTION BY SOURCE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive & Council	72,484.00	25,703	25,703	64,503.00	251%	251%
LED	18,607	18,978	18,978	21,502	113%	113%
Municipal Manager	17,388	16,133	16,133	21,502	133%	133%
Corporate Services	18,194.00	18,689	18,702	21,617.00	116%	116%
Community Services	21,214	32,921	34,145	23,106	70%	68%

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Financial Services	59,194	92,581	115,217	65,074	70%	56%
Infrastructural Engineering	78,489	156,283	205,548	115,442	74%	56%
Example 8 - Vote 8						
Example 9 - Vote 9						
Total Revenue by Vote	286	361	434	333	0	0.23
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						
						T K.1

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Source						
R '000						
Description	Year - 2022/2023	Year 2023-2024			Year 2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	11,346	11,965	14,965	15,560	23%	4%
Property rates - penalties & collection charges		–	–	–		
Service Charges - electricity revenue						
Service Charges - water revenue						
Service Charges - sanitation revenue						
Service Charges - refuse revenue	1,085	1,500	2,435	1,141	-31%	-113%
Service Charges - other						
Rentals of facilities and equipment	162	200	200	148	-35%	-35%
Interest earned - external investments	10,586	49,201	68,301	17,508	-181%	-290%
Interest earned - outstanding debtors	7,099	5,030	5,565	7,546	33%	26%
Dividends received						
Fines	225	100	100	255	61%	61%
Licenses and permits	528	120	120	601	80%	80%
Agency services						
Transfers recognised - operational	270,806	200,917	200,753	281,938	29%	29%
Other revenue	5,927	1,557	1,570	879	-77%	-79%
Gains on disposal of PPE	–	302	302	1,177	74%	74%
Environmental Protection						

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Total Revenue (excluding capital transfers and contributions)	307,764	270,892	294,311	326,754	17.10%	9.93%
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APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Office of the Premier Grant	15000000	16 516 557	17 227 349	115%	104%	Construction of Road and Side streets
Integrated National Electrification programme	26 768	24 368	24 357	90%	100%	Electrification of Port St Johns Communities
<i>Extended public works programme</i>	1555	1805	1805	116%	010%	Payment of wages for casuals
Financial Management Grant	2650000	2650000	2650000	100%	100%	Payment of stipend for Finance interns and Capacity building of BTO Staff
LG SETA						Payment of stipend for LGSETA interns
<i>DSRAC Provincial</i>	550 000	839 578	556 000	100%	66%	Provide assistance in Libraries
Total	46 523	46 179	46 595			

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Port St Johns municipality received other conditional capital grant/s other than the Municipal Infrastructure grant (MIG), which is Integrated National Electrification program and small-town revitalization; however, we can appreciate if more can be availed to unlock service delivery backlog.

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

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year - 2022/20 23	Year 2023/24			Planned Capital expenditure		
	Actual	Origin al Budge t	Adjustm ent Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
<u>Heritage assets</u>							
<u>- Total</u>	-	-		-	-	-	-
buildings							
Other							
<u>Investment properties</u>							
<u>- Total</u>	-	-		-	-	-	-
Housing development							
Other							
<u>Other assets</u>	-	-		-	-	-	-
General vehicles	260904 2	28000 00	2903202	2194037			
Specialised vehicles							
Plant & equipment	368368 6	50000 0	500000	347000			
Computers - hardware/equipm ent	131509 9	16700 00	1363000	990811			
Furniture and other office equipment	69998	15780 46	1311434	378295			
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings	334 000	600 000	466 000	195 669			
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<u>Agricultural assets</u>	-	-		-	-	-	-
List sub-class							
<u>Biological assets</u>	-	-		-	-	-	-
List sub-class							

Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on new assets	-	-		86294488	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1

APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year - 2021/2022	Year 2023/2024			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	-	-	-
Infrastructure: Road transport -Total	-	-		-	-	-	-
Roads, Pavements & Bridges	26206035	45703000	45703000	3080620			
Storm water							
Infrastructure: Electricity - Total	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
Reticulation							
Sewerage purification							

Infrastructure: Other - Total	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community	-	-		-	-	-	-
Parks & gardens							
Sports fields & stadia							
Swimming pools							
Community halls	0	4570300 0	4570300 0	11521826			
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-		-	-	-	-
Buildings							
Other							
<i>Table continued next page</i>							
<i>Table continued from previous page</i>							

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2023/2024

Capital Programme by Project: Year 2023/2024					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
PSJ Off channel Dam		0	0	0	0
Sanitation/Sewerage					
PSJ Sewer		0	0	0	0
Electricity					
PSJ Electrification 2023/204	17680000	17680000	8878424		
Electrification Programme- Lutshaya 180	3600000	2668793	1459955	55	41

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Electrification Programme- Mthimde-Luzupho 120	2400000	2400000	888140	37	37
Electrification Programme-Ndayini- Mkhumbini 40	800000	800000	308804	39	39
Electrification Programme- Zinyosini 106	2120000	2120000	784523	37	37
Electrification Programme- Qandu 150	3000000	3000000	1328108	44	44
Electrification Programme-Gomolo 110	2200000	2200000	1335240	61	61
Electrification Programme-Lukhwazweni Emasimini 80	1600000	1600000	971084	61	61
Electrification Programme-Mnqezu 98	1960000	1960000	1189577	61	61
Roads					
Lityeni to Tyweni Access Road	5,560,000	5,560,000	5,258,291	95	95
Construction Of Community Hall Ward 7	450,000	5,306,555	5,306,445	100	35
Bizana Access Road	5,898,447	5,898,447	6,441,784	69	1179
Rhawutini Access Road	6,058,687	6,254,687	6,310,617	101	104
Luzuphu Access Road	5,908,224	6,663,513	6,657,513	100	113
Construction Of Cummunity Hall Ward 15	-	5,500,000	4,203,930	76	0
Gogogo Access Road	6,391,780	6,095,780	5,858,897	96	92
Sports, Arts & Culture					
Upgrading of Military Sportsfield & Facility	8,500,000	2,340,578	3,250,103	138	38
"Project B"	0	0	0		
Environment					
Beautification of PSJ Parks Phase 2	1462	1462	1462	100	0
"Project B"	0	0	0	0	0
Health					
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
Safety and Security					
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
ICT and Other					
"Project A"	0	0	0	0	0
"Project B"	0	0	0	0	0
T N					

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2023/2024

Capital Programme by Project by Ward: Year 2023/2024		
R' 000		
Capital Project	Ward(s) affected	Works completed

		(Yes/No)
Sanitation/Sewerage		
Electricity		
Electrification Programme- Lutshaya 90	17	Yes
Electrification Programme-Ndayini- Mkhumbini 40	17	Yes
Electrification Programme- Zinyosini 106	01	Yes
Electrification Programme- Qandu 150	01	Yes
Electrification Programme-Gomolo 110	02	Yes
Electrification Programme-Lukhwazweni Emasimini 80	13	Yes
Electrification Programme-Mnqezu 98	13	Yes
High-Mast lights	01, 09, 07, 11 & 14	Yes
Maintenance of streetlights	06 & 10	Yes
Roads & Storm water		
Codesa to Madakeni Access Road	02	Yes
Chwebeni Access Road	05	No
Ngcoya Access Road	18	Yes
Bizana Access Road	09	Yes
Babheke Access Road	19	Yes
Lityeni-Tyiweni AR	14	Yes
Rhawutini AR-	08	Yes
Gogogo Access Road	01	Yes
Mdlankala Bridge	15	Yes
Agate Terrace Paved roads	10	No
Butho Bridge	03	Yes
Sinangwana Bridge	02	Yes
Magumbini Bridge	09	Yes
Nyakeni Bridge	01	No
Ezintakumbeni – Dubulweni Bridge	07	No
Dedeni- Mkhumeni Bridge	10	No
Gabelana -Diphini Bridge	10	No
Ntlantsana Farm	10	No
Sports, Arts & Culture		
PSJ Beautification		Yes
Environment		
Clean-up campaign		Yes
Health		
Safety and Security		

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics

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Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Khwezi JSS, Ward 1	X	X		X
Mvelelo JSS, Ward 2	X	X		X
Lugasweni SPS, Ward 2	X	X		X
Zanemvula SPS, Ward 4	X	X		X
Caguba JSS, Ward 5	X	X		X
Sicambeni JSS, Ward 5	X	X		X
Xhaka JSS, Ward 11	X	X		X
Nonjonjo SPS, Ward 11	X	X		X
Clinics (NAMES, LOCATIONS)				
Ludalasi Clinic, Ward 3	X			X
Caaguba Clinic, Ward 5	X	X		X
Mantusini Clinic, Ward 7	X			X
Mtambalala Clinic, Ward 7	X		X	X
Ntafufu Clinic, Ward 12	X			X
Gqubeni Clinic, Ward 12	X			X
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				
				<i>T P</i>

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

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:	18	8
Housing:	22000	100
Licensing and Testing Centre:	1	1
Reservoirs	4	0
Schools (Primary and High):	12	2
Sports Fields:	20	1
		<i>T Q</i>

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

Declaration of Loans and Grants made by the municipality: Year 2023/24				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
PSJ Development agency	operational	none	R 9 339.00	R -
none	n/a	n/a	R -	R -
none	n/a	n/a	R -	R -
<i>* Loans/Grants - whether in cash or in kind</i>				<i>T R</i>

VOLUME III FINANCIAL STATEMENTS

PORT ST JOHNS MUNICIPALITY



OVERSIGHT REPORT ON THE 2023/24 ANNUAL REPORT

**PREPARED BY THE MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE (MPAC)**

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OVERSIGHT REPORT TO BE PRESENTED TO COUNCIL

ON 27 MARCH 2024

1. FOREWORD AND EXECUTIVE SUMMARY BY CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNT COMMITTEE

The separation of powers in Council within Local Government allows for independence of oversight by the Executive of the Municipality. In line with this, Council has delegated powers to MPAC to conduct independent evaluation and review of the Municipal Annual Reporting processes and report back to Council on its findings and recommendations, upon which Council will make a determination as to the acceptability or not of the Oversight Report as tabled. The Municipal Public Accounts Committee therefore through this process seeks to prove and lend additional credibility and confidence to Council and the community of the exercise of executive and administrative functions, and to assist in achieving and maintaining good governance in the municipality. It also enforces accountability by making recommendations to remedy anomalies and improve the Municipality to the benefit of the community it serves.

As part of the cordial relations between the Political and Administrative arm of the Municipality, this process recognises and seeks to achieve common objective of working together to achieve the best value for the community it serves. The 2023/24 Annual Report therefore becomes the key instrument to reflect transparent governance and accountability, or the lack thereof as a post financial year document which provides an overview of the process of financial and non-financial performance in respect of the previous financial year.

As a legislative requirement, the 2023/2024 Annual Report has been confirmed to be in line with MFMA Circular 63 as the approach was advised by Internal Audit and MPAC in the previous year Annual Report Oversight process. The Various Departments as Key Performance Areas have all been incorporated in the structure of the Annual Report through the 6 different Chapters thereof. The 2023/24 Oversight Report marks the 3rd generation of the Oversight Reports in this current 5-year Council term, which also puts it as a trigger to Council for a post-midterm Council Change Management process given the Annual Performance Reporting results in this year and previously.

Some of the challenges experienced at the beginning remain unresolved and still a hindrance to the intention of building a distinctive competence through a High-performance centre. It should be appreciated that the compiling of the Oversight Report has been a team effort inclusive of Administration and the Politicians.

A different approach has been used in the current Oversight Report process, based on the progress that was made in this process from 2021/22 to a very much improved Oversight Report for the 2022/23 Financial year. That strong baseline has given comfort to the Committee in the light of also improved handling of Oversight issues by the Committee through learning and auctioning.

Our approach this year has been intense interrogation of the Source documents and an environmental analysis that beyond this Oversight Report will see the Municipality starting to strengthen or put more emphasis on Good Governance and strong Political Oversight so that every other Key Performance Areas will improve through intense

monitoring to produce good outcomes including the much desired Unqualified and Clean Audits by the organisation,

The Committee also conducted the review of the Planning Documents and reconciliation or alignment thereof including a high-level analysis of the final Risk Status of the Municipality.

The overall review/scrutiny of the Annual Performance Report was done to look at those areas in the Performance Summary that are highlighted as problematic in all the Key Performance Areas. This was done so that the Committee will be able to come with better informed opinion and recommendation in the PMS as it still challenge, The above exercise was done over and above the review of the 2024/25 IDP where similar challenges were observed.

This therefore suggest there is a historical and continuing trend of failing to meet the desired performance targets due to various reasons including financial constraints.

The executive summary section of the Annual Report and the IDP were reconciled and echo the same challenge that the Municipality being Grant dependent and limited by Revenue collection is unable to meet all the issues in the IDP.

The proposal the Committee is coming up with is that the Municipality considers a long-term growth and development pan to alleviate the existing pressure on Service Delivery especially in the light of Elections and remaining Term of Council in less than 24 months.

The next IDP review SDBIP (2024/25) represent the last full financial year that Council has before the end of the term and closer to the Local Government Elections.

The view of the Committee and a recommendation is that the Municipality collectively consider using the IDP, Strategic Planning and the recommendations of this year's Oversight Report as a platform to trigger a Council debate on a Municipal Turnaround Strategy driven by Organisational Change and Transformation

The Committee has also looked at the Review comments of the IDP and follow up of the proposed Remedial actions by the MEC of Cogta in the previous IDP. It is still concerning that some of the matters raised have since been repeat challenges in the institution down the line. The PMS did not adequately arrest all these matters by providing for them for actioning or filtering to the SDBIP based on the revised of final IDP as adopted by Council

This Oversight Report comes at the background of the institutional Strategic Planning process which has become a fore-runner to this process by considering some of the critical issues and strategic issues that are contained in the Annual Report, having been rolled forward also through the 2024/25 Planning and Performance processes as well as the Midyear Performance as presented by Directorates. At the centre of all are the Improvement Plans that the Departments have committed to develop and implement based on departmental based planning sessions and be part of both final IDP and SDBIP.

This stance by Management becomes valuable ground for the Committee over and above the independent review to follow up these Implementation Plans of Departments through an In-Year monitoring process, working jointly with other S80 Committees including the Audit Committee.

Whilst as the Committee has noted with concern that Council has not strengthened and superficially assigned the responsibility for follow up on implementation of past Oversight recommendations as well as the Council resolutions to a Specific Oversight structure on its behalf, which has resulted in some the repeat findings, we would like to appreciate the cooperation of Management and the MPAC Support staff which has made the coordination of the process a smooth one. .

The Committee wishes to also bring comfort and reassurance to Council that the matters raised in totality will be fully responded to by the Departments through clear Implementation Plans. This replaces the Written and Oral Questioning technique used by the Committee in the previous Oversight Report given that the Auditor General is already starting its audit processes

As I present to Council this Oversight Report on behalf of the Committee as the Chairperson, I would like to sincerely thank all Councillors in the Committee who worked with me for their valuable inputs and support as well as the overwhelming support from the Office of the Municipal Manager and the Troika.

Hon. Cllr S.V. Mavimbela (Chairperson)

Date:24 March 2024

2. PREAMBLE – ANNUAL REPORTING PROCESS AS LEGISLATED

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budget outlined in their strategic plans namely, the Integrated Development Plan (IDP). Annual reports demonstrate how the budget was implemented and the results of service delivery operations for that financial year. This is therefore a backward-looking exercise in order to report on planned versus actual initiatives or activities achieved.

As Per the MFMA Circular No. 11, “every municipality is required to prepare an annual report for each financial year in accordance with the MFMA and, during the MFMA transitional period, the Division of Revenue Act. (DORA) and MSA. The purpose of annual report is:

- to provide a record of the activities of the municipality
- to provide a report on performance in service delivery and against the budget; and
- to promote accountability to the local community for decisions made.
- to provide guidance, National Treasury has issued Circular No. 63 which prescribes a uniform template for reporting to facilitate comparison by National Treasury and users. This template forms the basis for the current Annual Report as tabled in Council.

The goals of the Annual Report format are to achieve the following:-

- standardise reporting to enable municipalities to submit comparable Annual Reports;
- align financial and non-financial reporting in the Annual Report;
- create a standardised reporting structure that will enhance comprehensive oversight, meaningful evaluation and improved understanding of service delivery outputs;
- ensure the standardisation of terminology used in Annual Reports; and
- support the internal and external audit process.”

The Oversight Report is the final step in the Annual Reporting processes. Section 129 of the MFMA requires the Council to consider the Annual Report of its municipality and municipal entities and adopt an “oversight report” containing the council’s comments on each annual report.

As per MFMA Circular 32:

“The oversight report must include a statement whether the council:

- has approved the annual report, with or without reservations;
- reject the annual report; or
- has referred the annual report back for revision of those components that can be revised.”

The Annual Report is submitted to Council by the Accounting Officer and the Executive Mayor, and is part of the process for discharging accountability by the executive management and administration of the municipality for their performance in achieving the goals that have been set by Council.

There are essentially three parties / roles identifiable in the annual reporting process.

The role of Management:

Management is responsible for the preparation of the Annual Report and submitting the report to Council. The Council will thereafter refer the Annual Report to the Municipal Public Accounts Committee (MPAC) for consideration.

The role of the Committee:

MPAC is to consider that structure and content of the Annual Report to determine whether it complies with standards set by National Treasury, contains the information required in terms of Circular No 63 and if such content fairly represents the achievements of the municipality over the relevant financial year. After consideration of the Annual Report, MPAC must prepare an Oversight Report in terms of Circular 63.

The role of Council:

Council's role is to receive and consider the recommendations of the MPAC with a view of taking a final decision on the matter.

This report includes the process undertaken to examine the structure and content of the Annual Report relating to the 2019 /2020 financial year as presented to the Council by Management and incorporates the rationale for the recommendation of the MPAC.

3. REPORTING SUITE AND REPORT NAVIGATION

Port St Johns Municipality MPPAC is proud to table its Annual Oversight Report for the 2023/2024 financial year to the Council. The Committee is committed working and reporting transparently, honestly and in line with the legislative prescripts pertaining to the status of the Municipality as per its review of the Annual Report.

The reporting suite comprises of the: Oversight Report, which serves as the primary reporting tool to Port St Johns Council and stakeholders, have analysed the Draft Annual Report as it recorded the activities of the Municipality in the period under review including the Annual Financial Statements, Annual Performance Report which reported on the performance of the institution against the service delivery and budget implementation plan for the financial year as well as the Auditor General's Audit Opinion.

The Legislative prescripts considered in the review include Municipal Finance Management Act 56 of 2003 (MFMA), Municipal Systems Act 32 of 2000 (MSA), King IV Report on Corporate Governance for South Africa 2016 (King IV) and the Companies Act

4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE OVERSIGHT REPORT

To the best of our knowledge and belief as the Municipal Public Accounts Committee, we confirm that information or details documented or contained in the Oversight Report is consistent with the review done in accordance to Circular 63 of the MFMA and the Analysis done against the Annual Report. We believe that the Oversight Report is complete, accurate and is free from any omissions as per the expected delivery on the Terms of Reference and Concept document. The Oversight Report has been prepared in accordance with the guidelines on the Oversight Report issued by National Treasury.

5. BACKGROUND

The 2023/24 Annual Report was tabled in Council reporting on the Municipality's performance for the period 1 July 2023 until 30 June 2024. By so doing, Council complied with Section 133 of the MFMA that stipulates that the Executive Mayor must table the Annual Report in Council within 7 months after the end of the financial year, i.e. by the end of January 2025. Council is legally compelled to engage with and finalize the Annual Report within 9 months after the end of the financial year, which is before 31 March 2025. Tabling the draft Annual Report signifies the start of the public participation period stipulated in Section 127(5) of the MFMA and Section 21 of the Systems Act.

Public comments on the 2023/2024 Annual Report were awaited from the public from 1 February to 29 February 2025. The draft Annual Report was placed on Council's website and was made available at Municipal offices and other places. The Draft Annual Report was also submitted to the offices of the Auditor-General, Provincial Treasury and the MEC for Local Government and the Audit Committee for assurance. No public input was received.

The Annual Report was referred to the MPAC as Council's Oversight Committee to prepare an Oversight Report on the Annual Report for 2023/24. The entire logistical processes are outlined on the Exposition of Facts, with necessary Supporting Documents Attached at the end of the Report as ANNEXURES.

6. LEGISLATIVE CONSIDERATIONS

The Legislation listed below as prescribed is relevant, and therefore applicable in the process of dealing, analysing and reviewing of the Annual Report leading to the development of the Oversight Report.

- The Constitution (1996),
- Local Government: Municipal Structures Act (1998),
- Local Government: Municipal Systems Act (2000),
- Local Government: Municipal Planning and Performance Regulations (2001),
- Local Government: Municipal Finance Management Act (2003),
- Local Government: Municipal Systems Amendment Act (2003),
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers(2006),
- MFMA Circular 32, MFMA Circular 63
- Municipal Public Accounts Guidelines
- King IV Report
- Public Audit Act

Section 129 of the MFMA prescribes the process that must be followed by the Committee, as delegated by Council to undertake oversight on the annual report and make proper recommendations to Council within the required period of sixty days (60). The oversight report is the final major step in the annual reporting process of the Municipality.

The Committee must also ensure that it performs a thorough analysis and review to determine whether the Annual Report reasonably and fairly represents the activities of the municipality in the year under review, over the broad range of performance areas that the municipality is measured against. In this process the role of the public in making comments and inputs must not be overlooked as the guidelines clearly emphasize their role and responsibility.

7. PURPOSE

The purpose of this report is to provide oversight and submit a Report to the Council on the Annual Report for the 2023/2024 financial year referred to the Municipal Public Accounts Committee as per Council decision and make appropriate recommendation thereon for adoption.

8. ACCOUNTABILITY FRAMEWORK

The following table illustrates the accountability framework in local government:

Entity	Responsible for:	Oversight Over	Accountable to
Council	Approving policies and Budget	Mayor and Executive Committee	Community
Mayor & Executive Committee	Policy, Budget, outcomes, management of/ oversight over the Accounting Officer	Municipal Manager	Council
Accounting Officer	Outputs and implementation	Administration	Council Mayor Executive Committee
CFO and Senior Managers	Outputs and Implementation	Financial Management and operational functions	Accounting Officer

9. AUTHORITY AND POWER

The Oversight Committee is delegated with the responsibility to conduct meetings and to hold public hearings, if necessary to receive and hear public submissions on the Annual Report, on behalf of Council.

Timely notice of all meetings is provided and all meetings held by the Oversight Committee is open to the public and minutes of the meetings recorded and submitted to Council meetings.

10. FUNCTIONS OF THE OVERSIGHT COMMITTEE

The functions of the Oversight Committee are to:

- Undertake a review and analysis of the Annual Report.
- Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- Consider written comments received on the Annual Report from the public consultation process.
- Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.
- Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee and Councillors.

11. COMPOSITION OF OVERSIGHT COMMITTEE

Membership

At commencement of the 2022/2023 financial year, the Port St Johns Municipality MPAC consisted of 10 Councillors, including the chairperson.

The members of the MPAC

Councillors	Cllr S. Mavimbela	Chairperson
	Cllr Z. Mhlabeni	Committee Whip
	Cllr S. Ncolosi	Member
	Cllr P. Ngozi	Member
	Cllr S. Ntlatywa	Member
	Cllr C. Hashibi	Member
	Cllr T. Xangayi	Member
	Cllr S. Ndabeni	Member
	Cllr A. Jamjam	Member
	Cllr Z. Pato	Member
	Cllr N. Mazaleni	Member
	Cllr B. Ndudu	Member
	Cllr V. Ndabeni	Member

12.SUBMISSION OF THE ANNUAL REPORT

According to the provision of the MFMA (Circular 32, Attached as Annexure A), the different drafts of the Annual Report should be considered by MPAC, and tabled and resolved at meetings of the Municipal Council on or before specified dates, after which it should be advertised for public comments. In terms of the provisions of MFMA Circular 104.

The draft of the 2023/2024 Annual Report was submitted to Council as part of the Annual Financial Statements on the 30th of August 2024 as required by the MFMA as all the other Chapters (Chapters 1 to 4 were complete as at 30 June 2024). The AFS were unaudited at that time of which the Audited AFS and the Auditor General Report both signed completed the 2023/24 Annual Report hence adopted per Council Resolution at the meeting of the Municipal Council held on 30 January 2025. MPAC is satisfied that the correct procedures and timelines were followed during the preparation and submission of the 2023/2024 Annual Report.

13. MEETINGS AND WORK SESSIONS OF THE COMMITTEE

13.1 Pre-Planning Engagements

The pre –planning discussions were held on the 17th of March 2024 with discussion focused on the Planning and Concept document for the Oversight Report

13.2 Project Planning

Project Planning was conducted from the 19th of March to fine-tune and finalise the following documents (Oversight Process Plan, Oversight Process Project Plan).

13.3 Analysis of the Documents for Oversight Report Preparation

The Analysis was commenced from the 20th of March based on the following input documents received from the MPAC Support Office: -

- 2022/23 MPAC Oversight Report
- 2023/24 IDP
- 2023/24 SDBIP
- 2024 MPAC Minutes
- 2023/24 Annual Performance Report
- 2023/24 Auditor General Report
- 2023/24 Draft Annual Report
- 2024 Audit Improvement Plan
- 2025 Strategy Review

13.4 Site Visits

Site visits were deferred due to the Meeting of the Executive which was held on the 20th of March coinciding with the planned period of the visit for the day as advised by the MPAC Advisor and Coordinator of the Oversight Report.

Week 1 of April has since been scheduled to bolster the procedural requirements , there is a level of comfort to some extent due to the in-year site visits that have been done and some of the deliberations in the Strategic Planning.

13.5 Drafting of Questions to the Departments

Based on the completion of the Analysis work, draft Questions were developed and finalised on the 20th of March 2025. The Questions were sent to the Departmental Heads, MMC and the Municipal Manager as from the 25th of March 2025

(Attached as Annexure XX)

13.6 Evaluation of Written Responses from the Departments

Due to the decision that was taken to follow up on the Departmental Implementation Plans committed by Departments, in order to ensure that matters are followed holistically, the Questions raised and their Responses will form part of the Updated Service Delivery Improvement Plans. These must form part of the Draft and Final SDBIP and IDP documents for adoption to Council by 30th April 2024.

Another inherent Limitation in the Process of Departmental Accountability was that the Municipality is currently operating with an Acting Municipal Manager who has dual responsibility as well of Organisational Strategy and Risk Management, Acting Corporate Services Director and the CFO's resignation which has made Accountability and Ownership a very high risk which the Committee did not take light.

The Committee could not adopt a routine malicious compliance stance as it is the advisory to Council, hence the recommendation upon stability that these Departments use a more effective different approach to integrate this work in the 2025/26 SDBIPs so that there will be more accountability through the PMS system, which was not there previously.

The MPAC has examined the Draft Oversight Report on its sitting scheduled on the 25th of March 2025, considering all other inputs and matters that members collectively raised.

(Attached : Draft Oversight Report and Minutes of the MPAC Meeting — Annexure)

14. EXPOSITION OF FACTS

14.1 COMMITTEE METHODOLOGY AND APPROACH IN THE ANALYSIS OF THE DARFT ANNUAL REPORT CHAPTERS

Review of the Planning Documents and reconciliation or alignment thereof including a high level analysis of the final Risk Status of the Municipality. The Risk Report status was compared to both the APR and the Annual Report as these should be moving in a non-contradictory manner

The Committee has also looked at the Review comments of the IDP and follow up of the proposed Remedial actions by the MEC of Cogta in the previous IDP. It is still concerning that some of the matters raised have since been repeat challenges in the institution down the line.

The PMS did not adequately arrest all these matters by providing for their implementation and thus filtering to the SDBIP based on the revised of final IDP as adopted by Council

Review of areas of concern by the AG and the key matters that still stand on the way of the Municipality towards achieving improved audit outcomes by 2027 from the consecutive Qualified Audit Opinions over the past 3 years. The Committee wishes to reiterate the urgent need for the Municipality to develop an Integrated Audit Improvement Strategy and that Audit improvement be lifted as a stand alone Strategic Objective under Good Governance for the remaining 2 financial years towards the end of the Term of Council.

As per the Reports of Risk and Assurance Providers, we have also noted that the Risk profile of the Municipality is not in sync with the actual status of Performance by the overall organisations. The disjuncture between the Quarterly Risk Assessment Reports and the Quarterly SDBIP-based Performance Reports also shows the gap the Committee noted that the Risk assessment is a subsequent even or process to the Planning phase of the Draft IDP, Strategic Planning and ultimately the SDBIP to be implemented .

Although the assessment of the IDP done by the Department of Co-operative Governance & Traditional Affairs on the IDP 2022/23 - 2026/27, whose results indicate that the municipality obtained an overall high rating, which indicates the credibility of the Integrated Development Plan submitted, the Service Delivery KPA being the core function of the Municipality was rated Medium.

The Committee on analysis of subsequent Annual Performance and the Report, feels there is a need for the Service Delivery Improvement Plan which should have been triggered by Council own assessment or evaluation of its progress through the previous 3 Annual Reports from 2022.

Review of the 2023/24 Annual Performance Report revealed the following in line with Organisational performance, which is finally a picture reflected in the 2023/24 Annual Report which he Committee reviewed

2023/24 Institutional Performance Summary

- The municipality had a total of SDBIP 69 indicators for 2023/2024 financial year and achieved 34 indicators which accounts for 51% of the total annual performance. This reflects poor performance for PSJ municipality.
- Basic Service delivery accounts for 11 indicators and a number of 7 indicators were achieved which is a total of 64%.
- Local Economic Development and Spatial Planning achieved 33% of all indicators, the total number of indicators were 12 and the total achieved was 4.
- Municipal Transformation and organisational development achieved 9% of its total indicators.
- Financial viability and management achieved 67% of its indicators, out of 15 indicators, 10 indicators were achieved.
- Good governance and public participation achieved 83% of all its planned indicators with community services section achieving 38% of its indicators.

The Committee has a concern that the Council needs to note as the entire organisation overall / on average has achieved less than 100% of the targets it set in the 2023/24 Planning.

Individually none of the KPAs through the respective Departments have achieved above 90%. It is the Committee's recommend action that all the shortfalls noted in the Annual Performance Report be factored into the Draft SDBIP 2025/26 as the opportunity to adjust the SDBIP for the 204/25 has gone past in January. This should be done considering the latest outcomes of the Midyear Performance Report of the 2024/25 Financial Period on such areas that are repeat weakness areas or areas of challenges.

The intervention needs to be undertaken simultaneously with the Risk status assessment in the affected areas or the new challenges be considered as Emerging Risk in consultation with Risk Management. The review conducted by the Committee included checking the text and tables within the Annual Report, however, it should be noted that this was not done for 100% of the draft Annual Report.

The Committee considered the initial report that was submitted to the Council, and adopted by the Council on the 30 January 2025,

Target areas included areas where there are still challenges as reported in each section, strategic issues that align to some issues lifted during the Strategic Planning, Governance matters, Oversight challenges, Performance related matters, areas where the Municipality has improved for sustainability. The Annual Report on the Municipal Entity (Port St Johns Development Agency) was compiled in terms of the Circular 63 and the Committee felt the Agency understated its reporting potential since it is also governed by other pieces of Legislations such as the Companies Act and the King Code on Corporate Governance besides the MFMA was unable to analyse the report submitted in accordance with the Circular.

Majority of valuable information has been included in the report. It should be noted that although certain Chapters may appear to relate to one specific department, the information contained in each Chapter should not be seen in isolation but rather as inter- departmental reporting

14.2 INTERNAL AUDIT COMPLIANCE - Analysis of the Circular 63 Compliance issues

Based on the revised approach of integrating the Oversight outcomes to PMS from this year onwards, the Committee proposes that apart from the procedural stance on Circular 63 which could have been done by Internal Audit ahead of adoption, since there is a high risk, that Oversight Report be subjected to the assurance of both the Internal Audit and the Audi Committee.

This is to be over and above the Internal Audit Review on the Annual Report as highlighted below: -

Total No of Issues Raised	Department affected	No of Issues per Department
	IPD/PMS	
	MM's Office	
	Corporate Services	
	Community Services	
	BTO	
	Public Participation	
	Risk Management	
	Office of the Speaker	

14.3 FINDINGS OF THE COMMITTEE BASED ON THE ANALYSIS

Without attempting to set out all the issues/ findings within the report, the following noticeable issues are recorded.

(a) Non-Implementation and Monitoring of Council Resolutions and Oversight Recommendations

The Council has not strengthened and specifically assigned the responsibility for follow up on implementation of past Oversight recommendations as well as the Council resolutions which has resulted in some the repeat findings. This has resulted in some areas coming up as repeat findings even in this year's review:

(b) Lack of Progression In Audit Opinion

The overall audit opinion on the Institutional performance has not improved over the past three (3) years. As the Committee we also feel the gap of integration in dealing with institutional audit also warrants close attention through the Integrated Audit Strategy

(c) Implementation and Monitoring of the Audit Action Plan

There has been lack of adequately implementation of the audit intervention plan including addressing the root causes of prior year audit findings. Inadequate monitoring of the implementation of the audit improvement plan remains a challenge.

The Auditor General indicated that in developing the Audit Improvement Plan, Management had tended to look at the finding and develop actions around the finding as opposed to looking at the underlying cause of the finding. This compromised the quality of the remedial actions, giving rise to repeat findings of a similar nature.

(d) Functionality and Capacity of Internal Audit

Internal Audit Unit still not adequately resourced and capacitated as it should be including technical trainings and audit software it should be having. There is some improvement in the functionality of the Internal Audit and has contributed to the Assurance regardless of the challenges as compared to no functional Internal Audit Unit in 2022/23 as the unit was only set up after the reporting period.

(e) Functionality and Capacity of Risk Management

The Municipality still remains with no Chief Risk Officer, thus placing reliance on Internal Audit. This situation conflicts Internal Audit and places a limitation on their assurance work on Risk Management. Currently the risk management position reports to the Strategic Manager.

The Committee appreciates the efforts and work done collectively on Risk Management during the year under review, despite limited staff and also the intention to fill the position after the organogram was reviewed

(f) Functionality of the Risk Management Committee

The Municipality appointed a Risk Management Committee during 2022/23 financial period ,however it was subsequently dysfunctional hence no major contribution in its first year.

Based on the independent assessment from Internal Audit on risk, some of the challenges cited during the 2023 period still remain not fully sorted or resolved :-

- The Strategies that were developed or raised did not consider the capacity or the resource to mitigate the risks.
- Also risks were not aligned to specific projects
- Risk assessment was not yielding desired results as it showed that risk were not moving.
- Appointed Risk Champions were at a junior level in terms of the decision making hierarchy and therefore needed understanding, thus warranting their replacement by Managers in the 2023/24 financial period.

Also the Audit Committee has been concerned about the timeframe for intervention or mitigation on the Strategic Risks (high-risk areas) as it has not been urgent, this suggesting these should be short term oriented, with a minimum of review every quarter.

(g) Functionality and Capacity of Institutional Monitoring and Evaluation

The Municipality does not have an independent resource or unit for institutional performance monitoring and evaluation. The function is currently performed within the PMS unit, thus limiting its independence as expected

(h) Full Cascading of the Performance Management System

The Committee has noted upon review the challenge above still remains, as the cascading of the PMS has not yet been fully done t all the levels of the institutions.

(i) Full Realisation of the Economic Development Agenda

The Municipality still faces a challenge that has a serious potential and existing pace of the Development of the Area which is caused by the Development Agency not able to fully carry its Mandate.

(j) Long-term Financial Sustainability of the Municipality

Currently the Municipality does not have Investments or Reserves built. The Municipality is heavily Grant dependent for both Service Delivery Projects being the core function and the Operations. For both the core and other operational status the Municipality is high supported by Conditional Grants and the Equitable Share.

There is currently no Long-term Financial Sustainability Plan whilst noting the absence of a Resource Mobilization drive which could ensure fully funded Long-term Growth and Development of the organisation.

(k) Revenue Management

The Municipality remains with a high debt book with historical balances as shown by the Age Analysis and the Comparative balances in the Financial Statements.

The above is therefore an indication of moving towards strengthening the implementation of the current Revenue Enhancement Strategy, whilst equally adhering to the Cost Containment measures. At the moment the Municipality is unable to realise noticeable material savings out of the Cost Containment measures, whilst also carefully threading on the matter of the threshold of the Cost of Employees.

The Budget and Treasury Department is in the process of developing a demonstrable Grant Dependency Reduction Plan in its goal of Revenue adequacy.

The inability of the projected Collection of Revenue to sustain itself throughout the year has posed threats of budget cuts as downward adjustments during the Midyear performance review, whilst place a risk of the 2024/25 Budget Revenue baseline,

(l) Implementation of the UIFWE (Irregular Expenditure Fruitless and Wasteful Expenditure) Strategy

The Municipality is currently sitting with a historical balance of investigated Irregular Expenditure, thus showing the UIFWE Reduction Strategy implementation rate is still low, given the deadline set by National Treasury

(m) Customer Satisfaction Survey

The Municipality last conducted a Customer Satisfaction Survey five years ago and during the year under review it has still not been conducted. The recommendations of the Survey would assist the Municipality as a stakeholder engagement tool ahead and beyond elections towards an inclusive Service Delivery improvement drive together with the Communities

(n) Employee Engagement and Staff Retention

The Municipality has not conducted an Employee Satisfaction Survey. The Survey would assist the Municipality as an internal stakeholder engagement tool including dealing with such issues as increasing staff turnover which might be attributed to Municipal working conditions and other matters not addressed,

(o) Business Continuity

The Municipality only has a Disaster Recovery Plan from an ICT perspective, however has not yet considered the plight of the high risk on total business shut down that can occur if both the ICT-related and Environmental catastrophies can materialise resulting in losses suffered including loss of information. At this stage no Business Continuity Plan has been developed which will further necessitate an Organisational Business Impact Analysis and a total overhaul of the Risk Strategy, key risks and priority policies affected by the reassessed risks.

(p) Compromised Impartiality of the MPAC Committee and Resourcing

The dual participation of members of the MPAC as a S79 Committee in several S80 Committees as raised during the 2022/23 Oversight Report still handicaps independence of MPAC and conflicted interest. The Municipality has not yet considered a critical position of the Researcher for the effective and efficient functioning and support of the Committee.

(q) Change Management

The Council is in its 4th of the 5-year Service Delivery mandate, with one full financial period (2025/26) in the remaining IDP that runs up to 2027 remaining. It is envisaged that the upcoming National Elections may trigger potential Policy and Strategic Reprioritisation from a PESTEL Analysis point of view. The Municipality has not started a dialogue on the Midterm Review. This would include very critical discussions in the following areas that still remains a concern and beyond the election period.

- Stakeholder Engagement
- Public Participation unresolved issues the midst of an under-capacitated unit and backlog of matters from the public and rising petitions
- Service Delivery Backlogs
- Lack of adequate Funding for Service Delivery
- Shrinkage in the Government Grants
- Absence of a Long-term Development and Growth Strategy
- Funding Mechanisms to ensure that all the IDP Priorities are fulfilled by the end of the terms of Council
- Service Delivery Audit which has not been conducted by taking stock of the success, progress to date and failures at this point in time.
- Land Audit and the implementation of its Recommendations
- Land Claim issues that directly the future investment areas as well as the implementation of SPLUMA based on an undisputed Land Audit.

14.4 INDEPENDENT EVALUATION OF THE DEPARTMENTAL RESPONSES BY THE COMMITTEE

After the submitted written replies to the Committee as well as oral responses entertained during the Departmental Engagements, the Committee evaluated the departmental responses based on the collective of the criteria listed below. This was meant to enable the Committee to arrive at a fair decision as to whether the questions were adequately addressed, partially addresses or not addressed, to ensure that follow up and remedial measures are taken by the Departments:

- Adequacy and Relevance of the responses to initial questions.
- Completeness of the information submitted as per request of the Committee.
- Resubmission of Information to the Committee where such request was made during the engagements for the purpose of the compilation of the Oversight Report.
- Plan on questions responded to but findings remaining and a clear plan of action to deal with the issues even not 100% unresolved.
- Committee's assessment of departmental responses.

14.5 INDEPENDENT CONSULTATION WITH INTERNAL AUDIT AND THE CHAIRPERSON OF THE AUDIT COMMITTEE

A Consultation session with the Chairperson per was scheduled for the 26th of March 2024. The purpose of the session was to solicit the independent assurance of the Committee on the work already done in the form of the Draft Oversight Report. The meeting also sought to gain conformation from the Audit Committee Chairperson on the following matters ahead of the scheduled Council meeting

15. CHALLENGES

This section of the report deals with the challenges that the MPAC faced whilst dealing with the review of the Annual Report including some institutional structural matters that may stifle the effectiveness and independent oversight of the Committee.

It should be noted that some of the challenges highlighted below were also raised in the previous year thus are repetitive. Below are some of the matters for the attention of Council: -

15.1 No action taken on some of the recommendations made by the Committee last year, as Departments did not make clear commitments in the form of Action Plans to subsequently deal with matters beyond the tabling of the Oversight Report to Council.

15.2 There has been no strict monitoring of the implementation of the Council resolutions flowing from the Oversight Report, as this specific delegation was not explicitly assigned to MPAC

15.3 Due to time constraints, the Committee had to visit a very limited number of Service Delivery project, the sampling basis being non-MIG funded projects as six MIG projects were initially verified.

15.4 The Conflict of interest caused by the dual participation of the S79 (MPAC) members in some of the S80 Committee Oversight work has been a serious limitation on the impartial Oversight by the affected members.

Because the member had formed part of the Reports in the respective S80 Committees, this limited the allocation of Questions to them in such areas as they would be overseeing the reports they had initially made decisions or recommendations on.

16. STAFF IMPLICATIONS

The Committee made use of the Council support staff throughout this processes, however it is to be noted that two critical permanent staff positions remain critical to the efficiency of the Committee in the form of a Researcher and Officer as echoed in the findings above.

17. FINANCIAL IMPLICATIONS

All the financial implications or costs relating the Annual Report Oversight Process have been budgeted for under the MPAC Operational Expenditure Budget

18. OVERARCHING STATEMENT BY THE COMMITTEE

The Municipal Public Accounts Committee wished to take Council into confidence that the work done on the Oversight confirms that the Annual Report reasonably and fairly represents the activities of the municipality in the year under review, over the broad range of performance areas that the municipality is measured against. In this process the role of the public in making comments and inputs must not be overlooked as the guidelines clearly emphasize their role and

19. RECOMMENDATIONS OF THE COMMITTEE TO COUNCIL TOWARDS THE ADOPTION OF THE OVERSIGHT REPORT

It is recommended

19.1 That Council, having fully considered the Annual Report of the Municipality and representation thereon, adopts the Oversight Report of the MPAC with reservations as required in terms of Section 129 of the Municipal Finance Management Act No 56 of 2003 (MFMA).

19.2 That Council approves the Annual Report with reservations as the Committee has not completed evaluation of the Adequacy, Completeness, Relevance and Satisfactory nature of the Responses from the Departments. Over and above this sentiment, A Resolution has been reached that Clear Action Plans will be developed and actioned through the 2024/25 SDBIP for certain matters of emphasis from the Oversight Reporting processes.

19.3 That the Acting Municipal Manager as Accounting Officer ensures that all outstanding amendments, corrections and information not contained in the 2022/23 Annual Report as recommended by Internal Audit form part of the Final Annual Report.

19.4 That the Acting Municipal Manager as Accounting Officer make public the Oversight Report within seven (7) days of adoption of the report, as required in terms of Section 129(3) of the MFMA.

19.5 That the Office of the Acting Municipal Manager as Accounting Officer submit the Final Annual Report and the Oversight Report relating to the 2023/2024 to the Provincial Legislature, Auditor General South Africa, the relevant provincial treasury and the provincial department responsible for local government in the province.

19.6 That all the Oversight Process Recommendations to the Findings of the Committee be adopted as resolutions of the Council.

19.7 That Council assigns specific Delegations as a passed Resolution of Council that MPAC be given the Responsibility of Playing the In-Year Oversight on the Tracking of the Implementation of the Resolutions of Council as adopted by this Council.

19.8 That all these Resolutions be a standing item at Management meetings including all the affected Standing Committees as led by the various Chairpersons thereof as well as in all EXCO meetings ahead of Council sittings.

19.9 That the Council considers what steps should be taken to improve the adequacy of oversight over the rectification of the findings contained in the Auditor General's Report in accordance with the provisions of Section 131 of the MFMA

19.10 That the office of the Mayor and the Acting Municipal Manager as Accounting Officer consider the development of a Turn-around Plan to action the recommendations made in this report and report to Council within 60 days (31 May 2025), and thereafter quarterly. This will have considered all Budget Implication and therefore implemented through the 2025 SDBIP.

20. SCHEDULE OF COMPARATIVE ANALYSIS OF RECOMMENDATIONS TO SPECIFIC FINDINGS OF THE COMMITTEE

Finding	Recommendation (2023 Oversight)	Comment based on 2023/24 Oversight
Non-Implementation and Monitoring of Council Resolutions and Oversight Recommendations	Implementation and Monitoring of Council Resolutions and Oversight Recommendations by Management, with MPAC and 79 Committees tracking monthly implementation	Repeat Finding
Inadequate Implementation and Monitoring of the Audit Action Plan	Ensure close monitoring of the implementation and monitoring of the Audit Action Plan	Repeat Finding
Functionality and Capacity of Internal Audit	Ensure that the Capacity within the Internal Audit is beefed up	Repeat Finding
Functionality and Capacity of Risk Management	Ensure that the Risk Management resources are increased and Risk Management segregated from Internal Audit	Repeat Finding
Functionality of The Risk Management Committee	Ensure the resuscitation of the Risk Management Committee	Repeat Finding
Functionality and Capacity of Institutional Monitoring and Evaluation	Ensure that Monitoring and Evaluation is segregated from PMS and enough personnel be assigned the responsibility within the office of the Municipal Manager.	Repeat Finding
Cascading Of The Performance Management System	To accelerate the full cascading of the Performance Management System below Senior Management level	Repeat Finding
Skills Audit	To ensure that the institution conducts a fully-fledged Skills Audit also to assist the process of the Organogram based on Organisational Needs analysis to ensure a fully informed Organogram and a fit for purpose Organogram to achieve the Strategic Objectives of the Municipality.	Repeat Finding

Full Realisation of the Economic Development Agenda	The Entity's Board in collaboration with the Council needs to drastically resolve the following:- • Dealing with Going Concern • Funding of the Business Plan • Organogram issues	Repeat Finding
Long-term Financial Sustainability of the Municipality	• Municipality to develop a Financial Sustainability Plan • Municipality to develop a Resource Mobilization and embark on Resource Mobilization at Risk	Repeat Finding
Revenue Management - The municipality has a low revenue base and low collection due to its rural nature however there are plans in place including expanding the revenue base and implementation of strategies to improve collection.(Repeat – extract from Executive Summary)	• Strengthening the implementation of the current Revenue Enhancement Strategy, whilst equally adhering to the Cost Containment measures. • To develop a demonstrable Grant Dependency Reduction Plan in its goal of Revenue adequacy.	Repeat Finding
UIFWE not fully reduced as per UIFWE Strategy	• Investigation and write off of the UIFWE • Implementation of the UIWE (Irregular Expenditure Fruitless And Wasteful Expenditure Strategy	Repeat Finding
Service Delivery	• Municipality to quantify the Service Delivery Backlogs and develop a Service Delivery Backlog Eradication Plan • Municipality to embark on Resource Mobilization to fund	Repeat Finding

	backlog and future projects in the IDP in the light of limited Grant funding.	
Customer Satisfaction Survey	• To conduct a Customer Satisfaction Survey. • The recommendations of the Survey would assist the Municipality as a stakeholder engagement tool ahead and beyond elections towards an inclusive Service Delivery improvement drive together with the Communities	Repeat Finding
Employee Engagement	• To conduct the Employee Satisfaction Survey. The Survey would assist the Municipality as an internal stakeholder engagement tool including dealing with such issues as increasing staff turnover which might be attributed to Municipal working conditions and other matters not addressed	Repeat Finding
Staff Or Employee Retention	• Staff Turnover mitigations to include review of its Staff Attraction and Retention Policy, review of its Talent Management Policy in order to avoid further brain drain that cripples Institutional Memory	Repeat Finding

Business Continuity		Develop a Business Continuity Plan which will further necessitate an Organisational Business Impact Analysis and a total overhaul of the Risk Strategy, key risks and priority policies affected by the reassessed risks	Repeat Finding
MPAC Resourcing	Committee	The Committee needs to have critical permanent staff position of the Committee Researcher filled to enhance Oversight Efficiency.	Repeat Finding
Functionality of Impartiality Committee	and The	Council should consider the redeployment and Reconfiguration in the present Committees to allow an MPAC that is fully functional and independent of S80 duties	Repeat Finding
Change Management		The Office of the Executive Mayor and the Acting Municipal Manager to champion the Municipal Turnaround and develop a Change Management Plan which must focus on the following: - • Public Participation unresolved issues the midst of an under-capacitated unit and backlog of matters from the public and rising petitions • Service Delivery Backlogs • Lack of adequate Funding for Service Delivery • Shrinkage in the Government Grants • Absence of a Long-term Development and Growth Strategy • Funding Mechanisms to ensure that all the IDP Priorities are fulfilled by the end of the terms of Council • Service Delivery	Repeat Finding

	Audit which has not been conducted by taking stock of the success, progress to date and failures at this point in time. • Land Audit and the implementation of its Recommendations • Land Claim issues that directly the future investment areas as well as the implementation of SPLUMA based on an undisputed Land Audit	
Reprioritization towards end of Council	• Institutional Transformation using Change Management to achieve a realistic Municipal Turnaround. • Long-term Growth and Development Plan • Long-term Financial Sustainability of the Organisations • Isolation of Human Capital as a Stand – alone Objective	Repeat Finding
Business Continuity Plan Development and	• The development and implementation of the Business Continuity Plan is a very urgent and critical issue for consideration by Council based on the threats and risks faced by organisation which can be catastrophic. The recurring flooding that affects the Municipal area in all fronts and its impact on Business, Tourism , Infrastructure, Transport Sector, Safety of people and ultimate risk of shut down of municipal operations at such	Repeat Finding

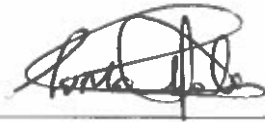
	times.	
Structured Functionality of Oversight Committees	The review also has revealed that in the space of Committee Oversight in the absence of an Oversight Framework, some of the S80 Committees are still operating without Terms of Reference and approved Annual Work Plans. The Committee proposes that there be urgent attention to the development and adoption for implementation of the Terms of Reference for the affected Committees	Repeat Finding
Organisational Performance	The Committee has a concern that the Council needs to note as the entire organisation overall / on average has achieved less than 100% of the targets it set in the 2023/24 Planning. Individually none of the KPAs through the respective Departments have achieved above 90%. - It is the Committee's recommendations that all the shortfalls noted in the Annual Performance Report be factored into the Draft SDBIP 2025/26 as the opportunity to adjust the SDBIP for the 2024/25 has gone past in January. - This should be done considering the attest outcomes of the Midyear Performance Report of the 2024/25 Financial Period on such areas that are repeat weakness	Repeat Finding

	areas or areas of challenges. • The intervention needs to be undertaken simultaneously with the Risk status assessment in the affected areas. • New challenges be considered as Emerging Risk in consultation with Risk Management.	
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21. REPORT SIGN OFF

This being to confirm that the report presented by the Committee to the Council is a true reflection of the independent review undertaken by the Committee on the Annual Report of the Port St John's Municipality for the 2023/24 Financial Year activities as contained therein.

Yours Truly,



Hon. Councillor S.V. Mavimbela
(Chairperson: Municipal Public Accounts Committee)

Date: 27/03/2025

ANNEXURES

ANNEXURE A: OVERSIGHT PROCESS PROJECT IMPLEMENTATION PLAN

ANNEXURE B: OVERSIGHT REPORT PROCESS PLAN

ANNEXURE C: MPAC OVERSIGHT PROCESS REVIEW TOOL

ANNEXURE D: ANALYSIS AND QUESTIONS TEMPLATE FOR DEPARTMENTS

ANNEXURE E: INDEPENDENT COMMENTS FROM THE COORDINATOR ON THE 2023/24 OVERSIGHT PROCESS

ANNEXURE F: MINUTES ON THE OVERSIGHT PROCESS PRESENTATION MEETING