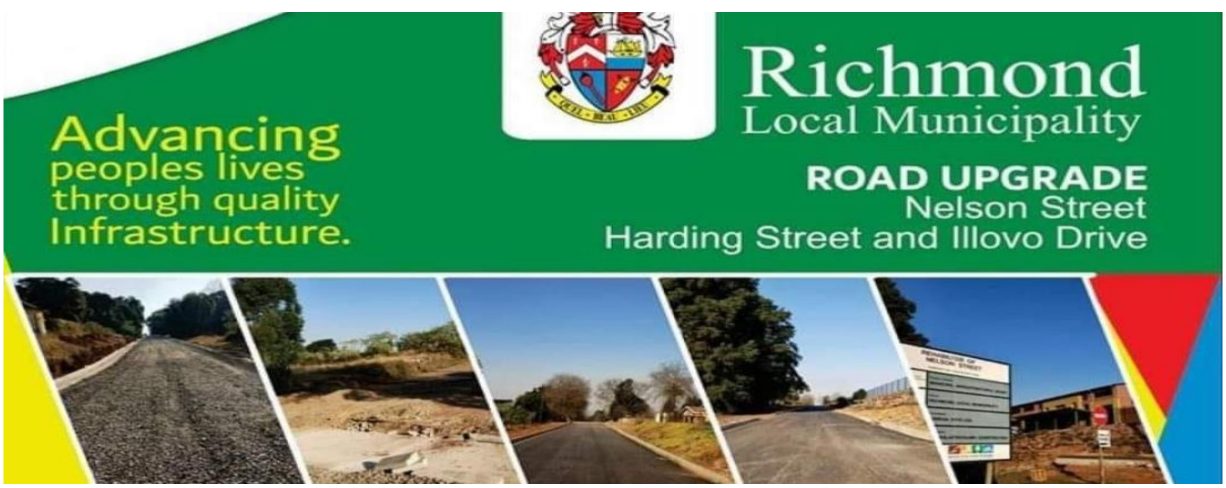
**Draft Richmond Annual Report**
**2022/2023**

**Richmond**
**Local Municipality**


# Draft
# Richmond Annual Report
# 2022/2023



## CONTENTS

# CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## 1.1 COMPONENT A: MAYOR'S FOREWORD


**HIS WORSHIP THE MAYOR – CLLR. MK NGCONGO**

As we gather to review the outcomes of the 2022/2023 financial year, it's evident that our municipality has encountered significant trials amidst the ongoing economic difficulties at both the national and local levels. These challenges have tested our resilience and underscored the importance of steadfast financial stewardship. In response, we've navigated a stringent budgeting process, prioritizing the financial sustainability of our municipality, and ensuring the continued provision of essential services to all our communities.

This rigorous process necessitated the reallocation of funds from lower to higher priority programs, alongside the judicious incorporation of Council-condoned expenditures in compliance with the Municipal Finance Management Act. Despite the hurdles we've encountered, our dedication to enhancing and sustaining service quality for our citizens remains unwavering. We recognize the critical role of robust revenue management, particularly in these trying economic times, and are committed to addressing developmental backlogs and poverty within our municipality.

In presenting this annual report, we aim to provide a comprehensive overview of our efforts to implement the Service Delivery and Budget Implementation Plan (SDBIP) for the past year. This report serves as both a record and an accountability mechanism for our communities, detailing our achievements, challenges, and the measures taken to address them. While it reflects progress in service delivery, we acknowledge the ongoing challenges that lie ahead.

I extend my heartfelt appreciation to our Council, Administration, and all stakeholders whose dedication has contributed to maintaining an unqualified audit opinion for our municipality. The collaborative efforts have been instrumental in fostering cooperation, cohesion, and stability within our Council and Administration. Furthermore, I am proud to highlight the commendable achievements of our municipality, marked by the absence of unauthorized, irregular, wasteful, and fruitless expenditure (UIFW).

Our completion of significant service delivery projects, including the Siyathuthuka housing project comprising 176 houses, the Argosy rehabilitation project encompassing 333 houses, the construction of the Sheti bridge connecting ward 1 and 2, and the resurfacing of internal roads in Ward 1 (Illovu, Nelson, and Harding streets), demonstrates our commitment to tangible progress. Additionally, the installation of 150 LED solar streetlights and the maintenance of 40.6 kilometers of gravel access roads further signify our dedication to enhancing the well-being and infrastructure of our municipality.

Looking ahead, we remain steadfast in our commitment to improving performance and striving towards clean audits in the years to come. With confidence, we will continue to meet the expectations of our stakeholders as we diligently implement our long, medium, and short-term strategies. Together, we will overcome challenges and build a more prosperous and resilient municipality for all.

***RICHMOND WILL ALWAYS BE A BEAUTIFUL PLACE AS WE STRIVE TO GROW IN PEACE AND HARMONY WITH EACH ANOTHER!***

___________________________________

**His Worship the Mayor**
**Cllr. Melikhaya Knowledge Ngcongo**

## 1.2 COMPONENT B: EXECUTIVE SUMMARY

**MUNICIPAL MANAGER: B E MSWANE**

This report provides the overview of the performance and progress made by the Richmond Local Municipality in fulfilling its strategic objectives and priorities as reflected in the integrated development plan (IDP), aligned to the National Development Plan (NDP) as well as the Provincial Growth and Development Plan (PGDP). The report has been prepared in line with section 121 of the local government municipal finance management Act, No. 56 of 2003, together with the accompanying circulars, and guidelines. It presents the highlights of all the programs and projects that were implemented during the 2022/2023 financial year to enhance service delivery within the municipality.

The 2022/2023 financial year has been a challenging one for the Richmond Municipality, as we have faced ongoing difficulties in the national and local economy, a decline in revenue figures characterized by unemployment and high poverty levels within the municipality, as well as aging infrastructure aging and poorly maintained infrastructure, increased fuel costs, and a national electricity supply crisis. Despite these challenges, we have remained committed to sound financial management principles and the sustainable delivery of municipal services to all communities.

Our focus on strong revenue management has been fundamental to the financial sustainability of our municipality, as we have worked to address development backlogs and poverty within our community. We have made difficult choices in relation to tariff increases and balancing expenditures against realistically anticipated revenues. The adjustment budget has also addressed capital expenditure and service delivery, as we have worked to improve and sustain the quality of services provided to our citizens. We recognize the importance of effective asset management and basic service delivery measurement in achieving our goals.

We extend our deepest gratitude to the political leadership as there is no question that our leaders are committed to serve so that a meaningful difference is made in the lives of the citizens of Richmond. Their determination and oversight role of the administration will fast track positive outcomes in various service delivery initiatives. Together, we will continue to navigate the challenges ahead and work towards a more prosperous and resilient municipality.

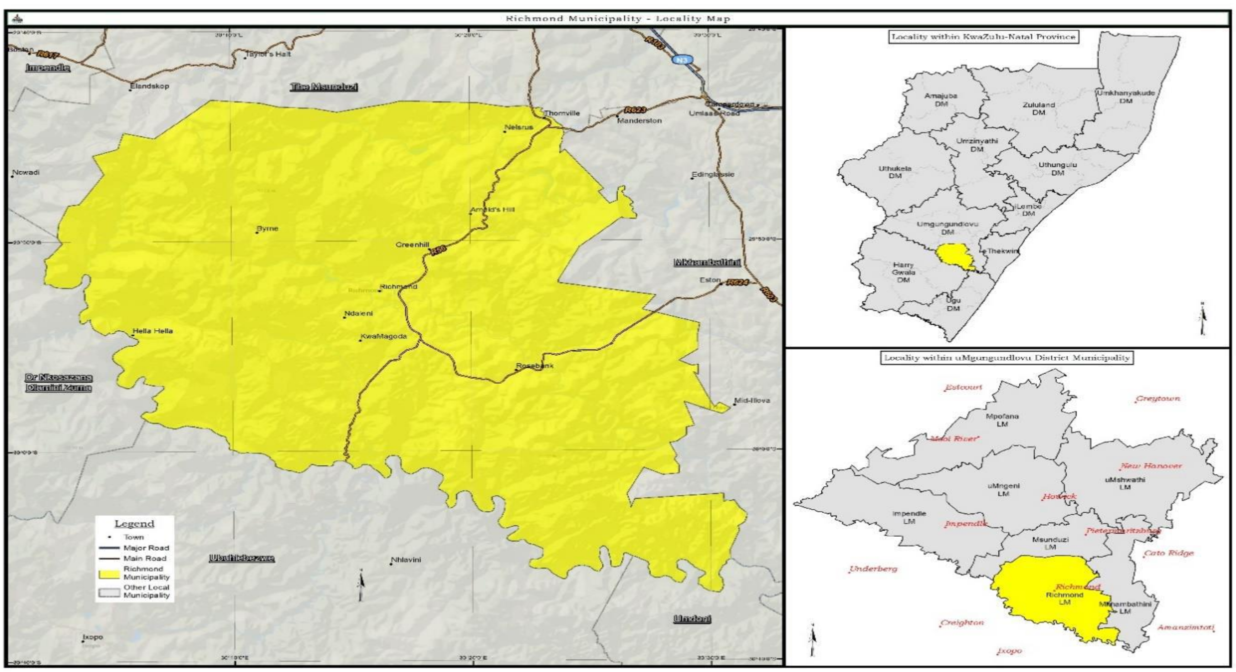
Municipal Manager
Bhekani Errol Mswane

## 1.3 MUNICIPAL OVERVIEW

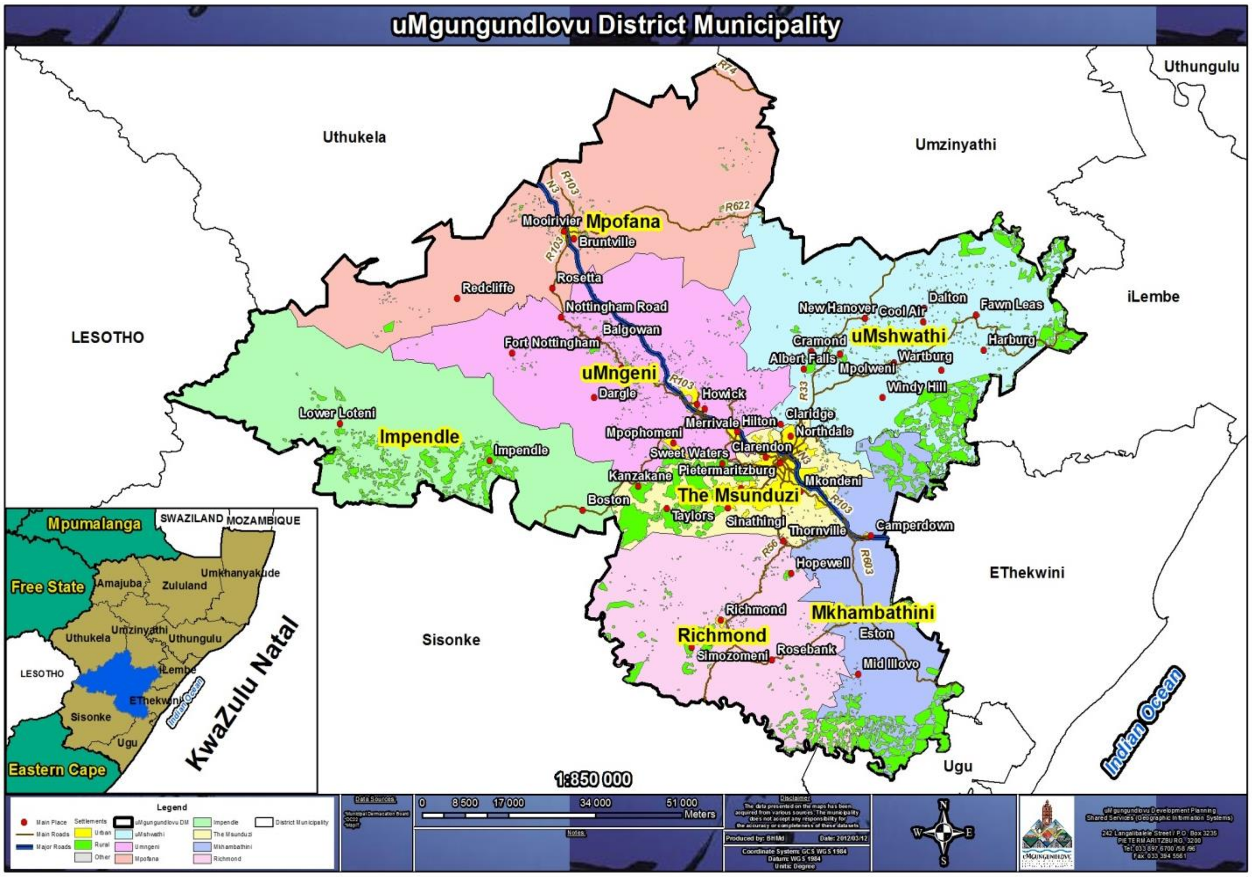
### MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Richmond Municipality (KZ227) is one of the category B municipalities and comprises of seven (7) wards. It is located on the southern part of the UMgungundlovu District Municipality (DC22) and is approximately 38 kilometers south of Pietermaritzburg which is the capital of the KwaZulu-Natal Province. It is bordered by uMsunduzi Municipality to the north, Dr Nkosazana Dlamini-Zuma Local Municipality to the west, Mkhambathini Municipality to the east and Ubuhlebezwe and Vulamehlo Municipalities to the south. It is approximately 1232 square kilometers in extent with an estimated population of 71 322 and 17 570 households; it is the fourth smallest Municipality within the uMgungundlovu District Municipality family of Municipalities. The map below shows Richmond Geographic location.

Map 1. Richmond Municipality locality map



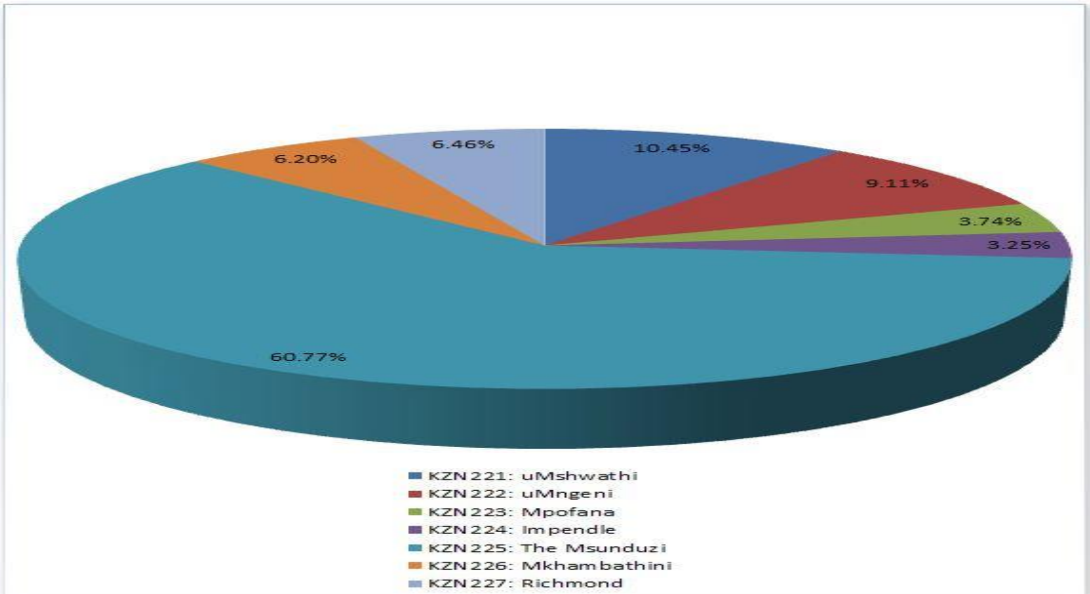
Map 2. District Locality Map




The majority of the population resides in areas which are predominantly rural, and which are characterized by low levels of basic services and facilities and substantial unemployment. The village of Richmond – Ward 1 – is the only urban centre which is recognized as the main economic node due to the services provided and nature of activities which exist in association with the legal services, primary health care, pension pay point, education and welfare office and similar state services. Land uses within this area are typically urban mixed uses with high levels of limited infrastructural and services development and an adequate provision of social facilities and services to support the resident populations.

Richmond is located on the southern part of the UMgungundlovu District Municipality (DC22) and is approximately 38 kilometers south of Pietermaritzburg which is the capital city of the KwaZulu-Natal Province.

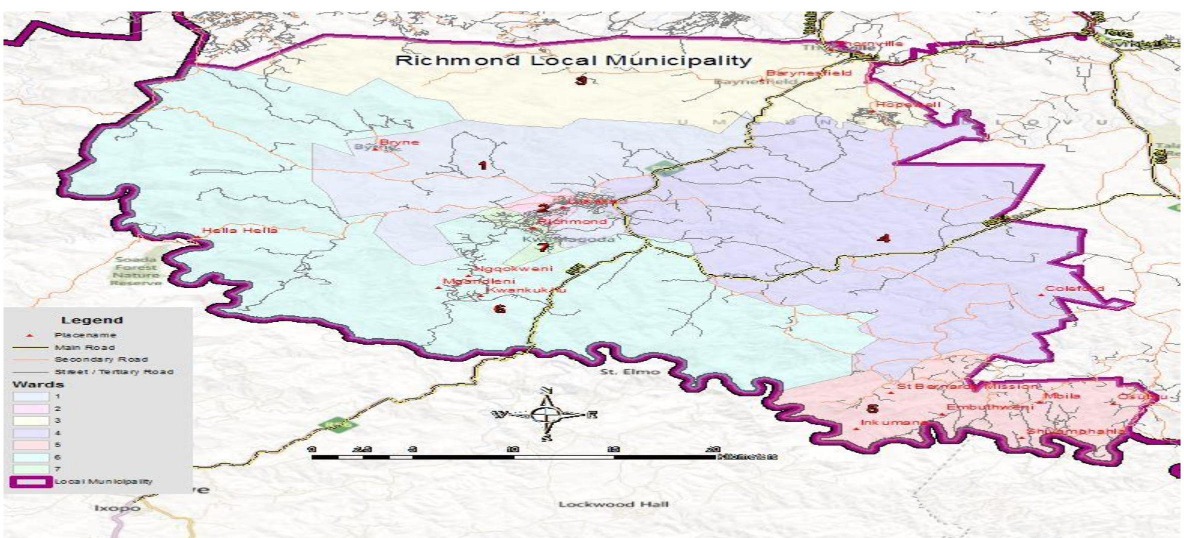
Figure 1. District Population




Source: (Census 2011)

The figure above indicates that Msunduzi is the most populated local Municipality within the District.

Map 3. Richmond Municipality by Ward




Source: uMgungundlovu GIS

A large portion of the municipal area is used for agricultural activities, which is also the largest employer of the municipal population. In this way agriculture is the backbone of the Municipality's economy. This suggests that preservation of high-quality agricultural land is very important, and development should therefore be responsive to the need of preservation.

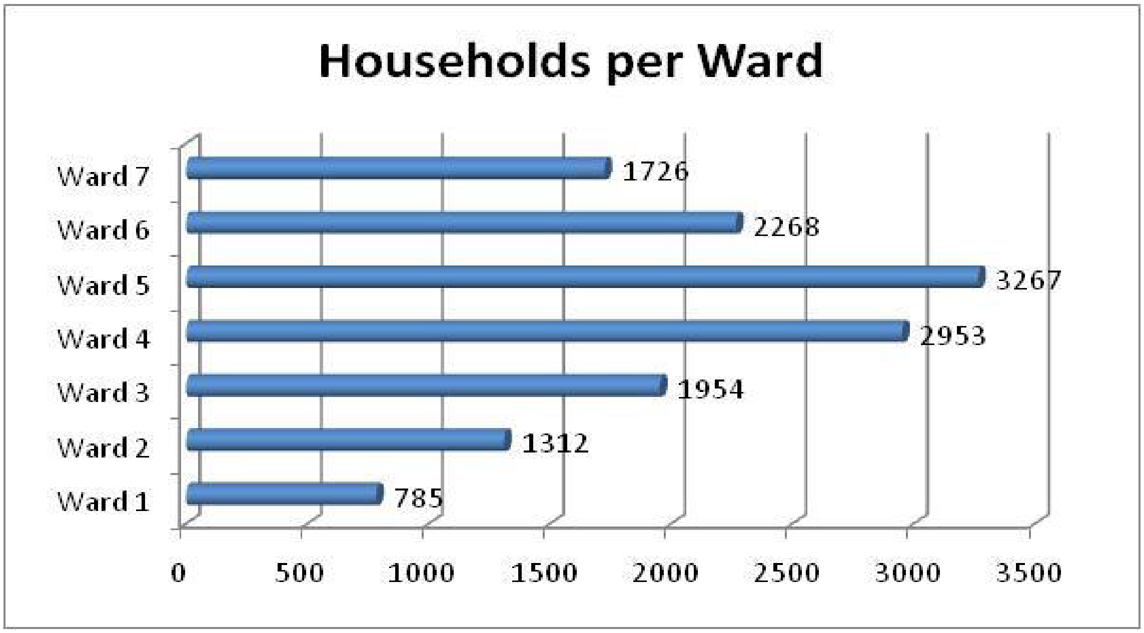
Richmond's location can be disadvantageous in that the booming economy of the Capital City which has resulted in an exit of skilled and learned persons as well as the relocation of Industry from Richmond to other areas and coupled with various other factors. Richmond has seen an increase in unemployment, an increase in poverty and a decrease in investment. Added to this is the unmistakable absence of municipal resources needed to meet the demand of the ever-increasing need for service delivery to the poor, excluded and vulnerable.

In order to achieve success from its advantageous and to counteract its disadvantageous characteristics, Richmond must focus on its strengths and on the opportunities provided in terms of National and Provincial Government in terms of their development goals, apex priorities – reference is, amongst other programs and projects made to the Medium Term Strategic Framework (MTSF), Provincial Growth and Development Strategy (PGDS), Accelerated and Shared Growth Initiative of South Africa (ASGISA), Joint Initiative on Priority Skills Acquisition (JIPSA), National Spatial Development Framework (NSDF) & Provincial Spatial Economic Development Framework (PSEDF), National Framework for Local Economic Development (NFLED), etc.

The Municipality must also continually strive towards a positive change of mind set and gear towards marketing the constructive attributes in terms of spatial assets (industrial nodes, location in terms of identified corridor development, proximity to N3 and R56), agriculture and agro-processing, nature-based tourism, specialized manufacturing, and farming.

**VISION -** ***By 2042 Richmond will be an economically vibrant smart town and agricultural hub offering its citizens a healthy and social environment.***

**MISSION -** ***Richmond Municipality will improve the livelihood of citizens by continuously providing affordable and sustainable service delivery through innovation, stakeholder relations and good governance.***




Household populations in Richmond Municipality are dominated by blacks (90.8%), followed by whites (5.3 %) as presented in the following table.

| Ethnic Group | Number of Households | Percentage |
|---|---|---|
| Black Households Totals | 12952 | 91% |
| Coloureds Households Total | 293 | 2% |
| Asian Households Total | 264 | 2% |
| White Households Total | 756 | 5% |
| **Total Households** | **14265** | 100% |

**Source: Quantec Easy Data 2010**

Household sizes in Richmond Municipality vary from 2 to 6 members, with Indian and black households leading with 6 and 4 members per household respectively as presented in the following table:

**Household Size**

| Population Groups | Household Size/Population Group |
|---|---|
| Black Household Size | 4,4 |
| Coloured Household Size | 3,1 |
| Asian Household Size | 6,2 |
| White Household Size | 2,1 |

**Source: Quantec Easy Data 2010**

### Education Levels

| Levels of Education | Percentage |
|---|---|
| No Schooling | 22% |
| Some Primary Education | 32% |
| Complete Primary Education | 8% |
| Some Secondary Education | 27% |
| Grade 12 | 7% |
| Higher Education | 4% |
| **Total** | **100%** |

**Source: Community Survey 2007**

With regard to the level of education by gender groups, the following table shows that there is a balance between males and females in the Richmond Municipality as their levels of education are almost similar.

### Level of Education by Gender

| Levels of Education | Male | Female |
|---|---|---|
| No Schooling | 29% | 33% |
| Some Primary Education | 22% | 25% |
| Complete Primary Education | 16% | 15% |
| Some Secondary Education | 13% | 11% |
| Grade 12 | 11% | 9% |
| Higher Education | 9% | 7% |
| **Total** | **100%** | **100%** |

**Source: Community Survey 2007**

The following table shows that illiteracy is more common amongst Indians and coloured compared to other population groups.

**Level of education by population groups.**

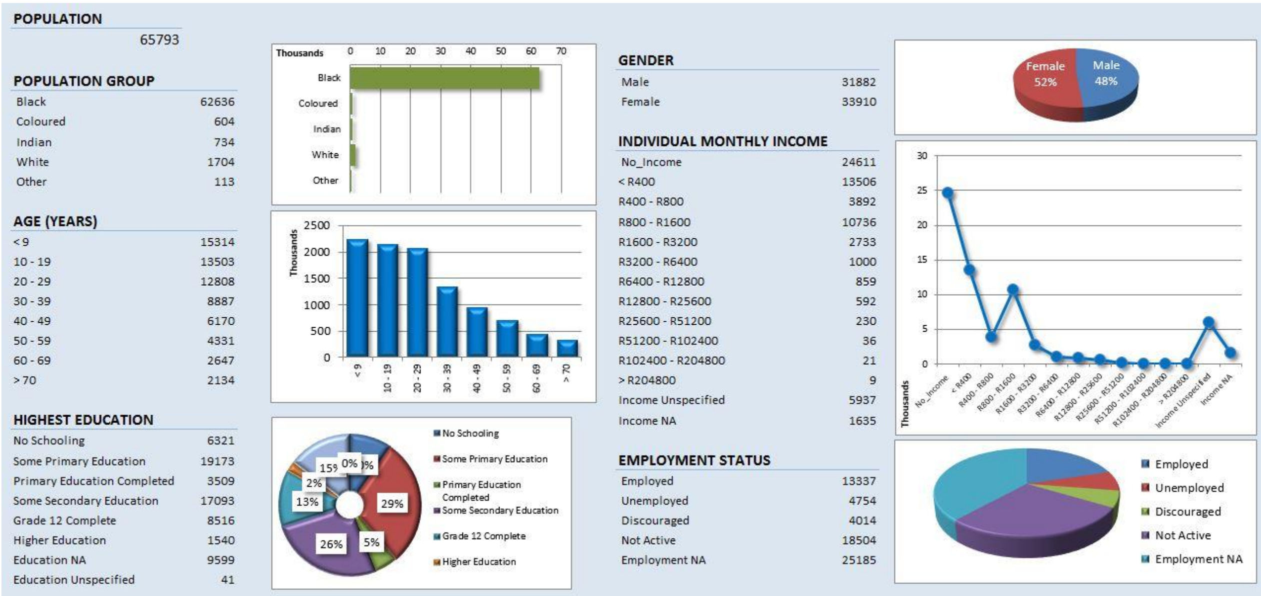
| Levels of Education | Blacks | Coloureds | Asians | Whites |
|---|---|---|---|---|
| No Schooling | 34% | 30% | 4% | 5% |
| Some Primary Education | 22% | 21% | 9% | 8% |
| Complete Primary Education | 17% | 19% | 33% | 15% |
| Some Secondary Education | 14% | 13% | 21% | 22% |
| Grade 12 | 11% | 10% | 22% | 31% |
| Higher Education | 2% | 7% | 11% | 19% |
| **Total** | **100%** | **100%** | **100%** | **100%** |

**Source: Community Survey 2007**

## POPULATION

According to Stats SA Community Survey 2016 data, the total population of the Richmond Municipality is approximately 71 322 people and 17 570 households. This marks a proportionately marginal increase from 65 793 people and 16 440 households recorded in 2011. This means that the population has only increased by 5529 people whilst households increased by 1130 between 2011 to 2016. This slight increase over the years can be attributed by a number of factors such as HIV/AIDS epidemic or rural urban migration processes due to factors linked to the economic factor of the Municipality which includes limited employment opportunities, better access to public services in major urban centres and general decline in the quality of life.

Table 10. Population Distribution by Age and Gender



| POPULATION | |
|---|---|
| | 65793 |

| POPULATION GROUP | |
|---|---|
| Black | 62636 |
| Coloured | 604 |
| Indian | 734 |
| White | 1704 |
| Other | 113 |

| AGE (YEARS) | |
|---|---|
| < 9 | 15314 |
| 10 - 19 | 13503 |
| 20 - 29 | 12808 |
| 30 - 39 | 8887 |
| 40 - 49 | 6170 |
| 50 - 59 | 4331 |
| 60 - 69 | 2647 |
| > 70 | 2134 |

| HIGHEST EDUCATION | |
|---|---|
| No Schooling | 6321 |
| Some Primary Education | 19173 |
| Primary Education Completed | 3509 |
| Some Secondary Education | 17093 |
| Grade 12 Complete | 8516 |
| Higher Education | 1540 |
| Education NA | 9599 |
| Education Unspecified | 41 |

| GENDER | |
|---|---|
| Male | 31882 |
| Female | 33910 |

| INDIVIDUAL MONTHLY INCOME | |
|---|---|
| No_Income | 24611 |
| < R400 | 13506 |
| R400 - R800 | 3892 |
| R800 - R1600 | 10736 |
| R1600 - R3200 | 2733 |
| R3200 - R6400 | 1000 |
| R6400 - R12800 | 859 |
| R12800 - R25600 | 592 |
| R25600 - R51200 | 230 |
| R51200 - R102400 | 36 |
| R102400 - R204800 | 21 |
| > R204800 | 9 |
| Income Unspecified | 5937 |
| Income NA | 1635 |

| EMPLOYMENT STATUS | |
|---|---|
| Employed | 13337 |
| Unemployed | 4754 |
| Discouraged | 4014 |
| Not Active | 18504 |
| Employment NA | 25185 |



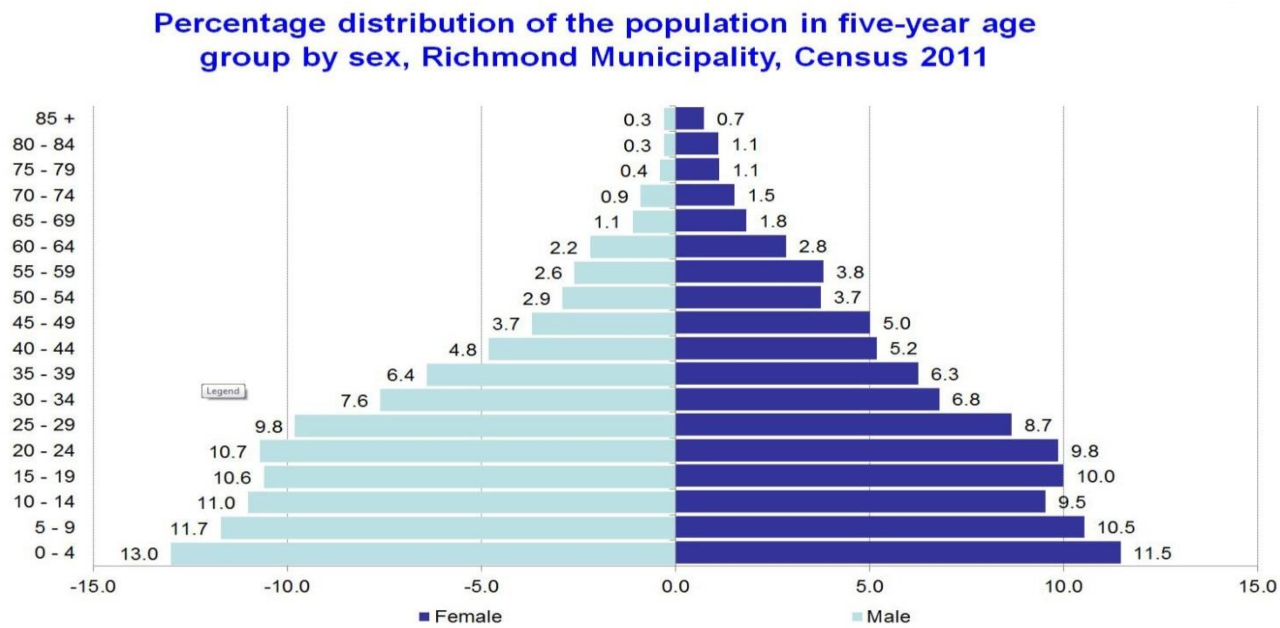
Table 11. Age Structure

| Age Group | Male | Female | Total |
|---|---|---|---|
| **00 – 04** | 4 138 | 3 888 | 8 026 |
| **05 – 09** | 3 718 | 3 570 | 7 288 |
| **10 – 14** | 3 515 | 3 233 | 6 748 |
| **15 – 19** | 3 369 | 3 387 | 6 756 |
| **20 – 24** | 3 421 | 3 340 | 6 760 |
| **25 – 29** | 3 112 | 2 936 | 6 047 |
| **30 – 34** | 2 424 | 2 306 | 4 730 |
| **35 – 39** | 2 033 | 2 124 | 4 157 |
| **40 – 44** | 1 541 | 1 759 | 3 300 |
| **45 – 49** | 1 170 | 1 699 | 2 869 |
| **50 – 54** | 938 | 1 268 | 2 206 |
| **55 – 59** | 832 | 1 293 | 2 125 |
| **60 – 64** | 694 | 964 | 1 658 |
| **65 – 69** | 366 | 622 | 989 |
| **70 – 74** | 285 | 519 | 804 |
| **75 – 79** | 134 | 383 | 517 |

| | | | |
|---|---|---|---|
| **80 – 84** | 91 | 373 | 464 |
| **85+** | 101 | 248 | 349 |
| Total | **31 883** | **33 910** | **65 793** |

**Source: Stats S A: Census 2011**

Figure 2. Population pyramid




**Source : Stats SA Census 2011**

The figure above shows that the gender distribution in Richmond, with females making up the majority of the population. Gender distribution is also a determinant factor in assisting the various tiers of government to focus investment especially to vulnerable groups like women.

The population of Richmond is dominated by the youth (15 to 35 years of age) which accounts for 21 606 people or 38% of the total population. This therefore has serious implications in terms of development planning and requires the development and implementation of programs addressing the needs of a youthful population which may include educational facilities, creation of job opportunities and improving access to social facilities.

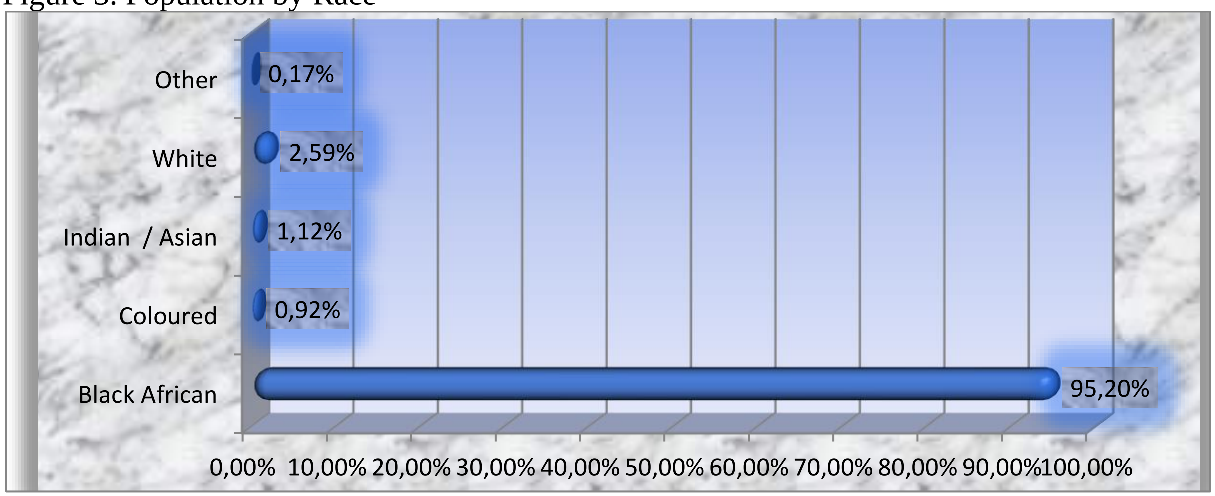
Table 12. Population Group by Race

| Population Group | KZN227: Richmond (Population) | Percentage |
|---|---|---|
| Black African | 62635 | 95.20% |
| Coloured | 605 | 0.92% |
| Indian / Asian | 735 | 1.12% |
| White | 1705 | 2.59% |
| Other | 113 | 0.17% |
| Total | *65793* | *100.00%* |

**Source: Stats S A: Census 2011**

## Racial Population Distribution

Figure 3. Population by Race




**Source : Stats SA Census 2011**

It is indicated in the figure above that the Blacks dominates the population group in Richmond.

## WARD INFORMATION

The following information provides a synopsis of each ward e.g. population, age, education level, gender, employment rate etc.

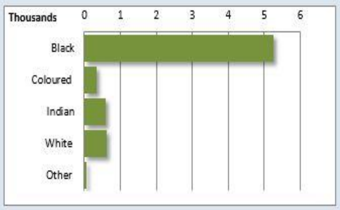
### Ward 1

**POPULATION**

6836

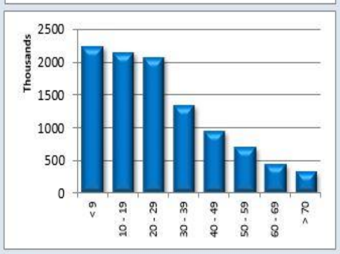
**POPULATION GROUP**

| | |
|---|---|
| Black | 5246 |
| Coloured | 330 |
| Indian | 590 |
| White | 619 |
| Other | 50 |



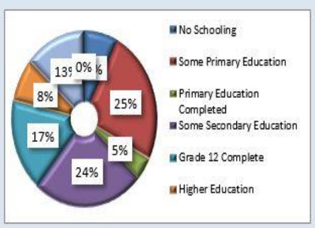

**AGE (YEARS)**

| | |
|---|---|
| < 9 | 1251 |
| 10 - 19 | 1217 |
| 20 - 29 | 1408 |
| 30 - 39 | 1021 |
| 40 - 49 | 730 |
| 50 - 59 | 533 |
| 60 - 69 | 378 |
| > 70 | 296 |



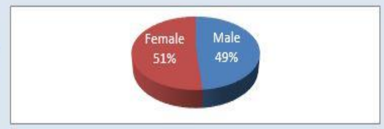

**HIGHEST EDUCATION**

| | |
|---|---|
| No Schooling | 520 |
| Some Primary Education | 1698 |
| Primary Education Completed | 299 |
| Some Secondary Education | 1666 |
| Grade 12 Complete | 1180 |
| Higher Education | 550 |
| Education NA | 910 |
| Education Unspecified | 14 |



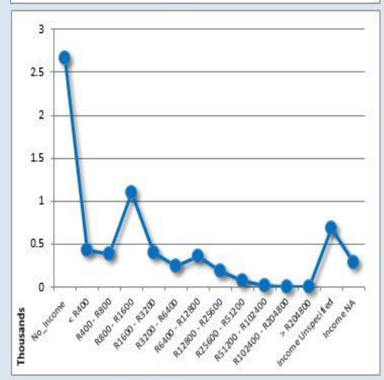

**GENDER**

| | |
|---|---|
| Male | 3321 |
| Female | 3515 |



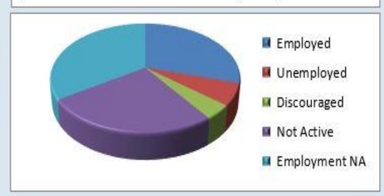

**INDIVIDUAL MONTHLY INCOME**

| | |
|---|---|
| No_Income | 2662 |
| < R400 | 435 |
| R400 - R800 | 387 |
| R800 - R1600 | 1102 |
| R1600 - R3200 | 397 |
| R3200 - R6400 | 245 |
| R6400 - R12800 | 364 |
| R12800 - R25600 | 186 |
| R25600 - R51200 | 68 |
| R51200 - R102400 | 14 |
| R102400 - R204800 | 4 |
| > R204800 | 1 |
| Income Unspecified | 683 |
| Income NA | 289 |




**EMPLOYMENT STATUS**

| | |
|---|---|
| Employed | 2018 |
| Unemployed | 443 |
| Discouraged | 285 |
| Not Active | 1752 |
| Employment NA | 2338 |



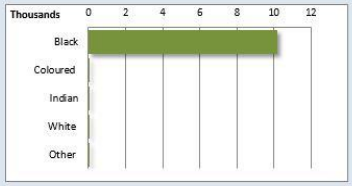
## Ward 2

**POPULATION**

10285

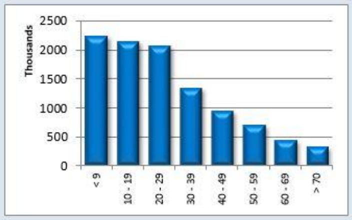
**POPULATION GROUP**

| | |
|---|---|
| Black | 10155 |
| Coloured | 81 |
| Indian | 23 |
| White | 4 |
| Other | 23 |



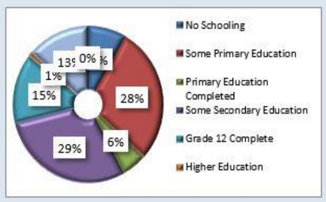

**AGE (YEARS)**

| | |
|---|---|
| < 9 | 2537 |
| 10 - 19 | 2143 |
| 20 - 29 | 2138 |
| 30 - 39 | 1533 |
| 40 - 49 | 909 |
| 50 - 59 | 493 |
| 60 - 69 | 308 |
| > 70 | 225 |



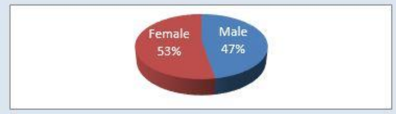

**HIGHEST EDUCATION**

| | |
|---|---|
| No Schooling | 860 |
| Some Primary Education | 2911 |
| Primary Education Completed | 554 |
| Some Secondary Education | 2995 |
| Grade 12 Complete | 1478 |
| Higher Education | 100 |
| Education NA | 1372 |
| Education Unspecified | 14 |



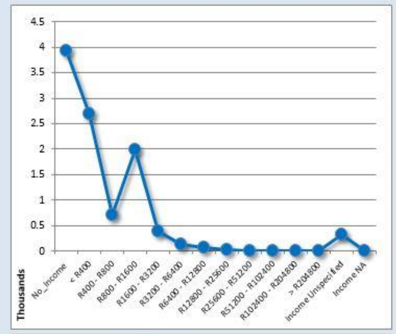

**GENDER**

| | |
|---|---|
| Male | 4856 |
| Female | 5429 |



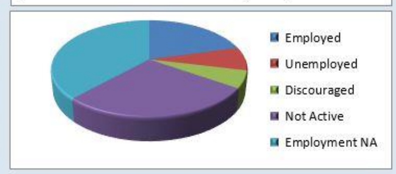

**INDIVIDUAL MONTHLY INCOME**

| | |
|---|---|
| No_Income | 3925 |
| < R400 | 2683 |
| R400 - R800 | 714 |
| R800 - R1600 | 1984 |
| R1600 - R3200 | 400 |
| R3200 - R6400 | 129 |
| R6400 - R12800 | 78 |
| R12800 - R25600 | 28 |
| R25600 - R51200 | 9 |
| R51200 - R102400 | 0 |
| R102400 - R204800 | 0 |
| > R204800 | 2 |
| Income Unspecified | 333 |
| Income NA | 0 |




**EMPLOYMENT STATUS**

| | |
|---|---|
| Employed | 2141 |
| Unemployed | 807 |
| Discouraged | 595 |
| Not Active | 2840 |
| Employment NA | 3903 |



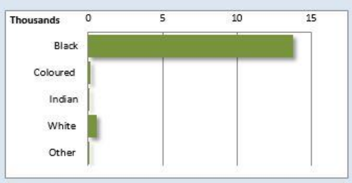

## Ward 3

**POPULATION**

14612

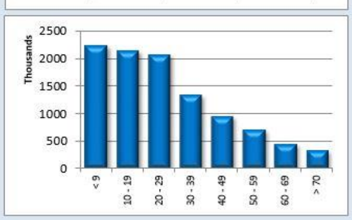
**POPULATION GROUP**

| | |
|---|---|
| Black | 13807 |
| Coloured | 153 |
| Indian | 86 |
| White | 547 |
| Other | 19 |



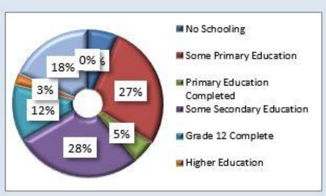

**AGE (YEARS)**

| | |
|---|---|
| < 9 | 3026 |
| 10 - 19 | 2613 |
| 20 - 29 | 3117 |
| 30 - 39 | 2479 |
| 40 - 49 | 1595 |
| 50 - 59 | 965 |
| 60 - 69 | 451 |
| > 70 | 366 |



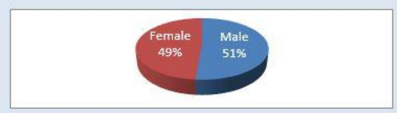

**HIGHEST EDUCATION**

| | |
|---|---|
| No Schooling | 966 |
| Some Primary Education | 3968 |
| Primary Education Completed | 754 |
| Some Secondary Education | 4033 |
| Grade 12 Complete | 1823 |
| Higher Education | 378 |
| Education NA | 2683 |
| Education Unspecified | 7 |



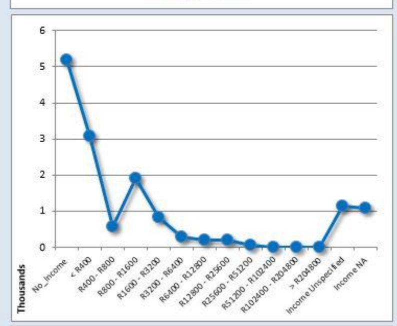

**GENDER**

| | |
|---|---|
| Male | 7497 |
| Female | 7116 |



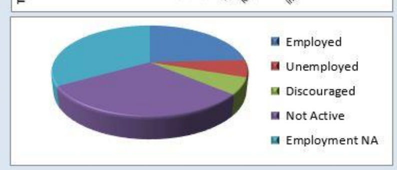

**INDIVIDUAL MONTHLY INCOME**

| | |
|---|---|
| No_Income | 5167 |
| < R400 | 3070 |
| R400 - R800 | 581 |
| R800 - R1600 | 1921 |
| R1600 - R3200 | 842 |
| R3200 - R6400 | 298 |
| R6400 - R12800 | 219 |
| R12800 - R25600 | 199 |
| R25600 - R51200 | 62 |
| R51200 - R102400 | 8 |
| R102400 - R204800 | 4 |
| > R204800 | 1 |
| Income Unspecified | 1148 |
| Income NA | 1093 |




**EMPLOYMENT STATUS**

| | |
|---|---|
| Employed | 3529 |
| Unemployed | 899 |
| Discouraged | 867 |
| Not Active | 4462 |
| Employment NA | 4856 |



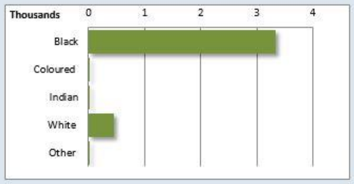
## Ward 4

**POPULATION**

3823

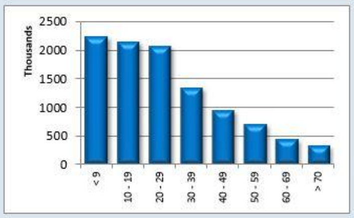
**POPULATION GROUP**

| | |
|---|---|
| Black | 3341 |
| Coloured | 7 |
| Indian | 9 |
| White | 457 |
| Other | 9 |



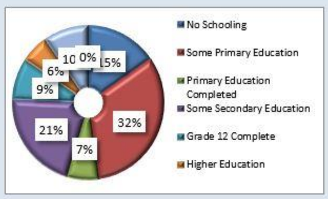

**AGE (YEARS)**

| | |
|---|---|
| < 9 | 677 |
| 10 - 19 | 474 |
| 20 - 29 | 865 |
| 30 - 39 | 747 |
| 40 - 49 | 491 |
| 50 - 59 | 304 |
| 60 - 69 | 171 |
| > 70 | 95 |



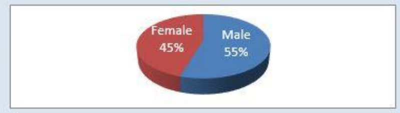

**HIGHEST EDUCATION**

| | |
|---|---|
| No Schooling | 585 |
| Some Primary Education | 1241 |
| Primary Education Completed | 264 |
| Some Secondary Education | 802 |
| Grade 12 Complete | 333 |
| Higher Education | 225 |
| Education NA | 368 |
| Education Unspecified | 3 |



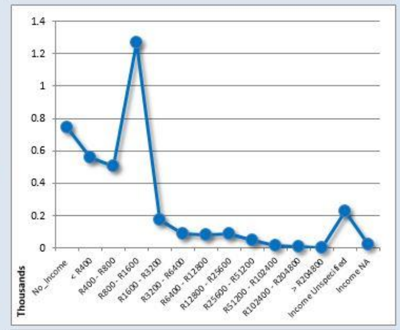

**GENDER**

| | |
|---|---|
| Male | 2091 |
| Female | 1732 |



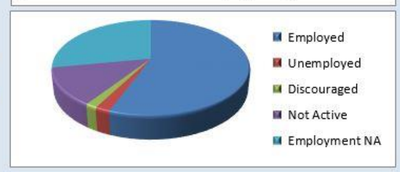

**INDIVIDUAL MONTHLY INCOME**

| | |
|---|---|
| No_Income | 743 |
| < R400 | 557 |
| R400 - R800 | 508 |
| R800 - R1600 | 1267 |
| R1600 - R3200 | 172 |
| R3200 - R6400 | 88 |
| R6400 - R12800 | 80 |
| R12800 - R25600 | 91 |
| R25600 - R51200 | 47 |
| R51200 - R102400 | 12 |
| R102400 - R204800 | 7 |
| > R204800 | 2 |
| Income Unspecified | 224 |
| Income NA | 25 |




**EMPLOYMENT STATUS**

| | |
|---|---|
| Employed | 2130 |
| Unemployed | 79 |
| Discouraged | 61 |
| Not Active | 483 |
| Employment NA | 1069 |



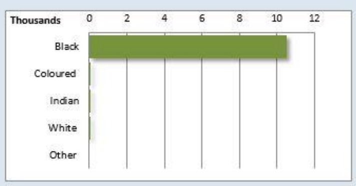

## Ward 5

**POPULATION**

10585

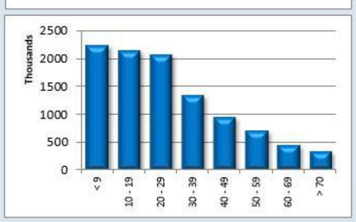
**POPULATION GROUP**

| | |
|---|---|
| Black | 10509 |
| Coloured | 7 |
| Indian | 10 |
| White | 58 |
| Other | 0 |



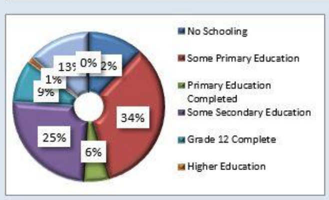

**AGE (YEARS)**

| | |
|---|---|
| < 9 | 2723 |
| 10 - 19 | 2355 |
| 20 - 29 | 1828 |
| 30 - 39 | 1179 |
| 40 - 49 | 883 |
| 50 - 59 | 715 |
| 60 - 69 | 487 |
| > 70 | 414 |



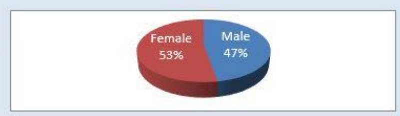

**HIGHEST EDUCATION**

| | |
|---|---|
| No Schooling | 1258 |
| Some Primary Education | 3554 |
| Primary Education Completed | 592 |
| Some Secondary Education | 2646 |
| Grade 12 Complete | 979 |
| Higher Education | 128 |
| Education NA | 1429 |
| Education Unspecified | 0 |



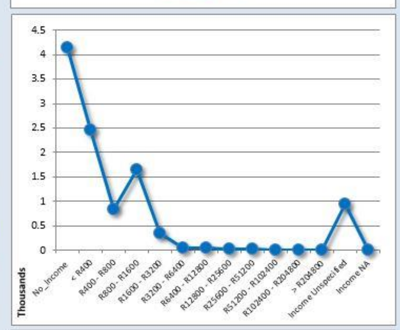

**GENDER**

| | |
|---|---|
| Male | 5000 |
| Female | 5584 |



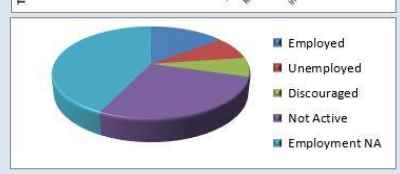

**INDIVIDUAL MONTHLY INCOME**

| | |
|---|---|
| No_Income | 4148 |
| < R400 | 2465 |
| R400 - R800 | 833 |
| R800 - R1600 | 1653 |
| R1600 - R3200 | 352 |
| R3200 - R6400 | 56 |
| R6400 - R12800 | 54 |
| R12800 - R25600 | 37 |
| R25600 - R51200 | 19 |
| R51200 - R102400 | 1 |
| R102400 - R204800 | 2 |
| > R204800 | 1 |
| Income Unspecified | 954 |
| Income NA | 10 |




**EMPLOYMENT STATUS**

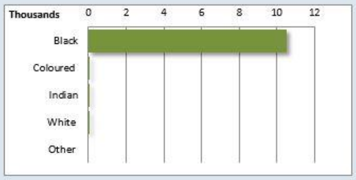
| | |
|---|---|
| Employed | 1559 |
| Unemployed | 852 |
| Discouraged | 712 |
| Not Active | 2929 |
| Employment NA | 4533 |



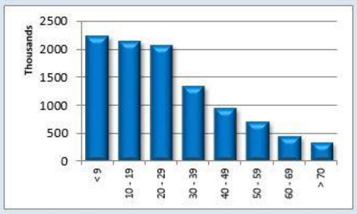
## Ward 6

| POPULATION | |
|---|---|
| | 10585 |

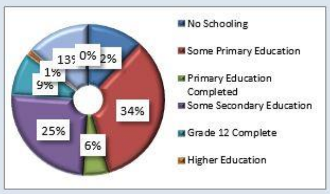
| POPULATION GROUP | |
|---|---|
| Black | 10509 |
| Coloured | 7 |
| Indian | 10 |
| White | 58 |
| Other | 0 |



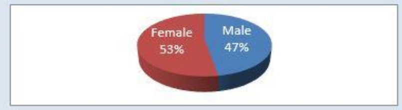

| AGE (YEARS) | |
|---|---|
| < 9 | 2723 |
| 10 - 19 | 2355 |
| 20 - 29 | 1828 |
| 30 - 39 | 1179 |
| 40 - 49 | 883 |
| 50 - 59 | 715 |
| 60 - 69 | 487 |
| > 70 | 414 |



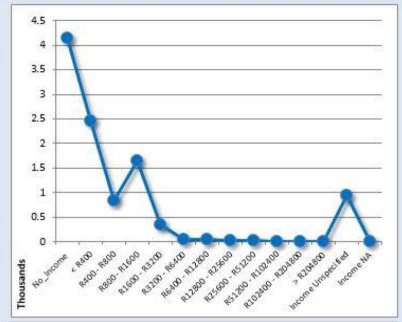

| HIGHEST EDUCATION | |
|---|---|
| No Schooling | 1258 |
| Some Primary Education | 3554 |
| Primary Education Completed | 592 |
| Some Secondary Education | 2646 |
| Grade 12 Complete | 979 |
| Higher Education | 128 |
| Education NA | 1429 |
| Education Unspecified | 0 |



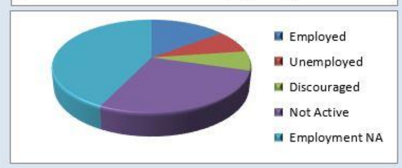

| GENDER | |
|---|---|
| Male | 5000 |
| Female | 5584 |




| INDIVIDUAL MONTHLY INCOME | |
|---|---|
| No_Income | 4148 |
| < R400 | 2465 |
| R400 - R800 | 833 |
| R800 - R1600 | 1653 |
| R1600 - R3200 | 352 |
| R3200 - R6400 | 56 |
| R6400 - R12800 | 54 |
| R12800 - R25600 | 37 |
| R25600 - R51200 | 19 |
| R51200 - R102400 | 1 |
| R102400 - R204800 | 2 |
| > R204800 | 1 |
| Income Unspecified | 954 |
| Income NA | 10 |



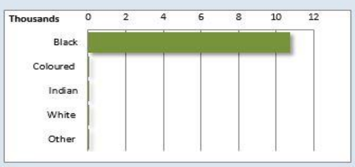

| EMPLOYMENT STATUS | |
|---|---|
| Employed | 1559 |
| Unemployed | 852 |
| Discouraged | 712 |
| Not Active | 2929 |
| Employment NA | 4533 |



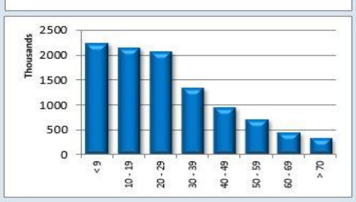

## Ward 7

| POPULATION | |
|---|---|
| | 10785 |

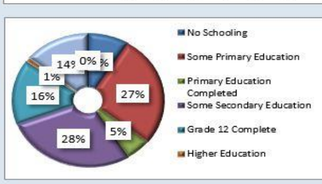
| POPULATION GROUP | |
|---|---|
| Black | 10738 |
| Coloured | 21 |
| Indian | 10 |
| White | 12 |
| Other | 3 |



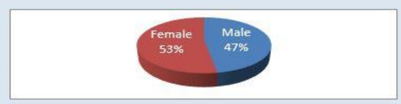

| AGE (YEARS) | |
|---|---|
| < 9 | 2609 |
| 10 - 19 | 2562 |
| 20 - 29 | 2088 |
| 30 - 39 | 1199 |
| 40 - 49 | 858 |
| 50 - 59 | 673 |
| 60 - 69 | 422 |
| > 70 | 376 |



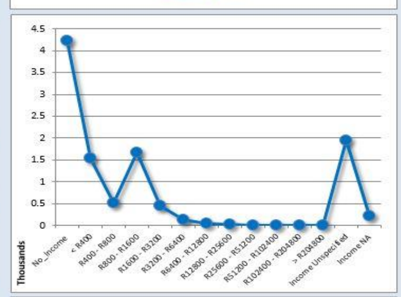

| HIGHEST EDUCATION | |
|---|---|
| No Schooling | 950 |
| Some Primary Education | 2900 |
| Primary Education Completed | 593 |
| Some Secondary Education | 3018 |
| Grade 12 Complete | 1699 |
| Higher Education | 107 |
| Education NA | 1518 |
| Education Unspecified | 1 |



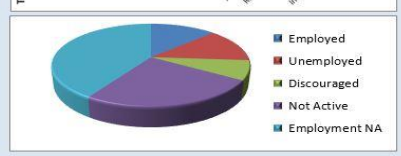

| GENDER | |
|---|---|
| Male | 5103 |
| Female | 5682 |




| INDIVIDUAL MONTHLY INCOME | |
|---|---|
| No_Income | 4225 |
| < R400 | 1546 |
| R400 - R800 | 519 |
| R800 - R1600 | 1669 |
| R1600 - R3200 | 455 |
| R3200 - R6400 | 126 |
| R6400 - R12800 | 46 |
| R12800 - R25600 | 30 |
| R25600 - R51200 | 12 |
| R51200 - R102400 | 1 |
| R102400 - R204800 | 0 |
| > R204800 | 0 |
| Income Unspecified | 1939 |
| Income NA | 218 |




| EMPLOYMENT STATUS | |
|---|---|
| Employed | 1387 |
| Unemployed | 1438 |
| Discouraged | 823 |
| Not Active | 2721 |
| Employment NA | 4416 |




**Source: Stats SA Census 2011**

## MEANS OF COMMUNICATION


In Richmond Municipality, people utilise the following means of communication to access and spread information:

- Private phones
- Cell phones
- Pamphlets
- Internet
- Loud hailing
- Letters
- Radio and news media

In the Richmond Municipality, every household has access to at least one means of communication. The following table indicates the types of telephone used in the Richmond Municipality by various population groups

**Types of telephones by population groups**

| Description | Blacks | Coloureds | Indians | Whites |
|---|---|---|---|---|
| In this dwelling and/or cellular phone | 44,3% | 69,4% | 73,6% | 90,0% |
| At a public telephone nearby | 18,8% | 20,3% | 7,0% | 1,2% |
| At a neighbour nearby | 9,8% | 3,7% | 2,6% | 0,8% |
| At another location, not nearby | 5,5% | 1,7% | 0,7% | 0,6% |
| At another location nearby | 3,5% | 2,2% | 1,6% | 2,0% |
| NA (institution)/unspecified/none | 18,1% | 2,7% | 14,5% | 5,4% |
| **Total** | **100,0%** | **100,0%** | **100,0%** | **100,0%** |

**Source: Quantec Easy Data 2010**

## FUNCTIONS OF MUNICIPALITY

| FUNCTIONS | AUTHORITY RESPONSIBLE |
|---|---|
| Air pollution | Environmental health which monitors the impact of air pollution is a District function |
| Building Regulations | Richmond Municipality |
| Municipal Planning | Richmond Municipality |
| Pontoons and ferries | Not applicable |
| Storm water | Richmond Municipality |
| Trading Regulations | Richmond Municipality |
| Beaches and Amusement facilities | No beaches in the municipal area |
| Billboards and the display of advertisements in public places | Richmond Municipality |
| Cemeteries, funeral parlours, and crematoria | Richmond Municipality |
| Cleansing | Richmond Municipality |

| FUNCTIONS | AUTHORITY RESPONSIBLE |
|---|---|
| Control of public nuisance | Richmond Municipality |
| Control of undertakings that sell liquor to the public | Richmond Municipality |
| Facilities for the accommodation, care and burial of animals | Richmond Municipality |
| Fencing and fences | Richmond Municipality |
| Licensing of dogs | the Municipality no longer issue licenses |
| Licensing and control of undertakings that sell food to the public | Assistant obtained from uMgungundlovu District Municipality |
| Local amenities | Richmond Municipality |
| Local sports facilities | Richmond Municipality |
| Markets | Richmond Municipality |
| Municipal abattoirs | Richmond Municipality |
| Municipal Parks and Recreation | Richmond Municipality |
| Municipal Roads | Richmond Municipality |
| Noise Pollution | Richmond Municipality |
| Pounds | Richmond Municipality |
| Public Places | Richmond Municipality |
| Refuse removal, refuse dump and solid waste disposal | Richmond Municipality |
| Street Trading | Richmond Municipality |
| Street Lighting | Richmond Municipality |
| Traffic and Parking | Richmond Municipality |
| Community Services/ Library | Richmond Municipality |
| LED | Richmond Municipality |
| Motor Licensing | Richmond Municipality |

# CHAPTER 2: GOVERNANCE

## COMPONENT A: GOVERNANCE STRUCTURE

### 2.1 POLITICAL GOVERNANCE STRUCTURE

#### The Richmond Municipal Council

Municipalities in South Africa are governed by Municipal Councils. Richmond Municipal Council is therefore the governing body of the Richmond Local Municipality (RLM) and the custodian of its powers, duties, and functions, both legislative and administrative. Essentially, Council performs a legislative and executive role. The Constitution of the Republic of South Africa, 1996, Chapter 7, Section 160 (1) defines the role of the Council as being:

a) (making) decisions concerning the exercise of all the powers and the performance of all the functions of the Municipality

b) (electing) its chairperson

c) (electing) an executive committee and other committees, subject to national legislation

d) (employing) personnel that are necessary for the effective performance of its functions

Richmond Municipal Council is constituted by 14 elected Councillors; 7 Councillors are ward representatives and 7 represent their political parties on a proportional basis (PR).

The parties in Council are illustrated in Table below.

| Political Party | No. of Seats | No. of Wards | PR Seats |
|---|---|---|---|
| African National Congress | 9 | 6 | 3 |
| Independent | 1 | 1 | 0 |
| Democratic Alliance | 1 | 0 | 1 |
| Economic freedom fighter | 2 | 0 | 2 |
| Inkatha Freedom Party | 1 | 0 | 1 |
| **Totals** | **14** | **7** | **7** |

The party-political and demographic representation of Councillors is reflected in the table below:

| POLITICAL PARTY | ALLOCATION OF SEATS | GENDER DISTRIBUTION | |
|---|---|---|---|
| | | MALE | FEMALE |
| African National Congress (ANC) | 9 | 6 | 3 |
| Democratic Alliance (DA) | 1 | 1 | 0 |
| Independent | 1 | 1 | 0 |
| Economic Freedom Fighters (EFF) | 2 | 1 | 1 |
| Inkatha Freedom Party | 1 | 1 | 0 |
| **TOTAL** | **14** | **10** | **4** |

There are 3 portfolio committees appointed by the Council. These committees are aligning to the functions of various departments of the Municipality.

| PORTFOLIO COMMITTEE | RESPONSIBLE OFFICIAL | STATUS OF PORTFOLIO |
|---|---|---|
| Finance Portfolio | Chief Financial Officer | Functional |
| Community development and social service/ information communication technology Portfolio | Director Community Services and Director Corporate Services | Functional |
| Economic development planning and Infrastructure/ Human resources Portfolio | Director Technical Services Manager and Municipal Manager | Functional |

There are other subcommittees that are operational in the Municipality, and they are as follows:

- Local Labor Forum
- Asset Disposal Committee

## SYSTEM OF GOVERNANCE

Richmond Municipality uses a collective executive system. In this system, the municipal Council elects an Executive Committee, and then delegates executive responsibilities to the Executive Committee. The Executive Committee takes decisions on matters that fall within its delegated powers. The establishment of a separate executive structure enables a small group of Councilors (those who sit on the Executive Committee) to deal with the day-to-day business of running the Municipality. In a collective executive system, the municipal Council must elect one member of the Executive Committee as the Chairperson of that committee. The Chairperson of the Executive Committee is the Mayor.

His Worship the Mayor - Cllr. M K Ngcongo (ANC)

The Honourable Deputy Mayor - Cllr. BT Mbanjwa (ANC)

The Honourable Member of EXCO - Cllr. BSL Kunene (EFF)

The Executive Committee of Richmond Municipality comprises of three (3) members:

## CHAIRPERSON/SPEAKER OF COUNCIL

Richmond Municipality has a Speaker of Council who is the Chairperson elected in terms of section 36 of the Municipal Structures Act, Act No. 117 of 1998 as envisaged in section 160 of the Constitution of the Republic of South Africa.


**The Honourable Speaker Cllr. KE Mkize**

The Speaker's role in a Municipality is key to ensuring oversight, accountability, integrity, discipline of office, and the efficient running of Council meetings. As such, impartiality in the exercise of his or her function is essential for the Speaker. The Speaker must distinguish between her activities as a politician and her functions as a Speaker. It also means that the function of the Speaker and the non-partisan exercise of that function must be respected by members, parties and interests represented in the Council.

The key principles underlying the role of the Speaker are:

a) Chair of Council meetings;
b) Implementation of the Code of Conduct; and
c) Exercise of delegated functions including -
    i. facilitating public participation in legislative matters;
    ii. establishment and functioning of ward committees; and
    iii. support to Councilors.

The Speaker is the guardian of the integrity of the Council and the guardian of members' privileges and interests as Council members. The privileges and interests of Councillors include freedom of speech and immunity in the Council as well as the use of Council facilities, receipt of allowances, training, and support, etc. Importantly, this role, combined with the Speaker's role in terms of the Code of Conduct (Schedule 1 to the Systems Act), requires the Speaker to guard against the abuse of Councillors' privileges and interests.

## RICHMOND LOCAL MUNICIPALITY COUNCILLORS 2021 to 2026


Richmond
Local Municipality
Richmond Local Municipality
MUNICIPAL COUNCIL
His Worship, the Mayor: Cllr. Melikhaya Ngcongo 0782211828
Her Worship Deputy Mayor Badumile T. Mbanjwa | 0722223456
WARD 4 Speaker Khonziwe "Aunt K" Elda Mkhize | 0714145399
Municipal Ward and PR Councillors
WARD 7 | Whip Lungisani "Nyanga" Ngubo | 0634310375
WARD 1 | Skhumbuzo Thabiso G Mkhize | 0731532103
WARD 2 Mthokozisi Hayse Madlala | 0670389388
WARD 3 Vincent "Mkhule" Maphumulo | 0645141025
WARD 4 Khonziwe "Aunt K" Elda Mkhize | 0714145399
WARD 5 | Melikhaya Knowledge Ngcongo | 0782211828
WARD 6 | Sithembiso "Magi" L Latha | 0715836021
PR Fortunate Zama Zondi | 0792323371
PR Bongumusa" Remember" SL Kunene | 0720297640
PR Sobahle Shudasia Ngubo | 0845969132
PR Bhekani Mahlangeni | 0836839746
PR Thabile Pamela Vezi | 0818167768

## 2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The administration is headed by the Municipal Manager as the Accounting Officer. The Municipal Manager is also responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration as well as management of the provision of services in a sustainable and equitable manner within the Municipality.

The administration is made up of the following directorates headed by executive management teams: Office of the Municipal Manager, Budget and Treasury Office, Corporate Services, Community Services and Technical Services.

| NAME | DESIGNATION | FUNCTIONS |
|---|---|---|
| <br>**Bhekani Errol Mswane** | **Municipal Manager** | The Municipal Manager is the Accounting Officer of the Municipality. The office of the Municipal Manager has the following functions:<br>• Risk Management;<br>• Internal Audit;<br>• Performance Management (PMS);<br>• Planning and Development;<br>• Communication;<br>• Housing Development;<br>• Public Participation; And<br>• Local Economic Development |

| | | |
|---|---|---|
| <br>**Msizi Gerald Ngcobo** | **Chief Financial Officer** | The Chief Financial Officer is responsible for managing the financial affairs of the Municipality. The Budget and Treasury Office has the following functions:<br>• Asset Management<br>• Supply Chain Management<br>• Expenditure Management<br>• Debtors and Credit Control<br>• Budget and Financial Reporting<br>• Information Communications Technology |
| <br>**Vusumuzi Wiseman Sibisi** | **Director: Community Services** | Director: Community Services is responsible for the management and delivery of social and community services to the public. It has the following functions:<br>• Library Services<br>• Protection Services<br>• Disaster Management<br>• Traffic Services<br>• Learners Centre<br>• Motor Licensing<br>• Youth Services |

| | | |
|---|---|---|
| <br>**Muziwandile Ntanzi** | **Director: Technical Services** | Director: Technical Services is responsible for ensuring that basic services and infrastructure development is delivered timeously to the community.<br>The Technical Services Department has the following functions:<br>• Project Management<br>• Solid Waste<br>• Urban and Rural Roads Maintenance<br>• Cemetery and Parks<br>• Landfill Services<br>• Street Cleaning<br>• Taxi Rank |
| <br>**Gugu Maphumulo** | **Director: Corporate Services** | Director: Corporate Services is responsible for providing support to other departments within the Municipality in terms of administration and resources.<br>Corporate Services has the following functions:<br>• Human Resources<br>• Administration and Secretariat<br>• Council Support Services |

# COMPONENT B: INTERGOVERNMENTAL RELATIONS

## 2.3 INTERGOVERNMENTAL RELATIONS

The Inter-Governmental Relations Framework Act, (Act No 13 of 2005), requires all spheres of government to coordinate, communicate, align, and integrate service delivery effectively, to ensure access to services. In this regard the Municipality complies with the provisions of the Act. Richmond Municipality furthermore participates in the uMgungundlovu Intergovernmental Forum. This forum provides a platform for engagement on matters affecting the family of municipalities within the district and to share best practices in pursuing the objects of local government.

The Richmond Municipality also participates in the Provincial Housing Coordinating forum where parties investigate the Human Settlement Grant funded projects, based on the allocation granted for the province. The Municipality also takes part in the KZN local government M&E forum that drives the implementation of performance systems within Municipalities.

### DISTRICT INTERGOVERNMENTAL STRUCTURES

uMgungundlovu District IGR Structures are in existence and functional. The IGR structures are as follows:

| CLUSTER | CHAIRPERSON |
|---|---|
| Mayors Forum | District Mayor |
| Municipal Managers Forum | District Municipal Manager |
| Technical Infrastructure Cluster | Msunduzi Municipal Manager |
| Finance Cluster | Mpofana Municipal Manager |
| Corporates Governance Cluster | Mkhambathini Municipal Manager |
| GIOTOC | Impendle Municipal Manager |
| Community and Social Development Cluster (Special Programmes) | uMshwathi Municipal Manager |
| Corporate and Social Services Cluster | Richmond Municipal Manager |
| Planning and Development Cluster | uMngeni Municipal Manager |

## DEPARTMENT OF HEALTH

The Department of Health provides health services in Richmond. The following health facilities are found in the Municipal area:

- Richmond Hospital
- Provincial clinics in Richmond, Ndaleni, Phatheni and Mbuthisweni
- Private Clinic in Nkumane
- Six mobile clinic ports

The process of transforming Richmond Chest Hospital to a general hospital has been completed as it is now known as the Richmond Hospital. The hospital has started to accept patients and treating them, this has greatly benefitted the community of Richmond.

## DEPARTMENT OF EDUCATION

The Department of Education has a circuit office in Richmond with an education inspector that can service the local schools within the Richmond Municipal Area.
There is a total of 43 schools in the municipal area. These schools are well distributed in the municipal area and generally meet the recommended planning standard of 600 households for each primary school and 1200 households per secondary school.

## DEPARTMENT OF ENVIRONMENT, FORESTRY AND FISHERIES

The Department of Environment, Forestry and Fisheries has assisted the Municipality with a program called “Green good deeds” that is aimed at combating illegal dumping at all the wards within Richmond. The Department placed personnel at the Municipality under the supervision of the Technical Services.

# COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

## 2.4 PUBLIC MEETINGS

We consider public meetings as the core in obtaining service infrastructure delivery inputs from the community. Despite the legislative requirement of the Constitution and the Municipal Systems Act, local government would not exist without undertaking community meetings because the Municipality exists for the people who reside in that municipal area. Public meetings were held in all wards between February 2023 to report on the implementation of the Budget and IDP for first quarter of 2022/2023 that ended on the 30 September 2023. During these meetings municipal officials also gather information relating to the review of the IDP for the 2023/2024 financial year

In March 2023 after the Municipality had tabled the draft IDP and draft budget for 2023/2024, another round of public meetings was conducted to report on quarter three performance and get inputs from the public on the draft IDP and budget tabled to Council.

After the budget was approved by Council in May and after the fourth quarter, the Municipality conducted another round of public participation meeting to report on the last quarter of 2022/2023's performance and gave feedback on the approval of the budget for the 2023/2024 financial year.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

The Municipal Systems Act (as amended) has prompted changes in the way in which the Council plans for the future of the Municipality. It also provides greater scope for communities to make their own choices about what the Council does and how. This legislation requires the Richmond Municipal Council to undertake an exercise, at least once every year, to identify community development priorities. These development priorities are determined with active participation by affected communities. These priorities form the basis for the long-term integrated development plan.

Richmond Municipality Council continues to consult with members of the community, local business community and community organizations to determine the priorities of the people of Richmond. Along with the development priorities for the new term of the Council (2021-2026), these priorities were formulated based on the information gathered on social dynamics, service provision and people's perception of the Municipality's strengths, weaknesses, opportunities, and threats.

# COMPONENT D: CORPORATE GOVERNANCE

## 2.6 RISK MANAGEMENT

Richmond Municipality with regards to Risk Management, has an important function that contributes to the achievement of the Municipality's objective and provides assurance that key risks are being identified and assessed with effective controls that are put in place to mitigate risks. To date, Richmond Municipality has Risk Management Policy, Framework, Fraud Prevention Policy and Plan and Whistle Blowing Policy as tools to assist the Municipality to proactively identify any uncertainties that could prevent it from achieving its objectives or that could impact negatively on the desired level of service delivery.

In the 2022/2023 financial year the Richmond Municipality reviewed the Risk Management Strategy which was adopted by Council, the document sets the stance of the Municipality with regards to Risk Management. The Municipality has a dedicated person to deal with issues of risk management in compliance with the provisions of the MFMA and the incumbent ensures that the top 10 risks are identified and monitored by the accounting officer on a quarterly basis, in the form of risk management meetings.

The Municipality has functional a Risk Management Committee. The Chairperson appointed to chair this committee is an independent member who is not employed by the Municipality.

## 2.7 INTERNAL AUDIT

The Municipality has a fully-fledged in-house internal audit unit. The unit provides independent and objective internal audit services that are designed to add value and improve the Municipality's operations.

The internal audit unit operates in terms of the internal audit charter that has been approved by the Municipality's Performance and Audit Committee as well as a risk-based plan that is also approved by the Performance and Audit Committee.

In the 2022/2023 financial year the internal audit strengthened the internal controls through its recommendations to management in the following areas:

- Risk Management;
- Cash Management – Learners Centre;
- Traffic Revenue Management;
- Animal Pound Management
- Human Resources Management;
- Review of Annual Report
- Performance Management;
- Review of Annual Financial Statements; and
- Compliance

## 2.8 ANTI – CORRUPTION AND FRAUD

The Municipality is committed to a corruption and fraud free environment. The municipality has developed the Fraud Prevention Plan and Policy to guide the municipality on matters pertaining to fraud, the development of these two documents is an illustration that the municipality does not tolerate fraudulent or corrupt activities whether internal or external to the municipality. The Internal Audit Activity assisted in communicating the policy and workshops were conducted The Municipality is committed to fighting any form of fraud and corruption and should any information suggesting that there is fraud and corruption; such matter must be brought to the attention of the Municipality. Alternatively, people with such information can call using national Fraud hotline 0800701701.

## 2.9 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Unit, that falls within the Budget and Treasury Office. The unit is responsible for the procurement of goods and services in terms of the Municipal Finance Management Act, (No 56 of 2003) which includes the Supply Chain Management Policy and Regulations that ensures goods and services are procured in a manner which is transparent, competitive, equitable, cost effective and fair, the SCM Policy which is reviewed on a regular basis.

Regular meetings of all Bid Committees are managed by this unit. The maintenance of supplier's database and compliance with all relevant legislation forms an integral part of this unit**.** The municipality is striving to empower local businesses and cooperatives to improve our Local Economic Development. The suppliers are rotated in terms of the National Treasury regulations to ensure that everyone is getting equal chance however there are challenges since most of our local businesses are not well established and therefore cannot supply or provide certain goods or services.

## 2.10 BY – LAWS

The by-laws of Richmond Municipality provide a step-by-step process for the formulation of new by-laws or amendment of existing by-laws. Draft or reviewed by-laws are considered by the relevant decision-making structures once these have met the requirements.

A draft version of the by-law is submitted to the Portfolio Committees for discussion and referred for public participation. These are presented to the public via the Ward Committees**,** which provide a forum for written, oral and/or electronic feedback. Once this is complete, they return to the portfolio committee for further refinement, and are then sent on to Council's Executive Committee (EXCO) for debate and possible amendment. After they have been considered by EXCO, it is necessary to ascertain whether they

comply with the constitutional requirement for the publication of by-laws for public comment. Once this is established, they are recommended to Council for approval. These By-Laws are then gazetted and published in the newspaper and municipal website.
Copies of Municipal by-laws are available to the members of the public and other stakeholders on request.

## RICHMOND MUNICIPALITY BY-LAWS PUBLISHED IN AN EXTRAORDINARY PROVINCIAL GAZETTE OF KWA-ZULU NATAL ON 1 NOVEMBER 2010 GAZETTE NO. 516

| NO. | MUNICIPAL NOTICES | Pg. |
|---|---|---|
| 108 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Pollution Control By-laws | 3 |
| 109 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Parking Grounds By-laws | 18 |
| 110 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to the Keeping of Dogs | 30 |
| 111 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Street Trading By-laws | 34 |
| 112 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to the Removal of Refuse | 43 |
| 113 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Cemetery By-laws | 51 |
| 114 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Road and Miscellaneous By-laws | 66 |
| 115 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Encroachment on Property By-laws | 77 |
| 116 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Waste Management By-laws | 85 |
| 117 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Advertising Signage By-laws | 119 |
| 118 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Funeral Undertakers By-laws | 135 |
| 119 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Pound By-laws | 146 |
| 120 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws for the Hire and Use of Community, Arts and Cultural Facilities | 150 |
| 121 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Credit Management and Debt Collection By-laws | 164 |
| **NO.** | **MUNICIPAL NOTICES** | **Pg.** |
| 122 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Credit Management By-laws | 196 |
| 123 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Health By-laws | 209 |

| | | |
|---|---|---|
| 124 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to Public Meetings and Gatherings, Processions and the Like | 270 |
| 125 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Library and Information Services By-laws | 274 |
| 126 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Spaces By-laws | 290 |
| 127 | Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to Nuisances | 310 |

## 2.11 WEBSITES

Richmond Municipality has a website with a web address www.richmond.gov.za. It is a requirement of the Municipality Finance Management Act that each Municipality establishes its own website where crucial information will be publicized to be accessed by different stakeholders for their different needs. Information published on the website include but not limited to the following: Annual Reports, Budgets, Service Delivery and Budget Implementation Plans (SDBIP), Municipal Services, MFMA Reports, Policies, Advertised Tenders, Employment Opportunities, Integrated Development Plans and any other information as prescribed by different local government legislations. Richmond Municipality remains committed to technological advancements and to introducing a number of online facilities to enable citizens to transact with it electronically.

Information Technology services are rendered to all departments to ensure efficiency in communication internally and externally. The systems and equipment are reviewed regularly to ensure that the Municipality is utilizing the latest technology within financial means.

The municipal website contains information about the Municipality, the IDP, budgets, financial statements, audit reports, capital projects and other matters thereby providing the community with access to this information. The web site is updated regularly.

| MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL | | |
|---|---|---|
| **Documents published on the Municipality's Website** | **Yes/No** | **Publishing Date** |
| Current Annual and Adjustment Budgets and all budget related documents | Yes | 3 June 2023 |
| All current budget related policies | Yes | 3 June 2023 |
| The previous Annual Report | No | |
| The current Annual Report | Yes | |
| All current performance agreements required in terms of section 57 (1)(b) of the Municipal Systems Act and resulting score cards | Yes | |
| All service delivery agreements | Yes | |
| All long-term borrowing contracts | No | |
| All supply chain management contracts above a prescribed value | Yes | |
| All information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) | Yes | |
| Contracts agreed in current year which sub section (1) of section 33 apply, subject to subsection (3) of that section | No | |
| Public-private partnerships agreements referred to in section 120 made in current year | No | |
| All quarterly reports tabled in the Council in terms of section 52 (d) during the year | Yes | |

## 2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The aim of the Richmond Municipality Public Satisfaction Survey was to assess the current living conditions of the respondents of Richmond and thus to interpret the holistic view of these conditions. Another aim of the survey was to evaluate the service quality of the municipality and gain an understanding of the perceptions of the respondents in light of the municipal services being provided by the municipality. Since Richmond was grouped naturally by 7 wards, these 7 wards served as strata.

The community of Richmond continues to experience a lot of changes when it comes to Municipal service delivery and Izimbizo for the community. All of the development that took place in Richmond was in line with the inputs and contributions from the community. The communication department always make sure that the community is aware and participate in the affairs of the Municipality in line with the provisions of the Constitution of the South Africa. The Municipality has put up suggestions' boxes in all wards where members of the public can voice their satisfaction regarding the service of the Municipality. The suggestion boxes are cleared on a regular basis and complains referred to the relevant departments. It is the policy of the Municipality to respond to issues within reasonable time.

Municipality conducted on the satisfaction of community with regards to municipal services. The results were as follows:

| **Satisfaction Surveys Undertaken during 2022/23** | | | | |
|---|---|---|---|---|
| Subject matter of survey | Survey method | Survey date | No of people included in survey | Survey results indicating average, excellent or poor (%) * |
| **Overall satisfaction with:** | | | | |
| (a) Municipality | written form | 30 October 2023 | 50 | Good 58% |
| (b) Municipal Service Delivery | written form | 30 October 2023 | 50 | Poor 49% |
| (c) Mayor (Acting Mayor) | written form | 30 October 2023 | 50 | Good 60% |
| (d) Deputy Mayor | written form | 30 October 2023 | 50 | Good 75% |
| (e) Refuse Collection | written form | 30 October 2023 | 50 | Good 75% |
| (f) Road Maintenance | written form | 30 October 2023 | 50 | Poor 35% |
| (g) Electricity Supply | written form | 30 October 2023 | 50 | Poor 25% |
| (h) Water Supply | written form | 30 October 2023 | 50 | Poor 33% |
| (i) Sanitation | written form | 30 October 2023 | 50 | Good 62% |
| (j) Information supplied by Municipality to the public | written form | 30 October 2023 | 50 | Average 51% |
| (k) Opportunities for consultation on municipal affairs | written form | 30 October 2023 | 50 | Average 52% |

## 2.13 ALL MUNICIPAL OVERSIGHT COMMITTEES

Richmond Municipality has two other committees which support the effective functioning of the Council. The table below shows the two different committees and their chairpersons:

| MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) | |
|---|---|
| Cllr V Maphumulo **(ANC)** | MPAC Chairperson |
| Cllr FZ Zondi **(ANC)** | MPAC Member |
| Cllr ST Mkhize **(ANC)** | MPAC Member |
| Cllr L Ngubo **(ANC)** | MPAC Member |
| Cllr SL Latha **(Independent)** | MPAC Member |

| PERFORMANCE AND AUDIT COMMITTEE (PAC) | |
|---|---|
| Mr. PL Buthelezi | PAC Chairperson |
| Mr. AY Singh | PAC Member |
| Mr. M Gwala | PAC Member |

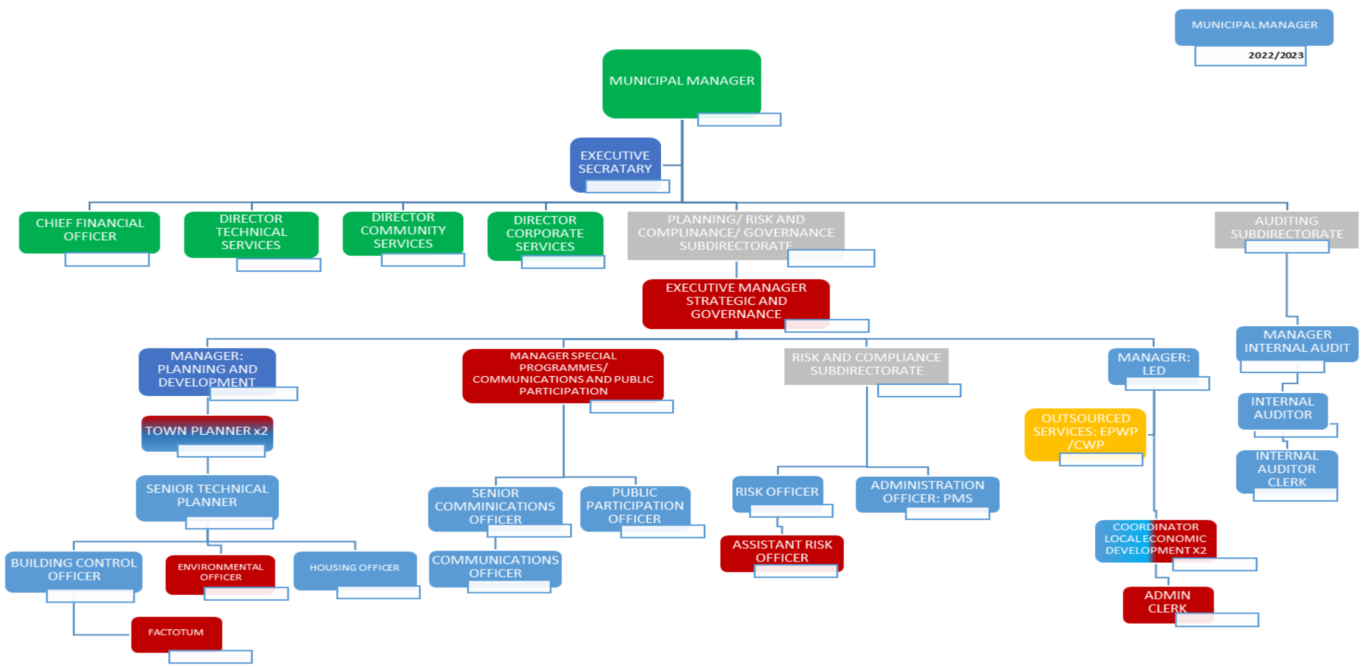
# CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

## FOCUS ON SERVICE DELIVERY

## 3.1 MUNICIPAL MANAGER'S DEPARTMENT

The Municipal Manager's department consists of governance structures like internal audit, risk management,performance management, communication as well as public participation. Service delivery units within the Municipal Manager's department are mainly the Local Economic Development (LED) unit as well as Planning and Development.

Development planning is discussed in detail in 3.2 of this document and governance structure are discussed in detail in Chapter 2 of this document.




The focus will then be on the Local Economic Development unit. For the 2022/2023 financial year the LED unit achieved the following targets:

### Local Economic Development

Local economic development can be defined as a participatory process where the local role-players interact to develop, grow, and strengthen the local economic. It is about creating a conducive environment for all business based in that local area.

The main economic sectors in Richmond are Agriculture and agricultural land potential, Tourism, Manufacturing and Informal Economy, bellow are all LED departmental activities for the year under review.

## 1. AGRICULTURE

### Agri-Forum

LED unit now has a functional Agri-forum which sits on a quarterly basis to address all agricultural related issues. The forum is well represented as it is attended by commercial farmers, small scale farmers, sector departments (Department of Agriculture and Rural development).

### Farmers Information Day

As part of supporting small businesses in the agricultural sector and other economic sectors, LED hosted an informative session to assist small medium and micro enterprises (SMMEs) that gave them knowledge and support for their businesses. The programme was hosted succesfully and was it was attended by local farmers and SMMEs in all sectors. The event also attracted local artists who came to market their talent.


## 2. SMME Incubation Centre

The overall aim of the project is to provide an enabling and conducive environment for rejuvenation of the economy of Richmond Municipality through the development of the Small Business Incubation Centre in order to give support to small businesses.

- Provision of Business Linkages as well as an interactive information centre
- Provision of administrative services to all local businesses
- Market of local crafters (display craft work).
- Leasing out of office space to SMMEs
- Provision of comprehensive support to SMME's and co-operatives to ensure that the enterprises are fully supported and receive the required training and mentorship (BBBEE Certificates, CIDB, SEDA, CSD, etc.)

The incubation centre continues to assist businesses with formulation of business plans, training requirements, linking small scale farmers with market opportunities etc.

An agreement was signed between Moses Kotane Institute (MKI) and Richmond Local Municipality for the MKI to operate at the LED Incubation center for the provision of the digital center where local youth can benefit. The center set up has been completed and there are 10 computers installed with necessary equipment to assist youth. The project is to be launched before operations start.

## 3. Accredited Capacity Building Training

Richmond Municipality-LED Unit is offering trainings on annual basis that are SETA accredited.the purpose of these trainings is to help SMMEs as part of capacity building. The trainings offered were based on a training needs analysis that is filled by walk-in clients on daily basis. Once participants completed training where possible the LED Unit linked them with institutions who would assist with practical work.

The purpose of the accredited training is for all entrepreneurs to acquire knowledge and skills needed in their businesses. Trainings are also done in partnership with other government institutes. Training provided by the LED unit and SANRAL has been done for the aim of developing business that are in the construction industry to up skill. Richmond municipality, all wards had to submit company documents to participate in the training programme. The first class commenced in June with participation of 25 SMMEs from ward 3 and 4. The second class commenced from 30 October 2023- 17 November 2023, with participation of 25 SMMEs from ward 1,2 and 7 respectively. The municipality is currently awaiting accredited certificates from service provider which will be followed by a certificate handover ceremony. Training applications are ongoing.

## 5. LED and Tourism Strategy

LED and Tourism Strategy has been developed and adopted by council. The strategy has a strong focus on the development of R56 as an economic route and is inline with the municipal 2042 vision. The strategy emphasizes the need to develop land pockets along R56 to have truck stop with petrol station, development of shopping centre, establishment of livestock auction facility and installation of solar street lights along entrances of Richmond, within CBD and within Indaleni for the purposes of economic development. There are other projects which are in pipeline and requires a prolonged effort between the local municipality, provincial government, national government and private sector to commit in assisting the municipality reach its 2042.

1.1 Initiate Recycling project- the aim is to have cooperatives which will be involved in recycling and the municipality should source funding for their starting operations and later source for recycling machine which will be placed at landfill site.

1.2 Develop and agri processing programme- create a value chain of activities to sustain the local economy and interacting with local formal businesses such as Boxer, Spar, Shoprite and Evergreen market, regarding developing some form of a working synergy with the local farmers / cooperatives.

1.3 Development of manufacturing firm- currently in Richmond we have a group of young people who are involved in dress making and shoe making. These young people can be formalized and establish local firm. Local schools are potential market for the proposed initiative or sector. It will be vital to get into an agreement with the local schools regarding making or sawing uniforms, tracksuits and T shirts for pupils.

1.4 Furniture making project- similar principle can be used as there are many pupils who have been provided training through LED Unit and negotiations could be done to local shops to buy their products and eventually be able to be sustained and have their own businesses.

1.5 Informal sector facilities- Facilities to host business support services information/training centers which are linked to SMME Support and Development center and an integral part of it and creation of more trading space-trading stalls especially in CBD, Ward5 (Nhlazuka Thusong Centre) and Ward 4 Hopewell.

## 6. Tourism

The municipality has re-established the Community Tourism Organisation (CTO). Tourism sector is privately driven and the municipality plays a facilitation role to ensure that tourism needs are catered for and well taken care of. The CTO is still at a growing stage however it has managed to make inputs to the LED and Tourism Strategy and has managed to represent Richmond LM at district structures such as MCTOF and has been registered with the Department Economic Development Tourism and Environmental Affairs.

LED hosted a craft show where all crafters showcased their work as part of awareness and exhibition.

The CTO has identified three tourism routes in Richmond with tourism product namely, R56, UMKHO route and Sakabula circuit. The Sakabula circuit tour was conducted in August 2022, the aim was to discovery Tourism establishments within the route.




Sakabula Circuit Tour






MY PRIDE
indoni
My Heritage . My Pride
www.indoni.net
Indoni
Miss Cultural
South Africa

## 7. Community Ward Engagements Sessions

The LED unit partnered with municipal departments together with extended stakeholders such as the department of EDTEA, NYDA, UMDM Fire, Ward councillors and held awareness sessions with communities of ward 1,2,3, 4,5, 6 and 7. The purpose of the awareness sessions was to inform the community of the activities conducted by various departments within the municipality and other stakeholders especially youth in businesses to gain information on how and where funding can be sourced.




## 8. Launch of LED Forum and LED Summit in Partnership with UMDM

The town of Richmond was at the epicentre of a groundbreaking collaboration as it launched the Richmond LED Forum and LED Summit in partnership with the uMgungundlovu District Municipality. This alliance underscores the commitment to advancing sustainable and innovative LED technology, offering a platform for knowledge exchange, collaboration, and community development.

The Richmond LED Forum and LED Summit unfolded a strategic choice that not only facilitates enriching discussions but also aligning with the broader goal of promoting sustainable practices.

**Key Objectives:**

1. **Community Empowerment:** Through the partnership with the uMgungundlovu District Municipality, the event aims to empower local communities by promoting awareness of LED technology and its potential benefits.
2. **Regional Development:** The summit will explore how LED innovations can contribute to regional development, with a focus on infrastructure, energy efficiency, and smart city initiatives.
3. **Collaborative Initiatives:** The collaboration seeks to encourage joint efforts between industry leaders, government officials, and community stakeholders to drive LED advancements that positively impact the region.

Distinguished speakers from both the private and public sectors, including representatives from the uMgungundlovu District Municipality, shared insights, and perspectives.

The exhibition area allowed local businesses to showcase their craft but also allowed them to highlight initiatives and projects that demonstrate the positive impact of LED solutions on local communities. This aligns with the shared vision of fostering sustainable development and community well-being.

To strengthen ties with the local community, the summit featured outreach programs, educational initiatives, and interactive activities aimed at increasing awareness and understanding of LED among residents of the uMgungundlovu District.

The Richmond LED Forum and LED Summit, in partnership with the uMgungundlovu District Municipality, showed itself to be a beacon of collaboration, innovation, and community development. By uniting diverse stakeholders, this event not only illuminated the future of LED but also paved the way for a brighter, more sustainable future for the entire region.

Together, let's light the way forward!

## 9. Business Inspections Conducted

In pioneering initiatives to bolster public safety, the LED Unit has forged a dynamic partnership with the municipal security and disaster unit, uMgungundlovu District Municipality inspectors, and Health Officials. Together, they conduct comprehensive inspections of both informal and formal businesses, ensuring strict adherence to municipal bylaws and Department of Health regulations. This collaborative effort aims to create safer environments for businesses and the community at large by addressing various aspects of safety and regulations, this initiative not only illuminates areas for improvement but also sets a precedent for comprehensive and community-focused governance.

The joint inspections cover a broad spectrum of parameters, including lighting compliance, overall business conduct, and adherence to health regulations. By addressing these aspects collectively, the initiative seeks to enhance overall safety, promote responsible business practices, and ensure the well-being of the community.

## 10. Handover of Equipment to SMMEs

In a significant move towards empowering Small, Medium, and Micro Enterprises (SMMEs), the Richmond Municipality, in collaboration with Hintotex, orchestrated a momentous equipment handover ceremony. Chaired by Mayor Councillor MK Ngcongo, the event was attended by esteemed ward councillors and key figures from municipal management. This collaborative initiative represents a dedicated effort to bolster local businesses and stimulate economic growth.

The primary objective of this collaboration is to provide essential equipment to local SMMEs, ensuring they have the tools necessary to thrive in their respective industries.

This initiative aligns with the municipality's commitment to fostering economic development and supporting local entrepreneurship. Mayor Councillor MK Ngcongo delivered an inspiring address, emphasizing the municipality's dedication to supporting local businesses and the role of SMMEs in driving economic progress. The handover ceremony featured a showcase of the equipment provided, ranging from machinery to tools, tailored to meet the diverse needs of local SMMEs and as per requests received from SMMEs.

The equipment handover is expected to have a transformative impact on local SMMEs, empowering them to enhance productivity, expand operations, and contribute to the overall economic vibrancy of the town. This initiative is a testament to the belief that investing in local businesses is a strategic investment in community prosperity.

The ceremony concluded with a commitment from both the Richmond Municipality and Hintotex to explore further collaborations and initiatives aimed at supporting SMMEs. This ongoing partnership seeks to create an environment conducive to sustained growth and success for local entrepreneurs.


## 3.2 DEVELOPMENT PLANNING

## INTRODUCTION TO DEVELOPMENT AND PLANNING

Development and Planning function at the Municipality includes Land Use Management, Spatial Development Planning, GIS, IDP, Building Control and the Housing unit. The Municipality is experiencing a lack of human resources to perform its legislative requirements for GIS. Some of these functions (GIS) is performed on a basic level and the municipality is supported by uMgungundlovu District Municipality.

This unit is under the Office of the Municipal Manager and is involved with the developmental duties of municipalities, as outlined in section 153 of the Constitution, including to ‘give priority to the basic needs of the community, and to promote the social and economic development of the community’ and ‘participate in national and provincial development programmes’. The unit’s strategic and operational service delivery objectives include the following:

## STRATEGIC

- Dynamically lead in shaping the Municipality’s short- and longer-term growth and development in order to ensure improved quality of life;
- Mainstream the Municipality’s Economic Development Strategy, and ensure alignment
- with both internal and external plans and partners;
- Develop a ‘green economy’ policy and framework to ensure that the Municipality
- optimises economic growth and job creation;
- Ensure that the Municipality’s unique economic and social asset – its natural environment – is protected, integrated and optimised within the urban landscape.

## OPERATIONAL

Deliver efficient and effective service to the developers and property owners of Richmond, reducing approval turnaround time for land use management applications and building development;

Improve the Municipality’s building development and land use regulation functions, and drive coordinated and integrated environmental enforcement;

Lead law reform planning processes by implementing and continuously reviewing the new Richmond Zoning Scheme and drafting the planning bylaw;

Improve environmental compliance with relevant environmental legislation, using best practice environmental technologies and processes; and

## Formulate the Municipality's Integrated Development Plan (IDP).

The Integrated Development Plan (IDP) is regarded as the principle strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the Municipality. The approach to strategic planning that involves the entire municipality and its citizens is to find the best solution to achieve go od long-term development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area, and should consider the existing conditions and resources available for development.

The Richmond Municipality is responsible for drafting the IDP Process Plan, which is aligned to the UMDM Framework Plan. The framework with the IDP/Budget process plan was approved by Council. Quarterly public interaction was experienced at IDP engagements, e.g. izimbizo and representative forums.

### SMART MUNICPALITY

Working together with the department of Economic Development and Environmental Affairs, the municipality has taken a resolution to become a smart municipality and has established a Smart Municipality Committee which is composed of stakeholders from: Planning & Development, Technical Services, Human settlements; ICT; Safety and GIS.

The Smart City/ Municipality concept can be defined as the use of Smart Computing technologies to make the critical infrastructure components and services of a city which include: city administration; education; healthcare; public safety; real estate; transportation; and utilities to be more intelligent, interconnected, and efficient.

## LAND INVASION

Land invasions continue to be problematic for the municipality. This is more especially in areas outside of Richmond town, such as the Greater Indaleni area. However, the municipal staff together with municipal councillors, ward committees and the community, are working together to mitigate the issue more especially through public awareness campaigns.

| Detail | SPLUMA Applications | Building Plan Applicatations |
|---|---|---|
| | 2022/2023 | 2022/2023 |
| Planning application received | 6 | 18 |
| Determination made in year of receipt | 1 | 5 |
| Determination made in following year | 1 | 13 |
| Applications withdrawn | 0 | 0 |
| Applications outstanding at year end | 4 | 13 |

## CEMETORIES AND CREMATORIUMS

Richmond Municipality manages, administers and develops Cemeteries. Plans and implements the development of new cemeteries. Prepares burial sites for burial. Manage the pauper burials within the municipal duristiction. Maintains the cemeteries by cutting grass. Enforces the cemeteries by-laws. There are two formal municipal cemeteries in ward one and other communal cemeteries in all wards which are not controlled by the Municipality.

## 3.3 TECHNICAL AND INFRASTRUCTURE SERVICES

### WATER SERVICES

Water is provided by uMgungundlovu District Municipality as a water service authority (WSA) in the Richmond area of jurisdiction. Almost 70% - 80% of areas within Richmond Municipality have access to clean water.

### WATER SERVICES (SANITATION)

UMgungundlovu District Municipality has a contingency plan of water trucks to deliver portable water to the community. A bulk pipeline from PMB to Richmond has been constructed to close the gap of possible shortage of water in Richmond.
The above report touches all the wards of Richmond Municipality. There are few sections within these wards which have not benefited from the toilet projects however these areas

are currently on the IDP of uMgungundlovu District since sanitation is a project of the district in terms of the Municipal Structures Act and will be rolled out as soon as funding has been sourced.

## ELECTRICITY

The Department of Mineral Resources and Renewable Energy (DMRE) had under the INEP program transferred a total amount of R 17 350 000.00 to Richmond Local Municipality for the Electrification Project for the 2022/2023 financial year.

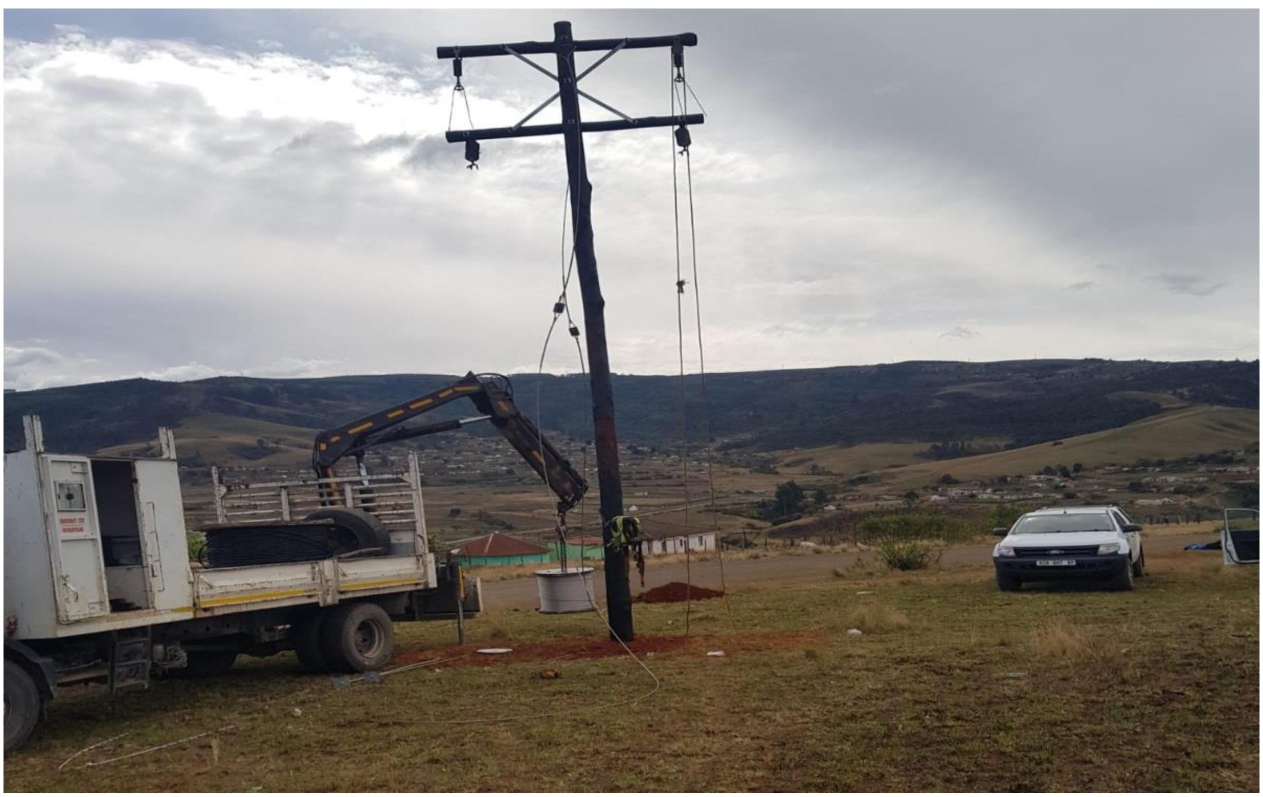
The Department of Mineral Resources and Renewable Energy approved the application for an amount of R 17 350 000.00 to implement the following projects under Electrification programme

| PROJECT NAME | NUMBER OF PLANNED CONNECTION | PROJECT COST | STATUS |
|---|---|---|---|
| Shayamoya Mkhobeni - Ward 7 (300 Connections) | 300 | R 5 400 000 | Project currently being energised.<br><br>Phase 2 of the project currently under construction |
| Smozomeni - 6 Electrification - Ward 6 (190 Connections) | 190 | R 3 420 000 | Project currently undergoing process for energising |
| Mkhuzane Electrification - Ward 3 (120 Connection) | 120 | R 2 160 000 | Project currently undergoing DRT process for as built |

| | | | |
|---|---|---|---|
| | | | design approval by Eskom |
| KwaGinqitshe Electrification - Ward 4 (Line Deviation) | This project was funded Internally | R 950 00 | Complete |
| **TOTAL ALLOCATION** | | **R17 350 000.00** | |

According to information from Statistics South Africa from 2011 census data, Richmond is 80% electrified. The municipality depends on grants to electrify the areas which currently do not have access to electricity.

These projects were meant to have been completed by the end of the 2022/2023 financial year due to delayed in transfer of grant which resulted in the project overlapping to the 2023/2024 financial year.




EARTH LEAKAGE
MAIN SWITCH
HIGH LOW
PLUGS

## WASTE MANAGEMENT, REFUSE COLLECTION, WASTE DISPOSAL AND STREET CLEANING SERVICES

### Access to Various Types of Refuse Removal

| Description of Refuse Removals | No of Households | Percentage % |
|---|---|---|
| Unspecified / other | 259 | 1,80% |
| Removed by local authority at least once a week | 1582 | 11,10% |
| Removed by local authority less often | 129 | 0,90% |
| Communal refuse dump | 425 | 3,00% |
| Own refuse dump | 11051 | 77,50% |
| No rubbish disposal | 817 | 5,70% |
| **Total** | **14263** | **100%** |

**Source: Quantec Easy Data 2010**

The following table presents the types of refuse removal by population groups in the Richmond Municipality.

### Access to Refuse Removal by Population Groups

| Types of Refuse Removals | Blacks | Coloureds | Asians | Whites |
|---|---|---|---|---|
| Unspecified / other | 1,90% | 0,20% | 0,10% | 1,50% |
| Removed by local authority at least once a week | 7,70% | 72,80% | 84,40% | 20,10% |
| Removed by local authority less often | 0,60% | 0,00% | 1,00% | 7,20% |
| Communal refuse dump | 2,70% | 6,40% | 6,60% | 5,80% |
| Own refuse dump | 81,10% | 20,60% | 7,40% | 59,70% |
| No rubbish disposal | 6,00% | 0,00% | 0,50% | 5,70% |
| **Total** | **100,00%** | **100,00%** | **100,00%** | **100,00%** |

**Source: Quantec Easy Data 2010**

Refuse removal takes place in formalized areas like Byrne Village, Siyathuthuka Low-cost Houses, Richmond CBD and Residential area within the village. Street cleaning takes place in the CBD only. The Municipality currently has a refuse truck which services the residential areas and businesses. The Skipper truck is used to service the rural areas with a total of twenty (21) skipper bins, the intention of the Municipality is to expand the service to all the rural areas and add more skipper bins in the following financial years.

## HOUSING PROJECTS

Provision of housing in Richmond is a function and responsibility of the KwaZulu Natal Department of Human Settlements. The Department and the Municipality currently have two MOAs in place with department of human settlements to facilitate the provision of housing within the Municipality's area of jurisdiction. They were for the Siyathuthuka Phase 2B and Argosy Rehabilitation housing projects.

The following projects were approved for the 2022/2023 financial year:

| PROJECT | NO. OF BENEFICIARIES | LOCATION | PROJECT DESCRIPTION | STATUS |
|---|---|---|---|---|
| Nhlazuka Rural Housing | **970** | Nhlazuka Ward 5 | In-situ upgrade | Closeout Stage |
| Nhlazuka:ST Bernard and Amandus Hill | **400** | Nhlazuka Ward 5 and 4 | Rural housing | Preliminary stage |
| Siyathuthuka Phase 2 B | **1000** | Greater Ndaleni Ward 2 | In-situ upgrade | 1000 constructed and completed |
| Argosy Rehabilitation | **1605** | Argosy Farm Ward 4 | In-situ upgrade | Construction stage |

## PROJECTS IN PLANNING STAGE

| Projects in Planning | Ward | Yield | Previous progress | Progress to date |
|---|---|---|---|---|
| **KwaMagoda** | 01 | 1000 | HDA (housing development agency) compiled a report of pre-feasibility study, which concluded that some land parcels are not suitable for a housing project due to environmental constraints such as wetlands and very steep slopes HDA to do land audits, land verification, land claims and disputes. | Richmond to request a letter from landowners stating they are willing to sell their land parcels so that housing developments can take place. |
| **Hopewell** | 03 | 1000 | HDA (housing development agency) compiled a report of pre-feasibility study, which concluded that some land parcels are not suitable for a housing project due to environmental constraints such as wetlands and very steep slopes.<br>HDA to do land audits, land verification, land claims and disputes. | Beneficiary list of locals residing in Hopewell was created after HDA had advised that we have one for feasibility study purposes.<br>Landowners have written a letter to Richmond Municipality stating they are willing to sell the land occupied by locals so housing developments can be established.<br>Municipality has sent an application to the Department of Human Settlements for assistance to purchase the land for a proposed housing project. |

| | | | | |
|---|---|---|---|---|
| **Bhongoza Slump and Umkhuzana** | 01 | 200 | Bageso consultants and Gudluza have completed their study of informal upgrading plans for both settlements.<br>Municipality sent a letter to the Department to request that interim basic services be implemented in the new site rather than where they are currently residing, and transit camps be erected.<br>The Department is currently working on the submission made by Municipality, looking into existing services thereafter it will be taken to the board for approval. | The relocation to commonage 5319 site appointed by Municipality was approved by the Department. A community agreement was signed by locals in July regarding the relocation. All locals are willing to move to a proper structure and they understand that no developments are implemented in private land.<br>The project is approved for stage 1 (Planning), the Department requested a Council resolution and MM's signing authority to draw up a tripartite agreement for appointment of implementing agent to execute planning work.<br>Seed Consulting is appointed to execute detailed planning. |

| | | | | |
|---|---|---|---|---|
| **St Bernard and Amundus Projects** | 05 | 400 | The Land Affairs Director requested two letters from the church before assigning surveyors. A letter for re-subdivision and a letter of intention to donate.<br>Unfortunately, the church hasn't been able to provide these letters due internal issues. | The Church submitted required letters to Land affairs. Waiting for feedback from Land Affairs |
| **Gengeshe** | 06 | 500 | The Department requested letters from the CPA (community property association ) The letter has been sent ,waiting for feedback from the planning board | The project is approved for stage 1(Planning) by the Department of Human Settlements. They have requested a Council resolution and MM's signing authority to draw up a tripartite agreement.<br>Iqhina consulting is appointed to execute detailed planning. |
| **uMzinolovu** | 01 | 500 | The Department requested letters from the CPA (community property association ) The letter has been sent ,waiting for feedback from the planning board | The project is recommended by the Department, they are still waiting for SCM processes to be finalized. |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8

## FREE BASIC SERVICES AND INDIGENT SUPPORT – ADDING VALUE THROUGH FREE BASIC SERVICES

Richmond Municipality continues to provide free basic services, such as refuse removal, Electricity, and rates assistance, to its citizens. The allocation of these free basic services is determined by means of either the municipal value of the property, or on application by those with limited income whose property values exceed the set valuation levels.

The valuation method is preferred, as it helps to prevent the creation of a bloated and costly administration to deal with large number of applications that would likely be received if a purely application-based process were followed. Instead, the valuation system allows the Municipality to aid those residents assumed to be in need. While it is likely that some households that receive the benefit may fall outside the qualifying criteria, this approach is still the most practical for the Municipality. A further benefit of the valuation-based approach is that it provides certainty in terms of budgets and reduces the risk of fraud and the costs involved in preventing it.

The benefits vary based on the valuation of the properties at R50 000 or below, and the recipients are all households who stay in the low-cost houses and those that stay in Ingonyama Trust land.

Residents whose property values are too high for them to automatically to qualify for the free services are also entitled to apply for these services, provided their gross monthly household income is R1 300 or less. The application process involves registering as indigent. Once approved, these households receive the same benefits as if their property values were below R50 000. To date, 456 residents have registered via this process. This relatively low number demonstrates that the valuation driven measures are effective in reaching the less-fortunate residents at whom they are targeted.

## ROADS AND OTHER INFRASTRUCTURE

The Department of Cooperative Governance and Traditional Affairs (CoGTA) had allocated the municipality an amount of R19 266 000.00 on the Municipal Infrastructure Grant (MIG) to be received by the Richmond Local Municipality to implement infrastructure projects. Furthermore the Department of Mineral Resources and Renewable Energy (DMRE) had under the INEP program transferred a total amount of R 17 350 000.00 to Richmond Local Municipality for Electrification Projects for the 2022/2023 financial year.

| No. | PROJECT | DESCRIPTION | BUDGET | EXPENDITURE | STATUS |
|---|---|---|---|---|---|
| 1. | **MIG PROJECTS: Construction of Sheti Box Culvert ward 1 and ward 2** | Construction of Sheti Box Culvert ward 1 and ward 2 | R 9 033 315,49 | 7 125 346,03 | Completed |
| 2. | **MIG PROJECTS: Completion of design package for Siyathuthuka / Magoda Main Road Phase 2** | Completion of design package for Siyathuthuka / Magoda Main Road Phase 2 | R 1 282 352,82 | | Completed |
| 3. | **MIG PROJECTS: Resurfacing of Roads in Ward 1: Upgrade of Illovo Street** | Upgrade of Illovo Street | R 5 473 424,40 | 4 872 337,47 | Completed |
| 4. | **MIG PROJECTS: Resurfacing of Roads in Ward 1: Upgrade of Nelson Street** | Upgrade of Nelson Street | | 2 668 720,96 | Completed |

| | | | | | |
|---|---|---|---|---|---|
| 5. | **MIG PROJECTS: Resurfacing of Residential Roads in Ward 1 - Rehabilitation of Harding Street** | Rehabilitation of Harding Street | | 3 368 605,88 | Completed |
| 6. | **Small Town Grant: Installation of 150 Solar LED Street Lights** | Installation of Solar LED Street Lights | R 5 200 000,00 | R 4 791 234,94 | Completed |

As per the Division of Revenue Act (DoRA) Treasury gazetted R19 266 000.00 for the Richmond Local Municipality under MIG Grant funding for the implementation of infrastructure projects within the municipality.

## 3.4 PUBLIC SAFETY AND EMERGENCY

### TRAFFIC POLICE

Richmond Municipality has a number of programs aimed at promoting compliance with Road Safety Act. Hereunder are some of the programs:

- Road Safety Awareness Campaign targetting schools.
- Road blocks, especially during the feastive season and Easter holidays.

These programs are aimed at dealing with drunk driving, overload,vehicle fitness and so on.

## Community Policing Forum

Richmond Municipality has a functional community forum. The forum meets once a month. The aim of the forum is to address crime issues in the area of the Municipality. Stakeholders who are part of the forum are:

South African Police Services (SAPS)

Municipal Traffic Police

Councillors

Non – Governmental Organisations

Ward Committee Members

## DISASTER MANAGEMENT AND ANIMAL CONTROL

Disaster Management falls under the Disaster Management Act 57 of 2002. The Act requires an integrated and effective response to disasters. Disaster Management aims to reduce the risk of disasters, mitigate the severity of disasters, plan and prepare for emerging crisis, events or disasters, respond rapidly and effectively to disasters and to implement post disasters recovery and rehabilitation by monitoring, integrating, co-ordinating the disaster risk management activities of all role-players. The overall implementation of Disaster Risk management initiatives is a shared responsibility of all employees, department, relevant external role-players and the participation of the community. Richmond Municipality has a fully fledged disaster management unit which is now covering Richmond and its surroundings.

During the 2022/2023 financial year, the Municipality recorded a total of (52) incidents. The majority of incidents were caused by Structural Fire (29), heavy rainfall (18), strong winds (04) and hailstorm (1). The incidents affected 96 households and a population of approximately 640 people. A total of 01 fatality and 04 injuries were also reported resulting from these incidents. The following emergency relief material was issued to affected households: 461 blankets, 96 food parcels, 115 rolls of plastic sheeting and 219 matrasses/sponges.

| SUMMATIVE INCIDENT STATISTICS | |
|---|---|
| Incidents | **52** |
| Households Affected | **96** |
| Partially Damaged Houses | **78** |
| Totally Damaged Houses | **33** |
| People Affected | **640** |
| Homeless | **06** |
| Fatalities | **01** |
| Injuries | **04** |


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# 3.5 COMMUNITY AND SOCIAL SERVICES

## COMMUNITY FACILITIES

Community facilities consist of municipal halls and sports fields. There are eleven (15) halls owned and controlled by the Municipality in all seven (7) wards. There are four (4) halls in ward one (1) which are:

The Memorial hall;

The Agricultural hall;

Magoda hall and;

Richmond Sports complex

There are two (2) halls in ward two which are:

Slahla hall; and

Siyathuthuka hall

There are two (2) halls in ward three which are:

Ntsongeni

Mzinolovu

There are four (4) halls in ward five (1) which are:

Nkumane hall;

Thusong Centre;

Malizayo hall; and

Mpofana

There are three (3) halls in ward six which are:

Smozomeni hall;

Phatheni hall; and

Mgxobeleni hall

Ward seven (7) has no community hall and there are sport fields located in ward one, two, three, five and six.

## SPORTS AND RECREATION

The geographic spread of sport facilities within the Richmond Municipality indicates that the majority of areas have access to the sport facilities. Sport fields are found at Hopewell, Argosy Farm, Ndaleni, KwaGengeshe, Mzinolovu, Phatheni, Richmond Village and Nhlazuka.

On top of the above, Richmond Municipality has been involved in a number of cultural and sporting activities. The most critical event which the Municipality has participated since 1998 is SALGA Games. These games aspire to promote sound inter-Municipalities relationship and social cohesion between the Municipalities by using sport as a vehicle to forge sustainable partnership and further strengthen existing relations. In addition to SALGA Games, the Municipality has a number of programs of Sport, Art and Culture. Hereunder are some of the programs;

- Mayoral Cup;
- Golden games
- Facilitation of Annual Reed Dance.


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# HEALTH, HIV/AIDS AND OTHER SOCIAL PROGRAMMES

Guided by the District as well as the Richmond Municipality's HIV/AIDS Strategy, the municipality implemented the following activities in the financial year under review:

### OPERATION SUKUMASAKHE

The Operation Sukuma Sakhe programme is a governmental integrated approach to fast tracking service delivery. This programme brings together local and provincial government as well as civil society organizations to bring together their efforts to address social ills such as poverty, crime, HIV/AIDS, food insecurity, drugs and any other emerging social challenges.

The Richmond municipality has a Local Task Team which meets monthly or quarterly to:

- Monitor and track delivered integrated services to individuals, households, and communities.
- Monitor and ensure profiling of households at ward level and build a database of the different services required by communities.
- Ensure that the required interventions are delivered to communities.

All wards have Community Care Givers (CCGs) and 6 and 7 have Community Development Workers (CDW) who among other things, have the responsibility of ensuring that households are profiled, and that required interventions are reported to the War Rooms for coordination. All war rooms were fully functional during the period under review. Other government departments such as DSD, DHA, DOH, Agriculture, DHS and SASSA also attended to households needing their interventions.

### GENDER PROGRAMME

Richmond Municipality is currently in the process of resuscitating the Municipal Gender Forum. This will assist with implementation of ward-based gender programs.

## Cholera and other related COVID -19 virus

The occurrence of the said diseases is a direct result of the absence of potable water as well as the lack of proper sanitation in the rural areas of the Municipality. This results in the contamination of natural water resources. This may lead to outbreaks of disaster

proportions and is specifically characteristics of the rural areas. These diseases are life threatening and require constant monitoring.
Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. Most people who fall sick with COVID-19 will experience mild to moderate symptoms and recover without special treatment.

## 3.6 ORGANISATIONAL SCORECARD

# Draft Richmond Annual Report

## 2022/2023

| RICHMOND LOCAL MUNICIPALITY ORGANISATIONAL SCORECARD FOR 2023/2024 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **IDP Ref** | **National KPA** | **Objective** | **Strategy Focus Area** | **Project/ Programme/ Measurable Output** | **Key Performance Indicator** | **Demand** | **Baseline** | **Backlog** | **Performance Target (ANNUAL)** | **Q 1 Target** | **Q2 Target** | **Q3 Target** | **Q4 Target** | **Responsible Department** | **Ward Information** |
| **OUTCOME 9 - IMPROVED ACCESS TO BASIC SERVICES** | | | | | | | | | | | | | | | |
| **NATIONAL KPA - BASIC SERVICES** | | | | | | | | | | | | | | | |
| **B2B PILLAR 2 - DELIVERING BASIC SERVICES** | | | | | | | | | | | | | | | |
| **COM12** | | To provide sustainable human settlements | Address housing shortages | Constructed and completed Argosy Farm Rehabilitation project | Number of houses constructed | **80** | 60 | 0 | **80 houses to be built by implementing agent** | **80** | N/A | N/A | N/A | Community Services | **Ward 4** |
| **PMU03** | | To provide access to proper community facilities | To implement service delivery programmes and reduce services and infrastructure backlogs | **MIG PROJECTS**: Construction of Fibre Ward 7 Sports field | Number of sports fields completed | **1** | 0 | 1 | **1** | N/A | N/A | N/A | **1** | Technical Services | **Ward 7** |
| **PMU08** | | | | MIG PROJECTS: Appointment of Contractor for Construction of Khetho and Mjintini Stormwater | Date of appointing contractor | **31-Dec-23** | New Indicator | New Indicator | **31-Dec-23** | N/A | **31-Dec-23** | N/A | N/A | Technical Services | **Ward 2 and 7** |
| **ELEC01** | | To ensure the role-out of electrification projects throughout the municipality | To implement service delivery programmes and reduce services and infrastructure backlogs | Slahla Sigcakini Electrification Project - Ward 2 (100 Connections) | Number of completed connections | **100** | New Indicator | New Indicator | **100** | N/A | N/A | N/A | **100** | Technical Services | **Ward 7** |
| **ELEC02** | | | | Mthunzini-Lindelani Electrification Project - Ward 3 (100 Connections) | Number of completed connections | **100** | New Indicator | New Indicator | **100** | N/A | N/A | N/A | **100** | Technical Services | **Ward 6** |
| **ELEC03** | | | | Mcsteel - Masonite Electrification Project - Ward 4 (100 Connection) | Number of completed connections | **100** | New Indicator | New Indicator | **100** | N/A | N/A | N/A | **100** | Technical Services | **Ward 3** |
| **ELEC04** | | | | Mpofane - Nkumane Electrification Project - Ward 5 (100 Connection) | Number of completed connections | **100** | New Indicator | New Indicator | **100** | N/A | N/A | N/A | **100** | Technical Services | **Ward 4** |
| **OMU-01** | | To improve accessibility through maintenance and road infrastructure provision | To implement service delivery programmes and reduce services and infrastructure backlogs | ACCESS ROADS: WARD 1 Maintenance of access road | Number of kilometers of gravel roads maintained | **4,4km** | 4km | 0 | **4,4KM** | N/A | N/A | **4,4KM** | N/A | Technical Services | **Ward 1** |
| **OMU-02** | | | | ACCESS ROADS: WARD 2 Maintenance of access road | Number of kilometers of gravel roads maintained | **4,7km** | 4km | 0 | **4,7KM** | N/A | 4,7KM | N/A | N/A | Technical Services | **Ward 2** |
| **OMU-03** | | | | ACCESS ROADS: WARD 3 Maintenance of access road | Number of kilometers of gravel roads maintained | **5,3km** | 4km | 0 | **5,3KM** | **5,3KM** | N/A | N/A | N/A | Technical Services | **Ward 3** |
| **OMU-04** | | | | ACCESS ROADS: WARD 4 Maintenance of access road | Number of kilometers of gravel roads maintained | **4,7km** | 4km | 0 | **4,7KM** | **4,7KM** | N/A | N/A | N/A | Technical Services | **Ward 4** |
| **OMU-05** | | | | ACCESS ROADS: WARD 5 Maintenance of access road | Number of kilometers of gravel roads maintained | **9,5km** | 5.5km | 0 | **9,5KM** | **9,5KM** | N/A | N/A | N/A | Technical Services | **Ward 5** |
| **OMU-06** | | | | ACCESS ROADS: WARD 6 Maintenance of access road | Number of kilometers of gravel roads maintained | **4,7km** | 6km | 0 | **4,7KM** | N/A | **4,7KM** | N/A | N/A | Technical Services | **Ward 6** |
| **OMU-07** | | | | ACCESS ROADS: WARD 7 Maintenance of access road | Number of kilometers of gravel roads maintained | **4,3km** | 2km | 2km | **4,3KM** | N/A | N/A | **4,3KM** | N/A | Technical Services | **Ward 7** |
| **OMU-08** | | To provide safe and reliable waste management services | To implement service delivery programmes and reduce services and infrastructure backlogs | Maintenance of Overgrown Grass and Vergers | Number of squaremeters of streets maintained(Grass Cutting, Brush Cutting) | **100 000m2** | 48 | 0 | **100 000m2** | **25000m2** | **25000m2** | **25000m2** | **25000m2** | Technical Services | **All Wards** |
| **OMU-09** | | | | Collection of planned refuse removal | Number of billed households with access to daily solid waste removal (ward 1 and | **1036** | 48 | 0 | **1036** | **1036** | **1036** | **1036** | **1036** | Technical Services | **Ward 1 and 2** |
| **OMU-10** | | | | Collection of Refuse Removal using Skippers | Number of wards serviced with a skipper bin | **6** | 48 | 0 | **6** | **6** | **6** | **6** | **6** | Technical Services | **All Wards** |
| **OMU-11** | | To improve accessibility through maintenance and road infrastructure provision | | Maintenance of urban roads by pothole patching & repairs | Number of square meters of potholes patched and repaired | **1000m2** | 2000m2 | 0 | **1000m2** | **250m2** | **250m2** | **250m2** | **250m2** | Technical Services | **All Wards** |

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# 2022/2023

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **OUTCOME 9 - DIFFERENTIATED APPROACH TO MUNICIPAL PLANNING AND SUPPORT** | | | | | | | | | | | | | | | |
| **NATIONAL KPA - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT** | | | | | | | | | | | | | | | |
| **B2B PILLAR 5 - BUILDING CAPABLE LOCAL GOVERENEMNT** | | | | | | | | | | | | | | | |
| **CORP03** | | | Update and implement the workplace skills plan in accordance with training and development needs and municipal agreements | Work place skills plan developed and submitted to LGSETA | Date of submission to LGSETA of the WSP (2023 - 2024) | **30-Apr-24** | **30-Apr-23** | 0 | **30-Apr-24** | N/A | N/A | N/A | **30-Apr-24** | Corporate Services | **Institutional** |
| **CORP04** | **MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT** | To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation. | To conduct needs based training programs and boost municipal capacity | Trained and Development staff members | Number of trained stuff | **20** | 44 | 0 | **20** | **5** | **5** | **5** | **5** | Corporate Services | **Institutional** |
| **CORP05** | | | | Educated staff through continuous development and provision of staff bursaries | Number of approved bursary applications | **5** | **9** | 0 | **5** | N/A | N/A | **5** | N/A | Corporate Services | **Institutional** |
| **CORP06** | | | | Reports compiled and submitted to portfolio committees | Number of reports submitted to IT , HR and Community Services Portfolio meetings held | **12** | 12 | 0 | **12** | **3** | **3** | **3** | **3** | Corporate Services | **Institutional** |
| **CORP09** | | | Assessment of status quo, develop and implement remedial measures | Staff climate survey conducted throughout the municipality | Number of surveys done | **1 survey completed** | 1 survey completed | 0 | **1 survey completed** | N/A | N/A | N/A | **1 survey completed** | Corporate Services | **Institutional** |
| **CORP10** | | | | Employee Wellness programme conducted in the municipality | Number of Employee wellness programmes conducted | **2** | **1** | 1 | **2** | 1 | N/A | 1 | N/A | Corporate Services | **Institutional** |
| **CORP11** | | | | Compliant Employment Equity report submitted to Department of Labour | Number of reports submitted to Department of Labour | **1** | 1 | 0 | **1** | N/A | N/A | **1** | N/A | Corporate Services | **Institutional** |
| **CORP12** | | | | Compliance with the 2% legislation of people with disability of total number of staff representation | Number of Staff with disability appointed | **1** | 0 | 5 | **1** | N/A | N/A | N/A | **1** | Corporate Services | **Institutional** |
| **CORP13** | | | Update of existing OD systems to enhance their effectiveness and develop policies to preserve institutional memory. | Human Resource Management Plan formulated and adopted by Council | Date of adoption of HR management plan by Council | **30-Jun-23** | 30-Jun-22 | New Indicator | **30-Jun-23** | N/A | N/A | N/A | **30-Jun-23** | Corporate Services | **Institutional** |
| **CORP14** | | | | Organisational policies are developed / reviewed and approved by council | Percentage of reviewed policies | **100%** | 100% | 0 | **100% Reviewed Policies** | N/A | N/A | N/A | **100% Reviewed Policies** | Corporate Services | **Institutional** |
| **CORP15** | | | | Communication of updated policies and procedures to all employees | Number of workshops conducted | **1** | 1 | 0 | **1 workshop** | **1 workshop** | N/A | N/A | N/A | Corporate Services | **Institutional** |
| **CORP16** | | | | Purchase of capital resources for the enhancement of the human resources Unit | Date of Purchase of recording system | **30-Sep-23** | New Indicator | New Indicator | **30-Sep-23** | **30-Sep-23** | N/A | N/A | N/A | Corporate Services | **Institutional** |
| **CORP17** | | | | | Date of Purchase of shredder | **30-Sep-23** | New Indicator | New Indicator | **30-Sep-23** | **30-Sep-23** | N/A | N/A | N/A | Corporate Services | **Institutional** |
| **CORP18** | | | | | Date of Purchase of time and attendance corp | **30-Sep-23** | New Indicator | New Indicator | **30-Sep-23** | **30-Sep-23** | N/A | N/A | N/A | Corporate Services | **Institutional** |
| **CORP24** | | To effectively manage the information communication technology systems and Information Communications Technology infrastructure of the municipality. | Develop and drive implementation of the Information Communications Technology strategy and plan. | Enhanced support and maintenance of Information Communications Technology Infrastructure | Number of WAN/LAN Reports Submitted | **4** | 4 | 0 | **4** | **1** | **1** | **1** | **1** | Corporate Services | **Institutional** |
| **CORP25** | | | | GCIS Compliance and Responsive Website | Number of Website Compliance Checklist Reports submitted as per GCIS Legislative requirements | **4** | 4 | 0 | **4** | **1** | **1** | **1** | **1** | Corporate Services | **Institutional** |
| **CORP26** | | | | Functional Information Communications Technology Steering | Number of Information Communications Technology Steering Committee | **4** | 4 | 0 | **4 meetings** | **1** | **1** | **1** | **1** | Corporate Services | **Institutional** |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OUTCOME 9 - DIFFERENTIATED APPROACH TO MUNICIPAL PLANNING AND SUPPORT | | | | | | | | | | | | | | | |
| NATIONAL KPA - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | | | | | | |
| B2B PILLAR 4 - SOUND FINANCIAL MANAGEMENT | | | | | | | | | | | | | | | |
| FIN01 | Municipal Financial Viability and Financial Management | To improve sound financial viability and financial management as per legislative prescripts | Implement systems and processes which ensure clean audits, compliance to legislation and high performance | Compliance with Section 65(2)(e) of the MFMA | Percentage of Creditors paid within 30 days of invoice date | 100% Percentage processing of invoices received | 100% of creditors paid within 30 days | 0 | 100% | 100% | 100% | 100% | 100% | Financial Services | Institutional |
| FIN02 | | | | Reconciled and reviewed monthly creditors' reconciliations | Number of months reconciled within the quarter | 12 Monthly Reconciliations | 12 Monthly Reconciliations | 0 | 12 | 3 | 3 | 3 | 3 | Financial Services | Institutional |
| FIN03 | | | | Financial Reporting to STATS SA | Number of quarterly reports submitted to STATS SA | 4 Quarterly Reports | 4 Quarterly Reports | 0 | 4 | 1 | 1 | 1 | 1 | Financial Services | Institutional |
| FIN04 | | | | Timely and accurate processing of Employee Related Cost and compliance with legal prescripts | Number of months Employee Related Costs processed in a timely manner. | 12 timely successful payroll runs | 12 timely successful payroll runs | 0 | 12 | 3 | 3 | 3 | 3 | Financial Services | Institutional |
| FIN05 | | | Reduced dependency on grants and increase revenue collection and alternative revenue generation sources | Improved debtors collection rate | Amount collected in respect of old debt | 42000000 | 0 | 42000000 | 15 000 000 | 3 750 000 | 3 750 000 | 3 750 000 | 3 750 000 | Financial Services | Institutional |
| FIN06 | | | | | Percentage of current billing collected on a monthly basis | 95% | 95% | 0 | 95% | 95% | 95% | 95% | 95% | Financial Services | Institutional |
| FIN07 | | | | Improved municipal liquidity position | Number of times that cash reserves can cover monthly expenditure | Average of 3 Times | Average of 3 Times | 0 | Average of 3 Times | 3 times | 3 times | 3 times | 3 times | Financial Services | Institutional |
| FIN08 | | | Prepare financial plans and provide reports in terms of applicable legislation | Approved budget process Plan by Council by 31 August | Date of approving IDP/Budget Process Plan | 31-Aug-23 | 31-Aug-22 | 0 | 31-Aug-23 | 31-Aug-23 | N/A | N/A | N/A | Financial Services | Institutional |
| FIN09 | | | | Approved Draft budget in compliance with MFMA | Approval of draft budget | 31-Mar-24 | 31-Mar-23 | 0 | 31-Mar-24 | N/A | N/A | 31-Mar-24 | N/A | Financial Services | Institutional |
| FIN10 | | | | Approved Annual Budget in compliance to MFMA | Date of approval of final budget | 31-May-24 | 31-May-23 | 0 | 31-May-24 | N/A | N/A | N/A | 31-May-24 | Financial Services | Institutional |
| FIN11 | | | | Approved Mid year assessment report in compliance with MFMA | Date of submission of Mid year performance assessment report | 31-Jan-24 | 31-Jan-23 | 0 | 31-Jan-24 | N/A | N/A | 31-Jan-24 | N/A | Financial Services | Institutional |
| FIN12 | | | | Approved Adjustment budget in compliance with the MFMA | Date of approval of adjustment budget | 28-Feb-24 | 28-Feb-23 | 0 | 28-Feb-24 | N/A | N/A | 28-Feb-24 | N/A | Financial Services | Institutional |
| FIN13 | | | | All monthly returns submitted | Number of monthly returns submitted | 12 | 12 | 0 | 12 | 3 | 3 | 3 | 3 | Financial Services | Institutional |
| FIN14 | | | | All quarterly returns submitted with zero errors | Number of returns submitted | 4 | 4 | 0 | 4 | 1 | 1 | 1 | 1 | Financial Services | Institutional |
| FIN15 | | | | Annual Financial Statements submitted on time to AGSA | Date of submission of AFS to Auditor General | 31-Aug-23 | 31-Aug-22 | 0 | 31-Aug-23 | 31-Aug-23 | N/A | N/A | N/A | Financial Services | Institutional |
| FIN16 | | To effect SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective | Improve systems for demand and supply chain management | Improved SCM Procurement Turnaround times for an order below R30 000 | Number of days to place an order below R30 000 | 5 days | 5 days | 0 | 12 days | 12 days | 12 days | 12 days | 12 days | Financial Services | Institutional |
| FIN17 | | | | Improved SCM Procurement Turnaround times for an order above R30 000 but below R200 000 | Number of days to place an order (above R30 000 but below R200 000) starting from the date SCM receives specification from end user department | 21 days | 21 days | 0 | 21 days | 21 days | 21 days | 21 days | 21 days | Financial Services | Institutional |
| FIN18 | | | | Improved SCM Procurement Turnaround times t finalize evaluation to bid tender | Number of days to finalize evaluation to bid to tender starting from the closing date of the tender. | 10 days | 10 days | 0 | 21 days | 21 days | 21 days | 21 days | 21 days | Financial Services | Institutional |
| FIN19 | | | | Improved SCM Procurement Turnaround times between tender evaluation and adjudication | Number of days between tender evaluation and adjudication starting From date of the finalisation of the evaluation committee | 7 days | 7 days | 0 | 14 days | 14 days | 14 days | 14 days | 14 days | Financial Services | Institutional |
| FIN20 | | | | Irregular, fruitless and wasteful Expenditure Eliminated | No Irregular, fruitless and wasteful expenditure Incurred | 0 | 0 | 0 | No Irregular, Fruitless and Wasteful Expenditure Incurred | 0 | 0 | 0 | 0 | Financial Services | Institutional |

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| OUTCOME 9 - DIFFERENTIATED APPROACH TO MUNICIPAL PLANNING AND SUPPORT | | | | | | | | | | | | | | | |
| NATIONAL KPA - GOOD GOVERNANCE, COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS | | | | | | | | | | | | | | | |
| B2B PILLAR 1 - PUTTING PEOPLE FIRST & PILLAR 3 - GOOD GOVERNANCE | | | | | | | | | | | | | | | |
| **COMM01** | | To ensure effective communication by strategically profile the Municipality in line with the Mission and vision | Communication of municipal programmes and projects through the Municipal Newsletter | Quarterly Municipal Newsletter | Number of newsletters issued per quarter | **2000 newsletters** | 6000 newsletters | 6000 newsletters | **2000 newsletters** | **500 newsletters** | **500 newsletters** | **500 newsletters** | **500 newsletters** | Office of the Municipal Manager | **Institutional** |
| **COMM02** | | | Public engagements through Mayor on Air program | Mayor on Air program | Number of Mayoral radio slots conducted | **1** | 2 | 0 | **2 radio slot for the Mayor** | N/A | **1 radio slot** | N/A | **1 radio slot** | Office of the Municipal Manager | **Institutional** |
| **COMM04** | | | Visibility of Municipal corporate branding | Municipal corporate branding | Number of campaigns and surveys conducted | **1 survey and 3 campaigns** | 1 survey and 3 campaigns | 0 | **1 survey and 3 campaigns** | **1 survey** | **1 campaign** | **1 campaign** | **1 campaign** | Office of the Municipal Manager | **Institutional** |
| **COMM05** | | | Tabling of the Annual Report to Council to ensure compliance with legislation | Tabled Annual Report to Council | Date of tabling of Annual report | **31-Mar-24** | **31-Mar-23** | 0 | **31-Mar-24** | N/A | N/A | **31-Mar-24** | N/A | Office of the Municipal Manager | **Institutional** |
| **IAR1** | | To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management | Effective and operational Internal Audit Unit | Approval of planning internal audit documents | Date of adoption of the internal audit strategic and operational plan as well as audit charters | **30-Sep-23** | **30-Sep-22** | 0 | **30-Sep-23** | **30-Sep-23** | N/A | N/A | N/A | Office of the Municipal Manager | **Institutional** |
| **IAR5** | | | Implementation of the internal audit plan | Audit plan implementation | Percentage of audit reviews completed as per the internal audit plan per quarter | **100%** | 100% | 0 | **100%** | **100%** | **100%** | **100%** | **100%** | Office of the Municipal Manager | **Institutional** |
| **IAR6** | | | Established quality assurance and improvement programs | Quality assurance | Number of quality assurance programs developed | **1** | 1 | 0 | **1** | N/A | N/A | N/A | **1** | Office of the Municipal Manager | **Institutional** |
| **IAR7** | | | Annual Review of the Risk Management Framework and the Anti-Fraud and Anti-Corruption Strategy by the Risk Committee and Council | Risk and Anti Fraud/ Corruption Strategy and Framework | Date of adoption of the Risk Management Framework and Anti - Fraud/ Anti - Corruption Strategy | **30-Jun-24** | 30-Jun-23 | 0 | **30-Jun-24** | N/A | N/A | N/A | **30-Jun-24** | Office of the Municipal Manager | **Institutional** |
| **IAR9** | | | Risk workshop convened once a year | Risk Workshop | Number of workshops to be held | **1 Workshop** | 1 Workshop | 0 | **1 Workshop** | N/A | N/A | N/A | **1 Workshop** | Office of the Municipal Manager | **Institutional** |
| **PMS01** | | To ensure and public participation and awareness | Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness | Submission of Draft and Final SDBIP to Mayor | Date of submission of Draft SDBIP to Mayor | **14-Jun-24** | 14-Jun-23 | | **14-Jun-24** | N/A | N/A | N/A | **14-Jun-24** | Office of the Municipal Manager | **Institutional** |
| **PMS02** | | | | | Date of submission of Draft SDBIP to Mayor | **28-Jun-24** | 28-Jun-23 | | **28-Jun-24** | N/A | N/A | N/A | **28-Jun-24** | Office of the Municipal Manager | **Institutional** |
| **PMS03** | | | | Publication of final SDBIP 2022/2023 | Date of publication of Approved Final SDBIP | **30-Jun-24** | 30-Jun-23 | | **30-Jun-24** | N/A | N/A | N/A | **30-Jun-24** | Office of the Municipal Manager | **Institutional** |
| **PMS04** | | | Establish governance structures and develop protocols for all processes and participate in all IGR to share knowledge best practices and promote integrated development | Submission of APR to The office of the Auditor General of South Africa | Date of submission of Annual Performance Report to Auditor General | **31-Aug-23** | 31-Aug-22 | 0 | **31-Aug-23** | **31-Aug-23** | N/A | N/A | N/A | Office of the Municipal Manager | **Institutional** |
| **PMS05** | | | | Quarterly SDBIP Reports submitted to Council. | Number of quarterly SDBIPs submitted to Council | **4** | 4 | 0 | **4 Reports submitted to Council** | **1** | **1** | **1** | **1** | Office of the Municipal Manager | **Institutional** |
| **PMS06** | | | | Signing of Section 56/57 Managers Performance Agreements | Number of signed Performance Agreements | **5** | 4 | 0 | **5 signed performance agreements** | **5** | N/A | N/A | N/A | Office of the Municipal Manager | **Institutional** |
| **PMS07** | | | | Adoption of the oversight report by Council | Date of adoption of the Oversight report by Council | **31-Mar-24** | 1 | 0 | **31-Mar-24** | N/A | N/A | **31-Mar-24** | N/A | Office of the Municipal Manager | **Institutional** |
| **PMS08** | | | | Publication of the Oversight Report | Date of publication of the oversight report | **07-Apr-24** | 1 | 0 | **07-Apr-24** | N/A | N/A | N/A | **07-Apr-24** | Office of the Municipal Manager | **Institutional** |
| **PP01** | | | Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness | Participation on IDP and Budget of local residents | Number of reports on the participation of local residents in decision making process | **4 reports** | 4 reports | 0 | **4 reports** | **1** | **1** | **1** | **1** | Office of the Municipal Manager | **Institutional** |
| **PP02** | | | | Community awareness campaigns on social ills within the community | Percentage of community awareness campaigns supported | **100%** | 100% | 0 | **100%** | **100%** | **100%** | **100%** | **100%** | Office of the Municipal Manager | **Institutional** |
| **PP03** | | | | Community feedback meetings on service delivery | Number of community feedback meetings convened | **4 Meetings** | 4 Meetings | 0 | **4 Meetings** | **1** | **1** | **1** | **1** | Office of the Municipal Manager | **Institutional** |
| **PP04** | | | | Ward committee meetings inputs | Number of ward committee meetings held | **12 Meetings** | 12 Meetings | 0 | **12 Meetings** | **3** | **3** | **3** | **3** | Office of the Municipal Manager | **Institutional** |
| **PP05** | | | | Sectoral reports from ward committee members | Percentage of sectoral reports submitted | **100%** | 100% | 0 | **100%** | **100%** | **100%** | **100%** | **100%** | Office of the Municipal Manager | **Institutional** |
| **PP06** | | | | Ward operational plans for the ward committees | Number of reports on implementation of WOPs | **4 reports** | 4 reports | 0 | **4 reports** | **1** | **1** | **1** | **1** | Office of the Municipal | **Institutional** |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **OUTCOME 9 - COMMUNITY WORK PROGRAMME IMPLEMENTED AND COOPERATIVES SUPPORTED** | | | | | | | | | | | | | | | |
| **NATIONAL KPA - LOCAL ECONOMIC DEVELOPMENT** | | | | | | | | | | | | | | | |
| **B2B PILLAR 1 - PUTTING PEOPLE FIRST** | | | | | | | | | | | | | | | |
| **LED 04** | **LOCAL ECONOMIC DEVELOPMENT** | To promote economic development and economic growth | Job creation, investor attraction, and economic growth | Implementation of LED Strategy and programmes | Number of business plans submitted for funding applications | **2** | 0 | 2 | **2** | N/A | N/A | **1** | **1** | Office of the Municipal Manager | **Institutional** |
| **LED 05** | | | | | Date of training programme formulated | **30-Sep-23** | **30-Sep-22** | 0 | **30-Sep-23** | **30-Sep-23** | N/A | N/A | N/A | Office of the Municipal Manager | **Institutional** |
| **LED 06** | | | Facilitate improved literacy rate and better standard of living | Capacity building for SMMEs and Co-operatives | Number of training programmes conducted/facilitated through external stakeholders | **2** | **2** | 0 | **2** | **1** | N/A | **1** | N/A | Office of the Municipal Manager | **Institutional** |
| **LED 08** | | | | | Number of trained beneficiaries | **40** | 50 | 0 | **40** | 20 | N/A | **20** | N/A | Office of the Municipal Manager | **Institutional** |
| **LED 09** | | | | Provision of support to SMMEs and business start ups, by procurement of machinery, equipment, implements, seeds, inputs etc.. | Date of procurement of SMME equipment | **31-Dec-23** | **31-Dec-22** | 0 | **31-Dec-23** | N/A | **31-Dec-23** | N/A | N/A | Office of the Municipal Manager | **Institutional** |
| **LED 10** | | | | | Date of handover of SMME equipment | **31-Mar-24** | **31-Mar-23** | 0 | **31-Mar-24** | N/A | N/A | **31-Mar-24** | N/A | Office of the Municipal Manager | **Institutional** |
| **LED 11** | | | | Registration of companies for SMME's on CIPC | Number of SMME companies registered on CIPC | **20** | 20 | 0 | **20** | **5** | **5** | **5** | **5** | Office of the Municipal Manager | **Institutional** |
| **LED 12** | | | | To insure functional and effective Business forum | Number of meetings held by the forum | **4** | 4 | 0 | **4** | **1** | **1** | **1** | **1** | Office of the Municipal Manager | **Institutional** |
| **LED 13** | | | | To ensure a functional and effective LED Forum | Date of launch of LED Forum | **31-Dec-23** | 0 | 1 | **31-Dec-23** | N/A | **31-Dec-23** | N/A | N/A | Office of the Municipal Manager | **Institutional** |
| **LED 14** | | | | | Number of meetings held by the forum | **4** | 4 | 0 | **4** | **1** | **1** | **1** | **1** | Office of the Municipal Manager | **Institutional** |
| **LED 15** | | To support skills development and economic growth | | Ensuring a functional and effective Richmond Agricultural Forum | Number of meetings held by the agricultural forum | **4** | 4 | 0 | **4** | **1** | **1** | **1** | **1** | Office of the Municipal Manager | **Institutional** |
| **LED 16** | | | | To ensure compliance with the operations of the regulatory compliance forum | Number of joint quarterly business inspections held | **4** | 4 | 0 | **4** | **1** | **1** | **1** | **1** | Office of the Municipal Manager | **Institutional** |
| **LED 17** | | | | To develop and support SMME's informal economy | Number of informal traders permits issued | **100** | 50 | 0 | **100** | **100** | N/A | **N/A** | N/A | Office of the Municipal Manager | **Institutional** |
| **LED 18** | | | | To support and address issues and challenges faced by informal economy | Number of meetings held by informal economy | **4** | 4 | 0 | **4** | **1** | 1 | 1 | **1** | Office of the Municipal Manager | **Institutional** |
| **LED 19** | | | To support small businesses and start-ups | To ensure compliance with the informal traders allocations policy | Percentage of lease agreement signed for new tenants at the SMME Units | **100%** | 100 | 0 | **100%** | **100%** | **100%** | **100%** | **100%** | Office of the Municipal Manager | **Institutional** |
| **LED 20** | | | | To ensure compliance with informal traders lease agreements | Percentage of signed handover letter of demand and eviction notices | **100%** | 1 | 0 | **100%** | **100%** | **100%** | **100%** | **100%** | Office of the Municipal Manager | **Institutional** |
| **LED 21** | | | | To ensure compliance with informal traders policy (allocations policy) | Number of monthly informal traders inspections done | **12** | 12 | 0 | **12** | **3** | **3** | **3** | **3** | Office of the Municipal Manager | **Institutional** |
| **LED 22** | | | | To ensure compliance with municipal Bylaws | Percentage of business licences issued | **100%** | 100% | 0 | **100%** | **100%** | **100%** | **100%** | **100%** | Office of the Municipal Manager | **Institutional** |
| **LED 23** | | | | To ensure functionality of the incubation centre | Percentage of lease agreements signed for new tenants at incubation centre | **100%** | 100% | 0 | **100%** | N/A | N/A | N/A | **100%** | Office of the Municipal Manager | **Institutional** |
| **LED 24** | | | | The hosting of SMME Fair | Date of SMME fair hosted | **30-Jun-24** | 30-Jun-22 | 0 | **30-Jun-24** | N/A | N/A | N/A | **30-Jun-24** | Office of the Municipal Manager | **Institutional** |
| **LED 25** | | | | The hosting of Agricultural Farmers Day | Date of Agricultural farmers day hosted | **31-Mar-24** | 30-Mar-22 | 0 | **31-Mar-24** | N/A | N/A | **31-Mar-24** | N/A | Office of the Municipal Manager | **Institutional** |
| **LED 26** | | | | The hosting of the Commemoration of | Date of Commemoration of Heritage Day | **30-Sep-23** | **30-Sep-22** | 0 | **30-Sep-23** | **30-Sep-23** | N/A | N/A | N/A | Office of the Municipal | **Institutional** |

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| OUTCOME 9 - IMPROVED MUNICIPAL FINANCIAL AND ADMINISTRATION CAPABILITY | | | | | | | | | | | | | | | |
| NATIONAL KPA - CROSS CUTTING INTERVENTIONS | | | | | | | | | | | | | | | |
| B2B PILLAR 1 - PUTTING PEOPLE FIRST | | | | | | | | | | | | | | | |
| **DEV01** | | To ensure and public participation and awareness | Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness | Public notification of the IDP Process Plan | Date of publication of IDP process plan | **30-Sep-23** | **30-Sep-22** | 0 | **30-Sep-23** | **30-Sep-23** | N/A | N/A | N/A | Office of the Municipal Manager | **Institutional** |
| **DEV02** | | | | Submission of the Draft IDP to Council to ensure compliance with legislation | Date of approved Draft IDP by Council | **31-Mar-24** | **31-Mar-23** | 0 | **31-Mar-24** | N/A | N/A | **31-Mar-24** | N/A | Office of the Municipal Manager | **Institutional** |
| **DEV03** | | | | Community/Public consultation sessions | Number of IDP meetings held | **7 meetings to be held** | **7 meetings to be held** | 0 | **7 meetings to be held** | N/A | **7 meetings** | N/A | N/A | Office of the Municipal Manager | **Institutional** |
| **DEV04** | | | | Submission of the Final IDP to Council to ensure compliance with legislation | Date of Final IDP adopted by Council | **31-May-24** | **31-May-23** | 0 | **31-May-24** | N/A | N/A | N/A | **31-May-24** | Office of the Municipal Manager | **Institutional** |
| **DEV06** | | To ensure compliance with Municipal by-laws | Approval of building plans and Compliance with building plans regulations | Approved building plans | Percentage of building plans approved compared to the plans received | **100%** | 100% | N/A | **100%** | **100%** | **100%** | **100%** | **100%** | Office of the Municipal Manager | **Institutional** |
| **DEV07** | | | Compliance with Town Planning Scheme and Building regulations | Contravention letters issued | Number of contravention letters issued | **60** | 60 | N/A | **60** | **15** | **15** | **15** | **15** | Office of the Municipal Manager | **Institutional** |
| **DEV08** | | | Compliance with building regulations | Compliance certificates issued | Percentage of compliance certificates issued on the approved building plans and completed buildings | **100%** | 100% | N/A | **100%** | **100%** | **100%** | **100%** | **100%** | Office of the Municipal Manager | **Institutional** |
| **DEV09** | | | Compliance with Town Planning Scheme | Inspections conducted to prevent illegal activities (Illegal construction of buildings) | Number of physical site inspections conducted | **60** | 60 | N/A | **60** | **15** | **15** | **15** | **15** | Office of the Municipal Manager | **Institutional** |
| **DEV10** | | | | Inspections conducted to prevent illegal activities (Illegal land use) | Number of physical site inspections conducted | **60** | 60 | N/A | **60** | **15** | **15** | **15** | **15** | Office of the Municipal Manager | **Institutional** |
| **DEV11** | | To ensure sustainable and coordinated development throughout the municipality | Compliance with Spatial Planning Land Use management Act (SPLUMA) | Processed and Approved SPLUMA applications by authorised officer or JMPT | Percentage of SPLUMA applications processed | **100%** | 100% | 0 | **100%** | **100%** | **100%** | **100%** | **100%** | Office of the Municipal Manager | **Institutional** |
| **DEV12** | | | | | Date of submitting Draft Spatial Development Framework (SDF) to Council for adoption | **31-Dec-23** | **New Indicator** | **New Indicator** | **31-Dec-23** | **N/A** | **31-Dec-23** | **N/A** | **N/A** | Office of the Municipal Manager | **Institutional** |
| **COM01** | | To implement disaster management programmes | Promote health and safety and provide disaster relief through awareness campaigns | Reviewed Disaster Management Policy and Disaster Management Plan | Date of reviewing the disaster Management policy and Plan | **30-Jun-24** | **30-Jun-23** | 0 | **30-Jun-24** | **N/A** | **N/A** | **N/A** | **30-Jun-24** | Community Services | **Institutional** |
| **COM02** | | | | Disaster Management programmes implemented | Number of awareness Campaigns to be done in each ward | **7** | 7 | 0 | **7** | **2** | **3** | **1** | **1** | Community Services | **Ward based (1,2,3,4,5,6,7)** |
| **COM03** | | | | Reduced turn around time in responding to disaster incidents | Number of Hours taken to respond to disaster incidents | **5** | 5 | 0 | **5 hours to respond to disaster incidents** | **5** | **5** | **5** | **5** | Community Services | **Institutional** |
| **COM04** | | | | Disaster Advisory Forum Meetings Convened | Number of Meetings convened | **4** | **4** | 0 | **4** | **1** | **1** | **1** | **1** | Community Services | **Institutional** |
| **COM05** | | | | Disaster Management Incident reports tabled at portfolio committee | Number of reports submitted to MANCO and Portfolio committee on the functionality of Disaster | **12** | 4 | 0 | **12** | **3** | **3** | **3** | **3** | Community Services | **Institutional** |
| **COM06** | | | | Disaster Management reports on support relief provided to community members affected by disaster incidents | Number of monthly reports on disaster relief support provided submitted to MANCO and Portfolio committee on the functionality of Disaster | **12** | 4 | 0 | **12** | **3** | **3** | **3** | **3** | Community Services | **Institutional** |
| **COM07** | | To promote the use of libraries facilities and dissemination of information | Improved opportunities for better livelihood and improved knowledge | Enhancing library educational programmes | Number of library programmes conducted in the communities | **12** | 8 | **0** | **12** | **3** | **3** | **3** | **3** | Community Services | **Institutional** |
| **COM08** | **CROSS CUTTING ISSUES** | | | | Number of book exchanges | **6** | **6** | **0** | **6** | **1** | **1** | **2** | **2** | Community Services | **Institutional** |
| **COM09** | | | | Monitoring of the Arts and Culture Grant spending received by the municipality for libraries | Number of expenditure reports submitted | **4** | 4 | 0 | **4** | **1** | **1** | **1** | **1** | Community Services | **Institutional** |
| **COM10** | | To enhance law enforcement and Security Services, road safety and promote the driver's license/ testing Centre | Revenue generated through learners licensing | Revenue Generation and enhancement | Number of reports submitted to Council committees | **4** | **4** | 0 | **4** | **1** | **1** | **1** | **1** | Community Services | **Institutional** |
| **COM11** | | | To enhance and promote road safety as per National Road Traffic Act 93/96 | Visibility campaigns and road blocks programmes conducted | Number of roadblocks conducted | **40** | 40 | 0 | **40** | **10** | **10** | **10** | **10** | Community Services | **Institutional** |
| **COM12** | | | To enhance and educate the community through road safety education awareness programmes and visiting of schools | | Number of road safety education awareness programmes conducted | **20** | 20 | 0 | **12** | **3** | **3** | **3** | **3** | Community Services | **Institutional** |

# Draft Richmond Annual Report

## 2022/2023

# CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

## COMPONENT A: INTRODUCTION TO MUNICIPAL WORKFORCE

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The table below shows the employee totals and vacancies in the 2022/2023 financial year. The Municipality has a high staff turnover rate.

| Department | 2022/2023 | | | |
|---|---|---|---|---|
| | No. of Approved Posts | No. of employees | No. of Vacancies | Vacancies % |
| Council | 14 | 13 | 1 | 7% |
| Budget and Treasury office | 32 | 28 | 4 | 13% |
| Office of the Municipal Manager | 26 | 18 | 8 | 31% |
| Community Services | 107 | 58 | 49 | 46% |
| Corporate Services | 29 | 19 | 10 | 34% |
| Technical Services | 69 | 50 | 19 | 28% |
| **Total Permanent Staff** | **277** | **186** | **91** | **33%** |

| Position/Category | No. of Staff | Permanent/Contract | Gender | | Race | | | |
|---|---|---|---|---|---|---|---|---|
| | | | M | F | A | W | C | |
| Municipal Manager | 1 | Contract | 1 | 0 | 1 | 0 | 0 | |
| S56/57 Managers | 4 | Contract | 2 | 0 | 2 | 0 | 0 | |
| Managers | 6 | Permanent | 3 | 3 | 7 | 0 | 1 | |
| Other | 163 | Permanent | 86 | 77 | 156 | 0 | 7 | |
| **Total** | **174** | | | | | | | |

# COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

## 4.2 POLICIES

The Municipality reviewed and adopted the following human resources, risk and information technology policies for the 2022/2023:

| No. | Name of the Policy | Date adopted by Council |
|---|---|---|
| 1. | Acting Allowance Policy | 30 June 2023 |
| 2. | Gender Equality Policy | 30 June 2023 |
| 3. | Health And Safety Policy | 30 June 2023 |
| 4. | HIV/AIDS Policy | 30 June 2023 |
| 5. | Training and Development Policy | 30 June 2023 |
| **No.** | **Name of the Policy** | **Date adopted by Council** |
| 6. | Leave Policy | 30 June 2023 |
| 7. | Recruitment Policy | 30 June 2023 |

| | | |
|---|---|---|
| 8. | Staff Bursary Scheme Policy | 30 June 2023 |
| 9. | Usage Of Telephone Policy | 30 June 2023 |
| 10. | Overtime Policy | 30 June 2023 |
| 12. | Membership Of Medical Schemes and Registration Policy | 30 June 2023 |
| 13. | Standby Allowance Policy | 30 June 2023 |
| 14. | Task Job Evaluation Policy | 30 June 2023 |
| 15. | Uniform Protective Clothing Policy | 30 June 2023 |
| 16. | Communication Device Policy | 30 June 2023 |
| 17. | Computer Equipment Policy | 30 June 2023 |
| 18. | Employee Wellness Policy | 30 June 2023 |
| 19. | Job Creation Policy | 30 June 2023 |
| 20. | Labour Relations Policy | 30 June 2023 |
| 21. | Sexual Harassment Policy | 30 June 2023 |
| **No.** | **Name of the Policy** | **Date adopted by Council** |
| 22. | Travel Allowance Policy | 30 June 2023 |
| 23. | Smoking In the Workplace Policy | 30 June 2023 |
| 24. | PMS Framework/Policy | 30 June 2023 |

| | | |
|---|---|---|
| 25. | Risk Management Framework and Policy | 30 June 2023 |
| 26. | ICT Strategy Policy | 30 June 2023 |
| 27. | Information Systems and Security Policy | 30 June 2023 |
| 28. | ICT Governance Policy | 30 June 2023 |
| 29. | ICT Backup Policy | 30 June 2023 |
| 30 | ICT Change Management Policy | 30 June 2023 |
| 31. | Firewall and Antivirus Policy | 30 June 2023 |
| 32. | Patch Management Policy | 30 June 2023 |
| 33. | IT Disaster Recovery Policy | 30 June 2023 |
| 34. | IT Business Continuity Policy | 30 June 2023 |

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

The Municipality did not record any injury for the 2022/2023 financial year. In terms of sickness the Municipality did not record any serious illness of its employees. The Municipality did not have any suspensions in the year.

## 4.4 PERFORMANCE REWARDS

A Performance Management Policy has been adopted by Council and incorporates an Organizational Score Card and is being implemented across all levels of human capital for the Municipality. Performance Contracts and Agreements for Section 57 employees, Work Plans for all other employees as well as a Performance Plan/Scorecard in terms of a Service Delivery and Budget Implementation Plan (SDBIP) are signed.

The Organizational Scorecard is in place and the following accomplishments can be recorded:

- A developed SDBIP catering for the inclusion of activities and deliverables with associated milestones and as close as possible realistic targets.
- The formulation, extension and review of Municipal Policies and Procedures
- Municipal Bylaws have been reviewed, translated, and promulgated in the Provincial Government Gazette.

The Municipality has a performance management policy which is linked to performance incentives for senior management. In the year under review there were no performance rewards paid as the municipality did not budget for performance bonuses due to limited budget.

# COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE

The Municipality identifies skill shortages and training needs through the written submissions submitted by the employees. This information feeds the workplace skills plan in which then trainings are scheduled.

## 4.5 SKILLS DEVELOPMENT AND TRAINING

The Municipality developed a Workplace Skills Plan for the financial year under review. The budget that was allocated for this purpose during the financial year of 2022/2023 was utilized to conduct the following trainings for employees and Councillors.

- First Aid Training (34) employees

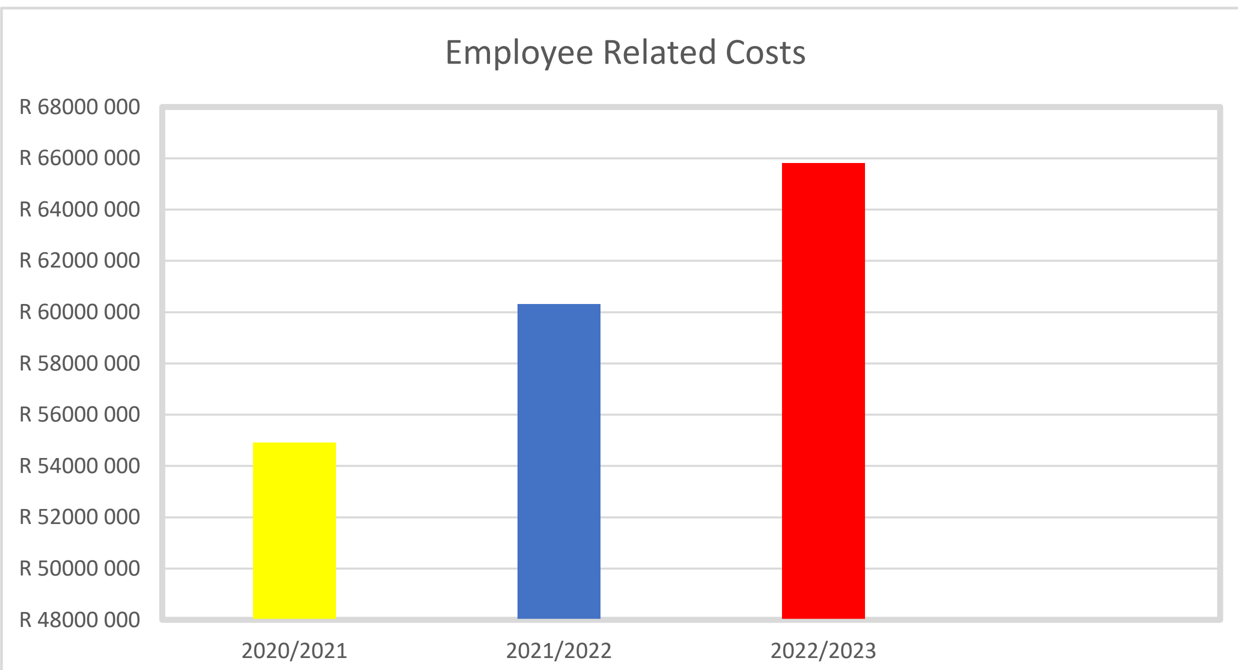
The Municipality also provides internal bursaries to employees for skills development and in the 2022/2023 financial year seven (13) bursaries were awarded to employees to further their studies.

# COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

## 4.6 EMPLOYEE EXPENDITURE

Employee expenditure for the past three (3) financial years is broken down as follows:

| Financial Years | Employee Costs |
|---|---|
| 2020/2021 | R54 917 511 |
| 2021/2022 | R60 805 140 |
| 2022/2023 | R65 808 000 |



# CHAPTER 5 – FINANCIAL PERFORMANCE

## COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

This component provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

### 5.1 STATEMENTS ON FINANCIAL PERFORMANCE

Richmond Municipality generated a surplus of R 5.34 million compared with the budgeted surplus of R 9.97 million for the year under review as depicted in the table below.

| Description | 2021/22 | Current Year 2022/23 | | |
|---|---|---|---|---|
| **R thousands** | **Audited Outcome** | **Original Budget** | **Adjusted Budget** | **Actual** |
| **Financial Performance** | | | | |
| Property rates | 19 285 | 28 049 | 28 049 | 27 115 |
| Service charges | 923 | 1 087 | 1 087 | 966 |
| Investment revenue | 1 660 | 1 984 | 3 044 | 3 187 |
| Transfers recognized – operational | 84 704 | 107 074 | 94 137 | 93 616 |
| Other own revenue | 8 601 | 11 649 | 11 873 | 9 417 |
| Total Revenue (excluding capital transfers and contributions) | 115 173 | 149 843 | 138 190 | 134 301 |
| Employee costs | 60 805 | 65 808 | 65 121 | 65 111 |
| **Description** | **2020/21** | **Current Year 2021/22** | | |
| **R thousands** | **Audited Outcome** | **Original Budget** | **Adjusted Budget** | **Audited** |
| Remuneration of Councillors | 5 976 | 6 529 | 6 529 | 6 051 |

| | | | | |
|---|---|---|---|---|
| Depreciation & asset impairment | 19 685 | 21 122 | 21 122 | 16 683 |
| Finance charges | 296 | 197 | 367 | 360 |
| Inventory consumed and bulk purchases | 4 972 | 6 052 | 8 375 | 7 437 |
| Transfers and grants | 590 | 1 087 | 600 | 556 |
| Bad debt written off | 0 | 8 962 | 12 962 | 12 801 |
| Other expenditure | 49 158 | 50 518 | 51 257 | 48 476 |
| **Total Expenditure** | 141 482 | 160 275 | 166 333 | 157 475 |
| **Surplus/(Deficit)** | (26 309) | (10 432) | (28 143) | (23 174) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 27 266 | 22 485 | 27 685 | 25 32 |
| Actuarial gains/losses | 0 | 0 | 0 | 1 568 |
| Landfill site provision gains or losses | (160) | 0 | 0 | 1 828 |
| Loss on non-current assets held for sale or disposal groups | (180) | 10 432 | 10432 | (196) |
| **Surplus/(Deficit) after capital transfers & contributions** | 617 | 22 485 | 9 974 | 5 329 |
| Share of surplus/ (deficit) of associate | 0 | 0 | 0 | 0 |
| **Surplus/(Deficit) for the year** | 617 | 22 485 | 9 974 | 5 329 |

## 5.2 GRANTS

The Municipality received all budgeted grants in the 2022/23 financial year. There were no grants that were withheld. It must be noted that during the special adjustment budget a correction was made on the original budget for National Government Grants to increase the Integrated National Electrification Programme Grant. An amount of R 2 700 000 was received during 2023 financial year.

Therefore, the correction was made to ensure that the budgeting for the Integrated National Electrification Programme Grant was in accordance with the budgeting guidelines from the National and Provincial Treasury.

| Description | 2021/22 | Current Year 2022/23 | | | |
|---|---|---|---|---|---|
| R thousand | Audited Outcome | Original Budget | Adjusted Budget | Audited | Variance % |
| **Operating Transfers and Grants** | | | | | |
| **National Government:** | **81 375** | **89 652** | **89 652** | **89 652** | **0%** |
| Local Government Equitable Share | 78 424 | 86 415 | 86 415 | 86 415 | 0% |
| Expanded Public Works Programme Integrated Grant | 1 101 | 1 287 | 1 287 | 1 287 | 0% |
| Local Government Financial Management Grant | 1 850 | 1 950 | 1 950 | 1 950 | 0% |
| | | | | | |
| **Provincial Government:** | **3 058** | **6 454** | **6 454** | **6 454** | **0%** |
| Library Grant | 3 048 | 3 454 | 3 454 | 3 454 | 0% |
| High-Over Grant | 0 | 3 000 | 3 000 | 3 000 | 0% |
| **Total Operating Transfers and Grants** | | | | | |
| **Capital Transfers and Grants** | | | | | |
| **National Government:** | **38 246** | **20 511** | **23 211** | **23 211** | 0% |
| Municipal Infrastructure Grant | 27 266 | 20 511 | 20 511 | 20 511 | 0% |
| Integrated National Electrification Programme Grant | 10 980 | 0 | 2 700 | 2 700 | 100% |
| | | | | | |
| **Provincial Government:** | **0** | **5 200** | **5 200** | **5 200** | 0% |
| CoGTA Grants- Small Town | 0 | 5 200 | 5 200 | 5 200 | 0% |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Total Capital Transfers and Grants** | **38 246** | **25 711** | **28 411** | **28 411** | 0% |
| **TOTAL RECEIPTS OF TRANSFERS & GRANTS** | **122 669** | **121 817** | **124 517** | **124 517** | **0%** |
| *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.* | | | | | |

## 5.3 ASSET MANAGEMENT

Richmond Municipality only spent R 9.5 million of the repairs and maintenance operating budgeted expenditure during the 2022/23 financial year. The 9.5 million spent represents 6% of the total actual operating expenditure of R 157 million.

| Vote Description | 2021/22 | Current Year 2022/23 | | |
|---|---|---|---|---|
| **R thousand** | **Audited Outcome** | **Original Budget** | **Adjusted Budget** | **Actual** |
| Repairs and Maintenance Expenditure | 5 910 | 7 637 | 6 962 | 7 834 |
| Total Operating Expenditure | 128 949 | 143 420 | 142 493 | 141 984 |
| **Repairs and Maintenance as a % of Total Operating Expenditure** | **5%** | **5%** | **5%** | **6%** |

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

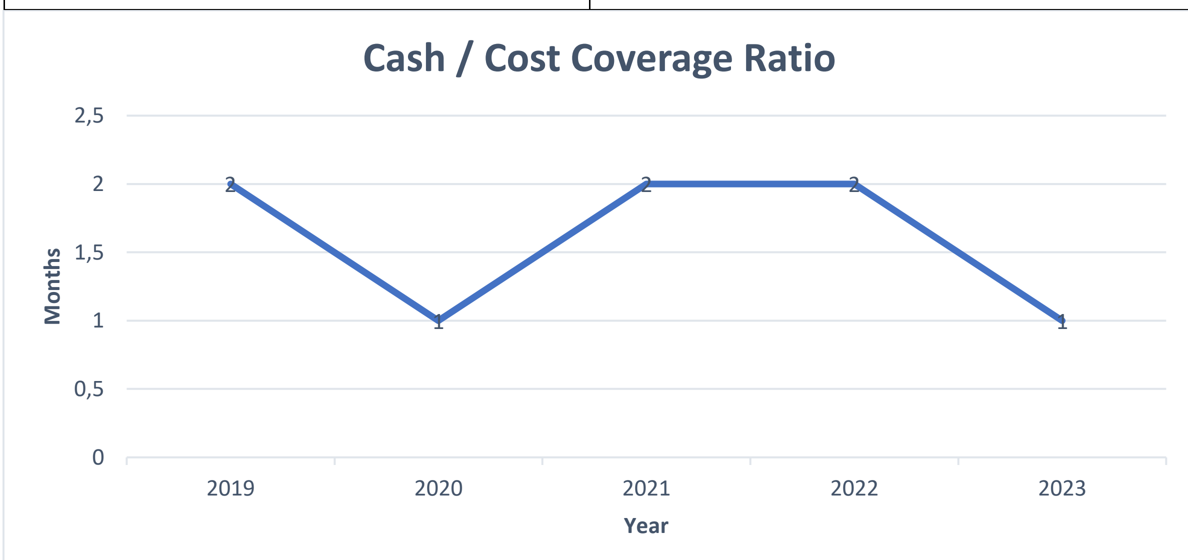
To perform a holistic financial analysis of a Municipality, all financial aspects of the institution should be considered. This is best achieved by considering financial ratios which are computed considering the current and historic Financial Position and Financial Performance of the Municipality.

# Liquidity Management

**Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)**

The cost coverage ratio represents the number of months' fixed expenditure that can be covered by the cash and liquid assets available for the Municipality. The cost coverage ratio shows a downward trend from the 2017/2019 financial year from 2 months to 1 month for the 2019/2020 financial year. It was constant at 2 months during 2020/21 and 2021/22 and dropped to one 1month during 2022/23.

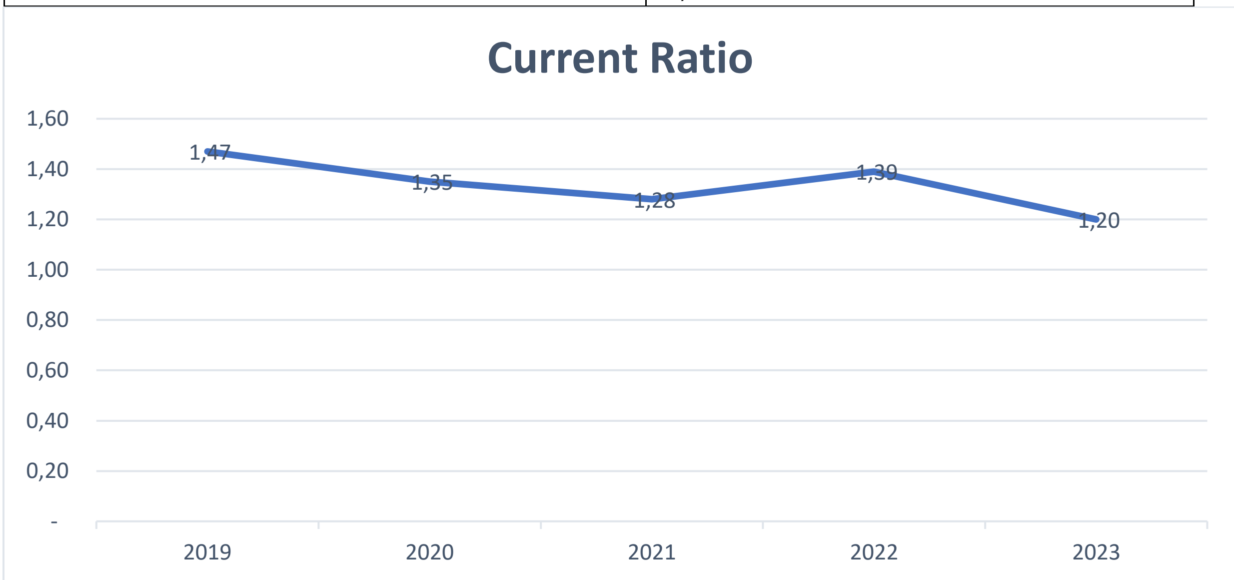
| Year | Ratio |
|---|---|
| 2019 | 2 Months |
| 2020 | 1 Month |
| 2021 | 2 Months |
| 2022 | 2 Months |
| 2023 | 1 Months |




Current Ratio

The **current ratio** represents the ability of the Municipality's current assets to service its current liabilities. This ratio shows a downward trend from the 2018/2019 financial year from 1.47:1 to 1.35:1 in the 2019/20 financial year and further 1.28 in 2020/21. There was an improvement in 2021/2022 financial year as the ratios 1.39:1 however there was a downward trend during the current year being 1.20:1.

| Year | Ratio |
|---|---|
| 2019 | 1,47 |
| 2020 | 1,35 |
| 2021 | 1,28 |
| 2022 | 1,39 |
| 2023 | 1,2 |

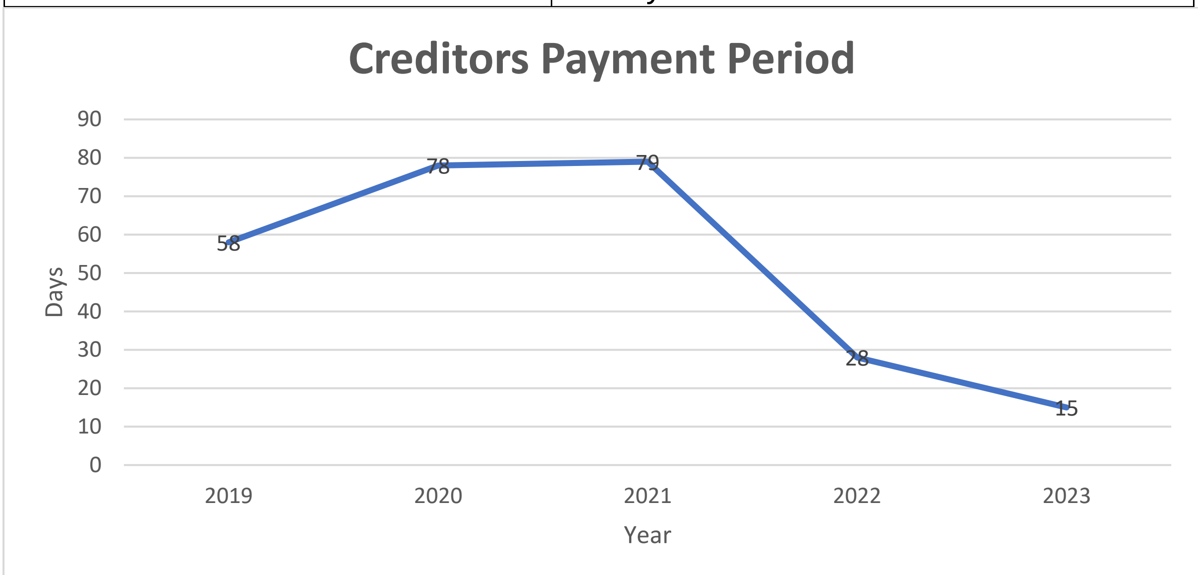



## Expenditure Management

**Creditors Payment Period (Trade Creditors)**

This ratio measures the number of days it takes to pay creditors who delivered services to the Municipality on credit. The ratio for 2022/2023 of 15 days is within the norm of 30 days required by the Municipal Finance Management Act. This improvement is mainly due to two payment runs in a month by the municipality.

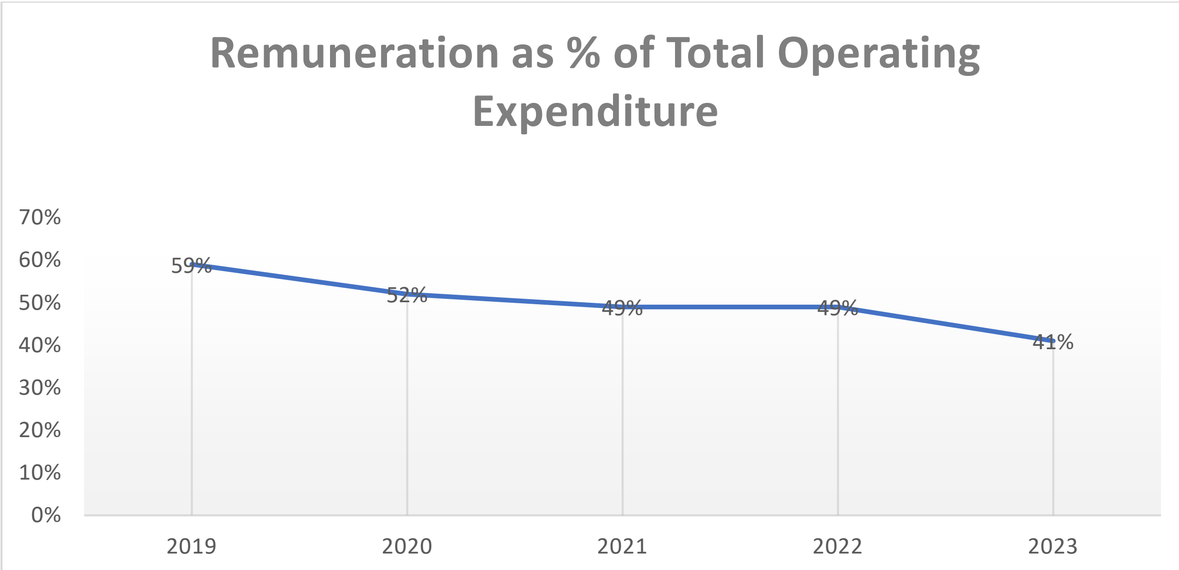
| Year | Ratio |
|---|---|
| 2019 | 58 days |
| 2020 | 78 days |
| 2021 | 79 days |
| 2022 | 28 days |
| 2023 | 15 days |




**Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure**

Employee related costs as a percentage of operating expenditure amounted to 41% for the 2022/2023 financial year. The acceptable norm from the National Treasury is that it should be between 25% and 40% of the operating budget expenses. The Municipality is not within the acceptable norm over the last five financial years.

| Year | Ratio |
|---|---|
| 2019 | 59% |
| 2020 | 52% |
| 2021 | 49% |
| 2022 | 49% |
| 2023 | 41% |

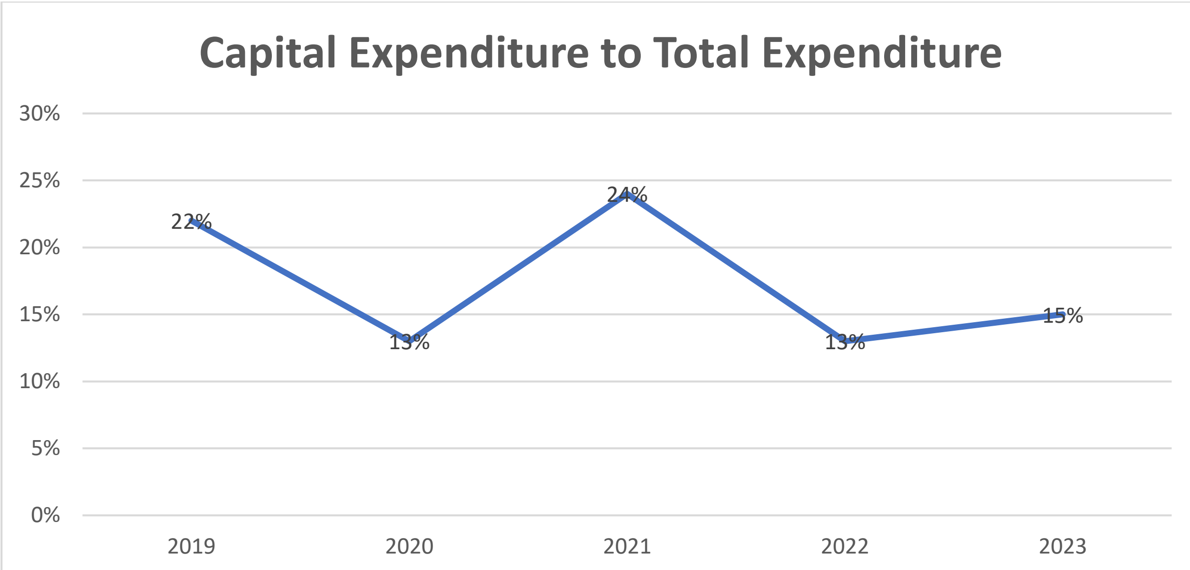



## Asset Management/Utilisation

**Capital Expenditure to Total Expenditure**

This ratio indicates how much capital expenditure is as a percentage of total expenditure (capital and operating expenditure). For the 2022/2023 financial year the percentage is 15.0% whilst the norm is 10%-20%. This is within the norm as the municipality is utilizing more capital grant funds for capital expenditure purposes and less on internal reserves.

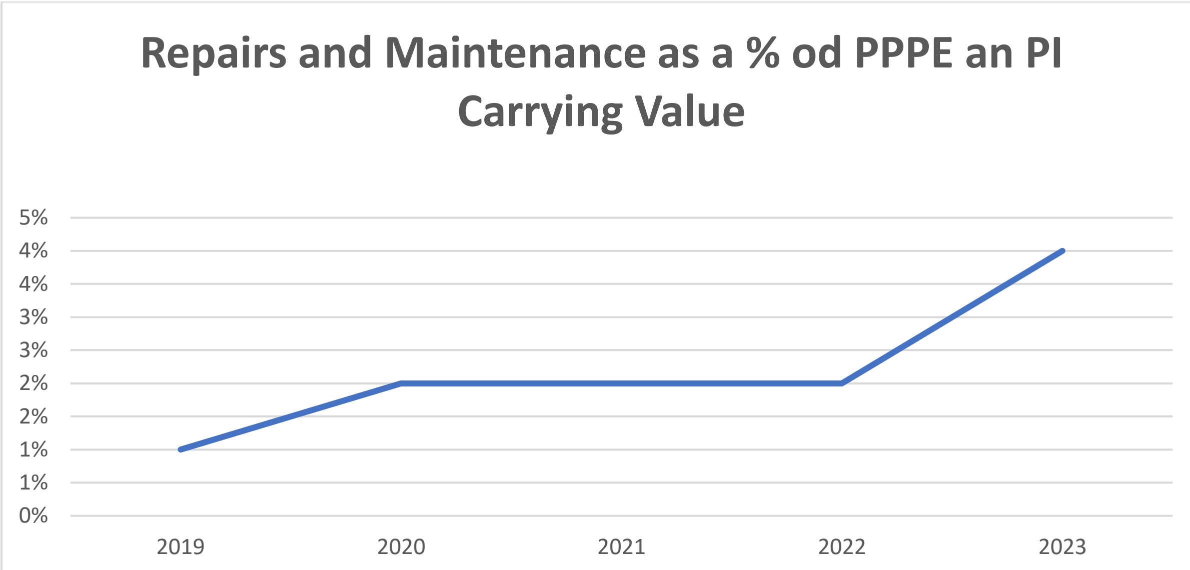
| Year | Ratio |
|---|---|
| 2019 | 22% |
| 2020 | 13% |
| 2021 | 24% |
| 2022 | 13% |
| 2023 | 15% |




**Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)**

Repairs and maintenance as a percentage of the carrying value of property, plant and equipment has averaged 2% over the period from 2019/20 to 2021/2022 and improved to 4% during the current year This is well below the unreachable norm of 8% set by the National Treasury. It must be noted that the Municipality has vast parcels of land which distort the true meaning and intention of this ratio. Furthermore, the Municipality undertakes bulk of the repairs and maintenance through internal staff and the cost of the repairs and maintenance performed internally is not considered in this ratio. This further complicates adequate measurement of this ratio.

| Year | Ratio |
|---|---|
| 2019 | 1% |
| 2020 | 2% |
| 2021 | 2% |
| 2022 | 2% |
| 2023 | 4% |

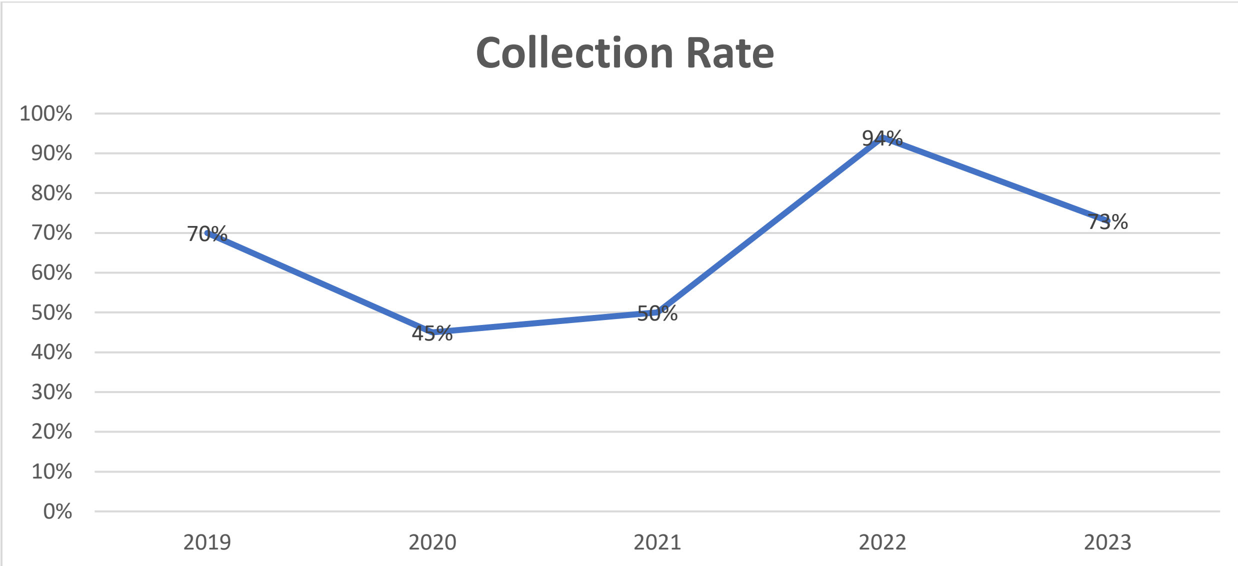



## Debtors Management

**Collection Rate**

The debtors' collection period ratio measures the period it takes for debtors to pay their bills. The longer the period the greater is the problem financial status of the organization. The collection rate is well below the norm of 95% over the past 5 years, however the municipality achieved 73% collection rate in the 2022/23 financial year attributable to the debt repayment incentives within the Credit Control Policy of the municipality.

| Year | Ratio |
|---|---|
| 2019 | 70% |
| 2020 | 45% |
| 2021 | 50% |
| 2022 | 94% |
| 2023 | 73% |

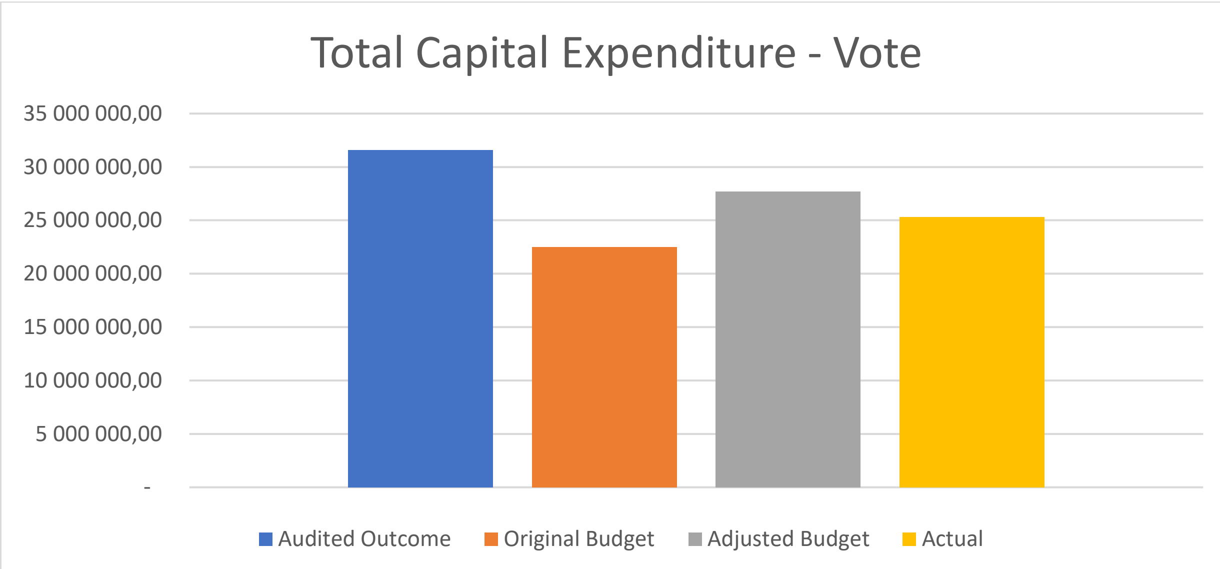



# COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

## 5.5 CAPITAL EXPENDITURE

As shown in the table and depicted in the graph below the capital expenditure of the original capital budget of R 22,5 million was increased to R 27,7 million in the final adjusted budget. The actual capital expenditure was only R 25,3 million.

| Vote Description | 2021/22 | Current Year 2022/23 | | |
|---|---|---|---|---|
| **R thousand** | **Audited Outcome** | **Original Budget** | **Adjusted Budget** | **Actual** |
| Total Capital Expenditure - Vote | 31 612 | 22 485 | 27 685 | 25 302 |




## 5.6 SOURCES OF FINANCE

The following table shows the Municipality capital funding budget for 2022/23. The municipality further decreased the budget for capital expenditure using internal funds.

| Vote Description | 202122 | Current Year 2022/23 | | |
|---|---|---|---|---|
| **R thousand** | **Audited Outcome** | **Original Budget** | **Adjusted Budget** | **Actual** |
| **Funded by:** | | | | |
| National Government | 31 613 | 19 485 | 19 697 | 19 679 |
| Provincial Government | 0 | 3 000 | 3 050 | 3 050 |
| **Transfers recognised – capital** | **31 613** | **22 485** | **22 535** | **22 535** |
| **Borrowing** | – | – | – | – |
| **Internally generated funds** | 1 754 | | 5 150 | 2 767 |
| **Total Capital Funding** | **33 367** | 22 485 | 27 685 | 25 302 |

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

The Municipality's spending on the 5 largest projects is as follows:

| No. | PROJECT NAME | CONTRACT AMOUNT | PROJECT STATUS | COMPLETION DATE |
|---|---|---|---|---|
| 1 | MAGODA MAIN ROAD | R7 194 008.06 | COMPLETED | 4 September 2023 |
| 2 | CONSTRUCTION OF SPORT FIELD-WARD 7 | R7 125 346,03 | COMPLETED | 31 May 2022 |
| 3 | CONSTRUCTION OF SHETI BOX CULVERT | R2 668 720,96 | COMPLETED | 7 July 2023 |
| 4 | UPGRADE OF ILLOVO STREET | R4 872 337,47 | COMPLETED | 22 September 2023 |
| 5 | UPGRADE OF HARDING STREET | R3 368 605,88 | COMPLETED | 10 August 2023 |

## 5.8 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS

This information is given in the demographic of the Municipality above just below the Mayor's foreword.

# COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

## 5.9 CASHFLOW

Cash flow management is critical to the Municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the Council's commitments. Cash flow is rigorously managed and monitored on a regular basis.
The net cash inflows from operating activities generated a positive cash inflow of R 17,7 million. The net cash outflows of investing activities resulted in a cash outflow of R 25,7 million. The net cash from financing activities generated a cash outflow of R 227 489.

Overall the Municipality had a cash outflow of R 5.9 million and ended the financial year with cash and cash equivalents to the amount of R 18.7 million.

| Description | 2021/22 | Current Year 2022/23 | | |
|---|---|---|---|---|
| **R thousand** | **Audited Outcome** | **Original Budget** | **Adjusted Budget** | **Actual** |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Property rates | 28 024 | 19 634 | 19 634 | 23 895 |
| Service charges | 282 | 435 | 435 | 757 |
| Other revenue | 3 733 | 19 853 | 19 762 | 6 943 |
| Transfers and Subsidies - Operational | 122 670 | 129 560 | 116 623 | 124 480 |
| Interest | 1 263 | 1 562 | 2 602 | 2 779 |
| Dividends | – | 0 | 0 | 0 |
| **Payments** | | | | |
| Suppliers and employees | (129 040) | (120 284) | (121 676) | (132 555) |
| Finance charges | (288) | (197) | (197) | (360) |
| Transfers and Grants | – | | | (8 443) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | **26 764** | **50 563** | **37 183** | **17 735** |
| | | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Receipts | | | | |
| Proceeds on disposal of PPE | 619 | 0 | 0 | 0 |
| | | | | |
| Decrease (increase) in non-current receivables | 0 | 0 | 0 | 0 |
| Decrease (increase) in non-current investments | 0 | 0 | 0 | 0 |
| Payments | | | | |
| Capital assets | 21 358 | 27 529 | 33 518 | 25 668 |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | | | |
| | | | | |

| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
|---|---|---|---|---|
| Receipts | | | | |
| Short term loans | 0 | 0 | 0 | 0 |
| Borrowing long term/refinancing | 0 | 0 | 0 | 0 |
| Increase (decrease) in consumer deposits | 0 | 0 | 0 | 0 |
| Payments | 0 | 0 | 0 | 0 |
| Finance lease payments | 0 | 0 | 0 | 0 |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | | | |
| | | | | |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | **5 852** | **23 034** | **3 665** | **(8 160)** |
| Cash/cash equivalents at the year begin: | 21 050 | 19 467 | 26 902 | 26 902 |
| **Cash/cash equivalents at the year-end:** | **26 902** | **42 501** | **30 567** | **18 741** |

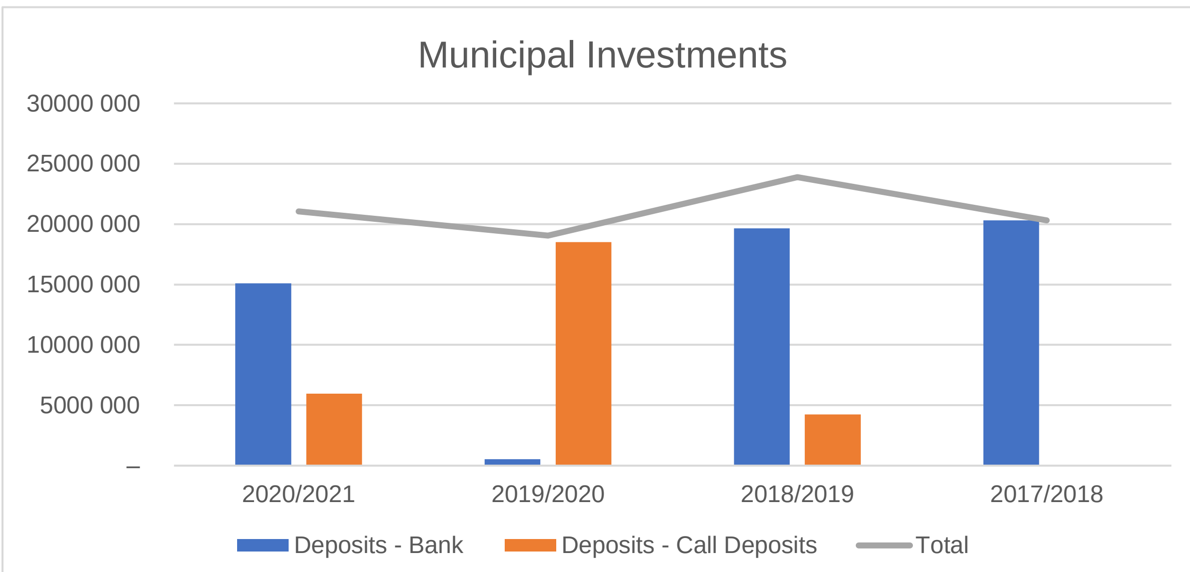
## 5.10 BORROWINGS AND INVESTMENTS

**External Borrowings**
The Municipality had no external borrowings over the past four years.

**Investments**
The Municipality maintained an average cash balance of R 22 million over the past five years.

| Municipal Investments | | | | | |
|---|---|---|---|---|---|
| **Investment Type** | **2022/2023** | **2021/2022** | **2020/2021** | **2019/2020** | **2018/2019** |

| | Actual Results (R'000) | Actual Results (R'000) | Actual Results (R'000) | Actual Results (R'000) | Actual Results (R'000) |
|---|---|---|---|---|---|
| Bank | 489 | 9 701 | 15 082 | 539 | 19 653 |
| Deposits - Call Deposits | 18 252 | 17 201 | 5 968 | 18 511 | 4 236 |
| **Total** | **18 741** | **26 902** | **21 050** | **19 050** | **23 890** |




## 5.11 PUBLIC PRIVATE PARTNERSHIP

Richmond Local Municipality did not have any public private partnerships in the year under review.

## 5.12 COST CONTAINMENT MEASURES

In line with the guidelines provided by the Provincial Treasury and in compliance with the Municipal Cost Containment Regulations, the Municipality recorded the following the cost savings for the year ended 2022/2023 financial year.

| | Cost Containment In-Year Report Measures | | | | | |
|---|---|---|---|---|---|---|
| **Measures** | **Budget** | **Q1** | **Q2** | **Q3** | **Q4** | **Savings** |
| | **R** | **R** | **R** | **R** | **R** | **R** |
| Use of consultants | 3,002,198.00 | 1,045,615.42 | 435,768.79 | 96,842.43 | 1,423,971.36 | 0 |
| Vehicles used for political office bearers | 1,233,998.00 | 0 | 700,000.00 | 507,232.65 | 26,766.00 | 0 |
| Travel and subsistence | 326,125.00 | 70,720.00 | 119,023.00 | 23,002.00 | 9,457.36 | 103,992.00 |
| Domestic accommodation | 1,166,389.00 | 167,093.00 | 300,045.00 | 203,755.65 | 270,105.35 | 225,390.00 |
| Sponsorships, events and catering | 1,270,392.00 | 243,258.90 | 237,799.69 | 55,024.00 | 586,508.41 | 147,801.00 |
| Communication | 1,453,672.00 | 581,824.31 | 308,210.20 | 156,040.00 | 996,766.00 | 0 |
| Other related expenditure | 13,888,760.00 | 2,340,958.40 | 3,300,310.00 | 3,406,663.00 | 1,842,947.60 | 2,997,881 |
| **Total** | **22,341,534.00** | **4,449,470.03** | **5,401,156.68** | **4,448,559.73** | **5,156521.48** | **3,475,064** |

# COMPONENT D: OTHER FINANCIAL MATTERS

## 5.13 SUPPLY CHAIN MANAGEMENT

The SCM Policy was reviewed during the 2022/2023 financial year. Certain amendments to the SCM Policy were tabled before Council in order to improve operational efficiency. The Municipality is required to forward its SCM Policy to the KZN Provincial Treasury on an annual basis for scrutiny and compliance verifications against the Model SCM Policy that was issued by the National Treasury. The purpose of this exercise is to determine whether the Municipal SCM Policy deviates from the stipulations of the SCM regulations. Richmond Municipality's SCM Policy complies with the regulatory framework.

The SCM function cuts across all departments. Although governance is at its core, supply chain management plays a vital role in contributing towards service delivery in a manner that is fair, equitable, transparent, competitive, and cost-effective.

The Municipality applies the bid committee system for procurement above R 200,000 and for the procurement of long-term contracts. The bid committees namely the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee are all functioning effectively. The bid committee members are appointed by the Municipal Manager in line with the relevant legislation.

## 5.14 GRAP COMPLIANCE

The Municipality has fully implemented the Standards of GRAP (Generally Recognized Accounting Practice) in accordance with the MFMA and Directive 5 issued by the Accounting Standards Board (ASB) and did not deviate from the standards. The adoption of the standards and interpretation thereof did not have a significant impact on the financial position, financial performance, or cash flows of the Municipality in the 2022/2023 Annual Financial Statements.

### Intergovernmental grants

The Municipality is dependent of financial aid from other government spheres to finance its annual capital programme. Operating grants are utilized to finance indigent assistance and provision of free basic services.

### Events after the report date

No events after the reporting date were identified which affect the Audited Financial Statements for the 2022/2023 financial year.

## 5.15 ACCOUNTING OFFICER'S ASSESSMENT OF THE MUNICIPALITY'S DEBTORS AND RATES TAXES

**Debtors**

The total amount outstanding as at 30 June 2022 was R 44,981 million.

The Richmond Local Municipality (RLM) was faced with a declining collection rate over the lockdown period as customers have been struggling to pay property rates, service charges and rentals as unemployment continued to rise.

The RLM collected 73% of the outstanding debtors as at 30 June 2023. Debt Collection remains a challenge as the Municipality does not have services to disconnect which would have assisted in collecting outstanding debt. Nevertheless, the Municipality has prioritized debt collection this financial year as a Revenue and Debt Steering Committee has been resuscitated to assist with Revenue enhancement and debt collection Strategies. The Municipality engaged in a data cleansing project.

**Property Rates**

The Municipality has applied a 0% tariff increase in the property rates for the 2022/23 budget year in accordance with Section 32 (1) of the Municipal Property rates Act No. 6 of 2004.

Property rates contribute towards covering the costs of the provision of general services. National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the MPRA, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

**The rate on the categories on non-residential properties may not exceed the ratio to the rate on residential properties therefore the tariffs have not been increased for certain categories and increased by 4.6 per cent in other categories.**

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15 000 of the market value of a residential property is excluded from the rateable value (Section 17h of the MPRA). In addition to this rebate, a further R 35 000 reduction on the market value of a residential property will be granted in terms of the Municipality's property rates policy;
- Rebates will be granted to registered indigents in terms of the Indigent Policy;
- For the aged a maximum rebate of 90 per cent will be granted to the owners of residential rateable property. In this regard the following stipulations are relevant:
  - The rateable property concerned must be occupied only by the applicant and his/her spouse, if any. (Other stipulations are contained in the policy)
- The Municipality may grant a 100 per cent grant-in-aid on the assessment rates of rateable properties of certain classes such as registered welfare organisations provided they are registered and comply with the requirements as referred to in the Property Rates Policy.
- The Municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding R100 000 in respect of all agricultural properties which are bona fide farmers.

**Refuse Removal**

Currently waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long term. The Municipality has therefore reviewed the tariffs in respect of commercial users and attempted to apply an increase that would address this issue. Further to the above the tariff charge will be raised per unit and not per property. The Municipality has also introduced a tariff for the hire of Skipper bins.

# CHAPTER 6 – AUDITOR – GENERAL AUDIT FINDINGS

## 6.1 AUDITOR GENERAL REPORT (PREVIOUS YEAR)

Richmond Municipality obtained an Unqualified Audit Opinion in the 2022/2023 financial year, the table below shows the improvement in the audit opinions over the past five (5) years.

| FINANCIAL YEAR | TYPE OF AUDIT OPINION |
|---|---|
| **2018/2019** | **Adverse** |
| **2019/2020** | **Qualified** |
| **2020/2021** | **Unqualified with other matters** |
| **2021/2022** | **Unqualified with other matters** |
| **2022/2023** | **Unqualified with other matters** |

## STATUTORY ANNUAL REPORT PROCESS

| Prescribed Dates | Actions | MFMA/ (MSA) | Responsibility of |
|---|---|---|---|
| 31 August | Submit Municipality's AFS to Auditor-General | S126(1)(a) | Municipal Manager |
| 31 October and quarterly thereafter | Auditor-General submits to Parliament and the provincial legislature names of any municipalities, which have failed or continue to fail to submit AFS | S133(2) | Auditor-General |
| Within three months of receiving AFS (30 November or31 December) | Audit report returned to Municipal Manager | S126(3) | Auditor-General |

| | | | |
|---|---|---|---|
| On receipt of audit report | Municipality must address any issues raised by the Auditor-General and prepare action plans to address issues and include these in annual report. Provide copy of report to Audit Committee. | S131(1) | Municipal Manager. Mayor must ensure compliance by Municipality. |
| 31 January | Annual Reports of Municipality and entities tabled in Council. | S127(2) | Mayor |
| Immediately after annual report is tabled | Annual report made public and local community invited to submit representations. | S127(5)(a) (MSA) S21A and B | Municipal Manager |
| Immediately after annual report is tabled | Annual report submitted to Auditor-General, relevant provincial treasury and provincial department responsible for local government in the province. | S127(5)(b) | Municipal Manager |
| When meetings held to discuss the annual report. | Attend meetings to respond to questions concerning the report | S129(2)(a) | Accounting Officer of Municipality and entity |
| Following meetings to discuss the annual report | Submit copies of minutes of the meetings to the Auditor-General, provincial treasury and provincial department responsible for local government. | S129(2)(b) | Accounting Officer of Municipality and entity |
| Within two months of report being tabled (31 March) | Council to have considered the annual report and adopted an oversight report. | S129(1) | Council |
| Within seven days of adoption of oversight Report. | Make public the oversight report. | S129(3)S21A-MSA | Accounting Officer |
| Within seven days of adoption of oversight report | Submit to the provincial legislature, the annual report of Municipality and entities and the oversight reports on those annual reports. | S132(1) & (2) | Accounting Officer |
| **Notes:** MFMA section 133 provides for consequences of non-compliance with provisions relating to the submission of AFS and tabling of annual reports.<br>• All dates shown are the latest permissible in terms of the applicable legislation, earlier compliance is preferable. | | | |

## 6.2 REMEDIAL ACTION TAKEN (PREVIOUS YEAR)

| AUDIT FINDING | RATING | AREAS AFFECTED | DEADLINE | Rating by Management | Rating by Internal Audit Unit |
|---|---|---|---|---|---|
| **EXPENDITURE MANAGEMENT** | | | | | |
| Non-compliance with section 62(1)(d) of the MFMA | Matters affecting the auditor's report | Non-compliance with legislation | 30-Apr-23 | Resolved | Resolved |
| **PROPERTY, PLANT AND EQUIPMENT** | | | | | |
| No evidence of review of useful lives at year end | ANNEXURE B - Other important matters | Misstatements in financial statements | 31-May-23 | Resolved | Resolved |
| **REVENUE FROM NON-EXCHANGE TRANSACTIONS** | | | | | |
| Traffic fines reconciliation not complete | ANNEXURE B - Other important matters | Internal control deficiency | 30-Jun-23 | In progress | In progress |
| INEPM grant incorrectly accounted for in the current year | ANNEXURE B - Other important matters | Annual Financial Statement | 30-Jun-23 | In progress | In progress |
| **RECEIVABLES FROM EXCHANGE AND NON – EXCHANGE TRANSACTIONS** | | | | | |
| Invalid indigents identified on the indigents register | ANNEXURE B - Other important matters | Annual Financial Statement | 30-Jun-23 | Resolved | Resolved |
| Consumer debtors allowance for impairment and related AFS disclosure discrepancies | ANNEXURE B - Other important matters | Annual Financial Statement | 30-Jun-23 | Resolved | Resolved |
| **EXPENDITURE** | | | | | |
| Misclassification of inventory consumed | ANNEXURE B - Other important matters | Annual Financial Statement | 30-Jun-23 | Resolved | Resolved |
| **CASH FLOW STATEMENT** | | | | | |
| Discrepancies identified in the cash flow statement | ANNEXURE B - Other important matters | Annual Financial Statement | 30-Jun-23 | Resolved | Resolved |
| **PREDETERMINED OBJECTIVES** | | | | | |
| Performance targets are not relevant | Matters affecting the auditor's report | Annual Performance Report | 28-Feb-23 | Resolved | Resolved |
| Refuse truck timesheets does not correspond to work schedules | ANNEXURE B - Other important matters | Annual Performance Report | 30-Jun-23 | Resolved | Resolved |
| Reported targets were not consistent when compared with planned targets | ANNEXURE B - Other important matters | Annual Performance Report | 30-Jun-23 | Resolved | Resolved |
| Planned indicators and targets included in the initial annual performance plan were removed during the year and were not reported in the APR | ANNEXURE B - Other important matters | Annual Performance Report | 30-Jun-23 | Resolved | Resolved |
| **PROCUREMENT AND CONTRACT MANAGEMENT** | | | | | |
| Awards made to suppliers in the service of the state | ANNEXURE B - Other important matters | Non-compliance with legislation | 31-May-23 | Resolved | Resolved |
| Approval panel rules not established | ANNEXURE B - Other important matters | Non-compliance with legislation | 31-May-23 | Resolved | Resolved |
| **CONSEQUENCE MANAGEMENT** | | | | | |
| No attempt to recover prior year fruitless and wasteful expenditure from liable employee | ANNEXURE B - Other important matters | Non-compliance with legislation | 31-May-23 | Resolved | Resolved |

## 6.3 AUDITOR GENERAL'S REPORT (CURRENT YEAR)

# Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on Richmond Local Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Richmond Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Richmond Local Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

### Basis for opinion

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

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

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

#### Corresponding figures

7. As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of a prior period error in the financial statements of the municipality at, and for the year ended, 30 June 2023.

### Material impairments – receivables from exchange and non-exchange transactions

8. As disclosed in note 4 to the financial statements, receivables from exchange transactions was impaired by a total of R4,56 million (2021-22: R4,33 million) as a result of the annual review of the recoverability of the debt.

9. As disclosed in note 5 to the financial statements, receivables from non-exchange transactions was impaired by a total of R40,31 million (2021-22: R40,35 million) as a result of the annual review of the recoverability of the debt.

## Other matters

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

### Unaudited disclosure notes

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

## Responsibilities of the accounting officer for the financial statements

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

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

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

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

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following material performance indicators related to the basic service delivery and infrastructure development key performance area presented in the annual performance report for the year ended 30 June 2023. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

| Performance indicators |
|---|
| **Project: Shayomoya Mkhobeni Electrification – Ward 7 (300 Connections)**<br>KPI : Number of completed connections |
| **Project: Smozomeni 6 Electrification – Ward 6 (190 Connections)**<br>KPI: Number of completed connections |
| **Project: Mkhuzane Electrification – Ward 3 (120 connections)**<br>KPI: Number of completed connections |
| **Project: Access Roads – Ward 1 Maintenance of access road**<br>KPI: Number of kilometres of gravel road maintained |
| **Project: Access Roads – Ward 2 Maintenance of access road**<br>KPI: Number of kilometres of gravel road maintained |
| **Project: Access Roads – Ward 3 Maintenance of access road**<br>KPI: Number of kilometres of gravel road maintained |
| **Project: Access Roads – Ward 4 Maintenance of access road**<br>KPI: Number of kilometres of gravel road maintained |
| **Project: Access Roads – Ward 5 Maintenance of access road**<br>KPI: Number of kilometres of gravel road maintained |
| **Project: Access Roads – Ward 6 Maintenance of access road**<br>KPI: Number of kilometres of gravel road maintained |
| **Project: Access Roads – Ward 7 Maintenance of access road**<br>KPI: Number of kilometres of gravel road maintained |
| **Project: Collection of planned refuse removal**<br>KPI: Number of billed households with access to daily solid waste removale (ward 1 and 2) |
| **Project: Collection of refuse removal using skippers**<br>KPI: Number of wards serviced with a skipper bin |

| Performance indicators |
|---|
| **Project: Maintenance of urban roads by pothole patching and repairs**<br>KPI: Number of square metres of potholes patched and repaired |
| **Project: MIG Project – Construction of Sheti Box Culvert Ward 1 & Ward 2**<br>KPI: Number of completed bridges |
| **Project: MIG Project – Resurfacing of Roads in Ward 1 – Upgrade of Illovo street**<br>KPI: Number of kilometres resurfaced of residential roads |
| **Project: MIG Project – Resurfacing of Roads in Ward 1 – Upgrade of Nelson Street**<br>KPI: Number of kilometres resurfaced of residential roads |
| **Project: MIG Project – Resurfacing of Roads in Ward 1 - Rehabilitation of Harding street**<br>KPI: Number of kilometres resurfaced of residential roads |
| **Project: Small Town Grant – Installation of 150 Solar LED Street Lights**<br>KPI: Number of LED Street Lights installed |

18. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:

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

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

21. I did not identify any material findings on the reported performance information for the selected indicators.

### Other matter

22. I draw attention to the matters below.

#### Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

#### Material misstatements

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

## Report on compliance with legislation

25. 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.

26. 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.

27. 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.

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

#### Financial statements

29. 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 on revenue, expenditure and statement of comparison of budget and actual amounts identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

## Other information in the annual report

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

31. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

32. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

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

35. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

36. Management did not implement adequate reviews of the annual financial statements and annual performance report resulting in material misstatements which had to be corrected.

## Other reports

37. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

38. The KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs conducted an investigation into the integrated national electrification programme grant spending for the 2017-18 financial period on behalf of the municipality. The investigation was completed and

tabled to council on 28 January 2021 and resulted in criminal proceedings against a former employee. These proceedings resulted in the former employee being arrested by the Directorate for Priority Crime Investigation.

Auditor-General

Pietermaritzburg

30 November 2023

AUDITOR-GENERAL SOUTH AFRICA

*Auditing to build public confidence*

## 6.4 REMEDIAL ACTION TAKEN (CURRENT YEAR)

## Glossary

| | |
|---|---|
| Annual Report | In relation to a Municipality means an annual report contemplated in section 121 of the Municipal Finance Management Act. |
| Balance Scorecard | Is a conceptual framework enabling an organization in clarifying its vision and strategy, thus effectively translating them into action. This performance management approach provides feedback around both the internal processes and external outcomes, essentially focusing on four indicators: Customer Perspective, Internal-Business Processes, Learning and Growth and Financials. |
| Current Year | Means the financial year which has already commenced, but not yet ended. |
| Section 57/ 56 Employee | Means a person employed by a Municipality as a Municipal Manager or as a manager directly accountable to a Municipal Manager and for which there is a Performance Agreement. |
| Evaluation | Evaluation is a time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision-making by staff/ managers and policymakers. Evaluation may assess relevance, effectiveness, efficiency, impact and sustainability of the institution and officials. |
| Indicators | Indicators are pieces of objective evidence, that tell us whether progress is, or is not being made in achieving goals. |
| Input indicator | Means an indicator that measures the costs, resources and time used to produce an output. |
| Inputs | The resources, physical, financial or otherwise that contribute to the delivery of outputs. In other words, "what we use to do the work." |

| | |
|---|---|
| Key Performance Area (KPA) | This is the area in which the Municipality plays a role towards delivering services. These may include Infrastructure and Engineering, Community<br>Planning and Safety, Strategic and Corporate Services, Social and Economic<br>Development, Institutional Transformation, Governance and Financial Management, amongst others. |
| Key Performance | Key Performance Indicators will be determined in respect of each development priority and objective. These indicators are subject to public |

| | |
|---|---|
| Indicators (KPI) | participation and will be used by each Department as well as each municipal entity where applicable. These are quantifiable measures which show where performance currently is in relation to the baseline and the target. This describes the measure in a clear, simple and precise manner. |
| Local Community or Community | In relation to a Municipality, means that body or persons comprising – the residents of the Municipality.<br>a) the ratepayers of the Municipality<br>b) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality. |
| MEC for Local Government | Means the MEC responsible for Local Government in a province. |
| Monitoring | Monitoring involves collecting, analysing, and reporting on inputs, activities, outputs, and outcomes in a way that supports effective management. Monitoring aims to provide managers, decision-makers, and other stakeholders with regular feedback on progress in implementation, results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected. |

| | |
|---|---|
| Municipality | When referred to as – <br>a) an entity, means a Municipality as described in section 2; and <br>b) a geographical area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act. 1998 (Act No. 27 of 1998). |
| Municipal Council or Council | Means a municipal Council referred to in section 157(1) of the Constitution. |
| Municipal Finance Management Act | Means the Local Government: Municipal Finance Management Act, 2003, and any regulations made under that Act. |
| Municipal Structures Act | Means the Local Government: Municipal Structures Act. 1998 (Act 117 of 1998). |
| Municipal Systems Act | Means the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000). |
| Objective | An objective is a projected goal that a person, system, or organisation plans or intends to achieve |
| Outcomes | Refer to the ultimate effects of government activities on society in the medium to long term. These are the results of specific outputs for strategic goals identified in the IDP. |
| Outcome indicator | Means an indicator that measures the quality and or impact of an output on achieving a particular objective. |

| | |
|---|---|
| Output indicator | Means an indicator that measures the results of activities, processes and strategies of a program of a Municipality. |
| Outputs | Goods and services produced by the Municipality which are identified by the Performance measures. Outputs may be defined as "what we produce or deliver". |
| Performance Audit Committee | An independent committee appointed to assess the annual performance of the Municipality and report on the findings. |
| Performance Agreement | Means an agreement as contemplated in Section 57 of the Municipal Systems Act. |
| Performance Plan | Means a part of the performance agreement which details with the Measurable objectives (Outputs), Performance Measures (KPI's), targets and activities that are aligned to the Scorecards. |
| Political office bearer | Means the Speaker, Executive Mayor, Mayor, Deputy Mayor or Member of the<br>Executive Committee as referred to in the Municipal Structures Act. |
| Quarters | Means any of the following periods in a financial year:<br>(1) 1 July to 30 September;<br>(2) 1 October to 31 December; |
| | (3) 1 January to 31 March; or (4) 1 April to 30 June. |

| | |
|---|---|
| Scorecard | Is an evaluation device, that specifies the criteria that stakeholders will use to rate performance in satisfying their requirements.<br>Municipal Scorecard: Five (5) Year Scorecard.<br>Organisational Scorecard: Annual (Year under review) Scorecard with Quarterly Targets.<br>Departmental Scorecard: Annual (Year under review) Scorecard with Quarterly Targets for Municipal Manager and Managers reporting to the Municipal Managers', Departments/Votes. |
| Service Delivery and Budget Implementation Plan | Means a detailed plan approved by the Mayor of a Municipality in terms of section 53(1) (c)<br>(ii) of the Municipal Finance Management Act for implementing the Municipality's delivery of municipal services and its annual budget, and which must indicate –<br>a) projections for each month of –<br>1) revenue to be collected, by source; and<br>2) operational and capital expenditure, by vote;<br>b) service delivery targets and performance indicators for each quarter; and<br>c) any other matters that may be prescribed,<br>and includes any revisions of such plan by the Mayor in terms of section 54(1)(c) of the Municipal Finance Management Act. |
| Target | Target to be achieved for that indicator over the specified timeframe. |

## APPENDIX A – CONCILLORS ATTENDANCE AND COMMITTEE

| NAME OF COUNCILLOR | PARTY | PORTFOLIO COMMITTEE | | EXCO | | COUNCIL | |
|---|---|---|---|---|---|---|---|
| | | Number of Meetings | Meetings Attended | Number of Meetings | Meetings Attended | Number of Meetings | Meetings Attended |
| CLLR MK Ngcongo | ANC | 20 | 10 | 08 | 01 | 15 | 13 |
| CLLR BT Mbanjwa | ANC | 20 | 14 | 08 | 08 | 15 | 15 |
| CLLR KE Mkize | ANC | 20 | 14 | N/A | N/A | 15 | 14 |
| CLLR L Ngubo | ANC | 20 | 6 | N/A | N/A | 15 | 15 |
| CLLR STG Mkhize | ANC | 20 | 6 | N/A | N/A | 15 | 14 |
| CLLR MH Madlala | ANC | 20 | 12 | N/A | N/A | 15 | 15 |
| CLLR V Maphumulo | ANC | 20 | 14 | N/A | N/A | 15 | 7 |
| CLLR S Latha | Independent | 20 | 14 | N/A | N/A | 15 | 14 |
| CLLR Z Mkhize | ANC | 20 | 1 | N/A | N/A | 15 | 7 |
| CLLR FT Zondi | ANC | 20 | 14 | N/A | N/A | 15 | 14 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| CLLR BSL Kunene | **EFF** | **20** | **14** | **08** | **07** | **15** | **13** |
| CLLR B Mahlangeni | **DA** | **20** | **14** | **N/A** | **N/A** | **15** | **12** |
| CLLR SS Ngubo | **EFF** | **20** | **14** | **N/A** | **N/A** | **15** | **15** |
| CLLR TP Vezi | **IFP** | **20** | **14** | **N/A** | **N/A** | **15** | **15** |

## APPENDIX B – COUNCIL COMMITTEES AND PURPOSES

**COUNCIL**
Chaired by the Speaker. Legislative Political Structure which is entrusted with the oversight responsibility and decision-making/delegation powers.

**EXECUTIVE COMMITTEE:**
Chaired by the Mayor, takes delegated decisions and resolves to recommend to Council for the implementation of service delivery matters.

**PORTFOLIO COMMITTEES:**
Section 80 of the Municipal Structures Act, Act 117 of 1998: political oversight on activities implemented by the administration/departments. Chaired by Executive Committee Members.
Aligned to key performance areas/departmental functions.

## APPENDIX C – Third Tier Administrative Structure

| | Municipal Manager: BE Mswane | | |
|---|---|---|---|
| CFO: MG Ngcobo | Director: Technical M Ntanzi | Director: Corporate G Maphumulo | Director: Community VW Sibisi |

A Director is a section 56 Manager reporting directly to Municipal manager who is the Accounting Officer.

The table below indicates the administrative governance structure for the period under review.

| NAME OF OFFICIAL | POSITION | PERFORMANCE AGREEMENT SIGNED YES/NO |
|---|---|---|
| **BE Mswane** | Municipal Manager | Yes |
| **MG Ngcobo** | Chief Financial Officer | Yes |
| **M Ntanzi** | Director: Technical Services | Yes |
| **G Maphumulo** | Director: Corporate Services | Yes |
| **VW Sibisi** | Director: Community Services | Yes |

# APPENDIX D – MUNICIPAL POWERS AND FUNCTIONS

| **The Local Government Municipal Structures Act (1998) makes provision for the division of powers and functions between the District and Local Municipalities. These include the following for Richmond Local Municipality.** | |
|---|---|
| **SERVICES RENDERED** | |
| **1.** | Integrated development planning for the municipality with alignment to the district Integrated Development Plan. |
| **2.** | Solid waste management throughout the municipality. |
| **3.** | Establishment and management of cemeteries. |
| **4.** | Emergency services - Disaster Management. |
| **5.** | Promotion of local economic development. |
| **6.** | Promotion of tourism development. |
| **7.** | Town and Regional Planning and Geographic Information services throughout the municipality. |
| **SERVICES NOT YET RENDERED** | |
| **1.** | Supply of water and sanitation |
| **2.** | Sewage purification works and sewage disposal |
| **3.** | Establishment and management of cemeteries and crematoria |
| **4.** | Emergency Fire services |
| **5.** | Environmental Health Services. |
| **6.** | Municipal health services |

Richmond Local Municipality
Annual Financial Statements
for the year ended 30 June 2023

# General Information

| | |
|---|---|
| **Legal form of entity** | Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act No:117 of 1998) read with section 155(1) of the Constitution of the Republic of South Africa (Act No. 108 of 1996) |
| **Nature of business and principal activities** | Richmond Local Municipality is a local municipality performing the functions as set out in the Constitution of the Republic of South Africa (Act No. 108 of 1996) |
| **Legislation governing the municipality's operations** | Constitution of the Republic of south Africa (Act 108 of 1998)<br>Local Government: Municipal Finance Management Act (Act no.56 of 2003)<br>Local Government: Municipal Systems Act (Act 32 of 2000)<br>Local Government: Municipal Structures Act (Act 117 of 1998)<br>Municipal Property Rates Act (act of 6 2004)<br>Division of Revenue Act (Act 1 of 2007) |
| **Municipal Category** | Category B municipality |
| **Accounting Officer** | B.E. Mswane |
| **Chief Finance Officer (CFO)** | M. Ngcobo |

**Mayoral Committee**

| | |
|---|---|
| Executive Mayor | M.K. Ngcongo |
| Deputy Mayor | Cllr. B. Mbanjwa |
| Speaker | Cllr. K.E. Mkize |
| Member of the Executive Committee | Cllr. M.K. Ngcongo |
| Member of the Executive Committee | Cllr.B. Mbanjwa |
| Member of the Executive Committee | Cllr. S.L. Kunene |
| MPAC Chairperson | V. Maphumulo |
| Councillor: | S.T.G. Mkhize |
| Councillor: | M.H. Madlala |
| Councillor: | L. Ngubo |
| Councillor: | S.L. Latha |
| Councillor: | F.Z. Zondi |
| Councillor: | B. Mahlangeni |
| Councillor: | S.S. Ngubo |
| Councillor: | T.P. Vezi |
| Councillor: | Z. F. Mkhize |

| | |
|---|---|
| **Registered office** | 57 Shepstone Street<br>Richmond<br>3610 |
| **Bankers** | First National Bank |
| **Auditors** | Auditor General of South of Africa (AGSA) |

## Index

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



**Abbreviations used:**

| | |
|---|---|
| MFMA | Municipal Finance Management Act |
| MEC | Member of the Executive Council |
| GRAP | Generally Recognised Accounting Practice |
| MIG | Municipal Infrastructure Grant (Previously CMIP) |
| FMG | Financial Management Grant |
| EPWP | Expanded Public Works Programme |
| INEP | Integrated National Electrification Programme Grant |
| CoGTA | Department of Cooperative Governance and Traditional Affairs |
| UIF | Unemployment Insurance Fund |
| VAT | Value Added Tax |
| PAYE | Pay As You Earn |

## Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality’s cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The accounting officer certifies that the salaries, allowances and benefits of councillors as disclosed in note 29 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government’s determination in accordance with the Act.

The annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2023:

**Accounting Officer**
**BE Mswane**

# Statement of Financial Position as at 30 June 2023

| Figures in Rand | Note(s) | 2023 | 2022 Restated* |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 3 | 18 741 989 | 26 902 000 |
| Receivables from exchange transactions | 4 | 364 627 | 763 476 |
| Receivables from non-exchange transactions | 5 | 5 881 623 | 11 159 750 |
| VAT receivable | 6 | 4 270 751 | 2 104 979 |
| | | **29 258 990** | **40 930 205** |
| **Non-Current Assets** | | | |
| Heritage assets | 7 | 212 767 | 212 767 |
| Investment property | 8 | 1 185 899 | 1 185 899 |
| Intangible assets | 9 | 353 145 | 465 729 |
| Property, plant and equipment | 10 | 366 186 694 | 357 282 905 |
| Non-current investment | 11 | 266 | 266 |
| | | **367 938 771** | **359 147 566** |
| **Total Assets** | | **397 197 761** | **400 077 771** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Payables from exchange transactions | 12 | 12 215 851 | 15 480 745 |
| Payables from non-exchange transactions | 13 | 2 514 503 | 1 687 809 |
| Unspent conditional grants and receipts | 14 | 7 279 435 | 11 079 395 |
| Operating lease liability | 15 | 627 802 | 583 542 |
| Finance lease obligation | 16 | 246 983 | - |
| Employee benefit obligation | 17 | 614 000 | 429 739 |
| Provisions | 18 | 817 315 | 307 517 |
| | | **24 315 889** | **29 568 747** |
| **Non-Current Liabilities** | | | |
| Finance lease obligation | 16 | 268 146 | - |
| Employee benefit obligation | 17 | 8 843 000 | 9 395 496 |
| Provisions | 18 | 5 659 030 | 8 330 607 |
| | | **14 770 176** | **17 726 103** |
| **Total Liabilities** | | **39 086 065** | **47 294 850** |
| **Net Assets** | | **358 111 696** | **352 782 921** |
| Accumulated surplus | | 358 111 696 | 352 782 921 |
| **Total Net Assets** | | **358 111 696** | **352 782 921** |

* See Note 44

# Statement of Financial Performance

| Figures in Rand | Note(s) | 2023 | 2022 Restated* |
|---|---|---|---|
| **Revenue** | | | |
| **Revenue from exchange transactions** | | | |
| Service charges | 19 | 966 377 | 922 562 |
| Rental of facilities and equipment | 20 | 1 097 787 | 1 088 810 |
| Interest earned - Outstanding debtors | 21 | 408 505 | 396 176 |
| Other income | 22 | 1 336 421 | 1 221 649 |
| Interest received - investment | 23 | 2 778 590 | 1 263 412 |
| **Total revenue from exchange transactions** | | **6 587 680** | **4 892 609** |
| **Revenue from non-exchange transactions** | | | |
| **Taxation revenue** | | | |
| Property rates | 24 | 27 115 297 | 19 284 889 |
| Property rates - penalties imposed | 24 | 3 674 200 | 3 873 297 |
| Licences and Permits | 25 | 2 565 067 | 1 934 591 |
| **Transfer revenue** | | | |
| Government grants & subsidies | 26 | 118 918 547 | 111 970 404 |
| Fines, Penalties and Forfeits | 27 | 742 769 | 482 784 |
| **Total revenue from non-exchange transactions** | | **153 015 880** | **137 545 965** |
| **Total revenue** | | **159 603 560** | **142 438 574** |
| **Expenditure** | | | |
| Employee related costs | 28 | (65 110 838) | (60 805 141) |
| Remuneration of councillors | 29 | (6 051 428) | (5 976 887) |
| Depreciation and amortisation | 30 | (16 015 478) | (19 685 452) |
| Finance costs | 31 | (360 309) | (296 405) |
| Lease rentals on operating lease | 32 | (2 990 885) | (2 591 374) |
| Contracted services | 33 | (30 594 368) | (28 088 818) |
| Inventory consumed | 34 | (7 436 848) | (4 972 376) |
| Operational Cost | 35 | (15 446 570) | (13 678 410) |
| **Total expenditure** | | **(144 006 724)** | **(136 094 863)** |
| **Operating surplus** | 10 | **15 596 836** | **6 343 711** |
| Loss on disposal of assets | 10 | (195 794) | (180 272) |
| Gain on remeasurement of landfill provision | 38 | 1 568 418 | - |
| Actuarial gains/losses | 17 | 1 827 663 | (160 235) |
| Impairment loss | 36 | (667 750) | (5 386 784) |
| Irrecoverable debts written off | 37 | (12 800 604) | - |
| | | **(10 268 067)** | **(5 727 291)** |
| **Surplus for the year** | | **5 328 769** | **616 420** |

* See Note 44

## Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus / deficit | Total net assets |
| --- | --- | --- |
| Opening balance as previously reported | 352 171 858 | 352 171 858 |
| Adjustments | | |
| Prior year adjustments 44 | (5 357) | (5 357) |
| **Balance at 01 July 2021 as restated*** | **352 166 501** | **352 166 501** |
| Changes in net assets | | |
| Surplus for the year | 616 420 | 616 420 |
| Total changes | 616 420 | 616 420 |
| **Restated* Balance at 01 July 2022** | **352 782 927** | **352 782 927** |
| Changes in net assets | | |
| Surplus for the year | 5 328 769 | 5 328 769 |
| Total changes | 5 328 769 | 5 328 769 |
| **Balance at 30 June 2023** | **358 111 696** | **358 111 696** |

Note(s)

* See Note 44

## Cash Flow Statement

| Figures in Rand | Note(s) | 2023 | 2022 Restated* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Receipts** | | | |
| Property Rates | | 23 895 404 | 28 024 239 |
| Services charges | | 757 006 | 282 483 |
| Grants | | 124 480 000 | 122 669 538 |
| Interest income | | 2 778 590 | 1 263 412 |
| Other income | | 6 943 493 | 3 733 029 |
| Interest received - Human Settlement | | 239 750 | 120 799 |
| | | 159 094 243 | 156 093 500 |
| **Payments** | | | |
| Employee costs | | (64 645 907) | (58 479 489) |
| Suppliers | | (61 857 554) | (60 229 783) |
| Remuneration for councillors | | (6 051 428) | (5 976 888) |
| Highover / INEP Payment | | (8 443 230) | (4 346 917) |
| Finance cost | | (360 309) | (288 465) |
| | | (141 358 428) | (129 321 542) |
| **Net cash flows from operating activities** | 40 | **17 735 815** | **26 771 958** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 10 | (25 668 337) | (21 186 236) |
| Proceeds from sale of property, plant and equipment | 10 | - | 658 563 |
| Purchase of other intangible assets | 9 | - | (172 164) |
| **Net cash flows from investing activities** | | **(25 668 337)** | **(20 699 837)** |
| **Cash flows from financing activities** | | | |
| Finance lease payments | | (227 489) | (212 508) |
| **Net increase/(decrease) in cash and cash equivalents** | | **(8 160 011)** | **5 859 613** |
| Cash and cash equivalents at the beginning of the year | | 26 902 000 | 21 042 387 |
| **Cash and cash equivalents at the end of the year** | 3 | **18 741 989** | **26 902 000** |

* See Note 44

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| **Statement of Financial Performance** | | | | | | |
| **Revenue** | | | | | | |
| **Revenue from exchange transactions** | | | | | | |
| | - | - | - | - | - | See comments below |
| Service charges | 1 087 000 | - | **1 087 000** | 966 377 | **(120 623)** | |
| Rental of facilities and equipment | 1 342 000 | (55 000) | **1 287 000** | 1 097 787 | **(189 213)** | |
| Interest earned outstanding debtors | 302 000 | - | **302 000** | 408 505 | **106 505** | |
| Other revenue | 2 989 000 | (667 000) | **2 322 000** | 1 336 421 | **(985 579)** | |
| Interest received - investment | 1 682 000 | 1 060 000 | **2 742 000** | 2 778 590 | **36 590** | |
| **Total revenue from exchange transactions** | **7 402 000** | **338 000** | **7 740 000** | **6 587 680** | **(1 152 320)** | |
| **Revenue from non-exchange transactions** | | | | | | |
| **Taxation revenue** | | | | | | |
| Property rates | 28 049 000 | - | **28 049 000** | 27 115 297 | **(933 703)** | |
| Property rates - penalties imposed | 4 993 000 | - | **4 993 000** | 3 674 200 | **(1 318 800)** | |
| Licences and Permits (Non-exchange) | 2 325 000 | 946 000 | **3 271 000** | 2 565 067 | **(705 933)** | |
| **Transfer revenue** | | | | | | |
| Government grants & subsidies | 107 074 000 | (12 937 000) | **94 137 000** | 93 616 312 | **(520 688)** | |
| Fines, Penalties and Forfeits | - | - | **-** | 742 769 | **742 769** | |
| **Total revenue from non-exchange transactions** | **142 441 000** | **(11 991 000)** | **130 450 000** | **127 713 645** | **(2 736 355)** | |
| **Total revenue** | **149 843 000** | **(11 653 000)** | **138 190 000** | **134 301 325** | **(3 888 675)** | |
| **Expenditure** | | | | | | |
| Employee related costs | (65 808 000) | 687 000 | **(65 121 000)** | (65 110 838) | **10 162** | |
| Remuneration of councillors | (6 529 000) | - | **(6 529 000)** | (6 051 428) | **477 572** | |
| Depreciation and asset impairment | (21 122 000) | - | **(21 122 000)** | (16 683 228) | **4 438 772** | |
| Debt impairment / Irrecoverable debts written off | (8 962 000) | (4 000 000) | **(12 962 000)** | (12 800 604) | **161 396** | |
| Finance costs | (197 000) | (170 000) | **(367 000)** | (360 309) | **6 691** | |
| Contracted Services | (30 951 000) | 354 000 | **(30 597 000)** | (30 594 368) | **2 632** | |
| Transfers and Subsidies | (1 087 000) | 487 000 | **(600 000)** | (556 406) | **43 594** | |
| Inventory consumed | (6 052 000) | (2 323 000) | **(8 375 000)** | (7 436 848) | **938 152** | |
| Operational Cost | (19 567 000) | (1 093 000) | **(20 660 000)** | (17 881 048) | **2 778 952** | |
| **Total expenditure** | **(160 275 000)** | **(6 058 000)** | **(166 333 000)** | **(157 475 077)** | **8 857 923** | |
| **Operating deficit** | **(10 432 000)** | **(17 711 000)** | **(28 143 000)** | **(23 173 752)** | **4 969 248** | |
| Transfers & Subsidies - Capital | 22 485 000 | 5 200 000 | **27 685 000** | 25 302 235 | **(2 382 765)** | |
| Gain on remeasurement of landfill provision | - | - | **-** | 1 568 418 | **1 568 418** | |
| Actuarial gains/losses | - | - | **-** | 1 827 663 | **1 827 663** | |
| Loss on disposal of assets | 10 432 000 | - | **10 432 000** | (195 795) | **(10 627 795)** | |

# Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| | **32 917 000** | **5 200 000** | **38 117 000** | **28 502 521** | **(9 614 479)** | |
| **Surplus for the year** | **22 485 000** | **(12 511 000)** | **9 974 000** | **5 328 769** | **(4 645 231)** | |
| **Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement** | **22 485 000** | **(12 511 000)** | **9 974 000** | **5 328 769** | **(4 645 231)** | |

# Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| **Statement of Financial Position** | | | | | | |
| **Assets** | | | | | | |
| **Current Assets** | | | | | | |
| Inventories | - | (2 323 000) | **(2 323 000)** | - | **2 323 000** | |
| Receivables from exchange transactions | 1 521 000 | (9 110 000) | **(7 589 000)** | 364 627 | **7 953 627** | |
| Receivables from non-exchange transactions | 33 096 000 | (23 508 000) | **9 588 000** | 5 881 623 | **(3 706 377)** | |
| VAT receivable | - | - | **-** | 4 270 751 | **4 270 751** | |
| Cash and cash equivalents | 42 379 000 | (6 853 000) | **35 526 000** | 18 741 989 | **(16 784 011)** | |
| | **76 996 000** | **(41 794 000)** | **35 202 000** | **29 258 990** | **(5 943 010)** | |
| **Non-Current Assets** | | | | | | |
| Investment property | 1 186 000 | - | **1 186 000** | 1 185 899 | **(101)** | |
| Property, plant and equipment | 363 267 000 | (4 411 000) | **358 856 000** | 366 186 694 | **7 330 694** | |
| Intangible assets | 820 000 | (672 000) | **148 000** | 353 145 | **205 145** | |
| Heritage assets | - | - | **-** | 212 767 | **212 767** | |
| Non-current investment | - | - | **-** | 266 | **266** | |
| Other asset | 3 833 000 | (3 620 000) | **213 000** | - | **(213 000)** | |
| | **369 106 000** | **(8 703 000)** | **360 403 000** | **367 938 771** | **7 535 771** | |
| **Total Assets** | **446 102 000** | **(50 497 000)** | **395 605 000** | **397 197 761** | **1 592 761** | |
| **Liabilities** | | | | | | |
| **Current Liabilities** | | | | | | |
| Finance lease obligation | - | - | **-** | 246 983 | **246 983** | |
| Operating lease liability | - | - | **-** | 627 802 | **627 802** | |
| Payables from exchange transactions | 6 835 000 | 7 724 000 | **14 559 000** | 12 215 851 | **(2 343 149)** | |
| Payables from non-exchange transactions | - | - | **-** | 2 514 503 | **2 514 503** | |
| Employee benefit obligation | - | - | **-** | 614 000 | **614 000** | |
| Unspent conditional grants and receipts | - | - | **-** | 7 279 435 | **7 279 435** | |
| Provisions | 2 751 000 | (3 489 000) | **(738 000)** | 817 315 | **1 555 315** | |
| Consumer deposit | 11 000 | (595 000) | **(584 000)** | - | **584 000** | |
| | **9 597 000** | **3 640 000** | **13 239 000** | **24 315 889** | **11 078 889** | |
| **Non-Current Liabilities** | | | | | | |
| Finance lease obligation | - | - | **-** | 268 146 | **268 146** | |
| Employee benefit obligation | - | - | **-** | 8 843 000 | **8 843 000** | |
| Provisions | 18 445 000 | (719 000) | **17 726 000** | 5 659 030 | **(12 066 970)** | |
| Borrowings | 565 000 | (565 000) | **-** | - | **-** | |
| | **19 010 000** | **(1 284 000)** | **17 726 000** | **14 770 176** | **(2 955 824)** | |
| **Total Liabilities** | **28 607 000** | **2 356 000** | **30 965 000** | **39 086 065** | **8 123 065** | |
| **Net Assets** | **417 495 000** | **(52 853 000)** | **364 640 000** | **358 111 696** | **(6 530 304)** | |

# Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| **Net Assets** | | | | | | |
| Accumulated surplus | 417 495 000 | (52 853 000) | **364 640 000** | 358 111 696 | **(6 528 304)** | |

# Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| **Cash Flow Statement** | | | | | | |
| **Cash flows from operating activities** | | | | | | |
| **Receipts** | | | | | | |
| Property rates | 19 634 000 | - | **19 634 000** | 23 895 404 | **4 261 404** | |
| Service charges | 435 000 | - | **435 000** | 757 006 | **322 006** | |
| Government - Operating | 107 075 000 | (12 937 000) | **94 138 000** | 124 480 000 | **30 342 000** | |
| Other income | 22 485 000 | - | **22 485 000** | 6 943 493 | **(15 541 507)** | |
| Dividends received | 19 853 000 | (91 000) | **19 762 000** | - | **(19 762 000)** | |
| Interest income | 1 562 000 | 1 040 000 | **2 602 000** | 3 018 340 | **416 340** | |
| | **171 044 000** | **(11 988 000)** | **159 056 000** | **159 094 243** | **38 243** | |
| **Payments** | | | | | | |
| Employee costs and Suppliers | (120 284 000) | (1 392 000) | **(121 676 000)** | (132 554 889) | **(10 878 889)** | |
| Finance costs | (197 000) | - | **(197 000)** | (360 309) | **(163 309)** | |
| High over payment | - | - | **-** | (8 443 230) | **(8 443 230)** | |
| | **(120 481 000)** | **(1 392 000)** | **(121 873 000)** | **(141 358 428)** | **(19 485 428)** | |
| **Net cash flows from operating activities** | **50 563 000** | **(13 380 000)** | **37 183 000** | **17 735 815** | **(19 447 185)** | |
| **Cash flows from investing activities** | | | | | | |
| Purchase of property, plant and equipment | (27 529 000) | (5 989 000) | **(33 518 000)** | (25 668 338) | **7 849 662** | |
| **Cash flows from financing activities** | | | | | | |
| Finance lease payments | - | - | **-** | (227 488) | **(227 488)** | |
| Net increase/(decrease) in cash and cash equivalents | 23 034 000 | (19 369 000) | **3 665 000** | (8 160 011) | **(11 825 011)** | |
| Cash and cash equivalents at the beginning of the year | 19 467 000 | 7 435 000 | **26 902 000** | 26 902 000 | **-** | |
| **Cash and cash equivalents at the end of the year** | **42 501 000** | **(11 934 000)** | **30 567 000** | **18 741 989** | **(11 825 011)** | |

**Reconciliation**

**Variance explanations for the Statement of Comparison of Budget and Actual Amounts. (Variance exceeding 10%)**

**Service charges:** The low performance can be attributed to the decision taken by the Richmond Council to halt the charging of refuse collection in the Siyathuthuka area pending the finalisation of consultative processes.

**Rental of facilities and equipment**: The low performance can be attributed to some of the municipal facilities being vacant for a period longer than usual .

**Interest earned - Outstanding debtors**: The Interest on outstanding debtors was higher than anticipated, this is due to an increase in the outstanding debtors balance for service charges .

**Other income:** The low performance can be attributed to the late implementation of the revenue enhancement strategy.

**Property rates - penalties imposed**: The low performance can be attributed to the implementation of the Council resolution to suspend the charging of interest and collection charges in government accounts whilst settlement offers are negotiated and finalised.

**Licences and permits**: The performance on this item is based on demand for the services and other forces outside the municipality's control. The actual revenue was slightly below the budget.

**Depreciation and asset impairment**: The variance can be attributed to over-budgeting for this item to circumvent unauthorised expenditure in non-cash items.

**Inventory consumed:** The municipality implemented cost containment measures and reprioritised some of the expenditure line items budgeted under this vote.

**Operational cost:** The municipality implemented cost containment measures and reprioritised some of the expenditure line items budgeted under this vote.

# Accounting Policies

| Figures in Rand | Note(s) | 2023 | 2022 |
| --- | --- | --- | --- |

### 1. Significant accounting polices

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

### 1.1 Basis of preparations

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

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

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

These accounting policies are consistent with the previous period.

### 1.2 Presentation currency

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

### 1.3 Going concern assumption

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

### 1.4 Materiality

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

### 1.5 Significant judgements and sources of estimation uncertainty

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

**Trade receivables / Held to maturity investments and/or loans and receivables**

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

The impairment for trade receivables is first for individually significant receivables and then calculated on a portfolio basis for the remaining balance, including those individually significant loans and receivables for which no indicators of impairment were found. For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

For trade receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the loan's or receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition (if practically determinable). Where the effective interest rate at initial recognition is not practically determinable, the government bond rate is used as the risk-free rate and adjusted for any risks specific to the loans and receivables.

# Accounting Policies

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

**Allowance for slow moving, damaged and obsolete stock**

An assessment is made of net realisable value of inventory at the end of each reporting period. A write down of inventory to thelower of cost or net realisable value is subsequently provided.

Management has made estimates of the selling price and direct cost to sell on certain inventory items.

The write down is included in surplus or deficit.

**Fair value estimation**

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

**Impairment testing**

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Value in use of cash-generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as supply and demand, together with economic factors such as exchange rates and inflation.

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

**Taxation**

The Richmond Local municipality is exempt from tax in terms of section 10(1)(a) of the Income Tax Act.

**Useful lives of waste and water network and other assets**

The municipality's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment and other assets. This estimate involves a matter of judgement based on the experience of the municipality with similar assets. The municipality considers all facts and circumstances in estimating the useful lives of assets, which includes the consideration of financial, technical and other factors. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than previously estimated useful lives.

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

**Post-retirement benefits**

The present value of the post-retirement and long-term obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement and long-term obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post-retirement and longterm obligations. In determining the appropriate discount rate, the municipality considers the market yields at the reporting date on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension or other long-term liability. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longe maturities by extrapolating current market rates along the yield curve.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 17.

**Effective interest rate**

The municipality uses the prime interest rate to discount other future cash flows.This interest rate is adjusted for risk where appropriate.

**Allowance for doubtful debts**

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

### 1.6 Biological assets that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

The fair value of the plantations is based on the combined fair value of the land and trees. The fair value of the raw land and land improvements is then deducted from the combined fair value to determine the fair value of the trees.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets that form part of an agricultural activity is included in surplus or deficit for the period in which it arises.

A biological asset that forms part of an agricultural activity is derecognised on disposal or when the asset is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of a biological asset that forms part of an agricultural activity is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

### 1.7 Investment property

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

- use in the production or supply of goods or services or for
- administrative purposes, or

# Accounting Policies

### 1.7 Investment property (continued)

- sale in the ordinary course of operations.

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

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

**Cost model**

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

| | |
|---|---|
| Property - land | indefinite |
| Property - buildings | 30 years |

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal. Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations.

The nature OR type of properties classified as held for strategic purposes.

The municipality discloses relevant information relating to assets under construction or development in the notes to the annual financial statements, which include: the cumulative expenditure recognised in the carrying value of investment property; the carrying value of investment property that is taking a significantly longer period of time to complete than expected; and the carrying value of investment property where construction or development has been halted.

### 1.8 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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

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

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

Subsequent to initial measurement; Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

| Item | Depreciation method | Average useful life |
|---|---|---|
| Land | Straight-line | Indefinte |
| Buildings - Building improvements | Straight-line | 10 - 30 years |
| Community -Community facilities & Recreatonal facilities | Straight-line | 15 - 30 years |
| Plant and Equipment | Straight-line | 5 - 15 years |
| Furniture and fixtures | Straight-line | 5 - 10 years |
| Motor vehicles | Straight-line | 7 - 15 years |
| Office equipment | Straight-line | 5 - 15 years |
| Computer equipment | Straight-line | 5 - 10 years |
| Emergency Equipment | Straight-line | 5 - 10 years |
| Other assets | Straight-line | 25 - 30 years |
| Bins and containers | Straight-line | 5 -15 years |
| Specialised vehicles | Straight-line | 10 - 20 years |

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

The depreciation method used reflects the pattern in which the asset’s future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

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

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

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

### 1.9 Site restoration and dismantling cost

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

If the related asset is measured using the cost model:

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

# Accounting Policies

### 1.10 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. The municipality has classified Computer software as an intangible asset.

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

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

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

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

Intangible assets are initially measured at cost.

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

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

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

Amortisation is provided on a straight line basis over the expected useful lives of the intangible assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis to their residual values, if any. The amortisation charge for each period is recognised in surplus or deficit.

The useful lives of intangible assets have been assessed as follows:

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

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

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

### 1.11 Heritage assets

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

## Accounting Policies

#### 1.11 Heritage assets (continued)

**Recognition**

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

When the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in the note for Heritage assets.

**Initial measurement**

Heritage assets are measured at cost.

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

**Subsequent measurement**

Subsequent to initial measurement, classes of heritage assets are carried at cost less any accumulated impairment losses .

**Impairment**

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

**Transfers**

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

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

**Derecognition**

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

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

#### 1.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one municipality and a financial liability or a residual interest of another municipality.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by a municipality on terms that are not market related.

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

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

Derecognition is the removal of a previously recognised financial asset or financial liability from a municipality’s statement of financial position.

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

**1.12 Financial instruments (continued)**

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

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

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

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

### 1.12 Financial instruments (continued)

A residual interest is any contract that manifests an interest in the assets of a municipality after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:
- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of a municipality's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of a municipality.

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

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
- the municipality designates at fair value at initial recognition; or
- are held for trading.

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

Financial instruments at fair value comprise financial assets or financial liabilities that are:
- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

### 1.12 Financial instruments (continued)

**Classification**

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

| Class | Category |
| --- | --- |
| Non-current investments | Financial asset measured at amortised cost |
| Bank, Cash and Cash Equivalents - Call Deposits | Financial asset measured at amortised cost |
| Bank, Cash and Cash Equivalents - Bank | Financial asset measured at amortised cost |
| Bank, Cash and Cash Equivalents - Cash | Financial asset measured at amortised cost |

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

| Class | Category |
| --- | --- |
| Consumer deposits | Financial liability measured at amortised cost |
| Finance lease obligation | Financial liability measured at amortised cost |
| Unspent conditional grants and receipts | Financial liability measured at amortised cost |
| Payables from exchange transactions | Financial liability measured at amortised cost |

# Accounting Policies

### 1.12 Financial instruments (continued)

**Initial recognition**

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

The municipality recognises financial assets using trade date accounting.

**Initial measurement of financial assets and financial liabilities**

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, except for financial instruments subsequently measured at fair value, which are measured at its fair value.

**Subsequent measurement of financial assets and liabilities**

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:
All financial assets measured at amortised cost, or cost, are subject to an impairment review.

**Fair value measurement considerations**

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique.

The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

**Reclassification**

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the municipality reclassifies the instrument from cost to fair value.

**Gain and losses**

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

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

**1.12 Financial instruments (continued)**
**Impairment and uncollectibility of financial assets**

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate (if practically determinable). Where the effective interest rate at initial recognition is not practically determinable, the government bond rate is used as the risk-free rate and adjusted for any risks specific to the financial assets.The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

**Derecognition**

**Financial assets**

The municipality derecognises financial assets using trade date accounting.

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the municipality adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the municipality recognises the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

### 1.12 Financial instruments (continued)

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

**Financial liabilities**

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

**Presentation**

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

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

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

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

### 1.13 Value Added Tax

Revenue, expenses and assets are recognized net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The municipality accounts for value-added tax (VAT) on the accrual basis, declarations to SARS are made on payments basis.

### 1.14 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

**Finance leases - lessor**

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality’s net investment in the finance lease.

**1.14 Leases (continued)**

**Finance leases - lessee**

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

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

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

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

**Operating leases - lessor**

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

**Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

**1.15 Inventories**

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the  formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

### 1.15 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.16 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

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

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

The municipality assesses and defines cash-generating assets as all assets held by the municipality with the primary objective to generate commercial return, and non-cash generating assets as those assets other than cash generating assets.

**Designation**

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

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

**Identification**

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

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

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

**Value in use**

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

**Basis for estimates of future cash flows**

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

**Composition of estimates of future cash flows**

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

**Discount rate**

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

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

**Recognition and measurement (individual asset)**

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

**Cash-generating units**

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

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

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

# Accounting Policies

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

**Reversal of impairment loss**

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

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

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

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

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

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

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:
- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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

**Redesignation**

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

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

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

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

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

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

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

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

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

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

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

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

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

The municipality assesses and defines cash-generating assets as all assets held by the municipality with the primary objective
to generate commercial return, and non-cash generating assets as those assets other than cash generating assets.

**Designation**

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of non-cash-generating assets.

**Identification**

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

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

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

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

**Value in use**

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

**Depreciated replacement cost approach**

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

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

**Recognition and measurement**

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

# Accounting Policies

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

**Reversal of an impairment loss**

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

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

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

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

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

**Redesignation**

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

### 1.18 Employee benefits

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

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

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

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

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

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

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

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

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

# Accounting Policies

### 1.18 Employee benefits (continued)

**Short-term employee benefits**

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

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

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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

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

**Post-employment benefits**

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

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

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

### 1.18 Employee benefits (continued)

**Post-employment benefits: Defined benefit plans**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 1.18 Employee benefits (continued)

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

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

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

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an municipality shall attribute benefit on a straight-line basis from:
- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

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

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:
- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

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

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

### 1.18 Employee benefits (continued)

**Actuarial assumptions**

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

**Other post retirement obligations**

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

### 1.19 Provisions and contingencies

A provision is a liability of uncertain timing or amount

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

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

**1.19 Provisions and contingencies (continued)**

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

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

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

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

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

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

Provisions are not recognised for future operating surplus.

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

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

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:
- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

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

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 42.

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

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

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

### 1.19 Provisions and contingencies (continued)

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:
- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:
- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

**Decommissioning, restoration and similar liability**

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

If the related asset is measured using the cost model:
- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.16 and 1.17.

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

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

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

### 1.20 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

### 1.21 Revenue from exchange transactions

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

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

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

**Measurement**

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

**Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 1.21 Revenue from exchange transactions (continued)

**Rendering of services**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

**Interest income**

Revenue arising from the use by others of municipal assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables.  Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

# Accounting Policies

### 1.22 Revenue from non-exchange transactions

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Recognition

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

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

#### Measurement

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

## Accounting Policies

**1.22 Revenue from non-exchange transactions (continued)**

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

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

**Transfers**

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

**Fines**

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

**Gifts and donations, including goods in-kind**

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

**1.23 Investment income**

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

**1.24 Comparative figures**

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

**1.25 Segment information**

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

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

## Accounting Policies

**1.26 Unauthorised expenditure**

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

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the unauthorised expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on the unauthorised expenditure, refer to note 48- unauthorised expenditure

**1.27 Fruitless and wasteful expenditure**

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on unauthorised expenditure, refer to note 49 - Fruitless and wasteful expenditure.

**1.28 Irregular expenditure**

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

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

**1.29 Related parties**

A related party is a person or a municipality with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or a municipality that is subject to common control, or joint control.

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

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

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

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

### 1.29 Related parties (continued)

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

### 1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.31 Budget information

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

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/07/01 to 2022/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|
| • GRAP 25 (as revised): Employee Benefits | 01 April 2023 | Unlikely there will be a material impact |
| • iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction | 01 April 2023 | Unlikely there will be a material impact |
| • iGRAP 21: The Effect of Past Decisions on Materiality | 01 April 2023 | Unlikely there will be a material impact |
| • GRAP 2020: Improvements to the standards of GRAP 2020 | 01 April 2023 | Unlikely there will be a material impact |
| • GRAP 1 (amended): Presentation of Financial Statements | 01 April 2023 | Unlikely there will be a material impact |

#### 2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality’s accounting periods beginning on or after 01 July 2023 or later periods:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|
| • GRAP 103 (as revised): Heritage Assets | 01 April 2099 | Unlikely there will be a material impact |
| • GRAP 104 (as revised): Financial Instruments | 1 April 2025 | Unlikely there will be a material impact |

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

| | 2023 | 2022 |
|---|---|---|
| Bank balances | 489 654 | 9 701 156 |
| Short-term deposits | 18 252 335 | 17 200 844 |
| | **18 741 989** | **26 902 000** |

### 3. Cash and cash equivalents (continued)

**The municipality had the following bank accounts**

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|---|---|---|---|---|---|
| | 30 June 2023 | 30 June 2022 | 30 June 2021 | 30 June 2023 | 30 June 2022 | 30 June 2021 |
| Call Account:- First National Bank - Account number 61356002695 | 101 252 | 34 791 | 2 203 382 | 101 252 | 34 791 | 2 203 382 |
| Housing Operating Account:- First National Bank - Account number 62134473280 | 829 041 | 755 109 | 708 043 | 829 041 | 755 109 | 708 043 |
| First National Bank - Account number 62810019217 | 2 399 511 | 2 258 688 | 2 188 008 | 2 399 511 | 2 258 688 | 2 188 008 |
| First National Bank - Account number 535 65322104 | 489 355 | 9 701 159 | 15 081 980 | 489 654 | 9 701 159 | 15 081 980 |
| Patheni Housing Account:- First National Bank -Account number 62117170407 | 174 130 | 169 155 | 168 454 | 174 130 | 169 155 | 168 454 |
| Siyathuthuka Phase II Account:- First National Bank -Account number 62176174383 | 327 956 | 318 921 | 317 960 | 327 956 | 318 921 | 317 960 |
| Zwelethu Housing Account:- First National Bank - Account 62155682844 | 387 183 | 376 197 | 374 806 | 387 183 | 376 197 | 374 806 |
| First National Bank -Account number 62833571385 | - | 4 543 | 4 401 | - | 4 543 | 4 401 |
| First National Bank - Library Account number 62833569900 | 965 | 152 325 | 2 897 | 965 | 152 325 | 2 897 |
| First National Bank - Account number -63003024063 | 418 266 | 6 464 389 | - | 418 266 | 6 464 389 | - |
| First National Bank - Richmond Branch -Account number -63003663506 | 50 527 | 6 666 426 | - | 50 527 | 6 666 426 | - |
| First National Bank - High-over - Account number -63024683319 | 2 768 733 | - | - | 2 768 733 | - | - |
| Nedbank account - 03/7165013946 | 10 794 773 | - | - | 10 794 773 | - | - |
| **Total** | **18 741 692** | **26 901 703** | **21 049 931** | **18 741 991** | **26 901 703** | **21 049 931** |

### 4. Receivables from exchange transactions

| | 2023 | 2022 |
|---|---|---|
| Consumer debtors - Refuse | 3 318 308 | 3 373 573 |
| Other receivables | 1 604 986 | 1 716 986 |
| Provision for impairment | (4 558 667) | (4 327 083) |
| | **364 627** | **763 476** |

| | 2023 | 2022 |
|---|---|---|
| **Gross balances:** | | |
| Refuse | 3 318 308 | 3 373 573 |
| Other receivables | 1 604 987 | 1 716 987 |
| | **4 923 295** | **5 090 560** |

| Figures in Rand | 2023 | 2022 |
| --- | --- | --- |

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

| | | |
| --- | --- | --- |
| **Less: Provision for impairment** | | |
| Refuse | (3 072 549) | (3 058 183) |
| Other receivables | (1 486 118) | (1 268 901) |
| | **(4 558 667)** | **(4 327 084)** |
| **Net Balance** | - | - |
| Refuse | 245 759 | 315 390 |
| Other receivables | 118 868 | 448 086 |
| **Total receivables from exchange transactions** | **364 627** | **763 476** |

**Receivables from exchange transactions**

Other Receivables include outstanding debtors for various other services, e.g. deposits, interest, rentals and sundry services like dumping fees, impounding fees, etc.

Receivables from exchange transactions are billed monthly, latest end of month. No interest is charged on receivables until the end of the following month, thereafter interest is charged at a rate determined by council on the outstanding balance.

The municipality strictly enforces its approved credit control policy to ensure the recovery of receivables. The municipality did not pledge any of its receivables as security for borrowing purposes.

**Ageing of receveiables from exchange transactions**

| **As at 30 June 2023** | **Current** | | **Past Due** | | |
| --- | --- | --- | --- | --- | --- |
| **Refuse** | 0 - 30 days | 31-60 days | 61 - 90 Days | + 90 Days | Total |
| Gross Balances | 210 554 | 93 232 | 86 227 | 2 928 296 | 3 318 309 |
| Subtotal | 210 554 | 93 232 | 86 227 | 2 928 296 | 3 318 309 |
| Less: Allowance for impairment | (194 960) | (86 327) | (79 841) | (2 711 421) | (3 072 549) |
| | **15 594** | **6 905** | **6 386** | **216 875** | **245 760** |
| **Other Receivables** | 0 - 30 days | 31-60 days | 61 - 90 Days | + 90 Days | Total |
| Gross Balances | 127 990 | 53 714 | 48 038 | 1 375 244 | 1 604 986 |
| Subtotal | 127 990 | 53 714 | 48 038 | 1 375 244 | 1 604 986 |
| Less: Allowance for impairment | (118 511) | (49 736) | (44 481) | (1 273 392) | (1 486 120) |
| | **9 479** | **3 978** | **3 557** | **101 852** | **118 866** |

| Figures in Rand | 2023 | 2022 |
|---|---|---|

## 4. Receivables from exchange transactions (continued)

**As at 30 June 2022**

| | Current | Past Due | | | |
|---|---|---|---|---|---|
| **Refuse** | 0 - 30 days | 31-60 days | 61 - 90 Days | + 90 Days | Total |
| Gross Balances | 244 559 | 104 701 | 102 358 | 2 921 954 | 3 373 572 |
| Subtotal | 244 559 | 104 701 | 102 358 | 2 921 954 | 3 373 572 |
| Less: Allowance for impairment | (70 682) | (70 332) | (69 966) | (2 847 201) | (3 058 181) |
| | **173 877** | **34 369** | **32 392** | **74 753** | **315 391** |

| **Other Receivables** | 0 - 30 days | 31-60 days | 61 - 90 Days | + 90 Days | Total |
|---|---|---|---|---|---|
| Gross Balances | 218 572 | 67 844 | 43 719 | 1 386 852 | 1 716 987 |
| Subtotal | 218 572 | 67 844 | 43 719 | 1 386 852 | 1 716 987 |
| Less: Allowance for impairment | (4 043) | (3 614) | (3 221) | (1 258 023) | (1 268 901) |
| | **214 529** | **64 230** | **40 498** | **128 829** | **448 086** |

As at 30 June 2023

| **Refuse** | Residential | Industrial | Government | Other | Total |
|---|---|---|---|---|---|
| 0 - 30 Days | 14 600 | 5 388 | 174 429 | 16 137 | 210 554 |
| 31-60 Days | 40 786 | 21 203 | 3 918 | 27 324 | 93 231 |
| 61-90 Days | 39 741 | 18 717 | 3 251 | 24 518 | 86 227 |
| + 90 Days | 1 172 423 | 250 969 | 680 564 | 824 341 | 2 928 297 |
| Subtotal | 1 267 550 | 296 277 | 862 162 | 892 320 | 3 318 309 |
| | **1 267 550** | **296 277** | **862 162** | **892 320** | **3 318 309** |

**Credit quality of trade and other receivables**

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates: The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit (note ). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

**Receivables from exchange transactions past due but not impaired**

Analysis of the age of financial assets that are past due as at the end of the reporting period but not impaired:

| | 2023 | 2022 |
|---|---|---|
| Current (0 -30 days) | 84 505 | 82 345 |
| 31 - 60 days | 22 533 | 23 667 |
| 61 - 90 days | 5 692 | 5 432 |
| Over 90 days | 1 139 | 1 567 |

**Receivables from exchange transactions impaired**

Analysis of financial assets that are determined to be impaired as at the end of the reporting period:

| | 2023 | 2022 |
|---|---|---|
| Current (0 -30 days) | 254 039 | 256 880 |
| 31 - 60 days | 124 413 | 100 970 |
| 61 - 90 days | 128 573 | 132 650 |
| Over 90 days | 4 302 400 | 4 390 754 |

Financial assets are assessed individually for impairment with reference to their payment behaviour and financial assets with outstanding balances exceeding 90 days are regarded as impaired. Collective assessment: Average collection rate and collection period is determined for Receivables not impaired under individual assessment. In addition, the collection rate per debtor is considered and debtors with a balance over 90 days but with a collection rate of 95% and above are assessed as not impaired.

| Figures in Rand | 2023 | 2022 |
|---|---|---|

## 4. Receivables from exchange transactions (continued)

### Reconciliation of provision for impairment of receivables from exchange transactions

| | | |
|---|---|---|
| Opening balance | 4 327 084 | 3 530 084 |
| Provision for impairment | 231 584 | 728 283 |
| Other | - | 68 717 |
| | **4 558 668** | **4 327 084** |

## 5. Receivables from non-exchange transactions

| | | |
|---|---|---|
| Accrued income | 244 653 | 221 401 |
| Consumer debtors - Rates | 41 663 311 | 46 935 131 |
| Fines | 2 082 826 | 1 360 550 |
| Sundry debtors | 2 244 219 | 3 059 739 |
| Provision for impairment | (40 353 386) | (40 417 071) |
| | **5 881 623** | **11 159 750** |

| | | |
|---|---|---|
| **Gross balances:** | | |
| Accrued income | 244 653 | 221 401 |
| Consumer debtors - Rates | 41 663 310 | 46 871 163 |
| Fines | 2 082 826 | 1 360 550 |
| Sundry debtors | 2 202 703 | 3 059 736 |
| | **46 193 492** | **51 512 850** |

| | | |
|---|---|---|
| **Less: Provision for impairment** | | |
| Accrued income | (137 511) | (137 511) |
| Consumer debtors - Rates | (38 577 658) | (38 658 891) |
| Fines | (974 767) | (893 250) |
| Sundry debtors | (621 933) | (663 450) |
| | **(40 311 869)** | **(40 353 102)** |

| | | |
|---|---|---|
| **Net Balance** | | |
| Acrrued income | 107 142 | 83 891 |
| Consumer debtors - rates | 3 085 652 | 8 212 271 |
| Fines | 1 108 059 | 467 300 |
| Sundry debtors | 1 580 770 | 2 396 289 |
| | **5 881 623** | **11 159 751** |

### Receivables from non-exchange transactions pledged as security

No receivables from non-exchange transactions were pledged as security for overdraft facilities.

| **As at 30 June 2023** | **Current** | **Past Due** | | | |
|---|---|---|---|---|---|
| **Assessment Rates** | 0 -30 Days | 31- 60 Days | 61 - 90 Days | + 90 Days | Total |
| Gross Balance | 6 790 421 | 953 225 | 830 161 | 33 089 503 | 41 663 310 |
| Subtotal | 6 790 421 | 953 225 | 830 161 | 33 089 503 | 41 663 310 |
| Less: Provision for impairment | (6 287 512) | (882 628) | (768 678) | (30 638 840) | (38 577 658) |
| | **502 909** | **70 597** | **61 483** | **2 450 663** | **3 085 652** |

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

| **Accrued Income** | 0 -30 Days | 31- 60 Days | 61 - 90 Days | + 90 Days | Total |
| --- | --- | --- | --- | --- | --- |
| Gross Balance | 23 251 | - | - | 221 402 | 244 653 |
| Subtotal | 23 251 | - | - | 221 402 | 244 653 |
| Less: Provision for impairment | - | - | - | (137 511) | (137 511) |
| | **23 251** | **-** | **-** | **83 891** | **107 142** |

| **Trafic Fines** | 0 -30 Days | 31- 60 Days | 61 - 90 Days | + 90 Days | Total |
| --- | --- | --- | --- | --- | --- |
| Gross Balance | 20 000 | 33 600 | 114 300 | 1 914 926 | 2 082 826 |
| Subtotal | 20 000 | 33 600 | 114 300 | 1 914 926 | 2 082 826 |
| Less: Provision for impairment | - | - | - | (974 767) | (974 767) |
| | **20 000** | **33 600** | **114 300** | **940 159** | **1 108 059** |

| **Sundry Debtors** | 0 -30 Days | 31- 60 Days | 61 - 90 Days | + 90 Days | Total |
| --- | --- | --- | --- | --- | --- |
| Gross Balance | 169 534 | - | - | 2 033 169 | 2 202 703 |
| Subtotal | 169 534 | - | - | 2 033 169 | 2 202 703 |
| Less: Provision for impairment | - | - | - | (621 933) | (621 933) |
| | **169 534** | **-** | **-** | **1 411 236** | **1 580 770** |

| **As at 30 June 2022** | **Current** | | **Past Due** | | |
| --- | --- | --- | --- | --- | --- |
| **Assessment Rates** | 0 -30 Days | 31- 60 Days | 61 - 90 Days | + 90 Days | Total |
| Gross Balance | 2 225 024 | 878 065 | 865 514 | 42 902 560 | 46 871 163 |
| Subtotal | 2 225 024 | 878 065 | 865 514 | 42 902 560 | 46 871 163 |
| Less: Provision for impairment | (885 913) | (482 184) | (479 882) | (36 810 912) | (38 658 891) |
| | **1 339 111** | **395 881** | **385 632** | **6 091 648** | **8 212 272** |

| **Accrued Income** | 0 -30 Days | 31- 60 Days | 61 - 90 Days | + 90 Days | Total |
| --- | --- | --- | --- | --- | --- |
| Gross Balance | - | - | - | 221 402 | 221 402 |
| Subtotal | - | - | - | 221 402 | 221 402 |
| Less: Provision for impairment | - | - | - | (137 511) | (137 511) |
| | **-** | **-** | **-** | **83 891** | **83 891** |

| **Trafic Fines** | 0 -30 Days | 31- 60 Days | 61 - 90 Days | + 90 Days | Total |
| --- | --- | --- | --- | --- | --- |
| Gross Balance | 6 300 | 89 000 | 41 400 | 1 223 850 | 1 360 550 |
| Subtotal | 6 300 | 89 000 | 41 400 | 1 223 850 | 1 360 550 |
| Less: Provision for impairment | - | - | - | (893 250) | (893 250) |
| | **6 300** | **89 000** | **41 400** | **330 600** | **467 300** |

| **Sundry Debtors** | 0 -30 Days | 31- 60 Days | 61 - 90 Days | + 90 Days | Total |
| --- | --- | --- | --- | --- | --- |
| Gross Balance | - | - | - | 3 059 738 | 3 059 738 |
| Subtotal | - | - | - | 3 059 738 | 3 059 738 |
| Less: Provision for impairment | - | - | - | (663 449) | (663 449) |
| | **-** | **-** | **-** | **2 396 289** | **2 396 289** |

## Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
|---|---|---|

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

**Summary of assessment rates debtors customer classification**:

| **As at 30 June 2023** | Residential | Commercial | Government | Other | Total |
|---|---|---|---|---|---|
| 0 - 30 Days | 470 857 | 173 762 | 5 625 372 | 520 431 | 6 790 422 |
| 31- 60 Days | 417 009 | 216 790 | 40 054 | 279 372 | 953 225 |
| 61- 90 Days | 382 612 | 180 202 | 31 298 | 236 050 | 830 162 |
| + 90 Days | 12 448 919 | 2 690 215 | 8 998 760 | 8 951 608 | 33 089 502 |
| Gross Balance | 13 719 397 | 3 260 969 | 14 695 484 | 9 987 461 | 41 663 311 |
| | **13 719 397** | **3 260 969** | **14 695 484** | **9 987 461** | **41 663 311** |

| **As at 30 June 2022** | Residential | Commercial | Government | Other | Total |
|---|---|---|---|---|---|
| 0 - 30 Days | 745 625 | 192 085 | 748 169 | 538 137 | 2 224 016 |
| 31- 60 Days | 370 028 | 84 176 | 182 994 | 240 861 | 878 059 |
| 61- 90 Days | 350 987 | 81 354 | 190 874 | 242 295 | 865 510 |
| + 90 Days | 12 055 822 | 2 039 788 | 18 203 248 | 10 604 712 | 42 903 570 |
| Gross Balance | 13 522 462 | 2 397 403 | 19 325 285 | 11 626 005 | 46 871 155 |
| | **13 522 462** | **2 397 403** | **19 325 285** | **11 626 005** | **46 871 155** |

**Reconciliation of provision for impairment of receivables from non-exchange transactions**

| | 2023 | 2022 |
|---|---|---|
| Opening balance | (40 353 102) | (36 554 202) |
| Provision for impairment | - | (3 798 900) |
| Impairment reversal | 81 234 | - |
| | **(40 271 868)** | **(40 353 102)** |

The creation and release of provision for impaired receivables have been included in surplus or deficit. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and by calculating the historical payment ratios for the groupings and by assuming that the future payment ratios would be similar to the historical payment ratios.

In determining the recoverability of a Rates Assessment Debtor and Receivables from Non-exchange Transactions, the municipality considers any change in the credit quality of the Rates Assessment Debtor from the date credit was initially granted up to the reporting date.

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment. No Provision for Impairment has been made in respect of government debt as these amounts are considered to be fully recoverable

### 6. VAT receivable

| | 2023 | 2022 |
|---|---|---|
| VAT | 4 270 751 | 2 104 979 |

### 7. Heritage assets

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated impairment losses | Carrying value | Cost / Valuation | Accumulated impairment losses | Carrying value |
| Heritage assets | 212 767 | - | 212 767 | 212 767 | - | 212 767 |

**Reconciliation of heritage assets - 2023**

| | Opening balance | Total |
|---|---|---|
| Heritage assets | 212 767 | 212 767 |

**Reconciliation of heritage assets - 2022**

| | Opening balance | Total |
|---|---|---|
| Heritage assets | 212 767 | 212 767 |

### 8. Investment property

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Investment property | 1 185 899 | - | 1 185 899 | 1 185 899 | - | 1 185 899 |

| Figures in Rand | 2023 | 2022 |
| --- | --- | --- |

### 8. Investment property (continued)

**Reconciliation of investment property - 2023**

| | Opening balance | Total |
| --- | --- | --- |
| Investment property | 1 185 899 | 1 185 899 |

**Reconciliation of investment property - 2022**

| | Opening balance | Total |
| --- | --- | --- |
| Investment property | 1 185 899 | 1 185 899 |

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

### 9. Intangible assets

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software, other | 2 191 856 | (1 838 711) | 353 145 | 2 191 856 | (1 726 127) | 465 729 |

**Reconciliation of intangible assets - 2023**

| | Opening balance | Amortisation | Total |
|---|---|---|---|
| Computer software, other | 465 729 | (112 584) | 353 145 |

**Reconciliation of intangible assets - 2022**

| | Opening balance | Additions | Amortisation | Total |
|---|---|---|---|---|
| Computer software, other | 484 596 | 172 164 | (191 031) | 465 729 |

# Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 67 380 835 | - | 67 380 835 | 67 380 835 | - | 67 380 835 |
| Landfill asset - Solid waste | 4 723 114 | (4 723 114) | - | 5 623 992 | (4 721 216) | 902 776 |
| Leased assets | 742 617 | (247 539) | 495 078 | - | - | - |
| Plant and machinery | 6 767 473 | (4 337 066) | 2 430 407 | 6 379 787 | (3 888 216) | 2 491 571 |
| Furniture and fixtures | 2 624 044 | (1 748 103) | 875 941 | 2 378 255 | (1 612 715) | 765 540 |
| Motor vehicles | 11 870 492 | (7 305 364) | 4 565 128 | 11 121 251 | (6 327 149) | 4 794 102 |
| Office equipment | 6 404 074 | (3 679 827) | 2 724 247 | 6 183 725 | (3 781 786) | 2 401 939 |
| Infrastructure | 354 446 725 | (155 134 865) | 199 311 860 | 333 111 658 | (144 682 213) | 188 429 445 |
| Community | 83 029 184 | (33 379 127) | 49 650 057 | 78 292 691 | (30 869 426) | 47 423 265 |
| Buildings | 39 312 991 | (17 702 682) | 21 610 309 | 38 543 970 | (16 748 396) | 21 795 574 |
| Work in progress | 18 684 383 | (1 541 551) | 17 142 832 | 22 439 409 | (1 541 551) | 20 897 858 |
| **Total** | **595 985 932** | **(229 799 238)** | **366 186 694** | **571 455 573** | **(214 172 668)** | **357 282 905** |

# Notes to the Annual Financial Statements

Figures in Rand

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

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

| | Opening balance | Additions | Disposals | Transfers received | Transfers | Landfill site asset movement | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|---|---|
| Land | 67 380 835 | - | - | - | - | - | - | - | 67 380 835 |
| Leased Office Equipment | - | 742 617 | - | - | - | - | (247 539) | - | 495 078 |
| Plant and machinery | 2 491 571 | 448 012 | (2 370) | - | - | - | (503 780) | (3 026) | 2 430 407 |
| Furniture and fixtures | 765 540 | 255 147 | (302) | - | - | - | (143 257) | (1 187) | 875 941 |
| Motor vehicles | 4 794 102 | 749 242 | - | - | - | - | (917 527) | (60 689) | 4 565 128 |
| Office equipment | 2 401 939 | 1 130 383 | (193 121) | - | - | - | (606 552) | (8 402) | 2 724 247 |
| Infrastructure | 188 429 445 | - | - | 21 335 067 | - | - | (10 135 261) | (317 391) | 199 311 860 |
| Community | 47 423 265 | - | - | 4 736 494 | - | - | (2 494 232) | (15 470) | 49 650 057 |
| Buildings | 21 795 574 | - | - | 769 020 | - | - | (852 847) | (101 438) | 21 610 309 |
| Work in progress | 20 897 858 | 23 085 554 | - | - | (26 840 580) | - | - | - | 17 142 832 |
| Landfill asset - Solid waste | 902 776 | - | - | - | - | (900 878) | (1 898) | - | - |
| | **357 282 905** | **26 410 955** | **(195 793)** | **26 840 581** | **(26 840 580)** | **(900 878)** | **(15 902 893)** | **(507 603)** | **366 186 694** |

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

**Reconciliation of property, plant and equipment - 2022**

| | Opening balance | Additions | Disposals | Transfers received | Transfers | Landfill site asset movement | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|---|---|
| Land | 67 380 835 | - | - | - | - | - | - | - | 67 380 835 |
| Leased assets | 189 716 | - | - | - | - | - | (189 716) | - | - |
| Plant and machinery | 2 571 212 | 761 333 | - | - | - | - | (798 228) | (42 746) | 2 491 571 |
| Furniture and fixtures | 755 671 | 215 211 | - | - | - | - | (199 638) | (5 704) | 765 540 |
| Motor vehicles | 7 160 247 | - | (812 064) | - | - | - | (1 549 731) | (4 350) | 4 794 102 |
| Office equipment | 2 440 197 | 778 381 | (26 771) | - | - | - | (789 986) | 118 | 2 401 939 |
| Infrastructure | 186 265 787 | - | - | 14 100 479 | - | - | (11 247 473) | (689 348) | 188 429 445 |
| Community | 51 117 300 | - | - | - | - | - | (3 699 773) | 5 738 | 47 423 265 |
| Buildings | 22 825 295 | - | - | - | - | - | (1 029 721) | - | 21 795 574 |
| Work in progress | 15 567 026 | 19 431 311 | - | - | (14 100 479) | - | - | - | 20 897 858 |
| Landfill asset - Solid waste | 398 789 | - | - | - | - | 532 176 | (28 189) | - | 902 776 |
| | **356 672 075** | **21 186 236** | **(838 835)** | **14 100 479** | **(14 100 479)** | **532 176** | **(19 532 455)** | **(736 292)** | **357 282 905** |

**Halted projects**

| | | |
|---|---|---|
| Kwabulawayo Sportfield<br>The project is taking longer than expected due to lack of funding. As at 30 June 2023, no additional work has been performed. An amount of R 1 541 551 was recognised as impairment in the 2021 financial year resulting to a carrying amount of R 6 166 205. The project has been assessed for impairment in the current financial year and there was no indication of further impairment | 6 166 205 | 6 166 205 |
| Completion of the Richmond Testing Ground<br>The project is taking longer than expected due to lack of funding. As at 30 June 2023, no additional work has been performed. The project was assessed for impairment in the current financial year and there was no indication of impairment or impairment recognized. | 2 419 025 | 2 419 025 |

# Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
|---|---|---|

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

**Reconciliation of Work-in-Progress - 2023**

| | Included within Infrastructure | Included within Buildings | Included within Community | Total |
|---|---|---|---|---|
| Opening balance | 7 597 774 | 2 205 114 | 11 095 012 | 20 897 900 |
| Additions/capital expenditure | 21 762 780 | 769 021 | 553 752 | 23 085 553 |
| Transferred to completed items | (21 335 066) | (769 021) | (4 736 492) | (26 840 579) |
| | **8 025 488** | **2 205 114** | **6 912 272** | **17 142 874** |

**Reconciliation of Work-in-Progress - 2022**

| | Included within Infrastructure | Included within Buildings | Included within Community | Total |
|---|---|---|---|---|
| Opening balance | 4 469 903 | 2 205 114 | 9 129 022 | 15 804 039 |
| Additions/capital expenditure | 17 228 350 | - | 2 203 003 | 19 431 353 |
| Transferred to completed items | (14 100 479) | - | - | (14 100 479) |
| | **7 597 774** | **2 205 114** | **11 332 025** | **21 134 913** |

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

| **Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance** | | |
|---|---|---|
| Building and facilities | 3 638 175 | 3 106 348 |
| Equipment | 3 171 529 | 2 514 697 |
| Infrastructure | 2 684 084 | 2 212 472 |
| | **9 493 788** | **7 833 517** |

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

### 11. Non-current investment

| **At amortised cost** | | |
|---|---|---|
| Investment | 266 | 266 |

### 12. Payables from exchange transactions

| | | |
|---|---|---|
| Trade payables | 421 412 | 3 923 469 |
| Retentions | 4 548 228 | 5 144 630 |
| Accrued leave pay | 5 466 352 | 4 716 151 |
| Accrued bonus | 1 768 859 | 1 685 895 |
| Deposits received | 11 000 | 10 600 |
| | **12 215 851** | **15 480 745** |

### 13. Payables from non-exchange transactions

| | | |
|---|---|---|
| Payments received in advance | 2 329 410 | 1 513 723 |
| Unallocated receipts | 185 093 | 174 086 |
| | **2 514 503** | **1 687 809** |

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 14. Unspent conditional grants and receipts

**Unspent conditional grants and receipts comprises of:**

| | | |
|---|---|---|
| **Unspent conditional grants and receipts** | | |
| Human Settlement Grant | 4 117 820 | 3 878 070 |
| CoGTA Grant - Small Town | 408 764 | - |
| Library Grant | - | 509 424 |
| UDM Grant | - | 47 820 |
| Scheme Support Programme Grant | - | 11 000 |
| Integrated National Electrification Programme Grant | - | 6 633 081 |
| High-over Game Reserve | 2 752 851 | - |
| | **7 279 435** | **11 079 395** |

### 15. Operating lease liability (accrual)

| | | |
|---|---|---|
| Current liabilities | 627 802 | 583 542 |

### 16. Finance lease obligation

| | | |
|---|---|---|
| **Minimum lease payments due** | | |
| - within one year | 280 280 | - |
| - in second to fifth year inclusive | 280 280 | - |
| | 560 560 | - |
| less: future finance charges | (45 431) | - |
| **Present value of minimum lease payments** | **515 129** | **-** |
| | | |
| **Present value of minimum lease payments due** | | |
| - within one year | 246 983 | - |
| - in second to fifth year inclusive | 268 147 | - |
| | **515 130** | **-** |
| | | |
| Non-current liabilities | 268 146 | - |
| Current liabilities | 246 983 | - |
| | **515 129** | **-** |

The municipality leased multiple photocopying machine in July 2022 for a period of 3 years which will expire in June 2025. Lease instalments are payable monthly at the beginning of the month. Interest rate was charged at 8,25% per annum. No restrictions are imposed by lease arrangements. The lease agreements do not provide for contingent lease payments. It is municipality policy to lease certain photocopying machine under finance leases.

| Figures in Rand | 2023 | 2022 |
|---|---|---|

**17. Employee benefit obligations**

**Defined benefit plan**

**The amounts recognised in the statement of financial position are as follows:**

| | | |
|---|---|---|
| **Carrying value** | | |
| Post-Retirement Medical obligation | (6 582 000) | (6 990 881) |
| Long Service Awards | (2 875 000) | (2 834 354) |
| | **(9 457 000)** | **(9 825 235)** |

| | | |
|---|---|---|
| Non-current assets | - | - |
| Non-current liabilities | (8 843 000) | (9 395 496) |
| Current liabilities | (614 000) | (429 739) |
| | **(9 457 000)** | **(9 825 235)** |

**Post-retirement health care benefits liability**.

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2023 by ARCH Actuarial Consulting a fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

| | | |
|---|---|---|
| Opening balance | 6 990 881 | 6 269 000 |
| Net expense recognised in the statement of financial performance | (408 881) | 721 881 |
| | **6 582 000** | **6 990 881** |

**Net expense recognised in the statement of financial performance**

| | | |
|---|---|---|
| Current service cost | 402 566 | 338 000 |
| Subsidy (benefit) payments | (235 026) | (219 000) |
| Interest cost | 905 279 | 625 000 |
| Actuarial (gains) losses | (1 481 700) | (22 119) |
| | **(408 881)** | **721 881** |

**Calculation of actuarial gains and losses**

| | | |
|---|---|---|
| Actuarial (gains) losses – Obligation | (1 481 700) | (22 119) |

**Key assumptions used**

The following summarizes the key financial assumptions used for the liabilities at the Valuation Date and the expense figures for the ensuing year:

| | | |
|---|---|---|
| Discount rates used | 12,56 % | 13,16 % |
| Health care cost inflation rate | 8,16 % | 9,68 % |
| Net effective discount rate | 4,07 % | 3,17 % |
| Maximum subsidy inflation rate | 5,75 % | 6,89 % |

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 17. Employee benefit obligations (continued)

| | | |
|---|---|---|
| Net-of-maximum-subsidy-inflation discount rate | 6,44 % | 5,87 % |

| | |
|---|---|
| Average retirement age | 62 |
| Mortality during employment | SA 85-90 |
| Mortality post-employment: | PA(90) -1 with a 1% mortality improvement p.a. from 2010 |
| Proportion with a spouse dependant at retirement | 68% |
| Continuation of membership at retirement | 75% |
| Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement | 15% |

**History of Liabilities, Assets and Experience Adjustments**

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects.

The accrued liabilities and the plan assets for the current period and the previous four periods are as follows:

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Defined benefit obligation | (6 582 000) | (6 990 881) | (6 269 000) | (5 695 000) | (8 894 000) |
| Surplus (deficit) | (6 582 000) | (6 990 881) | (6 269 000) | (5 695 000) | (8 894 000) |

**Other long-term employee benefits**

**Long Services Award**

Employee benefit obligation relates to long service award extended to municipal staff who served on the payroll of the municipality for each five-year interval completed as an employee. The most recent actuarial valuations of present value of the defined benefit obligation was carried out as at 30 June 2023 by ARCH Actuarial Consulting a fellow of the Actuarial Society of South Africa an expert who is a member of the Actuarial society of South Africa. The present value of the defined benefit obligation and the related current cost and past service costs were measured using the projected Unit Credit Method. The approach taken in this valuation has been made with reference to the guidelines issued by the Actuarial Society of South Africa (ASSA), in particular, the Advisory Practice Note 301 as issued by ASSA, and is consistent with the requirements of GRAP25. The municipality is under no obligation to cover any unfunded benefits.

| **Changes in the present value of the defined benefit obligation are as follows** | | |
|---|---|---|
| Opening balance | 2 834 354 | 2 326 000 |
| Net expense recognised in the statement of finacial performance | 40 646 | 508 354 |
| | **2 875 000** | **2 834 354** |

| **Net expense recognised in the statement of financial performance** | | |
|---|---|---|
| Current service cost | 289 992 | 277 000 |
| Subsidy (benefit) payments | (206 016) | (169 000) |
| Interest cost | 302 633 | 218 000 |
| Actuarial (gains) losses | (345 963) | 182 354 |
| | **40 646** | **508 354** |

| **Calculation of actuarial gains and losses** | | |
|---|---|---|
| Actuarial (gains) losses – Obligation | (345 963) | 182 354 |

| Figures in Rand | 2023 | 2022 |
| --- | --- | --- |

## 17. Employee benefit obligations (continued)

| **Liability history** | 2023 | 2022 | 2021 | 2020 | 2019 |
| --- | --- | --- | --- | --- | --- |
| Accrued liability | (2 875 000) | (2 834 354) | (2 326 000) | (2 268 000) | (2 321 000) |

| **Assumption** | 30 June 2023 | 30 June 2022 |
| --- | --- | --- |
| Discount rate | 11,53 % | 11,08 % |
| CPI | 5,75 % | 6,79 % |
| Salary increase rate | 6,75 % | 7,79 % |
| Net Discount Rate | 4,48 % | 3,05 % |
| | **- %** | **- %** |

**Key Demographic Assumptions**

| **Assumption** | **Value** |
| --- | --- |
| Average retirement age | 62 |
| Mortality during employment | SA:85-90 |

## 18. Provisions

**Reconciliation of provisions - 2023**

| | Opening Balance | Interest cost | Change in provision of obligation | Total |
| --- | --- | --- | --- | --- |
| Environmental rehabilitation | 8 638 124 | 307 517 | (2 469 296) | 6 476 345 |

**Reconciliation of provisions - 2022**

| | Opening Balance | Interest cost | Change in provision of obligation | Total |
| --- | --- | --- | --- | --- |
| Environmental rehabilitation | 7 817 483 | 288 465 | 532 176 | 8 638 124 |

| | | |
| --- | --- | --- |
| Non-current liabilities | 5 659 030 | 8 330 607 |
| Current liabilities | 817 315 | 307 517 |
| | **6 476 345** | **8 638 124** |

**Environmental rehabilitation provision**

In terms of the licencing of the landfill refuse site, the municipality will incur rehabilitation costs of R 8 638 124 as at 30 June 2023 to restore the sites at the end of its useful life. Provision has been made for the net present value of the future cost, using the average cost of borrowing interest rate.

## 19. Service charges

| | | |
| --- | --- | --- |
| Refuse removal | 966 377 | 922 562 |

## 20. Rental of facilities and equipment

| | | |
| --- | --- | --- |
| **Facilities and equipment** | | |
| Rental of facilities | 1 097 787 | 1 088 810 |

# Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 21. Interest earned - Outstanding debtors

| | | |
|---|---|---|
| Interest on service charges | 408 504 | 396 176 |

### 22. Other income

| | | |
|---|---|---|
| Insurance Refund | 205 285 | 525 762 |
| Sundry income | 122 192 | 111 529 |
| Town planning and building fees | 694 595 | 189 991 |
| Tender documents | 99 066 | 164 182 |
| Cementary fees | 112 237 | 132 195 |
| Photocopy charges & printing | 1 123 | 1 339 |
| SETA Refunds | 101 923 | 96 651 |
| | **1 336 421** | **1 221 649** |

### 23. Interest received - investment

| | | |
|---|---|---|
| **Interest revenue** | | |
| Bank | 213 561 | 67 134 |
| Interest received - other | 2 565 029 | 1 196 278 |
| | **2 778 590** | **1 263 412** |

### 24. Property rates

**Rates received**

| | | |
|---|---|---|
| Business and Commercial Rates | 4 367 357 | 3 127 947 |
| Agricultural Rates | 5 314 153 | 4 195 805 |
| Residential developed rates | 16 310 261 | 11 020 827 |
| Vacant Land Rates | 1 123 526 | 940 310 |
| | 27 115 297 | 19 284 889 |
| Property rates - penalties imposed | 3 674 200 | 3 873 297 |
| | **30 789 497** | **23 158 186** |

**Valuations**

| | | |
|---|---|---|
| Residential | 621 457 500 | 504 131 500 |
| Commercial | 282 618 000 | 246 499 000 |
| Agricultural | 2 586 791 000 | 2 112 561 000 |
| Other | - | 24 000 |
| Municipal | 132 187 000 | - |
| Place of worship | 15 179 000 | 13 341 000 |
| Protected Area | 15 726 000 | 10 179 000 |
| Public Benefit Organisation | 291 327 500 | 195 656 600 |
| Public Service Infrastructure | 4 023 000 | 35 186 000 |
| Public Service Property | 739 389 000 | 429 121 000 |
| Unauthorised Use | - | 7 135 000 |
| Vacant land | 44 440 500 | 48 032 700 |
| Rural Communal | 63 738 000 | 64 758 000 |
| | **4 796 876 500** | **3 666 624 800** |

### 25. Licences and permits (non-exchange)

| | | |
|---|---|---|
| Trading | 807 455 | 919 462 |
| Road and Transport | 1 757 612 | 1 015 129 |
| | **2 565 067** | **1 934 591** |

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 26. Government grants & subsidies

| | | |
|---|---|---|
| **Operating grants** | | |
| Equitable share | 86 415 887 | 78 424 538 |
| Finance Management Grant | 1 950 000 | 1 850 000 |
| Expanded Public Works Programme | 1 287 000 | 1 101 000 |
| Library Grant | 3 963 425 | 3 328 866 |
| | **93 616 312** | **84 704 404** |
| **Capital grants** | | |
| Municipal Infrastructure Grant | 20 511 000 | 27 266 000 |
| Small Town Grant | 4 791 235 | - |
| | **25 302 235** | **27 266 000** |
| | **118 918 547** | **111 970 404** |

**Conditional and Unconditional**

Included in above are the following grants and subsidies received:

| | | |
|---|---|---|
| Conditional grants received** | 32 502 660 | 33 545 867 |
| Unconditional grants received | 86 415 887 | 78 424 538 |
| | **118 918 547** | **111 970 405** |

***Refer to Note 44 - Prior year adjustment*

**Equitable share**

| | | |
|---|---|---|
| Current-year receipts | 86 415 887 | 78 424 538 |
| Transferred to revenue | (86 415 887) | (78 424 538) |
| | - | - |

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

All registered indigents receive a monthly subsidy based on the monthly billing, towards the consumer account, which subsidy is determined annually by council. Indigent residential households receive basic refuse removal and 50 kWh electricity free every month.

**Human Settlement**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 3 878 070 | 3 757 271 |
| Interested capitalized | 239 750 | 120 799 |
| | **4 117 820** | **3 878 070** |

Conditions still to be met (see note 14).

The Department of Human Settlement allocated a grant to municipality to assist municipalities to implement the provision of housing to the community. The municipality implemented the project prior years and there was an amount which remains unspent and the municipality will write the motivation to the transferring department requesting to utilize the funding.

**CoGTA Grant - Small Town**

| | | |
|---|---|---|
| Current-year receipts | 5 200 000 | - |
| Conditions met - transferred to revenue | (4 791 236) | - |
| | **408 764** | **-** |

| Figures in Rand | 2023 | 2022 |
|---|---|---|

**26. Government grants & subsidies (continued)**

The purpose of the grant was for the construction of Richmond Local Municipality streets lights.

**Library Grant**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 509 424 | 790 290 |
| Current-year receipts | 3 454 000 | 3 048 000 |
| Conditions met - transferred to revenue | (3 963 424) | (3 328 866) |
| | **-** | **509 424** |

Conditions still to be met (see note 14).

The purpose of the grant is to address the Constitutional mandate whereby public libraries are an exclusive provincial competency. The funding assists the municipalities with the provision of library services.

**UDM Grant**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 47 820 | 47 820 |
| Grants repaid | (47 820) | - |
| | **-** | **47 820** |

The municipality had received funds from uMgungundlovu District Municipality as a contribution towards the clearing of vacant land and plots. The unspent amount was paid back by the muncipality

**Scheme support programme grant**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 11 000 | 11 000 |
| Grant Repaid | (11 000) | - |
| | **-** | **11 000** |

The purpose of the grant was for the development of a single land use scheme for Richmond Local Municipality. The project was completed in the 2021. The balance was paid back by the municipality.

**Expanded Public Works Programme Grant**

| | | |
|---|---|---|
| Balance unspent at beginning of year | - | 118 052 |
| Current-year receipts | 1 287 000 | 1 101 000 |
| Conditions met - transferred to revenue | (1 287 000) | (1 101 000) |
| Other | - | (118 052) |
| | **-** | **-** |

The purpose of the grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme Guidelines. The grant was 100% implemented and the conditions of the grants were met in full.

**Integrated National Electrification Programme Grant**

| | | |
|---|---|---|
| Balance unspent at beginning of year | 6 633 081 | - |
| Current-year receipts | 2 700 000 | 10 980 000 |
| Conditions met - transferred to revenue | (8 196 081) | (4 346 919) |
| Grant repaid | (1 137 000) | - |
| | **-** | **6 633 081** |

The purpose of the grant is to provide capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings. The grant was 100% implemented and the conditions of the grants were met in full.

| Figures in Rand | 2023 | 2022 |
| --- | --- | --- |

### 26. Government grants & subsidies (continued)

**Financial Management Grant**

| | | |
| --- | --- | --- |
| Current-year receipts | 1 950 000 | 1 850 000 |
| Conditions met - transferred to revenue | (1 950 000) | (1 850 000) |
| | - | - |

National Conditional Grants are allocated in terms of the Division of Revenue Act. The Financial Management Grant is used to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).The grant was 100% implemented and the conditions of the grants were met in full.

**Municipal Infrastructure Grant**

| | | |
| --- | --- | --- |
| Current-year receipts | 20 511 000 | 27 266 001 |
| Conditions met - transferred to revenue | (20 511 000) | (27 266 001) |
| | - | - |

The Municipal Infrastructure Grant (MIG) is for providing specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprise and social institutions servicing poor communities. The grant was 100% implemented and the conditions of the grants were met in full.

**High-Over Grant**

| | | |
| --- | --- | --- |
| Current-year receipts | 3 000 000 | - |
| Conditions met - transferred to revenue | (247 149) | - |
| | **2 752 851** | - |

Conditions still to be met - remain liabilities (see note 14).

The Richmond Local Municipality has under the Economic Development, Tourism and Environmental Affairs received a grant amount of R3 million for the implementation of Highover Wildlife Sanctuary. The total amount spent as at the 30th of June 2023 amounts to R247,149.12 for professional fees, with a total remaining balance of R2 752 850.88 unspent.

### 27. Fines, Penalties and Forfeits

| | | |
| --- | --- | --- |
| Pound Fees Fines | 469 | 3 584 |
| Municipal Traffic Fines | 742 300 | 479 200 |
| | **742 769** | **482 784** |

# Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
|---|---|---|

## 28. Employee related costs

| | | |
|---|---|---|
| Basic | 40 006 684 | 37 070 747 |
| Bonus | 3 076 734 | 2 721 747 |
| Medical aid - company contributions | 2 132 816 | 2 033 943 |
| UIF | 348 986 | 337 593 |
| SDL | 526 787 | 490 143 |
| Leave pay provision charge | 2 286 065 | 2 931 191 |
| Overtime payments | 1 326 117 | 1 876 881 |
| Long-service awards | 386 609 | 326 000 |
| Uniform and protective clothing allowance | 103 448 | 98 000 |
| Non-pensionable allowances | 14 258 | 528 258 |
| Car allowance | 1 728 344 | 1 384 224 |
| Housing benefits and allowances | 164 915 | 95 123 |
| Post-employment medical aid contributions | 1 307 845 | 968 865 |
| Danger Allowance | 42 000 | 42 000 |
| Bargaining council | 21 993 | 20 399 |
| Cellular and telephone | 400 879 | 373 846 |
| Pension | 5 680 213 | 5 359 446 |
| | **59 554 693** | **56 658 406** |

**Remuneration of municipal manager**

| | | |
|---|---|---|
| Annual Remuneration | 1 021 754 | 936 000 |
| Car Allowance | 180 000 | 180 000 |
| Leave payout | 15 078 | 30 457 |
| Contributions to UIF, Medical and Pension Funds | 2 405 | 2 249 |
| Other Allowance | 119 240 | 13 551 |
| | **1 338 477** | **1 162 257** |

**Remuneration of Chief Finance Officer**

| | | |
|---|---|---|
| Annual Remuneration | 720 000 | 720 000 |
| Car Allowance | 156 000 | 156 000 |
| Contributions to UIF, Medical and Pension Funds | 2 255 | 2 249 |
| Other Allowance | 220 329 | 92 814 |
| | **1 098 584** | **971 063** |

**Remuneration of Strategic Manager : Community Services**

| | | |
|---|---|---|
| Annual Remuneration | 800 000 | 773 760 |
| Car Allowance | 156 000 | 125 736 |
| Leave payout | 43 832 | - |
| Contributions to UIF, Medical and Pension Funds | 2 255 | 1 874 |
| Other Allowance | 212 900 | 46 638 |
| | **1 214 987** | **948 008** |

**Remuneration of Stategic Manager : Technical Services**

| | | |
|---|---|---|
| Annual Remuneration | 804 000 | 804 000 |
| Car Allowance | 156 000 | 156 000 |
| Contributions to UIF, Medical and Pension Funds | 2 255 | 2 249 |
| Other Allowance | 136 329 | 77 075 |
| Leave payout | - | 26 083 |
| | **1 098 584** | **1 065 407** |

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 28. Employee related costs (continued)

**Remuneration of Strategic Manager: Corporate Services**

| | | |
|---|---|---|
| Annual Remuneration | 540 000 | - |
| Car Allowance | 117 000 | - |
| Contributions to UIF, Medical and Pension Funds | 1 691 | - |
| Other allowance | 146 822 | - |
| | **805 513** | **-** |

### 29. Remuneration of councillors

| | | |
|---|---|---|
| Executive Major | 476 824 | 888 101 |
| Deputy Executive Mayor | 765 609 | 692 092 |
| Mayoral Committee Members | 490 086 | 399 807 |
| Speaker | 774 038 | 1 004 864 |
| Councillors | 3 544 870 | 2 992 024 |
| | **6 051 427** | **5 976 888** |

**Additional information**

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

### 30. Depreciation and amortisation

| | | |
|---|---|---|
| Property, plant and equipment | 15 902 893 | 19 494 420 |
| Intangible assets | 112 585 | 191 032 |
| | **16 015 478** | **19 685 452** |

### 31. Finance costs

| | | |
|---|---|---|
| Finance leases | 360 309 | 296 405 |

### 32. Lease rentals on operating lease

| | | |
|---|---|---|
| **Premises** | | |
| Contractual amounts | 44 260 | 44 260 |
| **Motor vehicles** | | |
| Contractual amounts | 2 905 168 | 2 065 233 |
| **Equipment** | | |
| Contractual amounts | - | 423 413 |
| **Plant and equipment** | | |
| Contractual amounts | 41 457 | 58 468 |
| | **2 990 885** | **2 591 374** |

### 33. Contracted services

| | | |
|---|---|---|
| **Outsourced Services** | | |
| Business and Advisory | 1 002 444 | 694 203 |
| Catering Services | 712 272 | 386 337 |
| Hygiene Services | 22 604 | 16 484 |
| Medical Health Services & Support | 28 402 | 22 691 |
| Professional Staff | 172 141 | 509 912 |
| Security Services | 12 533 107 | 11 296 207 |

| Figures in Rand | 2023 | 2022 |
| --- | --- | --- |

### 33. Contracted services (continued)

| | | |
| --- | --- | --- |
| **Consultants and Professional Services** | | |
| Business and Advisory | 1 585 766 | 3 458 530 |
| Legal Cost | 1 064 219 | 1 534 242 |
| | | |
| **Contractors** | | |
| Building | 942 399 | 7 876 |
| Electrical | 799 745 | 119 569 |
| Interior Decorator | 30 000 | 30 630 |
| Maintenance of Buildings and Facilities | 3 638 175 | 3 106 348 |
| Maintenance of Equipment | 3 171 529 | 2 514 697 |
| Maintenance of Unspecified Assets | 2 684 084 | 2 212 472 |
| Pest Control and Fumigation | 14 800 | 2 500 |
| Plants, Flowers and Other Decorations | 19 500 | 55 850 |
| Prepaid Electricity Vendors | 1 418 156 | 1 872 783 |
| Tracing Agents and Debt Collectors | 358 690 | - |
| Sports and Recreation | - | 17 500 |
| Prepaid Water Vendors | 396 335 | 229 987 |
| | **30 594 368** | **28 088 818** |

### 34. Inventory Consumed

| | | |
| --- | --- | --- |
| Consumables | 5 868 962 | 4 095 682 |
| Materials and Supplies | 1 567 886 | 876 694 |
| | **7 436 848** | **4 972 376** |

### 35. General expenses

| | | |
| --- | --- | --- |
| Advertising | 420 757 | 845 884 |
| Auditors remuneration | 1 771 977 | 1 814 692 |
| Bank charges | 203 689 | 163 983 |
| Bursaries (employees) | 498 928 | 484 616 |
| Conferences and seminars | 614 331 | 729 812 |
| Fuel and oil | 418 303 | 297 679 |
| Groceries for indigent relief | 112 109 | 71 609 |
| Hire | 3 107 056 | 193 465 |
| IT expenses | 333 388 | 943 104 |
| Insurance | 810 396 | 1 078 715 |
| License and registration | 32 445 | 164 045 |
| Postage and courier | 72 527 | 98 477 |
| Prepaid electricity and water vendors | 556 406 | 590 122 |
| Printing and stationery | 132 359 | 166 297 |
| Protective clothing | 646 400 | 653 092 |
| Remuneration of ward committees | 809 200 | 532 000 |
| Subscriptions and membership fees | 719 123 | 751 901 |
| Telephone and fax | 1 779 235 | 867 234 |
| Transport and freight | 194 500 | 197 300 |
| Travel - local | 1 781 183 | 2 643 079 |
| Vehicle tracking | 2 296 | 2 270 |
| Workmans compensation | 429 962 | 389 034 |
| | **15 446 570** | **13 678 410** |

## Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 36. Impairment loss

| | | |
|---|---|---|
| **Impairments** | | |
| Property, plant and equipment | 507 605 | 789 052 |
| Trade and other receivables | 201 378 | 501 015 |
| Other receivables from non-exchange revenue | 40 000 | 4 102 574 |
| | **748 983** | **5 392 641** |
| **Reversal of impairments** | | |
| Property, plant and equipment | - | (5 857) |
| Other receivables from non-exchange revenue | (81 233) | - |
| | **(81 233)** | **(5 857)** |
| **Total impairment losses (recognised) reversed** | **667 750** | **5 386 784** |

### 37. Irrecoverable debts written off

| | | |
|---|---|---|
| • Property rates | (12 113 097) | - |
| • Refuse and other | (687 507) | - |
| | **(12 800 604)** | **-** |

### 38. Gain on remeasurement of landfill provision

| | | |
|---|---|---|
| Landfill site asset - Solid waste | 1 568 418 | - |

### 39. Auditors' remuneration

| | | |
|---|---|---|
| Fees | 1 771 977 | 1 814 692 |

### 40. Cash generated from operations

| | | |
|---|---|---|
| Surplus | 5 328 769 | 616 420 |
| **Adjustments for:** | | |
| Depreciation and amortisation | 16 015 478 | 19 685 452 |
| Loss on disposal of assets | 195 794 | 180 272 |
| Gain on remeasurement of landfill provision | (1 568 418) | - |
| Irrecoverable debts written off | 12 800 604 | - |
| Finance costs | 360 309 | 296 405 |
| Impairment loss | 667 750 | 5 386 784 |
| Movements in operating lease assets and accruals | 44 260 | 44 259 |
| Movements in retirement benefit assets and liabilities | (368 235) | 1 288 235 |
| Movements in provisions | (2 161 779) | 820 641 |
| Actuarial Gains and Losses | (1 827 663) | 160 235 |
| Other adjustments | 44 620 | - |
| **Changes in working capital:** | | |
| Receivables from exchange transactions | 398 847 | (479 746) |
| Other receivables from non-exchange transactions | 5 519 026 | 110 976 |
| Payables from exchange transactions | (3 264 894) | (9 816 422) |
| VAT | (2 165 772) | 2 036 998 |
| Payables from non-exchange transactions | 826 694 | 86 486 |
| Unspent conditional grants and receipts | (13 109 575) | 6 354 963 |
| | **17 735 815** | **26 771 958** |

# Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 41. Commitments

**Authorised capital expenditure**

| | | |
|---|---|---|
| **Already contracted for but not provided for** | | |
| • Roads Infrastructure | 4 843 886 | 12 621 420 |
| • Community | - | 445 316 |
| • Electrification | 11 057 898 | 7 552 798 |
| | **15 901 784** | **20 619 534** |

| | | |
|---|---|---|
| **Total capital commitments** | | |
| Already contracted for but not provided for | 15 901 784 | 20 619 534 |

**See Note 44 on Prior Period Adjustment

### 42. Contingencies

**Case 1 : Zibonele Funeka vs Richmond Municipality**

Municipality employee filed a claim for damages against the Municipality based on defamation of character. The action is based on vicarious liability. During the 2023 financial year there was no movement since the plaintiff's attorney is not further prosecuting the matter.

**Case 2 : G&R Raunbeheimer vs Richmond Municipality**

One of the municipal vehicles with registration number NK 3856 was involved in an accident and a claimant filed a claim against the municipality for damages. As at 30 June 2023 the matter was still pending in Court.

**Case 3 Phumelela B Madonda vs Richmond Municipality**

One of the municipal vehicles with registration number NK 2680 had a mechanical fault and was towed to a repair centre however, it later transpired that no authority was given to send the vehicle to repair center. The vehicle has since remained in the repair Centre and the owner of the repair centre has filed a claim against the municipality for storage costs. The municipality has engaged legal attorneys to the handle matter. As at 30 June 2023, the case was still pending.

**Case 4 : Vox communications vs Richmond Municipality**

The municipality terminated the services of a telecommunications service provider previously responsible for telephone lines in the municipality however, the service provider filed a claim for early termination citing outstanding contractual fees The municipality is defending the claim, as at 30 June 2023 the matter was still pending.

**Case 5 : DotCom Africa vs Richmond Municipality**

An advertising agent claims that the municipality owes the Agent for advertisement related services. The municipality is disputing the claim. As at 30 June 2023 there was no movement on this claim.

**The table below sets out the contingent liabilities at year end with the maximum potential liability to the municipality:**

| | | |
|---|---|---|
| **Summary of contingent liabilities** | | |
| Case 1 | 1 000 000 | 1 000 000 |
| Case 2 | 300 000 | 400 000 |
| Case 3 | 218 000 | 218 000 |
| Case 4 | 200 000 | 300 000 |
| Case 5 | 153 265 | 153 265 |
| | **1 871 265** | **2 071 265** |

# Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
| --- | --- | --- |

## 43. Related parties

| | |
| --- | --- |
| Relationships | |
| Accounting Officer | Refer to accounting officers' report note |
| Councillors | Refer Councillors Allowances in note |
| Members of key management | Refer to Employee related costs note |

### 44. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

**Statement of financial position**

**2022**

| | Note | As previously reported | | Restated |
|---|---|---|---|---|
| Property plant and equipment | | 356 774 618 | 508 286 | 357 282 904 |
| Accumulated surplus | | - | (5 357) | (5 357) |
| VAT receivable | | 1 793 555 | 311 424 | 2 104 979 |
| Payables from exchange transactions | | (15 169 318) | (311 424) | (15 480 742) |
| | | **343 398 855** | **502 929** | **343 901 784** |

**Statement of financial performance**

**2022**

| | Note | As previously reported | | Restated |
|---|---|---|---|---|
| Operational costs | | 14 210 590 | (532 180) | 13 678 410 |
| Depreciation | | 19 656 201 | 29 251 | 19 685 452 |
| **Surplus for the year** | | **33 866 791** | **(502 929)** | **33 363 862** |

**Cash flow statement**

**2022**

| | Note | As previously reported | Correction of error | Restated |
|---|---|---|---|---|
| Cash flow from operating activities | | | | |
| Employee costs | | (58 486 978) | 7 489 | (58 479 489) |

**Property plant and equipment**

**Landfill site asset - solid waste**: The municipality reclassified the landfill site asset from infrastructure asset and presented it separately in the note for the PPE. The reclassification adjustment was processed in the opening balances for 2019/20 financial year. The movement(s) in the landfill site provision were further processed in the 2019/20, 2020/21 and 2021/2022 financial year against the landfill site asset. The net effect in the prior periods was an Increase in the carrying amount of landfill site asset by R 359 276 and a decrease in the accumulated surplus by the same amount.

**Plant and machinery:** The municipality corrected a misclassification of assets from plant and machinery to buildings in the prior year. The net effect of the correction in the prior year was an increase in the carrying value by an amount of R 89 491 for plant and equipment and decrease in the carrying amount for building by the same amount.

**Motor vehicles** : The municipality corrected a misstatement that arose from the disposal of motor vehicles in the prior years which was not processed in the fixed asset register. The net effect of the correction in the prior year was a decrease in the carrying amount of the motor vehicle by an amount of R 96 180 and a corresponding decrease in the accumulated surplus by the same amount.

**Work in progress - community asset**: The municipality corrected a misstatement in the balance for work in progress for community asset which was incorrectly capitalised in the prior years. The correction resulted in the balance for work in progress decreasing by an amount of R 23 7012 and a corresponding decrease in the accumulated surplus by the same amount.

**44. Prior-year adjustments (continued)**

**VAT receivable**

The balance for VAT receivables was restated due to an error in the processing and claiming of VAT Input in the year that ended 30 June 2022. The net effect in the prior year was an increase in the VAT receivables with a corresponding increase in payables by an amount of R 311 424.

**Receivables from non-exchange transactions -Disclosure note**

The balance disclosed for the impairment provision with respect to; accrued income, fines and sundry debtors was restated in the 2022. The restatement was effected to adjust for an error identified in the aging sched ,kkule for the other debtor

**Commitment disclosure**

The balance disclosed as commitment was restated by an amount of R 1 855 921.92 in the 2022 financial to a total of R 20 619 534. The restatement was effected to adjust for an error identified in the commitment scheduleAdditional text

**Conditional and Unconditional**

The municipality restasted the Conditional Grants received balance on note 26. This was due to a casting error on the note, the balance for the Conditonal Grants was restated from R 44 525 867 to R 33 545 867.

**Cashflow statemet - Cash flows from operating activities**

The municipality processed a correction in the employee cost payments in the 2022 financial year. An amount of R 7489 was processed as a correction.

**45. Risk management**

**Financial risk management**

The municipality’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

**Liquidity risk**

The municipality’s risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

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

### 45. Risk management (continued)

**Credit risk**

Credit risk is managed on a group basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents | 18 741 989 | 26 902 002 |
| Other financial assets | 266 | 266 |
| Receivables from exchange transactions | 364 628 | 1 096 930 |

**Market risk**

**Interest rate risk**

As the municipality has no significant interest-bearing assets, the municipality’s income and operating cash flows are substantially independent of changes in market interest rates.

### 46. Going concern

We draw attention to the fact that at 30 June 2023, the municipality had an accumulated surplus of 358 111 696 and that the municipality's total assets exceed its liabilities by 358 111 696.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 47. Events after the reporting date

No event that should be disclosed has come to the municipality's attention after the reporting date that existed at the reporting.

### 48. Unauthorised expenditure

| | | |
|---|---|---|
| Opening balance as previously reported | 17 637 862 | 45 807 767 |
| Add: Unauthorised expenditure - current | - | 2 397 647 |
| Less: Approved by council | (17 637 862) | (30 567 552) |
| **Closing balance** | **-** | **17 637 862** |

**Analysed as follows: non-cash**

| | | |
|---|---|---|
| Provision for impairment | - | 1 392 784 |
| Actuarial losses | - | 160 235 |
| Loss on disposal of property, plant and equipment | - | 180 272 |
| Employee related cost - Provision for leave | - | 566 951 |
| Finance cost | - | 97 405 |
| | **-** | **2 397 647** |

## Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 48. Unauthorised expenditure (continued)

**Unauthorised expenditure: Budget overspending – per municipal department:**

| | | |
|---|---|---|
| Finance and Administration | - | 2 397 647 |

### 49. Fruitless and wasteful expenditure

| | | |
|---|---|---|
| Opening balance as previously reported | 19 014 | 9 574 030 |
| Add: Fruitless and wasteful expenditure identified - current | 6 137 | 15 221 |
| Less: Amount recovered - current | (6 137) | (589 807) |
| Less: Amount recovered - prior period | (1 000) | - |
| Less: Amount written off - current | - | (8 980 430) |
| Less: Amount transferred to debtor for recovery | (18 014) | - |
| **Closing balance** | **-** | **19 014** |

**Recoverability steps taken/criminal proceedings**

The fruitless and wasteful expenditure has been recovered from the responsible officials in the finance department.

### 50. Irregular expenditure

| | | |
|---|---|---|
| Opening balance as previously reported | 227 688 | 3 700 728 |
| Add: Irregular expenditure - current | - | 1 283 501 |
| Less: Amount recovered - current | (227 688) | - |
| Less: Amount written off - current | - | (1 055 813) |
| Less: Amount written off - prior period | - | (3 700 728) |
| **Closing balance** | **-** | **227 688** |

### 51. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the financial statements.

| | | |
|---|---|---|
| **SCM Regulation Number 36** | | |
| Appointment of a riot management security company | - | 662 400 |
| Service of municipal grader | - | 105 903 |
| | **-** | **768 303** |

All deviations considered by the Accounting Officer are processed in terms of the SCM regulations and the municipality's SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee or SCM Quotations Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure.

### 52. Segment information

**General information**

**52. Segment information (continued)**

**Identification of segments**

The municipality is organised and reports to management on the basis of three functional areas: community and public safety, economic planning and development and trading services. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments’ performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes

**Aggregated segments**

The municipality is organised and operates in three key reportable functions throughout the seven wards under Richmond dermacations. Segments were aggregated on the basis of service delivery as management considered that the economic characteristics of the segments throughout Richmond were sufficiently similar to warrant aggregation.

### 52. Segment information (continued)

**Segment surplus or deficit**

**2023**

| | Revenue from non-exchange transactions | Revenue from exchange transactions | Total Segment revenue | Salaries and wages | Depreciation and amortisation | Other expenses | Total Segment expenditure | Total segment (deficit) surplus |
|---|---|---|---|---|---|---|---|---|
| **Revenue and expenditure** | | | | | | | | |
| Community and public safety | 37 667 424 | 483 737 | 38 151 161 | 11 538 680 | - | 12 400 113 | 23 938 793 | 14 212 368 |
| Economic and environmental services | 28 598 003 | 489 697 | 29 087 700 | 21 810 758 | 16 018 897 | 15 648 169 | 53 477 824 | (24 390 124) |
| Trading services | - | 1 299 495 | 1 299 495 | 2 772 698 | - | 5 093 953 | 7 866 651 | (6 567 156) |
| **Total** | **66 265 427** | **2 272 929** | **68 538 356** | **36 122 136** | **16 018 897** | **33 142 235** | **85 283 268** | **(16 744 912)** |
| **Entity's revenue** | | | **68 538 356** | | | | | |
| **Other reconciling items** | | | | | | | | |
| Gains and Losses | | | | | | | | 1 244 492 |
| **Entity's Surplus (deficit) for the period** | | | | | | | | **(15 500 420)** |

**2022**

| | Revenue from non-exchange transactions | Revenue from exchange transactions | Total Segment revenue | Salaries and wages | Depreciation and amortisation | Other expenses | Total Segment expenditure | Total segment (deficit) surplus |
|---|---|---|---|---|---|---|---|---|
| **Revenue and expenditure** | | | | | | | | |
| Community and public safety | 48 957 866 | 442 427 | 49 400 293 | 10 793 363 | 3 699 773 | 9 899 095 | 24 392 231 | 25 008 062 |
| Economic and environmental services | 30 776 445 | 388 215 | 31 164 660 | 20 468 920 | 14 777 448 | 10 642 376 | 45 888 744 | (14 724 084) |
| Trading services | - | 1 269 557 | 1 269 557 | 2 819 729 | - | 4 612 149 | 7 431 878 | (6 162 321) |
| **Total** | **79 734 311** | **2 100 199** | **81 834 510** | **34 082 012** | **18 477 221** | **25 153 620** | **77 712 853** | **4 121 657** |
| **Entity's revenue** | | | **81 834 510** | | | | | |

### 52. Segment information (continued)

**Other reconciling items**

| | |
|---|---|
| Disposal of fixed and intangible assets | (180 272) |
| Impairment loss | (907 682) |
| **Entity's Surplus (deficit) for the period** | **3 033 703** |

**Segment assets and liabilities**

**2023**

| | Total segment assets | Total segment liabilities |
|---|---|---|
| Community and public safety | 350 355 559 | (2 139 632) |
| Economic and environmental services | 55 280 605 | (10 366 641) |
| Trading services | 3 581 588 | (8 809 728) |
| **Total segment assets** | **409 217 752** | **(21 316 001)** |
| **Total as per Statement of financial Position** | **409 217 752** | **(21 316 001)** |

**2022**

| | Total segment assets | Total segment liabilities |
|---|---|---|
| Community and public safety | 339 122 010 | (4 978 871) |
| Economic and environmental services | 76 904 427 | (14 085 071) |
| Trading services | 6 968 806 | (8 879 822) |
| **Total segment assets** | **422 995 243** | **(27 943 764)** |
| **Total as per Statement of financial Position** | **422 995 243** | **(27 943 764)** |

| Figures in Rand | 2023 | 2022 |
|---|---|---|

### 53. Additional disclosure in terms of Municipal Finance Management Act

| | 2023 | 2022 |
|---|---|---|
| **Contributions to organised local government** | | |
| Current year subscription / fee | 631 572 | 715 280 |
| Amount paid - current year | (631 572) | (715 280) |
| | - | - |
| **Audit fees** | | |
| Current year fees | 1 771 977 | 1 814 692 |
| Amount paid-current year | (1 771 977) | (1 814 692) |
| | - | - |
| **PAYE and UIF** | | |
| Current year subscription/fee | 9 942 003 | 9 269 448 |
| Amount paid-current year | (9 942 003) | (9 269 448) |
| | - | - |
| **Pension and Medical aid deductions** | | |
| Current year subscription/fee | 12 550 369 | 11 750 032 |
| Amount paid-current year | (12 550 369) | (11 750 032) |
| | - | - |

**Councillor’s Municipal Accounts in Arrears**

There are no councillor's with outstanding or arrear municipal accounts as at 30 June 2023.

### 54. Agency services

| | 2023 | 2022 |
|---|---|---|
| Vehicle Registration | 782 607 | 904 210 |

The municipality is a Registering Authority and in terms of the Agreement between the Department of Transport and Richmond Municipality, the municipality is regarded as an Agency. The municipality currently earns an 8.62% agency fee which is based on the revenue generated from the collection of motor vehicle registration and licensing fees.

### 55. Accounting by principals and agents

The municipality is a party to a principal-agent arrangement(s).

**Details of the arrangment(s) is|are as follows:**

**Arragement wih the Department of Economic Development, Tourism and Environmental Affairs**:

The Richmond Local Municipality is party to a principal-agent arrangement with the Department of Economic Development, Tourism and Environmental Affairs (EDTEA). The Department provides the municipality with a grant for the implementation of High-over Wildlife Santuary. The focus area of implementation is the High-over lodge within the Sanctuary. No agency fees are charged for this principal-agent arrangement.

**Arragement wih the Department of Energy and Mineral Resources:**

The Richmond Local Municipality is party to a principal-agent arrangement with the Department of Energy and Mineral Resources. The Department of Energy provides the Municipality with a grant in terms of the Integrated National Electrification Programme (INEP). The municipality is the agent. The municipality implements electricity infrastructure construction and infills in rural areas on behalf of Eskom using the INEP. Once completed, the projects are handed over to Eskom for energising and future maintenance and do not form part of the municipality's assets. No agency fees are charged for this principal-agent arrangement.

**55. Accounting by principals and agents (continued)**

**Entity as agent**

**Additional information**

**Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)**

**Reconciliation of the carrying amount of payables**

| | | |
|---|---|---|
| **High-Over** | | |
| Receipt from principal | 3 000 000 | - |
| Expenses incurred on behalf of the principal | (247 149) | - |
| | **2 752 851** | **-** |

The municipality currently holds an amount of R2752 851 that belongs to the Department of Economic Development, Tourism and Environmental Affairs that was transferred to the municipality during the current financial year and was not utilised. The municipality will apply for a Grant Rollover of the remaining amount so that it is not returned to the principle but utilised for the completion of the project in the next financial year.

| | | |
|---|---|---|
| **Integrated National Electrification Programme Grant** | | |
| Opening balance | 6 633 081 | - |
| Receipt from principal | 2 700 000 | 10 980 000 |
| Expenses incurred on behalf of the principal | (8 196 081) | (4 346 919) |
| Amounts repaid | (1 137 000) | - |
| | **-** | **6 633 081** |

The municipality was not holding any amount on behalf the Department of Energy at the end of the year.

| | | |
|---|---|---|
| **All categories** | | |
| Opening balance | 6 633 081 | - |
| Receipt from principal | 5 700 000 | 10 980 000 |
| Expenses incurred on behalf of the principal | (8 443 230) | (4 346 919) |
| Amounts repaid | (1 137 000) | - |
| | **2 752 851** | **6 633 081** |

2022/2023

# RICHMOND LOCAL MUNICIPALITY

# ANNUAL PERFORMANCE REPORT

www.richmond.gov.za

1. **Summary**

The Annual Performance Report includes Key Performance Areas which forms part of the IDP 2022/2023. These Key Performance Areas have been included in the Municipal Scorecard for 2022/2023 financial year.

It also presents the year-end performance results for 2022/2023. The report is accumulative with comparative statistical information which indicates the municipal performance projections and the actual performance achieved with a broader narrative that explains the underlying factors which affect performance.

1. Municipal Institutional Transformation & Development
2. Municipal Financial Viability & Management
3. Basic Service Delivery and Infrastructure Development
4. Cross-Cutting Interventions
5. Good Governance & Public Participation
6. Local Economic Development.

In terms of the actual deliverable, for the 2022/2023 original organizational SDBIP, the Municipality had a total number of 202 targets and during the adjustment of the SDBIP 27 had to be removed due to relevance leaving the municipality with 175 targets for the 2022/20223 financial year. 154 were fully achieved, this translates to 88% of the achieved targets.

Therefore 12% of the targets were not fully achieved in the year under review and therefore some were rolled over to the 2023/2024 financial year. However, this performance is slightly higher as compared to the previous financial year (2022/2023) which was at 80% achieved targets at year-end.

2. **Performance Management Systems Processes**

The APR has been developed is in-line with legislative requirements.

This report includes highlights from the key performance measures included in the reviewed adopted IDP, adopted SDBIP and adjusted SDBIP 2022/2023. The results are assessed using traffic light criteria, according to their performance on targets. The Municipality reports on National Key Performance Areas as reflected on the graph below shall provide a summary report on individual KPA performance.

The table below demonstrates a summary of performance per key performance area and also the total average of the Municipal performance for the year under review.

## 3. Performance and Supporting Information

| STATUS | COLOUR |
|---|---|
| TARGET ACHIEVED | |
| TARGET NOT ACHIEVED | |

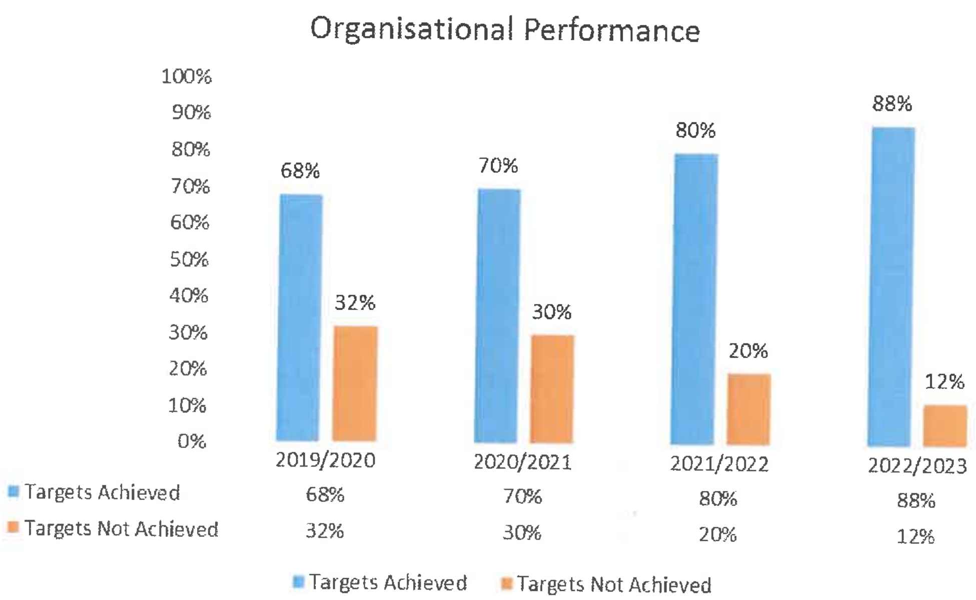
| No. | KPA | TOTAL NUMBER OF KPI's | TARGETS ACHIEVED | % TARGETS ACHIEVED | TARGETS NOT ACHIEVED | % TARGETS NOT ACHIEVED |
|---|---|---|---|---|---|---|
| 1 | Municipal Institutional Development and Transformation | 23 | 21 | 91% | 2 | 9% |
| 2 | Municipal Financial Viability and Management | 26 | 23 | 88% | 3 | 12% |
| 3 | Basic service delivery and Infrastructure development | 22 | 19 | 86% | 3 | 14% |
| 4 | Cross Cutting Interventions | 20 | 14 | 70% | 6 | 30% |

| | | | | | | |
|---|---|---|---|---|---|---|
| 5 | Good Governance and Public Participation | 57 | 52 | 91% | 5 | 9% |
| 6 | Local Economic Development | 27 | 25 | 93% | 2 | 7% |
| **7** | **TOTAL** | **175** | **154** | **88%** | **21** | **12%** |

The performance in relation to the 2022/2023-year end performance results is further depicted in a graph below which also compares current performance with prior years.

- 88% targets have met or exceed the year-end target
- 12% targets have not fully met the year-end target

**Graph 1**



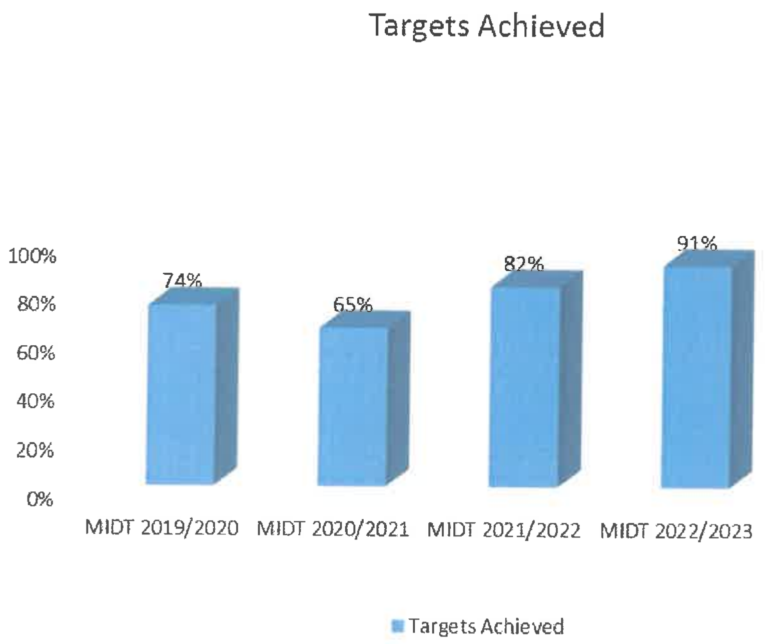

Summary performance results for all priority measures included in the municipal scorecard are as follows.

## 6.1 Municipal Transformation and Institutional Development

(a) Performance Highlights for 2022/2023

In this KPA the Municipality had a total number of 23 targets planned for the year, 21 of those targets were fully achieved translating to 91% of the total targets achieved and this is a significant rise from the previous year which stood at 82% at year-end.

**Graph 2**




(b) Challenges

The Municipality views training and development of its employees as an important aspect to any learning organisation. This is important in keeping in-line with the new development challenges but still maintaining relevance and effectiveness in the workplace. To this the end, the Municipality's budgets was only able to cater for 23 staff bursaries in the year.

(c) Measures Taken to improve Performance

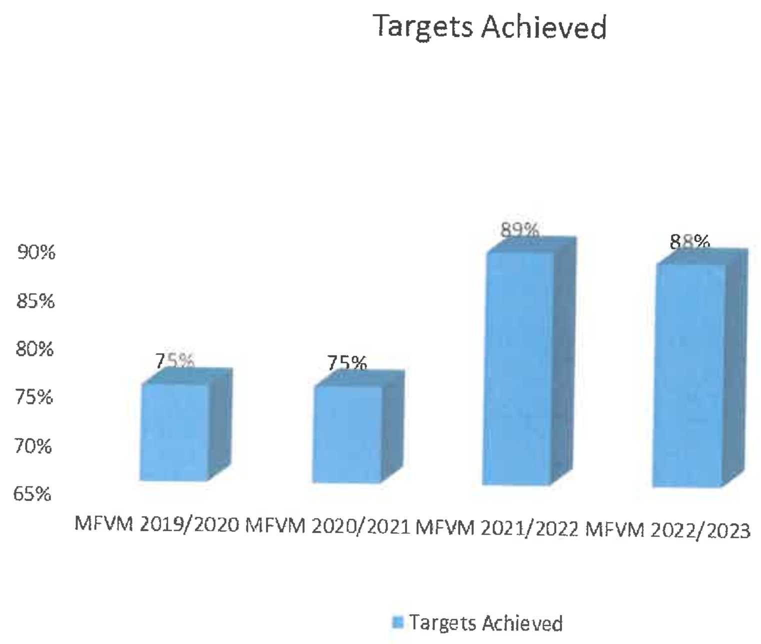
The municipality having had challenges in the previous years to attract people with disabilities was able to employ 1 person during the year and the municipality will continue working with organisations dealing with people living with disabilities to attract more people with disabilities to the municipality.

## 6.2 Municipal Financial Viability and Management

(a) Performance Highlights for 2022/2023

For this KPA the municipality had a total number of 26 planned targets and 23 were achieved translating to an overall achievement for this KPA being 88% for 2022/2023 financial year. As much as the performance went down, the department still made sure that all the statutory compliance reports were adequately adhered to in prescribed time frames. These among others involve the Annual Report, Midterm Budget Adjustment Report, and Monthly Section 71.

**Graph 3**




(b) Challenges

Revenue collection remains a major challenge which dates back from the previous financial years. The percentage of non-collected old debt remains a challenge.

(c) Measures Taken to improve Performance

The municipality through the office of the CFO was able to facilitate engagements with the Local business together with the Rate Payers/ Association around the Municipality to find amicable ways to deal with non-payments as part of the measures of the revenue enhancement strategy adopted by council.

## 6.3 Basic Service Delivery and Infrastructure Development

### (a) Performance Highlights for 2022/2023

The Basic Service Delivery and Infrastructure Development performance is made up of Technical Services and Community Services annual performance. The overall score for the KPA is 86% for 2022/2023.

**Graph 4**


### (b) Challenges

Currently the Municipality has a huge infrastructure project back lock. This emanates from projects that were not completed going back a number of financial years; this becomes problematic since these projects need to be completed with those of the ensuing years within the Municipal limited resources. Budget constraints to fast track implementation of other projects affect service delivery projections in the Municipality. Electrification projects planned for the year were not completed due to challenges from Eskom.

### (c) Measures Taken to improve Performance

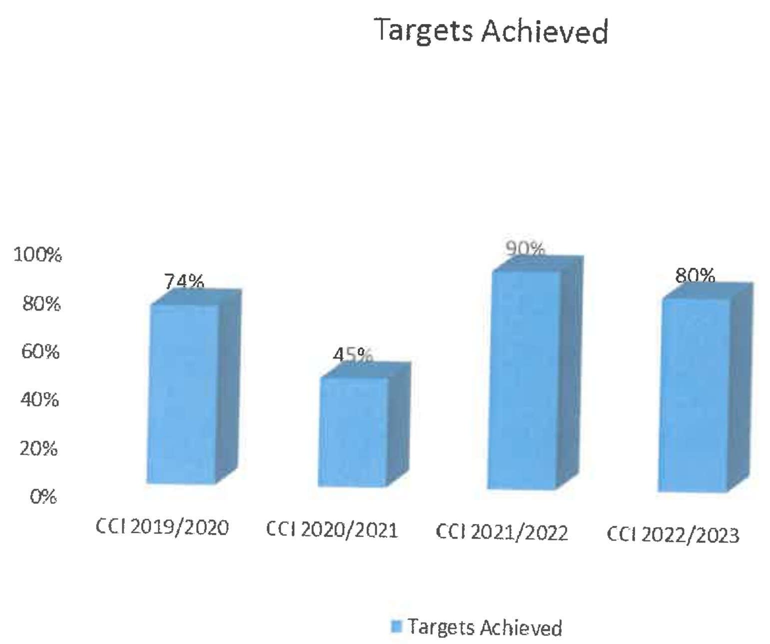
The Municipality is continuing with the completion of the infrastructure projects and is engaging relevant structures and sector departments to speed up implementing planned projects for the previous financial year. Challenges with the electrification projects are being addressed through engagements with Eskom.

### 6.4 Cross-Cutting Interventions

(a) Performance Highlights.

For the year under review, this key performance area is characterised by performance that decreased drastically from the previous financial year which was at 90%. As a result, the overall performance achieved for the year under review was at 80%.

**Graph 5**




(a) Challenges

The social services unit experienced quite a number of challenges with its planned projects and committees, operation MBO proved to be the leading problem for the municipality and the non-frequent sitting of other committees and low participation of stakeholders.

(c) Measures Taken to improve Performance

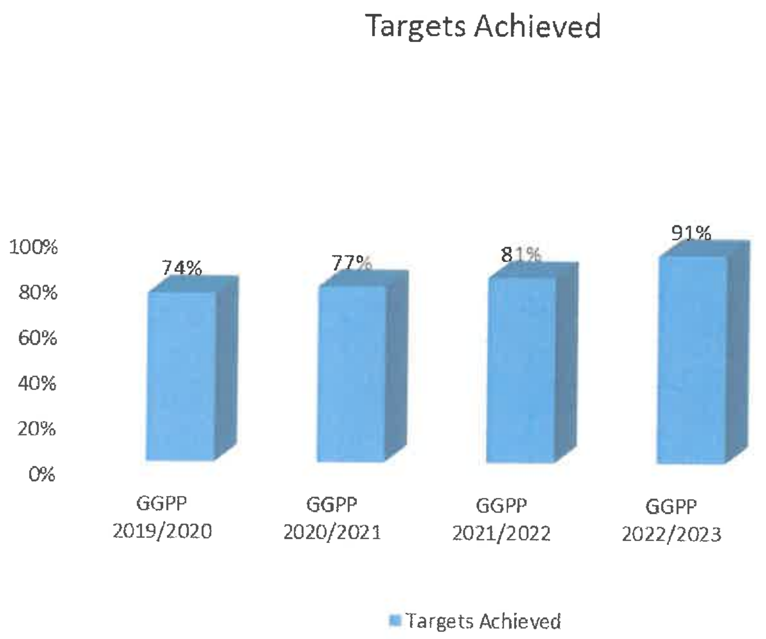
The municipality has relaunched operation MBO through a stakeholder engagement session held by the municipality. The stakeholders participating in the session made a commitment to avail themselves and participate in the sittings of committees.

### 6.5 Good Governance and Public Participation

(a) Performance Highlights for 2022/2023

The Municipality for this KPA had a total number of 57 planned targets and 52 were achieved translating to 91% overall achievement. The municipality continues to maintain and support governance structures to facilitate information sharing, planning, decision making and policy formulation. These governance structures include amongst others, Council, Executive Committee, MPAC, Performance and Audit Committee, Risk Committee and Portfolio Committees.

Graph 6




(b) Challenges

For this KPA

(c) Measures Taken to improve Performance

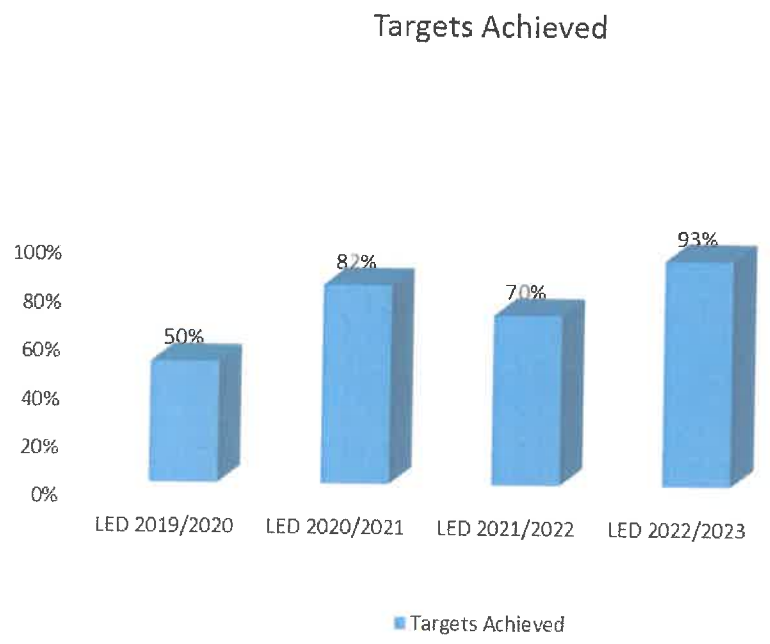
The municipality has been able to have fully functional Committees, from Council, EXCO, PAC, MPAC and all portfolio committees have been to sit. This is done as part of deepening a solid oversight for the municipality and for the enhancement of good governance and the municipality achieves its mandate for quality service delivery for the people of Richmond.

### 6.6 Local Economic Development

(a) Performance Highlights

For this KPA the municipality has 27 planned targets and was able to achieve 25 translating to an overall achievement of 93%.

**Graph 7**




(b) Challenges

LED unit was affected by challenges relating to its planned projects for the year having to be postponed mainly to align with the districts LED plans for the year.

(c) Measures taken to improve performance

The Municipality is now beginning to ensure that the Local Economic Development issues top the Municipal agenda in all the relevant structures. The Municipality will be prioritizing local economic development projects within the broader Municipal plans with the aim of encouraging local entrepreneurship and support of cooperatives.

## 4. Service Providers Performance

The service provider's performance assessment is done in line with section number 46 (a, b & c) of chapter 6 of the municipal systems act and regulation 32 of 200 Section 116 of the Municipal Finance Management Act regulates contract management, monitoring of contracts on monthly basis. The report herein below outlines the assessment of each contracted service that the municipality has with external service providers. The rating of service providers is based on the legend mentioned hereunder.

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement.

| *Assessment Key* | |
|---|---|
| *Good (G)* | *The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract* |
| *Satisfactory (S)* | *The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract* |
| *Poor (P)* | *The service has been provided below acceptable standards* |

| Bid Number | Name of external Service Provider | Date Contract Awarded | Service provided in terms of the SLA | Value of project | Comparison with previous year 2020/2021 | | Current Financial Year 2021/2022 | | Assessment of Service Providers Performance | | | Measures taken to improve performance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |
| 04/2017/2018 | AFRICOST JB FE PROJECT MANAGERS | 03/01/2018 - 31/12/202 | CONSULTANT FOR EZULWINI BRIDGE | R 7 357 480.35 | 100% | 65% | 100% | 100% | X | | | N/A |
| 08/2020/2021 | M CIVILS AND PLANT CC | 16/04/2021 | CONTRACTOR FOR EZULWINI BRIDGE | | 100% | 65% | 100% | 100% | X | | | N/A |
| 23/2021/2022 | NTUNGANI CONSTRUCTION | 01/06/2022 | Completion of Tender Documents and Drawings for Sheti Box Culvert ward 1 and ward 2 | R 6 994 011 | 1 | 0 | 30-Jun-22 | 14-Apr-22 | X | | | N/A |
| 20/2020/2021 | AKWANDE-KONKE CONSTRUCTION AND TRADING ENTERPRISE (PTY) LTD | 17/06/2021 | REHABILITATION OF BENJAMIN STREET IN WARD 1 PHASE 2 | R 2 850 000.00 | 0,49KM | 0 | 0,49KM | 0,49KM | X | | | N/A |
| 21/2020/2021 | AKWANDE-KONKE CONSTRUCTION AND TRADING ENTERPRISE (PTY) LTD | 10/09/2021 | CONSTRUCTION OF EZINDONGENI ROAD UPGRADE AND BUS SHELTER | R 4 408 398.50 | | | 1,6KM | 1,6KM | X | | | N/A |
| | | | | | | | 10 | 10 | X | | | N/A |
| 06/2020/2021 | MAHHUSHU CONSTRUCTION | 20/11/2020 | CONSTRUCTION OF MGXOBELENI COMMUNITY HALL - WARD 6 | R 5 619 218.55 | [illegible] | 0 | 1 | 1 | X | | | N/A |
| 14/2020/2021 | HAMSA CONSULTING ENGINEERING SERVICES | 21/05/2021 | CALL FOR ELETRICAL ENGINEERING CONSULTANTS TO SERVE ON THE PANEL TO RENDER ELECTRICAL ENGINEERING SERVICES AND TURNKEY SOLUTIONS- (SHAYAMOYA MKHOBENI CONNECTION) | R 5 400 000.00 | NIL | NIL | 300 | 0 | X | | | Proccesses were delayed by the late tranfer of the Grant allocation by DMRE, and Eskom. Projects currently under construction sitting at 75% progress. |
| 14/2020/2021 | ELEMENT CONSULTING ENGINEERING | 21/05/2021 | CALL FOR ELETRICAL ENGINEERING CONSULTANTS TO SERVE ON THE PANEL TO RENDER ELECTRICAL ENGINEERING SERVICES AND TURNKEY SOLUTIONS- (SMOZOMENI ELECTRIFICATION) | R 3 420 000.00 | NIL | NIL | 190 | 0 | X | | | Proccesses were delayed by the late tranfer of the Grant allocation by DMRE, and Eskom. Projects currently under construction sitting at 60% progress. |
| 14/2020/2021 | YAKHALUNGISA ENGINEERING SERVICES | 13/05/2022 | CALL FOR ELETRICAL ENGINEERING CONSULTANTS TO SERVE ON THE PANEL TO RENDER ELECTRICAL ENGINEERING SERVICES AND TURNKEY SOLUTIONS- KOSITHOLE KOTSOBE WARD 1 ELECTRIFICATION (120 CONNECTION) | R 2 160 000.00 | NIL | NIL | 120 | 0 | X | | | Delay was caused by Court Interdict, Project currently under construction sitting at 45% progress. |
| 15/2021/2022 | DYNAMIC DASHING SOLUTION (PTY) LTD | 06/06/2022 | CALL FOR PROPOSALS TO PREARE A GRAP AND MSCOA COMPLIANT ASSET FIXED REGISTER (FAR) FOR THE PERIOD OF OF THREE YEARS | R 1 399 665.00 | NIL | NIL | PREARE A GRAP AND MSCOA COMPLIANT ASSET FIXED REGISTER (FAR) | GRAP AND MSCOA COMPLIANT ASSET FIXED REGISTER (FAR) PREPARED | X | | | N/A |
| 19/2020/2021 | GREEN DOOR ENVIRONMENTAL | 26/05/2021 | APPOINTMENT OF SERVICE PROVIDER TO UNDER-TAKE ENVIRONMENTAL IMPACT ASSESSMENT FOR CEMENTRY RICHMOND MUNICIPALITY | R 281 980.00 | NIL | NIL | UNDER-TAKE ENVIRONMENTAL IMPACT ASSESSMENT FOR CEMENTRY RICHMOND MUNICIPALITY | 0 | X | | | Delay caused by a pending compliance matter on the same property needs to still be addressed. To engage the environment authority on a way forward on addressing the compliance matter |
| 05/2021/2022 | SIYATHUTHU DEVELOPMENT T/A INZUZO YESIZWE | 16/11/2021 | DEVELOPMENT OF LED AND TOURISM STRATEGY | R 230 230.00 | NIL | NIL | DEVELOPMENT OF LED AND TOURISM STRATEGY | LED AND TOURISM STRATEGY DEVELOPED | X | | | N/A |

## 5. AUDIT AND PERFORMANCE COMMITTEE

Section 166 (1) of the MFMA No. 56 of 2003 states that each municipality and each entity to have an audit committee.

The Audit and Performance Committee was appointed to assist Council in strengthening its role, the committee is scheduled to meet quarterly and as and when a need arises to deal with urgent matters. The Committee has 4 members, three male members and one female member.

The meeting of the Performance Audit Committee is on a quarterly basis for each financial year to consider the reported quarterly performance achievements reported on the OPMS scorecard as well as the performance achievements reported in terms of the Service Delivery and Budget Implementation Plans (SDBIP).

The Performance Audit Committee quarterly meetings during the 2022/2023 financial year as follows:

| PERIOD | DATE |
|---|---|
| Quarter 1 | 29 September 2022 |
| Quarter 2 | No meeting held |
| Quarter 3 | No meeting held |
| Quarter 4 | 21 April 2023, 26 May 2023 and 29 June 2023 |

**Municipal Manager's quality certification**

I, Bhekani Errol Mswane, the Municipal Manager of Richmond Local Municipality, hereby certify that:

- The 2022/2023 Annual Performance Report
- 2022/2023 Annual financial Statements

For the year ended 30 June 2023 have been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

**Bhekani Errol Mswane**
**Municipal Manager:**
**Richmond Local Municipality**

**Signature:** ______________________

| NATIONAL KEY PERFORMANCE AREA | ORIGINAL OBJECTIVE | REVISED OBJECTIVE | NO. | STRATEGY FOCUS AREA | Project/ Programme/ Measurable Output | KEY PERFORMANCE INDICATOR | REVISED KEY PERFORMANCE INDICATOR | COMPARISON WITH PREVIOUS YEAR 2021/2022 SDBIP TARGET | COMPARISON WITH PREVIOUS YEAR 2021/2022 ACTUAL ACHIEVEMENT | ORIGINAL SDBIP TARGET | CURRENT YEAR 2022/2023 REVISED SDBIP TARGET | CURRENT YEAR 2022/2023 ACTUAL ACHIEVEMENT | STATUS (ACHIEVED / NOT ACHIEVED) | RESPONSIBLE UNIT | RESPONSIBLE DEPARTMENT | WARD INFORMATION | FINANCIAL IMPLICATION | CHALLENGES | CORRECTIVE MEASURES | PORTFOLIO OF EVIDENCE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT | To foster a culture of good employee management and retention | To foster a culture of good employee management and retention | 1 | Update and implement the workplace skills plan in accordance with training and development needs and municipal agreements | Work place skills plan developed and submitted to LGSETA | Date of skills audit forms filled out and submitted to HR | NR | 31-Dec-21 | 12-Nov-21 | 31-Dec-22 | NR | NR | NR | HR | Corporate Services | Institutional | R0 | Indicator was removed during adjustment of SDBIP due to relevance. | | Completed skills audit forms |
| | | | 2 | | | Date of submission of report with results of skills audit to MANCO and Portfolio committee | NR | 31-Mar-22 | 15-Nov-21 | 31-Mar-23 | NR | NR | NR | HR | Corporate Services | Institutional | R0 | Indicator was removed during adjustment of SDBIP due to relevance. | | Report submitted to MANCO and Portfolio committees and resolution |
| | | | 3 | | | Date of submission to LGSETA of the WSP (2021-2022) | Date of submission to LGSETA of the WSP | 30-Apr-22 | 20-Apr-22 | 30-Apr-23 | 30-Apr-23 | 21-Apr-23 | Achieved | HR | Corporate Services | Institutional | R0 | N/A | N/A | WSP Document and acknowledgment letter from LGSETA |
| | | | 4 | To conduct needs based training programs and boost municipal capacity | Trained and Developed of staff members | Number of Trained Staff | Number of Trained Staff | 20 | 20 | 20 | 20 | 34 | Achieved | HR | Corporate Services | Institutional | R 500 004 | N/A | N/A | Attendance Register and certificates |
| | | | 5 | | Educated staff through continuous development and provision of staff bursaries | Number of approved bursary applications | Number of approved bursary applications | 5 | 5 | 8 | 5 | 23 | Achieved | HR | Corporate Services | Institutional | R 542 880 | N/A | N/A | Approved Bursary Application forms |
| | | | 6 | | Reports compiled and submitted to portfolio committees | Number of reports submitted to IT, HR and Community Services Portfolio meetings held | Number of reports submitted to IT, HR and Community Services Portfolio meetings held | 12 | 12 | 12 | 12 | 12 | Achieved | HR | Corporate Services | Institutional | R0 | N/A | N/A | Copies of reports submitted to committees |
| | | | 7 | Assessment of status quo, develop and implement remedial measures | Staff climate survey conducted throughout the municipality | Date of distribution and collection of survey forms to municipal officials | NR | 30-Sep-21 | 20-Sep-21 | 30-Sep-22 | NR | NR | NR | HR | Corporate Services | Institutional | R0 | Indicator was removed during adjustment of SDBIP due to relevance. | | Completed survey Forms |
| | | | 8 | | | Date of submission of the implementation plan to MANCO and Portfolio committees | NR | 31-Dec-21 | 15-Nov-21 | 31-Dec-22 | NR | NR | NR | HR | Corporate Services | Institutional | R0 | Indicator was removed during adjustment of SDBIP due to relevance. | | Implementation plan and minutes or resolution from MANCO and Portfolio committee |
| | | | 9 | | | Number of surveys done | Number of surveys done | 1 survey completed | 1 survey completed | 1 survey completed | 1 survey completed | 1 survey completed | Achieved | HR | Corporate Services | Institutional | R0 | N/A | N/A | Completed forms and implementation plans |
| | | | 10 | | Employee Wellness programme conducted in the municipality | Number of Employee wellness programmes conducted | Number of Employee wellness programmes conducted | 2 | 0 | 2 | 2 | 2 | Achieved | HR | Corporate Services | Institutional | R0 | N/A | N/A | Invites to stakeholders, attendance Register of staff and stakeholders and photographs of the programme |
| | | | 11 | | Compliant Employment Equity report submitted to Department of Labour | Number of reports submitted to Department of Labour | Number of reports submitted to Department of Labour | 1 | 1 | 1 | [illegible] | 1 | Achieved | HR | Corporate Services | Institutional | R0 | N/A | N/A | Acknowledgement Letter from Department of Labour |
| | To foster a culture of good employee management and retention | To foster a culture of good employee management and retention | 12 | Assessment of status quo, develop and implement remedial measures | Compliance with the 2% legislation of people with disability of total number of staff representation | Number of Staff with disability appointed | Number of Staff with disability appointed | 1 | 0 | 1 | 1 | 1 | Achieved | HR | Corporate Services | Institutional | R0 | N/A | N/A | Copy of appointment Letters |
| | | | 13 | | Recruitment of unemployed epwp beneficiaries | Number of beneficiaries recruited | Number of beneficiaries recruited | 70 | 72 | 70 | 70 | 85 | Achieved | LED | OMM | All Wards / Institutional | R 1 287 000,00 | N/A | N/A | Copy of EPWP Contracts and attendance registers |
| | To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation | To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation | 14 | Update of existing OD systems to enhance their effectiveness and develop policies to preserve institutional memory | Human Resource Management Plan formulated and adopted by Council | Date of adoption of HR management plan by Council | Date of adoption of HR management plan by Council | New Indicator | New Indicator | 30-Jun-23 | 30-Jun-23 | 21-Jun-23 | Achieved | HR | Corporate Services | Institutional | R0 | N/A | N/A | Copy of final Human Resources Management Plan and Council Resolution adopting Plan |
| | | | 15 | | Organisational policies are developed / reviewed and approved by council | Percentage of reviewed policies | Percentage of reviewed policies | 100% Reviewed Policies | 100% Reviewed Policies | 100% Reviewed Policies | 100% Reviewed Policies | 100% Reviewed Policies | Achieved | HR | Corporate Services | Institutional | R0 | N/A | N/A | Council Resolution adopting reviewed policies |
| | | | 16 | | Communication of updated policies and procedures to all employees | Number of workshops conducted | Number of workshops conducted | 1 workshop | 1 workshop | 1 workshop | 1 workshop | 1 workshop | Achieved | HR | Corporate Services | Institutional | R0 | N/A | N/A | Attendance Registers |
| | To effectively manage the information communication technology systems and Information Communications Technology infrastructure of the municipality | To effectively manage the information communication technology systems and Information Communications Technology infrastructure of the municipality | 17 | Develop and drive implementation of the Information Communications Technology strategy and plan | Enhanced support and maintenance of Information Communications Technology Infrastructure | Number of WAN/LAN Reports Submitted | NR | 4 | 4 | 4 | NR | NR | NR | IT | Corporate Services | Institutional | R0 | Indicator was removed during adjustment of SDBIP due to relevance. | | Information Communications Technology Steering Committee Agenda, Report and Minutes |
| | | | 18 | | GCIS Compliance and Responsive Website | Number of Website Compliance Checklist Reports submitted as per GCIS Legislative requirements | NR | 4 | 4 | 4 | NR | NR | NR | IT | Corporate Services | Institutional | R0 | Indicator was removed during adjustment of SDBIP due to relevance. | | Information Communications Technology Steering Committee Agenda, Report and Minutes |
| | | | 19 | | Functional Information Communications Technology Steering Committee | Number of Information Communications Technology Steering Committee Meetings | Number of Information Communications Technology Steering Committee Meetings | 4 meetings | 4 meetings | 4 meetings | 4 meetings | 4 | Achieved | IT | Corporate Services | Institutional | R0 | N/A | N/A | Information Communications Technology Steering Committee Agenda, Report and Minutes |
| | | | 20 | | Compilation of municipal intranet system assessment report | Date of submission of assessment report to steering committee | Date of submission of assessment report to steering committee | New Indicator | New Indicator | 31-Dec-22 | 31-Dec-22 | 09-Nov-22 | Achieved | IT | Corporate Services | Institutional | R0 | N/A | N/A | Copy of assessment report submitted to the steering committee |
| | | | 21 | | Purchase of capital resources for the enhancement of the municipality and IT infrastructure | Date of Purchase and installation of municipal generator | Date of Purchase and installation of municipal generator | New Indicator | New Indicator | 31-Dec-22 | 31-Dec-22 | 30-Jun-23 | Not Achieved | IT | Corporate Services | Institutional | R 800 004 | The tender was advertised on the 22nd of August 2022, however, the advert didn't contain the CIDB Grading and the cabling specification was not clear | The document was revised, readvertised and the generator has been procured, supporting POE submitted | Copy of specification, requisition Memo, payment voucher and proof of payment |
| | | | 22 | | | Date of Purchase of computers | Date of Purchase of computers | New Indicator | New Indicator | 31-Dec-22 | 31-Dec-22 | 31-Dec-22 | Achieved | IT | Corporate Services | Institutional | R0 | N/A | N/A | Copy of specification, requisition Memo, payment voucher and proof of payment |
| | To ensure Alignment of Information Communications Technology to Business, Monitors and upholds Information Communications Technology standards, policies and procedures of the Council | To ensure Alignment of Information Communications Technology to Business, Monitors and upholds Information Communications Technology standards, policies and procedures of the Council | 23 | Review and Adoption of Disaster Recovery & Business Continuity Plan | Annual Review of Disaster Recovery Plan and Business Continuity Plan | Date of the Information Communications Technology disaster recovery plan and business continuity plan adoption by Council | Date of the Information Communications Technology disaster recovery plan and business continuity plan adoption by Council | 30-Jun-22 | 28-Jun-22 | 30-Jun-23 | 30-Jun-23 | 28-Jun-23 | Achieved | IT | Corporate Services | Institutional | R0 | N/A | N/A | Council Resolutions |
| | | | 24 | Review and Adoption of Information Communications Technology Security & Systems Policy | Annual Review of Information Communications Technology Security and Systems Policy | Date of Information Communications Technology Security and Systems Policy adoption by Council | Date of Information Communications Technology Security and Systems Policy adoption by Council | 30-Jun-22 | 28-Jun-22 | 30-Jun-23 | 30-Jun-23 | 28-Jun-23 | Achieved | IT | Corporate Services | Institutional | R0 | N/A | N/A | Council Resolutions |
| | | | 25 | Review and Adoption of Information Communications Technology Strategy | Annual Review of Information Communications Technology Strategy | Date of Information Communications Technology Strategy Adoption by Council | Date of Information Communications Technology Strategy Adoption by Council | 30-Jun-22 | 28-Jun-22 | 30-Jun-23 | 30-Jun-23 | 28-Jun-23 | Achieved | IT | Corporate Services | Institutional | R0 | N/A | N/A | Council Resolutions |
| | | | 26 | Conduct Information Communications Technology Security Awareness Campaigns | Annual Information Communications Technology Security Workshops | Number of Information Communications Technology Security Workshops Conducted | Number of Information Communications Technology Security Workshops Conducted | New Indicator | New Indicator | 1 | 1 | 1 | Achieved | IT | Corporate Services | Institutional | R0 | N/A | N/A | Attendance Register/Registers |
| | | | 27 | Cloud and Offsite Backup Reports | Functioning Information Communications Technology Service Continuity & Backup | Number of backup reports submitted to the Information Communications Technology Steering Committee | Number of backup reports submitted to the Information Communications Technology Steering Committee | 4 | 4 | 4 | 4 | 4 | Achieved | IT | Corporate Services | Institutional | R0 | N/A | N/A | Information Communications Technology Steering Committee Report with Cloud Backups, Restores & Offsite backup Report |
| | | | 28 | Monitoring of the Network Monitoring Tool and Patch Management Software | Functional Network Monitoring Tool and Patch Management Software | Number of monitoring reports submitted to the Information Communications Technology Steering Committee | Number of monitoring reports submitted to the Information Communications Technology Steering Committee | New Indicator | New Indicator | 4 | 4 | 4 | Achieved | IT | Corporate Services | Institutional | R0 | N/A | N/A | Information Communications Technology Steering Committee Report with administrator report recording outages and network errors |
| | To effectively manage the information communication technology systems and Information Communications Technology infrastructure of the municipality | To effectively manage the information communication technology systems and Information Communications Technology infrastructure of the municipality | 29 | Enhancement of sustainable Wi-fi connection | Connected and functional Wi-fi Access to all Municipal Buildings | Date of connecting Wi-fi to municipal buildings | Date of connecting Wi-fi to municipal buildings | New Indicator | New Indicator | 30-Jun-23 | 30-Jun-23 | 0 | Not Achieved | IT | Corporate Services | Institutional | R0 | The tender was advertised, but due to financial constraints, the tender was put on hold | Funding has been allocated for the implementation of WiFi, supporting POE has been submitted | Appointment letter of service provider and Project Close Out Report |

| NATIONAL KEY PERFORMANCE AREAS | ORIGINAL OBJECTIVE | REVISED OBJECTIVE | NO | STRATEGY FOCUS AREA | Project/ Programme/ Measurable Output | KEY PERFORMANCE INDICATOR | REVISED KEY PERFORMANCE INDICATOR | COMPARISON WITH PREVIOUS YEAR 2021/2022 SDBIP TARGET | COMPARISON WITH PREVIOUS YEAR 2021/2022 ACTUAL ACHIEVEMENT | ORIGINAL SDBIP TARGET | CURRENT YEAR 2022/2023 REVISED SDBIP TARGET | CURRENT YEAR 2022/2023 ACTUAL ACHIEVEMENT | STATUS (ACHIEVED / NOT ACHIEVED) | RESPONSIBLE UNIT | RESPONSIBLE DEPARTMENT | WARD INFORMATION | FINANCIAL IMPLICATION | CHALLENGES | CORRECTIVE MEASURES | PORTFOLIO OF EVIDENCE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | To provide sustainable human settlements | To provide sustainable human settlements | 30 | Address housing shortages | Constructed and completed Dyafuthuka Housing Project (Phase 2) | Number of houses constructed | Number of houses constructed | 100 | 70 | 100 houses to be built by implementing agent | 100 houses to be built by implementing agent | 174 | Achieved | Housing | Community Services | Ward 2 | R 31 758 756 | N/A | N/A | Happy letters, bilateral agreements, minutes of site meetings |
| | | | 31 | | Constructed and completed Argory Farm Rehabilitation project | Number of houses constructed | Number of houses constructed | 40 | 52 | 60 houses to be built by implementing agent | 60 houses to be built by implementing agent | 333 | Achieved | Housing | Community Services | Ward 4 | R193 657 277.20 | N/A | N/A | Happy letters, bilateral agreements, minutes of site meetings |

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Basic Service Delivery and Infrastructure Development | To provide access to proper community facilities | To provide access to proper community facilities | 32 | To implement service delivery programmes and reduce services and infrastructure backlogs | MIG PROJECTS Completion of Tender Documents and Drawings for Fibre Ward 7 Sports field | Date Revised Lease Agreement is signed | NR | New Indicator | New Indicator | 30-Sep-22 | NR | NR | NR | PMU | Technical Services | Ward 7 | R 4 171 629,00 | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of signed Revised Lease Agreement from Ingonyama Trust |
| | | | 33 | | | Date of advertising tender | NR | New Indicator | New Indicator | 30-Mar-23 | NR | NR | NR | PMU | Technical Services | | | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of application and Copy of signed approval by Ingonyama Trust Board |
| | | | 34 | | | Date of appointing contractor | NR | New Indicator | New Indicator | 30-Jun-23 | NR | NR | NR | PMU | Technical Services | | | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of Signed Appointment Letter |
| | To implement road - building and maintenance programmes and improve rural accessibility | To implement road - building and maintenance programmes and improve rural accessibility | 35 | To implement service delivery programmes and reduce services and infrastructure backlogs | MIG PROJECTS Construction of Shelt Box Culvert ward 1 and ward 2 | Date of appointing contractor | NR | New Indicator | New Indicator | 30-Sep-22 | NR | NR | NR | PMU | Technical Services | Ward 1 and 2 | R 9 033 315,49 | Indicator was removed during adjustment of SDBIP as the appointment of the contractor was done in the previous financial year | | Copy of signed Appointment Letter |
| | | | 36 | | | Number of progress reports | Number of progress reports | New Indicator | New Indicator | 2 | NR | NR | NR | PMU | Technical Services | | | Indicator was removed during adjustment of SDBIP due to relevance. | | Progress report to date |
| | | | 37 | | | Number of completed bridges | Number of completed bridges | New Indicator | New Indicator | 1 | 1 | 1 | Achieved | PMU | Technical Services | | | N/A | N/A | Signed practical Completion certificate, Close out Report |
| | | | 38 | | MIG PROJECTS Completion of design package for Siyathuthuka / [illegible] Road Phase 2 | Date of Preliminary Designs and Report to Technical Services by [illegible] | NR | New Indicator | New Indicator | 30-Sep-21 | NR | NR | NR | PMU | Technical Services | Ward 2 | R 1 282 352,82 | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of signed Preliminary Design Report and attendance register |
| | | | 39 | | MIG PROJECTS Resurfacing of Roads in Ward 1: Upgrade of Movo Street | Number of kilometres resurfaced of residential roads | Number of kilometres resurfaced of residential roads | New Indicator | New Indicator | 0.495km | 0.495km | 0.495km | Achieved | PMU | Technical Services | Ward 1 | R 5 473 424,40 | N/A | N/A | Signed practical Completion certificate, closeout report and appointment letter of consultant and contractor |
| | | | 40 | | MIG PROJECTS Resurfacing of Roads in Ward 1: Upgrade of Nelson Street | Number of kilometres resurfaced of residential roads | Number of kilometres resurfaced of residential roads | New Indicator | New Indicator | 0,235km | 0,235km | 0,250km | Achieved | PMU | Technical Services | Ward 1 | | N/A | N/A | Signed practical Completion certificate, closeout report and appointment letter of consultant and contractor |
| | | | 41 | | MIG PROJECTS Resurfacing of Residential Roads in Ward 1 - Rehabilitation of Harding Street | Number of kilometres resurfaced of residential roads | Number of kilometres resurfaced of residential roads | New Indicator | New Indicator | 0.415km | 0,415km | 0,415km | Achieved | PMU | Technical Services | Ward 1 | | N/A | N/A | Signed practical Completion certificate, closeout report and appointment letter of consultant and contractor |
| | | | 42 | | Small Town Grant Installation of 150 Solar LED Street Lights | NR | Number of LED street lights installed | New Indicator | New Indicator | NR | 150 | 150 | Achieved | PMU | Technical Services | Ward 2 | R 4 791 234,94 | N/A | N/A | Signed practical Completion certificate, closeout report and appointment letter of service provider |
| | To Implement Electrification Projects to provide access to Households Connections | To Implement Electrification Projects to provide access to Households Connections | 43 | To implement service delivery programmes and reduce services and infrastructure backlogs | Shayamoya Mkhobeni - Ward 7 (300 Connections) | Number of completed connections | Number of completed connections | New Indicator | New Indicator | 300 | 300 | 0 | Not Achieved | ELECTRICITY/PMU | Technical Services | Ward 7 | R 5 400 000,00 | The service provider has completed installing the infrastructure all that is outstanding is Eskom to schedule dates for outages for the project to be energised. All municipal electrification projects have been delayed by Eskom not granting the approval for booking of outages | The municipality through the office of the Municipal Manager has written to the HOD of the regional office to seek assistance with the challenges faced by the municipality and scheduling dates for outages. Letter sent to Eskom has been submitted as POE | Copy of signed Completion Certificate, PCS File and Close-out Report |
| | | | 44 | | Smeromeni - 6 Electrification - Ward 6 (190 Connections) | Number of completed connections | Number of completed connections | New Indicator | New Indicator | 190 | 190 | 0 | Not Achieved | ELECTRICITY/PMU | Technical Services | Ward 6 | R 3 420 000,00 | The service provider has completed installing the infrastructure all that is outstanding is Eskom to schedule dates for outages for the project to be energised. All municipal electrification projects have been delayed by Eskom not granting the approval for booking of outages | The municipality through the office of the Municipal Manager has written to the HOD of the regional office to seek assistance with the challenges faced by the municipality and scheduling dates for outages. Letter sent to Eskom has been submitted as POE | Copy of signed Completion Certificate, PCS File and Close-out Report |
| | | | 45 | | Mkhuzane Electrification - Ward 3 (120 Connection) | Number of completed connections | Number of completed connections | New Indicator | New Indicator | 120 | 120 | 0 | Not Achieved | ELECTRICITY/PMU | Technical Services | Ward 3 | R 2 160 000,00 | Project is at design development stage, project has had challenges with the design approval in that the municipality constructed on the MOU and NPR bases due to historical challenges experienced in implementing electrification projects | The municipality through the office of the Municipal Manager has written to the HOD of the regional office to seek assistance with the challenges faced by the municipality and scheduling dates for outages. Letter sent to Eskom has been submitted as POE | Copy of signed Completion Certificate, PCS File and Close-out Report |
| | | | 46 | | KwaGinqilishe Electrification - Ward 4 (Line Deviation) | Date of appointing contractor | NR | New Indicator | New Indicator | 30-Sep-22 | NR | NR | NR | ELECTRICITY/PMU | Technical Services | Ward 4 | R 950 000,00 | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of signed Appointment Letter |
| | | | 47 | | | Date of completion of line deviation | Date of completion of line deviation | New Indicator | New Indicator | 30-Dec-22 | 30-Dec-22 | 05-Dec-22 | Achieved | ELECTRICITY/PMU | Technical Services | | | N/A | N/A | Copy of signed Completion Certificate, PCS File and Close-out Report |
| | To provide access to proper community facilities | To provide access to proper community facilities | 48 | | ACCESS ROADS: WARD 1 Maintenance of access road | Number of kilometres of gravel road maintained | Number of kilometres of gravel road maintained | 3KM | 3.8KMs | 4.4KM | 4.4KM | 4.5KM | Achieved | OMU | Technical Services | Ward 1 | R 590 000 | N/A | N/A | Completion Certificate & Pictures |
| | | | 49 | | ACCESS ROADS: WARD 2 Maintenance of access road | | | 3KM | 3.3KMs | 4.7KM | 4,7KM | 5km | Achieved | OMU | Technical Services | Ward 2 | R 18 000 | N/A | N/A | Completion Certificate & Pictures |
| | | | 50 | | ACCESS ROADS: WARD 3 Maintenance of access road | | | 3KM | 3.1KMs | 5,3KM | 5,3KM | 5,3KM | Achieved | OMU | Technical Services | Ward 3 | R 616 000 | N/A | N/A | Completion Certificate & Pictures |
| | | | 51 | | ACCESS ROADS: WARD 4 Maintenance of access road | | | 3KM | 3.9KMs | 4,7KM | 4,7KM | 5,6KM | Achieved | OMU | Technical Services | Ward 4 | R 1 584 000 | N/A | N/A | Completion Certificate & Pictures |
| | | | 52 | | ACCESS ROADS: WARD 5 Maintenance of access road | | | 3KM | 3.2KMs | 9,5KM | 9.5KM | 9.5KM | Achieved | OMU | Technical Services | Ward 5 | R 432 000 | N/A | N/A | Completion Certificate & Pictures |
| | | | 53 | | ACCESS ROADS: WARD 6 Maintenance of access road | | | 3KM | 3.1KMs | 4,7KM | 4.7KM | 4,4KM | Achieved | OMU | Technical Services | Ward 6 | Using Internal Yellow Plants | N/A | N/A | Completion Certificate & Pictures |
| | | | 54 | | ACCESS ROADS: WARD 7 Maintenance of access road | | | 3KM | 3.4KMs | 4,3KM | 4.3KM | 4,3KM | Achieved | OMU | Technical Services | Ward 7 | Using Internal Yellow Plants | N/A | N/A | Completion Certificate & Pictures |
| | To provide safe and reliable waste management services | To provide safe and reliable waste management services | 55 | To implement service delivery programmes and reduce services and infrastructure backlogs | Maintenance of Overgrown Grass and Verges | Number of Signed weekly schedules | Number of square meters of streets maintained (Grass Cutting, Brush Cutting) | 48 weekly schedules | 48 weekly schedules | 48 weekly schedules | 100 000m2 | 708 480m2 | Achieved | OMU | Technical Services | All Wards | municipal running costs | N/A | N/A | Refuse Listing Report, Completion Certificate, signed work schedules and quarterly report signed off by ward councillor |
| | | | 56 | | Collection of planned refuse removal | | Number of billed households with access to daily solid waste removal (ward 1 and 2) | 48 weekly schedules | 48 weekly schedules | 48 weekly schedules | 1034 | 1451 | Achieved | OMU | Technical Services | Ward 1 and 2 | municipal running costs | N/A | N/A | Refuse Listing Report, landfill site register, signed work schedules and Quarterly report signed off by ward councillor |
| | | | 57 | | Collection of Refuse Removal using Skippers | | Number of wards serviced with a skipper bin | 48 weekly schedules | 48 weekly schedules | 48 weekly schedules | 4 | 4 | Achieved | OMU | Technical Services | Ward 1,2,3,4,6 and 7 | municipal running costs | N/A | N/A | Signed Work Schedules and pictures, truck register indicating ward and skipper bin number, landfill site register and Quarterly report signed off by ward councillor |
| | To implement road - building and maintenance programmes and improve rural accessibility | To implement road - building and maintenance programmes and improve rural accessibility | 58 | | Maintenance of urban roads by pothole patching & repairs | Number of square meters of potholes patched and repaired | Number of square meters of potholes patched and repaired | 2000m2 | 2071m2 | 2000m2 | 1000m2 | 1501m2 | Achieved | OMU | Technical Services | All Wards | R 400 000 | N/A | N/A | Completion certificate, signed Work Schedules and pictures |
| NATIONAL KEY PERFORMANCE AREAS | ORIGINAL OBJECTIVE | REVISED OBJECTIVE | NO | STRATEGY FOCUS AREA | Project / Programme / Measurable Output | KEY PERFORMANCE INDICATOR | REVISED KEY PERFORMANCE INDICATOR | COMPARISON WITH PREVIOUS YEAR 2021/2022 | | ORIGINAL SDBIP TARGET | CURRENT YEAR 2022/2023 | | STATUS (ACHIEVED / NOT ACHIEVED) | RESPONSIBLE UNIT | RESPONSIBLE DEPARTMENT | WARD INFORMATION | FINANCIAL IMPLICATION | CHALLENGES | CORRECTIVE MEASURES | PORTFOLIO OF EVIDENCE |
| | | | | | | | | SDBIP TARGET | ACTUAL ACHIEVEMENT | | REVISED SDBIP TARGET | ACTUAL ACHIEVEMENT | | | | | | | | |
| | To improve compliance and public participation and awareness | To improve compliance and public participation and awareness | 59 | Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness | Public notification of the IDP Process Plan | Date of publication of IDP process plan | Date of publication of IDP process plan | 30-Sep-21 | 04-Oct-21 | 30-Sep-22 | 30-Sep-22 | 12-Sep-22 | Achieved | Development and Planning | OMM | Institutional | R 0 | N/A | N/A | Advert from the paper or municipal website in which the IDP Process Plan was advertised |
| | | | 60 | | Submission of the Draft IDP to Council to ensure compliance with legislation | Date of approved Draft IDP by Council | Date of Draft IDP adopted by Council | 31-Mar-22 | 31-Mar-22 | 31-Mar-23 | 31-Mar-23 | 31-Mar-23 | Achieved | Development and Planning | OMM | Institutional | R 0 | N/A | N/A | Council resolution adopting the Draft IDP |
| | | | 61 | | Community/Public consultation sessions | Number of IDP meetings held | Number of IDP meetings held | 7 meetings to be held | 7 meetings to be held | 7 meetings to be held | 7 meetings to be held | 7 meetings held | Achieved | Development and Planning | OMM | 1,2,3,4,5,6,7 | R 50 040 | N/A | N/A | Minutes of meetings and attendance registers |
| | | | 62 | | Submission of the final IDP to Council to ensure compliance with legislation | Date of final IDP adopted by Council | Date of final IDP adopted by Council | 31-May-22 | 31-May-22 | 31-May-23 | 31-May-23 | 25-May-23 | Achieved | Development and Planning | OMM | Institutional | R 0 | N/A | N/A | Council resolution adopting final IDP |
| | | | 63 | | Professional Registration with the [illegible] | Date of renewal/ and registration [illegible] | Date of renewal/ and registration [illegible] | 30-Jun-21 | 28-May-21 | 30-Jun-23 | 30-Jun-23 | 09-Jun-23 | Achieved | Development and Planning | OMM | Institutional | R 6 336 | N/A | N/A | Expenditure Voucher and proof of [illegible] |
| | To ensure compliance with Municipal by-laws | To ensure compliance with Municipal by-laws | 64 | Approval of building plans and Compliance with building plans regulations | Approved building plans | Percentage of building plans approved compared to the plans received | Percentage of building plans approved compared to the plans received | 100% | 100% | 100% | 100% | 100% | Achieved | Development and Planning | OMM | Institutional | R 6 336 | N/A | N/A | Copy of signed and stamped building plan |
| | | | 65 | Compliance with Town Planning Scheme and Building regulations | Contravention letters issued | Number of contravention letters issued | Number of contravention letters issued | 60 | 47 | 60 | 60 | 60 | Achieved | Development and Planning | OMM | Institutional | R 0 | N/A | N/A | Copy of signed contravention letter issued |
| | | | 66 | Compliance with building regulations | Compliance certificates issued | Percentage of compliance certificates issued on the approved building plans and completed buildings | Percentage of compliance certificates issued on the approved building plans and completed buildings | 100% | 100% | 100% | 100% | 100% | Achieved | Development and Planning | OMM | Institutional | R 0 | | | Copy of signed compliance certificate issued |
| | | | 67 | Compliance with Town Planning Scheme | Inspections conducted to prevent illegal activities (illegal construction of buildings) | Number of physical site inspections conducted | Number of physical site inspections conducted | 60 | 63 | 60 | 60 | 61 | Achieved | Development and Planning | OMM | Institutional | R 0 | N/A | N/A | Signed MANCO reports |
| | | | 68 | | Inspections conducted to prevent illegal activities (illegal land use) | | | 20 | 51 | 60 | 60 | 103 | Achieved | Development and Planning | OMM | Institutional | R 0 | N/A | N/A | |
| | To ensure sustainable and coordinated development throughout the municipality | To ensure sustainable and coordinated development throughout the municipality | 69 | Compliance with Spatial Planning Land Use Management Act (SPLUMA) | Processed and Approved SPLUMA applications by authorised officer or MPT | Percentage of SPLUMA applications processed | Percentage of SPLUMA applications processed | 100% | 100% | 100% | 100% | 100% | Achieved | Development and Planning | OMM | Institutional | R 0 | N/A | N/A | Copy of register, application acknowledgement or approved application |

## GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| To promote sustainable functional and integrated human settlements, maximise resource efficiency, and enhance municipal identity | To promote sustainable functional and integrated human settlements, maximise resource efficiency, and enhance municipal identity | 70 | Spatial Development Framework (SDF) for Richmond Municipality | A SPLUMA compliant Spatial Development Framework (Development of a Spatial Development Framework) | Date of Complete and signed terms of reference for the Spatial Development Framework as well as completion of specification | NR | New Indicator | New Indicator | 30-Sep-22 | NR | NR | NR | Development and Planning | OMM | Institutional | | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of signed terms of reference for the SDF with date of completion |
| | | 71 | | | Date of appointment of the service provider | NR | New Indicator | New Indicator | 30-Sep-22 | NR | NR | NR | Development and Planning | OMM | Institutional | | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of advert and copy of appointment letter |
| | | 72 | | | Date of completing Inception report | NR | New Indicator | New Indicator | 31-Dec-22 | NR | NR | NR | Development and Planning | OMM | Institutional | R 600 000 | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of signed inception report with date of completion |
| | | 73 | | | Date of completing Status Quo report | NR | New Indicator | New Indicator | 31-Mar-23 | NR | NR | NR | Development and Planning | OMM | Institutional | | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of signed status quo report with date of completion |
| | | 74 | | | Date of submitting Draft Spatial Development Framework (SDF) to Council | Date of submitting Draft Spatial Development Framework (SDF) to Council | New Indicator | New Indicator | 30-Jun-23 | 30-Jun-23 | 0 | Not Achieved | Development and Planning | OMM | Institutional | | Due to late finalisation of the other processes, draft SDF was not completed by the 30 June 2023 | Draft SDF will be tabled at the next council meeting in the first quarter of the new financial year | Copy of draft Spatial Development framework and minutes with attendance register of the PSC meeting |
| Ensure effective and focused communication, both within and outside the Municipality Strategically profile the Municipality in line with the Mission and vision | Ensure effective and focused communication, both within and outside the Municipality Strategically profile the Municipality in line with the Mission and vision | 75 | Communicate the Municipal Programmes & Projects to the Citizens | Quarterly Municipal Newsletter | Number of newsletters issued per quarter | Number of newsletters issued per quarter | 6000 newsletters | 6000 | 6000 newsletters | 6000 newsletters | 0 | Not Achieved | Communication | OMM | Institutional | R 150 000 | Budget constraints | To better budget in the new financial year to allow unit to fulfil all its duties and plans | Signed delivery note stating the quantity and a copy of the newsletter |
| | | 76 | Public engagements through Mayor on Air program | Mayor on Air program | Number of Mayoral radio slots conducted | Number of Mayoral radio slots conducted | 2 radio slot for the Mayor | 4 | 2 radio slot for the Mayor | 2 radio slot for the Mayor | 4 radio slot for the Mayor | Achieved | Communication | OMM | Institutional | R 69 996 | N/A | N/A | Invoice or confirmation letter for the radio slot |
| | | 77 | Visible municipal branding within Municipal offices and outside buildings | Municipal corporate branding | Number of campaigns and surveys conducted | Number of campaigns and surveys conducted | 1 survey and 3 campaigns | 1 survey and 3 campaigns | 1 survey and 3 campaigns | 1 survey and 3 campaigns | 1 survey and 3 campaigns | Achieved | Communication | OMM | Institutional | | N/A | N/A | Survey filled out questionnaire and signed attendance register, photographic evidence of the actual [illegible] |
| | | 78 | Tabling of the Annual Report to Council to ensure compliance with [illegible] | Tabled Annual Report to Council | Date of tabling of Annual report | Date of tabling of Annual report | 1 tabled Annual Report to Council by 31 [illegible] | 31-Jan-22 | 31-Mar-23 | 31-Mar-23 | 31-Jan-23 | Achieved | Communication | OMM | Institutional | R 115 284 | N/A | N/A | Copy of tabled Annual report and Council resolution adopting Annual report |
| To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management | To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management | 79 | Effective and operational Internal Audit Unit | Approval of planning internal audit documents | Date of adoption of the internal audit strategic and operational plan as well as audit charters | Date of adoption of the internal audit strategic and operational plan as well as audit charters | 31-Dec-21 | 15-Oct-21 | 30-Sep-22 | 30-Sep-22 | 29-Sep-22 | Achieved | Internal Audit/ OMM | OMM | Institutional | R 0 | N/A | N/A | Agenda and minutes of the Performance and Audit Committee approving the plan and charters |
| | | 80 | Certified members with IIASA and or CIGFARO | Professional membership for internal audit and risk | Date of payment for annual subscription by 31 May 2021 | Date of payment for annual subscription | 30-Jun-22 | 30-Jun-22 | 31-May-23 | 31-May-23 | 31-May-23 | Achieved | Internal Audit/ OMM | OMM | Institutional | R 0 | N/A | N/A | Payment voucher and proof of payment |
| | | 81 | Attendance of conferences for professional development | Professional development | Number of attended conferences | Number of attended conferences | 2 | 2 | 2 | 2 | 2 | Achieved | Internal Audit/ OMM | OMM | Institutional | R 10 864 | N/A | N/A | Agenda, payment voucher and attendance registers |
| | | 82 | Attendance of training programmes | Training and development | Number of trainings attended | Number of trainings attended | 4 | 4 | 4 | 4 | 4 | Achieved | Internal Audit/ OMM | OMM | Institutional | R 0 | N/A | N/A | Attendance register and or payment vouchers |
| | | 83 | Implementation of the internal audit plan | Audit plan implementation | Percentage of audit reviews completed as per the internal audit plan per quarter | Percentage of audit reviews completed as per the internal audit plan per quarter | 100% | 90% | 100% | 100% | 81% | Not Achieved | Internal Audit/ OMM | OMM | Institutional | R 0 | Security and traffic did not have policies in place, there was a resignation in the IA unit resulting to shortage of staff | The vacant position has been advertised and the two sections have been included in the current years plan | Internal Audit reports |
| | | 84 | Established quality assurance and improvement program | Quality assurance program | Number of quality assurance programs developed | Number of quality assurance programs developed | 1 | 1 | 1 | 1 | 1 | Achieved | Internal Audit/ OMM | OMM | Institutional | R 0 | N/A | N/A | Attendance register, developed quality programme |
| | | 85 | Annual Review of the Risk Management Framework and the Anti-Fraud and Anti-Corruption Strategy by the Risk Committee and Council | Risk and Anti Fraud/ Corruption Strategy and Framework | Date of adoption of the Risk Management framework and Anti Fraud/ Anti- Corruption Strategy | Date of adoption of the Risk Management framework and Anti - Fraud/ Anti - Corruption Strategy | 30-Jun-22 | 28-Jun-22 | 30-Jun-23 | 30-Jun-23 | 26-Jun-23 | Achieved | Risk Unit / OMM | OMM | Institutional | R 0 | N/A | N/A | Resolution adopting the strategy / framework and minutes of the Risk Committee Meeting |
| | | 86 | Quarterly Progress Reports on the implementation of the Risk Management Framework and the Anti-fraud and Anti-Corruption Strategy submitted to the Risk Committee | Fraud and risk prevention | Number of reports to be submitted to Risk Committee | Number of reports to be submitted to Risk Committee | 4 reports to be submitted to Risk Committee | - | 4 reports to be submitted to Risk Committee | 4 reports to be submitted to Risk Committee | 4 reports to be submitted to Risk Committee | Achieved | Risk Unit / OMM | OMM | Institutional | R 0 | N/A | N/A | Quarterly Risk progress reports and minutes of the Risk Committee meetings |
| | | 87 | Risk workshop convened once a year | Annual Risk workshop | Number of workshops to be held | Number of workshops to be held | 1 Workshop | 1 Workshop | 1 Workshop | 1 Workshop | 3 Workshops | Achieved | Risk Unit / OMM | OMM | Institutional | R 30 000 | N/A | N/A | Minutes of the meetings as well as attendance registers |
| To improve compliance and public participation and awareness | To improve compliance and public participation and awareness | 88 | Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness | Submission of Draft and Final SDBIP to Mayor | Date of submission of SDBIP to Mayor by 14 June 2020 | Date of submission of SDBIP to Mayor | 14-Jun-22 | 14-Jun-22 | Approval of Draft SDBIP by Mayor by 14 June 2023 | Approval of Draft SDBIP by Mayor by 14 June 2023 | Approval of Draft SDBIP by Mayor by 14 June 2024 | Achieved | PMS / OMM | OMM | Institutional | R 0 | N/A | N/A | Acknowledgement letter signed by the Mayor and proof of receipt signed by PT/ COGTA as receipt of draft SDBIP |
| | | 89 | | | Date of submission of Draft SDBIP to Mayor | Date of submission of Draft SDBIP to Mayor | 28-Jun-22 | 28-Jun-22 | Approval of Final SDBIP by Mayor by 28 June 2023 | Approval of Final SDBIP by Mayor by 28 June 2023 | Approval of Final SDBIP by Mayor by 26 June 2024 | Achieved | PMS / OMM | OMM | Institutional | R 0 | N/A | N/A | Signed acknowledgement letter of receipt from the Mayor and approved final SDBIP |
| | | 90 | | Publication of final SDBIP 2022/2023 | Date of publication of Approved final SDBIP | Date of publication of Approved final SDBIP | 30-Jun-22 | 30-Jun-22 | 30-Jun-23 | 30-Jun-23 | 30-Jun-23 | Achieved | PMS / OMM | OMM | Institutional | R 0 | N/A | N/A | Advert from the paper in which the SDBIP was advertised |
| To strengthen governance and IGR Structures | To strengthen governance and IGR Structures | 91 | Establish governance structures and develop protocols for all processes and participate in all IGR to share knowledge best practices and promote integrated development | Submission of APR to the office of the Auditor General of South Africa | Date of submission of Annual Performance Report to Auditor General | Date of submission of Annual Performance Report to Auditor General | 31-Aug-21 | 31-Aug-21 | Submission of APR to the AG's office by 31 August 2022 | Submission of APR to the AG's office by 31 August 2022 | 31-Aug-22 | Achieved | PMS / OMM | OMM | Institutional | R 0 | N/A | N/A | Acknowledgement letter or proof of receipt signed by the AG's office |
| | | 92 | | Quarterly SDBIP Reports submitted to Council | Number of quarterly SDBIPs submitted to Council | Number of quarterly SDBIPs submitted to Council | 4 Reports submitted to Council | 1 | 4 Reports submitted to Council | 4 Reports submitted to Council | 1 | Not Achieved | PMS / OMM | OMM | Institutional | R 0 | Delays from departments submitting performance reports leading to delays in the compiling of reports and submitting to committees | To convene quarterly MANCO meetings to focus on good governance and compliance matters to address delays by management submitting late. Furthermore once the 2022/2023 APR has been finalised and audited by internal audit unit it will be submitted to all relevant committees and Council | Minutes of the Council meeting as well as reports submitted. |
| | | 93 | | Signing of Section 56/57 Managers Performance Agreements | Number of signed Performance Agreements | Number of signed Performance Agreements | 5 signed performance agreements | 4 signed performance agreements | 5 signed performance agreements | 5 signed performance agreements | 4 signed performance agreements | Achieved | PMS / OMM | OMM | Institutional | R 0 | N/A | N/A | Signed Performance Agreements |
| | | 94 | | Adoption of the oversight report by Council | Date of adoption of the Oversight report by Council | Date of adoption of the Oversight report by Council | 31-Mar-22 | 31-Mar-22 | 31-Mar-23 | 31-Mar-23 | 31-Mar-23 | Achieved | PMS / OMM | OMM | Institutional | R 0 | N/A | N/A | Copy of adopted oversight report and Council resolution |
| | | 95 | | Publication of the Oversight Report | Date of publication of the oversight report | Date of publication of the oversight report | 07-Apr-22 | 07-Apr-22 | 07-Apr-23 | 07-Apr-23 | 07-Apr-23 | Achieved | PMS / OMM | OMM | Institutional | R 0 | N/A | N/A | Advert from the paper in which the Oversight report was advertised |
| To improve compliance and public participation and awareness | To improve compliance and public participation and awareness | 96 | Ensuring compliance to all legislative mandates and implementing processes and programmes to promote public awareness | Participation on IDP and Budget of local residents | Number of reports on the participation of local residents in decision making process | Number of reports on the participation of local residents in decision making process | 2 reports | 2 reports | 4 reports | 4 reports | 4 reports | Achieved | Public Participation | OMM | Institutional | R 0 | N/A | N/A | Signed public participation reports |
| | | 97 | | Community awareness campaigns on social ills within the community | Percentage of community awareness campaigns supported | Percentage of community awareness campaigns supported | 100% | 100% | 100% | 100% | 100% | Achieved | Public Participation | OMM | Institutional | R 0 | N/A | N/A | Agenda and attendance register |
| | | 98 | | Community feedback meetings on service delivery | Number of community feedback meetings convened | Number of community feedback meetings convened | [illegible] | 2 Meetings | 4 Meetings | 4 Meetings | 4 Meetings | Achieved | Public Participation | OMM | Institutional | R 0 | N/A | N/A | agenda, attendance register and minutes |
| | | 99 | | Ward committee meetings inputs | Number of ward committee meetings held | Number of ward committee meetings held | [illegible] | 6 Meetings | 12 Meetings | 12 Meetings | 12 Meetings | Achieved | Public Participation | OMM | Institutional | R 0 | N/A | N/A | agenda, attendance register and minutes |
| | | 100 | | Sectoral reports from ward committee members | Percentage of sectoral reports submitted | Percentage of sectoral reports submitted | 100% | 100% | 100% | 100% | 100% | Achieved | Public Participation | OMM | Institutional | R 0 | N/A | N/A | copy of sectoral reports |
| | | 101 | | Ward operational plans for the ward committees | Number of reports on implementation of WOPs | Number of reports on implementation of WOPs | 2 reports | 2 reports | 4 reports | 4 reports | 4 reports | Achieved | Public Participation | OMM | Institutional | R 0 | N/A | N/A | copy of reports for ward operational plan |
| | | 102 | | Service Delivery Community Issues | Percentage of community issues processed | Percentage of community issues processed | 100% | 100% | 100% | 100% | 100% | Achieved | Public Participation | OMM | Institutional | R 0 | N/A | N/A | copy of sectoral reports |
| | | 103 | | Payment of ward committee out of pocket expense | Percentage of ward committee members paid out of pocket expenses | Percentage of ward committee members paid out of pocket expenses | 100% | 100% | 100% | 100% | 100% | Achieved | Public Participation | OMM | Institutional | R 875 112 | N/A | N/A | proof of payments for out of pocket expenses paid |
| Enhancing rights of learner to education | Enhancing rights of learner to education | 104 | Improved and empowerment of children's right to education | protection of rights of children | Number of learners assisted | Number of learners assisted | 2 | 0 | 2 | 2 | 2 | Achieved | Community Services | COMM SERV | Institutional | R 0 | N/A | N/A | Attendance Register |

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | To promote gender equality and protect rights of senior citizens | To promote gender equality and protect rights of senior citizens | 105 | Gender equality for elderly people promoted | Local Golden Games for senior citizens | Date of hosting local games | Date of hosting local games | 30-Sep-21 | 0 | 30-Sep-22 | 30-Sep-22 | 19-Aug-22 | Achieved | Community Services | COMM SERV | All Wards | | N/A | N/A | Attendance Registers & records of planning meetings |
| | | | 106 | | Attending of District Golden Games for senior citizens | Date of attending District golden games | Date of attending District golden games | New indicator | New indicator | 30-Sep-22 | 30-Sep-22 | 23-Aug-22 | Achieved | Community Services | COMM SERV | All Wards | R 43 548.00 | N/A | N/A | Attendance registers, report and pictures |
| | To promote sports and recreation throughout the Richmond Local Municipality | To promote sports and recreation throughout the Richmond Local Municipality | 107 | Developed sports in Richmond | Development of local youth in sports | Date of attending SALGA games | Date of attending SALGA games | 30-Sep-21 | 0 | 30-Sep-22 | 30-Sep-22 | 01-Oct-22 | Not Achieved | Community Services | COMM SERV | All Wards | R 38 256.00 | District planning committee rescheduled the games for the second quarter. | The games took place in the second quarter | Attendance registers, report and pictures |
| | To promote Arts and Culture within Richmond | To promote Arts and Culture within Richmond | 108 | Conduct Arts and Culture awareness programmes | Hosting of Arts and Culture events | Number of Arts and Culture programmes conducted | Number of Arts and Culture programmes conducted | 2 | 2 | 2 | 2 | 2 | Achieved | Community Services | COMM SERV | Institutional | R 53 926.00 | N/A | N/A | Attendance Registers & records of planning meetings |
| | To Maintain a productive relationship between the municipality and its employees | To Maintain a productive relationship between the municipality and its employees | 109 | | Monitoring progress in the implementation of resolutions | Number of Council meeting resolutions implemented | Number of Council meeting resolutions implemented | 12 | 12 | 12 | 12 | 12 | Achieved | Corporate Services | Corporate Services | Institutional | R0 | N/A | N/A | Copy of resolution register |
| | | | 110 | | Continuous monitoring of agreements between SALGBC and Local Labour Forum | Number of meetings held to monitor agreements between SALGBC and Local Labour Forum | Number of meetings held to monitor agreements between SALGBC and Local Labour Forum | 4 | 5 | 4 | 4 | 4 | Achieved | Corporate Services | Corporate Services | Institutional | R0 | N/A | N/A | Agenda and attendance register |
| | To strengthen governance and IGR Structures | To strengthen governance and IGR Structures | 111 | Establish governance structures and develop protocols for all processes and participate in all IGR to share knowledge best practices and promote integrated development | Full Council to convene at least 4 times per year | Number of quarterly Full Council meetings held | Number of quarterly Full Council meetings held | New indicator | New indicator | 4 | 4 | 4 | Achieved | Corporate Services | Corporate Services | Institutional | R0 | N/A | N/A | Agenda, attendance register and minutes |
| | | | 112 | | Executive Committee to convene at least 4 times per year | Number of quarterly Executive Committee (EXCO) meetings held | Number of quarterly Executive Committee (EXCO) meetings held | New indicator | New indicator | 4 | 4 | 4 | Achieved | Corporate Services | Corporate Services | Institutional | R0 | N/A | N/A | Agenda, attendance register and minutes |
| | | | 113 | | Council Portfolio Committees to convene once monthly and 12 times per year | Number of Council portfolio committee meetings held | Number of Council portfolio committee meetings held | New indicator | New indicator | 16 (8 per portfolio committee) | 16 (8 per portfolio committee) | 16 (8 per portfolio committee) | Achieved | Corporate Services | Corporate Services | Institutional | R0 | N/A | N/A | Agenda, attendance register and minutes |
| | | | 114 | | The Performance and Audit Committee to convene at least 4 times a year as per section 166(4)(b) | Number of Performance and Audit Committee meetings held | Number of Performance and Audit Committee meetings held | 4 PAC meetings held. | 4 PAC meetings held. | 4 Meetings | 4 Meetings | 5 Meetings | Achieved | Corporate Services | Corporate Services | Institutional | R 180 000 | N/A | N/A | Agenda, attendance register and minutes |
| | | | 115 | | MPAC to convene at least 4 times per year | Number of MPAC Meetings held | Number of MPAC Meetings held | 4 MPAC meetings held. | 5 MPAC meetings held. | 4 Meetings | 4 Meetings | 4 Meetings | Achieved | Corporate Services | Corporate Services | Institutional | R0 | N/A | N/A | Agenda, attendance register and minutes |
| | | | 116 | | Risk Committee to convene on a Quarterly basis to review the Risk Register | Number of Risk Committee meetings held | Number of Risk Committee meetings held | 4 Meetings | 4 | 4 Meetings | 4 Meetings | 4 Meetings | Achieved | Corporate Services | Corporate Services | Institutional | R0 | N/A | N/A | Agenda, attendance register and minutes |
| | To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management | To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management | 117 | Quarterly Progress Reports on the implementation of the audit action plan | Development and management of an audit action plan to improve on the audit opinion received | Number of audit action plan reports submitted to Council | Number of audit action plan reports submitted to Council | New indicator | New indicator | 4 | 4 | 4 | Achieved | BTO | BTO | Institutional | R0 | N/A | N/A | Updated audit action plan |
| | | | 118 | Quarterly Progress Reports on the implementation of the Risk Management Framework, Anti-Fraud and Anti-Corruption Strategy submitted to the Risk unit | Internal controls and risk mitigation | Number of quarterly risk register report updated | Number of quarterly risk register report updated | 4 | 4 | 4 | 4 | 4 | Achieved | BTO | BTO | Institutional | R0 | N/A | N/A | Updated Quarterly Risk Register |
| | | | 119 | Quarterly Performance Reports on achieved and not achieved targets submitted to PMS Unit | Monitoring of organisational performance through quarterly SDBIP reports | Number of quarterly Performance Reports Submitted to PMS Unit | Number of quarterly Performance Reports Submitted to PMS Unit | New indicator | New indicator | 4 | 4 | 4 | Achieved | BTO | BTO | Institutional | R0 | N/A | N/A | Quarterly PMS SDBIP Report signed by HOD |

| NATIONAL KEY PERFORMANCE AREAS | ORIGINAL OBJECTIVE | REVISED OBJECTIVE | NO. | STRATEGY FOCUS AREA | Project / Programme/ Measurable Output | KEY PERFORMANCE INDICATOR | REVISED KEY PERFORMANCE INDICATOR | COMPARISON WITH PREVIOUS YEAR 2021/2022 | | ORIGINAL SDBIP TARGET | CURRENT YEAR 2022/2023 | | STATUS (ACHIEVED / NOT ACHIEVED) | RESPONSIBLE UNIT | RESPONSIBLE DEPARTMENT | WARD INFORMATION | FINANCIAL IMPLICATION | CHALLENGES | CORRECTIVE MEASURES | PORTFOLIO OF EVIDENCE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | SDBIP TARGET | ACTUAL ACHIEVEMENT | | REVISED SDBIP TARGET | ACTUAL ACHIEVEMENT | | | | | | | | |
| Municipal Financial Viability and Management | To improve financial viability and sound financial management as per MFMA | To improve financial viability and sound financial management as per MFMA | 120 | Implement systems and processes which ensure clean audits, compliance to legislation and high performance | Compliance with Section 65(2)(e) of the MFMA | Percentage of Creditors paid within 30 days of invoice date | Percentage of Creditors paid within 30 days of invoice date | 100% | 100% | 100% | 100% | 100% | Achieved | Expenditure Management | BTO | Institutional | R0 | N/A | N/A | Creditors Age Analysis & Invoice Register |
| | | | 121 | | Reconciled and reviewed monthly creditors' reconciliations | Number of months reconciled within the quarter | Number of months reconciled within the quarter | 12 | 12 | 12 | 12 | 12 | Achieved | Expenditure Management | BTO | Institutional | R0 | N/A | N/A | Monthly Creditors Reconciliations (Signed off by Manager) |
| | | | 122 | | Financial Reporting to STATS SA | Number of quarterly reports submitted to STATS SA | Number of quarterly reports submitted to STATS SA | 4 | 4 | 4 | 4 | 4 | Achieved | Expenditure Management | BTO | Institutional | R0 | N/A | N/A | Statistical Report |
| | | | 123 | | Timely and accurate processing of Employee Related Cost and compliance with legal prescripts | Number of months Employee Related Costs processed in a timely manner | Number of months Employee Related Costs processed in a timely manner | 12 | 12 | 12 | 12 | 12 | Achieved | Expenditure Management | BTO | Institutional | R65 808 000 | N/A | N/A | Payroll Report & Proof of Payment |
| | | | 124 | Reduced dependency on grants and increase revenue collection and alternative revenue generation sources | Improved debtors collection rate | Amount collected in respect of old debt | Amount collected in respect of old debt | R 15 000 000.00 | R 14 656 116.69 | 15 000 000 | 15 000 000 | 9 419 153.74 | Not Achieved | Revenue Management | BTO | Institutional | R0 | Majority of outstanding debt not collected was from Government, historical information utilised for billing had subsequently changed (billing address, accounts ) | The municipality in conjunction with COGTA conducted a successful data cleansing exercise which will rectify the historical information on the municipality billing system | Debtors Age Analysis Report / Collections Report |
| | | | 125 | | | Percentage of current billing collected on a monthly basis | Percentage of current billing collected on a monthly basis | 95% | 103% | 95% | 95% | 87% | Not Achieved | Revenue Management | BTO | Institutional | R0 | Majority of outstanding debt not collected was from Government, historical information utilised for billing had subsequently changed (billing address, accounts ) | The municipality with COGTA conducted a successful data cleansing exercise which will rectify the historical information on the municipality billing system | Debtors Age Analysis Report / Collections Report |
| | | | 126 | | Reduced grant dependency | Date of approving Revenue enhancement strategy | Date of approving Revenue enhancement strategy | 30-Sep-21 | 30-Jun-22 | 30-Sep-22 | 30-Sep-22 | 30-Sep-22 | Achieved | Revenue Management | BTO | Institutional | R0 | N/A | N/A | Council resolution approving revenue enhancement strategy |
| | | | 127 | | Improved municipal liquidity position | Number of times that cash reserves can cover monthly expenditure | Number of times that cash reserves can cover monthly expenditure | Average of 3 Times | 1,6 | Average of 3 Times | Average of 3 Times | 1,1 | Not Achieved | Revenue Management | BTO | Institutional | R0 | There was a short fall on the municipal reserves from settling majority of municipal creditors | The municipality has successfully completed the processes for the sale of land which is expected to boost the cash reserves | Section 71 Report & Financial Ratios |
| | To effect SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective | To effect SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective | 128 | Improve systems for demand and supply chain management | Improved SCM Procurement Turnaround times for an order below R30 000 | Number of days to place an order below R30 000 | Number of days to place an order below R30 000 | 12 days | 12 days | 12 days | 12 days | 12 days | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | Requisition Report |
| | | | 129 | | Improved SCM Procurement Turnaround times for an order above R30 000 but below R200 000 | Number of days to place an order (above R30 000 but below R200 000) starting from the date SCM receives specification from end user department | Number of days to place an order (above R30 000 but below R200 000) starting from the date SCM receives specification from end user department | 21 days | 20 days | 21 days | 21 days | 21 days | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | SCM monthly performance reports |
| | | | 130 | | Improved SCM Procurement Turnaround times t finalize evaluation to bid tender | Number of days to finalize evaluation to bid to tender starting from the closing date of the tender. | Number of days to finalize evaluation to bid to tender starting from the closing date of the tender. | 21 days | 8 days | 21 days | 21 days | 21 days | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | SCM monthly performance reports |
| | | | 131 | | Improved SCM Procurement Turnaround times between tender evaluation and adjudication | Number of days between tender evaluation and adjudication starting from date of the finalisation of the evaluation committee | Number of days between tender evaluation and adjudication starting from date of the finalisation of the evaluation committee | 14 days | 10 days | 14 days | 14 days | 14 days | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | SCM monthly performance reports |
| | | | 132 | | Irregular, fruitless and wasteful Expenditure Eliminated | No irregular, fruitless and wasteful expenditure incurred | No irregular, fruitless and wasteful expenditure incurred | No irregular, fruitless and Wasteful Expenditure Incurred | R 657 903.52 | No irregular, fruitless and Wasteful Expenditure Incurred | No irregular, fruitless and Wasteful Expenditure Incurred | 0 | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | SCM monthly performance reports |
| | Annual Procurement plan prepared | Annual Procurement plan prepared | 133 | Approved Procurment Plans | Approved Procurement Planning | Date of approved procurement plan by Council | Date of approved procurement plan by Council | Approved procurement Plan by 30 June 2022 | 30-Jun-22 | 30-Jun-22 | 30-Jun-22 | 28-Jun-22 | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | Council Resolution and copy of approved procurement plan |
| | Effective bid committees to support procurement for service delivery | Effective bid committees to support procurement for service delivery | 134 | Functional and Effective Bid Committees | Training and development | Number of trainings arranged | Number of trainings arranged | 4 training | 4 training | 4 training | 4 training | 4 training | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | Attendance Register |
| | To have a GRAP compliant asset register for the municipality | To have a GRAP compliant asset register for the municipality | 135 | Implement systems and processes which ensure clean audits, compliance to legislation and high performance | Safeguarding of Municipal Assets | Number of quarterly reports | Number of quarterly reports | 4 | 4 | 4 | 4 | 4 | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | Quarterly Report |
| | | | 136 | | Compilation of GRAP Compliant Fixed Asset Register | Number of material findings audit findings on the figures disclosed in the AFS as per AG's report | Number of material findings audit findings on the figures disclosed in the AFS as per AG's report | 0 | 0 | 0 | 0 | 0 | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | GRAP Compliant Fixed Asset Register and Audit report |
| | | | 137 | | | Number of quarterly reconciliation reports | Number of quarterly reconciliation reports | 4 | 4 | 4 | 4 | 4 | Achieved | Supply Chain Management | BTO | Institutional | R0 | N/A | N/A | GRAP Compliant Fixed Asset Register |
| | | | 138 | | Approved budget process Plan by Council by 31 August | Date of approving IDP/Budget Process Plan | Date of approving IDP/Budget Process Plan | 31-Aug-21 | 26-Aug-22 | 31-Aug-22 | 31-Aug-22 | 31-Aug-22 | Achieved | Financial Services | BTO | Institutional | R0 | N/A | N/A | Council Resolution - Approved IDP/ Budget Process Plan |
| | | | 139 | | Approved Draft budget in compliance with MFMA | Approval of draft budget | Approval of draft budget | 31-Mar-22 | 31-Mar-22 | 31-Mar-23 | 31-Mar-23 | 31-Mar-23 | Achieved | Financial Services | BTO | Institutional | R0 | N/A | N/A | Council Resolution - Approved draft Budget |

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | To prepare the budget for the municipality in compliance with legislative prescripts | To prepare the budget for the municipality in compliance with legislative prescripts | 140 | Prepare financial plans and provide reports in terms of applicable legislation | Approved Annual Budget in compliance to MFMA | Date of approval of final budget | Date of approval of final budget | 31-May-22 | 31-May-22 | 31-May-23 | 31-May-23 | 31-May-23 | Achieved | Financial Services | BTO | Institutional | R 0 | N/A | N/A | Council Resolution - Approved final Budget |
| | | | 141 | | Approved Mid year assessment report in compliance with MFMA | Date of submission of Mid year performance assessment report | Date of submission of Mid year performance assessment report | 31-Jan-22 | 31-Jan-22 | 31-Jan-23 | 31-Jan-23 | 31-Jan-23 | Achieved | Financial Services | BTO | Institutional | R 0 | N/A | N/A | Council Resolution - Approved Mid year Assessment |
| | | | 142 | | Approved Adjustment budget in compliance with the MFMA | Date of approval of adjustment budget | Date of approval of adjustment budget | 28-Feb-22 | 25-Feb-22 | 28-Feb-23 | 28-Feb-23 | 23-Feb-23 | Achieved | Financial Services | BTO | Institutional | R 0 | N/A | N/A | Council Resolution - Approved Adjustment Budget |
| | | | 143 | | All monthly returns submitted | Number of monthly returns submitted | Number of monthly returns submitted | 12 | 12 | 12 | 12 | 12 | Achieved | Financial Services | BTO | Institutional | R 0 | N/A | N/A | Proof of submission - Section 71 Reports |
| | | | 144 | | All quarterly returns submitted with zero errors | Number of returns submitted | Number of returns submitted | 4 | 4 | 4 | 4 | 4 | Achieved | Financial Services | BTO | Institutional | R 0 | N/A | N/A | Proof of submission - Quarterly Reports |
| | | | 145 | | [illegible] submitted on time to AGSA | Date of submission of AFS to Auditor General | Date of submission of AFS to Auditor General | 31-Aug-21 | 31-Aug-21 | 31-Aug-22 | 31-Aug-22 | 31-Aug-22 | Achieved | Financial Services | BTO | Institutional | R 0 | N/A | N/A | Acknowledgement of Receipt by AGSA |

| NATIONAL KEY PERFORMANCE AREAS | ORIGINAL OBJECTIVE | REVISED OBJECTIVE | NO | STRATEGY FOCUS AREA | Project / Programme / Measurable Output | KEY PERFORMANCE INDICATOR | REVISED KEY PERFORMANCE INDICATOR | COMPARISON WITH PREVIOUS YEAR 2021/2022 | | ORIGINAL SDBIP TARGET | CURRENT YEAR 2022/2023 | | STATUS (ACHIEVED / NOT ACHIEVED) | RESPONSIBLE UNIT | RESPONSIBLE DEPARTMENT | WARD INFORMATION | FINANCIAL IMPLICATION | CHALLENGES | CORRECTIVE MEASURES | PORTFOLIO OF EVIDENCE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | SDBIP TARGET | ACTUAL ACHIEVEMENT | | REVISED SDBIP TARGET | ACTUAL ACHIEVEMENT | | | | | | | | |
| Cross Cutting Issues | To implement disaster management programmes | To implement disaster management programmes | 146 | Promote health and safety and provide disaster relief through awareness campaigns | Reviewed Disaster Management Policy and Disaster Management Plan | Date of reviewing the disaster Management policy and Plan | Date of reviewing the disaster Management policy and Plan | 30-Jun-22 | 0 | 30-Jun-23 | 30-Jun-23 | 0 | Not Achieved | Disaster Management | Community Services | Institutional | R 0 | Limited capacity in the disaster unit to develop policies and plans | The municipality has introduced a senior position in the disaster unit organogram | Council Resolution approving the Policy and Plan |
| | | | 147 | | Disaster Management programmes implemented | Number of awareness Campaigns to be done in each ward | Number of awareness Campaigns to be done in each ward | 7 | 7 | 7 | 7 | 7 | Achieved | Disaster Management | Community Services | Ward based (1,2,3,4,5,6,7) | R 75 000 | N/A | N/A | Attendance Register, proof of payment for procured goods and brochures/ invitations |
| | | | 148 | | Reduced turn around time in responding to disaster incidents | Number of Hours taken to respond to disaster incidents | Number of Hours taken to respond to disaster incidents | 5 hours to respond to disaster incidents | 5 hours to respond to disaster incidents | 5 hours to respond to disaster incidents | 5 hours to respond to disaster incidents | 5 hours to respond to disaster incidents | Achieved | Disaster Management | Community Services | Institutional | R 0 | N/A | N/A | Copy of signed incident report indicating times taken to respond to disaster incidents |
| | | | 149 | | Disaster Advisory Forum Meetings Convened | Number of Meetings convened | Number of Meetings convened | 4 | 4 | 4 | 4 | 4 | Achieved | Disaster Management | Community Services | Institutional | R 0 | N/A | N/A | Agenda, attendance register and minutes |
| | | | 150 | | Disaster Management incident reports tabled at portfolio committee | Number of reports submitted to MANCO and Portfolio committee on the functionality of Disaster | NR | New Indicator | New Indicator | 12 | NR | NR | NR | Disaster Management | Community Services | Institutional | R 0 | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of report signed by HOD submitted and minutes of committees |
| | | | 151 | | Disaster Management reports on support relief provided to community members affected by disaster incidents | Number of monthly reports on disaster relief support provided submitted to MANCO and Portfolio committee on the functionality of Disaster | NR | New Indicator | New Indicator | 12 | NR | NR | NR | Disaster Management | Community Services | Institutional | R 0 | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of report signed by HOD submitted and minutes of committees |
| | To promote the use of libraries facilities and dissemination of information | To promote the use of libraries facilities and dissemination of information | 152 | Improved opportunities for better livelihood and improved knowledge | Enhancing library educational programmes | Number of library programmes conducted in the communities | Number of library programmes conducted in the communities | 8 | 8 | 12 | 12 | 12 | Achieved | Library Services | Community Services | Institutional | R 0 | N/A | N/A | library Report signed by Manager library Services |
| | | | 153 | | | Number of book exchanges | Number of book exchanges | 6 | 9 | 6 | 6 | 6 | Achieved | Library Services | Community Services | Ward based (1,2,3,4,5,6,7) | R 0 | N/A | N/A | Reports of books exchange signed by Arts and Culture HOD |
| | | | 154 | | Monitoring of the Arts and Culture Grant spending received by the [illegible] | Number of expenditure reports submitted | Number of expenditure reports submitted | 4 | 4 | 4 | 4 | 4 | Achieved | Library Services | Community Services | Institutional | R 0 | N/A | N/A | Expenditure reports signed by the SM Community Services or the CFO |
| | To ensure revenue enhancement | To ensure revenue enhancement | 155 | Revenue generated through learners licensing | Revenue Generation and enhancement | Number of reports submitted to Council committees | NR | New Indicator | New Indicator | 4 | NR | NR | NR | Community Services | COMM SERV | Institutional | R 0 | Indicator was removed during adjustment of SDBIP due to relevance. | | Finance system generated reports indicating revenue generated |
| | To provide law enforcement and Security Services | To provide law enforcement and Security Services | 156 | To enhance and promote road safety as per National Road Traffic Act 93/96 | Visibility campaigns and road blocks programmes conducted | Number of roadblocks conducted | Number of roadblocks conducted | 40 | 40 | 40 | 40 | 40 | Achieved | Community Services | COMM SERV | Institutional | R 0 | N/A | N/A | Copy of traffic fines issued on the date in, invitations, roadblock reports and pictures |
| | To enhance road safety, law enforcement and promote the drivers license/ testing centre | To enhance road safety, law enforcement and promote the drivers license/ testing centre | 157 | To enhance and educate the community through road safety education awareness programmes and visiting of schools | | Number of road safety education awareness programmes conducted | Number of road safety education awareness programmes conducted | 12 | 12 | 12 | 12 | 12 | Achieved | Community Services | COMM SERV | Institutional | R 0 | N/A | N/A | Attendance Register of who attended, Photos, letter of appreciation as well as brochures |
| | To have a functional youth structure within the Municipal area | To have a functional youth structure within the Municipal area | 158 | Functionality of the youth council | Functional and effective Youths Council | Number of reports submitted to MANCO and Portfolio committees on the functionality of Youth Council | NR | 4 | 0 | 4 | NR | NR | NR | Community Services | COMM SERV | Institutional | R 32 654 | Indicator was removed during adjustment of SDBIP due to relevance. | | Reports, minutes and attendance registers |
| | To unlock opportunities for poor youth through assistance and funding | To unlock opportunities for poor youth through assistance and funding | 159 | To organize youth educational programmes | Uplifted Youth through conducting educational programmes | Number of educational programmes done | Number of educational programmes done | 2 | 2 | 2 | 2 | 2 | Achieved | Community Services | COMM SERV | Institutional (Open to all ward) | R 15 720 | N/A | N/A | Attendance register, planning records |
| | | | 160 | | A platform created for young artists to showcase their talent through hosting the Annual Arts Festival | Date of hosting Annual Arts Festival | Date of hosting Annual Arts Festival | 31-Dec-21 | 07-Oct-21 | 30 Dec-22 | 31-Dec-22 | 30-Dec-22 | Achieved | Community Services | COMM SERV | Institutional (Open to all ward) | R 33 924 | N/A | N/A | Register of participated artists, report to HOD |
| | | | 161 | | A structured Youth Month Programme organised | Date of conducting event | Date of conducting event | 30-Jun-22 | 22-Jun-22 | 30-Jun-23 | 30-Jun-23 | 01-Jul-23 | Achieved | Community Services | COMM SERV | Institutional (Open to all ward) | R 47 652 | N/A | N/A | Attendance register, planning records |
| | Ensure implementation of Operation Sukuma Sakhe | Ensure implementation of Operation Sukuma Sakhe | 162 | Ensure functional OSS Task team (LTT) | Functional and effective Operation Sukuma Sakhe | Number of quarterly OSS Local Task Team Meetings | Number of quarterly OSS Local Task Team Meetings | New Indicator | New Indicator | 4 | 4 | 4 | Achieved | Community Services | COMM SERV | Institutional (Open to all ward) | R 13 200 | N/A | N/A | Agenda, minutes and attendance registers |
| | | | 163 | Coordinate Operation Sukuma Sakhe Outreach Programmes | Operation MBO campaigns implemented | Number of Quarterly Operation MBO campaigns | Number of Quarterly Operation MBO campaigns | New Indicator | New Indicator | 4 | 4 | 1 | Not Achieved | Community Services | COMM SERV | Institutional (Open to all ward) | R 0 | Limited resources and non-participation by the department of home affairs | The municipality held a stakeholder engagement session on the 28 July 2023 to revive operation MBO | Agenda, minutes and attendance registers |
| | | | 164 | | Functional and active war rooms in all wards | Number of Active OSS War Rooms | Number of Active OSS War Rooms | New Indicator | New Indicator | 49 | 49 | 0 | Not Achieved | Community Services | COMM SERV | Ward based (1,2,3,4,5,6,7) | R 0 | Limited resources in the social services unit and limited budget | Social Services to engage with the budget office with regards to trying to increase budget and also to engage external stakeholders with. | Agenda, minutes and attendance registers |
| | | | 165 | | Humanitarian events implemented to commemorate Nelson Mandela Day | Number of Humanitarian Events in commemoration of Nelson Mandela Day | Number of Humanitarian Events in commemoration of Nelson Mandela Day | New Indicator | New Indicator | 7 | 7 | 1 | Not Achieved | Community Services | COMM SERV | Ward based (1,2,3,4,5,6,7) | R 0 | Limited resources in the social services unit and limited budget | Social Services to engage with the budget office with regards to trying to increase budget and also to engage external stakeholders with. | Agenda, minutes and attendance registers |
| | To create awareness and promote healthy lifestyles that combats dreaded diseases such as HIV/AIDS | To create awareness and promote healthy lifestyles that combats dreaded diseases such as HIV/AIDS | 166 | HIV/AIDS awareness campaign | Commemoration of World AIDS day | Date of hosting of the awareness campaign | Date of commemoration of Worlds AIDS day | New Indicator | New Indicator | 31-Dec-22 | 31-Dec-22 | 08-Dec-22 | Achieved | Community Services | COMM SERV | Institutional (Open to all ward) | R 20 004 | N/A | N/A | Copy of invite, invoice for transport and attendance register |
| | | | 167 | Coordinate and hold Local Aids Council Meetings | Functional and effective local AIDS Council | Number of Quarterly Local Aids Council Meetings | Number of Quarterly Local Aids Council Meetings | New Indicator | New Indicator | 4 | 4 | 1 | Not Achieved | Community Services | COMM SERV | Institutional (Open to all ward) | R 0 | Limited resources in the social services unit and limited budget | Social Services to engage with the budget office with regards to trying to increase budget and also to engage external stakeholders with. | Agenda, minutes and attendance registers |
| | | | 168 | | | Number of Quarterly Ward Aids Committee Meetings | Number of Quarterly Ward Aids Committee Meetings | New Indicator | New Indicator | 4 | 4 | 1 | Not Achieved | Community Services | COMM SERV | Institutional (Open to all ward) | R 0 | Limited resources in the social services unit and limited budget | Social Services to engage with the budget office with regards to trying to increase budget and also to engage external stakeholders with. | Agenda, minutes and attendance registers |
| | | | 169 | To coordinate health awareness campaigns | Health awareness campaigns implemented in the community | Number of Quarterly Health Awareness Campaigns | Number of Quarterly Health Awareness Campaigns | New Indicator | New Indicator | 4 | 4 | 0 | Not Achieved | Community Services | COMM SERV | Institutional (Open to all ward) | R 0 | Limited resources in the social services unit and limited budget | Social Services to engage with the budget office with regards to trying to increase budget and also to engage external stakeholders with. | Agenda, minutes and attendance registers |

| NATIONAL KEY PERFORMANCE AREAS | ORIGINAL OBJECTIVE | REVISED OBJECTIVE | NO | STRATEGY FOCUS AREA | Project / Programme / Measurable Output | KEY PERFORMANCE INDICATOR | REVISED KEY PERFORMANCE INDICATOR | COMPARISON WITH PREVIOUS YEAR 2021/2022 | | ORIGINAL SDBIP TARGET | CURRENT YEAR 2022/2023 | | STATUS (ACHIEVED / NOT ACHIEVED) | RESPONSIBLE UNIT | RESPONSIBLE DEPARTMENT | WARD INFORMATION | FINANCIAL IMPLICATION | CHALLENGES | CORRECTIVE MEASURES | PORTFOLIO OF EVIDENCE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | SDBIP TARGET | ACTUAL ACHIEVEMENT | | REVISED SDBIP TARGET | ACTUAL ACHIEVEMENT | | | | | | | | |
| | To promote economic development and economic growth | To promote economic development and economic growth | 170 | Job creation, investor attraction, and economic growth | Implementation of LED Strategy and programmes | Date of signed Terms of Reference | NR | New Indicator | New Indicator | 30-Sep-22 | NR | NR | NR | LED | OMM | Institutional | | Indicator was removed during adjustment of SDBIP due to relevance. | | Signed Terms of Reference |
| | | | 171 | | | Date of appointment of service provider | NR | New Indicator | New Indicator | 31-Dec-22 | NR | NR | NR | LED | OMM | Institutional | | Indicator was removed during adjustment of SDBIP due to relevance. | | Request from LED to Finance and appointment letter of service provider or order issued |
| | | | 172 | | | Date of submission for the funding implementation plan and draft business plans | NR | New Indicator | New Indicator | 31-Mar-23 | NR | NR | NR | LED | OMM | Institutional | | Indicator was removed during adjustment of SDBIP due to relevance. | | Copy of enrollment and Copies of Business plans submitted |
| | | | 173 | | | Number of business plans submitted for funding applications | Number of business plans submitted for funding applications | Bi-annual (2 business plans) | 0 | 2 | 2 | 2 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | |
| | | | 174 | | Capacity building for SMMEs and Co-operatives | New Indicator | Number of Project Steering Committee Meetings held | New Indicator | New Indicator | 2 | 2 | 2 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | |
| | | | 175 | | | Number of Project Steering Committee Meetings held | Number of Project Steering Committee Meetings held | New Indicator | New Indicator | 2 | 2 | 2 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | |
| | | | 176 | | | Date of training programme formulated | Date of training programme formulated | 30-Sep-21 | 29-Sep-21 | 30-Sep-22 | 30-Sep-22 | 26-Jul-22 | Achieved | LED | OMM | Institutional | | N/A | N/A | Signed training programme developed |
| | | | 177 | Facilitate improved literacy rate and better standard of living | | Number of training programmes conducted/facilitated through external stakeholders | Number of training programmes conducted/facilitated through external stakeholders | New Indicator | New Indicator | [illegible] | 2 | 2 | Achieved | LED | OMM | Institutional | R 150 000 | N/A | N/A | Signed attendance registers indicating trainings attended |

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Local Economic Development** | To support skills development and economic growth | To support skills development and economic growth | 178 | | | Date of appointment of service provider | NIL | 31-Dec-21 | 0 | 31-Dec-22 | NR | NR | NR | LED | OMM | Institutional | | **Indicator was removed during adjustment of SDBIP due to relevance.** | | Signed needs analysis register and completed list of beneficiaries. Appointment letter of service provider |
| | | | 179 | | | Number of trained beneficiaries | Number of trained beneficiaries | 50 | 14 | 40 | 40 | 74 | Achieved | LED | OMM | Institutional | | N/A | N/A | Signed attendance registers and certificates from service provider |
| | | | 180 | To support small businesses and start ups | Provision of support to SMMEs and business start ups, by procurement of machinery, equipment, implements, seeds, inputs etc.) | Date of procurement of SMME equipment | Date of procurement of SMME equipment | 31-Dec-21 | 0 | 31-Dec-22 | 31-Dec-22 | 21-Dec-22 | Achieved | LED | OMM | Institutional | R 150 000 | N/A | N/A | Signed delivery note |
| | | | 181 | | | Date of handover of SMME equipment | Date of handover of SMME equipment | 30-Sep-21 | 0 | 31-Mar-23 | 31-Mar-23 | 27-Jun-23 | Not Achieved | LED | OMM | Institutional | | | | Register of beneficiaries and handover pictures |
| | | | 182 | | Registration of companies for SMMEs on CIPC | Number of SMME companies registered on CIPC | Number of SMME companies registered on CIPC | 30 | 22 | 20 | 20 | 54 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Registration certificates from CIPC |
| | | | 183 | | To insure functional and effective Business forum | Number of meetings held by the forum | NR | 4 | 3 | 4 | NR | NR | NR | LED | OMM | Institutional | R 0 | **Indicator was removed during adjustment of SDBIP due to relevance.** | | Invitations to stakeholders, minutes of meetings held and attendance register |
| | | | 184 | | To ensure a functional and effective LED Forum | Date of launch of LED Forum | Date of launch of LED Forum | New Indicator | New Indicator | 31-Dec-22 | 31-Dec-22 | 22-Jun-23 | Not Achieved | LED | OMM | Institutional | R 16 080 | LED launch had to be postponed to the month of June to align with the district municipalities LED and Youth activities | The LED launch was successfully launched on 22 June 2023 at a two day LED and Youth summit. Going forward the municipality will be aligning its [illegible] | Invitations to stakeholders, programme and attendance register |
| | | | 185 | | | Number of meetings held by the forum | Number of meetings held by the forum | New Indicator | New Indicator | 4 | 4 | 4 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Invitations to stakeholders, minutes of meetings held and attendance register |
| | | | 186 | | To ensure a functional and effective Richmond Community Tourism Organisation (CTO) | Date of registration of CTO | Date of registration of CTO | New Indicator | New Indicator | 30-Sep-22 | 30-Sep-22 | 22-Jul-22 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Copy of email confirming registration and a Copy of certificate of registration with EDTEA |
| | | | 187 | | | Date of launch of CTO | NIL | New Indicator | New Indicator | 31-Dec-22 | NR | NR | NR | LED | OMM | Institutional | | **Indicator was removed during adjustment of SDBIP due to relevance.** | | Invitations to stakeholders, programme and attendance register |
| | | | 188 | | | Number of meetings held by the CTO | Number of meetings held by the CTO | * | * | 4 | 4 | 4 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Invitations to stakeholders, minutes of meetings held and attendance register |
| | | | 189 | | Ensuring a functional and effective Richmond Agricultural Forum | Number of meetings held by the agricultural forum | Number of meetings held by the agricultural forum | * | * | 4 | 4 | 4 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Invitations to stakeholders, minutes of meetings held and attendance register |
| | | | 190 | | To ensure compliance with the operations of the regulatory compliance forum | Number of joint quarterly business inspections held | Number of joint quarterly business inspections held | * | * | 4 | 4 | 5 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Attendance registers of businesses visited and officials and pictures |
| | | | 191 | | To develop and support SMME's informal economy | Number of informal traders permits issued | Number of informal traders permits issued | 100 | 100 | 100 | 100 | 100 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Signed informal traders permits issued and collection register |
| | | | 192 | | To support and address issues and challenges faced by informal [illegible] | Number of meetings held by informal economy | Number of meetings held by informal traders committee | New Indicator | New Indicator | 4 | 4 | 4 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Invitations to stakeholders, minutes of meetings held and attendance register |
| | | | 193 | | To ensure compliance with the informal traders allocations policy | Percentage of lease agreement signed for new tenants of the [illegible] | Percentage of lease agreement signed for new tenants of the SMME [illegible] | 100% | 100% | 100% | 100% | 100% | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Copy of signed lease agreements |
| | | | 194 | | To ensure compliance with informal traders lease agreements | Percentage of signed handover letter of demand and eviction notices | Percentage of signed handover letter of demand and eviction notices | New Indicator | New Indicator | 100% | 100% | 100% | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Copy of signed letters of demand and Eviction letters |
| | | | 195 | | To ensure compliance with informal traders lease agreements | Percentage of signed handover letter of demand and eviction notices | NIL | 1 | 0 | 100% | NR | NR | NR | LED | OMM | Institutional | R 1 | **Indicator was removed during adjustment of SDBIP due to relevance.** | | |
| | | | 196 | | To ensure compliance with informal traders policy (allocations policy) | Number of monthly informal traders inspections done | Number of monthly informal traders inspections done | 12 | 12 | 12 | 12 | 17 | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Signed attendance register of informal traders inspected |
| | | | 197 | | To ensure compliance with municipal Bylaws | Percentage of business licences issued | Percentage of business licences issued | 100% | 100% | 100% | 100% | 100% | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Signed business licences issued and application forms |
| | | | 198 | | To ensure functionality of the incubation centre | Percentage of lease agreements signed for new tenants at [illegible] | Percentage of lease agreements signed for new tenants at [illegible] | New Indicator | New Indicator | 100% | 100% | 100% | Achieved | LED | OMM | Institutional | R 0 | N/A | N/A | Copy of signed reports submitted to committees |
| | | | 199 | | The hosting of SMME Fair | Date of SMME fair hosted | Date of SMME fair hosted | 30-Jun-22 | 03-Jun-22 | 30-Jun-23 | 30-Jun-23 | 05-Jun-23 | Achieved | LED | OMM | Institutional | R 10 644.00 | N/A | N/A | Invites, attendance register and pictures of the event |
| | | | 200 | | The hosting of Agricultural Farmers Day | Date of Agricultural farmers day [illegible] | Date of Agricultural farmers day [illegible] | 30-Mar-22 | 16-Mar-22 | 30-Mar-23 | 30-Mar-23 | 30-Mar-23 | Achieved | LED | OMM | Institutional | R 16 080.00 | N/A | N/A | Invites, attendance register and pictures of the event |
| | | | 201 | | The hosting of the Commemoration of Heritage Day | Date of Commemoration of Heritage Day | Date of Commemoration of Heritage Day | 30-Sep-21 | 24-Sep-21 | 30-Sep-22 | 30-Sep-22 | 29-Sep-22 | Achieved | LED | OMM | Institutional | R 17 256.00 | N/A | N/A | Invites, attendance register and pictures of the event |
| | | | 202 | | Purchase of capital resources for the enhancement of the incubation centre | Date of Purchase of air conditioners | Date of Purchase of air conditioners | New Indicator | New Indicator | 30-Sep-22 | 30-Sep-22 | 12-Sep-22 | Achieved | LED | OMM | Institutional | R 50 004 | N/A | N/A | Requisition, Memo, payment voucher and proof of payment |