Umkhandlu wakwa
NONGOMA
Local Municipality

2023/2024 FY ANNUAL REPORT

FOR

NONGOMA LOCAL MUNICIPALITY



035 831 7500

info@nongoma.gov.za

nongomaLMOfficial | nongoma _municipality | NongomaLM | www.nongoma.gov.za

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 THE MAYOR'S FOREWORD



Greetings,

It is a privilege to present our first annual report since the current coalition government of the National Freedom Party (NFP), Economic Freedom Fighters (EFF) and African National Congress (ANC) took office in July 2023.

In line with the legislative requirements, the municipality has prepared its annual report for the financial year 2023/24. This report outlines our milestones and performance achievements based on the targets we set in the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP) for 2023/24 FY.

While the municipality's strategic objectives have not changed upon our inauguration. We committed ourselves as a collective to understanding and embracing our objectives thus ensuring that we strive to accomplish them. We also introduced a "business unusual" mentality to both the municipal staff and councillors, especially, TROIKA. We wouldn't have achieved our objectives and service delivery targets if it had not been the collective efforts of our dedicated municipal staff and councillors, most importantly the community members.

Furthermore, we are obliged to encourage and ensure the involvement of communities in the matters of the municipality to provide meaningful opportunities for communities to engage with critical decisions and processes. I am glad to say that during the year under review, we have prioritized public participation as a cornerstone of our decision-making process. Through IDP consultative meetings, IDP/Budget Roadshows, online platforms, and stakeholder engagements, we have sought and received valuable input from the communities we serve.

As the Mayor, I want nothing else but service delivery, for I believe that is the main purpose as to why we are all here. We are here to render services to the people of Nongoma regardless of our political affiliation.

_____

CLLR C.M. NDABANDABA
THE MAYOR

1.2 THE MUNICIPAL MANAGER'S REMARKS

Greetings, Section 121 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that every municipality and municipal entity must for each financial year prepare an annual report in accordance with this chapter.

I am delighted to present that Nongoma Local Municipality has prepared its annual report for the 2023/2024 financial year in alignment with the above-indicated legislation. The purpose of this report is to:

- Provide a record of the activities of the Nongoma Council during the financial year.
- Provide a report on performance against the budget of the Nongoma Council for the financial year reported on.
- Promote accountability to the local community for the decision made throughout the year by the municipality.

This report reflects on the performance and progress made by the municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the financial year 2023/2024.The report will also address our achievements and difficulties in delivering services to all residents in accordance with the IDP and the SDBIP for the year under review.

It has been a year with many challenges, mainly budgetary constraints. However, I am also particularly pleased to report that while financial challenges hampered infrastructure projects, essential municipal service delivery and emergency services remained uninterrupted. Infrastructure projects that have been completed during the financial year include Community Halls, Nongoma Street lights, Black Top & Drainage in Town, White City, Red-hill and Delene phase 1 roads.

Youth unemployment is still a challenge; however, we have come up with intervention of various skills development through provision of internship placements and mentorship opportunities within the municipality.

The IDP Review has improved tremendously in 2023/24 FY and it is pleasing to note that the MEC in his recent assessment has rated it as one of the most credible IDPs in the province. As a result of this recognition, our IDP has achieved a position in the top 10 rankings.

I would like to express my gratitude to the Nongoma Municipal Council for their continuous support during the implementation of the 2023/24 FY IDP. I am also thankful to the municipal employees and management for their commitment and hard work which allowed us to achieve a number of targets pursuant to our strategic objectives.

Audit Opinion
The municipality attained a qualified audit opinion for the 2023/24 FY, which indicates a decline from the unqualified opinions of the prior years.

Top 5 Strategic Risks facing the municipality during 2023/24 financial year.

The Strategic Risk Register was reviewed by senior management and it was found that the top 5 strategic risks that affect the municipality are as follows:

- Failure to pay creditors within 30 days period.
- Inability to attract tourists and develop tourism activities.
- Failure to respond effectively and timeously in the event of a disaster/incident.
- Failure to provide municipal wide waste removal.
- Ineffective environmental management

It is important to mention that measures and strategies have been identified and put in place to effectively manage and mitigate these risks.

MUNICIPAL MANAGER

1.3 EXECUTIVE SUMMARY AND OVERVIEW OF THE MUNICIPALITY

1.3.1 Summary of annual report legislative framework

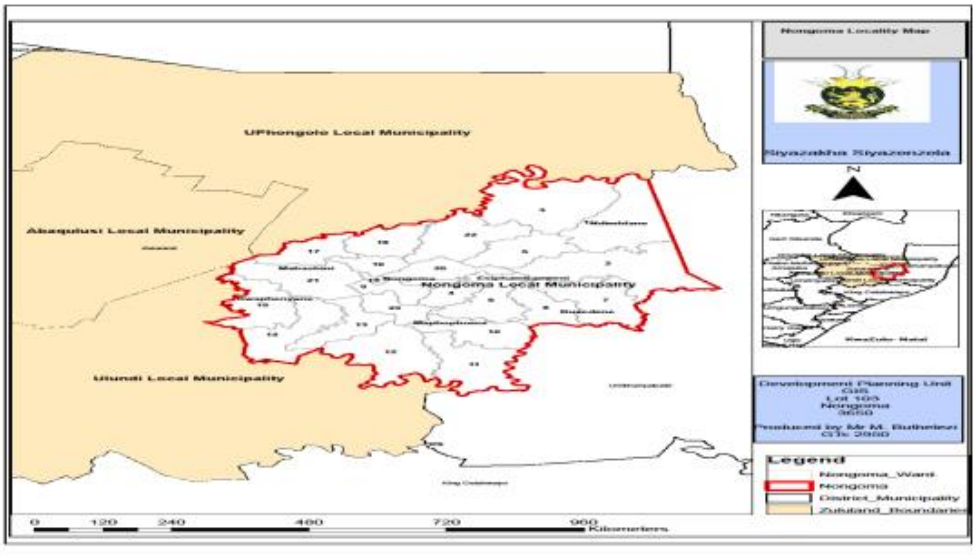
In terms of section 121(1) of the MFMA, every municipality and every municipal entity must for each financial year prepare an annual report. In terms of section 127(2) of the MFMA, the Mayor of the Municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the Municipality's sole or shared control. Over and above the requirements of MFMA, circular 63 gives clarities as to exact chapters and information that should be contained in the municipal Annual Report.

1.3.2 Municipal Overview

Nongoma Local Municipality is one of the 5 local municipalities within Zululand District; and is located in the northern part of Zululand District in the KwaZulu-Natal province of South Africa **(**27°55′S 31°39′E**)**, it has two secondary corridors, which run from Ulundi to Pongola and from Hlabisa to Vryheid. At 2,185.5 km^2 and with a population totalling 225 278 (StatSa, 2022); the municipality is Zululand's second largest municipality in terms of population and the second largest in terms of area size.

Nongoma municipality shares its name with the town of Nongoma, which serves as the seat of the municipality. It is the home of late King Goodwill Zwelithini, the hereditary traditional leader of the Zulu nation, hence it is popularly known as the seat of the Zulu monarch. The King's royal palaces are among the main tourist attractions in the region. The municipality has three tribal authorities, namely Mandlakazi, Usuthu and Matheni. The Map below indicates the spatial location of Nongoma municipality. The municipality shares its boundaries with uMkhanyakude's Big 5 Hlabisa and Jozini Local municipalities on the South and the East respectively; and then within the Zululand District it shares its borders with Uphongolo in the North, Abaqulusi (West) and uLundi (South) municipalities.

Map 1: Nongoma Locality Map (Nongoma SDF Status Quo report, 2019)



1.3.3 Municipal Vision, Mission Statement and Goals

VISION

"A service delivery driven municipality where good governance, environmental sustainability, tourism and agriculture thrive for economic growth."

MISSION STATEMENT

"We are committed to fostering economic development by creating an enabling environment for entrepreneurship, job creation, and investment opportunities, while ensuring equitable access to quality services for all residents. Through preserving and promoting our rich cultural heritage, we strive to strengthen the identity and pride of the Zulu nation, enhancing social cohesion and unity within our diverse community."

MUNICIPAL GOALS

- Improve institutional efficiency and effectiveness
- Improved basic service delivery and infrastructure development
- Improved inclusive economic growth and community development
- Improved financial viability and sustainability
- Responsive, transparent, participatory and accountable municipal governance
- Improved spatial equity and environmental sustainability

1.3.4 Brief demographic profile for Nongoma Local Municipality population

According to the 2022 Census count by Statistics South Africa, Nongoma has a total population of 225 278. If compared with the 2011 statistics (194 908).

The population of Nongoma increased from 194,908 in 2011 to 225,278 in 2022, marking a growth rate of approximately 15.58%. This growth suggests dynamic changes in the community, potentially impacting infrastructure, services, and employment opportunities. It reflects both natural increase and migration as contributing factors.

In terms or racial characteristics; 99.5% of the people in the municipality are African Black, 0,10% are Coloured, with the other population groups making up the rest. Females make up 54.6% of the total population as compared to males (45.4%).

Figure 1: Population Groups in Nongoma LM (StatsSa, 2022)

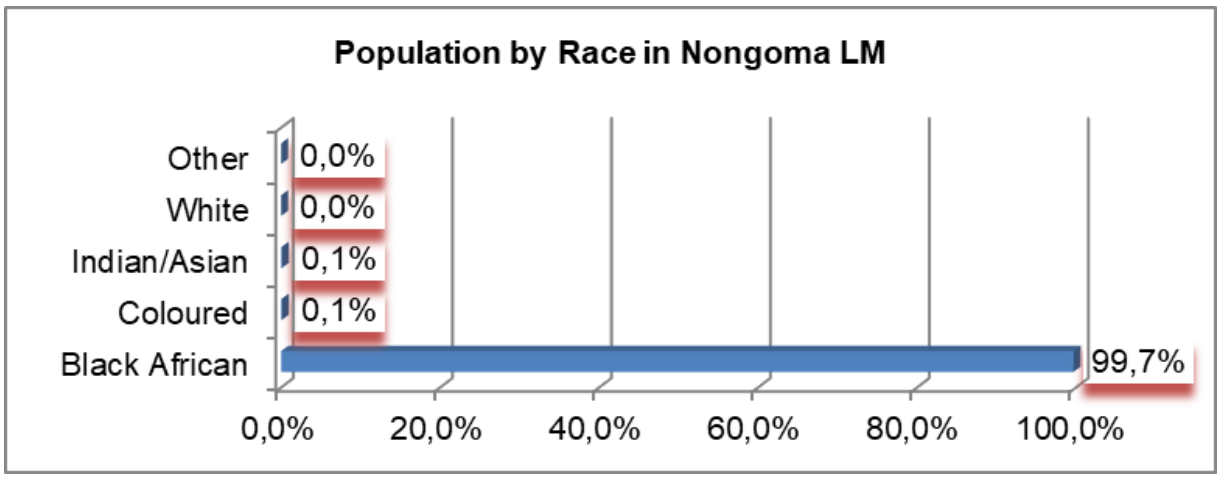
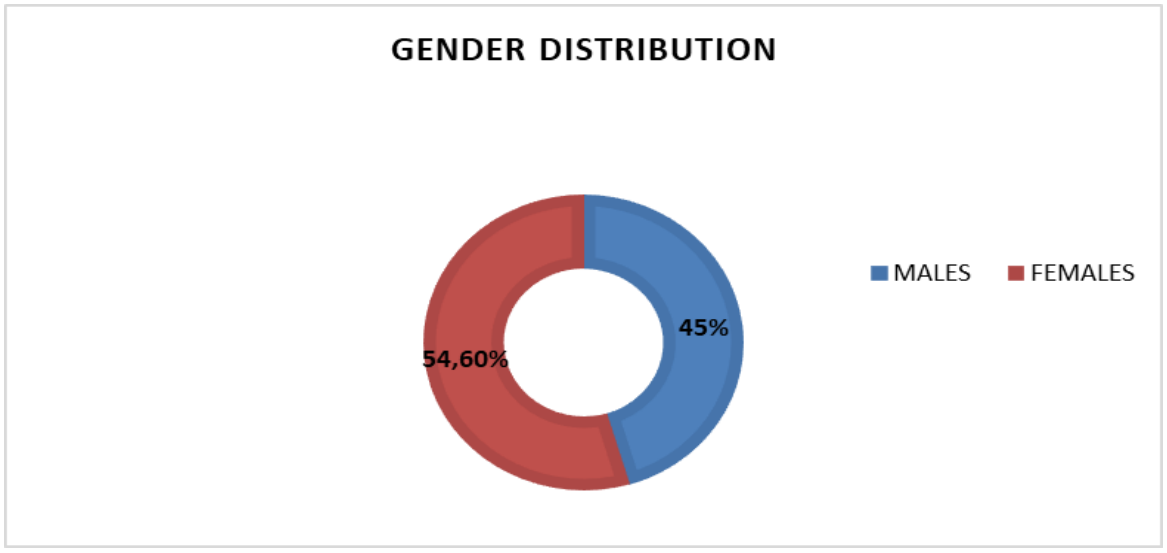


Figure 2: Gender Distribution in Nongoma LM (StatsSa, 2022)



1.3.5 Municipal Powers and Functions

The Constitution of the Republic of South Africa Act 108 of 1996, precisely Schedule 4, Part B, read together with Section 152 thereof, and containing the objects of local government, vests the powers and functions of the Municipality. Meanwhile, municipal transformation and institutional development relates to a fundamental and significant change relating to the way the municipalities perform their functions, how resources are deployed and the institutional strategies which are implemented with a view to ensuring optimum results in service delivery to the community. It is envisaged that transformation and institutional development shall be seen to take place when the following is addressed as part of the Municipality's strategic planning and direction.

Municipal powers and functions are articulated in table below. The highlighted functions are those that the Nongoma local municipality is currently performing.

Municipal Powers and Functions

Zululand District Municipality and Local Municipalities		
DISTRICT MUNICIPAL FUNCTIONS	**SHARED FUNCTIONS DISTRICT AND LOCAL**	**LOCAL MUNICIPAL FUNCTIONS**
Portable Water Supply	Fire Fighting services	Air Pollution
Sanitation Services	Local Tourism	Building regulations (National Building Regulations)
Electricity Reticulation	Municipal Airports	Child Care Facilities
Municipal Health Services	Municipal Planning	Pontoons, Ferries, Jetties, Piers and Harbours
Regional Airport	Municipal Public Transport	Storm Water Management System In Built up areas
	Cemeteries, Funeral Parlours and Crematoria	Trading regulations
	Markets	Beaches and Amusement Facilities
	Municipal Abattoirs	Billboards and the Display of Advertisements in Public places
	Municipal Roads	Cleansing
	Refuse Removal, Refuse Dumps and Solid Waste	Control of Public Nuisances
		Facilities for the Accommodation, Care and Burial of Animals
		Fencing and Fences
		Licensing of Dogs
		Local amenities
		Local Sport Facilities
		Municipal Parks and Recreation
		Noise Pollution
		Pounds
		Public Places
		Street Trading
		Street Lighting
		Traffic and Parking

CHAPTER 2: MUNICIPAL GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Nongoma Municipality was established in terms of the Constitution Act, no 108 1996, the Demarcation act 27 of 1998 and Section 12 Notice issued in terms of the Local Government: Municipal Structures Act 117 of 1998. The municipality is organized into political and administrative structures.

2.1. POLITICAL STRUCTURE OF THE MUNICIPALITY

The Nongoma Council was inaugurated in terms of Section 29(2) of the Local Government Municipal Structures Act, 1998 (Act No. 117 of 1998), as amended.

Council of Nongoma comprises of 45 Councillors made up of 23 Ward Councillors and 22 PR Councillors as follows:

- IFP: 19 Ward Councillors and 01 PR Councillor
- NFP: 04 Ward Councillors and 10 PR Councillors
- ANC: 08 PR Councillors
- EFF: 02 PR Councillors
- NAPF: 01 PR Councillor

Three (3) of the 45 Councillors are full time Office Bearers that include the Mayor, Deputy Mayor and the Speaker. Council of Nongoma is fully functional. It is chaired by the Speaker and its meetings sit at least once a quarter as per the approved annual schedule. Special Meetings are coordinated as and when necessary.

Three (3) Traditional Leaders partake in Council Meetings in terms of section 81 of the Municipal Structures Act, namely:

- Ematheni Traditional Council,
- OSuthu Traditional Council, and
- Mandlakazi Traditional Council.

As promulgated in section 79 and 80 of the Municipal Structures Act, 1998 (Act No. 117 of 1998), a municipal council may establish one or more committees necessary for the effective and efficient performance of its functions or the exercise of any of its powers. Section 79 committee reports directly to Council while a section 80 committee reports to the Executive Committee.

Nongoma Municipality has the following Council Committees that are functional: Executive Committee (EXCO), Municipal Public Accounts Committee (MPAC), Audit and Performance Committee and Portfolio Committees.

2.1.1. List of Councillors

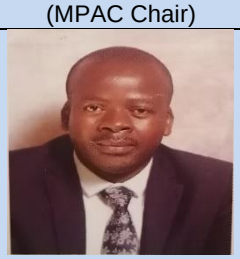
Council is headed by the following full-time councillors:

POLITICAL STRUCTURE		
No.	DESIGNATION	FUNCTIONS
1.	 Hon. Mayor Cllr CM Ndabandaba	The functions of the Mayor are set out in the Municipal Structures Act. The mayor is elected by the Municipal Council to co-ordinate the work of the Municipality. Functions include the following: Ceremonial: Must perform a ceremonial role as the council may determine. EXCO: Heads the municipal EXCO Determine the venue, time and date of meeting of the mayoral committee Strategy: Recommends to the council strategies, programmes and services to address priority needs through the integrated development plan. Performance Monitoring and Evaluation: Monitor the management of the municipality's administration in accordance with the directions of the municipal council.
2.	 Hon. Deputy Mayor Cllr GS Nkosi	The Deputy Mayor is a member of the Executive Committee of the municipal council and is elected when the executive committee is elected. The Deputy Mayor exercises the powers and performs the duties of the Mayor if the Mayor is absent or not available or if the office of the Mayor is vacant. The Mayor may delegate duties to the deputy mayor.
3.	 Hon. Speaker: Cllr B.H. Sithole	The Speaker of a municipal council- ▪ presides at meetings of the council; ▪ performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000): I.e. – must ensure that the council meets at least quarterly; – must maintain order during meetings; – must ensure compliance in the council and council committees with the Code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and – must ensure that council meetings are conducted in accordance with the rules and orders of the council.

The municipal council is made up of the following councillors:

 1. Cllr. C.M Ndabandaba The Mayor	 2. Cllr G.S Nkosi The Deputy Mayor	 3. Cllr B.H. Sithole The Speaker
 4. Cllr J.T Nkosi Ward 18 Councillor EXCO Member	 5. Cllr. TJ Nsele Ward 10 Councillor EXCO Member	 6. Cllr K.M. Dladla PR Councillor EXCO Member
 7. Cllr N.M Mthembu PR Councillor EXCO Member	8. Cllr M.E Zondo PR Councillor	 9. Cllr. SL Mbongwa Ward 5 Councillor EXCO Member
 10. Cllr S.M Zulu Chief Whip	 11. Cllr. M.N Sokhela PR Councillor EXCO Member	 12. Cllr. P.W Gumbi PR Councillor
 13. Cllr F.M Shongwe Ward 1 Councillor	 14. Cllr. G.N Mthiyane Ward 2 Councillor	 15. Cllr. B.G Ndwandwe Ward 3 Councillor

 16. Cllr. N.M Manqele Ward 4 Councillor	 17. Cllr. BW Zulu Ward 15 Councillor	 18. Cllr S.A Mhlongo Ward 6 Councillor
 19. Cllr D.J Mtshali Ward 7 Councillor	 20. Cllr. M.P Nxumalo Ward 8 Councillor	 21. Cllr S.S.Z Dlamini Ward 9 Councillor
22. Cllr. B.C Mwelase Ward 11 Councillor	 23. Cllr. TM Ndwandwe Ward 12 Councillor	 24. Cllr. MA Mtshali Ward 13 Councillor
 25. Cllr. Z.H Zungu Ward 16 Councillor	 26. Cllr S. Mbatha Ward 17 Councillor	 27. Cllr N.P Ndebele Ward 19 Councillor
 28. Cllr N. Msomi Ward 20 Councillor	 29. Cllr. B.L Buthelezi Ward 21 Councillor	 30. Cllr M.H Zulu Ward 22 Councillor
 31. Cllr. V.P Mpanza Ward 23 Councillor	 32. Cllr S.V Nxumalo PR Councillor	 33. Cllr G.N Xaba PR Councillor

 34. Cllr A.N Manqele PR Councillor	 35. Cllr N.F Zungu PR Councillor	 36. Cllr. T.J.C Mthimkhulu PR Councillor
 37. Cllr. S Gazu PR Councillor	 38. Cllr. LN Buthelezi PR Councillor	 39. Cllr. C.S.P Sithole PR Councillor
 40. Cllr. SM Mbatha Ward 14 Councillor	 41. Cllr. L.N Mdluli PR Councillor	 42. Cllr. SC Ndwandwe PR Councillor (MPAC Chair)
 43. Cllr M.E Ndwandwe PR Councillor	 44. Cllr ZN Sithole PR Councillor	 45. Cllr BA Mncwango PR Councillor

Portfolio Committees are appointed in terms of Section 80 of the Municipal Structures Act. The council in its meeting held in September 2023, approved the establishment of the Planning and Economic Development department, which then resulted in the institution of the Planning and Economic Development Portfolio Committee by January 2024; therefore, making a total of five Portfolio Committees. The Portfolio Committees for Nongoma Local Municipality are arranged as follows:

COMMUNITY SERVICES	
Name of Member	**Capacity**
Cllr. K.M Dladla	Portfolio Chairperson
Cllr. TJ Nsele	Committee Member
Cllr. Z.H Zungu	Committee Member
Cllr. SL Mbongwa	Committee Member
Cllr. ZN Sithole/Zungu	Committee Member
Cllr. N.M Manqele	Committee Member
Cllr. G.N Mthiyane	Committee Member
Cllr. N Msomi	Committee Member
Cllr. L.N Buthelezi	Committee Member
Cllr. N.A Manqele	Committee Member
Cllr. P.W Gumbi	Committee Member

CORPORATE SERVICES	
Name of Member	**Capacity**
Cllr. M.N Sokhela	Portfolio Chairperson
Cllr. M.H Zulu	Committee Member
Cllr. M.P Nxumalo	Committee Member
Cllr. B.G Ndwandwe	Committee Member
Cllr. T.J.C Mthimkhulu	Committee Member
Cllr. L.N Mdluli	Committee Member
Cllr. S.V Nxumalo	Committee Member
Cllr. S. Gazu	Committee Member
Cllr. P.W Gumbi	Committee Member

TECHNICAL SERVICES	
Name of Member	**Capacity**
Cllr. N.M Mthembu	Portfolio Chairperson
Cllr. B.H Sithole	Committee Member
Cllr. B.L Buthelezi	Committee Member
Cllr. S.A Mhlongo	Committee Member
Cllr. J.T Nkosi	Committee Member
Cllr. F.M Shongwe	Committee Member
Cllr. M.E Ndwandwe	Committee Member
Cllr. B.S Mbatha	Committee Member
Cllr. D.J Mtshali	Committee Member
Cllr. N.M Manqele	Committee Member
Cllr. N.A Manqele	Committee Member
Cllr. N.G Xaba	Committee Member
Cllr. N.M Mthembu	Committee Member

PLANNING & ECONOMIC DEVELOPMENT	
Name of Member	**Capacity**
Cllr. S.G Nkosi	Portfolio Chairperson
Cllr. B.W Zulu	Committee Member
Cllr. C.S.P Sithole	Committee Member
Cllr. N.F Zungu	Committee Member
Cllr. Z.N Sithole/Zungu	Committee Member
Cllr. L.N Mdluli	Committee Member
Cllr. S Gazu	Committee Member
Cllr. V.P Mpanza	Committee Member
Cllr. M.H Zulu	Committee Member
Cllr. M.P Nxumalo	Committee Member
Cllr. P.W Gumbi	Committee Member

FINANCE	
Name of Member	**Capacity**
Cllr. C.M Ndabandaba	Portfolio Chairperson
Cllr. G.S Nkosi	Committee Member
Cllr. B.H Sithole	Committee Member
Cllr. S.S.P Mbatha	Committee Member
Cllr. N.P Ndebele	Committee Member
Cllr. V.P Mpanza	Committee Member
Cllr. M.A Mncwango	Committee Member
Cllr. S.M Zulu	Committee Member
Cllr. B.A Mncwango	Committee Member
Cllr. T.J.C Mthimkhulu	Committee Member
Cllr. L.N Buthelezi	Committee Member

2.2. ADMINISTRATIVE STRUCTURE OF THE MUNICIPALITY

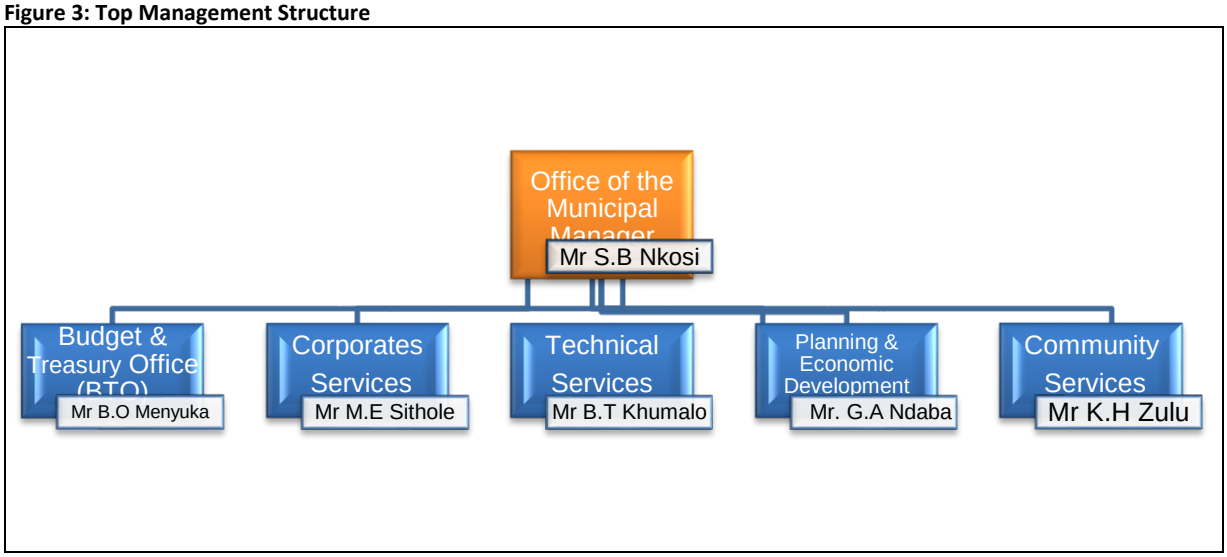
The municipal organizational structure is headed by the municipal manager who is supported by directors. The administrative structure consists of the following 6 departments and Units:

- Office of the Municipal Manager
- Finance
- Corporate Services
- Technical Services
- Planning and Economic Development
- Community Services

These departments are headed by a director who reports directly to the Municipal Manager. Each department is divided into units which are headed by a manager who is responsible for specific functions within that department.

- **Top Management Structure**

Figure 3: Top Management Structure



The municipal organogram was tabled and approved by the Council meeting on the 27th of October 2023. Such a review of the organogram was necessary to align the aspiration of the new political dispensation as per the new political leadership of the municipality. The reviewed organogram was mainly focused on the establishment of a new department Planning & Economic Development (PED) Services and a stand-alone Technical services department. The organogram also depicts a distinct political structure that comprised of Council Support Unit and Public Participation Unit.

The functions of the Municipal Manager and five directors accountable to the Municipal Manager are as follows:



ACTING MUNICIPAL MANAGER-MR S.B NKOSI
Risk Management & Compliance
Executive Support
Performance Management System
Internal Audit (Outsourced)
Legal Services



Director Corporate Services- Mr. M.E Sithole
Human Resouces Management & Development
Information and Communication Technology
Council Support, Administration & Auxiliary
Fleet Management

Acting CFO- Mr. B.O Menyuka
Supply Chain Management
Expenditure Control
Revenue Management
Assests Management & Financial Reporting
Budget and Financial Planning



Director Community Services- Mr. K.H Zulu
Community Safety and Security Services
Disaster Management and Fire & Rescure
Waste Management
Libraries & Public Amenities



Director Technical Services- Mr. B.T Khumalo
Project Management & EPWP
Housing
Roads and Storm Water Drainage Services
Electricity & Infrastructure Development
Maintenance



Director Planning & Economic Development- Mr. G.A Ndaba
Intergrated Developement Planning (IDP)
Development Planning Services
Environmental Planning Services
LED/Tourism Development

COMPONENT B: INTER-GOVERNMENTAL RELATIONS

2.3 INTER-GOVERNMENTAL RELATION (IGR) COORDINATION

DISTRICT DEVELOPMENT MODEL (DDM)

Intergovernmental Relations (IGR) in South African context concern the interaction of the different spheres of government. The Constitution declares that government is comprised of National, Provincial and Local spheres of government which are distinctive, interdependent and interrelated.

According to the Constitution of the Republic of South Africa, Act, No.108 of 1996, Section 41 (2), an Act of Parliament must establish or provide structures and institutions to promote and facilitate Intergovernmental Relations and provide for appropriate mechanisms and procedures to facilitate settlement of Intergovernmental disputes.

a) Establishment of a fully functional and operational IGR structure;
b) Development of a business engagement model which will encourage all stake holder involvement towards economic viability within the district;
c) Capacitation of Mayors on IGR; and
d) Development of a monitoring mechanism which will be used to track and report on IGR progress.

STATUS & FUNCTIONALITY OF INTER-GOVERNMENTAL STRUCTURES (IGR)

The District Development Model (DDM) has introduced new IGR planning, budgeting and implementation paradigm and discipline (spatial targeting and budgeting towards common long-term outcomes). Its introduction has resulted in all the traditional municipal IGR structures dying a natural death.

The DDM is an operational model for improving cooperative governance aimed at building a capable, ethical developmental state. The key overarching objective is to narrow the distance between people and government by focusing on the District Municipality as a center of joint planning, coordination, monitoring and evaluation of service delivery initiatives by all 3 spheres of government.

As the case with other district municipalities, Zululand DM as the main driver of the District Development model within the Zululand District established various DDM structures. The clusters were functional and were only derailed by the local government elections. However, as soon as new councils were inaugurated, the sitting of the DDM clusters were back on track.

The ZDM DDM structures are arranged as follows:

- **DISTRICT POLITICAL HUB:** The District Political Hub is chaired by the District Mayor, Ministerial Champion and MEC Champion. It comprises of Local Mayors, Speakers, Chair of District House of Traditional Leaders, and Support Teams of the Ministerial Champion, District Mayor and MEC Champion. The purpose of the Political Hub is to oversee the approval, monitoring of the ONE PLAN & ONE

BUDGET, promote greater accountability of government, ensure inclusion of community needs and account to province for the DDM functionality and impact.

- **DISTRICT TECHNICAL HUB**: Chaired by the District Municipal Manager and the Provincial HOD Champion, the structure sees representation from Local Municipalities and the Senior Managers, National/Provincial Sector Departments, District Cluster Chairs and other support structures. The purpose of the Technical Hub is to oversee the development and recommendation of the ONE PLAN and ONE BUDGET, ensure all 3 spheres of government are accountable & participating, ensure streamlined IGR structures, co-ordinate shared services and report to the Political Hub.

- **THE CLUSTER HUBS:** Following the DDM Political Hub meeting that was held on the 22 June 2022, it was resolved that all LM Municipal Mangers be appointed as Convenors and Co-Chairpersons of the DDM Clusters. The respective Mayors from the local municipalities were appointed chairpersons of the cluster hubs. Representation includes Local House of Traditional Leader Portfolio Convenors, Sector Departments Representatives, OSS Chairs, Municipal and Departmental Entities. The purpose of the Cluster Hubs is to provide a platform for sector specific coordinated joint planning & oversight of approved DDM plans and sector advisory role to the DDM technical hub. The Cluster Hubs are arranged as follows:

    - Governance State Capacity Institutional Development and Communication (GSCID): The cluster is chaired by the uPhongolo and eDumbe LM Mayors, convened by oPhongolo and eDumbe Municipal Managers (also a co-chair).
    - Economic Sector and Infrastructure Development (ESID): The cluster is chaired by the uLundi LM Mayor, convened by uLundi Municipal Manager (also a Co-chair).
    - Justice, Crime Prevention and Security Cluster (JCPS): The cluster is chaired by the AbaQulusi LM Mayor, convened by AbaQulusi Municipal Manager (also a Co-chair).
    - Social Protection Community and Human Development (SPCHD)): The cluster is chaired by the Nongoma LM Mayor, convened by Nongoma Municipal Manager (also a Co-chair).

In ensuring optimum participation, the Nongoma municipality allocated its officials (at a management level) to different District Cluster Hubs. These officials report back to MANCO on their participation on the respective Hubs. One official, i.e., HOD: Corporate Services has since been appointed as the Deputy Chair for the Governance Cluster Hub. The allocation of the Nongoma municipal officials in the Cluster Hubs is as follows:

CLUSTER HUB	OFFICIAL	POSITION
Governance State Capacity Institutional Development and Communication (GSCID)	Mr. M.E Sithole	HOD: Corporate Service
Economic Sector and Infrastructure Development (ESID)	Mr. B.T Khumalo	HOD: Technical Services
	Mr. G.A Ndaba	HOD: Planning & Economic Development
Social Protection Community and Human Development (SPCHD)	Mr H.K Zulu	HOD: Community Services
Justice, Crime, Prevention and Security Cluster	Mr. H.K Zulu	HOD: Community Services

Central to the success of the DDM is the full participation of the District family of municipalities. Recent reports suggested there had been poor participation by local municipalities at the cluster meetings. In light of the absence of any reports having been submitted to the office of the MM regarding participation to these meetings; it is therefore safe to say that Nongoma officials have not been fully participating as expected. To ameliorate the situation, all the above-listed officials were served with a reminder memo of their responsibilities to participate and have meaningful contribution to the DDM, and that as appointed officials, they are expected to submit a report to the Acting Municipal Manager and make a presentation to MANCO regarding all their engagements in the above-indicated clusters.

FUNCTIONALITY OF THE ABOVE-INDICATED IGR STRUCTURES

Based on the District report, all DDM structures are functional. As alluded above, local municipalities are responsible for the coordination and chairing of the cluster Hubs, while the District is responsible for coordination and chairing of both the Technical and Political Hub. In case of Nongoma Municipality which is responsible for coordination of Social Protection Community and Human Development (SPCHD). The Hub's agenda is informed by the District One plan. A decision matric to monitor discussions of the functionality of the DDM structures are regularly tabled to Council.

IGR STRUCTURES PERTAINING TO LANDUSE MANAGEMENT

Nongoma municipality is part of a Joint Municipal Planning Tribunal. Other members of the tribunal include Pongola municipality, eDumbe municipality and Zululand District municipality. The JPMT is however semi-functional as it does not sit accordingly. Non-functionality of the JMPT affects land use planning applications process; resulting in unnecessary delays in terms of getting projects off the ground.

To ensure compliance with SPLUMA Regulation 14, the municipality has a functional planning Unit within Planning & Economic Development Department. The unit is headed by

a Manager who is also a nominated member of the JMPT representing Nongoma municipality. The indicated official is an appointed Municipal Planning Authorized Officer.

Through the indicated unit; the municipality has been able to determine the manner and the format in which development and land use applications must be submitted, and such a unit is the central area (place) where all land use applications must be submitted by the applicants.
Nongoma Municipality also participates in the following IGR Forums within the province:

Forum	Frequency
MUNIMEC	Quarterly
Premier's Coordinating Forum	Quarterly
DTAC	Quarterly
M& E Forum	Quarterly

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC PARTICIPATION

Public participation involves providing clear and relevant information to the community, seeking input, feedback and information about Council directions and initiatives, actively encouraging participation from a cross-section of the affected community, mobilizing community involvement in raising public awareness around key issues, providing prompt and comprehensive feedback to the community on the views expressed, decisions made and reasons for those decisions.

The Council has taken a deliberate decision to strengthen and intensify its public participation drive. The Public Participation component is charged with ensuring that there is an organized and structured manner in which the municipality communicates and consults the community on their developmental needs so that intervention programmes can target real community needs. In the past financial year, the municipality has seen well established functional ward committees and steady increase the participation of community members in our community consultative meetings and IDP/Budget Road shows.

- **Ward Committees Functionality**

Nongoma Municipality ward committee selection was undertaken in all twenty-three (23) wards after the Local Government Elections in November 2021 and ward committees were inaugurated accordingly. The term of office of ward committees is aligned to that of municipal council.

A ward committee enhances participatory democracy at local government in the following ways:

- It is the official consultative body in that ward
- Participating in the preparation, implementation and review of the Integrated Development Plan (IDP) and Budget
- Participating in the establishment, implementation and review of a Performance Management System (PMS)

- Participating in strategic decisions of the municipality relating to the provision of municipal services in terms of Chapter 8 of the Systems Act, 2000.
- It is the official body with which the Ward Councillor liaises with regarding any matter affecting the ward and more specifically items on the agenda of the municipality affecting that ward.
- The Ward Councillor must give regular feedback at ward committee meetings on Council matters as required in the Code of Conduct for Councillors.
- It is the official body which will receive representations from the community regarding municipal matters in that ward.

The above must not be interpreted to mean that a Ward Councillor or the municipality must always liaise with the ward committee before a decision is taken.

The Ward Councillor is responsible to call ward meetings as well as ward committee meetings. The meetings were held from the 1st of July 2023 to the 30th of June 2024 and the table below provides information on the establishment of Ward Committees and their functionality:

Ward	Committee Established Yes/No	Name of Ward Councillor	No. of monthly meetings held	No. of quarterly meetings held	No. of meetings held	Committee functioning effectively (Yes/No)
1	Yes	Cllr F.M Shongwe	1	3	12	Yes
2	Yes	Cllr G.N Mthiyane	1	3	12	Yes
3	Yes	Cllr B.G Ndwandwe	1	3	12	Yes
4	Yes	Cllr N.M Manqele	1	3	12	Yes
5	Yes	Cllr S.L Mbongwa	1	3	12	Yes
6	Yes	Cllr S.A Mhlongo	1	3	12	Yes
7	Yes	Cllr D.J Mtshali	1	3	12	Yes
8	Yes	Cllr M.P Nxumalo	1	3	12	Yes
9	Yes	Cllr S.S.Z Dlamini	1	3	12	Yes
10	Yes	Cllr T.J Nsele	1	3	12	Yes
11	Yes	Cllr B.C Mwelase	1	3	12	Yes
12	Yes	Cllr T.M Ndwandwe	1	3	12	Yes
13	Yes	Cllr M.A Mtshali	1	3	12	Yes
14	Yes	Cllr S.M Mbatha	1	3	12	Yes
15	Yes	Cllr B.W Zulu	1	3	12	Yes
16	Yes	Cllr Z.H Zungu	1	3	12	Yes
17	Yes	Cllr S Mbatha	1	3	12	Yes
18	Yes	Cllr J.T Nkosi	1	3	12	Yes
19	Yes	Cllr N.P Ndebele	1	3	12	Yes
20	Yes	Cllr N Msomi	1	3	12	Yes
21	Yes	Cllr B.L Buthelezi	1	3	12	Yes
22	Yes	Cllr .H Zulu	1	3	12	Yes
23	Yes	Cllr V.P Mpanza	1	3	12	Yes

Ward committee reports were submitted to the Speaker's Office on a monthly basis through the Public Participation Unit. Furthermore, the municipality has developed its ward-based plans in collaboration with ward committees, traditional councils, and various stakeholders—23 ward-based plans in place by 30 June 2024.

COMPONENT D: CORPORATE GOVERNANCE

2.5 RISK MANAGEMENT

All entities face uncertainty and the challenge for management is to determine how much uncertainty it is prepared to accept as it strives to grow stakeholder value. Enterprise Risk Management is the process that will enable management to identify, assess and manage risks in the face of uncertainty and is therefore, integral to value creation and preservation.

The KZN Municipal and Municipal Entities Enterprise Risk Management Framework, defines enterprise risk management as:

- a process
- effected by people
- applied in a strategy setting
- applied across the enterprise
- designed to identify events potentially affecting the entity and manage risk within its risk appetite
- providing reasonable assurance to the entity's management and the council
- Geared to the achievement of the organization's objectives.

Risk Management Committee: The Risk Management Committee exists to assist the Municipal Manager to fulfil his duties on risk management and compliance and carry out responsibilities in accordance with prescribed legislation and corporate governance principles. It is our policy that the Risk Management Committee will also serve as Fraud Prevention Committee. On the basis that the committee will deal with various aspects of risks, it shall be called the Enterprise Risk Management Committee (ERMC).

Risk Governance: Nongoma ERMC was functional only for the 2nd half of the year as the standing Chairperson was only appointed in January, after the contract of his predecessor expired at the end of the 22/23FY; in the conducting of its duties, it monitored the implementation of Risk Management Framework of the Municipality including Fraud Risk and reported as required to the Audit and Performance Committee. As part of its operations, ERMC reviewed and recommended to Council the approval of the following key documents:

- ✓ RMC Charter (Terms of Reference)
- ✓ Risk Management Policy
- ✓ Risk Management Strategy
- ✓ Fraud Prevention Strategy and Plan
- ✓ Policy on the Acceptance of Grants, Gifts, Donations and Sponsorships

→ NMC 097/2023/2024

- ✓ Whistle Blowing Policy ⟹ NMC 141/2023/2024

The dedicated Risk & Compliance Unit within the office of the Municipal Manager continues to coordinate risk and compliance matters, which included facilitating the Operational Risk Assessment for the entire organization, from which the output is the Operational Risk Registers which serve to inform the Internal Audit Plan.

At a departmental level, Risk Champions from each department have been designated. These designated officials also sit in the ERMC Meetings on a quarterly basis.

Risk Champions act as change agents in the enterprise risk management process. A key part of the Risk Champion's responsibility involves escalating instances where the risk management efforts are stifled, such as when individuals might try to hinder enterprise risk management initiatives.

Implementation of Risk Management Process and Compliance with Municipal Regulations: The Operational Risk Assessment was conducted on 25th of June 2024. The organizational Risk Register for the 24/25FY, was communicated to Internal Auditors for the development of the Risk-Based IA Plan. Departmental Risk Registers accompanied by monitoring tools (in excel format) were communicated to HODs and Risk Champions for implementation of Action Plans. In the quest to ensure effective compliance with legislation, a Compliance Checklist was developed; and has been monitored on quarterly basis.

The Strategic Risk Register was reviewed by senior management, and it was found that the top 5 strategic risks that affect the municipality are as follows:

Risk Descriptions	**Action Plans**
Failure to pay creditors within 30 days period	To present monthly updates on cash flow position to extended MANCO
Inability to attract tourist and development tourism activities	Develop a Tourism Website with a digital Tourism Information Office
Failure to provide municipal wide waste removal	To appoint a service provider to rehabilitate and recycle landfill site
Failure to respond effectively and timeously in the event of a disaster/incident	Establish early warning system - Procure a cellphone with a dedicated number to report emergencies. - Create ward-based emergency groups
Ineffective environmental management	To develop Environmental Management Standard Operating Procedure manual

RISK MANAGEMENT IMPLEMENTATION CHALLENGES		
No	**CHALLENGES**	**PROPOSED INTERVENTIONS**
1.	Limitation of Scope on IA Risk Management Review	HODs to attend to internal audit findings and provide comments
2.	Action plans not implemented	HODs to monitor the implementation of action plans timeously
3.	Emerging risks not reported	HODs to use the emerging risks template to report merging risks in every sitting of the Enterprise Risk Management Committee

Fraud Risk Assessment: On an annual basis, Nongoma Local Municipality conducts the fraud risk assessment aimed at identifying fraud risks and then developing mitigating strategies.

The importance of conducting this assessment stems from the Local Government Anti-Corruption Strategy (LGACS), which is modeled around the Public Service Anti-Corruption Strategy. The main principles upon which the LGACS is based on are the following:

- Creating a culture within municipalities, which is intolerant to unethical conduct, fraud and corruption;
- Strengthening community participation in the fight against corruption in municipalities.
- Strengthening relationships, with key stakeholders, that are necessary to support the actions required to fight corruption in municipalities, for example, South African Local Government Association (SALGA), Employee Representative Unions, and Communities;
- Deterring and preventing of unethical conduct, fraud and corruption;
- Detecting and investigating unethical conduct, fraud and corruption;
- Taking appropriate action in the event of irregularities, for example, disciplinary action, recovery of losses, prosecution, etc.; and

The output of the Fraud Risk Assessment is the **Ethics, Fraud and Corruption Risk Register** which bears 30 risks ranging from Fleet Management: Vehicle Usage to Projects: Fictitious Projects

The top 5 fraud risks within the municipality are as follows:

Risk Description	Future Action
Abuse of the municipal vehicles for private gain.	Record the start and end of the trip per day per vehicle to be reconciled to trip authorization form
	Conduct weekly reconciliations of pre-authorized trips and actual trips.
	Produce monthly fuel report to monitor fuel usage
Abuse of the municipal fuel vouchers and theft of fuel.	Conduct weekly reconciliation of kilometers travelled against fuel invoices.
Abuse of overtime by claiming overtime that has not been worked or inflating of overtime worked.	Review a Stand-By Policy.
	Apply a pre-authorization approach to overtime and stand-by

Officials claiming for re-imbursements of expenses that were not incurred.	Review the S&T Policy and Related Documentation to include submission of evidence for travelling
Abuse of the indigent benefactions by the community to obtain undue benefits.	Review the Municipal indigent register

2.6 COUNCIL COMMITTEES

As promulgated in section 79 and 80 of the Municipal Structures Act, 1998 (Act No. 117 of 1998), a municipal council may establish one or more committees necessary for the effective and efficient performance of its functions or the exercise of any of its powers. Section 79 committee reports directly to Council while a section 80 committee reports to the Executive Committee.

Nongoma Municipality has the following Oversight and Council Committees that are functional: Executive Committee (EXCO), Municipal Public Accounts Committee (MPAC), Audit and Performance Committee and Portfolio Committees.

The portfolio committees for Nongoma municipality are arranged as follows:

Portfolio Committee	Chairperson of the Committee
Corporate Services	Cllr. M.N Sokhela
Finance Department (BTO)	Cllr. C.M Ndabandaba
Community Services	Cllr. Dladla
Planning & Economic Development	Cllr. J.T Nkosi
Technical Services	Cllr. N.M Mthembu

All portfolio committees were functional. While in terms of the schedule the Council sits quarterly; ad hoc meetings are arranged when a need arise. Top MANCO of the municipality participates in the Council meetings.

Executive Committee (EXCO): The EXCO of Nongoma is functional. Meetings are held monthly in terms of an approved schedule and makes recommendations to Council. The accountability of EXCO to Council stands as a cardinal principle of good governance.

No.	Member	Designation	No. of meetings
1.	Cllr. CM Ndabandaba	Chairperson	13
2.	Cllr. BH Sithole	Member	
3.	Cllr. GS Nkosi	Member	
4.	Cllr. JT Nsele	Member	
5.	Cllr. SL Mbongwa	Member	
6.	Cllr. MA Mncwango	Member (resigned as a member of the Council on 24 June 2024)	
7.	Cllr. M.N Sokhela	Member	
8.	Cllr. N.M Mthembu	Member	
9.	Cllr. Dladla	Member	

Troika: The TROIKA is a meeting whose purpose is to ensure effective political management of the institution. The TROIKA is chaired by the Mayor. Members of the TROIKA include the Deputy Mayor, the Speaker and the Municipal Manager. The function of TROIKA includes:

- Consider Council agenda;
- Ensure items brought to Council are competent;
- Facilitate for the political management of the Council meeting;
- Ensure smooth running of the council; and
- Facilitate a common understanding amongst the political offices on items before council.

Nongoma LM Troika sits fortnightly. Discussions and agenda for Troika are determined by discussions at Extended Manco.

Municipal Public Accounts Committee (MPAC): The MPAC is a committee of the municipal council, appointed in accordance with section 79 of the Municipal Structures Act, 1998. In the financial year under review, the MPAC of Nongoma was functional and chaired by Councillor S.C Ndwandwe. The main purpose of the MPAC was to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. MPAC operated in terms of approved Terms of Reference and its meetings of the MPAC sit once a quarter.

The following were the members of the committee:

No.	Member	Designation	No. of meetings	Dates
1.	Cllr. S.C Ndwandwe	Chairperson	4	23 August 2023
2.	Cllr. M.A Mtshali	Member		27 November 2023
3.	Cllr. M.E Ndwandwe	Member		18 March 2024
4.	Cllr. B.A Mncwango	Member		17 May 2024
5.	Cllr. T.M Ndwandwe	Member		
6.	Cllr. N.A Manqele	Member		

- **PARTICIPATION OF AMAKHOSI IN COUNCIL MEETINGS**

Nongoma LM is made up of three (3) Traditional Councils that consistently participate not only in council meetings, but also in the affairs of the municipality. These TCs are as follows:

- Ematheni Traditional Council,
- oSuthu Traditional Council, and
- Mandlakazi Traditional Council.

Based on the circular 88 and SDBIP reports, the traditional authorities have been fully participating in all council meetings via their respective representatives.

2.7 FUNCTIONALITY OF MANAGEMENT STRUCTURES

There are 2 main Management structures in the municipality, i.e.:

- Chaired by the Accounting Officer; Top Management Committee (Top MANCO) which comprises of the Heads of Departments, and also the PMS Manager and Risk Management and Compliance Manager. In the 2023/24 FY, the committee was functional and sat every week on a Monday.
- Also chaired by the Accounting Officer; the Extended Management Committee (MANCO) which comprises of the Heads of Departments and all line Managers sits every Monday or Wednesday.

IDP STEERING COMMITTEE

Central to the development of the IDP is the IDP Process Plan, which provides a framework upon which an IDP review process would happen. The process of developing the IDP was driven in-house. In line with Section 30 of the Municipal Systems Act which allows the Mayor of a municipality to assign the responsibility of IDP drafting process to the Municipal Manager; The IDP Unit has been responsible for Day-to-Day Management of the IDP drafting process.

As a requirement towards the development of the IDP; an IDP Steering Committee must be formulated. The municipality formulated its Steering Committee just after the adoption by the council of the IDP Process plan. Membership of the Nongoma IDP Steering Committee was as follows:

- The Chairperson: Municipal Manager: Mr. S.B Nkosi (The Acting Municipal Manager)
- The Chief Financial Officer: Mr. B Menyuka (The Acting CFO)
- HOD: Corporate Services, Mr. M.E Sithole
- HOD: Technical Services, Mr. B.T Khumalo
- HOD: Planning & Economic Development Services: Mr. G.A Ndaba
- HOD: Community Services. Mr. K.H Zulu
- PMS Manager: Mrs N.E Sokhela
- Risk & Compliance Manager: Mr. S Dlamini

- **BID COMMITTEES**

The work of the Bid Committees is influenced by the procurement plan. The municipal 2023/2024 Procurement plan was in place and for it to have been implemented, the bid committees must be functional.

- **Bid Specification Committee:** The committee was functional and was composed of the following members:

  - SCM Practitioner– Miss B.S Ntombela (Chairperson)
  - Manager Financial Reporting- Mr. N Madwe
  - Technical Services Technician- Mr. Q Zulu

- **Bid Evaluation Committee:** The committee was functional and was made up of the following members:
  - Manager SCM- Mr. K.S Manqele (Chairperson)
  - PMU Manager- Mr. S Khumalo
  - Manager Waste Management- Miss P.N Zulu
  - Manager HR- Ms F.O Mkhongi

- **Bid Adjudication Committee**: The committee was functional and was made up of the following members:
  - CFO- Mr. N.T Dludla (Chairperson)
  - SM: Technical Services- Mr. B.T Khumalo
  - SM: Community Services- Mr. K.H Zulu
  - SCM Manager- S Duma (UMlalazi Municipality)
  -

MUNICIPAL BUDGET STEETING COMMITTEE

The Mayor of Nongoma municipality has in terms of Section 4 of the Municipal Budget and Reporting Regulations, established a budget steering committee. This committee's role is to provide technical assistance to the mayor in discharging his or her responsibilities set out in section 53 of the MFMA. These include providing political guidance to the IDP and budget processes and the priorities that must guide the preparation of the budget, ensuring the budget is approved by the council.

Membership of the Nongoma Municipal Budget Steering Committee was as follows:

- The Chairperson (The Mayor): Cllr C.M Ndabandaba
- The Municipal Manager: Mr M.M Zungu
- The Chief Financial Officer: Mr N.T Dludla
- HOD: Corporate Services: Mr M.E Sithole
- HOD: Technical Services: Mr B.T Khumalo
- HOD: Community Services: Mr K.H Zulu
- Manager: IDP: Mr G.A Ndaba
- Manager: Budget & financial Planning: Mrs N.J Phakathi
-

LOSS CONTROL MANAGEMENT COMMITTEE

The Loss Control Management Committee was established in the 2019/2020 FY. It comprised of the following members:

- CFO (Chairperson)
- HOD: Corporate Services (Deputy Chair)
- Manager: Expenditure
- Manager: Traffic & Protection Services
- Manager: Legal and Fleet
- Manager at the Office of the Municipal Manager

The committee considered and settled or repudiated claims for damages caused to the property of members of public arising against the municipality from time to time as well as consider and settle internal loss control issues as they arise. The committee was dysfunctional.

MUNICIPAL DISCIPLINARY BOARD

Council of Nongoma in its meeting held on the 22nd of May 2024 appointed a Disciplinary Board as per the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. The Board was composed of external members that include Members of the Audit Committee, the Internal Auditor and an Attorney from the appointed panel of legal service providers. It will be provided with orientation workshop and all its functions will be in compliance with the approved Terms of Reference.

2.8 MUNICIPAL BY-LAWS

Nongoma municipality embarked on a process of developing/reviewing its by-laws. This was to enhance the municipality's inability to promote standards for community as well as protect the safety, health and welfare of its residents. All by-laws have gone through public consultation process and have been adopted by the council.

The status of the Nongoma municipal by-laws is herein articulated:

Name of the By-law	STATUS		
	Date of Adoption	By-law Gazetted (Yes/No)	Challenges
Fire Services Bylaws	December 2022	–	–
Lease of Municipal Halls By-Law	–	–	–
Outdoor Advertising By-Law	May 2021	No	–
Unsightly and Neglected Buildings and Premises By-Law	–	–	–
Traffic By-Laws	May 2018	No	No budget
Nongoma Informal Economy By-laws	27 June 2019	17/12/2020	–
Open Spaces By-Laws	–	–	–
Municipal Cemeteries By-Law	27 October 2023	No	–
Events Safety By-Law	31 August 2022	No	The challenge was budgetary constraints. However, R200 000.00 has been budgeted for the gazetting of these six (6) by-laws in the 2024/25FY.
Municipal Facilities By-Law	31 August 2022	No	
Waste Management By-Law	31 August 2022	No	
Nuisance By-Law	31 August 2022	No	
Community Facilities By-Law	31 August 2022	No	
Animal Pound By-Law	31 August 2022	No	

2.9 WEBSITE FUNCTIONALITY

In terms of Section 75 of the MFMA, the municipal website is a crucial part of its communication infrastructure. It is used as a key tool for encouraging community participation and facilitating the monitoring and evaluation of municipal performance. This platform plays a pivotal role in ensuring transparency and accessibility to key documents, which includes the annual reports, IDP & SDBIP, the annual budget, vacancies, adjustment budgets, policies, by-laws and documents pertaining to the budget and service delivery. The ICT Unit therefore ensures that the municipal website is regularly updated with relevant information. The Council's website address is www.nongoma.gov.za.

CHAPTER 3: PERFORMANCE HIGHLIGHTS

3.1. CORPORATE SERVICES

The Corporate Services Department is the portal of entry and exit in the municipality. It provide support to all the departments within the municipality in the sense that it administer the staff establishment, drives the recruitment and selection process, conduct induction to new recruits, advise on employee placement, facilitate individual performance management and capacity building so that an employee is able to perform at an optimal level, provide advice to management on disciplinary procedure, administer employment service conditions in respect of new engagements, promotions, terminations, and transfer documents to payroll section for payments. In addition, provide support structure through enforcing health and safety as well as employee wellness.

The Department has 4 Units, which are:

- Human Resource Management Unit
- Information Communication Technology (ICT) Unit
- Council Support, Administration & Auxiliary Services Unit
- Fleet Management Unit

The functions under Corporate Services are as follows:

ASPECTS	FUNCTIONS
Human Resources Management	- Recruitment, induction, placement. - Skills Development and capacity building both internal and external. - Remunerations and benefits administration. - Leave Management. - Labour relations. - Employment Equity
Health and Wellness	- Occupational Health and Safety - Employee Assistance Programme
Information Communication Technology	- Electronic Records Management - Server Backup - IT Infrastructure Management - IT Support.
Administration and Auxiliary Services	- Records Management - Switchboard
Policies and Procedures	- Policy Administration - Policy Implementation - Legislative Compliance

3.1.1. Human Resources Management and Development

Human Resources Management & Development unit is one of the primarily supports structure which symbolises the effectiveness of the municipality. Human Resources function that is the first one affected by organisational culture in despite of well-crafted policies and procedures in terms of work ethics, resources allocation and provide a visible mandate for everyone to connect in a vision of the organisation. In summary, HR has made a considerable progress in the aspect of policy development. All new and reviewed policies are yearly submitted to Council for approval. Human capital management entails functional value chains as follows:

- Organisational Development
- Recruitment and Selection
- Training and Development
- Employee Benefits and Exit Management
- Employment Equity Plan and Reporting
- Individual Performance Management System
- Occupational Health and Safety
- Training and Development
- Employee Wellness
- EPWP administration and reporting function was located to this department for internal arrangements, it was then moved to Technical Services during mid-year budget adjustment.

3.1.2. Recruitment and Selection

One of the human resources priorities is to recruit right people to occupy critical positions based on skills and competencies, as a result, policies like, Recruitment and Selection Policy, Attraction and Retention Policy are reviewed every year.

Vacancy rate: In accordance with the current approved staff establishment, the vacancy rate is at 9% which is determined by 304 total number of posts as per organisational structure, 265 filled, 26 vacant funded and 13 vacant unfunded posts. One of the principles informing the revised organogram is to align municipal staff establishment with the guidelines of Municipal Staff Regulations as far the cost of employees is concern, hence the continuous organisational analysis be conducted after IDP consultation process.

The 2023/24 challenged human resources, it is evident by the exit of 25 employees out of 252 staff compliments, which depicts that there has been an effect of 10% staff turnover, due to number of various reasons mostly death. The municipality has a pressure to reduce salary bill, hence a strategic decision was taken for not filling that blue collar vacated posts and completely abolished. Nevertheless, labour production arrangements have been made through EPWP staff. Only critical posts have been prioritised for filling after examination of

key responsibilities to merger some of the position in addressing bloated organogram. The post of Manager Executive support (contract basis) has been vacant for a period of calendar year, following merger of posts of manager Mayoral support with manager Public Participation and abolishment of the Manager – Office of the Municipal Manager.

The split of Infrastructure Planning and Development Planning Department made municipality to have Technical Services Department and Planning & Economic Department which resulted to creation of Head of Department of Planning and Economic Department post which was filled after Council approved and MEC comments consideration in terms of Municipal Staff Regulations, item 6(7)(a)(b).

Filling of the Critical Posts: All critical vacant post as identified in Outcome 9; vacant Section 56 post has been filled. Head of Department -Planning and Economic Development was filled by 01 April 2024 as permanent employment following the amendment of regulations of appointing senior managers with effect from 01 November 2022. The total number of posts filled in 2023/24FY is 20; details of the posts are illustrated in below table:

Occupational Category	Position	No of posts	Department
Senior Managers	HOD – Planning and Economic Development	1	Planning and Economic Development
Middle Management	Manager Risk and Compliance	1	Office of the Municipal Manager
	Manager- Expenditure	1	Finance/ BTO
	Manager- Waste Management	1	Community Services
	Manager Planning and Econ Dev	1	Planning and Economic Development
Professionals	Senior Superintendent and Law Enforcement	1	Community Services
	Civil Engineering Technician	1	Technical Services
	Building Inspector	1	Planning and Economic Development
Semi-Skilled	Traffic Officer	1	Community Services
	Fire Fighters	2	Community Services
	Cyber Cardet	1	Community Services
	Library Assistant	1	Community Services
Clerical/ Administrative	Executive Secretaries	3	Office of the Municipal Manager
	Career Support Clerk	1	Corporates Services
	Youth Clerk	1	Community Services
	EPWP Clerk	1	Technical Services
	ICT Clerk	1	Corporates Services
Unskilled/ Elementary		0	

The Municipal staff complement was at 255 by end of June 2024.

Human Resources Development Strategy: Human Resources Management Strategy forms an integral part of the municipal Integrated Development Plan (IDP) to proper assess HRM capacity, identifying gaps and forecasting future demand and supply of the workforce.HR Strategy enables municipality to strategically review and develop human capital management value chains that will appropriately fit into organisational culture in consideration of environmental changing forces.

The purpose of this HRM Strategy and Implementation Plan is to outline key interventions to be undertaken by the Municipality in ensuring that it has the right number of staff (staff component), with the right composition and with the right competencies in the right places to enable it to deliver on the mandates and achieve its strategic goals and objectives. HR strategic planning is about determining the demand and supply of staff that are critical to achieving strategic objectives, analysing the gap between the demand and supply, and developing a plan that seeks to close the gap.

In order to ensure that the Municipality makes the best possible use of its human resources to attain its commitments and programme objectives set out in the IDP, Budget and SDBIPs, the Municipality must have a concrete HRM Strategy in place together with HRM &D Implementation Plan of Action matrix.

- **Strategic Objectives for Nongoma LM Human Resource Strategy**

- Provide a roadmap on how HR should run and develop the specific set of actions
- Assist to identify gaps that need to be addressed by ensuring that the Municipality has the right number and composition of employees with the right competencies, in the right places, to deliver on the Municipality's mandate and achieve its strategic goals and objectives.
- Draw HR Plan and action plan on how will address issues by ensuring that the Municipality makes optimum use of human resources and anticipates surpluses and shortages of staff.
- Attract and retain highly capable workforce including critical and scarce skills individuals in line with Employment Equity Plan targets.
- Maintain a safe and healthy working environment by ensuring that municipality provides adequate resources to municipal staff and value skills and competencies in delivering sustainable solutions, advice and capacity building.

The following were key initiatives/projects in terms of Human Resource Strategy. The status is herein indicated:

Activity	Description	Timeline	Output	Progress
Performance Management implementation	Cascading PMS to staff at clerical level to	30 Jun3 2024	Signed performance agreement	Partially Achieved
Succession Planning Policy	Review of the Succession Planning Policy	22 May 2024	Signed off policy and Council resolution	Achieved
Submission of documents for job evaluation process for unevaluated posts	Grading process	30 June 2024	Audited job evaluation results for newly created posts	In progress
Verification of Qualifications of all new appointments	Implementation of risk management recommended action	As and when required	SAQA report	Only senior managers verified
Policy Workshop for staff	Conduct workshop of all HRM approved policies	30 September 2023	Schedule and attendance registers	Achieved
Annual staff head count	Conduct annual staff head count	September 27-30, 2023	Attendance registers and Report	Achieved
HRM & D Policy Development and Review	Review of HRM &D policies	01 October 2023	Council approved signed HRM policies	Achieved
Exit Management Policy	Development of Exit Management Policy	22 May 2024	Council approved signed Exit Management Policy	Achieved/ unplanned target

3.1.3. Employment Equity Plan

The main objective of the Employment Equity Plan is mainly on achieving transformation and equality in the workplace by promoting equal opportunity and fair treatment in the employment through the elimination of unfair discrimination.

It has been difficult for the municipality to achieve its employment equity target at a senior management level, as a results women representative at Top Management level is 0%. Each time there was a critical vacant post, women candidates were found not suitable. In the 2023/24 FY, 1 critical vacant post was filled by male candidate again. Currently, the critical vacant post of Senior Manager- Corporate Services has been advertised with a clause to encourage women to apply, after the resignation of the incumbent in the middle of June 2024.

The municipality is still lacking behind on achieving the legislated national targets of 2% in terms of representation of people living with disabilities. Currently, the municipality is sitting at 1.4% representation of people living with disabilities. This is subsequent one appointment within Legal Services Unit.

The municipality has an adopted Employment Equity Policy in place. The purpose of the policy is:

- To provide the municipality with guiding principles, the institutional framework and basic strategies for the development and implementation of its Employment Equity Programme.
- To enhance the mix of racial, gender and disabled groups across functions and at different levels where imbalances exist through –
    - Equalizing opportunities by providing additional training and development for employees who have historically been marginalised; and
    - Pro-actively recruiting and advancing designated groups to make the municipality representative of the demographic composition of Kwa-Zulu Natal and South Africa.
- To ensure progress by developing and monitoring Employment Equity targets in consultation with employee representatives. This target shall be set out in the Employment Equity Plan and based on economically active population, geographical demographics, and operational requirements.
- To provide the guidance to the employer on how to deal with gender based sexual harassment in the workplace for the purpose of protecting employees who may happen to be victims.
- To ensure that the Employment Equity Plan represents the critical link between the current workforce profile and possible barriers in employment policies and procedures, and the implementation of remedial steps to ultimately results in Employment Equity in the workplace.

The following table summarizes the status quo of the EE workforce in 2023/24 FY:

Gender Distribution per Occupational category

Occupational Level	Male				Female				PWD		Foreign National		Total
	A	C	I	W	A	C	I	W	M	F	M	F	
Top Management	5	0	0	0	0	0	0	0	0	0	0	0	5
Middle Management	8	0	0	0	10	0	0	0	0	0	0	0	18
Professionals	23	0	0	0	27	0	0	0	0	0	0	0	50
Skilled Technical	47	0	0	0	15	0	0	0	1	1	0	0	64
Semi-Skilled	19	1	0	0	27	1	0	0	0	0	0	0	48
Unskilled	30	0	0	0	40	0	0	0	0	0	0	0	70
Grand Total	132	1	0	0	119	1	0	0	1	1	0	0	255

3.1.4. Skills Development Programme

In accordance with Skills Development Act 97 of 1998 and regulations, every legislative organization i.e., employer with 50 plus members is obligated to prepare Workplace Skills Plan and submit to relevant SETA as the compliance for the purpose of training and development of workforce.

Nongoma Local Municipality is also established in terms of Chapter 7 of the RSA Constitution, like all other municipalities. Therefore, it also has obligation to submit WSP to LGSETA every 30th of April, provided that WSP consultation has been conducted within the municipality, and it entails skills development programs that support the IDP objectives.

The consultation process was conducted through WSP Proforma, requesting managers to interact with employees in populating training needs and the information was uploaded into LGSETA system (which is Remote Net) designed to develop and submit WSP online. It entails workforce demographic profile, individual employee and councillor's profile, proposed training needs links to beneficiaries, budget and grants section,

The WSP was submitted on the 23rd of April 2024. It was submitted with proof of consultation, i.e., HRD Committee meeting agenda, minutes and signed Stakeholder Authorization form generated from the system.

Most of the councillors have undergone through training on management, leaderships, etc. The municipal employees have continuously attended trainings that which are meant to improve their skills in their workplaces. However, limitation of resources makes it difficult to implement the Workplace Skills Plan hence the there is a very high demand of the skills development for implement the Workplace Skills Plan hence the there is a very high demand of the skills development for the Politicians and officials.

As per requirement the Municipality is implementing the Employment Equity and Work Skills Plans, and all reports are accordingly submitted to the Department of Labour.



The following highlights the implementation of the Workplace skills plan in the 2023/2024 financial year:

LEARNING PROGRAMME	TARGET BENEFICIARY	DURATION	NO. OF BENEFICIARIES	SERVICE PROVIDER
MFMP Learnership	Employed	12 months	20	Pioneer consulting/ funded by LGSETA
Leadership development	Employed (Councillors)	12 months	19	Pioneer consulting/ funded by LGSETA
Registry Management	Employed	4 days	1	Arts and Culture Department
Records Management	Employed	5 days	3	Khanyisani Training Academy
Municipal staff regulation	Employed (Councillor)	2 days	1 official 2 Councillors	COGTA
Bi annual seminar (Pay Day)	Employed	2 days	2	Pay Day
Bi annual seminar (Pay Day)	Employed	2 days	5	Pay Day
Proficiency training	Employed	29 Days	30	Iskhumbasengwe Security training
Security grades E-C	Employed	29 Days	16	Iskhumbasengwe security training
Sewing programme	Unemployed	12 months	15	FP&M Seta
MFMP Learnership	Employed	12 months	4	FACHS
Business management	Unemployed	12 months	15	Ubuntu fasset
Health and safety training	Employed	2 days	13	Inkabanhle consulting
Code of Conduct	Councillors	1 day	24	COGTA
Rules and orders	Councillors	1 day	18	COGTA
Pay Day	Employed	5 days	3	Pay Day
Registry Management	Employed	1 day	4	Arts and Culture
In-depth workshop	Employed	2 days	6	COGTA
In-depth workshop	Councillors	2 Days	6	COGTA
NATIS training	Employed	3 Days	6	Department of transport

- **Employee Expenditure & Compensation**

The municipality's intention is to meet or exceed labour market rates to attract required scarce skills and talent. The implementation of the Job Evaluation results outcome made municipality to curb the salary bill through application of the moratorium on salary adjustment for line managers who were appointed before the completion of the job evaluation process. This means, the council made resolution to exempt these line managers on annual increment as per SALGBC Wage and Salary Collective Agreement.

In terms of administration of employees and councillors' pension funds, the status is as follows:

a) GEPF (0) – all employees under this pension fund retired.
b) NJMPF (213)
c) SALA (32), and
d) MCPF (45) for Councillors

Employer Expenditure in the financial year under review is as follows:

Description	Employer Contributions	Salaries
Salaries for Officials	R20 127 470	R134 285 407
Salaries for Councillors	R1 559 141	R15 514 296

3.1.5. Leave Management

The Employee Self Service (ESS) for leave management was introduced on 01 July 2021 as one of the significant successes. Following the numerous challenges experienced on manual leave applications. The system is user friendly and operates smoothly. However, it is noted that on the 3rd quarter of the period under review, ESS had technical problem for three (3) months due to lack of municipal server upgrade. Human Resources Unit is slightly struggling to maintain clean record of leave management due to users who are not processing leave transactions timeously. Migration of ESS from server to cloud in 2023/24 brought back confidence of using the system smoothly.

3.1.6. Job Evaluation Implementation

The Job Evaluation outcomes report the Municipality to implement T.A.S.K system adopted by the Council to effect on the 01 September 2021 provided a significant solution on the staff remunerations. Its implementation has brought a great impact in the expenditure of employees' compensation. However, in the year 2023/24 the rapid changes made on the municipal staff establishment in terms of newly created posts, clearly shown that Job Evaluation will be endless process. In summary, municipality has approximately 30 posts to be graded by JEU in the next coming year.

3.1.7. Review of Staff Establishment

The Nongoma Municipal council adopted its reviewed staff establishment on the 5th September 2023, in consideration of the MEC comments in terms of Municipal Staff Regulation 6(9)(a)(b)(c) and (d) received on the 08th August 2023, which was welcomed by the Council as the findings after the assessment. The fundamental intention for review was to ensure that it is fully aligned with new developed IDP and address the municipal response to the human capital needs of the Municipality.

3.1.8 Organisational Analysis and Updates

The following changes and movements were implemented because of the reviewed organisational structure.

The following changes and movements were implemented because of the reviewed organisational structure.

The list of new units in the adopted organisational structure is as follows:

LIST OF NEW DEPARTMENTS IN THE PROPOSED ORGANISATIONAL STRUCTURE	
DEPARTMENT	**UNIT**
Planning and Economic Development Services	Development Planning, IDP Unit, Environmental Management Unit and LED/ Tourism Unit
Technical Services	Project Management Unit and Housing & Maintenance Unit

LIST OF NEW UNITS IN THE PROPOSED ORGANISATIONAL STRUCTURE	
DEPARTMENT	**UNIT**
Planning and Economic Development Services	IDP Unit, Environmental Management Unit
Technical Services	Housing & Maintenance Unit
Finance (BTO)	Expenditure Management Unit
Community Services	• Waste management Unit • Facilities Management Unit

LIST OF MOVEMENT & PLACEMENT UNITS IN THE PROPOSED ORGANISATIONAL STRUCTURE	
UNIT	**Movement**
Legal Services	Legal Services Unit moved from Corporate Services to OMM
Fleet Management	Fleet Unit moved from BTO to Corporate Services
IDP	Moved from the OMM to Planning and Economic Development (PED)
Development Planning, Environmental Management Unit and LED/ Tourism Unit	Inherited from the then Planning and Infrastructure Development to PED

LIST OF MOVEMENT OF EMPLOYEES IN THE PROPOSED ORGANISATIONAL STRUCTURE		
INCUMBENT	**MOVED FROM**	**MOVED TO**
Mr. T.I Dladla (Admin Officer)	Office of the Municipal Manager	Senior Communications Officer
Mr M Nxumalo - special programmes officer	Office of the Municipal Manager	Community Services as Facilities Management Officer
Ms NP Ntuli - Manager Mayoral Support & Communications	Office of the Municipal Manager	Community Services as Facilities Manager
Ms ZB Khuzwayo – Executive Sec	Office of the Municipal Manager	Community Services as Exec Secretary-HoD
Ms SP Mkwanazi – Exec Secretary	Office of the Municipal Manager	Administrator- same department
Mr GA Ndaba	Office of the Municipal Manager	Planning & Economic Development as IDP Manager
Ms S Zuma – IDP Officer	Office of the Municipal Manager	Planning & Economic Development as IDP Officer
Mr S.N Qwabe – PP Officer	Office of the Municipal Manager	Community Services as Authorised Officer
Mrs HF Ntombela – Legal Manager	Corporate Services	Office of the Municipal Manager
Mr MI Sibiya – Legal Clerk	Corporate Services	Office of the Municipal Manager
Mr PP Makhathini: Fleet Officer	Corporate Services	Community Services as Facilities Management Officer
Mr M Ntshangase – Messenger/ Driver	Corporate Services	Community Services as Authorised Officer

Mr N.S Ngcobo - Messenger/ Driver	Corporate Services	Community Services as Authorised Officer
Mrs P.S Xaba – Receptionist	Corporate Services	Corporate Services as Registry Clerk
Mr WS Zungu – Facilities Management Officer	Community Services	Unknown
Ms NP Zulu as Manager- Waste	Community Services	Planning & Economic Development as Environmental Manager
Ms SL Ndebele as Credit Controller	Finance	Corporate Services as Fleet Officer
Mr SM Gazu as Tourism Officer	Planning & Economic Development	Office of the Municipal Manager as Public Participation Officer

LIST OF ESTABLISHED POSTS IN THE ORGANISATIONAL STRUCTURE	
DEPARTMENT	**POST**
Political Structure	- Manager -Executive Support **(Vacant- funded)** fixed contract - Public Participation Officer x 2- **(Vacant unfunded 1, funded 1)** - Senior Administrator responsible for community liaison council functions and indigent functions. **Total = 4**
Office of the Municipal Manager (MM)	- PMS Manager **(Vacant unfunded)** **Total = 1**
Corporate Services	- Senior Clerk - **Vacant- funded)** stationed at HR, be responsible for --- EPWP contracts and process appointments on payday system - Career Support Clerk - **Vacant- funded)** - Fleet Officer - **Vacant- funded)** - **Senior ICT Officer- Vacant (unfunded)** - IPMS Officer - **(Vacant unfunded)** - IPMS Clerk - **(Vacant funded)** **Total = 6**
Financial Services (BTO)	- Manager-Expenditure Control (**Vacant- funded)** - Accountant- Financial Reporting (**Vacant- funded)** - Credit Controller x2 (**Vacant- funded) - IR** - Payroll administrator- (**Vacant- funded) – IR** - Administrator-Financial Reporting (**Vacant- unfunded)** - Asset Controller (**Vacant- funded) - IR** **Total = 7**
Planning & Economic Development Services	- HOD- Planning and Economic Development (**Vacant- funded)** - Officer – Environment Management **(Vacant- unfunded)** - Building Inspector (**Vacant- unfunded)** - Tourism Customer Care: Clerk x2 (**Vacant- unfunded)** **Total = 5**
Technical Services	- Manager -Operations & Maintenance (**Vacant- unfunded)** - Civil Engineering Technician (**Vacant- unfunded)** **Total =2**
Community Services	- Senior Disaster Management Officer - (**Vacant- unfunded)** - Leading Fire Officer (X4) (**Vacant- funded)- IR** - Traffic Officer- (**Vacant- funded)- IR** - Fire Fighter x 8 - (**Vacant- funded) IR** - Senior Clerk – (**Vacant- funded)- IR** - Manager – Waste Management **Vacant- funded)- Re-instatement, directive from Labour Court Award.** - Manager – Facilities Management **Vacant- funded)- Placement** - Sports Assistant – Sports and Arts (Vacant – funded),- **Placement**

LIST OF EXISTING VACANT POSTS IN THE ORGANISATIONAL STRUCTURE	
DEPARTMENT	**POST**
Corporate Services	– Fleet Officer - **Vacant- partially funded (IR)** **Total = 1**
Financial Services (BTO)	- Credit Controller x1 (**Vacant- unfunded) - IR** **Total = 7**
Planning & Economic Development Services	- Manager LED/ Tourism - (**Vacant- Funded)** - Tourism Officer **(Vacant- unfunded)** **Total = 2**
Technical Services	– Project Administration Officer **(Vacant- unfunded)** – Electrical Engineering Technician **- (Vacant- unfunded)** **Total =2**
Community Services	– Safety and Security Officer (Vacant- Funded) Placement – Senior Disaster Officer - **(Vacant- unfunded)** **Total =2**

THE LIST OF ABOLISHED POSTS IN THE NEW ORGANISATIONAL STRUCTURE IS AS FOLLOWS:	
DEPARTMENT	**POST**
Office of the Municipal Manager (MM)	- Manager Mayoral Support and communications - Manager- Public Participation - Administrator
Corporate Services	- Manager- HRD - Labour Relations Specialist - Driver/ Messengers x 2
Financial Services (BTO)	None
Planning & Economic Development Services	None
Technical Services	Project Administrator
Community Services	Supervisor

SUMMARY OF TERMINATIONS		
Reasons	**Number of terminations**	**% of total number of terminations**
Resignations	12	46%
Dismissal	01	4%
Retirement	03	11%
Death	04	15%
Expiry of Contract	06	23%
ILL Health	0	0%
Total	**26**	**100%**

3.1.9. Human Resource Management Policies

Corporate Service had as one of its Key Performance Indicators, development, and review of HR-related policies. The following HR policies were reviewed, tabled, and adopted by the council on 22 May 2024.

a) Recruitment and Selection
b) Attraction and Retention
c) Induction and Orientation
d) Health and Safety
e) Employment Equity
f) Leave Policy
g) Training and Development
h) Employee Assistance Programme
i) Acting Policy
j) Remuneration
k) Movement and Placement
l) Car Allowance
m) Succession Planning
n) Standby Policy
o) Rental Housing
p) Individual Performance Management Policy
q) Exit management Policy

NMC134/2023/2024

2023/24 FY Staff Headcount Exercise: Human Resources conducted annual head count exercise on the **27-30 September 2023,** as per HRM Circular 9 of 2023, where employees physically verified using original Identity Document. During the head count, on the verification process, all employees were compelled to sign the Information Disclosure Forms for 2023/24, as the significant exercise in terms of Section 66 of Municipal Finance Management Act 56 of 2003. Information updating details forms including tax numbers to newly appointed officials was required. Senior Managers also declared information disclosure and financial interest in 2023/24 FY. Headcount sought to mitigate risk of ghost employees through confirming the actual number of employees against payroll information to ensure that salaries are being paid to the legitimate employees.

Disclosure of benefits and interests 2023/24 FY: Municipal Manager and managers directly accountable to municipal manager made declarations by signing of disclosure forms of benefits and financial interest for 2023/24 FY, in terms of Reg. 36 (1)(b) of LG: Regulations on Appointment and Conditions of Employment of Senior Managers. Details of senior managers who signed are as per below table;

Name of Senior Manager	Designation	Date of signature
Mr M.M Zungu	Municipal Manager	25.07.2023
Mr N.T Dludla	Chief Financial Officer	05.07.2023
Mr M.E Sithole	HOD - Corporates Services	25.07.2023
Mr K.H Zulu	HOD - Community Services	25.07.2023
Mr B.T Khumalo	HOD – Technical Services	17.02.2023
Mr G.A Ndaba	HOD- Planning & Econ. Dev	28.05.2024

Implementation of Mayoral Bursary and Registration Scheme: The issue of registration fees to universities is still challenge regardless of Free Education Policy for all, thus causes the increased number of protests in universities during registration season as the student representatives attempt to fight for student rights for education. That was a reason municipality took this initiative to offer registration scheme to assist youth of Nongoma in career development.

In responding to the National KPA which Institutional Development, Nongoma Municipality has committed yearly provision budget to fund first year students with universities registration fees. In the financial year under review, the municipality once again provided 60 beneficiaries with registration fees amounting to R5 000.00 per student.

The municipality also provides a full bursary scheme and paid for tertiary tuition fees for the 2 out of 5 beneficiaries. The fourth student withdrew from the bursary scheme due to insufficient funding allocation from the Municipality. Mr Xaba is now with the Municipality doing his In-service training with the department of Technical Services and earning a stipend of R3 500.00. The Municipality expects the students to complete their studies in 2023 as had committed to provide them with the tuition fees of R60 000.00 annually until the completion of their studies.

Mayoral excellence awards 2023/2024: The Municipality hosted the mayoral excellence awards on the 23rd of February 2024 to recognise the excellent work of the top achievers from their respective schools. The Honourable Mayor and the executive committee were in attendance and gave key notes and congratulated the top achieving districts and most improved schools.





Placement of Interns and In-service Trainees (WIL): In 2023-24, Nongoma Municipality hosted more than 60 youth of unemployed graduates, students under Work Integrated Learning (WIL) in various field for the period of two years (24 months) with a stipend of R6000 per month. These programmes are part of National Skills Development Strategy III as amended, funded by National Skills Fund (NSF) through Khabalidaka Uprising (33 beneficiaries) and Blue Alleviator (20) as well as other third parties who awarded NSF funding for internship programmes. Embracing such opportunities has indeed proven that this municipality is progressively adopting Private Public Partnership (PPP) as one of the initiatives of developmental state. Lastly, commencement date of the mentioned programmes was on the 03rd of June 2024.





15 Youth Beneficiaries of the Sewing Learnership programme funded by FMPSETA

3.1.10 Employee Assistance Programme (EAP): Wellness Support

Employee HIV/AIDS Awareness Day: In line with the commemoration of the World AIDS day (02 December), the Municipality conducted its Employee HIV/AIDS Awareness Day on the 02nd of December 2023.





This has become an annual phenomenon in the Municipality, and it is aimed to remove the stigma of HIV/AIDS and encourages employer to manage HIV/ AIDS in the workplace. On that day the municipality partnered with an NGO in the Health Department where the

speaker delivered a speech about precaution measures for HIV & AIDS. The presentation covered an education of the PREP medication. Testing and counselling on site were conducted by Department of Health (DOH) team.

Financial education (13th March 2024): The Municipality hosted financial education for the staff in partnership with Old Mutual and Sanlam. The purpose for this was to create financial awareness amongst Nongoma staff. The event proved to be fruitful as some staff members showed gratitude to the partners for helping them and alerting them. The HOD corporate services welcomed the representatives of Old Mutual and Sanlam with a key note.





Aerobics Day (21st June 2024): Municipality hosted aerobics for employees. The purpose of the session is to cultivate a culture of healthy lifestyle and uplift the morale of the workforce as it is also the responsibility of the employer to always find ways of conducting team building exercises. Fitness trainer offered his fitness services to the staff present. There was also Health professional also offered a key note on his advanced audiology services and also showcased his new technologies on one of the employees.





Coordination of Human Resource and Labour Relations Matters: Corporate Services is responsible for coordination of the following HR and LR engagements.

- Human Resource Development Committee meetings of which four (4) meetings held in a year under review.
- Local Labour Forum (LLF) meetings of which four (4) meetings held in a year under review.
- Employment Equity Committee meetings, meetings of which two (2) meetings held in a year under review.
- Occupational Health & Safety Committee meetings, four (4) meetings held in a year under review.

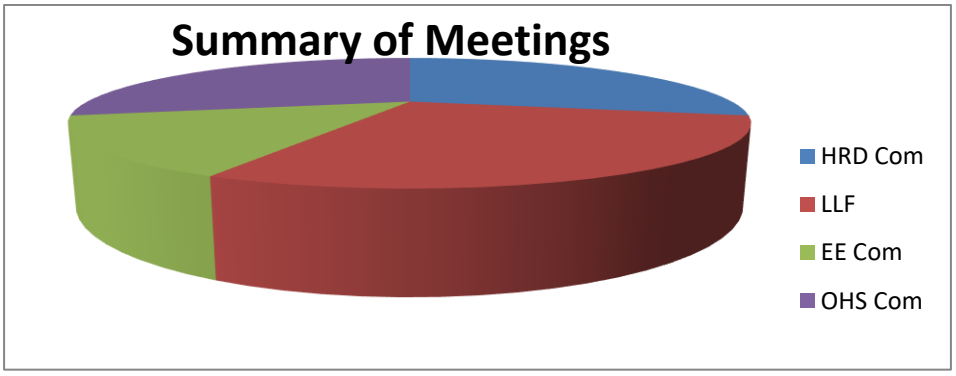
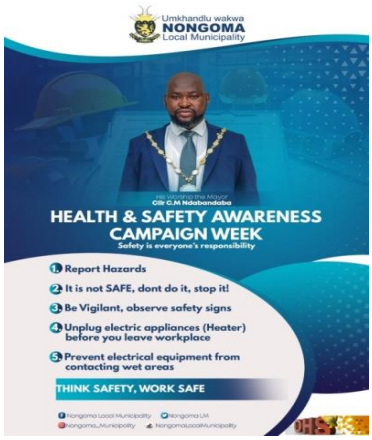


Figure 4 Committee Meetings Functionality

All these sub-committees are constituted as per guidelines from Collective Agreement and meetings are held in terms of their respective Terms of Reference.



In accordance with Occupational Health and Safety Act, No. 85 of 1993, it is employer's responsibility to provide health and safety environment, mitigate hazardous risks through awareness campaign to all employees, functionality of OHS Committee and compliance with Health and Safety regulations and COIDA.

The OHS unit issued a poster to all employees as part of Occupational Health & Safety awareness campaign in the period under review.

OCCUPATIONAL HEALTH & SAFETY

3.1.11. Implementation of the Individual Performance Management System

In the 2023/2024 financial year, all municipal officers and clerical staff signed their performance agreements. However, resistance has detected during performance reviews which might be caused by adequate support structure. Corporate Services continued with consistent workshops and individual education sessions to offer support to respective target groups. Corporate Services appointed IPMS champions in terms of the policy to allow the buy-in process.

At the end of the financial year under review, officers and management have signed their respective work plans. This is a considerable achievement for the Municipality as it is now sinking to all staff members that this is a system that is necessary.

There were numerous challenges in driving the system, one being the resistance from employees and key role players such as Supervisors and Managers. The department then went on to schedule workshops for all staff at clerical level to assist them in knowing what the system expects of them.

3.1.12. Administration & Auxiliary Services

The unit is responsible for coordination of council committee meetings, preparing of Council agendas, Council minutes and filing of all the Council committee records. It is also responsible for distribution of incoming & outgoing correspondences, telephone and records management as well as general services i.e., office cleaning.

Nongoma Local Municipality has 11 permanent general workers doing office cleaning as well as landscaping. There are also four (4) Contract employees who assist with office cleaning and landscaping in all municipal satellite offices.

This Unit is heavily hit by retirement of employees who are not replaced, resulting in shortage of staff. EPWP employees have been of great help and the municipality will ensure more are assigned to this unit seeing that there is a lot of work in the municipal offices and premises.

Municipal Reception and Admin Services: This sub-unit has been very effective in ensuring that community members receive efficient service when requesting proofs of residence letters. The co-operation of Ward Councillors ensures that this sub-unit is always ready to offer services as required.

That being the case, they sometimes experience negative attitude from some clients who are hell-bent on disrupting the smooth operation by demanding the impossible and displaying unruly behaviour. Our team has been equipped to promptly respond to such attitudes without being unprofessional.

Municipal Reception office has one employee and two interns manning it throughout the day. There were no complaints received throughout the financial year, and one can confidently say it is operating smoothly and effectively. All in all, both sub-units are operating smoothly and the municipality will continue rendering these services to community members.

3.1.13 Coordination of Council Committee Meetings

All Council committees in the financial year under review were functional, even after there was a shift in Office Bearer's positions viz. the Hon. Speaker and Hon. Mayor. The council in its meeting held in September 2023, approved the establishment of the Planning and Economic Development department, which then resulted in the institution of the Planning and Economic Development Portfolio Committee by January 2024; therefore, making a total of 8 Council committees.

Below is the table showing how many meetings each committee sat during the 2023/2024 financial year:

NAME OF COMMITTEE	PLANNED: MEETINGS	ACTUAL: MEETINGS	VARIANCE
Community Services	12	11	-01
Corporate Services	12	11	-01
Council	04	10	+06
EXCO	12	13	+01
Finance	12	12	-00
MPAC	04	03	-01
Planning & Economic	05	04	-01
Technical & Infrastructure	12	10	-02

3.1.14. Registry & Records Management

The Department of Arts & Culture was engaged to take the lead in preparing the Management for the introduction of the Electronic Records Management System. However, due to stringent budgetary constraints, the Municipality could not afford to budget for electronic records management and its workshop.

Since no budget was available for introduction of the system, it would be a futile exercise to workshop officials on something that is not yet in the plans of the Municipality. Hence, the introduction of electronic records management had to be put on hold, until further notice; probably when the Municipality can provide the budget for electronic records management system.

The reviewed Records Management policy and Registry Procedure Manual, after they were both approved by the Department of Arts & Culture, were considered by Council in May, to adapt to the changes of the municipality.

3.1.15. Information Communication Technology (ICT)

ICT plays a pivotal role in the Corporate Governance of the municipality to ensure adequate support in the use of technology to all users through provision of ICT infrastructure, internet connectivity, allocation of applicable technological devices, and applications support in all departments. Basically, the municipality has a fully functional ICT Unit with four (4) full-time staff to provide day to day technical services. ICT Unit exists to achieve the following objectives;

- Ensure the alignment of Management Information Systems with Nongoma Local Municipality strategic objectives;
- Provision of data management recovery and cyber security to mitigate risks.
- Provision of digital communication tools within the municipality;
- Ensure proper allocation, control and repairs of technological working tools.

Based on the 2023/2024 SDBIP, ICT Unit is required to table to EXCO two ICT Framework Implementation reports by the end of the financial year. The reports will, amongst others, inform the review of the framework. This report highlights the extent to which the council-adopted ICT Framework has been implemented in the financial year (2023/24). Further ICT activities include monitoring the usage of internet connectivity through cabling and hotspot wireless, preventing users from information hacking through cyber security system; Creation of work email addresses to newly appointed staff and setting up number of webinar platforms meetings; as well as uploading of documents to websites as per departments submissions.

The ICT Steering Committee: Nongoma municipality has in place an ICT Steering Committee, which exists to represent the municipality's ICT interests and provides feedback in relation to the performance of the ICT and associated support services. The committee meets quarterly; in 2023/24 financial year The ICT steering committee meetings were held as follows: **First Quarter** -10 august 2023, **Second Quarter** -23 October 2023, **Third Quarter**-21 February 2024 & **Fourth Quarter** -05 June 2024.

3.1.16 Fleet Management

Fleet management unit is a component embedded within corporate services department. Its focus is ensuring that municipal fleet is administered in an efficient manner. Fleet management is responsible for taking vehicles for repairs and maintenance, issuing fuel vouchers for vehicles that are not allocated with fuel cards and ensuring that all vehicles' tracking system is functioning properly. Fleet unit comprises of three personnel, Manager Fleet Management, Fleet Officer and Fleet Clerk. The Municipality has vehicles which include plant (tractors and graders). Vehicles are allocated to respective departments for the daily execution of departmental duties



The Municipality has 28 total vehicles which are distributed as follows:

Department	No. of allocated vehicles
Corporate Services department	4 pool vehicles allocated
Technical Services department	5 vehicles allocated (including plant)
Community Services department	14 vehicles allocated
Office of the Hon Mayor	2 vehicles (1 main vehicle and 1 backup vehicle)
Office of the Deputy Mayor	1 vehicle
Office of the Hon Speaker	1 vehicle allocated

3.2. OFFICE OF THE MUNICIPAL MANAGER

The Office of the Manager is headed by the accounting officer, i.e. the Municipal Manager. The Office has 5 Units:

- Risk Management & Compliance Unit
- Executive Support Unit
- PMS Unit
- Legal Services
- Internal Audit Unit (Outsourced)

In line with the development of the new 5-year strategic agenda and the 2023/2024 IDP; Nongoma municipality has developed the Service Delivery Charter & Standards (SDC&S) and Service Delivery Improvement Plan (SDIP). These documents were adopted by the council together with the IDP on the 22nd of May 2024. The municipality seeks, as part of ensuring the institutionalization of "Batho Pele" principles; to ensure that through the SDIP and SDC&S), the implementation of Batho Pele is attained.

3.2.1. BATHO PELE POLICY AND PROCEDURE MANUAL

In carrying out their duties, municipal officials as it is the case with any public servants are guided by the following Batho Pele principles:

1) **Consultation:** Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice regarding the services offered;
2) **Service Standards:** Citizens should be told what level and quality of public service they will receive so that they are aware of what to expect;
3) **Access:** All citizens have equal access to the services to which they are entitled;
4) **Courtesy:** Citizens should be treated with courtesy and consideration;
5) **Information:** Citizens should be given full, accurate information about the public services to which they are entitled;
6) **Openness and transparency:** Citizens should be told how national and provincial departments are run, how much they cost, and who is in charge;
7) **Redress:** If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response;
8) **Value for money:** Public services should be provided economically and efficiently in order to give citizens the best possible value for money;
9) **Encouraging Innovation and Rewarding Excellence:** Rewarding the staff who go an extra mile to make things happen and encourage partnership to with different sectors to improve service delivery. Embrace new innovative ways of doing things. ***This has seen the process of cascading Performance management to Managers below Section 54/56 Managers introduced as of the 1st of January 2019. While the municipality has***

set aside a budget portion for rewarding staff that performed exceptionally; rewarding of good and exceptional performance will only commence once performance management system has been cascaded to all municipal employees

10) **Service Delivery Impact:** The Municipality shall measure and report regularly, using the sum total of all Batho Pele initiatives, the impact of the Batho Pele service delivery on the lives of the inhabitants of Nongoma Municipality.
11) **Leadership and Strategic Direction:** It is envisaged that Municipal leaders shall create an atmosphere that conducive for creativity by staff within the Municipality.

3.2.2. SERVICE DELIVERY IMPROVEMENT PLAN (SDIP)

The Service Delivery Improvement Plan (SDIP) is a tool to enhance the Municipality's daily operations to achieve better service delivery to its communities. The SDIP as a tool, as with any other rigorous reporting instrument would contribute towards measuring the improvement of the service delivery of Nongoma municipality, for it would point out the municipality's shortcomings and weaknesses.

In the 2023/2024 FY, Nongoma municipality had identified 3 planned standards as area of improvement. Those planned standards and were:

1) **Planned Standard #1: Working towards Clean Audit:** Subsequent to the attainment of unqualified audit opinions for audit opinions for 4 consecutive financial years (2019/2020, 2020/2021, 2021/2022 and 2022/2023 FY), the municipality attained a qualified audit opinion for the 2023/2024 FY which indicates a decline from the unqualified opinions of the prior years.
2) **Planned Standard #2: 100% spending of Capital Budget:** The municipality is still committed into ensuring that 100% spending on Capital Budget spending is maintained.

3) **Planned Standard #3: All critical vacant post filled within 3 months of the closing date of the advert:** The municipality had ensured and would continue to ensure that critical vacant posts are filled within 3 months of the closing date of the advert. In the 2023/2024 FY 4 critical vacant posts were filled accordingly. While there were no critical posts, the post, the post for HOD Planning and Economic Development became vacant after the establishment of the new department on the 27th of October 2023. In this case the municipality only managed to fill in the vacant post in March 2024.

3.2.3. SERVICE DELIVERY CHARTER AND STANDARDS

The municipality has revised its Service Delivery Charter and Standards in line with the recent configuration of the organizational structure. Through the Service Charter the municipality articulates the level and quality of services to be provided. As the municipality improves in its effort to provide services to the communities; any introduction of new services will be communicated and articulated in the Service Delivery Charter and Standard document.

As a tool of implementing the principles of Batho Pele; the main purpose of Nongoma Service Delivery Charter and Standards is to improve awareness of the availability and quality of the services offered by the municipality. It also provides guidance to service beneficiaries to claim their existing rights. This is in line with the principle that citizens have the right to expect high quality public services which meet their needs.

3.2.4. COMMUNICATION/PUBLIC PARTICIPATION STRATEGY

The municipality has in place both the Public Participation Strategy and Communication Strategy. The Public Participation Strategy was adopted by the council in the 1st quarter of the 2023/24 FY while the Communication strategy is outdated, and its review will be undertaken in the first quarter of 2024/25 FY.

2.3.5 Internal Audit

Internal Audit function has been co-sourced. The service provider, as value add function, prepared a risk-based internal audit plan and determine whether controls in place are adequate and effective to mitigate any risks that may threatened achievement of strategic and operational objectives. It also reviews adequacy and effectiveness of internal controls.

It also ensured monitoring of compliance by means of checklist and report to any issues of non-compliance to the governance structures on the regular basis i.e., monthly to Manco and quarterly to Audit Committee.

The list of projects that were executed as per 2023/24 Internal Audit Plan is depicted below:

Project/Activity	Tabled to Audit Committee	Not yet tabled to Audit Committee
Legislative/Compliance Audits		
Performance Management System	✓	
2023/204 SDBIP Review and 2024/2025 SDBIP Review	✓	
Annual Performance Report (APR) Review	✓	
Annual Financial Statements (AFS) Review	✓	
MFMA Compliance checklist		✓
Dora Compliance Review		✓
Follow up Audits		
Follow up on Fleet Management Review	✓	
Follow up on Traffic Management Review		✓
Risk-based Audits		
ICTGR		✓
Project Management (including follow-up)		✓
Loss Control (including follow-up)		✓
Supply Chain Management (including follow-up)		✓
Tender Review		✓

APC oversight on Internal Audit: APC oversaw the performance of the internal audit. In the 2023/24 FY, Nongoma Municipality had an outsourced internal audit function whose responsibility was to assess the effectiveness of risk management, control and governance processes and to provide insight and recommendations that can enhance these processes, particularly relating to effectiveness of operations, reliability of financial management and reporting; and compliance with laws and regulations. There was one municipal official, an Internal Auditor, whose duties are to coordinate the activities of both the internal audit and the APC.

Internal Audit operated in terms of the approved Internal Audit Charter and the approved Risk-Based Internal Audit Plan which composed of various reviews that included Traffic Management, Fleet Management, Supply Chain Management Review, Budget Management, Bi-Annual Risk Management Review, IA Follow-up, AG Follow-up, Quarterly Review of Performance Information, Revised SDBIP Review and Annual Financial Statements Review.

Audit and Performance Committee (APC): The term of office of the Audit/Performance Committee reached the end in October 2023. Subsequently, a new APC was appointed in January 2024 and convened only once. The transition from the previous APC to the new committee was smoothly managed with an extension granted until December 2023.

Only senior managers and PMS Manager participate in the audit/performance committee. Other line managers would only attend upon invitation. The following were the members of the committee:

No.	Member	Appointment Date	Designation	No. of meetings	Date
1.	Mr. UB Botshiwe	29 January 2024	Chairperson	04	28 August 2023
2.	Prof. TI Nzimakwe	29 January 2024	Member		08 September 2023
3.	Ms S Dlungwane	29 January 2024	Member		07 December 2023
4.	Mr PGJ Dzanibe	29 January 2024	Member		26 March 2024

The objective of the committee was to assist the Executive Committee with its responsibility of safeguarding, maintaining effective and efficient internal controls, reviewing financial information and overseeing the preparation of the annual financial statements.

The committee operated in accordance with terms of reference authorized by the Council and the auditors have unrestricted access to the committee members. All Senior Managers attend APC Meetings. In addition, the Mayor, the Chairperson of Risk Management Committee, Internal Audit Team, MPAC Chair, COGTA Official and AG Official were standing invitees to APC Meetings. The Audit Committee presents its reports at Council quarterly.

3.2.6 Performance Management System (PMS)

All compliance issues in relation to coordination of PMS and B2B were accordingly achieved during the period under review. The draft 2024/2025 IDP & SDBIP were tabled and submitted to COGTA within the stipulated timeframe, i.e., March 2024 and within 10 days after it being approved by the council. The final 2024/2025 IDP and Budget were tabled to council on the 22nd of May 2024 and was submitted to COGTA within 10 days after it being adopted by the council. The 2024/25 SDBIP was subsequently approved by the Mayor on the 11th of June 2024.

All quarterly Performance reports were submitted to Internal Audit for review purpose and were tabled to all council committees including the Audit Committee before being tabled at Council meetings for approval. During the 2023/24 financial year, the quarterly SDBIP Performance reports ware tabled at Council as per the dates depicted below:

QUARTERLY REPORT	DATE
2022/23 Quarter 4 SDBIP Report	05 September 2023
2023/24 Quarter 1 SDBIP Report	27 October 2023
2023/24 Quarter 2 SDBIP Report	29 January 2024
2023/24 Quarter 3 SDBIP Report	22 May 2024

The Internal Audit (IA) review reports on performance information highlighted issues that needed to be addressed to improve the municipality's performance. These issues include non-alignment between the SDBIP and IDP which had led to unachieved targets and discrepancies in the reported performance information for the first and second quarters. Furthermore, IA discovered that certain indicators that were not met in the 2022-23 financial year were not included in the 2023-24 SDBIP. These findings were carefully considered during mid-term review to ensure alignment and accurate reporting. Necessary adjustments were made to the targets and corrective measures were closely monitored to ensure that the municipality achieves its goals effectively and accurately.

Performance Assessments: In terms of the Municipal Performance Management Regulations of 2006, the Municipality is required to quarterly assess performance against the SDBIP targets and indicators for the period under review. The performance reviews were conducted quarterly during the 2023/24 financial year. As guided by the legislation, the municipality had established a Performance Evaluation Panel to assess the performance of the municipality and that of its Senior Managers. A performance evaluation panel has been instituted as follows:

PERFORMANCE EVALUATION PANEL MEMBERS	
Mayor of Nongoma	Hon. Mayor Cllr. C.M Ndabandaba
Chairperson of the Audit Committee	Mr. U Botshiwe
EXCO Member	Cllr. M.N Mthembu
Municipal Manager from uMlalazi Local Municipality	Mr. NN Shandu
Ward Committee Member	Mr. SS Nxumalo
Nongoma LM Municipal Manager	Mr. MM Zungu

Subsequent to the audit of the 2022/2023 Annual Performance Report and Annual Financial Statements, the Performance Evaluation Panel conducted the 2022/23 annual performance assessments on the 21st of February 2024 together with the mid-year performance assessments for 2023/2024 financial year.

3.2.7 Back-to-Basics

Circular 88 reporting integrates the Back-to-Basics reporting and its integration into the performance municipal management system (PMS) would intensify service delivery. Circular 88 reporting is still based on similar pillars as the Back-to-Basics, those are:

- Building Capable Local Government Institutions;
- Putting people first
- Improve basic service delivery and infrastructure development;
- Good Governance and;
- Sound Financial Management; and

Nongoma municipality has already begun integrating some elements of the Circular 88 reporting, wherein the Back-to-basic principles have formed the basis for the development of the strategic objectives and strategies to address matters identified in the analysis section of the IDP document. Most Back-to-basics indicators form part and have been integrated into the municipal SDBIPs (Organizational and Departmental). The municipality complied with the reporting requirement in terms of the Circular 88/Back-2-Basics reporting. All quarterly reports were submitted to KZN COGTA.

3.2.8 Legal Support Services

The Legal services unit had a couple of internal and external cases attended during the 2023/24 financial year. These cases can be categorized as following:

LABOUR RELATIONS MATTERS (INTERNAL CASES)	EXTERNAL CASES (LITIGATION CASES)
a) Number of charged employees – One (01). b) Number of employees who received notices of intention to charge – Six (06) c) Number of employees dismissed – One (01). d) Number of employees reinstated – One (01) e) Number of matters passed to the South African Local Government Bargaining Council (SALGBC) – One (1). f) Number of withdrawn cases – Five (05). g) Number of pending cases – None	a) Number of new cases – None b) Number of cases continuing from previous years – Twelve c) Number of cases resolved – Seven (07) d) Number of cases pending – Five (05)

The Total number of cases attended to during the 2023/24 financial year was eighteen (18), twelve of them were continuous litigation matters and six (06) were internal matters within the Municipality, and two (02) additional matters were at the South African Local Government Bargaining Council (SALGBC). It is important to note that Legal services with the Municipal senior management worked hard to resolve the majority of the matters from previous years, through settlements and court orders, as cost containment measure Legal Services had taken an initiative to represent the Municipality on certain matters.

3.3 TECHNICAL SERVICES

The department renders the following services:

- Project Management
- Housing
- Roads and Storm Water Drainage Services
- Electricity Infrastructure development and maintenance
- EPWP

Central to the core functions of Technical Services is the planning and implementation of service delivery and infrastructure projects. The department comprises of the following Units/Sections:

- Housing and Maintenance Unit
- Project Management Unit (PMU)

3.3.1 THE EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The Expanded Public Works Program (EPWP) is a South African Government initiated program aimed at creating and enhancing work opportunities. It is a short-term programme and should not be implemented in isolation with other Government strategic job creation initiatives but be implemented as a supportive program to existing projects and programs.

To ensure effective implementation of the EPWP program, Nongoma municipality adopted an EPWP policy that clearly outlined the objectives of the program and how it would be institutionalized.

The main purpose of the programme in Nongoma Municipality is to improve job creation opportunities and skills levels through existing infrastructure and other projects identified by the Municipality. The programme specifically targets the unemployed in the Nongoma Municipal area with the overall outcome of enhancing skills levels and reducing poverty levels.

In the financial year under review, the municipality had an allocation of R2 946 000.00, and a set target of 336 job opportunities. By the end of the financial year, 518 job opportunities had been created.

EPWP achievement per sector is herein indicated:

Sector	Target: Opportunities	Achieved: Opportunities	Target: Full-time Equivalent	Achieved: Full-time Equivalent	% Progress
Environment Culture	55	250	17	90	458%/ 515%
Infrastructure	170	81	56	16	48% / 28%
Social Sector	111	187	42	103	168% / 242%
Total	336	518	116	208	154% / 179%

EPWP Demographics Achievement 2023/24 FY are as follow:

- Women 60%-Achieved 65%
- Youth 55%- Achieved 52%
- PWD 2%-Achieved 2%

3.3.2 PROJECT MANAGEMENT

Project management unit exist to play a pivotal role in fulfilling the objectives of Local Government as envisaged in Chapter 7, Section 152 (1), (c), (d) and (e) of the Constitution of RSA Act no.108 of 1996. The Council has entrusted this division with authority, roles, responsibilities, and key performance areas to carry out the aforesaid constitutional mandate.

The Project management unit has a responsibility of planning and implementing infrastructure projects within Nongoma jurisdiction, as Nongoma LM is only dependent on grants for the implementation of infrastructure projects, Nongoma Local Municipality receives grants every year from following Departments: COGTA as MIG, and Department of Mineral Resource and Energy (DMRE) as INEP.

3.3.2.1 Capital Projects: Municipal Infrastructure Grant (MIG) Projects

In the period under review, Nongoma municipality initial received MIG allocation of R 37 490 000.00 then Re- gazetted MIG allocation to R 34 983 000.00 funding for Municipal Infrastructure project implementation. There was a total of five (5) MIG-funded projects. In addition, the municipality had 1 project (the construction of the Nongoma Testing ground) that was funded internally. The 4 MIG projects are carry overs/rollover. The status of the MIG projects (inclusive of the internally funded project) as of 30 June 2024 is herein articulated:

PROJECT NAME	BUDGET ALLOCATED	WARD	ANNUAL TARGET	ACTUAL
Magedlane Community Hall,Creche & Ablution Facility	R4,088,981.34	18	60% completion by 30 June 2024	63%
Ezimpakaneni Community Hall	R3,646,640.33	14	60% completion by 30 June 2024	46%
Deleni Road Phase 2	R6,897,396.71	19	60% completion by 30 June 2024	51%
Gobamagagu Road	R2,284,506.80	13	100% Completion by 30 June 2024	83%
Nongoma Testing Ground		19	80% completion by 30 June 2024	55%
Nongoma Street Lights Phase 2	R7,796,362.52	19	100% completion by 30 June 2024	100%
White City Road	R5,703,171.68	09	100% completion by 31 Dec 2023	100%
Delene Road Phase 1	R856,281.16	16 & 19	100% completion by 30 Sep 2023	100%
Manzimakhulu Hall	R1,316,934.71	20	100% completion by 31 Dec 2023	100%
Black Top & Drainage in Town	R1,074,936.58	19	100% completion by 30 Sep 2023	100%

- **Magedlane Community Hall**

The project is a 8 months duration contract, project to be implemented over one financial year (2023/2024). The project is in ward 18, the scope of works is to construct community hall, creche and ablution facility.




- **Ezimpakaneni Community Hall**

The project is a 8 months duration contract, project to implemented over one financial year (2023/2024). The project is in ward 14, the scope of works is to construct community hall and ablution facility.




- **Delini Road Phase 2**

The project is Delini Road Phase 2 which is constructed in ward 19 and it was implemented under 2022/23 to 2023/2024, the project scope was to construct the 6mx 1km of concrete road with 600mm and 600mm concrete pipes and 400mm x 5,5m x 200mm of concrete surfacing and concrete V drains along the side of the road.




- **Gobamagagu Road**



The project is covering both wards 23 and 13 in Gobamagagu area and the project is implemented under 2022/23 and 2023/24 financial years as a multiyear project, the anticipated completion date was December 2023, however this contract was terminated and the revised completion date is October 2024. The scope of work is to construct the gravel road of 3KM starting from ward 23 to ward 13; the road is consisting of two drift course ways across streams.

- **Nongoma Streetlight Phase 2**

The project covers streetlights in Nongoma town and surrounding areas, project scope was to install 221 solar lights.







- **Nongoma Testing Ground**

The Nongoma Testing ground is in ward 19 next to municipal main offices, the project is still on Construction. It started on 2022/2023 financial year and will over run to 2023/2024 financial year due to budget constraints and till to date no work have been undertaken on site as a result of termination of contract.



The project scope is testing ground with asphalts paved, lines marking for code 8, 10 and 14 and parking's. Projects beneficiaries will be the Nongoma municipality as the project will enhance the municipal revenue and Nongoma people will benefit from the DLTC as people will get licenses without travelling to other towns.

3.3.2.2 Integrated National Electrification Programme (INEP)

INEP funding to municipalities is coordinated by Department of Energy and is implemented through its implementing agencies such as ESKOM, municipalities and non-grid service providers. In the financial year under review, the municipality received R9 000 000.00 INEP allocation. The status of the electrification projects is herein articulated:

PROJECT NAME	LOCATION	STATUS	PROJECT SCOPE
Mandlakazi Electrification Extension 2	Ward 6 & 23	91% complete	House Connections

- **Operations and Maintenance**

Nongoma Municipality utilised grader and TLB on access road upgrades to be accessible in all access roads within wards to be in good condition after rainy weather and connecting Nongoma communities. Furthermore, the municipality managed to fix potholes and complete the storm water in Masson Road.



TLB



Grader Machine

3.3.3 HUMAN SETTLEMENT

Human settlement activities are coordinated under the Housing and Maintenance Unit. The list of activities that were executed in the financial year are as follows:

- Successfully coordinated Housing Forums – reporting status and progress of Housing projects.
- Continuously engaging and following up on housing projects currently under construction and liaising with the Department of Human Settlement on the progress of planned / pipeline projects.

Highlight of all activities performed during the reporting period are detailed as follows:

3.3.3.1. Coordination of Housing Forum Meetings

The housing forum provides a platform for the municipality to manage the implementation of housing projects within its area of jurisdiction. The forum also allows for presentation of the implementation progress by various implementers, and for the interventions where necessary by both the municipality and the Department of Human Settlements.

Housing Forum is held on a quarterly basis, as such, the municipality had an indicator relating to the sitting of the forum meetings as per the Terms of Reference. All four meetings were successfully conducted as per the SDBIP targets.

3.3.3.2. Launch of Bhuqwini Rural Housing Project phase 1 and Handover of the Show Houses.

Nongoma municipality participated in a launch of the Bhuqwini Rural Housing Project Phase 1. The launch was conducted by the Hon Mayor, C.M. Ndabandaba.

The beneficiaries of the project would be the community of Ward 16 and 17. The launch followed the successful preparing of the Phase 1.





Other projects that were approved by the Department include:

- Mpunzana Rural Housing Project (Phase 2) in ward 21
- Mandlakazi B Rural Housing Project (Phase 1) in wards 02,03,05,07.

3.3.3.3. Houses Handover

Despite the slow pace within which the housing projects are implemented; there were some good news for communities, such as the beneficiaries of the Mpunzana Rural Housing Project phase 1. The project comprised of 300 units and all of them were completed. The keys were handed over to 300 beneficiaries under ward 21 from the following areas:



- Mahhashini
- Kwa-Minya
- Mpunzana
- Ningeni
- Mampiyampiya

The current construction housing projects are listed below:

a) Mpunzana Rural Housing Project Phase 2
b) Siyazama Rural Housing Project Phase 1
c) Bhuqwini Rural Housing Project Phase 1
d) Mandlakazi B Rural Housing Project Phase 1
e) Mhambuma Rural Housing Project Phase 1
f) Khokhwaneni Rural Housing Project Phase 2

3.4 COMMUNITY SERVICES DEPARTMENT

Subsequent to the key indicators of the organisational SDBIP, the Department performed effectively, with every performance report submitted to the Accounting Officer and tabled to the Community Services portfolio committees for councillors to engage.

The department focused on supervision and functional implementation in strategizing workforce plans to meet the organisational needs, ensuring improved access to basic services for the people including the promotion of heathy and safety environment through programmes coordinated by the units of Public Safety, Disaster management, Waste Management and Public amenities and library.

The department has the following units:

- Community Safety and Security Services Unit
- Disaster Management and Fire & Rescue
- Waste Management Unit
- Libraries & Public Amenities Unit

3.4.1. WASTE MANAGEMENT: INTENSIFYING EFFORTS IN ENSURING AND KEEPING NONGOMA CLEAN

3.4.1.1. Weekly Waste Clean-up Campaigns



Even though there are challenges hindering daily operations for the Waste management section, employees are working tirelessly to keep Nongoma clean. They came up with a strategy that will assist them achieving the Municipal Council vision of sustainable development,



awareness and clean-up campaigns were instigated to create and accomplish a safe and clean environment, this involves conducted educational workshops, developing messages to reach certain audiences, selecting and producing appropriate resources.

Campaigns were conducted in various areas in Nongoma, targeting outer areas entailing to educate the community about illegal dumping including communities in outskirts of Nongoma town boundary.



The resolutions to conduct these campaigns were approved to be continuously conducted weekly to curvature the number of illegal dumping sites, educate the perpetrators of illegal dumping.

The clean-up campaigns always demonstrate a very positive impact to community members. The assistance from Department of Environmental Affairs with EPWP employees plays a huge role because they monitor cleanliness during the day and at night.



3.4.2. PUBLIC SAFETY AND TRAFFIC & LICENSING SERVICES

3.4.2.1. Road Safety Awareness Campaign/Roadblock

The municipality has made it a norm that twice in a financial year it conducts Road Safety campaigns. The 1st campaign was conducted just before Christmas festive season in December 2023 and the 2nd just before the Easter holidays in March 2024. The timing for the campaigns was influenced by the fact that most people tend to be mobile during these periods, and there are a lot of reported road accidents around these times.

3.4.2.2. Dealing with Traffic Congestion in Nongoma Town

A festive season plan was submitted to the portfolio of Community Services in October 2023 for approval and presented to various forums including Rate payer's forum, where a strategy was illustrated to enforce one way road to be utilised during festive season in Nongoma.

This plan was developed as part of undulating obstructions caused by road users during the festive season in town, resulting in accidents in motors including pedestrians.

R66, Masson Road, ABSA Link and other parts of the road in town were subjected to change, to allow an effective implementation of road redirecting plan. The plan was exceptionally executed, resulting into the outstanding interchange to the Traffic in Nongoma Town.

Subsequently to the plan, the Executive Committee of the Municipality resolved that the Re-directing of traffic plan be conducted on a monthly basis during the incursion of people and vehicles in town due to social grants and other activities incurring during these times of the month.



Nongoma is constructed in a model that was based to accommodate a certain population that existed at a time, due to an increasing number of people, growth in communities as well as developmental infrastructure, a number of people visiting the stores for various purposes has been an incursion, resulting in accidents to pedestrians, motorist and depraved traffic congestion, below is a moving traffic resulted as an implementation of a one-way redirection of traffic plan.

3.4.2.3. Operational Roadblocks

During the Easter Holidays and other seasonal holidays, Nongoma experience increase in traffic volumes resulting in an increase in road traffic accidents including many victims being pedestrians due to traverse and death in passengers due to non-use of safety belts.



Operational Roadblocks are part of Municipal programmes which intends to promote the health and safety environment for the people as part of strategic requirement per the Municipal SDBIP. They are implemented on a quarterly basis to send out a message of safety and prevention of road accidents during public holidays.

3.4.2.3.1 ADCO Multidisciplinary Roadblock

Nongoma Local Municipality conducted an ADCO multidisciplinary road safety awareness campaign, which was held at R66 & 618 on the 25th August 2023, Traffic officers conducted this campaign. Municipal traffic officers and the SAPS embark on together to enforce rules while; the executive committee of the Municipality also took part in observing the enforcement thereof.





The campaign focused on conveying the statement on the importance of safety during the influx of traffic when entering in town, it's also engrossed on law enforcement which included the discourse of the following traffic and license related issues.

3.4.3. DISASTER MANAGEMENT

Disaster Management is coordinated within Community Service through a unit called Disaster and Fire & Rescue Services Unit. The unit is the primary unit for disaster management in the municipal area, and a lead agent towards the implementation of disaster management policies and legislation. The unit also drives the integration and coordination of municipal disaster management activities and priorities in order to ensure that national and provincial objectives are achieved.

3.4.3.1. Fire Drill



Disaster, Fire and Rescue Services unit has amongst others an objective to implement programmes and activities that intends to ensure an appropriate adaption and effective response to climate change. Fire Drill was conducted on the 5th of April 2024, incorporating Department of Health, this activity was in accordance with the workplace plans and procedures requiring emergency personnel to demonstrate their readiness in response to emergency services to be provided in the Nongoma in case of an emergency including raising an awareness to the community on services to be contacted in case of an emergency.



3.4.3.2. Fire Safety Inspection

Nongoma Fire inspection was conducted to identify significant fire issues and to provide recommendations based on applicable standards specified by Disaster Management Act no 57 of 2022; the scope of inspection was limited to the view and identification of major fire safety issues. The inspection comprises the information and data collected to the local business and store owners. Kwa-Bazini and Masusimpisi shops were inspected on the 20th of March 2024.



3.4.3.3. Disaster Fire & Rescue Awareness Campaign

Disaster Management unit took an initiative as part of promoting healthy and safety environment and conducted awareness campaigns to induct the community on disaster massacre that occurs on certain season during climate changes and provided strategies to help measure and curve damages to the community, these disaster massacre includes Lightening, Structural fire, veld fires and others.





Prince Ndabuko High School was visited on the 20th of March 2024, Awareness was conducted to educators and learners where they were taught how to deal with structural fires at home.

Hailstorm

On the 16th of February 2024 at about 17h30, Nongoma Local Municipality was affected by heavy rainfall accompanied by strong wind and hailstorm that lasted for about an hour and caused damages to properties. The Wards that were mostly affected are: 1,2,3,4,5,6,7,8,9,13,15,16,18,19,20,21,22 and 23.



Livestock affected: There are 5 cattle and 2 goats struck by the lightning during the hailstorm.







The municipality together with the Provincial Department of Corporative Governance and Traditional Affairs responded to the incident and provided twenty (70) food parcels, 40 blankets, 111 plastic sheets, and 20 box B to affected families.

3.4.4 SOCIAL SERVICES: LIBRARY SERVICES



Libraries are important cornerstones of a healthy community. Libraries give people the opportunity to find jobs, explore research, projects, gaming/fun, and experience new ideas, online tertiary applications, NSFAS applications, indulge in wonderful and educational stories while at the same time providing a sense of a place for gathering. A community library has been constructed within the Municipal premises, the operation of which is under the control of a qualified Librarian. The KwaZulu-Natal Department of Sports Arts and Culture has provided two modular libraries at Usuthu and Kwa-Khetha and both are operational. The Outreach programme was conducted on the 9th of February 2024 at Falaza High School.

3.4.5 SPORTS, ARTS AND CULTURE

The Sports, Arts and Culture Section hosts a variety of recreational genres, such as the following:

- Indigenous Games
- Fun Days
- Senior Citizens Golden Games
- Healthy Lifestyle Programs which include Councillors and Officials work and play
- Ward Elimination Games
- Cluster Elimination Games
- Mayoral Sport Day



Ladies Soccer during Mayoral Cup Games hosted by Nongoma Municipality in September 2023.



Councillors and officials' friendly game during Mayoral cup games.

Arts and Culture Programmes: Nongoma Municipality has taken an initiative to preserve its culture and heritage through implementation of Arts and Culture programmes. Nongoma is known as “Ihlalankosi” and it is the only place in South Africa that celebrates most of the Zulu customs, programmes and events including Umkhosi Womhlanga (Royal Reed Dance) which has spread and enjoyed by the international community.

- **Operation Siyaya Emhlangeni**



Young virgins are encouraged to *ukuziphatha kahle* and stay away from substance abuse. The event was hosted by the Municipality on the 26th of August 2024 at Kwa-Lindizwe Stadium; young virgins are singing traditional hymns and amahubo. Queen Ma-Mchiza was motivating teenagers to stay away from unnecessary doings and focus on their education.

- **Isicathamiya Noswenka**





The Annual Nongoma Isicathamiya festival was held on the 25th of December 2023 at the Nongoma Multi-purpose hall where groups of both elderly and the youth battled it out for first, second and third position to win a cash price. The main aim was to promote indigenous music and provide a platform for musical groups to showcase their talent and skills to a broader group.

- **Ingoma**



Ingoma presented by the municipality in partnership with Department of Art and Culture. The event took place on the 30th of December 2023 at Kwa-Duma in Kwa-Dabhazi area, with 18 Zulu Dance groups competing for a price. Nongoma Municipality’s mandate is to produce equitable programme of Zulu production in the field of music and dance.

3.4.5 SPECIAL PROGRAMMES AND MAYORAL OUTREACH PROGRAMMES

Through the office of the Mayor, Nongoma municipality on an annual basis have programmes earmarked for children and youth at schools. At the beginning of the school calendar, the office of the mayor organises a “Back-to-school” campaign, wherein the mayor visits various schools, upon which he provided some with school necessities such as school shoes and uniforms. In the financial year under review, the mayor conducted the “Back-to-School” campaign on the 19th of March 2024. It has also become a norm that every year, Nongoma municipality celebrate the highest achievers, those that have performed exceptionally in Grade 12. These include both learners and teachers. The Mayor Excellence Awards in the financial year under review were conducted on the 23rd of February 2024.





MAYORAL EXCELLENCE AWARDS AND BACK-TO-SCHOOL CAMPAIGN

On the 29th of April 2024, the municipality in collaboration with High Institutions of Learning (HIL) and Department of Education conducted a learning programme to support grade 12 learners plan for their post-school education. Learners participated in one-on-one discussions with representatives from various institutions to enable them make informed career decision. Also, they were engaged on matters pertaining to socio-economic factors which may affect their quality of life.





CAREER EXPO

Children's Fun Day: Festive season is a period where all families are together, and children are at home for summer holidays. The Municipality is not only caring for older people, but young ones are also recognized and taken care of by the Municipality.The municipality in collaboration with Mr Dlamini conducted a very fruitful event on the 09th December 2023 where kids were entertaining themselves with the following games:



- Jumping castles
- Swimming pools
- Face painting



- **PEOPLE AFFECTED BY HIV / AIDS, CRIMES & DRUG ABUSE, ETC**

To address the challenges faced by these special groups, the municipality with the assistance of other government departments has initiated the following programs / interventions:

– Local Aids Council (LAC): This programme includes establishment of community-based centres, provision of support to victims and launching a prevention programme,
– Substance abuse: This is rehabilitation and counselling to substance abusers.

- **PUBLIC AMENITIES**

As part of service provision, the Municipality has a responsibility to render effective recreational public facilities this includes rendering of cleaning services in Nongoma town, Cemeteries, sidewalks, Nature reserves area, public open spaces and other related facilities for the community.

3.5 PLANNING AND ECONOMIC DEVELOPMENT

The department only started operating fully with its own SDBIP from the Mid-term review, and it inherited indicators that were initially, from the beginning of the financial year, under the now defunct Planning & Infrastructure Development Services, Community Services and also from the Office of the Manager.

The department has the following units:

- Integrated Development Planning (IDP)
- Development Planning Services
- Environmental Planning Services
- LED/Tourism Development

3.5.1 Meaningful Engagement & Public Participation

Municipalities are obliged to encourage the involvement of communities and community engagements in the matters of local government, and to provide meaningful opportunities for communities to engage with critical decisions and processes. Municipalities must establish appropriate mechanisms, processes and procedures to enable local communities to participate in the affairs of the municipality.

The following forums have therefore been established and coordinated through the Planning & Economic Development services department.

3.5.2 IDP Representative Forum

The Nongoma LM Integrated Development Plan (IDP) Representative Forum was established in terms of Section 15 of the *Local Government: Municipal Planning and Performance Regulations (No. 796, 24 August 2001)*. The Rep forum is thus a consultative body made of various role-players having stake in the developmental imperatives of the municipality. The forum functions on a basis of broad consensus among its constituent membership. In the financial year under review, the IDP- Representative Forum meetings were held as follows:

Quarter	Date	Venue
Q1	08 August 2023	**NLM Council Chambers**
Q2	17 October 2023	**NLM Council Chambers**
Q3	None	**N/A**
Q4	**09 May 2024**	**NLM Council Chambers**

Other IDP-related platforms that promote public participation and enhance open engagement between the municipal and the community it serves include IDP Consultative meetings and IDP/Budget Roadshows.

3.5.3 IDP CONSULTATIVE ENGAGEMENTS

As with the preparation of the IDP, the public participation process in the IDP Review phase is institutionalized to ensure all residents have an equal right to participate. The public participation process during the IDP Review phase is closely linked to the activities of developing the municipal IDP, which should emphasize the reviewing of municipal issues, reviewing of important objectives,the appropriateness of municipal strategies and should form part of project development task teams. The IDP Consultative meetings were conducted on the 10th of November – 15th December 2023.

The purpose of the Consultative meetings was to afford the communities and stakeholders an opportunity to discuss with the Honorable Mayor, Cllr C.M. Ndabandaba and his delegation, delivery challenges and raise proposals to be considered in the IDP review for 2024-2025 financialyear.

A different new approach was introduced in the 2024/25 IDP Consultative meetings, in that; the Hon. Mayor wanted the meetings to be simplified and informal as possible. Previously, these meetings would be extra-formal and treated as events upon which the whole municipality would parade itself in front of the stakeholders. As a result, meetings in the 2023/24 financial year were conducted as follows:



1) by the mayor supported by his TROIKA and other few members of the executive, including hosting ward councilors. The administration was exempted from attending and partaking in the meetings. The TROIKA would alternate, wherein in most instances, meetings would be led by the Hon. Mayor, and in some, by either the Speaker or the Deputy Mayor. Only the support staff, comprising of, Public Participation and IDP Unit, partook in the meetings.

2) The selection of most venues was aimed at ensuring the simplicity; hence most meetings were held under the tree wherein the Hon. Mayor and his team would sit like normal people and not be treated like VIPs.

The simplicity and the informal nature of the meetings allowed for easy interactions between thepolitical leadership and the stakeholders. It also allowed for openness in terms of raising issues and discussions. Based on the social media (such as the municipal Facebook page) reviews; stakeholders felt party to the meetings and positive towards the engagements.

NONGOMA LM/TRADITIONAL COUNCILS ENGAGEMENT ON THE IDP PROCESS

As part of its efforts to entrench and deepen the involvement of the Traditional Authorities in the affairs of the municipality and to ensure participation and involvement of amakhosi and respective izinduna; the Hon. Speaker, Cllr. BH Sithole had a series of meetings with all three (3) Traditional Councils within Nongoma municipal area of jurisdiction. The sessions were attended by amakhosi and respective izinduna.



Central to the discussion was the IDP process update. The Speaker informed the TCs that Nongoma municipality intends to bring the IDP/Budget Roadshows to the TCs, meaning they would be conducted according to the TCs wherein wards would be clustered according to the TCs they fall. The Speaker also informed the TC that Nongoma is preparing an office within its premises. The office will be for all 3 Traditional Authorities.

IDP/Budget Roadshows

In keeping with the prescripts of the legislation, Nongoma Municipality maintained its obligation of being accountable to its communities by leading the successful Integrated Development Programmes (IDP) & Budget Review Roadshows for the 2024-2025 financial year to engage various stakeholders and communities on service deliverymatters and part of the process of having an approved IDP & Budget.



The purpose of the roadshows was to provide the mayor an opportunity to report back to the communities on issues raised during the IDP Consultative meetings, and to outline the municipality's programme of action in dealing with the developmental needs of the community. The mayor, therefore,outlined the budget for the 2024/25 FY.

The series of these events was planned around the three Traditional Authorities within which formpart of Nongoma area of jurisdiction.

The IDP/Budget Roadshows were therefore conducted as follows:

Traditional Council	Wards Clustered	Date
EMatheni	10, 11, 12, 13 and 23	18 April 2024
Mandlakazi	1, 2, 3, 4, 5, 6, 9 & 22	03 May 2024
oSuthu	9, 14, 15, 16, 17, 18, 19, 20 & 21	08 May 2024

3.5.4 Spatial Planning Workshops for Traditional Authorities (Izinduna)

Nongoma LM is made up of three (3) Traditional Councils of Nongoma are represented andparticipate in the Council:

- Ematheni Traditional Council,
- oSuthu Traditional Council, and
- Mandlakazi Traditional Council.

One of the core functions of Municipal Planning is to ease or avoid Social, Economic and Environmental problems within area of Jurisdiction, working closely with other stakeholders, suchas Traditional Council, Ingonyama Trust, Cooperative Governance.

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Nongoma Municipality adopted a Single Land Use Scheme, in line with SPLUMA. The scheme area includes rural settlements within Traditional Authorities; Single Land Use Scheme seeks to put forward a land use management system that can be applied in all areas.

The Single Land Use Scheme was developed, taking into consideration the nature of Nongoma town, the rural character of the surroundings as well as the traditional land use management practices.

Nongoma Municipality has in place, a Spatial Development Framework (SDF), which is a core component of the Integrated Development Plan (IDP) as it has provision of basic guidelines for land use management systems for the municipality. Spatial Development Framework is a framework showing existing spatial trends and potential key areas within the municipality for development purposes and to also assist developers and other stakeholders to make informed decisions.

Nongoma Municipality has a draft Climate Change Response Strategy. The municipality, being a largely rural municipality, exhibits a level of poverty because people lack access to resources. There is thus food insecurity resulting from low incomes. This situation makes the municipality highly vulnerable to climate change impacts. People may not have the means to respond to climate change or recover from its impacts. The major occupation in the municipality is subsistence farming (cropping and livestock) followed by commerce.

The first line of response to climate change mitigation and adaptation is the creation of awareness and empowerment amongst the community members and stakeholders.

In the period under review, Nongoma municipality through Development Planning Unit embarked on a mission to ensure implementation of the above-mentioned legislation and recommendations of Climate Change Response Strategy, of vital importance is that that the Tribal Authorities are properly equipped with information on executing one of their

primary duties as stipulated in terms of Section 8(1) of the KwaZulu-Natal Traditional Leadership and Governance Act (Act No. 5 of 2005). Nongoma Municipality through Development Planning office ensure that all stakeholders share a common objective to be adhered to, such objective involves Community social well- being, encourage sustainable development and service delivery and most importantly Stakeholder involvement in the development planning and decision making.





Various workshops were conducted in all three Traditional Authorities regarding the issue relating to land allocation and impact of climate change. The workshops have been welcomed and supported by all three Traditional Councils, to date there has six workshops conducted two on each Traditional councils and have been supported by other stakeholders i.e., COGTA, and other sector departments.

- **Agri-business Forum Meeting Coordination**

Nongoma is an agriculturally based locality with its output derived mainly from subsistence farming and small scale commercial agricultural production. Agriculture remains the principal driving force of rural economies in the province, and these are characterized by income from subsistence farming. The focus is therefore to seek to unlock the agricultural potential by clinically identifying high impact interventions that would assist in the eradication of food and poverty in general.



On a quarterly basis, Nongoma municipality conducted and hosted Agri Business Forum meetings. The forum serves as a platform for the like-minded stakeholders whose aspirations are to contribute towards agricultural development in Nongoma. EDTEA and ZDM Tourism Unit remain the leading stakeholders in the coordination of the Agri-Business forums.

The forums also provided a platform for cooperatives in the agriculture sector, to demonstrate their products, and share good practices and experiences among one another.

- **LED/Tourism Forum Coordination**

Local municipalities are supposed to create an enabling environment to ensure that there is effective Economic Development, investment attraction and retention. One of the key economic developments enablers includes effective stakeholder mobilization, engagement and management through the vibrant and functional LED Forums as enshrined in both the White paper on Local Government (1998) and the Section 152 (1) of the constitution highlighting the role of municipalities in promoting Local Economic Development to improve the social and economic conditions of its citizens.

As part of the municipal LED institutional Arrangement, LED Forum within a municipality is an engagement platform composing of the local business sector, chamber of commerce, NGOs, government, traditional leadership, academic institutions to drive the Local Economic Agenda of a municipality.

Nongoma has a functional LED/Tourism Forum, and in the financial year under review, the forum converged quarterly. Part of the success stories in terms of the achievements of the forum, was to review the LED Implementation plan for the financial year 2024/25.

3.5.6 Nongoma Community Works Programme Coordination

The Community Works Programme (CWP) is an innovative offering from the government to provide a job safety net for unemployed people of working age. It provides a bridging opportunity for unemployed youth and others who are actively looking for employment opportunities. Insika Foundation is the implementing agent which was appointed by COGTA. A target of 1000 job opportunities was set, and 1055 job opportunities have thus far been achieved.

The municipality is therefore responsible for the coordination of the CWP quarterly Reference meetings. In the period under review, Nongoma municipality conducted 4 quarterly CWP Reference meetings.

In Nongoma, there are One Thousand and Fifty-Five (1055) beneficiaries across 18 of 23 wards. The programme is championed through LED/Tourism Unit. The quarterly Reference meetings provide a platform for progress report tabling by the Implementing agent, the District Manager and the Site Manager. Meetings are attended by councillors within whose wards the beneficiaries are based.

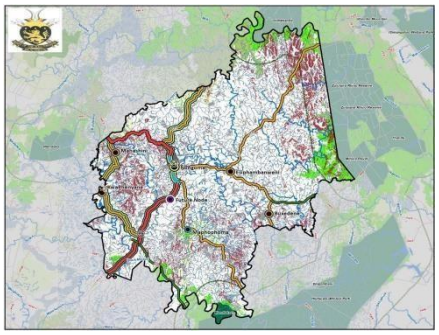
3.5.7 SERVICE DELIVERY OFFERINGS FOR THE DEPARTMENT

3.5.7.1 DEVELOPMENT PLANNING MATTERS

Review of Spatial Development Framework (SDF)

In terms of chapter 4 section 12(1) of SPLUMA – the National, Provincial and local spheres of Government must prepare Spatial Development Framework.

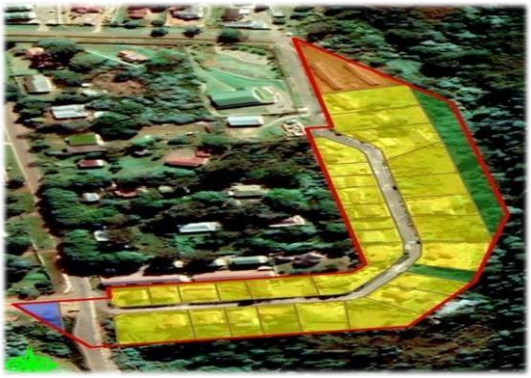
The SDF seeks to guide the municipal development and realize the municipal spatial development vision. It is prepared in line with the Spatial Planning and Land Use Management Act, (Act 16 of 2013) and the Municipal Systems Act, Act 32 of 2000. Through the assistance of the Department of Agriculture, Land Reform and Rural Development, TPS



Development Projects was appointed to review the Nongoma SDF. The process of reviewing the SDF could not be completed in the 2023/2024 financial year; hence it has rolled over to the 2024/2025 financial year. It is envisaged that the process will be finalized in the 2nd quarter of the 2024/2025 financial year.

3.5.8 Subdivision of Erf 431 & 432

In the financial year under review, Nongoma municipality embarked on a process to unlock the acquisition of title deeds for the properties within Nongoma town, specifically properties within Erf 431 and 432. These two Erf constitute several properties that were informally built, and as such, share the same Erf number. It has therefore been difficult for the owners to acquire title deeds for their respective properties. While on one hand, this has impacted the property owners in terms of ownership of t h e properties; it has negatively impacted the municipality in terms of property rates collection, on the other hand.



To unlock the quagmire, the municipality acquired the services of a consultant for Surveying and Subdivision of Erf 431 /432, Nongoma. The primary aim of this project was to undertake the surveying and subdivision of Erf 431 and 432 Nongoma to formalize the existing settlement.

- The scope of work for the assignment consisted of the following.
- Resolving issues relating to issuing of tittle deeds by Municipality
- Municipal and community engagements.
- Survey of Topographic and Contour Plans (0.5m contour interval).
- Subdivide, Surveying and register of erven in accordance with the proposed layout
- Submit General Plan to and secure the approval thereof from the Surveyor General.
- Progress as at the end of the 2023/2024 financial year was as follows:
- Service Level Agreement signed by all parties.
- Site Analysis Spatial Analysis completed, Subdivision Plan
- Draft subdivision and consolidation diagrams have been created.
- Surveyor has successfully reserved erf numbers for the proposed subdivided and consolidated sites. SPLUMA Application Completed,
- The application was presented to JMPT during the month of December 2023 and was approved.

STRATEGIC PLANNING: Nongoma IDP was reviewed in line with the council-adopted IDP Process plan. Public Participation process as per the requirement was complied with. The draft 2024/2025 IDP was tabled and submitted to COGTA within the stipulated timeframe, i.e., March 2024 and within 10 days after it being approved by the council. The final 2024/2025 IDP was tabled to council on the 22nd of May 2024 and was submitted to COGTA within 10 days after it being adopted by the council.

The 2024/2025 Strategic Planning session held on the 7th to 9th of February 2024, adopted an approach that seeks to align prioritized plans to the available budget. Also, it seeks to ensure that prioritized programs were aligned with the people's mandate/needs.

3.5.9 LOCAL ECONOMIC DEVELOPMENT & TOURISM FACILITATION

3.5.9.1 MENTORSHIP FOR SMMES AND COOPERATIVES

Despite their importance, SMMEs face numerous Mentorship and business development support have emerged as key factors in addressing these challenges and improving the prospects of SMMEs. Mentorship programs offer valuable guidance, knowledge transfer, and experiential learning opportunities for entrepreneurs.

To assist SMMEs and Cooperatives, the municipality embarked on mentorship drive, aimed at dealing with challenges that impede their sustainability, growth, and overall success. Mentorship and business development support programs contributed to the enhancement of business knowledge and skills among SMMEs and cooperatives.

Mentorship of SMMEs and Cooperatives included the following:

- Training,
- Networking,
- Access to finance,
- Market information, advice and referral,
- Tender information advice,
- Technical Support,
- Business linkages

- **Mentorship programme for agricultural SMMEs and Cooperatives**



Throughout the 2023/2024 financial year, the municipality's LED component would provide technical support to agricultural SMME's and Cooperatives. The municipality would assist Agri-business cooperatives with bulk buying of seedling and other necessary products, wherein it would provide transportation free of charge. Technical support would also be provided, wherein cooperative were provided with fencing and other necessary tools for their gardens. Those in the livestock farming were provided with cattle dipping tools.

Vulumombo Cooperatives, a female-run nursery coop, was one of the cooperatives that benefited from the municipality's mentorship programme. The cooperative is in Ekubuseni in

Ward 13. The cooperative is run by 5 females, and it produces vegetable seedling which it supplies even beyond borders of Nongoma municipal area of jurisdiction.

The nursey was hammered by the 2021 floods that hit Nongoma and most part in KZN. So severe was the impact, that the nursey had to close for business. In the effort to resuscitate the project, Nongoma municipality assisted the cooperative with access to finance. An application for funding was initiated through Trade & Investment KwaZulu-Natal (TIKZN). (TIKZN) is a South African trade and inward investment promotion agency, established to promote the province of KwaZulu-Natal as an investment destination and to facilitate trade by assisting local companies' access international markets.



The project received an amount of R500 000.00 for TIKZN. The fund would be used to resuscitate the nursery project. The project resuscitation is therefore closely monitored by the Nongoma municipality, and various forms of mentorships range are employed in the project.



A qualified service provider has been engaged to be responsible for the resuscitation of the project. The services provider has so far started with rebuilding of the tunnels that were damaged by floods in 2021. He is also currently installing the irrigation system (Set sprays).

Upon completion, which is projected to be Mid-March, EDTEA and Nongoma municipality would launch the project, handover the refurbished project site to its beneficiaries. The launch would serve as a networking platform upon which farmers from across the district would be invited to partake. This would provide a market for the nursery and business linkage, for all farmers would be encouraged to source their required seedlings from what would have been the niggest nursery in the Zululand District.

An agreement has been reached between the nursery and Nongoma municipality, and a Memorandum of Understanding (MoU) is being prepared on that, once in operation, the nursery will donate on a monthly-basis, 100 trays of seedlings to the municipality. It is envisaged that these seedlings would be handed to identify households in promotion of a One-home-one garden initiative. The seedlings would also be handed to emerging SMMEs and Cooperatives within Nongoma municipal area of jurisdiction.

- **A much-needed boost for Nongoma entrepreneurs/SMMEs**

On the 6th of October 2023 the Municipality through its LED component, handed over working tools to SMMEs in Nongoma. At the Centre of the fight against poverty is the creation of economic opportunities and enabling or empowering communities and individuals to access these opportunities and there were different sectors that benefited on this project which include Mechanics Carwash Salons and Trolleys. The aim is to reduce the incidence of poverty as well as prevent the reproduction of poverty within households and communities so that intergenerational poverty is ended through improving the economic situation of households.

There was certain number of goods that was handed over on the which is as follows:



- 5 big toolbox, 3 Medium toolbox, 12 Small too Box (Mechanics)
- 10 Quantum service kit and Brake Pads
- 30 Carwash set
- 10 Haircut WAHL brand Machine
- 10 Groceries Trolley



This project implementation was supported by GUD filters who sponsored by providing service kits for Mechanics and the municipality is on the verge to sign an Memorandum of Understanding with them as a sole partner to provide stability and after care to our SMMEs especially to the new identify sector of Mechanic.so we have to promote the creation of employment opportunities in the area, and the supporting infrastructure required for economic development and investments.

- **Tourism Promotion and Marketing**

In addition to its rich biodiversity potential, Nongoma Local equally is a main Centre of activities and events which take place seasonally, annually and monthly. Amongst these activities are the Mona Market monthly exhibition, uMkhosi Womhlanga – Reed Dance Festival, the annual Nazareth Pilgrimage to the Zulu King. Lately, there has been a quarterly Emsebe Mountain Christian Pilgrimage (Intshumayelo yaseNtabeni). Nongoma municipality aligns its tourism activities in terms of tourism destination/product promotion and marketing.

- **Nongoma Annual Flea Market and Music Promotion**

On an annual basis, Nongoma municipality coordinates a Flea Market, to allow product owners such as crafters, a platform to exhibit their products and market themselves to prospective customers.

In the financial year under review, the Flea Market was conducted on the 14th of December 2023. It was coordinated jointly by the municipality and the Nongoma CTO. The market has a significant impact on how locals in Nongoma sell their goods, such as crafts, CDs, DVDs, and music group attire. It draws more than 2000 people and features more than 30 performers.

- **Participation at the 2024 Africa's Travel/Tourism Indaba**



Africa's Travel Indaba is a 3-day trade show preceded by a dedicated Business Opportunity Networking Day (BONDay) which seeks to create a platform for thought-leadership, knowledge sharing and obtaining the latest in global trends and local insights. The BONDay programme is developed in close collaboration with the global tourism organisations, continental experts as well as industry associations.

The trade show exists to provide the ideal platform for African tourism exhibitors to showcase their offerings to international and local buyers, destination marketing companies and leisure tourism services partners. It is the most formidable platform on the continent for you to meet face-to-face with the most influential buyers in the world, and to gain access to Africa's excellence and its endless possibilities.



Nongoma participated in the 2024 Tourism Indaba. Various Tourism products from within Nongoma were at display at the Nongoma municipality stand. The participation of Nongoma in the Tourism Indaba was jointly facilitated by the municipality and the Nongoma CTO.

- **Capacity Building Initiatives: Cooperatives and Business Management Seminar/Workshop & Exhibition**

Nongoma Business Seminar/Workshop as an entrepreneur development workshop, was initiated to uplift communities, empower entrepreneurs, support and guide the youth and promote skills development to contribute towards job creation and nation-building. The seminar/Workshop mainly focused on business concept evaluation, training for small, medium and micro enterprises and co-operatives.

Nongoma local economic space is characterized by small businesses SMME which are mostly informal. It is therefore the duty of the government, both the municipality and the other spheres of government to ensure transformation of such informal business sector and its integration into the mainstream economy.



For the economy of Nongoma to grow, emphasis must be put on programmes aimed at uplifting the plight of the SMMEs. These programmes include mentorship and finding a reliable market for the SMME products. The municipal LED/Tourism unit therefore has a responsibility of addressing the plight of SMMEs through various strategies such as LED strategy, and relevant by-laws and policies.

The seminar/workshop was conducted on the 30th of September 2023, and it provided a platform for the SMMEs and Cooperatives to display their products, hence the involvement of the CTO and the Tourism component.



Thirty (30) Cooperatives and seven (7) SMMEs participated and exhibited their products. The municipality invited various stakeholders to capacitate the SMME's and Cooperatives: These included the following:

- DBSA – grant and loan funding up to 1 million
- EDTEA – registrations and business plan also funding opportunities
- ZAC MINE- funding opportunities, job opportunities
- FNB- business account, loans for business
- CAPITEC Bank- new business accounts
- NEDBANK – business accounts, charges
- ITHALA Bank- business accounts, savings
- OLD MUTUAL – new accounts
- ABSA Bank- business accounts
- NRWM- funding opportunities for female owned cooperatives

The following cooperatives were handed over by the Mayor, the Pig Feeds inclusive of six (6) Pig Mash and poultry feed which included two (2) Starter, two (2) Grower and two (2) finishers:

- Madlikivane cooperatives
- Uzalo cooperative
- Simunye cooperatives.

- **Zululand District Tourism Stakeholder Workshop/Public Hearing**

The ZDM Tourism Stakeholders' Workshop was an initiative by the Department of Economic Development, Tourism and Environmental Affairs (DTEA) to find out more about the difficulties and challenges faced by the tourism role-players within ZDM Local Municipalities.





The public hearing was held by the portfolio committee on various draft bills, including the merger between KZN Film and Tourism KZN. This public hearing took place in Pongola on 02 February 2024 for the Zululand and uMkhanyakude Districts. All municipalities within Zululand DM, including Nongoma had their exhibitors present.

- **Tourism Business Compliance Workshop**



The tourism business compliance workshop took place on 21 May 2024 at the Council Chamber Boardroom. The tourism business compliance was hosted by EDTEA to educate tourism industry establishments about legal and regulatory requirements that apply to their businesses. The workshop was aimed at providing tourism businesses with the knowledge and tools necessary to ensure compliance with relevant laws and regulations, reducing the risk of legal issues and fines. The workshop covered topics such as licensing and registration requirements, Health and safety regulations, Employment law and labor regulations, tourism acts, UIF, Industry-specific regulations, and compensation for occupational injuries.

- **SANRAL Training for SMMEs**

During the financial year under review, Nongoma municipality, through SANRAL conducted a 22- Days Training for Construction SMMEs. The training was facilitated by ACS / Tjeka joint venture, an agent appointed by SANRAL, for the development of SMME enterprises in the construction industry. The training was aimed at upskilling SMME enterprises in business and tendering skills, thus enhancing their knowledge when tendering for any construction projects in the future. The certificate handover was on the 15th of February 2024.

- **Enforcement of By-laws and other legislative prescripts**

By-Laws are a type of law, and specifically a type of Legislations enacted and passed by Municipalities rather than Provincial or National Government (By Law Toolbox Document, Local Government Resource Centre). As Legislation, By Laws are intended to comprehensively regulate issues such as Informal Trading, Dumping, Parking Meters, Nuisance, etc. They are local in that:

- They relate to issues in the local community.
- Apply only in jurisdiction of the municipality that has enacted them.

The following PED-related by-laws have been adopted by the council, and are therefore operational:

- Informal Economy By-laws,
- Nongoma Informal Street Trading By-law.
- Outdoor Advertising By-Law
- Problem Buildings By-law, also referred to as, Unsightly and Neglected Buildings and Premises By-Law

Nongoma municipality, especially in town, is characterized by land invasion of municipal or state- owned land. It is therefore not unusual to come across illegal construction and or illegal demolition of neglected buildings with the intention to build another building. Any unauthorized buildings/structures or building activities to be checked and stopped by the issue of B.C.1 then B.C.2 and attorneys letter to end court proceedings. In the period under review, fourteen (14) B.C.1 notices were issued, and six (6) B.C.2 notices were issued.

- **Business License Compliance Inspection**

South African legislation stipulates that all businesses should have a valid trading license before trading. A business or trading license grants one permission to establish and run a certain business in a particular area or premises. It certifies that a business meets all the requirements from building regulations, public safety, and fire safety to health requirements.





To ensure compliance with the requirement, the Municipality conducted quarterly and ad hoc business compliance inspections. These inspections were unannounced to the business owners.

The inspections were a joint exercise comprising of other relevant stakeholders including the SAPS, Department of Health, EDTEA, and municipal representatives from within the Zululand District family of municipalities. This would serve as a realization of the DDM Technical Hub's instruction that random joint inspections be conducted throughout the Zululand District municipality, to curb the spread selling of counterfeit and expired food among others.

3.6 FINANCE DEPARTMENT

3.6.1 FINANCIAL HEALTH OVERVIEW

Table below depicts the comparison between the adjusted budget and actual results for the 2022/23 and 2023/24 financial year:

Financial Overview						
						R'000
Details	**2022/2023**			**2023/2024**		
	Adjustment Budget	**Actual**	**Achievement %**	**Adjustment Budget**	**Actual**	**Achievement %**
Total Operational Revenue	233 720	295 186	126%	248 578	281 957	113%
Total Operational Expenditure	225 101	286 741	120%	241 618	305 418	126%
Net Operating Surplus / (Deficit)	**8 619**	**8 445**	**23%**	**6 960**	**-23 461**	**-65%**

There is decrease on operating revenue for 2023/24 by 26% compared to 2022/23. The table above shows that 101% of the budgeted revenue was achieved while operating expenditure was at 114% higher than the final adjustment budget. The operating surplus decreased from R28.8 million in 2022/23 to R10.9 million in 2023/24.

Financial Overview			
			R'000
Details	**Original Budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	208 295	208 295	242 218
Taxes and tariffs	30 712	31 116	31 930
Other	6 240	9 167	7 809
Sub Total	**245 247**	**248 578**	**281 957**
Less: Expenditure	**228 435**	**241 618**	**305 418**
Actuarial gain or loss	**-**	**-**	**1 255**
Surplus / (Deficit)	**16 812**	**6 960**	**-22 206**

The financial overview in the table above shows that for the 2023/24 financial year, revenue recognised from government grants were received in full, there were no additional funding on the adjusted budget; These are followed by taxes and tariffs income for actual results at 103%.

Operating Ratios	
Details	**%**
Employee Cost	44%
Repairs and Maintenance	6%
Finance Charges and Impairment	1%

The Operating Ratios table above shows that the employee costs are 44% of operating expenditure, which is more than the 25%-40% norm indicated by National Treasury. Repairs and maintenance are 6% and the finance charges and impairments are both 1%. The National Treasury did not indicate any norms for the latter two ratios, except for the ratio of repairs and maintenance as a percentage of total value of Property, Plant and Equipment (PPE).

Total Capital Expenditure: 2021/2022 to 2023/2024			
			R'000
Details	**2021/2022**	**2022/2023**	**2023/2024**
Original Budget	51 254	35 973	49 623
Adjustment Budget	50 814	59 063	47 029
Actual	35 330	65 117	29 942
% Capital Spent based on Original Budget	69%	181%	60%
% Capital Spent based on Adjustment Budget	70%	110%	63%

The table above shows the summary of performance of the capital budget over the past three years.

3.6.2 PERFORMANCE

The annual financial statements of the Nongoma Municipality were prepared in accordance with 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 No 56 of 2003.

The annual financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

The Municipality has implemented Government Gazette No. 42514 issued on 7 June 2019: “Municipal Cost Containment Regulations” in order to contain costs. It was able to contain costs among discretionary expenditure items such as consultancy services, domestic travel, catering and refreshments, acquisition of yellow plant, and conferences and meetings.

3.6.2 STATEMENTS OF FINANCIAL PERFORMANCE AND POSITION

The table below provides an overview of the financial performance of Nongoma Municipality and focuses on the financial health of the Municipality. In the executive summary of this chapter, also provides a synopsis of the financial health and performance.

3.6.2.1 STATEMENTS OF FINANCIAL PERFORMANCE: OPERATING REVENUE

FINANCIAL PERFORMANCE: OPERATING REVENUE			
Description	**Original Budget**	**Adjustment Budget**	**Actual Outcome**
	R	**R**	**R**
FINANCIAL PERFORMANCE			
Property Rates	30 712	31 116	31 930
Service Charges	1 786	1 924	2 176
Rental of Facilities and Equipment	150	372	248
Interest Earned - External Investments	455	1 237	632
Interest Earned - Outstanding Debtors	1 237	1 374	2 700
Fines, Penalties and Forfeits	821	770	434
Licences and Permits	567	800	1 579
Transfers and Subsidies	208 295	208 295	242 187
Other Revenue	1 224	2 690	5 770
Total Revenue	**245 247**	**248 578**	**281 957**

3.6.2.2 FINANCIAL PERFORMANCE: OPERATING EXPENDITURE

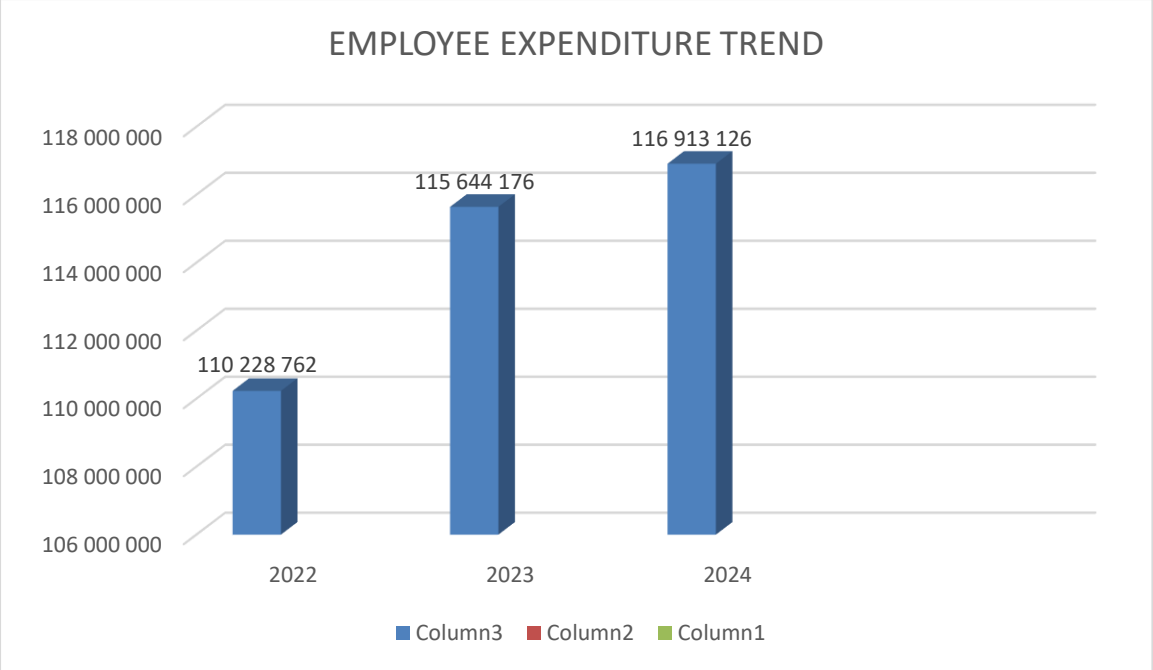
FINANCIAL PERFORMANCE: OPERATING EXPENDITURE			
Description	**Original Budget**	**Adjustment Budget**	**Actual Outcome**
	R	**R**	**R**
FINANCIAL PERFORMANCE			
Expenditure			
Employee Related Costs	120 539	115 191	116 913
Remuneration of Councillors	18 499	18 901	18 003
Debt Impairment	2 000	1 800	16 048
Depreciation and Asset Impairment	15 000	18 000	36 667
Finance Charges	900	900	3 286
Inventory consumed	3 652	6 276	7 429
Contracted Services	26 093	42 590	61 256
Transfers and Subsidies	870	3 870	3 169
Other Expenditure	40 882	34 091	42 643
Total Expenditure	**228 435**	**241 618**	**305 418**
Actuarial gain/loss	**-**	**-**	**1 255**
Surplus / (Deficit)	**16 812**	**6 960**	**-22 206**

3.6.2.3 FINANCIAL POSITION: BALANCE SHEET

Description	Original Budget	Adjustment	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R
FINANCIAL POSITION							
Current Assets							
Cash and Cash Equivalents	46 038 000,0	(41 983 000,0)	4 055 000,0	0.00	(4 055 000,0)	-100%	-100%
Receivables from exchange Transactions	6 190 000,0	4 287 000,0	10 477 000,0	7 262 423,3	(3 214 576,7)	-31%	17%
VAT Receivable	(1 174 000,0)	30 091 000,0	28 917 000,0	6 299 638,7	(22 617 361,3)	-78%	100%
Receivables from Non-exchange Transactions	1 674 000,0	1 167 000,0	2 842 000,0	21 032 966,8	18 190 966,8	640%	1156%
	52 728 000	**(6 438 000)**	**46 291 000**	**34 595 029**	**(11 695 971)**	**-25%**	**-34%**
Non-Current Assets							
Property, Plant and Equipment	464 690 000,0	(39 149 000,0)	425 541 000,0	393 558 577,8	(31 982 422,2)	-8%	-15%
Intangible	2 829 000,0	78 000,0	2 906 000,0	50 510,0	(2 855 490,0)	-98%	-98%
Total Assets	**467 519 000,0**	**(39 071 000,0)**	**428 447 000,0**	**393 609 087,8**	**(34 837 912,2)**	**-8%**	**-16%**
	520 247 000,0	**(45 509 000,0)**	**474 738 000,0**	**428 204 116,6**	**(46 533 883,4)**	**-10%**	**-18%**
Current Liabilities							
Bank Overdraft	0.00	0.00	0.00	2 321 072,9	2 321 072,9	100%	100%
Borrowing	2 654 000,0	(2 216 000,0)	438 000,0	2 910 474,7	2 472 474,7	564%	10%
Trade and other payables exchange transactions	14 835 000,0	93 633 000,0	108 468 000,0	92 388 477,7	(16 079 522,3)	-15%	523%
Unspent Conditional Grants and Receipts	0.00	0.00	0.00	10 960 581,6	10 960 581,6	100%	100%
Lease Payables	0.00	0.00	0.00	1 046 508,1	1 046 508,1	100%	100%
VAT Payable	421 000,0	160 000,0	581 000,0	0.00	(581 000,0)	-100%	-100%
Provisions	0.00	372 000,0	372 000,0	694 000,0	322 000,0	87%	0%
Non-Current Liabilities							
Borrowing	0.00	5 552 000,0	5 552 000,0	2 611 516,3	(2 940 483,7)	-53%	0%
Provisions	15 128 000,0	38 000,0	15 166 000,0	15 696 674,3	530 674,3	3%	4%
Total Liabilities	**107 856 000,0**	**22 721 000,0**	**130 577 000,0**	**128 629 305,6**	**(1 947 694,4)**	**-1%**	**19%**
Total Assets and Liabilities	**412 391 000,0**	**(68 230 000,0)**	**344 161 000,0**	**299 574 810,9**	**(32 890 217,8)**	**-13%**	**-27%**

5.6.3 EMPLOYEE RELATED EXPENDITURE

The Municipality ensures that it strives to manage the workforce expenditure in line with the limited budget available, which is insufficient to fill every need. Therefore, the filling of positions is prioritised in terms of their criticality, especially for service delivery departments. To ensure a balance between the budget and the vacancies, Human Resources and Finance are constantly monitoring the expenditure so that when a priority vacancy arises, the Municipality is able to leverage and appoint the right skills for the position to ensure that value for money is realised.



The actual employee related expenditure increased by 4,7% 2023 to 2024 financial year and increased by 1.09% to 2023/24 FY.

3.6.4 GOVERNMENT GRANTS AND SUBSIDIES

The municipality has received all the grants as gazetted in the DORA and those allocated for by the Kwa-Zulu Natal Provincial Government. Grants allocated for the current financial year were fully spent with no rollover applications to be made to the funders.

The table below provides details on government grants performance over a period of two years, i.e. 2022/2023 and 2023/2024:

Details	2022/2023			2023/2024		
	Receipt	Spending	Roll Over	Receipt	Spending	Roll Over
						R'000
Equitable share	189 932	(189 932)	0	200 974	(200 974)	0
Kwakhetha Modular Grant	715	(1 165)	0	715	(715)	0
Municipal Infrastructure Grant	56 009	(56 009)	0	34 983	(29 942)	5 040
Expanded Public Works Grant	2 946	(2 946)	0	2 130	(2 130)	0
Finance Management Grant	2 000	(2 000)	0	2 000	(2 000)	0
LG Seta Grant	0	0	0	0	0	0
Provincial Grant: Libraries	981	(981)	0	981	(981)	0
School Patrol Grant	0	0	0	0	0	0
Cyber Cadet Grant	254	(254)	0	254	(254)	
Osuthu Modular Grant	715	(715)	0	715	(715)	0
INEP Grant	3 000	(3 000)	0	9 000	(3 080)	5 920
Other Grants				570	570	0
TOTAL	**256 552**	**(256 552)**	**0**	**251 752**	**(240 987)**	**(10 960)**

The **Government Grant** schedule above reflects that, the Municipality on 2022/2023 financial years achieved 100% spending on conditional grants received. The rollover of R10.9 million will apply in 2023/2024 financial year.

The **Equitable Share** is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury. This grant is used to subsidise the provision of basic services to indigent community members and to subsidise income. All registered indigents receive a monthly subsidy equal to the basic monthly charges for refuse removal based on the monthly billing towards the consumer account. The subsidy is determined annually by Council. No funds have been withheld.

The Purpose of the Discretionary Grants is to assist the **SETA** to achieve its objectives in relation to the development of the sector skills and enable the SETA to address the scarce and critical Skills in the sector. Discretionary Grants are allocated at the sole discretion of the SETA Accounting Authority depending on the availability of funds, adherence to specific criteria as per the Services SETA Discretionary Grants Policy and Guidelines.

The **Expanded Public Works Programme (EPWP) grant** is received 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 EPWP Guidelines being the maintenance of roads and buildings; low traffic volume roads and rural roads; basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure); and other economic and social infrastructure. No funds have been withheld.

The **Financial Management Grant** is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns). No funds have been withheld.

The **MIG** grant is allocated to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities. No funds have been withheld.

Library Provincialization Grant was received to support municipal investment in library services and to sustain the future professional delivery and development of such services in the most vulnerable municipalities. No funds have been withheld.

3.6.5 ASSET MANAGEMENT

The Municipal Finance Management Act (MFMA) was introduced with the objective of improving accounting, budgeting, and financial management in the local government sphere in line with global trends. Good asset management is critical to any business environment. The goal of asset management is to meet a required level of service in the most cost-effective manner, through the management of assets for present and future customers. The Municipality, therefore, is committed to providing municipal services for which the municipality is responsible, in a transparent, accountable, and sustainable manner and in accordance with sound infrastructure management principles and practices.

The Municipality has an Asset Management Policy which is reviewed annually and tabled with the annual budget. It also complies with the various asset management frameworks as directed by National Treasury and other sector departments.

Repair and Maintenance Expenditure: 2023/2024				
				R'000
Details	**Original Budget**	**Adjustment Budget**	**Actual**	**Budget Variance (%)**
Repairs and Maintenance Expenditure	4 817	12 640	19 031	150%

The actual Repairs and Maintenance expenditure for 2023/24 amounted to R19 million, which is 150% more than the adjusted budget amount of R12.6 million. This shows that the Municipality is committed to maintaining its service delivery infrastructure. The intention is to grow the budget over the medium to long term, depending on affordability.

3.6.6 COLLECTION RATE

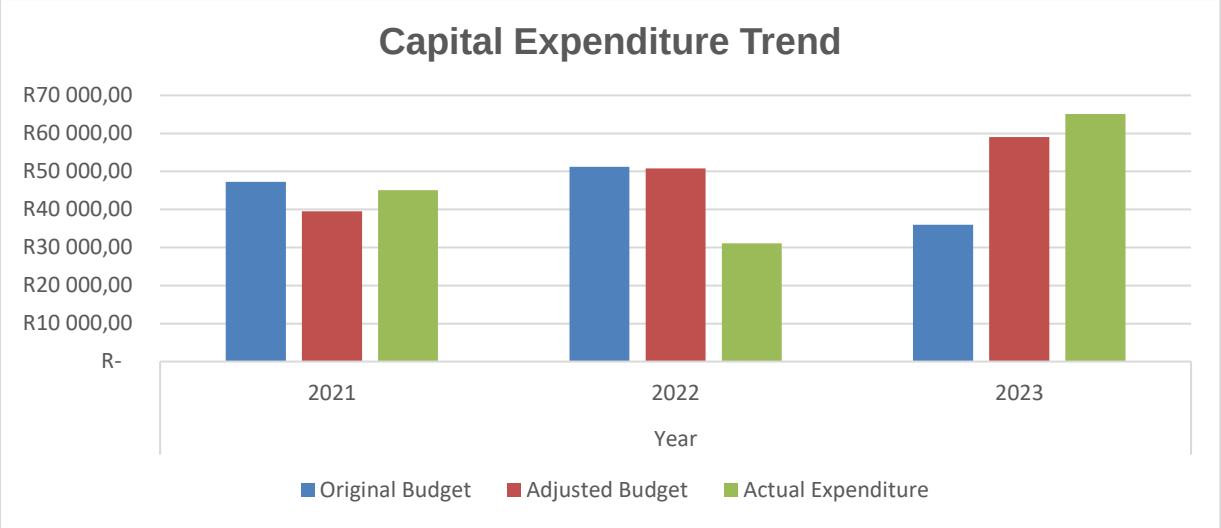
This ratio measures increases or decreases in Debtors relative to annual billed revenue. **The norm is 95%.** It further indicates the **quality of credit control** - ensuring that what is billed is collected. If the ratio is below the norm this is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented. A municipality with outstanding debtors should aim at achieving a collection rate of more than 100%.

COLLECTION % FOR 2023-2024

Months	Property rates		Refuse removal		Rental		Billboards		Total	
	Bills	Collection	Bills	Collection	Bills	Collection	Bill	Collection	Bill	Collection
Jul-23	R 17,470,108.88	R 1,201,794.51	R 210,800.53	R 90,913.86	R 10,812.52	R 8,857.81	R 930.53	R 2,651.07	R 17,692,652.46	R 1,304,217.25
Aug-23	R 1,309,794.13	R 826,648.77	R 211,538.11	R 123,982.91	R 11,698.30	R 8,857.81	R 930.53	R 3,534.76	R 1,533,961.07	R 963,024.25
Sep-23	R 1,309,794.13	R 924,511.47	R 211,538.11	R 58,687.96	R 11,698.30	R 13,653.01	R 930.53	R -	R 1,533,961.07	R 996,852.44
Oct-23	R 1,308,633.63	R 1,247,039.65	R 211,538.11	R 97,110.51	R 11,698.30	R 9,743.59	R 930.53	R -	R 1,532,800.57	R 1,353,893.75
Nov-23	R 1,308,545.88	R 9,019,864.19	R 211,220.09	R 108,892.43	R 11,698.30	R 9,743.59	R 930.53	R -	R 1,532,394.80	R 9,138,500.21
Dec-23	R 1,308,545.88	R 1,055,014.30	R 211,220.09	R 70,977.69	R 11,698.30	R -	R 930.53	R -	R 1,532,394.80	R 1,125,991.99
Jan-24	R 1,308,545.88	R 6,019,036.32	R 211,220.09	R 176,182.74	R 11,698.30	R 25,270.63	R 930.53	R -	R 1,532,394.80	R 6,220,489.69
Feb-24	R 1,308,078.13	R 985,386.02	R 211,220.09	R 154,609.08	R 11,698.30	R 11,698.30	R 930.53	R 883.69	R 1,531,927.05	R 1,152,577.09
Mar-24	R 1,308,078.13	R 1,458,602.63	R 211,220.09	R 177,484.84	R 11,893.78	R 9,743.59	R 930.53	R 5,302.14	R 1,532,122.53	R 1,651,133.20
Apr-24	R 1,308,078.13	R 1,208,209.71	R 211,220.09	R 59,212.99	R 11,893.78	R 11,698.30	R 930.53	R 883.69	R 1,532,122.53	R 1,280,004.69
May-24	R 1,308,078.13	R 759,147.38	R 203,889.22	R 129,552.25	R 11,893.78	R -	R 930.53	R 883.69	R 1,524,791.66	R 889,583.32
Jun-24	R 1,308,078.13	R 1,955,850.48	R 203,889.22	R 125,686.97	R 11,893.78	R -	R 930.53	R -	R 1,524,791.66	R 2,081,537.45
	R31,864,359.06	**R26,661,105.43**	**R 2,520,513.84**	**R 1,373,294.23**	**R 140,275.74**	**R109,266.63**	**R 11,166.36**	**R 14,139.04**	**R 34,536,315.00**	**R28,157,805.33**
Collection %	**84%**		**54%**		**78%**		**127%**		**82%**	

3.6.7 SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over one year. Capital expenditure is funded from grants, borrowings and operating revenue and surpluses. It is important to indicate the different sources of funding as well as how these funds are spent.



From the table above it is evident that the capital expenditure to budget has improved between 2022/2023 to 2023/2024 financial year i.e. 61% to 110%.

Sources of Capital Finance

Capital Expenditure - Funding Sources: 2022/2023 to 2023/2024			
			R'000
Details	**2022/2023**	**2023/2024 Financial Year**	
	Actual	**Adjusted Budget**	**Actual**
Grant Funding	56 009	36 113	R29 983
External Borrowings	5 000	0	0
Internal Sources	5 341	6 743	0
Total	**66 350**	**47 029**	**R29 983**

3.6.8 CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow is the lifeblood of any organisation, regardless of whether it is profit or non-profit driven. Positive cash flows enable an organisation to meet its short and long-term commitments and reinvest any surplus cash into the operation for future sustainability. The Municipality's cash flow statement records the cash inflow and outflow and is comprised of three components in line with Generally Recognised Accounting Practice as follows:

- **Cash from operating activities** – activities that form the core of the business
- **Cash from financing activities** – activities that finance the organisation such as borrowings; and
- **Cash from investing activities** – activities relating to acquisition and disposal of assets.

It is imperative for the Municipality to build up cash reserves over a period of time so that it can replace its assets when they age or become obsolete. The reserves also provide a cushion for lean “rainy” days.

Details	2024 FY	2023 FY
	R’000	R’000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Property Rates	24 063	38 304
Fines, Penalties and Forfeits	332	1 540
Transfers and Subsidies	242 181	257 002
Service Charges	1 170	2 101
External Interest and Dividends Received	632	521
Rental of fixed assets	230	249
Licence and permits	1 579	1 343
Sale of goods and services	67	65
Other Receipts	6	803
VAT Received	4 636	
Prepayments and Advances	746	
Payments		
Employee Related Costs	(116 913)	(115 644)
Remuneration of Councillors	(18 002)	(17 461)
External Interest and Dividends Paid	(3 286)	(2 604)
Suppliers Paid	(107 643)	(92 243)
VAT Paid	-	(1 120)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**29 800**	**72 857**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(30 094)	(59 294)
Purchase of Intangible Assets	-	(127)
Proceeds / (Losses) on Disposal of Property & Plant and Equipment	94 285	200
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(30 000)**	
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in Finance Leases (Leases Redeemed)	(2 544)	(1 059)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(2 544)**	**(1 059)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(2 743)**	**12 578**
Cash and Cash Equivalents at Beginning of Financial Year	422	(12 156)
Cash and Cash Equivalents at End of Financial Year	(2 321)	422

The Total Cash and Cash Equivalents at the end of the financial year (30 June 2024) amounted to an overdraft of **R2.3 million**. The table above shows that the Municipality's normal operations generated positive cash flows amounting to **R27.9 million** for the period under review.

3.6.9 BORROWING AND INVESTMENTS

The Municipality borrows funds to supplement its own resources for capital programmes. Borrowings are in the form of loans and are concentrated on revenue-generating assets to pay the interest and repay the loans. Currently our borrowings are not cash backed by investments in sinking funds. The Municipality invests its surplus cash in interest-bearing instruments.

The borrowings of the Municipality amount to approximately **R4.1 million** in various instruments. The maturity dates of the borrowings in different financial years are in the region of 1 to 3 year.

3.6.10 OTHER FINANCIAL MATTERS

3.6.10.1 SUPPLY CHAIN MANAGEMENT OVERVIEW

In its pursuit of clean governance, the Nongoma Municipality has reviewed and amended the Supply Chain Management Policy to align it with the legislative requirements and circulars issued by National Treasury and was adopted by Council in 2023. Furthermore, in line with the Municipal Supply Chain Management regulation 3(c), which requires at least annual review of the implementation of the SCM policy, the approved SCM policy was reviewed during the period under review, and was approved by Council.

The Municipal Supply Chain Management Regulation 7(3) states that each municipality must establish a supply chain management unit to implement its supply chain management policy. Furthermore, SCMR 7(4) states a supply chain management unit must, where possible, operate under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act. The Supply Chain Management Unit of the Nongoma Municipality, in terms of the legislation, is responsible for the following prescribed functions:

- Demand management.
- Acquisition management.
- Disposal management.

- Logistics management.
- Performance management; and
- Risk management.

The Municipality remains responsive to training needs which arise as a result of changes in the compliance prescripts. Our Supply Chain Management officials are trained annually and as and when the need arises. Annually, the Municipality assess the Supply Chain Management internal controls and have been assessed as good, meaning that they are operating effectively and efficiently. This is based on an assessment performed by the internal audit.

GRAP COMPLIANCE -the Municipality has committed itself to good administration, governance, and compliance with Generally Recognised Accounting Practice. The Auditor General's Audit Opinion is yet to be issued on the financial accounts of the 2023/2024 financial year. The opinion will be based on a comprehensive examination of the Municipality's records, operations, and performance levels, and confirms the Municipality's substantial adherence to good governance, GRAP and its internal controls to ensure increased accountability from political and administrative leadership.

CHAPTER 4: ANNUAL PERFORMANCE REPORT

4.1. ANNUAL PERFORMANCE REPORT

Nongoma Local Municipality developed its Performance Management Framework that describes and presents how the municipal cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be undertaken, organised and be managed including determining roles of different role players. The framework is reviewed annually and the last review was conducted in May 2024.

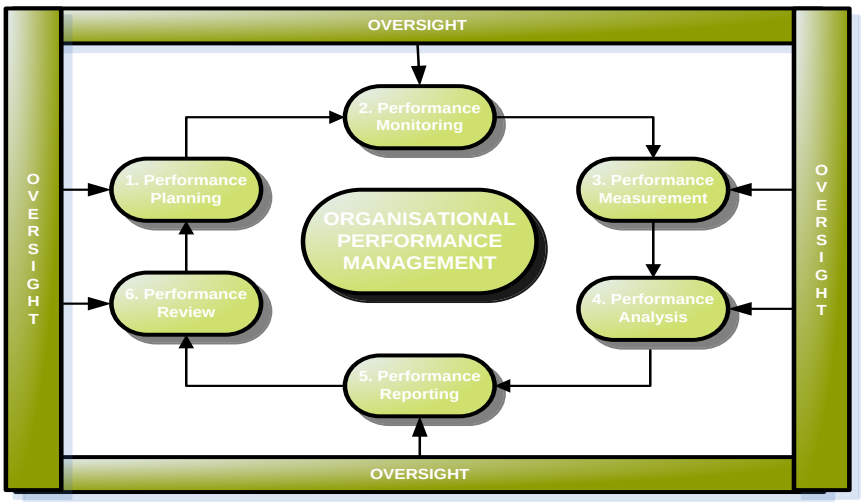
This report will indicate, in more detail, the performance of the Municipality for the financial year and makes reference to the supporting documentation, including the Municipal Scorecard. The performance reporting of the Municipality in this section is done in line with the 6 national KPA's and the MSA Section 46 requirements and therefore reflects the performance of the Municipality for the financial year as well as comparisons to performance of the previous financial year and measures taken to improve performance.

This report also covers the performance information from 01 July 2023 to 30 June 2024 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP) for 2023/24 FY. It reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP).

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area.

4.1.1 Performance Management Process

The process of managing performance at organizational level in the Municipality involves the stages as set out in the diagram below:



The diagram provides for the cycle of performance management in the Nongoma Municipality to commence with performance planning followed by performance monitoring,

performance measurement, performance analysis, performance reporting and lastly, performance review. The outcome of the performance review feeds back into the performance planning process. It is important to note that each of the stages in the cycle is underpinned by Council and community oversight over the performance of the Municipal Executive and Administration.

4.1.2 SUMMARY OF PAST YEAR PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN 2022/2023 ANNUAL AUDIT REPORTS

In response to the issues raised on the 2022/23 Annual Performance Report, the municipality has captured all the issues with progress report in the Management/Audit Action Plan to the Auditor General. The Management Action Plan has been developed and was monitored through the Office of the Municipal Manager and Internal Audit Unit.

4.2. PERFORMANCE ACHIEVEMENTS ON KEY PERFORMANCE AREAS:

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that translates the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the municipality are implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and

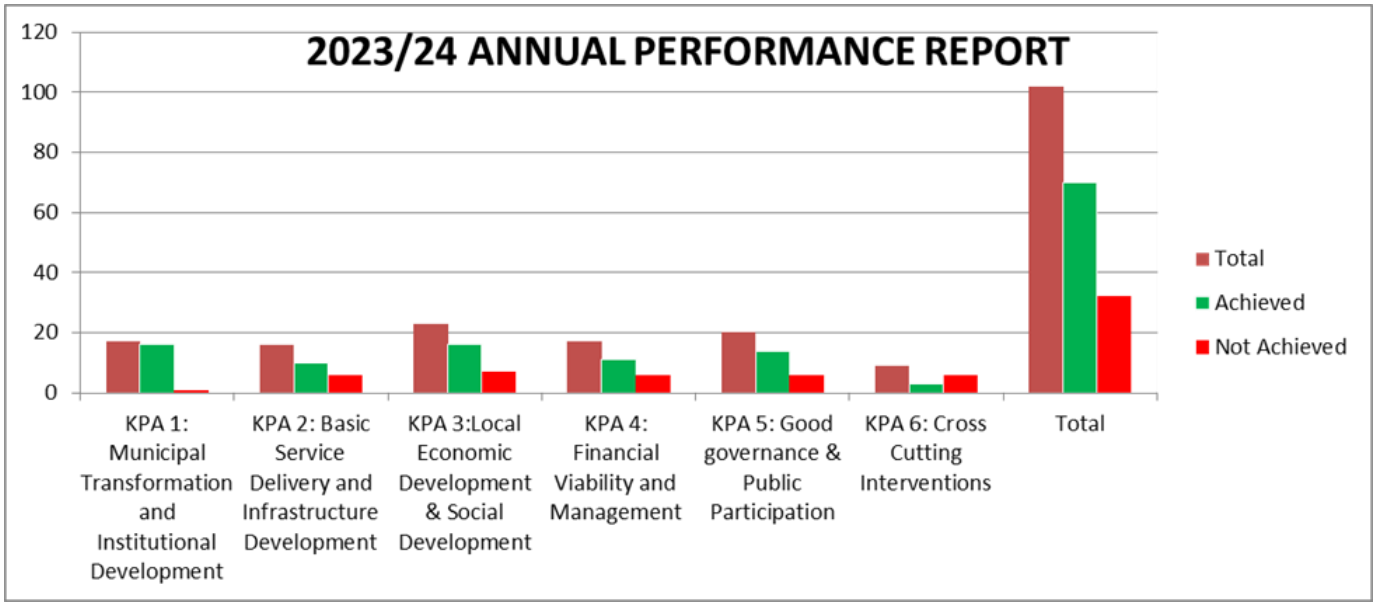
The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes. The 2023/24 FY SDBIP was prepared and approved by the Mayor.

Performance under each National Key Performance Area is depicted as follows:

4.3. ORGANISATIONAL SCORECARD (TOP LAYER SDBIP)

Key Performance Areas	Total	Achieved	Not Achieved
KPA 1: Municipal Transformation and Institutional Development	17	16	1
KPA 2: Basic Service Delivery and Infrastructure Development	16	10	6
KPA 3:Local Economic Development & Social Development	23	16	7
KPA 4: Financial Viability and Management	17	11	6
KPA 5: Good governance & Public Participation	20	14	6
KPA 6: Cross Cutting Interventions	9	3	6
Total	102	70	32

4.4. PERFORMANCE ON KEY PERFORMANCE AREAS



4.5. ORGANISATIONAL PERFORMANCE COMPARISON WITH PREVIOUS YEAR 2021/22

PREVIOUS YEAR 2022/23					CURRENT YEAR 2023/24			
KPA	Total KPIs	KPIs Achieved	KPIs not achieved	% achievement	Total KPIs	KPIs Achieved	KPIs not achieved	% achievement
Total	104	80	24	77%	102	70	32	69%

The organisational scorecard gives further details on Key Performance Indicators.

4.6. GENERAL KEY PERFORMANCE INDICATORS

Regulation 10 of the Municipal Planning and Performance Regulation has set prescribed General Key Performance Indicators as stated in section 43 of the Municipal Systems Acts. Below is the list of the six (6) General Key Performance Indicators applicable to Nongoma Local Municipality:

No.	Key Performance Indicator	Comparison with the previous Financial Year				Reason for Variance	Corrective Measure
		2022/2023 FY Target	2022/2023 FY Actual	2023/2024 FY Target	2023/2024 FY Actual		
(a)	The percentage of households with access to basic level of:						
i.	Water					District Function	
ii.	Sanitation					District Function	
iii.	Electricity					Eskom Function	
iv.	Solid Waste Removal	2 wards (Ward 19 & 20) to have access to weekly refuse removal throughout the financial year	3 wards (Ward 9, 19 & 20) had access to weekly refuse removal throughout the financial year	2 wards (Ward 19 & 20) to have access to weekly refuse removal throughout the financial year	3 wards (Ward 9, 19 & 20) had access to weekly refuse removal throughout the financial year	N/A	N/A
		Access to daily refuse removal for Nongoma Town	Nongoma CBD had access to daily refuse removal throughout the financial year	Access to daily refuse removal for Nongoma Town	Nongoma CBD had access to daily refuse removal throughout the financial year	N/A	N/A
(b)	The percentage of households earning less than R1100 per month with access to free basic services	100%	51%	100%		Indigent register which could be a source document for households earning less than R1100 is outdated	Update the indigent register by 30 September 2024
(c)	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	100%	100%	100%	86%	Cash flow challenges.	Re-allocation of funds will be made to the appropriate vote by 31 December 2024.
(d)	The number of jobs created through municipality's local, economic development initiatives including capital projects	336	380	100	518	N/A	N/A
(e)	The number of people from employment equity target groups employed in the three highest levels of management in	1	0	1	0	Of the vacant position that was filled in the	The post of Senior Manager Corporate Services has been

	compliance with a municipality's approved employment equity plan					financial year under review, women candidates were found not suitable.	advertised with a clause to encourage women to apply.
(f)	The percentage of a municipality's budget actually spent on implementing its workplace skills plan	100%	96 %	100%	160%	The management of training vote is beyond Corporate Services control since the training fund is not ring-fenced, which enables other departments to utilise training funds without consultation of the department concerned.	Ring-fencing of training funds, starting from first quarter of 2024/25 FY.

4.7. ASSESSMENT OF SERVICE PROVIDERS:

Section 46 of the Municipal Systems Act require

A municipality must prepare for each financial year a performance report reflecting—

(a) the performance of the Municipality and each external service provider during that financial year;

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement/Contract. It is currently being done by user department levels. Service providers who fail to perform are to be reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order. The following are the service providers engaged in each department/business unit during the 2023/24 financial year.

The table below seeks to serve that purpose:

DEPARTMENT: FINANCE

ASSESSMENT KEY	
Good (G)	The service has been provided at an acceptable standard and within the time frames stipulated in the SLA/ Contract
Satisfactory(S)	The service has been provided at acceptable standards and outside of the time frames stipulated in the SLA/ Contract
Poor (P)	The service has been provided below acceptable standards

NAME OF EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	COMPARISON WITH PREVIOUS FINANCIAL YEAR 2022/23		2023/24 FY		ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e. (GOOD/SATISFACTORY/ POOR)		CORRECTIVE MEASURE IN CASE OF POOR PERFORMANCE
		TARGET	ACTUAL	TARGET	ACTUAL	2022/23FY	2023/24FY	
Recoveries Division Amanquhe Data	Debt collection	100%	Target achieved	Debt collection	Target achieved	Good	Good	None
Camelsa Consulting Group System	Providing Financial system, Financial Accounting, Project management and asset register	90%	Target achieved	Providing Financial system, Financial Accounting, Project management and asset register	Target achieved	Good	Good	None
Pay Day Software System (Pty)Ltd	Payroll and HR services	100%	Target achieved	Provision of Payroll and HR services	Target achieved	Good	Good	None
Mnotho consulting	Internal Auditor	80%	Target achieved	Provision of internal audit services	Target achieved	Satisfactory	Good	None
Evaluations Enhanced Property appraisals (PTY) LTD	Generation valuation and preparation of the valuation roll for the implementation and preparation and updating of valuation rolls	N/A	N/A	Generation valuation and preparation of the valuation roll for the implementation and preparation and updating of valuation rolls	Target achieved	N/A	Good	None
Lateral Unison Insurance Brokers	Provision of short-term and long-term insurance service	N/A	N/A	100%	Target achieved	N/A	Good	None
G4S	Cash collection	Collection of cash	Target achieved	Collection of cash	Target achieved	Good	Good	None
Nongoma Service Station	Fuel and diesel services	100%	Target achieved	100%	Target achieved	Good	Good	None

DEPARTMENT: CORPORATE SERVICES

NAME OF EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	COMPARISON WITH PREVIOUS FINANCIAL YEAR 2022/23		2023/24 FY		ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e. (GOOD/SATISFACTORY/ POOR)		CORRECTIVE MEASURE IN CASE OF POOR PERFORMANCE
		TARGET	ACTUAL	TARGET	ACTUAL	2022/23FY	2023/24FY	
Emalangeni Technologies	Internet and VOIP Telephones	100%	Target achieved	50 MBPS of internet and telephones via Fibre connectivity	Target achieved	Good	Good	None
Yuretek T/A Itec	Provision of printing machines and telecommunications	100%	Target achieved	Fully functional printers and maintenance	Target achieved	Good	Good	None
Nxumalo and Partners	Rendering Legal Services	Adequate handling of legal matters	Not Achieved	Adequate handling of legal matters	Partly achieved	Poor	Satisfactory	An email was written to them requesting them to often report of the progress of matters that are handled by them in court, to the municipality.
Dludlu Attorneys	Rendering Legal Services	Adequate handling of legal matters	Target achieved	Adequate handling of legal matters	Target achieved	Good	Good	None
Lembede and Associates	Rendering Legal Services	Adequate handling of legal matters	Achieved	Adequate handling of legal matters	Target Achieved	Good	Good	None
Mzansi Wethu	Email and Website hosting, development and maintenance	N/A	N/A	Fully functional emails and updating of necessary content on the website	Target achieved	N/A	Good	None
George Bond	Lease for PMS & Internal Audit offices and senior management accommodation	N/A	N/A	Flats to be in good condition for use	Target achieved	N/A	Good	None

DEPARTMENT: TECHNICAL SERVICES

NAME OF EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	COMPARISON WITH PREVIOUS FINANCIAL YEAR 2022/23		2023/24 FY		ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e. (GOOD/SATISFACTORY/POOR)		CORRECTIVE MEASURE IN CASE OF POOR PERFORMANCE
		TARGET	ACTUAL	TARGET	ACTUAL	2022/23FY	2023/24FY	
Mbomvu Dynamics JV Noxolo & Mali	Construction of Ezimpakaneni Community Hall	N/A	N/A	60%	46%	N/A	Good	None
Siyambonga Umenzi Consulting	Construction of Magedlane Community Hall & Creche	N/A	N/A	Produce Technical Design & Project monitoring	Target achieved	N/A	Good	None
Xoli M Projects	Construction of Magedlane Community Hall & Creche	N/A	N/A	60%	63%	N/A	Good	None
Daleka Trading	Construction of Nongoma Driving License Testing Centre	60%	50%	80%	55%	Good	Poor	Contract Terminated
Melaokuhle Trading	Construction of Gobamagagu Gravel Road	20%	40%	100%	83%	Satisfactory	Satisfactory	None
Esinovayo Projects	Installation of Nongoma town streetlights Phase 2	40%	40%	100%	100%	Good	Good	None
Thokomela Trading (Pty) Ltd	Mandlakazi electrification	N/A	N/A	100%	91%	N/A	Good	None
Africoast JBFE Projects Managers	Construction of Nongoma Driving License Testing Centre	To produce technical designs	Target achieved	Project Monitoring	Target achieved	Satisfactory	Satisfactory	None
	Construction of Ezimpakaneni Community Hall	N/A	N/A	Produce Technical Design & Project monitoring	Target achieved	Satisfactory	Satisfactory	None
	Construction of Black Top	To produce technical designs	Target achieved	Project Monitoring	Target achieved	Satisfactory	Satisfactory	None
Vangisa Engineers	Installation of Nongoma town streetlights Phase 2	To produce technical designs	Target achieved	Project Monitoring	Target achieved	Good	Good	None
SSPS Opulence Group	Construction of white City Roads	80%	84%	100%	100%	Good	Good	None
BI Infrastructure Consulting	Construction of White City Roads	To produce technical designs.	Target achieved	Project Monitoring	Target achieved	Good	Good	None
	Construction of Gobamagagu Road		Target achieved	Project Monitoring	Target achieved	Satisfactory	Good	None
The Legacy Finances	Construction of Emanzimakhulu Community Hall	100%	90%	100%	100%	Good	Good	None

NAME OF EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	COMPARISON WITH PREVIOUS FINANCIAL YEAR 2022/23		2023/24 FY		ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e. (GOOD/SATISFACTORY/POOR)		CORRECTIVE MEASURE IN CASE OF POOR PERFORMANCE
		TARGET	ACTUAL	TARGET	ACTUAL	2022/23FY	2023/24FY	
Siyabonga Umenzi Consulting	Construction of Road Emanzimakhulu Community Hall	N/A	N/A	Project Monitoring	Target achieved	N/A	Good	None
TPZ Consulting	Construction of Delene Road phase 1	To produce technical designs	Target achieved	Project Monitoring	Target achieved	Good	Good	None
Mbomvu Dynamics JV Noxolo & Mali	Construction of Delene Road phase 2	N/A	N/A	60%	51%	N/A	Satisfactory	None
Udah Construction	Construction of Delene Phase 1	60%	82%	100%	100%	Poor	Good	None
Qhubekela Phambili Development	Construction of Nongoma Blacktop	90%	95%	100%	100%	Good	Good	None

DEPARTMENT: COMMUNITY SERVICES

NAME OF EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	COMPARISON WITH PREVIOUS FINANCIAL YEAR 2022/23		2023/24 FINANCIAL YEAR		ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e. (GOOD/SATISFACTORY/ POOR)		CORRECTIVE MEASURE IN CASE OF POOR PERFORMANCE
		TARGET	ACTUAL	TARGET	ACTUAL	2022/23 FY	2023/24 FY	
Moniwa Projects	Operation and maintenance of Nongoma waste disposal site	N/A	N/A	Maintenance of Nongoma dumping site	Target achieved	N/A	Good	None
AROS Protection	Security guards for municipal properties	24 hours services	Target achieved	24 hours services	Target achieved	Good	Good	None
Ndate Siyabonga	Providing VIP services	N/A	N/A	Provision of close protection to Councillors and Officials	Target achieved	N/A	Good	None

4.8. DEVELOPMENT AND SERVICE DELIVERY PRIORITIES AND PERFORMANCE TARGETS FOR THE 2024/2025 FY

PRIORITIES

The following are the key priority areas of Nongoma Local Municipality:

a) Poverty Alleviation
b) Food Security
c) Skills Development
d) Revenue enhancement
e) Spatial planning and development.
f) Good Governance and Clean Administration.

KEY OUTCOMES FOR THE NONGOMA LOCAL MUNICIPALITY

a) Embrace the principles of good corporate governance and accountable and disciplined administration
b) Effective and efficient communication within the institution, and to all stakeholders including community in line with Batho Pele principles
c) Emancipation of women, youth and people with disabilities, in sports, education, the economy and skills development.
d) Eradication of poverty through food security and job creation
e) Safety and security for all communities within Nongoma municipality
f) Access to health care for all communities within Nongoma municipality
g) Economic activeness of Small Medium and Micro Enterprises (SMMEs), Cooperatives and Emerging Contractors
h) Efficient and effective spatial planning and development, and disaster management
i) Efficient and effective safeguarding and proper management of municipal assets
j) Practice sound, fraud and corrupt-free financial management practices for long-term sustainability of the municipality.

STRATEGIC OBJECTIVES, STRATEGIES AND TARGETS

The following section reflects strategic objective, strategies and targets

A. **Municipal Transformation and Institutional Development**						
B2B PILLAR 5: BUILDING CAPABLE LOCAL GOVERNMENT INSTITUTIONS						
CHALLENGES	**GOAL**	**OBJECTIVE**	**STRATEGY**	**KPI No.**	**KPI**	**TARGET**
– **High staff turn-over** – **Non-existent succession planning and organisational growth** – **Non-implementation of HR policies by the departments** – **Inadequate training of permanently employed staff due to lack of funds** – **Labour relations matters are dealt with by legal section** – **Active suspension taking longer than 3 months**	IMPROVED INSTITUTIONAL EFFICIENCY AND EFFECTIVENESS	A1. To ensure a Strategic Workforce plan that meets the organizational needs, through proper Human Resource management, capacity building and performance management	A1.1. Review, Implementation and monitoring of Human Resources Strategy	**A1.1.1**	Date of tabling to Council the reviewed municipal organogram	Reviewed municipal organogram tabled to council by 31 March 2025
				A1.1.2	Date of tabling to council the reviewed Annual Human Resource strategy Implementation plan	Annual Human Resource Strategy Implementation plan tabled to council by 30 March 2025
				A1.1.3	Number of Human Resource Strategy Functionality assessment tabled to EXCO	2 Human Resource Strategy Functionality Assessment reports tabled to EXCO by 30 June 2025
			A1.2. Review and implementation of Workplace Skills Plan	**A1.2.1**	Date of submission of Nongoma Workplace Skills Plan to LGSETA	Nongoma Workplace Skills Plan submitted to LGSETA by 30 April 2025
				A1.2.2	Percentage of budget spent on implementing WSP	100% of Municipality's budget allocated for WSP spent on implementation by 30 June 2025
				A1.2.3	Number of employees trained	30 Employees trained by 30 June 2025
				A1.2.4	Number of training sessions held for Councillors	2 training sessions held for Councillors by 30 June 2025
			A1.3. Coordination of capacity building initiatives for employees and councillors	**A1.3.1**	Number of employee workshops coordinated	2 employee workshops coordinated in 2024/25 FY
			A1.4. Review and implementation of Employment Equity Plan	**A1.4.1**	Date of submission of Nongoma Employment Equity Report to Department of Labour	Nongoma Employment Equity Report submitted to Department of Labour by 15 January 2025
				A1.4.2	% people living with disability representation of the total municipal staff compliment	2 % people living with disability representation of the total municipal staff compliment by 30 June 2025
			A1.5. Development and Implementation of Performance Management System (PMS)	**A1.5.1**	Number of performance agreements signed by the MM and Section 56 Managers	6 performance agreements signed by the MM and Section 56 Managers signed by 31 July 2024
				A1.5.2	Date of tabling to Council the Performance Management Policy Framework	2025/26 Performance Management Policy Framework tabled to Council by 30 June 2025
				A1.5.3	Date of Mayoral approval of the Organisational SDBIP	2025/2026 Organisational SDBIP approved by the Mayor by 30 June 2025
				A1.5.4	Number of S54/S56 Performance Reviews conducted	2 S54/S56 Performance Reviews conducted by 31 March 2025

				A1.5.5	Number of quarterly Organisational SDBIP reports tabled to council	4 Quarterly Organisational SDBIP reports tabled to council by 30 June 2025
		A2. To ensure an improved Information, Communication Technology (ICT) System in the municipality	A2.1. Development, Implementation and monitoring of the ICT Governance Framework	**A2.1.1**	Number of ICT Framework functionality assessment reports tabled to EXCO	2 ICT Framework functionality assessment reports tabled to EXCO by 30 June 2025
B. **Basic Service Delivery and Infrastructure Development**						
B2B2 PILLAR 2: BASIC SERVICE DELIVERY						
CHALLENGES	**GOAL**	**OBJECTIVE**	**STRATEGY**	**KPI NO**	**KPI**	**TARGET**
– **Limited Funding to address non-infrastructure and infrastructure projects** – **Reduced INEP Funding** – **Aged/Aging infrastructure:/Rural road infrastructure deficit** – **Slow pace of housing delivery** – **Poor road networks to transport goods** – **Inability to service other areas (outside of Nongoma town and its adjacent areas) in terms of waste collection services**	BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT AND SOCIAL FACILITIES	B1. To provide high quality infrastructure network and community facilities to support improved quality of life and economic growth	B1.1. Provision of high-quality roads infrastructure	**B.1.1.1**	% Completion of Delini Road Phase 2	100% completion of Delini Road Phase 2 by 30 June 2025
				B1.1.2	% Completion of Gobamagagu Road	100% Completion Gobamagagu Road by 31 December 2024
				B1.1.3	% completion of Gravel Road at Ezikleleni to Mbuzi Area	100% completion of Gravel Road at Ezikleleni to Mbuzi Area by 30 June 2025
				B1.1.4	% completion of Gravel Road at Xamu Village	100% completion of Gravel Road at Xamu Village by 30 June 2025
				B1.1.5	% completion of Matshamhlophe Gravel Road	100% completion of Matshamhlophe Gravel Road by 30 June 2025
				B1.1.6	% completion of Gravel Road at Kwatshonono and Ezimpisini	100% completion of Gravel Road at Kwatshonono and Ezimpisini by 30 June 2025
				B1.1.7	% completion of Gravel Road at Sizumphakathi to Nguduza Area	100% completion of Gravel Road at Sizumphakathi to Nguduza Area by 30 June 2025
				B1.1.8	% completion of Foma Gravel road upgrade	100% completion of Foma Gravel road upgrade by 30 June 2025
			B1.2. Provision of high-quality community services facilities	**B1.2.1**	Ezimpakaneni Community Hall	100% Completion of Ezimpakaneni Hall by 31 December 2024
				B1.2.2	Magedlane Community Hall & Creche	100% completion of Magedlane Community Hall & Creche by 31 December 2024
				B1.2.3	% completion of Construction Ngolotshe Community Hall & Creche	100% completion of Ngolotshe Community Hall & Creche by 30 June 2025
		B3. Ensure continuous operations and maintenance of the existing infrastructure to ensure functionality	B3.1. Monitor the Implementation of Operations and Maintenance Plan	**B3.1.1**	Date of tabling to council the Reviewed Operation and Maintenance Plan	Operation and Maintenance Plan reviewed by 30 June 2025

		B4. Ensure improved access to basic services	B4.1. Access to refuse removal services	**B4.1.1**	Number of households with access to refuse removal	540 households with access to refuse removal by 30 June 2025
				B4.1.2	Date of purchasing of Skip Bins	Skip bins purchased by 31 March 2025
		B5. Improving sustainable human settlement	B5.1. Monitor the implementation of Human Settlement projects in Nongoma municipality	**B5.1.1**	Date of tabling of Nongoma Housing Sector Plan	Nongoma Housing Sector Plan tabled to Council by 31 December 2024
				B5.1.2	Number of reports on the implementation of Human Settlement projects, tabled to Council	2 reports on the implementation of Human Settlement projects, tabled to Council by 30 June 2025
C. **Local Economic Development & Social Development**						
B2B2 PILLAR 2: BASIC SERVICE DELIVERY						
CHALLENGES	**GOAL**	**OBJECTIVE**	**STRATEGY**	**KPI NO**	**KPI**	**TARGET**
– **Inadequate skills** – **Underutilized Livelihood Assets** – **Sub-Optimal Performance of Real Sectors** – **High Levels of Economic Vulnerability** – **Poor Stakeholder Partnerships** – **Youthful economically inactive population** – **High crime rate, especially Gender-based Violence** – **Absence of By-Laws** – **Inability to develop and gazette by-laws** – **Poor Pound Management:**	IMPROVED INCLUSIVE ECONOMIC GROWTH AND COMMUNITY DEVELOPMENT	C1. To create an enabling environment for economic growth and job creation	C1.1. Promote economic growth and Job creation	**C1.1.1**	Date of tabling of the reviewed LED Strategy	Reviewed LED Strategy tabled to council by 31 December 2024
				C1.1.2	Number of work opportunities created through EPWP	117 EPWP work opportunities created by 30 September 2024
			C.1.2. Support for the Informal economy, SMME's and Business Compliance	**C1.2.1**	Number of reports on SMMEs/Cooperatives Mentorship by the municipality	2 reports on SMMEs/Cooperatives Mentorship by the municipality by 30 June 2025
				C1.2.2	Number of Business Licence Compliance Inspection conducted.	4 Business Licence Compliance Inspection conducted by 30 June 2025
				C1.2.3	Date of conducting Cooperatives Business Management Seminar/Workshop	Cooperatives Business Management Seminar/Workshop conducted by 30 September 2024
			C.1.3. Support Tourism and Agricultural Development	**C13.1**	Date of Transfer of municipal Grant Fund to Nongoma Tourism Organisation (CTO)	Municipal Grant Fund transferred to Nongoma Tourism Organisation (CTO) by 30-Sep-24
				C1.3.2	Number of LED/Tourism Forum meetings conducted	4 LED/Tourism Forum meetings conducted by 30 June 2025
				C1.3.3	Date of tabling of the reviewed Nongoma Agricultural Development LED Strategy	Reviewed Nongoma Agricultural Development LED Strategy tabled to council by 31 March 2025

		C2. To improve the quality of lives for people within Nongoma municipality	C2.1. Develop, Implement and monitor special programmes	**C2.1.1**	Date of conducting Children & Elderly Event	Children & Elderly Event conducted by 31 December 2024
				C2.1.2	Number of disability forum meeting conducted	4 Disability forum meetings conducted by 30 June 2025
				C2.1.3	Number of women's forum meetings conducted	2 women's forum meeting conducted
				C2.1.4	Number of Local Aids Council (LAC) meetings conducted	4 LAC meetings conducted 30 June 2025
			C2.2. Coordination of Sports & Recreation and Arts & Culture programme	**C2.2.1**	Number of Sports & Recreation programmes coordinated	4 Sports & Recreation programmes coordinated by 30 June 2025
				C2.2.2	Number of Arts & Culture programmes coordinated	4 Arts & Culture programmes coordinated by 30 June 2025
			C2.3. Develop, implement and monitor poverty alleviation programmes	**C2.1.1**	Date of hand-over of poverty alleviation instruments/implements to beneficiaries	Poverty alleviation instruments/implements handed over to beneficiaries by 30 June 2025
			C2.4. Promote healthy and safety environment	**C2.3.1**	Number of Road Safety Campaigns conducted	2 road safety campaigns conducted by 30 June 2025
				C2.3.2	Number of Occupational Health & Safety Campaigns	1 Occupational Health & Safety Campaigns by 30 June 2025
		C3. To develop and empower unemployed youth through systematic and structured skills development and experiential learning interventions.	C3.1. Promote and enhance culture of learning among children & youth	**C3.1.1**	Date of conducting Nongoma Career EXPO	Nongoma career EXPO conducted by 30 June 2025
				C3.1.2	Number of beneficiaries awarded with Mayoral Tertiary registration fee	60 beneficiaries awarded with Mayoral Tertiary registration fee by 31 March 2025
				C3.1.3	Date of conducting Nongoma Mayoral Matric Excellence Award Ceremony	Nongoma Mayoral Matric Excellence Award Ceremony conducted by 31 March 2025
D. **Financial Viability and Management**						
B2B2 PILLAR 4: SOUND FINANCIAL MANAGEMENT						
CHALLENGES	**GOAL**	**OBJECTIVE**	**STRATEGY**	**KPI NO**	**KPI**	**TARGET**
– **The municipality is highly grant dependence** – **Poor revenue collection** – **Reasonable steps not taken to prevent unauthorized expenditure (AG Finding)** – **Indigent households**	IMPROVED FINANCIAL VIABILITY AND SUSTAINABILITY	D1.To ensure sound financial viability and management	D1.1. Implementation of revenue enhancement strategy	**D1.1.1**	Ratio in compliance with MFMA Section 64(2)(a)	Maintain 70% Collection from 2024/25 billing for Property rates and refuse removal throughout the year.
			D1.2. Develop, implement and monitor standard operating procedures related to expenditure management	**D1.2.1**	Ratio compliance with MFMA Section 65(2)(e)	Creditor's payment period ratio must not be more than 30 days (Norm).

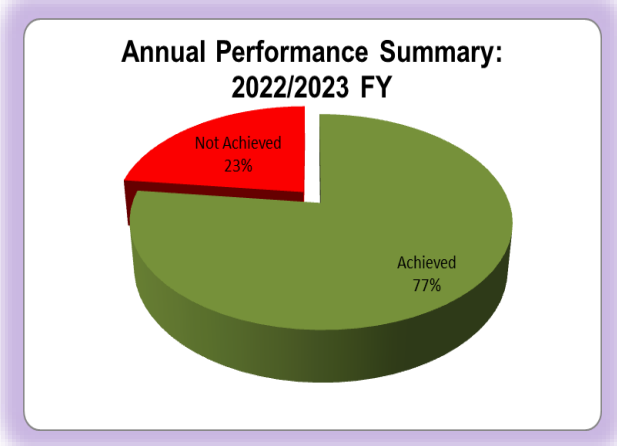
			D1.3. Develop a credible budget and report in accordance with the provisions of the MFMA	**D1.3.1**	Date of adoption of Budget	2025/2026 MTREF adopted by Council by 31 May 2025
				D1.3.2	Number of reports submitted to Mayor in compliance with MFMA Sec.71	12 MFMA Sec.71 reports submitted to Mayor by 30 June 2025
				D1.3.3	Number of reports tabled to council, in compliance with MFMA Sec.52(d) & 66	4 of MFMA Sec.52(d) & 66 reports tabled to council by 30 June 2025
				D1.3.4	Date of submission of the Nongoma Mid-year budget and performance assessment report to the Mayor	Nongoma Mid-year Budget and Performance Assessment report submitted to the Mayor by 25 January 2025
			D1.4. Effective Implementation of Supply Chain Management Regulations	**D1.4.1**	Number of reports on the implementation of Supply Chain Management Policy tabled to EXCO	4 reports on the implementation of Supply Chain Management Policy, submitted to EXCO by 30 June 2025
			D1.5. Monitor implementation of audit action plan on regular basis	**D1.5.1**	Percentage compliance with MFMA Section 131(1)	100% of 2022/2023 Auditor General Findings raised against the municipality resolved by 31 March 2025
			D1.6. Monitor spending on conditional grants	**D1.6.1**	Percentage compliance with DORA Section 21 - Unspent Conditional Grants	100% of MIG grant cash backed throughout 2024/25 financial year.
			D1.7. Budget implementation	**D1.7.1**	Percentage compliance with MFMA Section 69(1)(a)	Maintain > 95% spending on operating Adjusted budget by 30 June 2025
				D.1.7.2	Percentage compliance with MFMA Section 69(1)(b)	Maintain >95% implementation of Service Charges Revenue Budget evenly throughout 2024/25 FY
		D2. Effectively Implement asset management regulation	D2.1. Implementation, monitoring and adherence to asset management policies and regulations.	**D2.1.1**	Number of Asset Management reports submitted to Accounting Officer	2 Asset Management reports submitted to the Accounting Officer by 30 June 2025
E. **Good Governance & Public Participation**						
B2B PILLAR 3: GOOD GOVERNANCE/ B2B2 PILLAR 1: PUTTING PEOPLE FIRST						
CHALLENGES	**GOAL**	**OBJECTIVE**	**STRATEGY**	**KPI NO**	**KPI**	**TARGET**
– **Poor Stakeholder Partnerships** – **Absence of a Municipal Disaster Management Inter-Departmental Committee** – **Poor Pound Management**	RESPONSIVE, TRANSPARENT PARTICIPATORY AND ACCOUNTABLE MUNICIPAL GOVERNANCE	E.1. To ensure functional council and council committees	E1.1. Coordination of Council committee meetings	**E1.1.1**	Number of council meetings coordinated	4 council meetings coordinated by 30 June 2025
				E1.1.2	Number of EXCO meetings coordinated	12 EXCO meetings coordinated by 30 June 2025
				E1.1.3	Number of Portfolio Committee meetings coordinated	60 Portfolio meetings coordinated by 30 June 2025
				E1.1.4	Number of MPAC meetings coordinated	4 MPAC meetings coordinated by 30 June 2025
		E.2. To ensure maximum participation of the	E2.1. Coordination of Traditional Authorities	**E2.1.1**	Number of meetings held between the municipality and	4 meetings held between the municipality and the Traditional Authorities by 30 June 2025

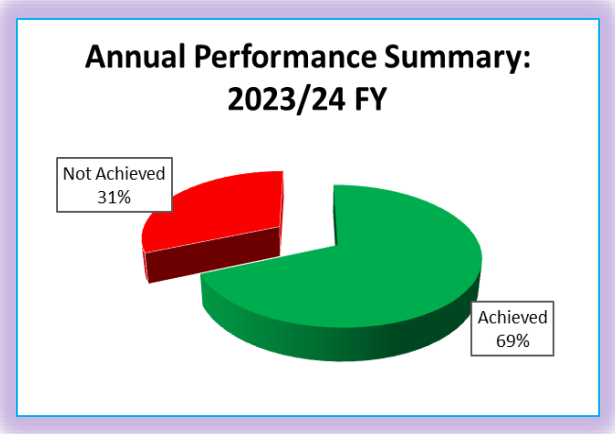
		Traditional Authorities in the affairs of the municipality	engagement meetings		the Traditional Authorities	
		E3. To promote effective public participation in the affairs of the municipality	E3.1. Facilitate Municipal Stakeholder engagements	**E3.1.1**	Number of meetings convened by Mayor/executive committee to provide report to the community on service delivery issues	4 meetings convened by Mayor/executive committee to provide report to the community on service delivery issues by 30 June 2024
				E3.1.2	Percentage of ward committees that are functional	100% of Ward committee s to be functional by 30 June 2024
				E3.1.3	Number of IDP-RF meetings held	2 IDP-RF meetings held by 30 June 2025
		E4. To ensure effective governance through municipal policy development	4.1. Development and monitoring of municipal policies and by-laws	**E4.1.1**	Number of policies (reviewed)tabled to Council in compliance with MFMA Section 64(2)(a)	3 policies (reviewed) tabled to Council for approval by 31 May 2025
				E4.1.2	Date of Gazetting of municipal By-Laws	Municipal By-laws gazetted by 31 March 2025
		E5. To ensure functional, risk-conscious and compliant management committees	E5.1. Development and monitor Strategic Risk Management register in line with the municipal strategic document (IDP) implementation	**E5.1.1**	Develop Municipal Strategic Risk register	Municipal Strategic Risk register developed by 39 September 2024
		E6. To ensure Institutional accountability and transparency	E6.1. Ensure Complaint Reporting and Publication	**E6.1.1**	Number of Audit Action Plan reports tabled to Audit Committee	4 Audit Action reports tabled to the Audit Committee by 30 June 2025
				E6.1.2	Number of Circular 88 indicators reports submitted to COGTA	4 Circular 88 indicators reports submitted to COGTA by 30 June 2025
				E6.1.3	Date of Submission 2025/26 FY budget & SDBIP to National & Provincial Treasury	2025/26FY Budget and SDBIP submitted to National & Provincial Treasury by 30 June 2025
			E6.2. Ensure timeous dissemination of public information	**E6.2.1**	Date of adoption of Communication Strategy and Policy	Communication Strategy and Policy adopted by council by 30 September 2024
F. Cross-cutting Issues						
CHALLENGES	**GOAL**	**OBJECTIVE**	**STRATEGY**	**KPI NO**	**KPI**	**TARGET**
– **Contestation of authority over ERF 5000** – **Undulating topography limiting agricultural development**	IMPROVE SPATIAL EQUITY AND	F1. To provide strategic planning support across the organization, i.e. IDP	F1.1. Development of a credible Integrated Development Planning (IDP)	**F1.1.1**	Date of adopting the IDP Process plan	Council-adopted 2025/2026 IDP Process Plan by 30 September 2024
				F1.1.2	Date of adoption of the Integrated Development Plan (IDP)	Council-adopted 2025/2026 IDP by 30 June 2025

– **Unsustainable farming practices resulting in soil erosion, veld deterioration and degradation** – **Widespread alien invasive plants** – **Insufficient funds allocated for Disaster Management function and relief** – **Allocation of land not suitable for human settlement that create vulnerable settlements** – **Inability to find suitable land for a land disposal site**	ENVIRONMENTAL SUSTAINABILITY	F2. To promote a functionally structured urban and rural spatial development pattern guided by identified nodes and corridors through an effective land use management system	F2.1. Guide, monitor & control spatial planning, land use management & development within the municipality	**F2.1.1**	Date of tabling of the Reviewed Spatial Development Framework (SDF) to council	Reviewed Spatial Development Framework (SDF) tabled to council by 31 March 2025
				F2.1.2	Number of Inspection reports of new buildings and building alterations	4 reports on new buildings and building alterations by 30 June 2025
				F2.1.3	Number of Joint Municipal Planning Tribunal (JMPT) Functionality reports tabled to EXCO	2 JMPT Functionality reports tabled to EXCO
		F3. To enhance resilience of ecosystem services	F3.1. Maintain and improve the environmental integrity of Nongoma municipal area of jurisdiction	**F3.1.2**	Date of adoption of the Strategic Environmental assessment (SEA) Review	Reviewed Strategic Environmental assessment (SEA) tabled to council by 30 June 2025
				F3.1.3	Number of Integrated Waste Management Plan (IWMP) Implementation report tabled to EXCO	2 IWMP reports tabled to EXCO by 30 June 2025
		F4. To ensure appropriate adaptation and effective response to Climate Change	F4.1. Review and implementation of Disaster Management Plan	**F4.1.1**	Number of Disaster Management Implementation reports tabled to EXCO	2 Disaster Management Implementation reports tabled to EXCO by 30 June 2025
				F4.1.2	Number of Disaster Management and Fire Services programmes conducted	2 Disaster Management and Fire Services programmes conducted by 30 June 2025

4.9. KEY AREAS TO NOTE ON PERFORMANCE OF NONGOMA MUNICIPALITY:

During the financial year under review, the municipality had a total of 102 indicators, of those 70 were achieved and 32 not achieved. This then translates into an overall achievement of 69%, which indicates a decline compared to the previous financial year's performance. A total of 9 unachieved indicators are due to failure to present reports and strategic documents to the Council. These indicators could have contributed to the overall achievement of the municipality, had they all been achieved. In 2024/25 financial year, the municipality should put stringent measures in place to improve collaboration and coordination between Council Support Unit and departments to ensure that the agenda for Council meeting & committees covers all the items that requires the Council's consideration.





As depicted below, a total of twelve (12) performance targets including infrastructure projects have not been met due to financial challenges faced by the municipality during the 2023/24 FY.

- **B1.1.1** Number of Road Grader Machines procured
- **B.1.1.2** % Completion of Delini Road Phase 2
- **B1.2.1** % Completion of Ezimpakaneni Hall
- **B1.2.4** % completion of the Nongoma Testing ground
- **C2.1.2** Number of disability forum meeting conducted
- **C2.1.3** Number of women's forum meetings conducted
- **C2.1.4** Number of Local Aids Council (LAC) meetings conducted
- **D1.2.1** Ratio compliance with MFMA Section 65(2)(e)
- **D1.6.1** Percentage compliance with DORA Section 21 - Unspent Conditional Grants
- **E4.1.2** Date of Gazetting of municipal By-Laws
- **F2.1.2** Number of reports on the transfer of properties into Nongoma municipality tabled to EXCO.
- **F2.1.4** Date of tabling of the Nongoma Traffic Impact Assessment

2023/24 FY SCORECARD:

NONGOMA LM REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR 2023-2024 FY																
ANNUAL PERFORMANCE REPORT																
Objective	**Strategy**	**KPI No.**	**Key Performance Indicator (KPI)**	**Programme/Project Name**	**2023/2024 FY Annual Target**	**2023/24 FY Revised Annual Target**	**2023/24 Annual Actual**	**Unit of Measure**	**Baseline**	**Budget**	**Revised Budget**	**Reason for Variance/ Comment**	**Corrective Measures**	**Responsible Department**	**Regional Identifier / Ward**	**Indicator Definition**
A. MUNICIPAL TRANSFORMATION & INSTITIUTIONAL DEVELOPEMNT																
A1. To ensure a Strategic Workforce plan that meets the organizational needs, through proper Human Resource management, capacity building and performance management	A1.1. Review, Implementation and monitoring of Human Resources Strategy	A1.1.1	Date of tabling to council the reviewed municipal organogram	Municipal Organogram	Reviewed municipal organogram tabled to council by 31 March 2024		Reviewed municipal organogram was tabled and approved by the Council on the 5th September 2023	Date	Organogram adopted in 31 March 2023	R0.00		N/A	N/A	Corporate Services	Administration and Satellite offices	This indicator measures the date upon which the reviewed municipal organogram would be tabled to council. The POE will be the reviewed organogram and council resolution
		A1.1.2	Date of tabling to council the reviewed Annual Human Resource Implementation plan	Human Resource Implementation Plan	Reviewed Annual Human resource Implementation plan tabled to council by 31 March 2024	Annual Human Resource Implementation plan tabled to council by 30 June 2024	Reviewed Annual Human Resource Implementation Plan was tabled and approved by the Council on the 22nd of May 2024	Date	Annual Human Resource plan tabled to council on by 30 June 2023	R0.00		N/A	N/A	Corporate Services	Administration and Satellite offices	This indicator measures the date upon which the Annual Human Resource Plan would be tabled to council. The POE will be the annual Human Resource Implementation Plan and council resolution
		A1.1.3	Number of HRD Strategy Functionality assessment reports tabled to EXCO	HRD Strategy Functionality Reports	2 HRD Strategy Functionality Assessment reports tabled to EXCO by 30 June 2024		2 HRD Strategy Functionality Assessment reports were tabled to EXCO by 30 June 2024	Number	1 reports tabled in 2022/23 FY	R0.00		N/A	N/A	Corporate Services	Administration and Satellite offices	This is a simple count of HRD Strategy Functionality Assessment reports tabled to EXCO. The POE will be the HRD Strategy Functionality Assessment report and EXCO minutes.
	A1.2. Review and implementation of Workplace Skills Plan	A1.2.1	Date of submission of Nongoma Workplace Skills Plan to LGSETA	Work Place Skills Plan	Nongoma Workplace Skills Plan submitted to LGSETA by 30 April 2024		Nongoma WSP was submitted to LGSETA on the 23rd of April 2024	Date	25-Apr-23	R0.00		N/A	N/A	Corporate Services	Administration and Satellite offices	This indicator measures the date upon which the Workplace Skills plan would be submitted to LGSETA. It is measured on a date. The POE will be the WSP and proof of submission

		A1.2.2	Number of employees trained as per the Workplace Skills Plan		30 Employees trained as per the workplace skills plan by 30 June 2024		105 employees were trained by 30 June 2024	Number	47	R450,000		The municipality received trainings from third parties (LGSETA and Sector departments). 45 employees trained as per WSP.	N/A	Corporate Services	Administration and Satellite offices	This is the simple count of the number of employees trained as per the Workplace Skills Plan within a financial year. The POE will be the training report and attendance registers
		A1.2.2.1	Percentage of budget spent on implementing Workplace Skills Plan		100% of municipality's budget allocated for WSP spent on implementation by 30 June 2024		160% of municipality's budget allocated for WSP was spent by 31 March 2024	%	96%	R0.00		The management of training vote is beyond Corporate Services control since the training fund is not ring-fenced, which enables other departments to utilise training funds without consultation of the department concerned.	Ring-fencing of training funds, starting from first quarter of 2024/25 FY.	Corporate Services	Administration and Satellite offices	This is a simple count of percentage budget spent of the total allocated WSP budget. It is measured on a percentage. The POE would be Expenditure report. Formula: WSP budget spent / WSP budget allocated × 100.
		A1.2.3	Number of councillors trained	Training & Capacity Building	10 Councillors trained by 30 June 2024	10 Councillors trained by 31 March 2024	17 Councillors were trained by 31 March 2024	Number	20	R262,000		The municipality received trainings from third parties (LGSETA)	N/A	Corporate Services	Administration and Satellite offices	This is the count of the number of councillors that have participated and completed training within a financial year. The POE will be the training report and attendance registers
	A.1.3. Coordination of capacity building initiatives for employees and councillors	A1.3.1	Number of employee workshop coordinated		2 employee workshops coordinated in 2023/24 FY by 30 June 2024	2 employee workshops coordinated by 30 June 2024	2 employee workshops coordinated by 31 March 2024	Number	New Indicator	R0.00		N/A	N/A	Corporate Services	Administration and Satellite offices	This is the count of the number of workshops for officials conducted within the financial year. The POE will be the Invitation, agenda and attendance registers

		A1.3.2	Number of councillor workshops coordinated		2 councillor workshops coordinated in 2023/24FY by 30 June 2024	2 councillor workshops coordinated by 30 June 2024	2 Cllrs workshops coordinated by 30 June 2024	Number	New Indicator	R0.00		N/A	N/A	Corporate Services	Administration and Satellite offices	This is the count of the number of workshops for councillors conducted within a financial year. The POE will be the Invitation, agenda and attendance registers
	A1.4. Review and implementation of Employment Equity Plan	A1.4.1	Date of submission of Nongoma Employment Equity Report to Department of Labour	Employment Equity Planning & Reporting	Nongoma Employment Equity Report submitted to Department of Labour by 15 January 2024		Nongoma Employment Equity Report was submitted on 19 December 2023	Date	15-Jan-23	R0.00		N/A	N/A	Corporate Services	Administration and Satellite offices	This indicator measures the date upon which the Nongoma Employment Equity Report would be submitted to the Department of Labour. It is measured on a date. The POE will be the EER and proof of submission.
		A1.4.2	% people living with disability representation of the total municipal staff compliment		1,4% people living with disability representation of the total municipal staff compliment by 30 June 2024		0.80%	%	0.7%	R0.00		The Municipality did not prioritise the employment of disabled people. The percentage fluctuates due to staff turnover.	Enforce the implementation of Employment Equity Plan by Mid-term (Jan 2025) through the filling of disabled earmarked positions on the organogram.	Corporate Services	Administration and Satellite offices	This is a simple count of the number of people living with disability in the municipality. The target suggests that by the end of the financial year, there will be a 1.4% percent representation of people living with disability out of the total workforce. The formula for calculating the target is: PWD, divided by the total staff complement, multiplied by 100. The POE will be the EE profile.
	A1.5. Development and Implementation of Performance Management System (PMS)	A1.5.1	Number of performance agreements signed by the MM and Section 56 Managers	Performance Management and Review	5 performance agreements signed by the MM and Section 56 Managers signed by 31 July 2023		6 Performance agreements signed by 30 June 2024	Number	4	R0.00		5 performance agreements were signed in July 2023, however, there was a new appointment of the HOD Planning and Economic Development in Q4, therefore one PA was signed in Q4.	N/A	Office of the MM	Administration and Satellite offices	This is the count of the total number of signed Performance Agreements for the financial year by the municipal manager and section 56 managers in terms of the requirements of the Municipal Systems Act (MSA). The POE will be the signed performance agreements.

		A1.5.2	Date of tabling to council the Nongoma LM 2024/2025 Performance Management Policy Framework		Nongoma LM 2024/2025 Performance Management Policy Framework tabled to Council by 30 June 2024		2024/25 Performance Management Policy Framework was tabled and approved by Council on 22 May 2024	Date	4-Aug-23	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This indicator measures the date upon which the 2024/2025 Performance Management Policy Framework approved by Council. It is measured on a date. The POE will be Performance Management Policy Framework and council resolution
		A1.5.3	Date of Mayoral approval of the 2024/2025 Organisational SDBIP		2024/2025 Organisational SDBIP approved by the Mayor 28 days after the adoption of the budget	2024/2025 Organisational SDBIP approved by the Mayor by 25 June 2024	2024/25 O-SDBIP was approved by the Mayor on the 11th of June 2024	Date	14-Jun-23	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This indicator measures the date upon which the 2024/2025 Organisational SDBIP would be approved by the Mayor. It is measured on a date. The POE will be the approved SDBIP.
		A1.5.4	Number of S54/S56 Performance Reviews conducted		2 S54/S56 Performance Reviews conducted by 30 June 2024	2 S54/S56 Performance Reviews conducted by 31 March 2024	2 Performance reviews conducted by 31 March 2024	Number	2	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This is a simple count of the number of S54/S56 Performance Reviews conducted. The reviews in question are mid-term and annual performance reviews. POE should include invitations, attendance registers and minutes.
		A1.5.5	Number of quarterly Organisational SDBIP reports tabled to council		4 Quarterly Organisational SDBIP reports tabled to council by 30 June 2024		4 Quarterly O-SDBIP reports were tabled to Council by 30 June 2024	Number	3	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This is a simple count of the number of Quarterly Organisational SDBIP report tabled to council. The POE will be a quarterly report and council resolution
A2. To ensure an improved Information, Communication Technology (ICT) System in the municipality	A2.1. Development, Implementation and monitoring of the ICT Governance Framework	A2.1.1	Number of ICT Framework functionality assessment reports tabled to EXCO	ICT Framework	2 ICT Framework functionality assessment reports tabled to EXCO by 30 June 2024		2 ICT Framework Functionality Assessment reports were tabled to EXCO by 30 June 2024	Number	1	R0.00		N/A	N/A	Corporate Services	Administration and Satellite offices	This is a simple count of the number of ICT Framework Functionality Assessment reports tabled to EXCO. The POE will be the ICT Framework Functionality Assessment reports, EXCO agenda and minutes.

B. BASIC SERVICES & INFRASTRUCTURE DEVELOPMENT																
B1. To provide high quality infrastructure network and community facilities to support improved quality of life and economic growth	B1.1. Provision of high quality roads infrastructure	B1.1.1	Number of Road Grader Machines procured	Road construction	1 Road Grader Machine procured by 31 December 2023	1 Road Grader Machine procured by 30 June 2024	Target not achieved	Number	1	R4,800,000.00		Due to the cash flow issues faced by the municipality, this target could not be met.	Target will be removed from the 2024/25 SDBIP and re-considered in 2025/26 Financial year.	Financial Services	Administration and Satellite offices	This is a simple count of number of road grader machine procured by 30 June 2024. The POE will be the proof of purchase.
		B1.1.2	% Completion of Delini Road Phase 2		60% completion Delini Road Phase 2 by 30 June 2024		51% completed by 30 June 2024	%	New project	R4,155,193.99	R6,897,396.71	The contractor experienced delays in receiving payment for the work completed.	Funds will be made available to the contractor by the 31st of July 2024, after which an extension of time will be granted. PMU will ensure close monitoring of the contractor until completion.	Technical Services	Ward 16 & 19	This indicator measures a percentage completion of Delini Road Phase 2. The POE will be the project progress reports. The percentage is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.
		B1.1.2.1	% completion of Delini Road phase 1		100% completion of Delini Road phase 1 by 30 September 2023		100% completed by 30 September 2023	%	82%	R856,281.16		N/A	N/A	Technical Services	Ward 16 & 19	This indicator measures a percentage completion of Delini road phase 1. The POE will be progress reports and completion certificate. The target is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.

		B1.1.3	% Completion of White City Road		100% completion of White City Road by 31 December 2023		100% completed by 30 October 2023	%	84%	R6,580,383.73	R5,703,171.68	N/A	N/A	Technical Services	Ward 9	This indicator measures a percentage completion of White City Road. The POE will be the project progress report and completion certificate. The percentage is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.
		B1.1.4	% Completion of Gobamagagu Road		100% Completion of 3.8KM Gobamagagu Road by 31 March 2024	100% completion 3KM Gobamagagu Road by 30 June 2024	83% completed by 30 June 2024	%	40%	R1,402,959.10	R2,284,506.80	The contractor had concerns with the scope of work which he believed that some parts of work are not part of his scope and subsequently sent a correspondence indicating that he will not be able to complete the remaining work.	Termination of the contract will be instituted by 31 July 2024 and the municipality will appoint a new contractor to complete the remaining work.	Technical Services	Ward 13	This indicator measures a percentage completion of Gobamagagu Road. The POE will be the project progress report and completion certificate. The percentage is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.

	B1.2. Provision of high quality community services facilities	B1.2.1	% Completion of Ezimpakaneni Hall	Community Facilities	100% Completion of Ezimpakaneni Hall by 31 March 2024	60% Completion of Ezimpakaneni Hall by 30 June 2024	46% completed by 30 June 2024	%	Rollover	R1,698,169.77	R3,646,640.33	The contractor stopped the work due to non-payment for the claims submitted to the municipality.	Funds will be made available to the contractor by 31st July 2024, after which an extension of time will be granted. PMU will ensure close monitoring of the contractor until completion.	Technical Services	Ward 14	This indicator measures a percentage completion of Ezimpakaneni Hall. Then POE will be the project progress report and completion certificate. The percentage is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.
		B1.2.2	% completion of Magedlane Hall		100% completion of Magedlane Hall by 31 December 2023	60% completion of Magedlane Hall by 30 June 2024	63% completed by 30 June 2024	%	Rollover	R9,321,197.30	R4,088,981.34	N/A	N/A	Technical Services	Ward 18	This indicator measures a percentage completion of Magedlane Hall. Then POE will be the project progress reports and completion certificate. The percentage is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.

		B1.2.3	% Completion of Emanzimakhulu Hall and creche		100% completion of Emanzimakhulu Hall & creche by 31 December 2023		100% completed by 30 September 2023	%	90%	R2,817,151.18	R1,316,934.71	N/A	N/A	Technical Services	Ward 20	This indicator measures a percentage completion of Emanzimakhulu Hall and creche. The POE will be the project report and completion certificate. The percentage is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.
		B1.2.4	% completion of the Nongoma Testing ground		100% completion of the Nongoma testing ground by 31 March 2023	80% completion of the Nongoma testing ground by 30 June 2024	55% completed by 30 June 2024	%	50%	R2,500,000.00		The project was not budgeted correctly by the municipality since it was funded internal and the contractor had problems in executing the work as per the contractual requirements.	The contract was terminated and project to be suspended until the budget is available. The municipality will re-budget for the project in 2025/26 FY.	Technical Services	Ward 19	This indicator measures a percentage completion of the Nongoma Testing ground. The POE will be the project progress report and completion certificate. The percentage is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.

	B1.3. Provision of electricity infrastructure	B1.3.1	% completion of Mandlakazi Electrification Extensions 2	Electricity Infrastructure	100% completion of Mandlakazi Electrification Extensions 2 by 30 June 2024		91 % completed by 30 June 2024	%	40%	R1,850,000.00		The contractor was delayed by Eskom CNC on giving the Outage date for the beneficiaries to be energized.	The municipality will follow up with Eskom to ensure that the remaining work is completed by July 2024. Outage date is anticipated to be issued by Eskom by 31st of July 2024	Technical Services	Ward 11	This indicator measures a percentage completion of Mandlakazi Electrification Extension 2. The POE will be the project progress reports and completion certificate. The percentage is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.
B2. To ensure efficient, sustainable and climate-smart delivery of service	B2.1. Provision of climate-smart infrastructure services	B2.1.1	% Completion of Nongoma Black Top and Drainage in Town	Climate-smart infrastructure	100% completion Nongoma Black Top and Drainage in Town by 30 September 2023		100% completed by 30 September 2023	%	95%	R3,536,208.28	R1,074,936.58	N/A	N/A	Technical Services	Ward 19	This indicator measures a percentage completion of Betterment of and taring of parking in front of the shops along the main road and construction of drainage in Nongoma town The POE will be the completion certificate. The percentage is cumulative. Formula: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.

		B2.1.2	Percentage completion of 11KM stretch Nongoma Street Lights Phase 2		100% completion of 11KM stretch Nongoma Street Lights Phase 2 by 30 June 2024		100% completed by 30 June 2024	%	40%	R4,042,659.91	R7,796,362.52	N/A	N/A	Technical Services	Ward 19	This indicator measures a percentage completion of installation of solar street light along Nongoma town streets (11 km). The POE will be the project progress report and completion certificate. The percentage is cumulative. Method of calculation: Percentage on construction progress as per construction programme (Average number of items completed), taking into consideration two parameters, i.e. time (duration) and cost.
B3. Ensure continuous operations and maintenance of the existing infrastructure to ensure functionality	B3.1. Monitor the Implementation of Operations and Maintenance Plan	B3.1.1	Date of tabling to council, the Reviewed Operation and Maintenance Plan	Operations & Maintenance	Reviewed Operation and Maintenance Plan tabled to council by 31 December 2023	Reviewed Operation and Maintenance Plan tabled to council by 31 March 2024	Reviewed Operations and Maintenance Plan was tabled and approved by the Council on 28 June 2024	%	New project	R400,000.00		Operations and Maintenance Plan received from Service Provider in March 2024 and had to be referred back with Management comments.	N/A	Technical Services	Administration and Satellite offices	This indicator measure the date upon when the Reviewed Operations and Maintenance Plan would be tabled council. The POE would be the O&M Plan and council resolution.
B4. Ensure improved access to basic services	B4.1.Provision of access to refuse removal	B4.1.1	Number of households with access to refuse removal	Refuse Removal	886 households with access to refuse removal by 30 June 2024	540 households with access to refuse removal by 30 June 2024	543 households provided with refuse removal services by 30 June 2024	Number	1046	R0.00		N/A	N/A	Community Services	Wards 9, 16 & 19	This is simple count of number of households with access to refuse removal. The target is non-cumulative. The POE will be the households billing report, collection schedule and collection register.
		B4.1.2	Date of purchasing of 6 Truck Skip Bins for distribution in high density areas		6 Truck Skip Bins for distribution in high density areas purchased by 31 December 2023	6 Truck Skip Bins for distribution in high density areas purchased by 31 March 2024	6 Truck Skip Bins for distribution in high density areas purchased by 14 March 2024	Date	New project	R400,000.00	R300,000.00	N/A	N/A	Community Services	Wards 9, 16 & 20	This indicator measures the date upon which 6 Truck Skip Bins would be purchased. It is measured on a date. The POE would be Purchase Order and Delivery note

B5. Improving sustainable human settlement	B5.1. Monitor the implementation of Human Settlement projects in Nongoma municipality	B5.1.1	Number of reports on the implementation of Human Settlement projects tabled to Council	Human Settlements	2 reports on the implementation of Human Settlement projects tabled to Council by 30 June 2024		2 reports on the implementation of Housing Settlement projects tabled to Council by 30 June 2024	Number	2	R0.00		N/A	N/A	Technical Services	Administration and Satellite offices	This is a simple count of number of reports on the implementation of Human Settlement projects tabled to Council. The POE will be the report and council resolution.
C. LOCAL ECONOMIC DEVELOPMENT & SOCIAL DEVELOPMENT																
C1. To create an enabling environment for economic growth and job creation	C1.1. Promote economic growth and Job creation	C1.1.1	Average time taken to process business license applications	Economic Growth & Job Creation	Business license applications processed within 21 days through the 2023/2024 FY	Business licence applications processed within 21 days by 30 June 2024	18 Days	Number	21 Day	R0.00		N/A	N/A	Planning & Economic Development	Administration and Satellite offices	The indicator measures the average number of working days a business owner can expected to wait from the date of business licence application to the date of outcome of licensing decision from the municipality.(1) Sum of the total working days per business application processed / (2) Number of business applications processed. The POE will be a report articulating all applications received and the date within which they'd been processed, and the business licenses
		C1.1.2	Date of tabling the Reviewed LED annual Implementation Plan to council		Reviewed LED annual implementation plan tabled to council by 31 March 2024		Reviewed LED annual implementation plan was tabled to council on the 28th of March 2024	Date	30-Jun-23	R0.00		N/A	N/A	Planning & Economic Development	Administration and Satellite offices	The indicator measures the date upon which the Reviewed LED annual Implementation Plan would be tabled to council. The POE will be the reviewed annual LED Implementation plan, council minutes and resolution

		C1.1.3	Number of beneficiaries recruited as part of Expanded Public Works Programme		100 beneficiaries recruited as part of Expanded Public Works Programme by 30 September 2023		174 beneficiaries were recruited as part of EPWP by 29 September 2023	Number	336	R2,200,000.00		N/A	N/A	Technical Services	All Wards	This is a simple count of a number of beneficiaries recruited as part of Expanded Public Works Programme. The POE will be the advert and the appointment letters.
		C1.1.4	Number of EPWP Implementation reports tabled to EXCO		4 EPWP Implementation reports were tabled to EXCO by 30 June 2024		4 reports on implementation of EPWP were tabled to EXCO by 30 June 2024	Number	4	R0.00		N/A	N/A	Corporate Services	All Wards	This is a simply count of the number of EPWP Implementation reports tabled at EXCO. The POE would be the EPWP report and the EXCO agenda and minutes
	C.1.2. Support for the Informal economy and SMME' s	C1.2.1	Number of reports on SMMEs /Cooperatives mentored tabled to EXCO	Informal Economy & SMME Support	4 reports on SMMEs /Cooperatives mentored tabled to EXCO by 30 June 2024		2 reports on SMMEs /Cooperatives mentored were tabled to EXCO by 30 June 2024	Number	New project	R0.00		Q1 & Q2 reports were not prepared on time to form part of the agenda while the indicator was still within the Planning and Infrastructure Development Services SDBIP. It was only after the mid-term adjustments when the indicator was moved to the PED department that the reports were tabled.	Q3 & Q4 reports were prepared on time for inclusion on the Agenda. Improvements will be made in 2024/25 FY to ensure that reports are tabled accordingly.	Planning & Economic Development	All Wards	This a simple count of the number of reports on the SMMEs /Cooperatives mentored through the financial year. POE would be endorsed report with attendance register and EXCO minutes
		C1.2.2	Number of Business Licence Compliance Inspection conducted		4 Business Licence Compliance Inspection conducted by 30 June 2024		4 Business Licence Inspections conducted by 30 June 2024	Number	4	R0.00		N/A	N/A	Planning & Economic Development	Ward 19	This is a simple count of the number of business compliance inspections conducted in a financial year. The POE will be the business inspection reports and attendance registers.

		C1.2.3	Date of conducting Cooperatives Business Management Seminar/Workshop		Cooperatives Business Management Seminar/Workshop conducted by 30 September 2023		Cooperatives Business Management Seminar/Workshop was conducted on the 20th of September 2023	Date	New project	R200,000.00		N/A	N/A	Planning & Economic Development	All Wards	This indicator measures the date upon which the Cooperatives Business Management Seminar/Workshop would be conducted. The POE will be invitation, attendance register and report with pictures
	C.1.3. Support Tourism and Agricultural Development	C1.3.1	Date of Transfer of municipal Grant Fund to Nongoma Tourism Organisation (CTO)	Tourism & Agricultural Support	Municipal Grant Fund transferred to Nongoma Tourism Organisation (CTO) by 30 September 2023		Funding for Nongoma CTO was transferred on 25 August 2023	Date	R110,000	R110,000.00		N/A	N/A	Planning & Economic Development	All Wards	This indicator measures the date upon which the Funding for Nongoma CTO would be transferred. It is measured on a date. The POE will be proof of transfer
		C1.3.2	Number of Cooperatives and PTYs registered		20 Cooperatives and PTYs registered by 30 June 2024		13 Cooperatives and PTYs registered by 31 December 2023	Number	28	R0.00		CIPC system was hacked since January; as such registration of new coops/PTYs was restricted.	The KPI will be removed from the 2024/25 FY SDBIP since the municipality is reliant on the third parties to achieve this target.	Planning & Economic Development	All Wards	This a simple count of a number of Cooperatives and PTYs registered. The POE will be registration certificates
		C1.3.3	Number of Agri-Business Forums conducted		4 Agri-Business Forums conducted by 30 June 2024		4 Agri-Business Forums conducted by 30 June 2024	Number	4	R0.00		N/A	N/A	Planning & Economic Development	Administration and Satellite offices	This a simple count of number of Agri-Business Forums conducted. The POE will be the invitation, agenda and attendance register
C2. To improve the quality of lives for people within Nongoma municipality	C2.1. Develop, Implement and monitor special programmes	C2.1.1	Date of conducting Children & Elderly Event	Special Programmes	Children & Elderly event conducted by 31 Dec 2023		Children & Elderly event conducted on the 9th of December 2023	Date	31-Dec-22	R500,000.00		N/A	N/A	Community Services	All Wards	This indicator measure the date upon which Children & Elderly event would be conducted. The POE will be invitation, attendance register and report with pictures

		C2.1.2	Number of disability forum meeting conducted		3 Disability forum meetings conducted by 30 June 2024		1 Disability forum meeting conducted by 30 June 2024	Number	4	R300,000.00	R200,000.00	Disability Forum meetings could not be held due to cash flow issues experienced by the municipality, making it difficult to accommodate participant's special needs.	Special programmes have been budgeted for in 2024/25 FY. Disability Forum meeting will be conducted in the first quarter.	Community Services	All Wards	This is a simple count of the number of Disability forums to be conducted in a financial year. The POE will be invitation, agenda, attendance register and minutes
		C2.1.3	Number of women's forum meetings conducted		2 Women's forum meetings conducted by 30 June 2024		0	Number	4	R70,000.00		Women's Forum meetings could not be held due to cash flow issues experienced by the municipality.	Special programmes have been budgeted for in 2024/25 FY. Women's Forum to be re-established and first meeting to be held by 31st August 2024 (1st Quarter).	Community Services	All Wards	This is a simple count of the number of Women's forums to be conducted in a financial year. The POE will be invitation, agenda, attendance register and minutes
		C2.1.4	Number of Local Aids Council (LAC) meetings conducted		2 Local Aids Council (LAC) meetings conducted by 30 June 2024		1 LAC meeting conducted in 2023/24 FY	Number	4	R50,000.00		LAC meetings could not be held due to cash flow issues experienced by the municipality.	LAC meetings will be conducted from September 2024 (1st Quarter).	Community Services	All Wards	This is a simple count of the number of Local Aids Council (LAC) meetings to be conducted in a financial year. The POE will be invitation, agenda, attendance register and minutes
	C2.2. Coordination of Sports & Recreation and Arts & Culture programme	C2.2.1	Number of Sports & Recreation programmes conducted	Sports & Recreation and Arts & Culture	4 Sports & Recreation programmes conducted by 31 December 2023		4 Sports & Recreation programmes conducted by 31 December 2023	Number	4	R1,450,000.00	R1665,000.00	The following Programmes were conducted: Mayoral Cup Games, Indigenous Games, SALGA Games and Golden Games	N/A	Community Services	All Wards	This is a simple count of number of Sports & Recreation programmes conducted in a financial year. The POE will be invitation, attendance register and report with pictures

		C2.2.2	Number of Arts & Culture programmes conducted		4 Arts & Culture programmes conducted by 30 June 2024	4 Arts & Culture programmes conducted by 31 December 2023	4 Arts & Culture programmes conducted by 31 December 2023	Number	4	R1,360,000.00		Arts & Culture programmes conducted are as follows: (Siyaya Emhlangeni, Umkhosi Womhlanga, Ingoma and Isicathamiya no-Swenka)	N/A	Community Services	All Wards	This is a simple count of number of Arts & Culture programmes conducted in a financial year. The POE will be invitation, attendance register and report with pictures
	C2.3. Develop, implement and monitor poverty alleviation programmes	C2.3.1	Date of hand-over of poverty alleviation instruments/ implements to beneficiaries	Poverty Alleviation programmes	Poverty alleviation instruments/implements handed over to beneficiaries by 31 December 2023		Poverty alleviation instruments/ implements were handed over to beneficiaries on 06 October 2023	Date	Rollover	R1,000,000.00		N/A	N/A	Planning & Economic Development	All Wards	The indicator measures the date of handing over of poverty alleviation instruments/implements to beneficiaries. The POE will be invitation, attendance register and report with pictures
	C2.4. Promote healthy and safety environment	C2.4.1	Number of Road Safety Campaigns conducted	Health & Safety Programmes	2 road safety campaigns conducted by 30 June 2024		3 road safety campaigns conducted by 30 June 2024	Number	2	R50,000.00		Road safety campaigns are conducted twice in a financial year, just before Festive & Easter holidays. Target for Q4 was achieved in March 2024 due to Easter Holidays falling within March. One more campaign was conducted in Q4.	N/A	Community Services	Ward 19	This is a simple count of number of Road Safety Campaigns to be conducted in a financial year. The POE will be invitation, attendance register and report with pictures

C3. To develop and empower unemployed youth through systematic and structured skills development and experiential learning interventions.	C3.1 Promote and enhance culture of learning among children & youth	C3.1.1	Date of conducting Nongoma Career EXPO	Youth and Learner Support programmes	Nongoma career EXPO conducted by 30 June 2024		Nongoma career EXPO was conducted on 20 March 2024 and 29 April 2024	Date	30-May-23	N/A	R80,000.00	A second career EXPO was conducted in Q4 to accommodate the students who were unable to participate in the first session due to exams.	N/A	Community Services	All Wards	This indicator measures the date upon which the Nongoma Career EXPO would be conducted. The POE will be invitation, attendance register and report with pictures
		C3.1.2	Number of Youth beneficiaries awarded with Mayoral Tertiary institution registration fee		20 beneficiaries awarded with Mayoral Tertiary Registration fee by 31 March 2024	60 beneficiaries awarded with Mayoral Tertiary Registration fee by 31 March 2024	60 beneficiaries awarded with Mayoral Tertiary Registration fee by 31 March 2024	Number	60	R300,000.00	R716,800.00	N/A	N/A	Corporate Services	All Wards	This a simple count of number of Youth beneficiaries awarded with Mayoral Tertiary institution registration fee. The POE would be the Proof of payment
		C3.1.3	Date of payment of the annual tuition fee for the 5 beneficiaries of Nongoma Mayoral Full bursary scheme		Payment of the annual tuition fee for the 5 beneficiaries of Nongoma Mayoral Full bursary scheme processed by 31 March 2024	Payment of the annual tuition fee for the 3 beneficiaries of Nongoma Mayoral Full bursary scheme processed by 31 March 2024	0	Date	31-Mar-22	R451,923.00		Of the five students who started the program, only two have successfully finished their studies in the year 2023, their final bursary payment was made in 2022/23 FY. The other two withdrew for a variety of reasons, such as the funding source not being able to cover the full cost of tuition, and the fifth unaccounted-for student suffering from mental health issues.	N/A	Corporate Services	All Wards	This indicator measures the date of payment of the annual tuition fee for the 5 beneficiaries of Nongoma Mayoral Full bursary scheme. POE will be the proof of payment

		C3.1.4	Date of conducting Nongoma Mayoral Matric Excellence Award Ceremony		Nongoma Mayoral Excellence Award Ceremony conducted by 31 March 2024		Nongoma Mayoral Excellence Award Ceremony was conducted on 23 February 2024	Date	31-Mar-23	R150,000.00		N/A	N/A	Community Services	All Wards	This indicator measures the date upon which the Nongoma Mayoral Matric Excellence Award Ceremony would be conducted. The POE will be invitation, attendance register and report with pictures
	C3.2. Provision and implementation of skills development and workplace learning programmes for the youth	C3.2.1	Number of unemployed youth employed as Financial Management Interns		3 unemployed youth employed as Financial Management Interns by 30 June 2024		0	Number	5	R2,000,000.00		Recruitment has been made, selection process is being delayed due to limited space caused by interns funded by the third parties	The process will continue in the financial year 2024/25.	Corporate Services	Administration and Satellite offices	This a simple count of number of unemployed youth employed as Financial Services Interns The POE will be advert and the appointment letters
D. FINANCIAL VIABILITY & MANAGEMENT																
D1.To ensure sound financial viability and management	D1.1. Implementation of revenue enhancement strategy	D1.1.1	Ratio in compliance with MFMA Section 64(2)(a)	Revenue enhancement	Maintain 80% Collection from 2023/24 billing for Property rates and refuse removal throughout the year.	Maintain 70% Collection from 2023/24 billing for Property rates and refuse removal throughout the year.	82%	%	Collection from current Debtors for Property rates and refuse removal maintained 70 percent throughout the 2022/23FY	R0.00		The collection rate improved due to improvements in the follow-ups for billed revenue.	N/A	Finance Department	Administration and Satellite offices	This Ratio reflects the collection percentage from current year's billing for property rates and refuse removal. Formula: Amount collected to date/ amount billed to date for both property rates and refuse removal. The POE will be the financial ratio report
		D1.1.2	Ratio in compliance with MFMA Section 65(2)(e)		Maintain Remuneration on percentage at 50% of Total Operating expenditure throughout the year 2023/24		48%	%	The ratio for 2022/23 adjustment budget is 56%	R0.00		KPI to be revised in 2024/25 FY to ensure alignment with the relevant section of the MFMA.	N/A	Corporate Services	Administration and Satellite offices	The ratio measures the extent of remuneration to total operating expenditure ((remuneration (employee related cost and councillors)/total operating expenditure x 100). The POE will be the expenditure report

	D1.2. Develop, implement and monitor standard operating procedures related to expenditure management	D1.2.1	Ratio compliance with MFMA Section 65(2)(e)	Expenditure management	Maintain cost coverage ratio of one (1) times normal creditors	Maintain cost coverage ratio of one (1) times fixed cost	3 Months	Ratio	1-3 months	R0.00		Grant was received later than expected since the municipality rely heavily on it. Invoices were submitted later than usual due to companies having financial and tax year end processes.	Starting from July 2024, the Finance Department will make follow ups with Suppliers to ensure their quarterly and year end processes do not delay their Invoicing. Activate an overdraft facility that will allow us to have available funds to cover for late Grant receipts.	Finance Department	Administration and Satellite offices	This indicator measures the ratio in compliance with section 65 of the MFMA. Ratio calculation: ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets). The POE will be the financial ratio report
	D1.3. Develop a credible budget and report in accordance with the provisions of the MFMA	D1.3.1	Date of adoption of Budget	Budget & Budget reporting	2024/2025 MTREF adopted by Council by 31 May 2024		2024/2025 MTREF was adopted on the 22nd of May 2024	Date	31-May-23	R0.00		N/A	N/A	Finance Department	Administration and Satellite offices	This indicator measures the adoption of the 2024/2025 budget by the 30 June 2022. It is non-cumulative and measured in number. The POE will be the council-adopted budget and council resolution
		D1.3.2	Number of reports submitted to Mayor in compliance with MFMA Sec.71		12 MFMA Sec.71 reports submitted to Mayor by 30 June 2024		12 MFMA Sec. 71 reports were submitted to the Mayor by 30 June 2024	Number	12	R0.00		N/A	N/A	Finance Department	Administration and Satellite offices	This indicator measures the number of reports in compliance with MFMA Sec.71 to Mayor by 30 June 2024. It is measured in numbers and is non-accumulative. The POE will be the Monthly Budget statement & proof of submission

		D1.3.3	Number of MFMA Section 32 report tabled to council		4 MFMA Section 32 report tabled to council by 30 June 2024		1 MFMA Sec 32 report was tabled to Council in 2023/24 FY	Number	New Indicator	R0.00		Since Q2, no reports were prepared to be presented to the relevant committees and Council.	Starting from July 2024, Finance will collaborate with Council Support to ensure that the agenda for committees and council meeting covers all the items that requires the council's consideration.	Finance Department	Administration and Satellite offices	This indicator measures the number of MFMA Section 32 reports tabled to council. The POE will be Section 32 report and council resolution
		D1.3.4	Number of reports tabled to council, in compliance with MFMA Sec.52(d) & 66		4 of MFMA Sec.52(d) & 66 reports tabled to council by 30 June 2024		4 MFMA Sec. 52(d) & 66 reports were tabled by 30 June 2024	Number	4	R0.00		N/A	N/A	Finance Department	Administration and Satellite offices	This indicator measures the number of Quarterly Financial reports submitted to Council. It is measured in numbers. The POE will be the Quarterly financial report and Council resolution
		D1.3.5	Date of submission of the Nongoma Mid-year budget and performance assessment report to the Mayor		Nongoma Mid-year Budget and Performance Assessment report submitted to the Mayor by 25 January 2024		Mid-year Budget and Performance Assessment report submitted to the Mayor on 18 January 2024	Date	25-Jan-23	R0.00		N/A	N/A	Finance Department	Administration and Satellite offices	This indicator measure the date upon which Nongoma Mid-year Budget and Performance Assessment report will be submitted to the Mayor. It is measured in date and is non-accumulative. The POE will be the Mid-year Budget and Performance Assessment report and proof of submission

	D1.4. Effective Implementation of Supply Chain Management Regulations	D1.4.1	Number of reports on the implementation of Supply Chain Management Policy, tabled to EXCO	Supply Chain Management	4 reports on the implementation of Supply Chain Management Policy, submitted to EXCO by 30 June 2024		2 reports on the implementation of SCM policy were submitted to EXCO by 30 June 2024	Number	4	R0.00		The item was omitted from the EXCO Agenda for the third quarter after being noted by the Finance Portfolio. Q4 report was not finalised on time.	Starting from July 2024, Finance will ensure timely completion of reports and collaborate with Council Support to ensure that the agenda for the EXCO covers all the items that requires the council's consideration.	Finance Department	Administration and Satellite offices	This indicator measure the number of Supply Chain Management Policy Implementation reports submitted to EXCO. It is measured in number and is non-accumulative. The POE will be the SCM reports and EXCO minutes
	D1.5. Monitor Municipal Contract Management	D1.5.1	Number of MFMA Section 116(2)(d) reports tabled to council	Contracts and Contract Management	4 MFMA Section 116(2)(d) reports tabled to council by 30 June 2024		2 MFMA Section 116(2)(d) reports were tabled to Council by 30 June 2024	Number	New Indicator	R0.00		First and fourth quarter reports were not prepared to be presented to the relevant council committees and Council.	Starting from July 2024, Finance will collaborate with Council Support to ensure that the agenda for committees and council meeting covers all the items that requires the council's consideration	Finance Department	Administration and Satellite offices	This indicator measures the number of reports on the management of the contracts or agreement and the performance of the contractors as per MFMA Section 116(2)(d). The POE would be the report and council resolution.
	D1.6. Monitor spending on conditional grants	D1.6.1	Percentage compliance with DORA Section 21 - Unspent Conditional Grants	Conditional Grant Spending	100% of MIG grant cash backed throughout 2023/2024 financial year.		0%	%	100%	R0.00		Due to cash flow challenges faced by the municipality, the target could not be achieved.	Re-allocation of funds will be made to the appropriate vote by 31 December 2024.	Finance Department	Administration and Satellite offices	This indicator measures the percentage compliance with DORA Section 21 (Unspent Conditional Grants). It is measured in percentages and is non-accumulative. Each quarter the municipality is expected to remain 100% cash backed (Cash flow must always exceed unspent conditional grants). The POE would be the MIG Grant Bank reconciliation.

	D1.7. Monitor Budget implementation	D1.7.1	Percentage compliance with MFMA Section 69(1)(a)	Budget Implementation	Maintain > 95% spending on operating Adjusted budget by 30 June 2024		100%	%	> 95%	R0.00		N/A	N/A	Finance Department	Administration and Satellite offices	This indicator measures the percentage compliance with MFMA Section 69(1)(a). It is measured in percentages and is accumulative. Operational budget YTD to Total expenditure as be adjusted budget. The POE will be the Expenditure Report
		D1.7.2	Percentage compliance with MFMA Section 69(1)(b)		Maintain >95% implementation of Service Charges Revenue Budget evenly throughout 2023/2024 FY		100%	%	> 95%	R0.00		N/A	N/A	Finance Department	Administration and Satellite offices	This indicator measures the percentage compliance with MFMA Section 69(1)(b). It is measured in percentages and is accumulative. Actual billed for service charges to adjusted budget. The POE will be the Billing report
D2. Effectively Implement asset management regulation	D2.1. Implementation, monitoring and adherence to asset management policies and regulations.	D2.1.1	Number of Asset Management reports submitted to Accounting Officer	Asset Management	4 Asset Management reports submitted to the Accounting Officer by 30 June 2024		4 Asset Management reports were submitted to the Accounting Officer by 30 June 2024	Number	2	R1,344,000.00		N/A	N/A	Finance Department	Administration and Satellite offices	This indicator measures the number of reports that will be tabled to the Accounting Officer in compliance with Asset Management Regulations in the financial year. The POE will be the Asset Management report and proof of submission
	D2.2. Management of insurance for councillors and municipal assets	D2.2.1	Date of concluding a three-year Insurance Portfolio for Nongoma Municipality	Municipality Insurance	A three-year Insurance Portfolio for Nongoma Municipality concluded by 31 October 2023		A three-year Insurance Portfolio for Nongoma Municipality was concluded on 06 October 2023	Date	31-Dec-22	R1,000,000.00		N/A	N/A	Finance Department	Administration and Satellite offices	This indicator measures the date of concluding a three-year Insurance Portfolio for Nongoma Municipality. The POE would be Signed Insurance Portfolio (Cllrs and Assets), Invoices, Payment Vouchers

	D2.3. Management of the municipality Fleet	D2.3.1	Number of fleet management reports submitted to EXCO	Fleet Management	4 fleet management reports submitted via FPC to EXCO for Approval.	4 fleet management reports submitted to EXCO for Approval by 30 June 2024	1 fleet management report submitted to EXCO by 31 March 2024	Number	New indicator	R5,400,000.00		There was an omission on the agenda.	Starting from July 2024, Fleet Management Office to collaborate with Council Support to ensure that all submitted items are included in the agenda before it is distributed to members.	Corporate Services	Administration and Satellite offices	This indicator measures the number of fleet management reports submitted EXCO for Approval. The POE would be Fleet Management reports and EXCO resolutions
	D2.4. Fair valuation of rateable properties	D2.4.1	Date of preparation of the 2024-2029 valuation roll.	Valuation Roll	2024 - 2029 Valuation Roll prepared by 30 June 2024		2024-2029 Valuation Roll prepared and adopted by Council on 28 March 2024	Date	2019-2024 Evaluation roll in place	R1,600,000.00		N/A	N/A	Finance Department	Administration and Satellite offices	This indicator measures the date upon which the 2024 - 2029 Valuation Roll would be prepared. The POE would be Copy of a letter designating the Municipal Valuer. Public Notice. Copy of minutes of Public Meeting. Register of Objections. Progress report on the Resolution of objections. Council Resolution adopting the Valuation Roll.
E. GOOD GOVERNANCE & PUBLIC PARTICIPATION																
E.1. To ensure functional council and council committees	E1.1. Coordination of Council committee meetings	E.1.1.1	Number of council meetings coordinated	Council Committees	8 council meetings coordinated by 30 June 2024		12 Council meetings coordinated by 30 June 2024	Number	8	R0.00		Over and above ordinary meetings, there were special meetings held. Four special council meetings held in the fourth quarter.	N/A	Corporate Services	Administration and Satellite offices	This a simple count of number of council meetings coordinated in a financial year. The POE will be the signed agenda, minutes and attendance register

		E.1.1.2	Number of EXCO meetings coordinated		12 EXCO meetings coordinated by 30 June 2024		14 EXCO meetings were held by 30 June 2024	Number	12	R0.00		Over and above ordinary meetings, there were special meetings held.	N/A	Corporate Services	Administration and Satellite offices	This is a simple count of number of meetings held by EXCO in a financial year. The POE will be the signed agenda, minutes and attendance register
		E.1.1.3	Number of Portfolio Committee meetings coordinated		48 Portfolio meetings coordinated by 30 June 2024	53 Portfolio meetings coordinated by 30 June 2024	50 Portfolio meetings coordinated by 30 June 2024	Number	48	R0.00		While the agendas were compiled and distributed timely; two meetings could not quorate & one cancelled due to communication breakdown.	Items were incorporated within the next meeting's agenda, and those from June will be incorporated within the July Portfolio Committee agenda.	Corporate Services	Administration and Satellite offices	This is a simple count of number of Portfolio Committee meetings coordinated in a financial year. The POE will be the signed agenda, minutes and attendance register.
		E.1.1.4	Number of MPAC meetings coordinated		4 MPAC meetings coordinated by 30 June 2024		4 MPAC Meetings coordinated by 30 June 2024	Number	4	R0.00		N/A	N/A	Corporate Services	Administration and Satellite offices	This is a simple count of number of MPAC meetings held in a financial year. The POE will be the signed agenda, minutes and attendance register
E.2. To ensure maximum participation of the Traditional Authorities in the affairs of the municipality	E2.1.Coordination of attendance of Traditional Authorities to Council meetings, and of regular meetings between the municipality and Traditional Authorities	E2.1.1	Number of council meetings with traditional leaders in attendance	Traditional Councils Participation and Engagements	4 council meetings with traditional leaders in attendance by 30 June 2024		3 Council meetings attended by traditional leaders by 30 June 2024	Number	8	R0.00		While the notice of meeting was communicated timely to all Traditional Leaders, the target could not be achieved due to their non - attendance.	KPI will be revised in the next financial year 2024/25.	Corporate Services	All 3 Traditional Courts	This is a simple count of number of council meetings with traditional leaders in attendance in a financial year. The POE will be invitation, proof of submission of the agenda to the TC, and attendance register depicting the attendance of the TC representative
		E2.1.2	Number of meetings held between the municipality and the Traditional Authorities		4 meetings held between the municipality and the Traditional Authorities by 30 June 2024		4 meetings were held between the municipality and the Traditional Authorities by 30 June 2024	Number	4	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This is a simple count of number of meetings held between the municipality and the Traditional Authorities. The POE will be the invitation, agenda, minutes and attendance register

E3. To promote effective public participation in the affairs of the municipality	E3.1. Facilitate Municipal Stakeholder engagements	E3.1.1	Number of meetings convened by Mayor/executive committee to provide report to the community on service delivery issues	Stakeholder Engagement	4 meetings convened by Mayor/executive committee to provide report to the community on service delivery issues by 30 June 2024		4 meetings were convened by Mayor/executive committee to provide report to the community on service delivery issues by 30 June 2024	Number	1	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This is a simple count of number of meetings convened by Mayor/executive committee to provide report to the community on service delivery issues. POE will be attendance register with names and signature of the Traditional leaders or their representatives
		E3.1.2	Percentage of ward committees that are functional		100% of Ward committees to be functional by 30 June 2024		100% of ward committees were functional by 30 June 2024	%	100% wards committees were functional in 2021/22FY	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This is a Percentage count of ward committees that are functional. Formula is (number of functional wards divided by the 23 (total number of ward committees), multiply by 100. The POE will be the 23 agendas and attendance registers
		E3.1.3	Number of IDP-RF meetings coordinated		2 IDP-RF meetings coordinated by 30 June 2024		2 IDP RF Meetings coordinated by 30 June 2024	Number	2	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This is a simple count number of IDP-RF meetings held in a financial year. The POE will be the signed agenda, attendance register and minutes
		E3.1.4	Number of Waste Management Forum conducted		2 Waste Management Forum conducted by 30 June 2024		2 Waste Management Forum meetings conducted by 30 June 2024	Number	0	R0.00		N/A	N/A	Community Services	Administration and Satellite offices	This is a simple count of number of Waste Management Forum conducted. The POE will be the signed agenda, attendance register and minutes
E4. To ensure effective governance through municipal policy development	E4.1. Development and monitoring of municipal policies and by-laws	E4.1.1	Number of policies (reviewed) tabled to Council in compliance with MFMA Section 64(2)(a)	Municipal Policies & By-Laws	3 policies (reviewed) (Tariff Policy, Credit Control & Debt Collection Policy) tabled to Council for approval by 31 May 2024		3 reviewed policies tabled and approved by Council on the 22nd of May 2024	Number	3 policies (Tariff Policy, Credit Control & Debt Collection Policy) tabled to Council for approval by 31 May 2022	R0.00		**The following policies were reviewed** - Tariff Policy, Credit Control & Debt Collection Policy.	N/A	Finance Department	Administration and Satellite offices	This is a simple count of number of policies (reviewed) tabled to Council in compliance with MFMA Section 64(2)(a). The POE will be the financial policies and council resolution

		E4.1.2	Date of Gazetting of municipal By-Laws		Municipal By-laws gazetted by 30 June 2024		Target not achieved	Date	New KPI	R1,000,000.00		Due to cash flow challenges faced by the municipality, the target could not be achieved.	Gazetting of By-laws has been budgeted for in the 2024/25 FY. By-laws will be gazetted in March 2025 as per SDBIP 2024/25.	Office of the MM	Administration and Satellite offices	The indicator measures the date upon which Municipal By-laws will be gazetted. It is measured on a date. The POE would be the official gazette with the By-laws
E5. To ensure functional, risk-conscious and compliant management committees	E5.1. Facilitation of functional Management Committees	E5.1.1	Number of Audit Committee Meetings held	Management Committees	4 Audit Committee meetings conducted by 30 June 2024		4 Audit Committee meetings conducted by 30 June 2024	Number	4	R0.00	R271,962.00	N/A	N/A	Office of the MM	Administration and Satellite offices	This is simple count of number of Audit Committee Meetings held in a financial year. The POE will be the signed agenda, attendance register and minutes

		E5.1.2	Number of Risk Management Committee meetings held		4 Risk Management Committee meetings held by 30 June 2024		1 Risk Management Committee meeting was held by 31 March 2024	Number	4	R0.00	R103,656.00	ERMC was functional only for the 2nd half of the year as the standing Chairperson was only appointed in January, after the contract of his predecessor expired at the end of the 22/23FY. The Annual Risk Assessment was conducted on the 25th of June 2024. The resulting report from this assessment was meant to be presented to the ERMC. The report however was only completed by the 28th of June 2024, thus missing the target for the last quarter	The ERMC will be held by the 13th of July 2024.	Office of the MM	Administration and Satellite offices	This is a simple count of number of Risk Management Committee meetings held in a financial year. The POE will be the signed agenda, attendance register and minutes
		E5.1.3	Number of Municipal Disaster Management Inter-Departmental Committee meetings held		4 Municipal Disaster Management Inter-Departmental Committee meetings held by 30 June 2024		4 Municipal Disaster Management Inter-Departmental Committee meetings were held in 2023/24 FY	Number	New project	R0.00		N/A	N/A	Community Services	Administration and Satellite offices	This is a simple count of number of Municipal Disaster Management Inter-Departmental Committee meetings held in a financial year. The POE will be the signed agenda, attendance register and minutes

	E5.2. Development and monitor Strategic Risk Management register in line with the municipal strategic document (IDP) implementation	E.5.2.1	Date of Development of Municipal Strategic Risk register	Risk Management	Municipal Strategic Risk register developed by 31 March 2024		Municipal Strategic Risk register developed and completed on the 12th of March 2024	Date	Municipal Strategic Risk register developed by 30 September 2022	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This indicator measure the date upon which the Municipal Strategic Risk register would be developed. The POE will be a Municipal Strategic Risk Register
E6. To ensure Institutional accountability and transparency	E6.1.. Ensure Complaint Reporting and Publication	E6.1.1	Number of Audit Action Plan reports tabled to Audit Committee	Audit Action Plan	4 Audit Action plan reports tabled to the Audit Committee by 30 June 2024		3 Audit Action Plan reports were tabled to Audit Committee by 31 March 2024	Number	4	R0.00		No Audit committee meeting took place in Q4.	Q4 items to be incorporated within the first quarter Agenda.	Office of the MM	Administration and Satellite offices	This is a simple count of number of Audit Action Plan reports tabled to Audit Committee in a financial year. The POE will be Audit Action Plan report, Audit Committee minutes
		E6.1.2	Number of Circular 88 indicators reports submitted to COGTA	Reporting & Publication	4 Circular 88 indicators reports submitted to COGTA by 30 June 2024		4 C88 indicators reports submitted to COGTA by 30 June 2024	Number	4	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This is a simple count of number of Circular 88 indicators reports submitted to COGTA in the financial year. The POE will be C88 report and proof of submission which could be an e-mail if sent via an e-mail
		E6.1.3	Date of submission of the 2024/25 FY budget & SDBIP to Provincial Treasury		2024/25 FY Budget and SDBIP submitted to Provincial Treasury by 30 June 2024		The 2024/25 Budget and SDBIP was submitted to KZN Treasury on the 4th of March 2024	Date	2023/24FY Budget and SDBIP submitted to Provincial Treasury by 30 June 2023	R0.00		N/A	N/A	Finance Department and Office of the MM	Administration and Satellite offices	This indicator measure the date of submission of the 2024/25 FY budget & SDBIP to Provincial Treasury. POE will be the 23/24 Budget, SDBIP and proof of submission

	E6.2. Ensure timeous dissemination of public information	E6.2.1	Date of adoption of Reviewed Communication Strategy and Policy	Information Dissemination	Reviewed 2023/24 FY Communication Strategy and Policy adopted by council by 30 September 2023	Reviewed 2023/24 FY Communication Strategy and Policy adopted by council by 30 June 2024	Target not achieved	Date	Communication Strategy and Policy adopted by council by 30 September 2022	R0.00		During the organisational structure review, the Communications Manager position was abolished which left this indicator unattended.	The acting manager responsible for the communications function has been appointed (Manager Executive Support). Target moved to Q1 of 2024/25 financial year.	Office of the MM	Administration and Satellite offices	This indicator measure the date upon which the Reviewed Communication Strategy and Policy would be adopted by the council. The POE will be the Communication Strategy and Policy, and council resolution
F. CROSS-CUTTING INTERVENTIONS																
F1. To provide strategic planning support across the organization, i.e. IDP	F1.1. Development of a credible Integrated Development Planning (IDP)	F1.1.1	Date of adopting the 2024/2025 IDP Process plan	Integrated Development Planning	Council-adopted 2024/2025 IDP Process Plan by 31 August 2023		2024/2025 IDP Process Plan was adopted by Council on the 05th of September 2023	Date	30-Sep-22	R0.00		Following change in political leadership in July 2023, council meetings could not be held as per schedule of meetings due to instability. This then resulted in missing the targets for compliance indicators.	N/A	Office of the MM	Administration and Satellite offices	This indicator measure the date of adopting the 2024/2025 IDP Process plan. The POE will be the IDP process plan and council resolution
		F1.1.2	Date of adopting of an 2024/2025 IDP document		Council-adopted 2024/2025 IDP by 30 June 2024		2024/25 IDP was adopted by Council on the 22nd of May 2024	Date	26-May-23	R0.00		N/A	N/A	Office of the MM	Administration and Satellite offices	This indicator measures the date of adoption of the 2024/2025 IDP document. The POE will be the IDP and council resolution

F2. To promote a functionally structured urban and rural spatial development pattern guided by identified nodes and corridors through an effective land use management system	F2.1. Guide, monitor & control spatial planning, land use management & development within the municipality	F2.1.1	Number of Inspection reports of new buildings and building alterations submitted to the accounting officer	Spatial Planning and Land-Use Management	4 inspection reports of new buildings and building alterations by 30 June 2024		4 reports were submitted by 30 June 2024	Number	New project	R0.00		N/A	N/A	Planning & Economic Development	Administration and Satellite offices	This is a simple count of number of Inspection reports of new buildings and building alterations submitted to the Accounting Officer. The POE will be the inspection reports and proof of submission
		F2.1.2	Number of reports on the transfer of properties into Nongoma municipality tabled to EXCO.		2 reports on the transfer of properties into Nongoma municipality tabled to EXCO by 30 June 2024		1 report was tabled in 2023/24 FY	Number	2	R0.00		No report finalised since the municipality has experienced a delay in appointing a conveyancer due to budget constraints.	The target to be re-considered in 2025/26 FY	Planning & Economic Development	Administration and Satellite offices	This indicator measures the number of reports on the transfer of properties into Nongoma municipality tabled to EXCO. The POE will be the report EXCO agenda and minutes
		F2.1.3	Number of reports on applications processed through JMPT tabled to EXCO		4 reports on applications processed through JMPT tabled to EXCO by 30 June 2024		1 report was tabled in 2023/24 FY	Number	4	R0.00		Applications are tabled depending on the sitting of the JMPT (which is coordinated by the Zululand District Municipality); no meetings were held since Q2.	The KPI has been revised in 2024/25 FY SDBIP to cover only the work that is within the municipality's control.	Planning & Economic Development	Administration and Satellite offices	This indicator measures the number of reports on applications processed through JMPT tabled to EXCO by 30 June 2024. The POE will be the JMPT reports, EXCO Agenda & minutes.
		F2.1.4	Date of tabling of the Nongoma Traffic Impact Assessment	Traffic Impact Assessment	Nongoma Traffic Impact Assessment report tabled to Council by 31 December 2023	Nongoma Traffic Impact Assessment report tabled to Council by 30 June 2024	Target not achieved	Date	New project	R200,000.00		Due to cash flow challenges faced by the municipality, the target could not be achieved.	Target will be re-considered in 2025/26 FY.	Planning and Economic Development	Administration and Satellite offices	This indicator measures the date upon which the Nongoma Traffic Assessment report would be tabled to council. It is measured on a date. The POE would the Nongoma Traffic Assessment report and council resolution

F3.To enhance resilience of ecosystem services	F3.1. Maintain and improve the environmental integrity of Nongoma municipal area of jurisdiction	F3.11	Number of IWMP Implementation reports tabled to EXCO	Integrated Waste Management Plan Implementation	4 IWMP Implementation Reports tabled to EXCO by 30 June 2024	2 IWMP Implementation Reports tabled to EXCO by 30 June 2024	0	Number	4	R0.00		IWMP was in the process to be reviewed hence the process started later with the help of EDTEA National. The training process started on 1st and 3rd of July 2024.	The Waste Management unit has commenced uploading the information in the EDTEA portal to produce the reviewed IWMP. Reporting on its implementation will commence in the second quarter.	Community Services	Administration and Satellite offices	This indicator measures the number of IWMP Implementation reports tabled to EXCO. The POE would be the report, EXCO agenda and minutes
		F3.1.2	Date of adoption of the Alien Invasive Species Eradication Plan	Ecosystem services	Alien Invasive Species Eradication Plan adopted by council by 31 December 2023		Alien Invasive Species Eradication Plan was adopted by council on the 27th of October 2023	Date	Rollover	R0.00		N/A	N/A	Community Services	Administration and Satellite offices	This indicator measures the date of adoption of the Alien Invasive Species Eradication Plan. The POE will be the AISE Plan and council resolution
F4. To ensure appropriate adaptation and effective response to Climate Change	F4.1. Review and implementation of Disaster Management Plan	F4.1.2	Number of Disaster Management Implementation report tabled to EXCO	Disaster Management	2 Disaster Management Implementation report tabled to EXCO by 30 June 2024		0	Number	New Indicator	R0.00		Not achieved due to review of Disaster Management Plan undertaken in the fourth quarter.	The Disaster Management Plan was tabled and adopted by Council on the 22nd of May 2024. Reporting on its implementation will commence in the first quarter.	Community Services	Administration and Satellite offices	This is a simple count of number of Disaster Management Plan Implementation reports tabled to EXCO. The POE would be the report and EXCO minutes

5. LIST OF ANNEXURES

Annexure A – Annual Financial Statements for the year ended 30 June 2024

Annexure B – Auditor General's Report (2023/2024 FY)

Annexure C: Audit Action Plan

Annexure D: Audit and Performance Committee Report

ANNEXURE A:

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Umkhandlu wakwa
NONGOMA
Local Municipality

ANNUAL FINANCIAL STATEMENTS
REGISTRATION NUMBER KZN265
FOR THE YEAR ENDED
30 JUNE 2024

NONGOMA LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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The reports and statements set out below comprise the Annual Financial Statements presented to the council:

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UIF	Unemployment Insurance Fund
GRAP	General Recognised Accounting Practice
FMG	Financial Management Grant
AGSA	Auditor General South Africa
INEP	Integrated National Electrification Program
LG SETA	Local Government Sector Education and Training Authority
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
SARS	South Africa Revenue Services
PAYE	Pay As You Earn
SIC	Standard Industrial Classification
mSCOA	Municipal Standard Charts of Accounts
SALGA	South Africa Local Government Association

General Information

MEMBERS OF COUNCIL AS AT 30 JUNE 2024

Cllr. C.M. Ndabandaba: Hon. Mayor: Chairperson of the Finance Portfolio & Executive Committee
Cllr. B.H. Sithole: Hon. Speaker: Chairperson of the Council
Cllr. G.S. Nkosi: Hon. Deputy Mayor: Chairperson of the Planning & Economic Development Portfolio
Cllr S.M. Zulu: Chief Whip
Cllr. K.M. Dladla: Chairperson of the Community Services Portfolio
Cllr. M.N. Sokhela: Chairperson of the Corporate Services
Cllr. M.N. Mthembu: Chairperson of the Technical & Infrastructure Portfolio
Cllr. S.C. Ndwandwe: Chairperson of the MPAC
Cllr. M.A. Mncwango: Exco Member (Resigned June 2024)
Cllr. S.L. Mbongwa: Exco Member
Cllr J.T. Nkosi: Exco Member
Cllr T.J. Nsele: Exco Member
Cllr P.W. Gumbi
Cllr N.A. Manqele
Cllr. L.N. Buthelezi
Cllr. L.N. Mdluli
Cllr. Z.N. Sithole
Cllr. N.G. Xaba
Cllr. T.J.C. Mthimkhulu
Cllr. F.M. Shongwe
Cllr. G.N. Mthiyane
Cllr. N.S Duma (Deceased 07 January 2024)
Cllr. B.C Mvelase (Appointed June 2024)
Cllr. B.G. Ndwandwe
Cllr. S.A. Mhlongo
Cllr. M.P. Nxumalo
Cllr. S.S.Z. Dlamini
Cllr. T.M. Ndwandwe
Cllr. M.A. Mtshali
Cllr. Z.H. Zungu
Cllr. N.P. Ndebele
Cllr. B.L. Buthelezi
Cllr. M.H. Zulu
Cllr. V.P. Mpanza
Cllr. B.W. Zulu
Cllr S.S.P. Mbatha
Cllr. D.J. Mtshali
Cllr. N.M. Manqele
Cllr. S.V. Nxumalo
Cllr. N.F. Zungu
Cllr. M.E. Ndwandwe
Cllr. C.S.P. Sithole
Cllr. B.A. Mncwango
Cllr. B.S. Mbatha
Cllr. N. Msomi
Cllr. N.M Mchunu (Deceased 30 July 2023)
Cllr. S. Gazu (Appointed in October 2023)

AUDITORS

Auditor-General of South Africa
460 Town Bush Rd, Town Bush Office Park, Montrose, Pietermaritzburg
KwaZulu Natal

BANKERS

First National Bank
Shop 1 Kwa Mnqandi, Main Road
Nongoma 3950

REGISTERED OFFICE

Lot 103, Main Street Nongoma 3950	P O Box 84 Nongoma 3950	Tel: (035) 831 7500 Fax: (035) 831 3152

Webpage: www.nongoma.gov.za
E-mail: info@nongoma.gov.za

MUNICIPAL MANAGER

Vacant at the time of submission

CHIEF FINANCIAL OFFICER

Vacant at the time of submission

LEGAL FORM

Category B Municipality which operates in accordance with Chapter 7 of the Constitution of South Africa.

The Objects of Local Government are:
- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)"

NATURE OF BUSINESS

The provision of services (Property rates and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.

LEGISLATIONS GOVERNING THE MUNICIPALITY

- Constitution of the Republic of south Africa (Act 108 of 1998)
- Local Government: Municipal Finance Management Act (Act 56 of 2003)
- Local Government: Municipal Systems Act (Act 32 of 2000)
- Local Government: Municipal Structures Act (Act 117 of 1998)
- Municipal Property Rates Act (Act of 6 2004)
- Division of Revenue Act (Act 1 of 2007)

Approval of Annual Financial Statements

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

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

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

I also certify that salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office as disclosed in the Annual Financial Statements below are within the upper limits of the framework envisaged in Section 219 of the Constitution, read in conjunction with the Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The Annual Financial Statements set out on page 8, which have been prepared on the going concern basis.

In absence of the Accounting Officer, honourable Mayor takes the responsibility to authorise/approve Annual Financial Statements of Nongoma Local Municipality for the financial year ended 30 June 2024.



Cllr C.M. Ndabandaba
Honourable Mayor

31 August 2024
Date

Report of the Auditor General

NONGOMA LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Note	Actual 2024 R	2023 Restated R
ASSETS			
Current Assets		**34 595 029**	**47 287 641**
Receivables from Exchange Transactions	2.	7 262 423	10 208 061
VAT Receivable	3.	6 299 639	10 936 355
Receivables from Non-Exchange Transactions	4.	21 032 967	25 721 027
Cash and Cash Equivalents	5.	-	422 197
Non-Current Assets		**393 609 088**	**399 490 045**
Property, Plant and Equipment	6.	393 558 578	399 383 331
Intangible Assets	7.	50 510	106 714
Total Assets		**428 204 117**	**446 777 686**
LIABILITIES			
Current Liabilities		**110 321 115**	**104 278 726**
Bank Overdraft	5.	2 321 073	-
Payables from Exchange Transactions	8.	92 388 478	101 179 572
Unspent Conditional Grants and Receipts	9.	10 960 582	-
Operating Lease Liabilities	10.	1 046 508	213 591
Finance Lease obligation	10.	2 910 475	2 513 563
Provisions	12.	694 000	372 000
Non-Current Liabilities		**18 308 191**	**20 717 793**
Finance Lease obligation	10.	2 611 516	5 552 276
Provisions	12.	15 696 674	15 165 517
Total Liabilities		**128 629 306**	**124 996 519**
Total Assets and Liabilities		**299 574 811**	**321 781 167**
NET ASSETS		**299 574 811**	**321 781 167**
Accumulated Surplus / (Deficit)	13.	299 574 811	321 781 167
Total Net Assets		**299 574 811**	**321 781 167**

NONGOMA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Note	Actual 2024 R	2023 Restated R
REVENUE			
Revenue from Non-exchange Transactions		**277 245 931**	**289 406 870**
Property Rates	14.	31 929 596	29 549 853
Fines, Penalties and Forfeits	15.	434 600	1 540 352
Revenue from construction contracts	18.	3 080 336	3 000 000
Transfers and Subsidies	17.	239 101 062	254 002 131
Interest, Dividends and Rent on Land Earned	22.	2 700 337	1 314 534
Revenue from Exchange Transactions		**4 711 216**	**5 779 130**
Licences and Permits	16.	1 579 985	1 343 576
Service Charges	19.	2 176 731	2 101 048
Sales of Goods and Rendering of Services	20.	67 415	64 721
Rental from Fixed Assets	21.	248 662	249 234
Interest, Dividends and Rent on Land Earned	22.	632 653	1 061 083
Operational Revenue	23.	5 770	803 871
Gains on Disposal of Property, Plant and Equipment	34.	-	155 597
Total Revenue		**281 957 147**	**295 185 999**
EXPENDITURE		**305 418 504**	**286 741 317**
Employee Related Costs	24.	116 913 125	115 644 176
Remuneration of Councillors	25.	18 002 681	17 461 470
Depreciation, Amortisation and Assets Impairments	26.	36 667 776	22 208 249
Debtors write-off and Impairment Losses	27.	16 048 558	17 760 470
Interest, Dividends and Rent on Land	28.	3 286 897	2 604 551
Contracted Services	29.	59 088 507	57 161 761
Inventory Consumed	30.	6 961 027	5 980 466
Transfers and Subsidies Paid	31.	3 169 566	3 251 626
Operating Leases	32.	2 808 307	2 573 160
Operational Costs	33.	42 346 066	42 095 389
Loss on Disposal of Property, Plant and Equipment	34.	125 994	-
Total Expenditure		**305 418 504**	**286 741 317**
OPERATING SURPLUS / (DEFICIT) FOR THE YEAR		**(23 461 356)**	**8 444 683**
OTHER REVENUE / EXPENDITURE INCURRED			
Actuarial gains/Loss	12.	1 255 000	589 000
Reversal of accrual			-
TOTAL OTHER REVENUE / EXPENDITURE INCURRED		**(22 206 356)**	**9 033 681**
SURPLUS / (DEFICIT) FOR THE YEAR		**(22 206 356)**	**9 033 681**

NONGOMA LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Accumulated Surplus/ (Deficit)	Total Net Assets
	R	R
2023		
Balance at 30 June 2022	312 675 615	312 675 615
Restated Balance	**312 675 615**	**312 675 615**
Surplus / (Deficit) as per prior 2022/23 AFS	9 033 681	9 033 681
Prior period adjustment	71 871	71 871
Restated Surplus / (Deficit) for the year	9 033 681	9 033 681
Balance at 30 June 2023	**321 781 167**	**321 781 167**
Balance at 01 July 2023 as Restated	**321 781 167**	**321 781 167**
Surplus / (Deficit) for the year	(22 206 356)	(22 206 356)
Balance at 30 June 2024	**299 574 811**	**299 574 811**

Details on the movement of the Funds and Reserves are set out in Note 35.1

NONGOMA LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	Actual 2024	2023
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		24 063 635	38 304 365
Fines, Penalties and Forfeits		332 496	1 540 352
Transfers and Subsidies		242 181 398	257 002 131
Service Charges		1 170 102	2 101 048
External Interest and Dividends Received		632 652	521 586
Rental of fixed assets		230 369	249 234
Licence and permits		1 579 985	1 343 576
Sale of goods and services		67 415	64 720
Other Receipts		5 770	803 871
Prepayments and advances		746 340	-
VAT Received		4 636 716	-
Payments			
Employee Related Costs		(116 913 126)	(115 644 176)
Remuneration of Councillors		(18 002 681)	(17 461 470)
External Interest and Dividends Paid		(3 286 897)	(2 604 551)
Suppliers Paid		(107 548 997)	(92 243 475)
VAT Paid		-	(1 120 319)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**47.**	**29 895 178**	**72 856 892**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**6.**	(30 094 602)	(59 293 525)
Purchase of Intangible Assets	**7.**	-	(126 522)
Proceeds / (Losses) on Disposal of Property, Plant and Equipment	**6.**	-	200 000
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(30 094 602)**	**(59 220 047)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in Finance Leases (Leases Redeemed)		(2 543 848)	(1 058 799)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(2 543 848)**	**(1 058 799)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(2 743 270)**	**12 578 046**
Cash and Cash Equivalents at Beginning of Financial Year	**5.**	422 197	(12 155 849)
Cash and Cash Equivalents at End of Financial Year	**5.**	(2 321 073)	422 197

NONGOMA LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

30 June 2024

Description	Original Budget	Adjustment	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R
FINANCIAL POSITION							
Current Assets							
Cash and Cash Equivalents	46 038 000,0	(41 983 000,0)	4 055 000,0	0.00	(4 055 000,0)	-100%	-100%
Receivables from exchange Transactions	6 190 000,0	4 287 000,0	10 477 000,0	7 262 423,3	(3 214 576,7)	-31%	17%
VAT Receivable	(1 174 000,0)	30 091 000,0	28 917 000,0	6 299 638,7	(22 617 361,3)	-78%	100%
Receivables from Non-exchange Transactions	1 674 000,0	1 167 000,0	2 842 000,0	21 032 966,8	18 190 966,8	640%	1156%
	52 728 000	**(6 438 000)**	**46 291 000**	**34 595 029**	**(11 695 971)**	**-25%**	**-34%**
Non-Current Assets							
Property, Plant and Equipment	464 690 000,0	(39 149 000,0)	425 541 000,0	393 558 577,8	(31 982 422,2)	-8%	-15%
Intangible	2 829 000,0	78 000,0	2 906 000,0	50 510,0	(2 855 490,0)	-98%	-98%
Total Assets	**467 519 000,0**	**(39 071 000,0)**	**428 447 000,0**	**393 609 087,8**	**(34 837 912,2)**	**-8%**	**-16%**
	520 247 000,0	**(45 509 000,0)**	**474 738 000,0**	**428 204 116,6**	**(46 533 883,4)**	**-10%**	**-18%**
Current Liabilities							
Bank Overdraft	0.00	0.00	0.00	2 321 072,9	2 321 072,9	100%	100%
Borrowing	2 654 000,0	(2 216 000,0)	438 000,0	2 910 474,7	2 472 474,7	564%	10%
Trade and other payables exchange transactions	14 835 000,0	93 633 000,0	108 468 000,0	92 388 477,7	(16 079 522,3)	-15%	523%
Unspent Conditional Grants and Receipts	0.00	0.00	0.00	10 960 581,6	10 960 581,6	100%	100%
Lease Payables	0.00	0.00	0.00	1 046 508,1	1 046 508,1	100%	100%
VAT Payable	421 000,0	160 000,0	581 000,0	0.00	(581 000,0)	-100%	-100%
Provisions	0.00	372 000,0	372 000,0	694 000,0	322 000,0	87%	0%
Non-Current Liabilities							
Borrowing	0.00	5 552 000,0	5 552 000,0	2 611 516,3	(2 940 483,7)	-53%	0%
Provisions	15 128 000,0	38 000,0	15 166 000,0	15 696 674,3	530 674,3	3%	4%
Total Liabilities	**107 856 000,0**	**22 721 000,0**	**130 577 000,0**	**128 629 305,6**	**(1 947 694,4)**	**-1%**	**19%**
Total Assets and Liabilities	**412 391 000,0**	**(68 230 000,0)**	**344 161 000,0**	**299 574 810,9**	**(32 890 217,8)**	**-13%**	**-27%**
Net Assets (Equity) for the year							
Accumulated Surplus / (Deficit) for the year	419 183 000,0	(46 531 000,0)	372 652 000,0	299 574 810,9	(73 077 189,1)	-20%	-29%
Total Net Assets	**419 183 000,0**	**(46 531 000,0)**	**372 652 000,0**	**299 574 810,9**	**(73 077 189,1)**	**-20%**	**-29%**

Financial Position: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Position are explained below:

Cash and Cash Equivalents:
The Cash and Cash Equivalents is influenced by the opening creditors to 2023/24 financial year. Furthermore, the existence of unauthorised expenditure influences this account balance.

Receivables from Non-exchange Transactions
Refuse removal, and rental debtors increased due to non payment of customers.

Receivables from Exchange Transactions
The receivables from exchange transactions dropped due to provision of impairments of government debtors

Consumer Debtors:
The interest write off on government debt influenced the consumer debtors balance at 30 June 2024. The collection rate remained stagnant when comparing current year to prior year.

Intangible:
Acquisition of computer software linked to acquisition of new computers influences the Intangible Assets. Intangible Assets variance is due to lesser computers acquired during the year which needed Microsoft windows.

Trade and Other Payables:
Despite the trade payables, the year-end transactions which included leave provision as well as salary creditors influenced the trade and other payables account balance. The variance is due to the increase in the retention liability as well as the unplanned changes in contracted services, such as the security and the waste removal activities.

VAT Receivable
Vat refunds were paid by SARS to the Municipality FNB bank account and some were set-off against the Pay-As-You-Earn.

Provisions:
This amount relates to Employee Related Benefits and Rehabilitation of landfill sites. The increase was due to the increase in Landfill site estimate.

Borrowings:
The amount of borrowing was only budgeted for under non-current liabilities instead of both non-current and current portion.

Operating lease liability
The Municipality planned to pay full amount for lease properties and nothing was budgeted for lease payable as at 30 June 2024.

Unspent conditional grants
The municipality planned to utilise all grants hence nothing was budgeted for unspent conditional grants.

VAT Payables
It was not budgeted for as the Municipality always received refunds from SARS and never owed SARS Vat amount.

Bank Overdraft:
Municipality had cash flow issues and needed an overdraft (short-term debt) for the month of June 2024. This was never budgeted.

Accumulated Surplus / (Deficit):
The variance resulted from the budget provision which did not take into account the opening balance of the accumulated surplus. Only current year movements were considered.

30 June 2024

Description	Original Budget	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R
FINANCIAL PERFORMANCE							
Revenue from Non-exchange Transactions							
Property Rates	30 712 000	404 000	31 116 000	31 929 596	813 596	3%	4%
Interest, Dividends and Rent on Land Earned (External Investments)	1 237 000	638 000	1 874 000	632 653	(1 241 347)	-66%	-49%
Fines, Penalties and Forfeits	821 000	(51 000)	770 000	434 600	(335 400)	-44%	-47%
Transfers and Subsidies	208 295 000	0.00	208 295 000	242 181 398	33 886 398	16%	16%
Revenue from exchange Transactions							
Service Charges	1 786 000	138 000	1 924 000	2 176 731	252 731	13%	22%
Rental of Facilities and Equipment	150 000	222 000	372 000	248 662	(123 338)	-33%	66%
Interest, Dividends and Rent on Land Earned (Outstanding Debtors)	455 000	782 000	1 237 000	2 700 337	1 463 337	118%	493%
Licences and Permits	1 494 000	726 000	2 220 000	1 579 985	(640 015)	-29%	6%
Other Revenue	297 000	472 000	769 000	73 185	(695 815)	-90%	-75%
Total Revenue	**245 247 000,0**	**3 331 000,0**	**248 577 000,0**	**281 957 147,3**	**33 380 147,3**	**13%**	**15%**
Expenditure							
Employee Related Costs	120 539 000	(5 347 000)	115 191 000	116 913 125	1 722 125	1%	-3%
Remuneration of Councillors	18 499 000	402 000	18 901 000	18 002 681	(898 319)	-5%	-3%
Debt Impairment	2 000 000	(200 000)	1 800 000	16 048 558	14 248 558	792%	702%
Depreciation and Asset Impairment	15 000 000	3 000 000	18 000 000	36 667 776	18 667 776	104%	144%
Finance Charges	900 000	0.00	900 000	3 286 897	2 386 897	265%	265%
Inventory consumed	3 652 000	2 624 000	6 276 000	6 961 027	685 027	11%	91%
Contracted Services	26 093 000	16 497 000	42 590 000	59 088 507	16 498 507	39%	126%
Operating Leases	0.00	0.00	0.00	2 808 307	2 808 307	100%	100%
Transfers and Subsidies paid	870 000	3 000 000	3 870 000	3 169 566	(700 434)	-18%	264%
Other Expenditure/Operational costs	40 882 000	(6 791 000)	34 091 000	42 346 066	8 255 066	24%	4%
Loss on Disposal of Property, Plant and Equipment	0.00	0.00	0.00	125 994	125 994	100%	100%
Total Expenditure	**228 435 000**	**13 185 000**	**241 619 000**	**305 418 504**	**63 799 504**	**26%**	**34%**
Surplus/(Deficit) for the Year	**16 812 000,0**	**(9 854 000,0)**	**6 958 000,0**	**(23 461 356,4)**	**(30 419 356,4)**	**-437%**	**-240%**
Transfers and subsidies - capital (monetary allocations)	46 490 000,0	(2 507 000,0)	43 983 000,0	33 022 418,4	(10 960 582)	-25%	-29%

Financial Performance: Explanation of Variances between Approved Budget and Actual

Service Charges:
The revenue recognised is higher than anticipated due to budget provision being unrealistically lower than the actual outcome.

Licences and Permits
The licencing department made lower revenue compared to the budget due to the new system that was introduced.

Other Revenue
The Municipality did not win the awards of clean town like the prior year, the actual amount is therefore lower.

Fines, Penalties and Forfeits
Traffic department implemented campaign in December 2023 and April 2024 that resulted in a number of fines being issued for licences and other traffic violations. However, the revenue was not enough to reach the budgeted figures.

Loss on disposals
Two(2) Laptops and a Generator were stolen KwaKhetha Library and resulted in a loss for the Municipality, this event was never anticipated.

Contracted Services
The increase was due to projects that were not completed as at June 2023 and overlapped to 2023/24 financial period and maintenance of infrastructure that was not anticipated or planned.

Inventory consumed
Extra material or consumables for maintenance of infrastructure and roads that was not anticipated or planned.

Transfers and Subsidies paid
The executive council (Mayor) assisted the community with less funds than budgeted.

Operating Leases
This was an oversight error and no budget was made for operating leases.

Rental of Facilities and Equipment:
This relates to the rental of municipal buildings, community halls and other municipal facilities were used less than unticipated.

Interest, Dividends and Rent on Land Earned (External Investments)
This interest relates to interest earned on bank and investments. The income recognised is higher than anticipated as a result of a date of payment of suppliers being fixed largely to the month-end.

Interest, Dividends and Rent on Land Earned (Outstanding Debtors)
This interest relates to interest earned on late or payment not received from commercial and residential debtors. The income recognised is higher than anticipated as a poor payment trend from residential customers.

Transfers and Subsidies:
Transfers and Subsidies revenue relate to conditional and non-conditional grants received from National and Provincial Government. The revenue recognised is higher than the budgeted amount, mostly due to no rollovers as was anticipated during the budget period.

Debt Impairment:
The variance is due to a write off of interest income recognised from the Government Debt. The municipality effective from 2023/2024 financial year is exempted from charging interest on government debtors.

Depreciation and Asset Impairment:
The variance is due to depreciation being under-budgeted for and the final calculation of the reviewed Fixed Asset Register (FAR) was higher than the expected budget.

Finance Charges:
The variance is due over provision for interest charges on outstanding loans.

Operational costs
Operational costs are day-to-days needs of the municipality. Increase is due to anticipated costs that were needed for the municipality to function.

Transfers and subsidies - capital (monetary allocations)
The municipality planned to utilise all grants hence nothing was budgeted for unspent conditional grants.

NONGOMA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

30-Jun-24 scription	Original Budget	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R
CASH FLOW STATEMENT							
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts:							
Property Rates	24 569 000	1 009 000	25 578 000	24 063 635	1 514 365,1	-6%	-2%
Service Charges	1 643 000	(556 000)	1 087 000	1 170 102	(83 101,7)	8%	-29%
Other Receipts	29 129 000	(23 848 000)	5 281 000	2 962 376	2 318 624,3	-44%	-90%
External Interest and Dividends Received	. 455 000	782 000	1 237 000	632 652	604 347,8	-49%	39%
Transfers and Subsidies - Operational	208 295 000	-	208 295 000	209 158 980	(863 979,8)	0,4%	0%
Transfers and Subsidies - Capital	46 490 000	(2 507 000)	43 983 000	33 022 418	10 960 581,6	-25%	-29%
VAT Receivable / Payable	-	-	-	4 636 716	(4 636 716,3)	100%	100%
	310 581 000	**(25 120 000)**	**285 461 000**	**275 646 879**	**9 814 121**	**-3%**	**-11%**
Payments:							
Suppliers and employees paid	(217 379 000)	(8 666 000)	(226 045 000)	(242 464 804)	16 419 804,0	7%	12%
External Interest and Dividends Paid and transfers	(870 000)	(3 900 000)	(4 770 000)	(3 286 897)	(1 483 103,0)	-31%	278%
	(218 249 000)	**(12 566 000)**	**(230 815 000)**	**(245 751 701)**	**14 936 701**	**6%**	**13%**
NET CASH FROM/(USED) OPERATING ACTIVITIES	**92 332 000**	**(37 686 000)**	**54 646 000**	**29 895 178**	**24 750 822**		
Cash Flows from/(used in) Investing Activities							
Purchase of Property, Plant and Equipment	(50 614 000)	1 889 000	(48 725 000)	(30 094 602)	(18 630 398,2)	-38%	-41%
Proceeds on Disposal of Property, Plant and Equipment	-	-	-	-	-	100%	100%
	(50 614 000)	**1 889 000**	**(48 725 000)**	**(30 094 602)**	**(18 630 398)**	**-38%**	**-41%**
Cash Flows from/(used in) Financing Activities							
Decrease in Long-term Borrowings (Loans Repaid)	(822 000)	(1 467 000)	(2 289 000)	(2 543 848)	254 848,0	11%	209%
Cash and Cash Equivalents at End of the Year	**40 896 000**	**(37 263 000)**	**3 633 000**	**(2 743 270)**	**6 376 270,3**	**-176%**	**-107%**
Cash and Cash Equivalents at Beginning of Financial Year	5 142 000	(4 720 000)	422 000	422 197	(197,4)	0%	-92%
Cash and Cash Equivalents at End of Financial Year	46 038 000	(41 983 000)	4 055 000	(2 321 073)	6 376 072,9	-157%	-105%

Cash Flow: Explanation of Variances between Approved Budget and Actual
Rea

Transfers and Subsidies - Capital
Results from the unspent conditional grants.

External Interest and Dividends Received:
The municipality incurred overdraft and was not making interest as budgeted.

Other Receipts:
The municipality made less income on fines, Licences and permits due to migration to the new system.

External Interest and Dividends Paid:
Overbudgeted for finance charges due bank overdraft.

VAT Receivable / Payable:
The municipality did not make provision for Vat receivable from SARS.

Purchase of Property, Plant and Equipment:
Results from the unspent conditional grants on MIG Projects.

Increase / (Decrease) in Short-term Loans:
The municipality paid more due to changes in interest rates.

Cash and Cash Equivalents at End of the Year:
Due to cash flow difficulties that resulted in an overdraft facility.

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Annual Financial Statements have been prepared on an accrual basis of accounting and in accordance with the historical cost convention as the basis of measurement, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality's operations. The Cash Flow Statement has been prepared using the Direct Method.

1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.2 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.2.1 Revenue Recognition

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). As far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

- Revenue for Traffic Fines:
  There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

1.2.2 Impairment of Financial Assets

Accounting Policy 1.7 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- Impairment of Trade Receivables:
  The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

- Impairment of Traffic Fines:
  Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

1.2.3 Impairment of Statutory Receivables

Accounting Policy 1.10 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Statutory Receivables recorded during the year is appropriate.

1.2.4 Capitalisation of Capital Assets

Judgement by management is required to distinguish between expenses incurred to maintain and repair capital assets and expenses incurred that will increase the remaining useful life of capital assets and needs to be capitalised to capital assets.

1.2.5 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 1.1, 1.1 and 8.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

1.2.6 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories

Accounting Policy 5 on Impairment of Assets, Accounting Policy 3.2 on Intangible Assets – Subsequent Measurement, Amortisation, Impairment and Accounting Policy 7.2 on Inventory – Subsequent Measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

1.2.7 Defined Benefit Plan Liabilities

The Municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the Municipality that was identified is Long-service awards. The estimated liabilities are recorded in accordance with the requirement of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant notes to the annual financial statements.

1.2.8 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

"A contingent liability is:
(a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
(b) a present obligation that arises from past events but is not recognised because:
(I) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
(ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognized. Contingencies are disclosed in note 42"

1.2.9 Principals and Agent Arrangements

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

The municipality is assessed to be the principal and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP. In order to assess that the municipality is the principal, the following factors were considered in applying its judgement:

- The municipality acts as a principal for the service provider, Syntel, who acts as an agent for the municipality with the sale of prepaid electricity and water.
- The municipality acts as a principal for the service provider, the Provincial Department of Transport, who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Nongoma Municipal Area.
- The municipality acts as a principal for the service provider, Central Karoo Traffic Systems (Pty) Ltd, who acts as an agent for the municipality with regards to the issuing and recovery of camera fines issued within the Nongoma Municipal Area.

The municipality is assessed to be the agent and only accounts for the amounts which the agent are entitled to in terms of the principal-agent arrangement. In order to assess that the municipality is the agent, the following factors were considered in applying its judgement:

- The municipality acts as an agent for Department of Transport for issuing licenses and permits and collects monies on their behalf.

1.2.10 Housing Arrangements

The municipality is not accredited to deliver housing under the national housing programme. However it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Human Settlements.

Management has assessed all arrangements in place and concluded that there are no housing arrangements to which it was a project manager or developer during this accounting period.

1.2.11 Budget Information

Deviations between budget and actual amounts are regarded as material differences when a 10% deviation exists. All material differences are explained in the relevant Notes to the Annual Financial Statements.

1.2.12 Segment Reporting

The municipality is assessed to have reportable segments as per the requirements of GRAP 18. In order to assess that the segments could be aggregated, the following factors were considered in applying its judgement:

- For management purposes the municipality is broadly organised into business units based on the nature of operations and the services they provide.
- No individually material operating segments have been aggregated to form the above reportable operating segments.
- The municipality does not monitor segments geographically.

1.3 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

The recent COVID-19 pandemic and its effect on the municipality's current and expected performance has been considered by management in the Going Concern Assumption.

1.4 Standards, Amendments to Standards and Interpretations published but not yet Effective

The following GRAP Standards and Interpretations have been published but are not yet effective and have not been early adopted by the municipality:

Standard of GRAP / Nature of Impending Changes / Expected Impact		Effective Date	Planned Date for Application by Municipality
• **GRAP 1**	**Presentation of Financial Statements (Revised)** Unlikely that there will be a material impact	01/04/2023	30/06/2024
• **GRAP 25**	**Employee Benefits (Revised)** Unlikely that there will be a material impact	Not yet determined	Not yet determined
• **GRAP 104**	**Financial Instruments (Revised)** Unlikely that there will be a material impact	01/04/2025	30/06/2026
• **GRAP 2020**	**Improvement to the Standards of GRAP 2020** Unlikely that there will be a material impact	01/04/2023	30/06/2024
• **IGRAP 7**	**The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction** Unlikely that there will be a material impact	Not yet determined	Not yet determined
• **IGRAP 21**	**The Effect of Past Decisions on Materiality** Unlikely that there will be a material impact	01/03/2023	30/06/2024
• **Guideline**	**Accounting for Landfill Sites** Unlikely that there will be a material impact	Not yet determined	Not yet determined
• **Guideline**	**The Application of Materiality to Financial Statements** Unlikely that there will be a material impact	Not yet determined	Not yet determined

1.5 BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. The annual budget figures included in the Annual Financial Statements are for the municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2023 to 30 June 2024.

1.6 INVENTORIES

1.6.1 Recognition and Initial Measurement

Inventories comprises current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. Where Inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where Inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

1.6.2 Subsequent Measurement

1.6.2.1 Consumable Stores

Subsequently, Inventories sold are valued at the lower of cost and net realisable value. The cost is determined using the Weighted Average Method.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost . The cost is determined using the Weighted Average Method.

1.6.2.2 Other Arrangements

Redundant and slow-moving Inventories identified are written down from cost to current replacement cost, if applicable.

Differences arising on the measurement of such Inventory at the lower of cost and current replacement cost or net realisable value, are recognised in Surplus or Deficit in the year in which they arise. The amount of any reversal of any write-down of Inventories arising from an increase in current replacement cost or net realisable value is recognised as a reduction in the amount of Inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of Inventories is recognised as an expense in the period that the Inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.7 FINANCIAL INSTRUMENTS

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement.

1.7.1 Initial Recognition

Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.7.2 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Long-term Receivables	Financial Assets at Amortised Cost
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents	Financial Assets at Amortised Cost

Trade and Other Receivables exclude Value Added Taxation, Prepayments and Operating Lease Receivables are classified as Financial Assets at Amortised Cost.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

1.7.3 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Payables from Non-exchange Transactions	Financial Liabilities at Amortised Cost

1.7.4 Initial and Subsequent Measurement

1.7.4.1 Financial Assets:

Financial Assets measured at Amortised Cost
Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

1.7.4.2 Financial Liabilities:

Financial Liabilities held at Amortised Cost
Any other Financial Liabilities are classified as Other Financial Liabilities (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

Prepayments are carried at cost less any accumulated impairment losses.

1.7.4.3 Impairment of Financial Assets

Financial Assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

1.7.4.4 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Consumer Debtors, where the carrying amount is reduced through the use of an allowance account. When a Consumer Debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

1.8 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

1.9 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the 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, in Surplus or Deficit.

1.10 STATUTORY RECEIVABLES

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

The municipality has the following Statutory Receivables from Non-exchange Transactions:

- Assessment Rates
- Fines

1.10.1 Recognition and Initial Measurement

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount. The transaction amount would be the amount that is determined on initial measurement in accordance with the relevant Standard of GRAP.

The transaction amounts of the Statutory Receivables of the municipality are determined as follows:

- Assessment Rates are levied in terms of the stipulations contained in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) at rates determined each year by Council.
- Fines are serviced in terms of the stipulations contained in the Criminal Procedures Act, 1977 (Act No. 51 of 1977) at rates published in the Government Gazette from time to time.

1.10.2 Subsequent Measurement

Statutory Receivables are measured after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable, where applicable;
- Impairment losses; and
- Amounts derecognised.

1.10.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period. Statutory Receivables are impaired where there is any indication of impairment of Statutory Receivables, such as the probability of insolvency or significant financial difficulties of the debtor.

In assessing whether Statutory Receivables are impaired, the municipality assesses whether there are any indications that individually significant receivables are impaired; and/or groups of similar, individually insignificant, receivables are impaired.

The municipality groups together and assesses collectively for impairment those receivables that exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the municipality. The municipality uses the following groupings:

- Assessment Rates
- Fines

If there is such evidence the carrying amount is reduced to the estimated future cash flows, an impairment loss is recognised, directly or indirectly, through the use of an allowance account, with the amount of the impairment loss being recognised in Surplus or Deficit.

1.10.4 Derecognition

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of and statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

1.11 PROPERTY, PLANT AND EQUIPMENT

1.11.1 Initial Recognition and Measurement

Property, Plant and Equipment are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

1.11.2 Subsequent Measurement

Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

1.11.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation rates are based on the following estimated useful lives:

	Asset Class	Years		Asset Class	Years
	Land	Indefinite		Office equipment's	5
	Building	25 - 30		IT equipment's	5
	Plant and machinery	4 - 5		Leasehold assets	2
	Furniture and fixtures	7 - 10		Infrastructure	10 - 50
	Motor vehicles	7			

1.11.4 Land

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

1.11.5 Incomplete Construction Work

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

1.11.6 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

1.11.7 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as Property, Plant and Equipment controlled by the municipality or, where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

1.11.8 Derecognition

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. Gains are not classified as Revenue.

1.12 INTANGIBLE ASSETS

1.12.1 Initial Recognition and Measurement

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets.

Intangible Assets are initially recognised at cost.

Where an Intangible Asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

1.12.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have indefinite useful lives, such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test.

The amortisation rates are based on the following estimated useful lives:

	Asset Class	Years
	Computer Software Purchased	3

1.12.3 Derecognition

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

1.13 IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-cash Generating Assets.

1.13.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

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 recoverable amount of the cash generating unit to which the asset belongs is determined.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

1.13.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

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

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

1.14 PROVISIONS

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

1.14.1 Provision for Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

1.15 LEASES

1.15.1 The Municipality as Lessee

1.15.1.1 Finance Leases

Property, plant and equipment or intangible assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are recognised at equal amounts. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments to the fair value of the asset, plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the finance cost and the capital repayment using the Effective Interest Rate Method. Finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

1.15.1.2 Operating Leases

The municipality recognises operating lease rentals as an expense in Surplus or Deficit on a Straight-line Basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Any lease incentives are included as part of the net consideration agreed.

1.16 BORROWING COSTS

All borrowing costs are treated as an expense in the period in which they are incurred.

1.17 EMPLOYEE BENEFIT LIABILITIES

1.17.1 Short-term Employee Benefits

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

1.17.1.1 Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee.

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

Accumulated leave is vesting.

117.1.2 Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

1.17.2.1 Defined Benefit Plans

Long-service Allowance
The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

1.18 REVENUE RECOGNITION

1.18.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

1.18.2 Revenue from Non-exchange Transactions

1.18.2.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a Time-proportionate Basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from

1.18.2.2 Fines

Fines constitute both spot fines and summonses

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings.

1.18.2.3 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

1.18.2.4 Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

1.18.2.5 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

1.18.2.6 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

1.18.2.7 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

1.18.3 Revenue from Exchange Transactions

1.18.3.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

1.18.3.2 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

1.18.3.3 Income from Agency Services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

1.18.3.4 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1%, and recognised in surplus or deficit on the time-proportionate basis.

1.18.3.5 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

1.18.3.6 Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions have been met:

(a) The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) The amount of revenue can be measured reliably;
(d) It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.19 GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

(a) Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
(b) Expect to be repaid in future; or
(c) Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

1.20 UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003).

All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

1.21 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), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure.

Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

1.22 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

1.23 COMMITMENTS

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP;
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date;
- Items are classified as commitments where the College commits itself to future transactions that will normally result in the outflow of resources;
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure Notes to the Annual Financial Statements; and
- Other commitments for contracts that are non-cancellable or only cancellable at significant cost, should relate to something other than the business of the municipality.

1.24 RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Executive Mayor, Speaker, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.25 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

1.26 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements.

The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements.

1.27 SEGMENT REPORTING

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective and also considered separately for each of the towns within the municipal jurisdiction. The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18 (Segment Reporting).

The following services are considered significant to the municipality and is accordingly managed separately:

- Executive and Council.
- Finance and Administration.
- Community and Social Services.
- Road Transport.
- Energy Sources.
- Waste Management.
- Wastewater Management.
- Water Management.

All other sources of income and expenditure is aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

The municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdiction.

Intersegmental transfers are per the municipality's approved tariff policy. The reconciliation clearly describes the effects of all internal transfers between segments.

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of GRAP as descriped in these accounting policies.

No changes from were made from prior periods measurement methods used to determine reported segment surplus or deficit.

1.28 COMPARATIVE FIGURES

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

1.29 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991).

	2024 R	2023 R

2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2024			
Service Debtors:	14 835 630	9 343 655	5 491 975
Refuse	14 835 630	9 343 655	5 491 975
Other Receivables	458 298	288 663	169 635
Property Rental Debtors	458 298	288 663	169 635
Prepayments and Advances	1 600 814	-	1 600 814
Total Receivables from Exchange Transactions	**16 894 742**	**9 632 318**	**7 262 423**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2023			
Service Debtors:	13 829 001	6 244 796	7 584 206
Refuse	13 829 001	6 244 796	7 584 206
Other Receivables	440 005	163 303	276 702
Property Rental Debtors	440 005	163 303	276 702
Prepayments and Advances	2 347 154	-	2 347 154
Total Receivables from Exchange Transactions	**16 616 160**	**6 408 098**	**10 208 061**

Receivables from exchange transactions are billed monthly at the beginning of the month. No interest is charged on Receivables until the end of the following month. Thereafter interest is charged at a rate of 18% per annum, determined by council, on the outstanding balance.

The Municipalities Credit Control Policy (Par.18) exempt government debtors from provision for impairments, however due to the expected credit loss on government related debtors, management has decided to provide for the impairment. Collection rating allocated to each customer is as follows, High risk (0%-30%), Moderate risk (31%-74%) and Low risk (75%-100%). Provision for Bad debts rates to be applied are as follows; High risk (90%), Moderate risk (70%) and Low risk (50%).

2.1 Ageing of Receivables from Exchange Transactions

As at 30 June 2024

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Refuse:					
Gross Balances	1 388 310	273 814	88 506	13 085 001	14 835 630
Less: Provision for Impairment	757 572	160 291	51 811	8 373 981	9 343 655
Net Balances	**630 738**	**113 523**	**36 694**	**4 711 020**	**5 491 975**
Other Receivables:					
Gross Balances	18 293	16 324	4 532	419 149	458 298
Less: Provision for Impairment	-	15 941	2 697	270 025	288 663
Net Balances	**18 293**	**383**	**1 835**	**149 123**	**169 635**
Prepayments and Advances					
Gross Balances	-	-	-	1 600 814	1 600 814
Less: Provision for Impairment	-	-	-	-	-
	-	**-**	**-**	**1 600 814**	**1 600 814**
All Receivables:					
Gross Balances	1 406 603	290 138	93 038	15 104 963	16 894 742
Less: Provision for Impairment	757 572	176 232	54 508	8 644 007	9 632 318
Net Balances	**649 031**	**113 907**	**38 530**	**6 460 956**	**7 262 423**

Trade and other receivables which are less than 2 months past due are not considered for impairment provision. At 30 June 2024 R113 907 is past due but not impaired.

As at 30 June 2023

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Refuse:					
Gross Balances	1 009 624	284 726	125 390	12 409 261	13 829 001
Less: Provision for Impairment	555 414	156 633	68 979	5 463 769	6 244 796
Net Balances	**454 210**	**128 093**	**56 411**	**6 945 492**	**7 584 206**
Other Receivables:					
Gross Balances	434 545	4 572	888		440 005
Less: Provision for Impairment	255 060	2 684	521	(94 962)	163 303
Net Balances	**179 485**	**1 888**	**367**	**94 962**	**276 702**

Prepayments and Advances:					
Gross Balances	2 347 154	-	-	-	2 347 154
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**2 347 154**	**-**	**-**	**-**	**2 347 154**
All Receivables:					
Gross Balances	3 791 322	289 298	126 278	12 409 261	16 616 160
Less: Provision for Impairment	810 474	159 317	69 501	5 368 807	6 408 098
Net Balances	**2 980 848**	**129 981**	**56 777**	**7 040 455**	**10 208 061**

Trade and other receivables which are less than 2 months past due are not considered for impairment provision. At 30 June 2024 R129 981 is past due but not impaired.

Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

3. VAT RECEIVABLES

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2024			
Input VAT accrual	4 561 134	-	4 561 134
Input VAT Receivable	710 675	-	710 675
Statutory Receivable	1 027 829	-	1 027 829
Total Statutory Receivables from Exchange Transactions	**6 299 639**	**-**	**6 299 639**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2023			
VAT Receivable	10 936 355	-	10 936 355
Total Statutory Receivables from Exchange Transactions	**10 936 355**	**-**	**10 936 355**

VAT is payable on the receipts basis. The municipality however uses accrual accounting, and only once payment is received from debtors, VAT is paid over to SARS.

Furthermore, VAT is claimable on the payment basis.

VAT Receivable is not impaired nor is it discounted as the amount is expected to be receivable within 60 days.

4. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2024			
Property Rates	49 584 677	31 231 455	18 353 223
Fines	4 681 882	2 202 589	2 479 293
Debtors with credit balances	200 451	-	200 451
Total Statutory Receivables from Non-Exchange Transactions	**54 467 011**	**33 434 044**	**21 032 967**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2023			
Property Rates	41 718 716	18 839 344	22 879 372
Fines	4 579 778	2 092 014	2 487 764
Debtors with credit balances	353 891	-	353 891
Total Statutory Receivables from Non-Exchange Transactions	**46 652 385**	**20 931 358**	**25 721 027**

Property Rates is a tax levied by a municipality to a property owner used to fund services delivered. Property Rates are calculated by multiplying the market value of the property with a rate determined by the Municipal Council. The levying of this revenue stream is governed by the Municipal Property Rates Act 6 of 2004.

Traffic Fines arise from fines issued by the municipality's traffic officials. These fines are issued according the National Road Traffic Act 93 of 1996. The fines issued are divided into Radar Fines and Section 56 Fines.

The Municipalities Credit Control Policy (Par.18) exempt government debtors from provision for impairments, however due to the expected credit loss on government related debtors, management has decided to provide for the impairment. Collection rating allocated to each customer is as follows, High risk (0%-30%), Moderate risk (31%-74%) and Low risk (75%-100%). Provision for Bad debts rates to be applied are as follows; High risk (30%), Moderate risk (20%) and Low risk (10%).

4.1 Ageing of Statutory Receivables from Non-Exchange Transactions

As at 30 June 2024

	Current	Past Due			
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	Total
Property Rates:					
Gross Balances	1 151 440	1 547 769	429 704	46 455 764	49 584 677
Less: Provision for Impairment	226 773	304 828	84 629	30 615 225	31 231 455
Net Balances	**924 668**	**1 242 941**	**345 075**	**15 840 539**	**18 353 223**
Fines:					
Gross Balances	174 699	48 501	30 137	4 428 545	4 681 882
Less: Provision for Impairment	87 853	24 390	15 155	2 075 191	2 202 589
Net Balances	**86 846**	**24 111**	**14 982**	**2 353 355**	**2 479 293**
All Receivables:					
Gross Balances	1 326 139	1 596 270	459 841	50 884 309	54 266 559
Less: Provision for Impairment	314 625	329 219	99 784	32 690 416	33 434 044
Debtors with credit balances					200 451
Net Balances	**1 011 514**	**1 267 052**	**360 057**	**18 193 893**	**21 032 967**

As at 30 June 2023

	Current	Past Due			
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	Total
Property Rates:					
Gross Balances	1 307 053	1 033 742	358 520	39 019 401	41 718 716
Less: Provision for Impairment	347 756	275 039	95 388	18 121 160	18 839 344
Net Balances	**959 297**	**758 703**	**263 132**	**20 898 241**	**22 879 372**
Fines:					
Gross Balances	62 100	40 200	15 400	4 462 078	4 579 778
Less: Provision for Impairment	21 108	13 664	5 235	2 052 007	2 092 014
Net Balances	**40 992**	**26 536**	**10 165**	**2 410 071**	**2 487 764**
All Receivables:					
Gross Balances	1 369 153	1 073 942	373 920	43 481 479	46 298 494
Less: Provision for Impairment	368 865	288 703	100 623	20 173 167	20 931 358
Debtors with credit balances	353 891				353 891
Net Balances	**1 354 179**	**785 239**	**273 297**	**23 308 312**	**25 721 027**

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

5. CASH AND CASH EQUIVALENTS

Current Investments	304 459	230 276
Bank Accounts	(2 706 121)	156 868
Cash on Hand	80 589	35 054
Total Bank, Cash and Cash Equivalents	**(2 321 073)**	**422 197**

The Municipality has the following investment accounts:

	Bank Statement Balances		Cash Book Balances	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
First National Bank Cheque Account 531-5327-8884	(2 706 121)	156 868	(2 706 121)	156 868
First National Bank Licensing Cheque Account - 622-0376-1962	30 347	20 384	241 876	110 324
First National Bank MIG Cheque Account - 622-0222-6751	53 342	115 168	53 342	115 168
First National Bank Cheque Account - 623-7306-3222	8 869	4 411	8 869	4 411
First National Bank Cheque Account - 623-7063-8573	114	114	114	114
First National Bank Notice Deposit Account - 744-2706-5468	259	259	259	259
	(2 613 191)	**297 204**	**(2 401 662)**	**387 144**

5.1 Cash and Cash Equivalents

- Clearing account	-	30 075
- Petty Cash	80 589	4 979
Total Cashier Collection clearing account	**80 589**	**35 054**

6. PROPERTY, PLANT AND EQUIPMENT

30 June 2024

Reconciliation of Carrying Value

Description	Land	Other Assets/ Buildings	Infra-structure Assets	Landfill site	Community Assets	Plant and Equipment	Furniture and Fixtures	Computer Equipment	Leased Assets	Transport Assets	Total
	R	R	R		R				R	R	R
Carrying values at 01 July 2023	**4 396 811**	**12 482 485**	**208 729 247**	**3 679 315**	**158 239 390**	**2 323 896**	**1 699 429**	**1 265 294**	**7 602 108**	**985 356**	**399 383 331**
Cost	**4 396 811**	**17 482 947**	**291 342 943**	**7 202 645**	**241 192 085**	**5 547 779**	**4 912 380**	**4 083 755**	**9 612 739**	**10 213 661**	**595 987 745**
- Completed Assets	4 396 811	17 482 947	291 342 943	7 202 645	241 192 085	5 547 779	4 912 380	4 083 755	9 612 739	10 213 661	595 987 745
- Under Construction	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	1 271 775	-	-	-	-	-	-	**1 271 775**
Accumulated Impairment Losses	-	(33 394)	(1 961 104)	-	(2 406 327)	(35 945)	(9 766)	(8 677)	-	-	**(4 455 213)**
Accumulated Depreciation	-	**(4 967 068)**	**(82 652 592)**	**(4 795 105)**	**(80 546 368)**	**(3 187 938)**	**(3 203 185)**	**(2 809 784)**	**(2 010 631)**	**(9 248 305)**	**(193 420 976)**
- Cost	-	(4 967 068)	(82 652 592)	(4 795 105)	(80 546 368)	(3 187 938)	(3 203 185)	(2 809 784)	(2 010 631)	(9 248 305)	(193 420 976)
- Revaluation	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Assets											-
- Cost	-	-	17 887 687		9 209 026	1 725 916	440 689	679 048	-	152 238	- **30 094 602**
Increases/Decreases in Revaluation	-	-	-	809 666	-	-	-	-	-	-	**809 666**
Depreciation	-	**(805 189)**	**(11 206 874)**	**(563 097)**	**(7 429 683)**	**(845 020)**	**(653 910)**	**(626 258)**	**(1 327 872)**	**(319 638)**	**(23 777 541)**
- Based on Cost	-	(805 189)	(11 206 874)	(563 097)	(7 429 683)	(845 020)	(653 910)	(626 258)	(1 327 872)	(319 638)	(23 777 541)
- Based on Revaluation	-	-	-	-	-	-	-	-	-	-	-
Carrying value of Disposals:	-	-	-	-	**(62 078)**	**(27 440)**	-	**(36 477)**	-	-	- **(125 994)**
- Cost	-	-	-	-	(62 078)	(27 440)	-	(36 477)	-	-	-
Impairment Losses	-	(60 050)	(2 977 256)	-	(9 801 140)	5 074	6 255	(6 914)	-	-	- **(12 834 030)**
Other Movements	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-	-	-	-
- Transfers Received	-	-	80 153 153	-	-	-	-	-	-	-	-
- Transfers Made	-	-	(80 153 153)	-	-	-	-	-	-	-	-
Carrying values at 30 June 2024	**4 396 811**	**11 617 246**	**210 432 805**	**3 925 884**	**150 155 515**	**3 182 426**	**1 492 463**	**1 274 691**	**6 274 236**	**797 956**	**393 558 578**
Cost	**4 396 811**	**17 482 947**	**309 230 630**	**7 202 645**	**250 339 033**	**7 246 255**	**5 353 069**	**4 726 324**	**9 612 739**	**10 365 899**	**625 956 352**
- Completed Assets	4 396 811	17 482 947	309 230 630	7 202 645	250 339 033	7 246 255	5 353 069	4 726 324	9 612 739	10 365 899	**625 956 352**
Revaluation	-	-	-	2 081 441	-	-	-	-	-	-	**2 081 441**
Accumulated Impairment Losses	-	(93 444)	(4 938 360)	-	(12 207 467)	(30 871)	(3 511)	(15 591)	-	-	- **(17 289 243)**
Accumulated Depreciation	-	(5 772 257)	(93 859 466)	(5 358 202)	(87 976 051)	(4 032 958)	(3 857 095)	(3 436 042)	(3 338 503)	(9 567 943)	**(217 198 517)**
- Cost	-	(5 772 257)	(93 859 466)	(5 358 202)	(87 976 051)	(4 032 958)	(3 857 095)	(3 436 042)	(3 338 503)	(9 567 943)	**(217 198 517)**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2023

Reconciliation of Carrying Value

Description	Land	Buildings	Infra-structure	Landfill site	Community Assets	Plant and Equipment	Furniture and Fixtures	Computer Equipment	Leased Assets	Transport Assets	Total
	R	R	R		R				R	R	R
Carrying values at 01 July 2022	**4 396 811**	**13 115 939**	**172 279 616**	**4 804 294**	**152 548 951**	**2 422 496**	**1 760 400**	**896 121**	**3 400 319**	**1 327 521**	**356 952 468**
Cost	4 396 811	17 310 772	247 625 685	7 202 645	226 917 046	4 936 069	4 311 730	3 232 552	4 682 780	10 973 681	531 589 771
- Completed Assets	4 396 811	17 310 772	247 625 685	7 202 645	226 917 046	4 936 069	4 311 730	3 232 552	4 682 780	10 973 681	531 589 771
Revaluation	-	-	-	1 826 364	-	-	-	-	-	-	1 826 364
Accumulated Impairment Losses	-	(29 731)	(1 100 996)	-	(1 039 081)	-	-	-	-	-	(2 169 808)
Accumulated Depreciation	-	(4 165 102)	(74 245 073)	(4 224 715)	(73 329 014)	(2 513 573)	(2 551 330)	(2 336 431)	(1 282 461)	(9 646 160)	(174 293 859)
- Cost	-	(4 165 102)	(74 245 073)	(4 224 715)	(73 329 014)	(2 513 573)	(2 551 330)	(2 336 431)	(1 282 461)	(9 646 160)	(174 293 859)
- Revaluation	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Assets											
- Cost	-	**172 175**	**43 717 258**	-	**14 275 039**	**611 710**	**598 182**	**862 796**	**4 919 689**	-	**65 156 849**
Increases/decreases in Revaluation	-	-	-	(554 589)	-	-	-	-	-	-	(554 589)
Depreciation	-	(801 966)	(8 407 519)	(570 390)	(7 217 354)	(674 365)	(651 855)	(473 353)	(728 170)	(348 973)	(19 402 812)
- Based on Cost	-	(801 966)	(8 407 519)	(570 390)	(7 217 354)	(674 365)	(651 855)	(473 353)	(728 170)	(348 973)	(19 402 812)
- Based on Revaluation	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Carrying value of Disposals:	-	-	-	-	-	-	-	(31 211)	-	(13 192)	(44 403)
- Cost	-	-	-	-	-	-	-	(31 211)	-	(760 020)	-
- Accumulated Depreciation	-	-	-	-	-	-	-	-	-	746 828	-
- Based on Cost	-	-	-	-	-	-	-	-	-	746 828	-
											-
Impairment Losses	-	(3 663)	(860 108)	-	(1 367 248)	(35 945)	(9 766)	(8 677)	-	-	(2 285 405)
Conditional Assessment						(4 041)	2 468	19 618	10 270		28 315
Other Movements	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	-	-	-	-	-	-
- Transfers Received	-	-	-	-	4 600 422	-	-	-	-	-	-
- Transfers Made	-	-	-	-	(4 600 422)	-	-	-	-	-	-
											-
Carrying values at 30 June 2023	**4 396 811**	**12 482 485**	**208 729 247**	**3 679 315**	**158 239 390**	**2 323 896**	**1 699 429**	**1 265 294**	**7 602 108**	**985 356**	**399 383 331**
Cost	4 396 811	17 482 947	291 342 943	7 202 645	241 192 085	5 547 779	4 912 380	4 083 755	9 612 739	10 213 661	595 987 745
- Completed Assets	4 396 811	17 482 947	291 342 943	7 202 645	241 192 085	5 547 779	4 912 380	4 083 755	9 612 739	10 213 661	595 987 745
- Under Construction	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	1 271 775	-	-	-	-	-	-	1 271 775
Accumulated Impairment Losses	-	(33 394)	(1 961 104)	-	(2 406 327)	(35 945)	(9 766)	(8 677)	-	-	(4 455 213)
Accumulated Depreciation	-	(4 967 068)	(82 652 592)	(4 795 105)	(80 546 368)	(3 187 938)	(3 203 185)	(2 809 784)	(2 010 631)	(9 248 305)	(193 420 976)
- Cost	-	(4 967 068)	(82 652 592)	(4 795 105)	(80 546 368)	(3 187 938)	(3 203 185)	(2 809 784)	(2 010 631)	(9 248 305)	(193 420 976)
- Revaluation	-	-	-	-	-	-	-	-	-	-	-

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

	2024 R	2023 R

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

6.1 Work-in-Progress

The municipality has incurred expenditure on capital projects which were not completed at year-end. The details of the carrying amounts of expenditure included in each class of assets are listed below:

Infrastructure Assets	11 177 521	43 674 636
- Opening balance	43 674 636	17 473 931
- Additions/capital expenditure	17 527 573	26 200 705
- Transferred to Capital Assets	(50 024 688)	-
Community Assets	17 986 972	20 759 960
- Opening balance	20 759 960	9 431 384
- Additions/capital expenditure	9 242 479	15 928 998
- Impairment loss	(3 707 886)	-
- Transferred to Capital Assets	(8 307 581)	(4 600 422)
Storm Water Infrastructure	-	21 489 140
- Opening balance	21 489 140	6 764 643
- Additions/capital expenditure	326 662	14 724 497
- Transferred to Capital Assets	(21 815 802)	-
Total Carrying Amounts of Work-in-Progress	**29 164 494**	**85 923 736**

6.2 Expenditure incurred for Repairs and Maintenance

The following specific costs included in the amount of repairs and maintenance were incurred by municipality during the reporting period:

Maintenance of Buildings and Facilities	10 634 733	12 769 396
Maintenance of Equipment's	999 391	1 176 902
Maintenance of various assets (E.g. Infrastructure, equipment's, computers etc)	7 397 379	7 681 135
Total repairs and maintenance expenditure	**19 031 503**	**21 627 433**

6.3 Delayed Projects

The municipality has projects that are currently experiencing delays or were halted. For each project, the reason for the delay or halting of the project are noted. The

Project Details	Delayed or Halted	2024
CONSTRUCTION OF DELENI ROAD PHASE 2 (WARD 16)	**Delayed**	5 929 493
Reason: The abnormal weather condition (rain) has damaged the road subgrade. The Contractor has to re-do the		
CONSTRUCTION OF EZIMPAKANENI COMMUNITY HALL (WARD 14)	**Delayed**	3 747 585
Reason: In January 2024, Progress has been delayed by abnormal weather condition. In April 2024, the Contractor has		
CONSTRUCTION OF GOBAMAGAGU ROAD	**Delayed**	3 838 700
Reason: The contractor was terminated due to poor performance.		
MAGEDLANA COMMUNITY HALL AND CRECHE WARD 18	**Delayed**	4 268 815
Reason: 'Site has been suspended in January 2024 due to non payment.		
CONSTRUCTION OF NEW TESTING GROUNDS	**Delayed**	10 765 015
Reason: The contractor was terminated due to poor performance.		
Total Carrying Amounts of Delayed or Halted Projects		**28 549 607**

7. INTANGIBLE ASSETS	2024 R	2023 R
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	**50 510**	106 714
The movement in Intangible Assets is reconciled as follows:		
Computer Software:		
Carrying values at 30 June 2024:	50 510	106 714
Cost	1 721 328	1 721 328
Accumulated depreciation and amortisation	(1 670 818)	(1 614 614)
Reconciliation of intangible assets:		
Carrying values at 30 June 2024:	50 510	106 714
Opening balance	106 714	29 092
Purchases/additions	-	126 522
Change in accounting estimate	-	-
Depreciations for the year	(56 204)	(48 900)

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

7.1 Significant Intangible Assets

Significant Intangible Assets, that did not meet the recognition criteria for Intangible Assets as stipulated in GRAP 102 and SIC 32, are the following:

(I) Website Costs incurred during the last two financial years, if applicable, have been expensed and not recognised as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.

7.2 Intangible Assets with Indefinite Useful Lives

The municipality amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives.

The useful lives of the Intangible Assets remain unchanged from the previous year.

8. PAYABLES FROM EXCHANGE TRANSACTIONS

	2024 R	2023 R
Bonus Accrual	2 634 459	2 373 932
Leave Accrual	10 756 534	10 224 561
Retentions	15 240 625	16 767 006
Accrued expenses	499 845	2 353 109
PAYE Deductions	4 509 694	4 558 378
Unallocated deposits	727 372	565 772
Output VAT accrual	982 383	-
Consumber deposits	14 789	-
Other Payroll Accruals	10 483 091	7 456 599
Garnishee, Bargaining council payables and Party deductions payables	210 354	76 578
Receivables with credit balances	200 451	353 891
Trade creditors	46 128 880	56 449 746
Total Payables from Exchange Transactions	**92 388 478**	**101 179 572**

Staff Bonuses accrue to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Staff Leave accrues to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with.

9. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

National: MIG Grant	5 040 918	-
Provincial: INEP Grant	5 919 664	-
Total Unspent Conditional Grants and Receipts	**10 960 582**	**-**

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

See Note 17 for the reconciliation of Grants from Government and other sources. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

10. LEASE PAYABLES

Current Lease Payables	1 046 508	213 591
Total Lease Payables	**1 046 508**	**213 591**

10.1 Operating Lease Liability

Operating lease Liabilities	1 046 508	213 591
Total Operating Lease Liabilities	**1 046 508**	**213 591**

10.1.1 Leasing Arrangements

The Municipality as Lessee:
Operating lease payments represent the rental payable by the Municipality for telephones and photo copying machines over a period of 3 years.

10.1.2 Amounts Payable under Operating Leases

	2024 R	2023 R
At the Reporting Date the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:		
Communication Equipment:	6 493 082	7 657 371
Up to 1 year	3 251 341	2 910 858
2 to 5 years	3 241 741	4 746 513
Total Operating Lease Arrangements	**6 493 082**	**7 657 371**

The municipality has operating lease agreements for the following classes of assets, which are only significant collectively:
- Office Equipment
- Office buildings

The following restrictions have been imposed on the Municipality in terms of the lease agreements on Rental of Office Equipment:
(I) The equipment shall remain the property of the lessor.
(ii) The lessee shall not sell, sublet, cede, loan, pledge, transfer or otherwise encumber the equipment.
(iii) The lessee may not alter or modify the goods.
(iv) The lessor is entitled to cede and/or delegate, without notice to the lessee, all or any of it's rights and/or obligations.
(v) The equipment may only be serviced by the lessor or its designated service provider.
(vi) The equipment shall be returned in good order and condition to the lessor upon termination of the agreement.

10.2 Finance Lease Payables

Finance Lease Liability	2 611 516	5 552 276
Total Non-current Lease Payables	**2 611 516**	**5 552 276**
Less: Current Portion transferred to Current Lease Payables:-	**2 910 475**	**2 513 563**
Finance Lease Liability	2 910 475	2 513 563
Total lease payables:		
Finance Lease Liability	5 521 991	8 065 839
Non-Current Portion of Finance Lease Payables	**5 521 991**	**8 065 839**

The municipality's obligations under Finance Leases are secured by the lessors' title to the leased assets.

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2024 R	2023 R	2024 R	2023 R
Amounts payable under borrowings:				
Within one year	3 521 167	3 490 881	2 910 475	2 513 563
In the second to fifth years, inclusive	2 718 569	6 270 021	2 611 516	5 552 276
	6 239 736	9 760 902	5 521 991	8 065 839
Less: Future Finance Costs	717 745	1 695 063		
Present Value of Minimum Lease Obligations	**5 521 991**	**8 065 839**	**5 521 991**	**8 065 839**

The municipality has finance lease agreements for the following significant classes of assets:
- Vehicles

Included in these classes are the following significant leases:

(ii) Vehicles	R 242 540	R 105 880
- Instalments are payable monthly in arrears over a period of 3 years		
- Average period outstanding	36 months	30 months
- Average effective interest rate, based on prime	14,76%	14.76%
- Average monthly instalment	R 64 035,00	R 64 035,00

Included in these classes are the following significant leases of which all have fixed repayments and no arrangements have been entered into for contingent lease rentals.

11. EMPLOYEE BENEFIT LIABILITIES

Employee Benefit Liabilities	4 955 000	5 810 000
Long Service Awards Liability	4 955 000	5 810 000
Less: Current Portion of Employee Benefit Liabilities	694 000	372 000
Long Service Awards Liability	694 000	372 000
Long Service Awards Liability	4 261 000	5 438 000
Non-Current Portion of Employee Benefit Liabilities	**4 261 000**	**5 438 000**

	2024 R	2023 R
Long Service Awards Liability		
Opening Balance	5 438 000	5 197 000
Service costs	506 000	518 000
Payments Made	(372 000)	(264 000)
Finance costs	638 000	576 000
Actuarial (Gain)/Loss	(1 255 000)	(589 000)
Balance at end of Year	4 955 000	5 438 000
Transfer to Current Provisions	-	-
Total Long Service Awards Liability	**4 955 000**	**5 438 000**

Nongoma offers bonuses for every 5 years of completed service from 5 years to 45 years. Long service accumulated leave must be taken within one year of receiving such leave or may be wholly or partially cashed. Nongoma advised that in most cases, employees choose to exercise the option to wholly convert their accumulative leave bonus days into cash.

We have derived the underlying future rate of consumer price index inflation (CPI inflation) from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. Our assumed rate of salary inflation was set as the assumed value of CPI plus 1%. The salaries used in the valuation include an assumed increase on 01 July 2024 of 4.5%.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	11,48%	11,66%
Cost Inflation Rate	5,58%	6,93%
Expected Rate of Salary Increase	6,58%	4,90%
Average Retirement Age (Years)*	62	63
Mortality	SA 85 - 90	SA 85 - 90

*The average retirement age for all active employees was assumed to be 62 years to implicitly allow for ill-health and early retirements.

12. PROVISIONS

Current Provisions	**694 000**	**372 000**
Landfill site	-	-
Long-service Awards	694 000	372 000
Non-Current Provisions	**15 696 675**	**15 165 517**
Landfill site	11 435 675	10 099 517
Long-service Awards	4 261 000	5 066 000
Total Provisions	**16 390 675**	**15 537 517**

The movement in Non-current Provisions are reconciled as follows:

	Employee benefit costs (Long Service Award)	Environmental rehabilitation (Landfill site)
	R	R
30 June 2024		
Opening Balance	5 438 000	10 099 517
Increases	506 000	809 666
Payments Made	(372 000)	-
Fair Value Changes	638 000	-
Increases (Passage of Time/Discounted Rate)	(1 255 000)	526 492
Balance at end of year	**4 955 000**	**11 435 675**

	Long Service awards	Decommissioning of Landfill Sites
30 June 2023		
Opening Balance	5 197 000	9 930 852
Increases	518 000	723 254
Payments Made	(264 000)	-
Fair Value Changes	576 000	(554 589)
Increases (Passage of Time/Discounted Rate)	(589 000)	-
Balance at end of year	**5 438 000**	**10 099 517**

Decommissioning, Restoration and Similar Liabilities: Landfill Sites
Landfill site decommissioning is estimated by means of a valuation performed by a professional valuator to determine the future cost of dismantling the landfill site. The cost is then reduced to take into account the time value of money at the weighted average investing rate based on Government Bond Yield Rates.

Long Service awards
The provision for WCA insurance is made in terms of the Workmen's Compensation Act. The provision is calculated based on the Compensation Commissioner returns submitted and the amount is payable on assessment by the Workmen's Compensation Commissioner.

13. ACCUMULATED SURPLUS

Accumulated Surplus / (Deficit) due to the results of Operations	299 574 811	321 781 168
Total Accumulated Surplus	**299 574 811**	**321 781 168**

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

	2024 R	2023 R

14. PROPERTY RATES

Property Rates Levies	31 929 596	29 549 853
Total Property Rates	**31 929 596**	**29 549 853**

Property rates tariffs are disclosed or included in the Property rates Policy approved by the Municipal council.

The supplementary valuation roll was performed on annual basis to take into account building additions, changes, subdivisions and consolidations.

Interest is levied at 18.00% per annum (2023: 18.00%) on all outstanding amounts.

15. FINES, PENALTIES AND FORFEITS

Traffic Fines:	433 081	1 537 150
Municipal	433 081	1 537 150
Other Fines:	19	1 159
Overdue Books Fine	19	1 159
Forfeits	-	-
Penalties	1 500	2 043
Total Fines, Penalties and Forfeits	**434 600**	**1 540 352**

16. LICENCES AND PERMITS

Road and Transport:	1 579 985	1 343 576
Drivers Licence Application/Duplicate Drivers Licences	243 930	186 020
Drivers Licence Certificate	609 880	630 340
Motor Vehicle Licence	555 773	316 462
Trading	13 462	18 834
Learner Licence Application	142 200	180 380
Learners Certificate	14 740	11 540
Total Licences and Permits	**1 579 985**	**1 343 576**

	2024 R	2023 R

17. TRANSFERS AND SUBSIDIES RECEIVED

Capital Grants	29 942 082	56 009 000
Monetary Allocations	29 942 082	56 009 000
Operational Grants	209 158 980	197 993 131
Allocations In-kind	8 184 980	8 061 131
Monetary Allocations	200 974 000	189 932 000
Total Transfers and Subsidies Received	**239 101 062**	**254 002 131**

17.1 Summary of Grants:

17.1.1 Capital Grants

	Allocations In-kind		Monetary Allocations	
	2024	2023	2024	2023
National Governments	-	-	29 942 082	56 009 000
Total Capital Grants Received	**-**	**-**	**29 942 082**	**56 009 000**

17.1.2 Operational Grants

	Allocations In-kind		Monetary Allocations	
	2024	2023	2024	2023
National Revenue Fund	-	-	200 974 000	189 932 000
Provincial Government	8 184 980	8 061 131	-	-
Total Operational Grants Received	**8 184 980**	**8 061 131**	**200 974 000**	**189 932 000**
Total Transfers and Subsidies Received	**8 184 980**	**8 061 131**	**200 974 000**	**189 932 000**

	2024 R	2023 R
17.2 Detailed Summaries		
17.2.1 Equitable Share		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	200 974 000	189 932 000
Conditions Met - Transferred to Revenue	(200 974 000)	(189 932 000)
Adjustments / Refunds	-	-
Unspent Balance at the End of the Year	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury. This grant is used to subsidise the provision of basic services to indigent community members and to subsidise income. All registered indigents receive a monthly subsidy equal to the basic monthly charges for refuse removal based on the monthly billing towards the consumer account. The subsidy is determined annually by Council. No funds have been withheld.

	2024 R	2023 R
17.2.2 National: EPWP Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	2 130 000	2 946 000
Conditions Met - Transferred to Revenue	(2 130 000)	(2 946 000)
Unspent Balance at the End of the Year	-	-

The Expanded Public Works Programme (EPWP) grant is received 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 EPWP Guidelines being the maintenance of roads and buildings; low traffic volume roads and rural roads; basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure); and other economic and social infrastructure. No funds have been withheld.

17.2.3 National: FMG Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	2 000 000	2 000 000
Conditions Met - Transferred to Revenue	(2 000 000)	(2 000 000)
Unspent Balance at the End of the Year	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns). No funds have been withheld.

17.2.4 National: MIG Funds		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	34 983 000	56 009 000
Conditions Met - Transferred to Revenue	(29 942 082)	(56 009 000)
Unspent Balance at the End of the Year	**5 040 918**	-

This grant is allocated to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities. No funds have been withheld.

17.2.5 Provincial Library Services		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	981 150	981 000
Conditions Met - Transferred to Revenue	(981 150)	(981 000)
Adjustments / Refunds	-	-
Unspent Balance at the End of the Year	**0**	-

This grant was received to support municipal investment in library services and to sustain the future professional delivery and development of such services in the most vulnerable municipalities. No funds have been withheld.

17.2.6 Cyber Cadet Library Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	254 000	254 000
Conditions Met - Transferred to Revenue	(254 000)	(254 000)
Unspent Balance at the End of the Year	-	-

This grant was received to support municipal investment in library services and to sustain the future professional delivery and development of such services in the most vulnerable municipalities. No funds have been withheld.

	2024 R	2023 R
17.2.7 Kwakhetha module library grant		
Unspent Balance at the Beginning of the Year	-	450 131
Current Year Receipts	715 000	715 000
Conditions Met - Transferred to Revenue	(715 000)	(1 165 131)
Unspent Balance at the End of the Year	**-**	**-**

This grant was received to support municipal investment in library services and to sustain the future professional delivery and development of such services in the most vulnerable municipalities. No funds have been withheld.

17.2.8 Osuthu module library grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	715 000	715 000
Conditions Met - Transferred to Revenue	(715 000)	(715 000)
Adjustments / Refunds	-	-
Unspent Balance at the End of the Year	**-**	**-**

This grant was received to support municipal investment in library services and to sustain the future professional delivery and development of such services in the most vulnerable municipalities. No funds have been withheld.

17.9 Municipal Finance Improvement Programme		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	93 788	-
Conditions Met - Transferred to Revenue	(93 788)	-
Unspent Balance at the End of the Year	**-**	**-**

17.10 Municipal Drought Support Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	476 366	-
Conditions Met - Transferred to Revenue	(476 366)	-
Unspent Balance at the End of the Year	**-**	**-**

17.11 Municipal Drought Relief Grant.		
Balance unspent at the beginning of the year	-	-
Current year receipts	805 690	-
Conditions Met - Transferred to Revenue	(805 690)	-
Unspent Balance at the End of the Year	**-**	**-**

17.12 Donations received	(13 986)	
Donations	(13 986)	

Total Grants		
Balance unspent at the beginning of the year	-	450 131
Current year receipts	244 127 994	256 552 000
Conditions Met - Transferred to Revenue	(239 087 076)	(257 002 131)
Adjustments / Refunds	-	-
Unspent Balance at the End of the Year	**5 040 919**	**-**

Based on the allocations set out in the Division of Revenue Act, (Act No 2 of 2023), government grant funding is expected to not change significantly over the forthcoming three financial years.

18. REVENUE FROM CONSTRUCTION CONTRACTS

INEP Grant (Refer to note 35.5)		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	9 000 000	3 000 000
Conditions Met - Transferred to Revenue	(3 080 336)	(3 000 000)
Unspent Balance at the End of the Year	**5 919 664**	**-**

19. SERVICE CHARGES

Refuse Removal:	2 176 731	2 101 048
- Service Charges	2 176 731	3 109 666
- Revenue Foregone	-	(1 008 618)
Total Service Charges	**2 176 731**	**2 101 048**

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

20. SALES OF GOODS AND RENDERING OF SERVICES

	2024 R	2023 R
Building Plan Approval	46 195	49 316
Building Plan Clause Levy	942	655
Clearance Certificates	249	564
Development Charges	55	-
Occupation Certificates	-	52
Photocopies and Faxes	8 269	6 374
Scrap, Waste & Other Goods	10 984	7 760
Valuation Services	71	-
Advertisements	650	-
Total Sales of Goods and Rendering of Services	**67 415**	**64 721**

21. RENTAL FROM FIXED ASSETS

Straight-lined Operating Lease Revenue		
Community Halls and Other community Assets	116 973	91 055
Other Rental income		
Ad-hoc Rental Income from Other Fixed Assets:	131 689	158 179
Billboards	131 689	158 179
Total Rental of Facilities and Equipment	**248 662**	**249 234**

Rental income generated are at market related premiums. All rental income recognised is therefore market related.

22. INTEREST AND RENT ON LAND EARNED

	2024 R	2023 R
Non-exchange Receivables:		
Outstanding Billing Debtors	2 700 337	1 314 534
Total Non-exchange Interest, Dividends and Rent on Land Earned	**2 700 337**	**1 314 534**
External Investments:		
Bank Account	620 011	521 586
Interest earned from SARS	12 642	
	632 653	**521 586**
Outstanding Exchange Receivables:		
Outstanding Billing Debtors	**-**	**539 497**
Waste Management	-	539 497
	-	**539 497**
Total Exchange Interest, Dividends and Rent on Land Earned	**632 653**	**1 061 083**
Total Interest, Dividends and Rent on Land Earned	**3 332 990**	**2 375 617**

23. OPERATIONAL REVENUE

Arbor City Awards Competition	-	800 000
Incidental Cash Surpluses	(230)	455
Development charges	6 000	3 416
Total Operational Revenue	**5 770**	**803 871**

The amounts disclosed above for Other Revenue are in respect of services, other than described in Notes 14 to 22, rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

	2024 R	2023 R
24. EMPLOYEE RELATED COSTS		
Salaries, Wages and Service Related Benefits:	86 591 070	86 117 386
Basic	76 137 745	78 383 061
Long Service Awards	439 936	212 654
Bonuses	6 369 523	5 176 875
Leave Payments	2 596 600	1 224 563
Overtime	1 047 266	1 120 232
Allowances:	9 880 475	9 475 894
Accommodation, Travel and Incidental	416 028	551 055
Acting and Post Related Allowances	348 445	154 883
Cellular and Telephone	1 299 112	1 215 500
Housing Benefits	85 313	60 706
Standby Allowance	732 210	866 290
Travel or Motor Vehicle	6 999 367	6 627 460
Social Contributions:	20 441 580	20 050 896
Bargaining Council	36 803	40 664
Medical	5 052 606	4 657 223
Pension	14 950 730	14 777 010
Unemployment Insurance	401 441	575 999
Total Employee Related Costs	**116 913 125**	**115 644 176**
24.1 Remuneration of Section 57 Employees:		
24.1.1 Remuneration of the Municipal Manager		
Annual Remuneration	752 721	785 924
Performance Bonus	169 571	162 811
Car and Other Allowances	593 569	305 232
Other Payments (Travelling reimbursement)	61 936	60 672
Company Contributions to UIF, Medical and Pension Funds	17 800	15 081
Total	**1 595 597**	**1 329 720**
24.1.2 Remuneration of the Chief Financial Officer		
Annual Remuneration	723 170	716 984
Performance Bonus	51 565	114 435
Car and Other Allowances	529 168	280 995
Other Payments (Travelling reimbursement)	55 259	8 434
Company Contributions to UIF, Medical and Pension Funds	35 070	14 113
Total	**1 394 233**	**1 134 961**
24.1.3 Remuneration of the Technical Director		
Annual Remuneration	664 130	618 953
Car and Other Allowances	467 365	257 095
Other Payments (Travelling reimbursement)	30 479	3 021
Company Contributions to UIF, Medical and Pension Funds	13 456	10 529
Total	**1 175 430**	**889 598**
24.1.4 Remuneration of Manager: Corporate Services and Human Resources Director		
Annual Remuneration	788 682	788 682
Performance Bonus	145 118	-
Car and Other Allowances	571 731	304 894
Other Payments (Travelling reimbursement)	172 375	25 594
Company Contributions to UIF, Medical and Pension Funds	42 184	38 017
Total	**1 720 089**	**1 157 187**
24.1.5 Remuneration of the Social Services Director		
Annual Remuneration	810 738	750 644
Car and Other Allowances	565 522	-
Performance Bonus	70 403	
Other Payments (Travelling reimbursement)	51 291	292 215
Company Contributions to UIF, Medical and Pension Funds	54 697	46 570
Total	**1 552 651**	**1 089 429**

25. REMUNERATION OF COUNCILLORS

	2024 R	2023 R
Mayor	853 248	910 174
Deputy Mayor	672 179	543 048
Speaker	681 253	739 959
Councillors	14 252 356	14 048 016
Councillors Pension Contribution	1 543 644	1 220 272
Total Payments for Employee Related Costs	**18 002 681**	**17 461 470**

The Executive Mayor and Speaker are full-time Councillors. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has use of a Council owned vehicle for official duties.

In-kind benefits
The Mayor, Deputy Mayor and Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.

The Mayor has two full-time bodyguards. The Deputy Mayor has three full-time bodyguards.

The Speaker has three full time bodyguards.

Remuneration of Councillors:

In-kind Benefits
The Executive Mayor and Speaker are full-time Councillors. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a Council owned vehicle for official duties.

26. DEPRECIATION AND AMORTISATION

Depreciation: Property, Plant and Equipment	23 777 541	19 873 944
Depreciation: Investment Property	-	-
Amortisation: Intangible Assets	56 204	48 900
Assets impairments loss	12 834 030	2 285 405
Total Depreciation and Amortisation	**36 667 776**	**22 208 249**

Control Check: Expenditure against Asset Control Accounts
Depreciation: Property, Plant and Equipment

Community Assets	7 429 683	7 217 355
Computer Equipment	626 258	473 353
Furniture and Office Equipment	653 910	651 854
Machinery and Equipment	845 020	674 365
Other Assets	805 189	801 966
Landfil site	563 097	570 390
Roads Infrastructure	11 206 874	8 407 518
Leased Assets	1 327 872	728 170
Transport Assets	319 638	348 973
	23 777 541	**19 873 944**

27. IMPAIRMENT LOSSES & BAD DEBTS WRITE_OFFS

	2024 R	2023 R
Receivables impairment losses	15 791 068	6 753 317
Bad debts written off	257 490	11 007 153
Total	**16 048 558**	**17 760 470**

27.1 Impairment Losses on Debtors

Impairment Losses		
Trade receivables	5 486 840	6 753 317
	5 486 840	6 753 317
	5 486 840	**6 753 317**

27.2 Impairment Losses on Financial Assets		
- Bad Debts Written Off	257 490	11 007 153
	257 490	**11 007 153**

28. INTEREST, DIVIDENDS AND RENT ON LAND PAID

Interest Paid:	3 286 897	2 604 551
Borrowings:Bankers Acceptance Certificate	2 267 029	1 302 769
Other interests - SARS Interest and penalties	1 019 867	1 301 782
Total Interest, Dividends and Rent on Land Paid	**3 286 897**	**2 604 551**

29. CONTRACTED SERVICES

Outsourced Services	8 776 105	12 214 378
Consultants and Professional Services	9 193 137	13 024 440
Contractors	41 119 264	31 922 941
Total Contracted Services	**59 088 507**	**57 161 760**

29.1 Outsourced Services

Burial Services	347 080	608 720
Business and Advisory	372 670	1 004 350
Professional Staff	1 005 624	712 497
Refuse Removal	5 880 637	9 199 729
Security Services	80 275	136 684
Transport Services	1 089 820	552 400
	8 776 105	**12 214 378**

29.2 Consultants and Professional Services

Business and Advisory	8 433 950	8 116 252
Infrastructure and Planning	-	397 167
Legal Cost	759 187	4 511 021
	9 193 137	**13 024 440**

29.3 Contractors

Building	36 250	26 500
Catering Services	1 791 356	1 020 029
Exhibit Installations	110 000	110 000
Event Promoters	60 609	-
Fire Services	172 918	325 681
Interior Decorator	5 000	3 500
Maintenance of Buildings and Facilities	10 634 733	10 005 930
Maintenance of Equipment	999 391	948 729
Maintenance of various assets (E.g. Infrastructure, equipments, computers etc)	7 397 379	10 619 719
Safeguard and Security	19 886 729	8 760 254
Stage and Sound Crew	-	6 000
Transportation	24 900	96 600
	41 119 264	**31 922 941**

	2024	**2023**
	R	**R**

30. INVENTORY CONSUMED

Consumables	1 065 573	29 864
Materials and Supplies	5 895 454	5 950 602
Total Inventory Consumed	**6 961 027**	**5 980 466**

31. TRANSFERS AND SUBSIDIES PAID

Operational Grants	3 169 566	3 251 626
Monetary Allocations	3 169 566	3 251 626
Total Transfers and Subsidies Paid	**3 169 566**	**3 251 626**

31.1 Operational Grants

	Monetary Allocations 2024	2023
Households	3 169 566	3 251 626
Total Operational Grants Paid	**3 169 566**	**3 251 626**

32. OPERATING LEASES

	2024 R	2023 R
Computer Equipment	1 744 081	1 806 040
Other Assets	1 064 226	767 120
Total Operating Leases	**2 808 307**	**2 573 160**

32.1 Leasing Arrangements

The Municipality as Lessee:
Operating leases relate to Office Equipment with lease terms not longer than 5 years.

33. OPERATIONAL COSTS

	2024 R	2023 R
Included in General Expenses are the following:		
Achievements and Awards	-	34 500
Advertising, Publicity and Marketing	883 518	874 326
Bank Charges, Facility and Card Fees	288 779	65 050
Communication	2 639 272	2 209 567
External Audit Fees	2 083 430	1 977 139
External Computer Service	1 713 300	74 254
Hire Charges	7 176 187	12 168 945
Indigent Relief	-	182 257
Land Restoration costs	-	879 795
Insurance Underwriting	301 906	524 855
Municipal Services	1 392 847	1 235 409
Printing, Publications and Books	7 285 126	4 847 723
Professional Bodies, Membership and Subscription	8 535 319	10 435 845
Registration Fees	-	12 705
Skills Development Fund Levy	728 257	886 342
Toll Gate Fees	109	480
Travel and Subsistence	1 697 311	2 015 004
Uniform and Protective Clothing	590 741	717 943
Vehicle Tracking	92 586	81 383
Wet Fuel	3 145 712	2 871 867
Third Party Vendors	338 800	-
Management Fee	3 452 866	-
Total Operational Costs	**42 346 066**	**42 095 389**

No other extraordinary expenses were incurred.

34. GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS

Property, Plant and Equipment	(125 994)	155 597
Property, Plant and Equipment: Transport Assets	-	186 808
Property, Plant and Equipment: Computer equipment	(125 994)	(31 211)
Total Gains / (Losses) on Disposal of Capital Assets	**(125 994)**	**155 597**

35. RECLASSIFICATION OF ANNUAL FINANCIAL STATEMENTS

	2024 R	2023 R

35.1 Reclassification of Accumulated Surplus

The prior year figures of Accumulated Surplus has been restated to correctly disclose the monies held by the municipality in terms of the disclosure notes indicated below.

The effect of the changes are as follows:

	Accumulated Surplus
Balance published as at 30 June 2022	**312 675 616**
Restated Balance as at 30 June 2022	**312 675 616**
Transactions incurred for the Year 2022/23	9 033 681
Prior period adjustment	71 871
Restated Balances as at 30 June 2023	**321 781 168**

35.2 Reclassification of Commitments

Previos years Capital Commitments:		
Authorised Capital Commitments		**72 904 194**
		72 904 194
Authorised Operational Commitments:		
Operational Commitments		**26 993 549**
		26 993 549
Prior period error adjustment: Lease Commitments (Refer to note 10)		7 657 371
Restated total Operational Commitments balance: 30 June 2023		**34 650 920**
Restated total Commitments balance: 30 June 2023		**107 555 114**

35.3 Reclassification of financial instruments

	2024 R	2023 R
FINANCIAL ASSETS:		
Balance per prior year annual financial statements		**36 351 196**
Prior period error adjustment: VAT Receivables		10 936 355
Restated total Financial assets balance: 30 June 2023		**47 287 551**

35.4 PROPERTY PLANT AND EQUIPMENTS

Newly Identified Assets:
During the financial period, there were newly identified assets recognised.

Conditional Assessment:
A conditional assessment was performed during the financial period. Assets were identified to have an opening carrying value of zero which resulted in these assets being restated in the previous financial year.

	Cost	Accumulated Depreciation & Impairment	Nett
Previously Report Balance: 30 June 2023	**580 162 093**	**180 850 637**	**399 311 456**
Prior Year Adjustments: 30 June 2022			
Newly Identified Assets:			
Computer Equipment	34 824	-	34 824
Furniture and Office Equipment	3 037	-	3 037
Machinery and Equipment	1 654	-	1 654
Conditional Assessment			
Computer Equipment	-	(44 163)	44 163
Furniture and Office Equipment	-	(1 674)	1 674
Leased Computer Equipment	-	(10 270)	10 270
Prior Year Adjustments: 30 June 2023			
Newly Identified Assets:			
Computer Equipment	-	8 943	(8 943)
Furniture and Office Equipment	-	601	(601)
Machinery and Equipment	-	714	(714)
Conditional Assessment			
Computer Equipment	-	11 561	(11 561)
Furniture and Office Equipment	-	(1 395)	1 395
Machinery and Equipment	-	3 327	(3 327)
Total Adjustments in 2022/23 FY	**39 515**	**(32 356)**	**71 871**
Restated Balance: 30 June 2023	**580 201 608**	**180 818 281**	**399 383 327**

35.5 TRANSFERS AND SUBSIDIES (NOTE 17)

	2023 R
Capital grants:	
Monetary Allocations	**56 009 000**
	56 009 000
Operational grants:	
Allocations in-kind	**8 061 131**
Revenue from construction contracts (GRAP 11) - moved to note 18	11 061 131
	(3 000 000)
Monetary Allocations	**189 932 000**
Total transfers and subsidies received	**254 002 131**

35.6 Contracted services

Outsourced services (note 29.1 in prior year AFS)	
Catering services per prior year AFS	301 871
Moved to contractors	(301 871)
Restated amount of catering services under outsourced services	-
Contractors (note 29.3 in prior year AFS)	
Catering services per prior year AFS	718 158
Moved from outsourced services	301 871
Restated amount of catering services under outsourced services	**1 020 029**

36. CHANGE IN ACCOUNTING ESTIMATES

36.2 Provision for the Rehabilitation of Landfill Site:

The valuation for the rehabilitation of Landfill Site was re-assessed in the current year and resulted in a increase of R809 666 in the provision.

37. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

37.1 Unauthorised Expenditure

	2 024 R	2023 R
Reconciliation of Unauthorised Expenditure:		
Opening Balance:	61 640 317	-
Unauthorised Expenditure Current Year:	65 398 257	61 640 317
- Current Year	65 398 257	61 640 317
Approved/Condoned by Council:	(121 183 256)	-
- Current Year	(59 542 939)	-
- Prior Year	(61 640 317)	-
Balance unauthorised expenditure	**5 855 317,62**	**61 640 317**
The current year over-expenditure incurred by municipal departments during the year is attributable to the following categories:		
- Non-cash	33 042 328	17 754 719
- Cash	32 355 929	43 885 598
	65 398 257	**61 640 317**
Analysed as follows:		
Non-cash:-		
Depreciation and Amortisation	18 667 776	1 994 249
Impairment Losses	14 248 558	15 760 470
Loss on Disposal of Property, Plant and Equipment	125 994	-
	33 042 328	**17 754 719**
Cash:-		
Employee Related Costs	1 722 125	6 222 176
Remuneration of Councillors	-	24 470
Interest, Dividends and Rent on Land	2 386 897	1 224 551
Contracted Services	16 498 507	24 157 760
Inventory Consumed	685 027	2 877 466
Transfers and Subsidies Paid	-	1 201 626
Operating Leases	2 808 307	2 573 160
Operational Costs	8 255 066	5 604 389
	32 355 929	**43 885 598**

37.2 Fruitless and Wasteful Expenditure

	2024 R	2023 R
Reconciliation of Fruitless and Wasteful Expenditure:		
Opening Balance	1 301 782	-
Fruitless and Wasteful Expenditure	1 632 546	1 301 782
Approved/Condoned by Council:	2 934 328	-
- Current Year	1 632 546	
- Prior Year	1 301 782	
Balance Fruitless and Wasteful Expenditure	-	**1 301 782**

37.3 Irregular Expenditure

	2024 R	2023 R
Reconciliation of Irregular Expenditure:		
Opening Balance:	-	-
Irregular Expenditure Current Year:	-	-
- Current Year	45 829 449	-
- Approved/condoned by council	(1 996 632)	-
Irregular Expenditure awaiting condonation	**43 832 818**	**-**

The amounts disclosed for Irregular Expenditure are inclusive of VAT.

Current Year:

38. ADDITIONAL DISCLOSURES IN TERMS OF APPLICABLE LEGISLATION

38.1 MUNICIPAL FINANCE MANAGEMENT ACT

	2024 R	2023 R
38.1.1 Contributions to Organised Local Government - SALGA		
Opening Balance	4 253 841	3 025 352
Council Subscriptions	1 517 042	1 378 129
Amount Paid - current year	(350 000)	(149 640)
	5 420 883	**4 253 841**

The balance prepaid represents payment made in the current year towards the municipal subscriptions for the next financial year.

38.1.2 Pension and Medical Aid Deductions		
Opening Balance	6 439 699	4 386 493
Current Year Contributions	32 533 443	18 232 296
Amount Paid - current year	(32 407 968)	(16 179 090)
Amount Paid - previous years	-	-
Balance Unpaid (included in Creditors)	**6 565 175**	**6 439 699**

38.1.3 Audit Fees		
Opening Balance	-	-
Current year Audit Fees	2 404 471	1 977 139
Amount Paid - current year	(2 172 124)	(1 977 139)
Amount Paid - previous years	-	-
Balance Unpaid (included in Creditors)	**232 347**	**-**

The prior year's amounts have been restated due to recalculations done on documentation submitted.

38.1.4 PAYE, Skills Development Levy and UIF		
Opening Balance	4 558 378	8 125 658
Current year Payroll Deductions	21 593 453	20 001 622
Amount Paid - current year	(16 325 694)	(15 443 244)
Amount Paid - Prior year	(4 558 378)	(8 125 658)
	5 267 758	**4 558 378**

38.1.5 VAT

The net of VAT input receivables and VAT output payables are shown in Note 5. All VAT returns have not been submitted by the due date throughout the year, resulting in penalties and fines being charged by SARS against the municipality.

The net of VAT input receivables and VAT output payables are shown in Note 5. All VAT returns have been submitted by the due date throughout the year."	6 299 639	10 936 355

38.1.6 Deviation from, and ratification of minor breaches of, the Procurement Processes

In terms of section 36(1) of the Municipal Supply Chain Management Policy approved by the Council, any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager, noted by Council and bids where the formal procurement processes could not be followed must be disclosed in the Annual Financial Statements.

The deviation from supply chain management was due to Synergy being the only supplier that responsible for providing exhibition stands for Africa's Indaba.

Deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were submitted to Council quarterly, which condoned the case.

Deviations from the Supply Chain Management Policy during the financial year ended 30 June 2024 are listed below:

30 June 2024

Commodity	Contractor Appointed	Reason	Amount
Provision of exhibition stand for the municipality during Indaba tourism	Synergy Business Events	Impossible to follow SCM processes	54 701
		Total:	**54 701**

(*) The amount does not include 1 case in respect of services rendered where the amount is based on a rate.

30 June 2023

Department	Tenderer	Reason	Amount
Goods / Services (Insurance)	01/2023	Emergency	894 870
		Total:	**894 870**

38.1.7 Awards to close family members of persons in the service of the state

In terms of section 45(1) of the Municipal Supply Chain Management Policy approved by the Council, the accounting officer must ensure that particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, must be disclosed in the notes to the Annual Financial Statements.

No awards were made to close family members of persons in the service of the state in terms of the municipality's Supply Chain Management Policy.

39. COMMITMENTS FOR EXPENDITURE

Authorised Capital Commitments:		
Authorised Capital Commitments	**27 726 237**	**72 904 194**
	27 726 237	72 904 194
Authorised Operational Commitments:		
Approved and contracted for:		
Lease Commitments (Refer to note 10)	**23 106 255**	**34 650 920**
Operational Commitments	6 493 082	7 657 371
	16 613 172	26 993 549
	50 832 491	**107 555 114**

40. FINANCIAL INSTRUMENTS

40.1 Classification

FINANCIAL ASSETS:
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:

Financial Assets at Amortised Cost:		
Non-current Long-term Receivables		
Receivables from Exchange Transactions	21 032 967	25 721 027
VAT Receivable	7 262 423	10 208 061
Cash and Cash Equivalents	6 299 639	10 936 355
	-	422 197
	34 595 029	**47 287 641**

FINANCIAL LIABILITIES:
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:

Financial Liabilities at Amortised Cost:		
Unspent conditional grants	10 960 582	-
Payables from Exchange Transactions	92 388 478	101 179 572
Total Financial Liabilities	**103 349 059**	**101 179 572**

No Financial Instruments of the municipality have been reclassified during the year.

40.2 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2023.

40.3 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

40.4 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:
- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Market Risk
Market Risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Refer to Note 40.5 below for more detail

Credit Risk
Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investments held with registered financial institutions. Refer to Note 40.6 below for more detail.

Liquidity Risk
Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 40.7 to the Annual Financial Statements.

40.5 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 40.7 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

40.5.1 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable. The municipality is not exposed to credit interest rate risk as the municipality has no borrowings. The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis
The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 25 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out in Note 40.7 below:

Cash and Cash Equivalents:
If interest rates had been 25 basis points higher / lower and all other variables were held constant, the municipality's:

- Surplus for the year ended 30 June 2024 would have increased / decreased by R0 (30 June 2023: R15 504). This is mainly attributable to the municipality's exposure to interest rates on its variable rate investments.

40.6 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly. Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Trade and Other Receivables
There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area. The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable. The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

	2024 R	2023 R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Receivables from Exchange Transactions	7 262 423	10 208 061
Bank, Cash and Cash Equivalents	(2 321 073)	422 197
Maximum Credit and Interest Risk Exposure	**4 941 350**	**10 630 259**

The major concentrations of credit risk that arise from the municipality's receivables in relation to customer classification are as follows:

	%	%
Exchange Debtors:		
- Service Debtors	76,00%	74,00%
- Other Receivables	2,00%	3,00%
- Other Debtors	22,00%	23,00%
Total Credit Risk	**100%**	**100%**
Bank and Cash Balances		
FNB Bank Ltd	(3 490 782)	(570 425)
Standard Bank	1 089 120	957 569
Cash Equivalents	80 589	35 054
Total Bank and Cash Balances	**(2 321 073)**	**422 198**

Credit quality of Financial Assets:
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Receivables from Exchange Transactions

Counterparties without external credit rating:-		
High	617 618	2 384 137
Medium	31 413	121 261
Low	-	-
Total Receivables from Exchange Transactions	649 031	2 505 398
	649 031	**2 505 398**

Credit quality Groupings:
High - High certainty of timely payment. Liquidity factors are strong and the risk of non-payment is small.
Medium - Reasonable certainty of timely payment. Liquidity factors are sound, although ongoing funding needs may enlarge financing requirement. The risk of non-payment is small.
Low - Satisfactory liquidity factors and other factors which qualify the entity as investment grade. However, the risk factors of non-payment are larger.

None of the financial assets that are fully performing, have been renegotiated in the last year.

FINANCIAL INSTRUMENTS (Continued)

40.7 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay.

Description	Note ref in AFS	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	R	R	R	R		R
30 June 2024							
Non-interest Bearing							
- Consumer Deposits		92 388 478	92 388 478	-	-	-	-
- Payables from Exchange transactions		-	-	-	-	-	-
		92 388 478	92 388 478	-	-	-	-
Fixed Interest Rate Instruments							
- Non-current Finance Lease Obligations		5 521 991	5 521 991	-	-	-	-
- Current Finance Lease Obligations		2 611 516	2 611 516	-	-	-	-
		2 910 475	2 910 475	-	-	-	-
		97 910 469	97 910 469	-	-	-	-
30 June 2023							
Non-interest Bearing							
- Consumer Deposits		101 179 572	101 179 572	-	-	-	-
- Payables from Exchange transactions		-	-	-	-	-	-
Fixed Interest Rate Instruments		101 179 572	101 179 572	-	-	-	-
- Non-current Finance Lease Obligations		8 065 839	8 065 839	-	-	-	-
- Current Finance Lease Obligations		5 552 276	5 552 276	-	-	-	-
		2 513 563	2 513 563	-	-	-	-
		109 245 411	109 245 411	-	-	-	-

The following table details the municipality's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the municipality anticipates that the cash flow will occur in a different period.

Description	Note ref in AFS	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	R	R	R	R		R
30 June 2024:							
Non-interest Bearing							
- Long-term Receivables		28 375 979	28 375 979	-	-	-	-
- Trade Receivables from Exchange Transactions		21 032 967	21 032 967	-	-	-	-
- Cash and Cash Equivalents		7 262 423	7 262 423	-	-	-	-
		80 589	80 589	-	-	-	-
Variable Interest Rate Instruments							
- Call Deposits		(2 401 662)	(2 401 662)	-	-	-	-
- Bank Account		304 459	304 459	-	-	-	-
		(2 706 121)	(2 706 121)	-	-	-	-
		25 974 317	25 974 317	-	-	-	-
30 June 2023:							
Non-interest Bearing							
- Long-term Receivables		35 964 142	35 964 142	-	-	-	-
- Trade Receivables from Exchange Transactions		25 721 027	25 721 027	-	-	-	-
- Cash and Cash Equivalents		10 208 061	10 208 061	-	-	-	-
		35 054	35 054	-	-	-	-
Variable Interest Rate Instruments							
- Call Deposits		387 144	387 144	-	-	-	-
- Bank Account		230 276	230 276	-	-	-	-
		156 868	156 868	-	-	-	-
		36 351 286	36 351 286	-	-	-	-

The municipality does not have any financing facilities and expects to meet its obligations from operating cash flows and proceeds of maturing financial assets and to maintain current debt to equity ratio.

41. RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

41.1 Interest of Related Parties
- There is no interest from related parties.

41.2 Services rendered to Related Parties

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

41.3 Loans granted to Related Parties

In terms of the MFMA, the Municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. No loans were granted to Councillors, Management, Staff and Public by the municipality.

41.4 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 24 and 25 to the Annual Financial Statements.

41.5 Purchases from Related Parties	2024 R	2023 R
- The municipality did not make purchases from companies owned and/or companies where related parties have interest.		

42. CONTINGENT LIABILITIES

42.1 Court Proceedings:

	1 296 816	3 641 345
(i) Nongoma Local Municipality vs Mbali Khambule Mbali Khambule resigned and was re-instated per Legal Opinion	116 656,63	-
(ii) Mariswe (Pty) Ltd - Summons NONG33919.25 This is a claim against the Municipality in which default judgement was taken a settlement proposal has been submitted and we are waiting on instructions from the Municipality	1 180 159,44	1 180 159,44
(iii) Nongoma Local Municipality vs Sithlwesihle Ngubo At an estimated amount of R1 800 000	-	1 800 000,00
(iv) Jonny Runner Investments (Pty)Ltd - Application NONG33919.26 Town planning matter and there is no cliam against the municipality. We are waiting on the Town planners account before we can proceed with the matter.	-	661 185,29

43. ANALYSIS OF PRINCIPAL / AGENCY ACCOUNTING

ACCOUNTING BY PRINCIPALS AND AGENTS

The entity is a party to a principal-agent arrangement(s).

43.1.1 Provincial Traffic Fines

The municipality has an arrangement with the Provincial Department of Transport and Public Works who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Nongoma Municipal Area. There is no charge for this service and all fines issued to third parties are for the benefit of the municipality.

43.2 Municipality acting as the Agent

43.2.1 Motor Vehicle Licensing and Registration

The municipality acts as agent for the KwaZulu Natal Department of Transport and Public Works where it provides motor vehicle registration and licensing services on behalf of the department.

(a) Details of the Arrangement(s) is/are as follows:

The Municipality undertakes to render Motor Vehicle Licensing Services on behalf of the KwaZulu Natal Department of Transport and Transport, and collects a commission of 10% plus VAT.

(b) Resources held on behalf of the Principal, but recognised in the municipality's own Financial Statements:

The Resources regarding the Licensing Department, remain their own and do not form part of the municipality's Financial Statements.

(c) Category(ies) of Revenue received or to be received on behalf of the Principal, are:

Categories	Additional Details
Licensing Fees	Income collected on behalf of DOT and Provincial Transport for Motor Vehicle Registration

44. EVENTS AFTER THE REPORTING DATE

The municipal annual financial statements were approved/authorised by the municipal council on 30 August 2024. The municipality is not aware of any condition or event subsequent to the year end that has material impact on the financial information disclosed herewith.

45. COMPARATIVE FIGURES

The comparative figures were restated during the financial year ended 30 June 2024, refer to note 35 for all adjustments made.

46. GOING CONCERN ASSESSMENT

A municipality's going concern assessment is a review of whether the municipality can continue to operate as a going concern, or a business that is expected to continue operating.

Management considered the following matters in relation to the Going Concern position of Nongoma Local Municipality:

(I) Cash flow issues that resulted in an overdraft facility as a closing balance as at 30 June 2024.

(II) cost coverage ratio being low the norm, the municipality may be vulnerable and at higher risk of financial shocks and setbacks in terms of its financial oblivations.

(III) Current ratio is poor and below the norm, result from high amount of debtors being provided for impairments. The Municipality's provision for impairment increased drastically from prior year due to government debtors, However, the municipality received intervention from CoGTA to assist with the collection of these debts owed to the Municipality.

(IV) Creditors payment period is very as the municipality has struggled to settle payments within 30 days.

Management further, considered the following:

Municipalities that are funded by the government may only have going concern issues if the government stops funding them.

(I) On 31 May 2023 the Council adopted the 2023/24 to 2025/26 Budget. This three-year Medium Term Revenue and Expenditure Framework (MTREF) to support the ongoing delivery of municipal services to residents reflected that the Budget was cash-backed over the three-year period.

(ii) The municipality's Budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.

(iii) Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes are complemented by monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

(iv) As the municipality has the power to levy fees, tariffs and charges, this will result in an on-going inflow of revenue to support the on-going delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

Based on the assessement above, the municipality will continue to operate as a going concern.

47. Cash generated from operations

	2024 R	2023 R
SURPLUS / (DEFICIT) FOR THE YEAR	**(22 206 356)**	**9 033 681**
Adjustments:		
Depreciation, Amortisation and Assets Impairments	36 667 776	22 208 249
Gains/Loss on Disposal of Property, Plant and Equipment	125 994	(155 597)
Debtors write-off and Impairment Losses	16 048 558	17 760 470
Interest, Dividends and Rent on Land	(2 700 337)	1 314 534
Actuarial gain/(Loss)	(1 255 000)	(589 000)
Provision	853 157	-
Landfill site adjustments	809 666	554 589
Changes in working capital:		
Receivables from exchange transactions	1 727 225	(4 364 223)
Operating lease liability	832 917	-
Other receivables from non-exchange transactions	(7 814 625)	12 410 952
Consumer debtors	-	(17 760 470)
VAT Receivables	4 636 715	(1 120 319)
Unspent conditional grants and receipts	10 960 582	-
Payables from exchange transactions	(8 791 094)	33 564 025
	29 895 178	**72 856 891**

48. SEGMENT REPORTING

For management purposes the municipality is broadly organised into departments based on the nature of operations and the services they provide. The municipality has eight primary reportable segments:

- **The segment for Executive and Council Services:** This segment consists of executive services and support services to the executive.
- **The segment for Finance and Administration Services:** This segment consists of services such as finance & administration, the providing of housing to the community and planning & development.
- **The segment for Community and Social Services:** This segment consists of all services for community & social development, public safety, providing of health to the community and sport & recreation.
- **The segment for Road Transport Services:** This segment consists of all services for providing roads & storm water in the municipal area.
- **The segment for Energy Sources:** This segment consists of all services for energy supply to the community.
- **The segment for Waste Management:** This segment consists of all services for the management of solid waste in the municipal area.
- **The segment for Waste Water Management:** This segment consists of all services for the management of waste water, including sewage, in the municipal area.

No individually material operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its department separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on non-financial metrics and the segment's operating surplus or deficit, measured consistently with the accounting policies applied in the Annual Financial Statements. However, the municipality's financing (including finance costs and finance income) are managed on a group basis and are not allocated to operating segments.

Inter-department services are set off against each other as internal charges, and are therefore eliminated and not reported in Segment Reporting. The quality of services provided internally is monitored as part of the service performance information.

The municipality operates within Nongoma geographical area.

The municipality does however not monitor operating results for these geographical segments, and operational results are only monitored within the business units as previously disclosed.

48.1 Segmental Analysis of Financial Performance

Year Ended 30 June 2023

Description	Executive and Council	Finance and Administration	Community and Social Services	Road Transport/ Technical services	Waste Management	Water Management	Total for Municipality
	R	R	R	R	R	R	R
REVENUE							
Revenue from Non-exchange Transactions							
Property Rates	-	**223 681 972**	**6 479 555**	**59 245 343**	-	-	**289 406 870**
Fines, Penalties and Forfeits	-	29 549 853	-	-	-	-	29 549 853
Revenue from construction contracts	-	2 043	1 538 309	-	-	-	1 540 352
Transfers and Subsidies	-	-	3 000 000	-	-	-	3 000 000
Interest, Dividends and Rent on Land Earned	-	192 815 542	1 941 246	59 245 343	-	-	254 002 131
	-	1 314 534	-	-	-	-	1 314 534
Revenue from Exchange Transactions							
Licences and Permits	-	**1 983 050**	**1 484 031**	-	**2 901 048**	-	**6 368 129**
Service Charges	-	-	1 343 576	-	-	-	1 343 576
Sales of Goods and Rendering of Services	-	58 346	6 374	-	2 101 048	-	2 101 048
Gains on Disposal of Property, Plant and Equipment	-	155 597	-	-	-	-	64 720
Rental from Fixed Assets	-	115 153	134 081	-	-	-	155 597
Interest, Dividends and Rent on Land Earned	-	1 061 083	-	-	-	-	249 234
Operational Revenue	-	3 871	-	-	-	-	1 061 083
Actuarial gains/Loss	-	589 000	-	-	800 000	-	803 871
	-	-	-	-	-	-	589 000
Total Revenue	-	**225 665 022**	**7 963 586**	**59 245 343**	**2 901 048**	-	**295 774 999**
EXPENDITURE							
Employee Related Costs	6 680 146	63 867 960	22 613 787	7 460 050	15 022 233	-	115 644 176
Remuneration of Councillors	17 461 470	-	-	-	-	-	17 461 470
Depreciation and Amortisation	-	21 383 977	22 121	784 652	-	17 500	22 208 250
Impairment Losses	-	17 760 470	-	-	-	-	17 760 470
Interest, Dividends and Rent on Land	-	2 604 551	-	-	-	-	2 604 551
Contracted Services	4 485 217	23 597 880	21 567 206	7 511 457	-	-	57 161 760
Inventory Consumed	-	61 912	5 253 181	665 373	-	-	5 980 466
Transfers and Subsidies Paid	3 251 626	-	-	-	-	-	3 251 626
Operating Leases	-	2 573 160	-	-	-	-	2 573 160
Operational Costs	4 342 259	30 739 586	5 350 172	1 553 207	110 165	-	42 095 389
Loss on Disposal of Property, Plant and Equipment	-	-	-	-	-	-	-
Total Expenditure	**36 220 718**	**162 589 496**	**54 806 467**	**17 974 739**	**15 132 398**	**17 500**	**286 741 318**
Surplus/(Deficit) for the Year	**36 220 718**	**63 075 526**	**(46 842 881)**	**41 270 604**	**(12 231 350)**	**(17 500)**	**9 033 681**

Year Ended 30 June 2024

Description	Executive and Council	Finance and Administration	Community and Social Services	Road Transport/ Technical services	Waste Management	Water Management	Total for Municipality
	R	R	R	R	R	R	R
REVENUE							
Revenue from Non-exchange Transactions							
Property Rates	-	216 134 501	5 341 723	55 769 707	-	-	277 245 931
Fines, Penalties and Forfeits	-	31 929 596	-	-	-	-	31 929 596
Revenue from construction contracts	-	576	434 024	-	-	-	434 600
Transfers and Subsidies	-	-	3 080 336	-	-	-	3 080 336
Interest, Dividends and Rent on Land Earned	-	181 503 992	1 827 363	55 769 707	-	-	239 101 062
	-	2 700 337	-	-	-	-	2 700 337
Revenue from Exchange Transactions							
Licences and Permits	-	2 069 088	1 720 398	-	2 176 731	-	5 966 216
Service Charges	-	-	1 579 985	-	-	-	1 579 985
Sales of Goods and Rendering of Services	-	-	-	-	2 176 731	-	2 176 731
Rental from Fixed Assets	-	60 776	6 639	-	-	-	67 415
Interest, Dividends and Rent on Land Earned	-	114 889	133 773	-	-	-	248 662
Other operational revenue	-	632 653	-	-	-	-	632 653
Actuarial gain/losses	-	5 770	-	-	-	-	5 770
Total Revenue	-	1 255 000	-	-	-	-	1 255 000
	-	218 203 589	7 062 121	55 769 707	2 176 731	-	283 212 147
EXPENDITURE							
Employee Related Costs	6 753 446	64 568 775	22 861 925	7 541 908	15 187 070	-	116 913 125
Remuneration of Councillors	18 002 681	-	-	-	-	-	18 002 681
Depreciation and Amortisation	-	35 306 829	36 524	1 295 530	-	28 894	36 667 776
Impairment Losses	-	16 048 558	-	-	-	-	16 048 558
Interest, Dividends and Rent on Land	-	3 286 897	-	-	-	-	3 286 897
Contracted Services	4 636 400	24 393 292	22 294 170	7 764 645	-	-	59 088 507
Inventory Consumed	-	72 063	6 114 496	774 468	-	-	6 961 027
Transfers and Subsidies Paid	3 169 566	-	-	-	-	-	3 169 566
Operating Leases	-	2 808 307	-	-	-	-	2 808 307
Operational Costs	4 368 117	30 922 640	5 382 032	1 562 456	110 821	-	42 346 066
Loss on Disposal of Property, Plant and Equipment	-	125 994	-	-	-	-	125 994
Total Expenditure	36 930 210	177 533 354	56 689 147	18 939 007	15 297 891	28 894	305 418 504
Surplus/(Deficit) for the Year	36 930 210	395 736 943	63 751 267	74 708 714	17 474 622	28 894	(22 206 356)

48.2 Segment Analysis of Statement of financial position.

Year Ended 30 June 2023

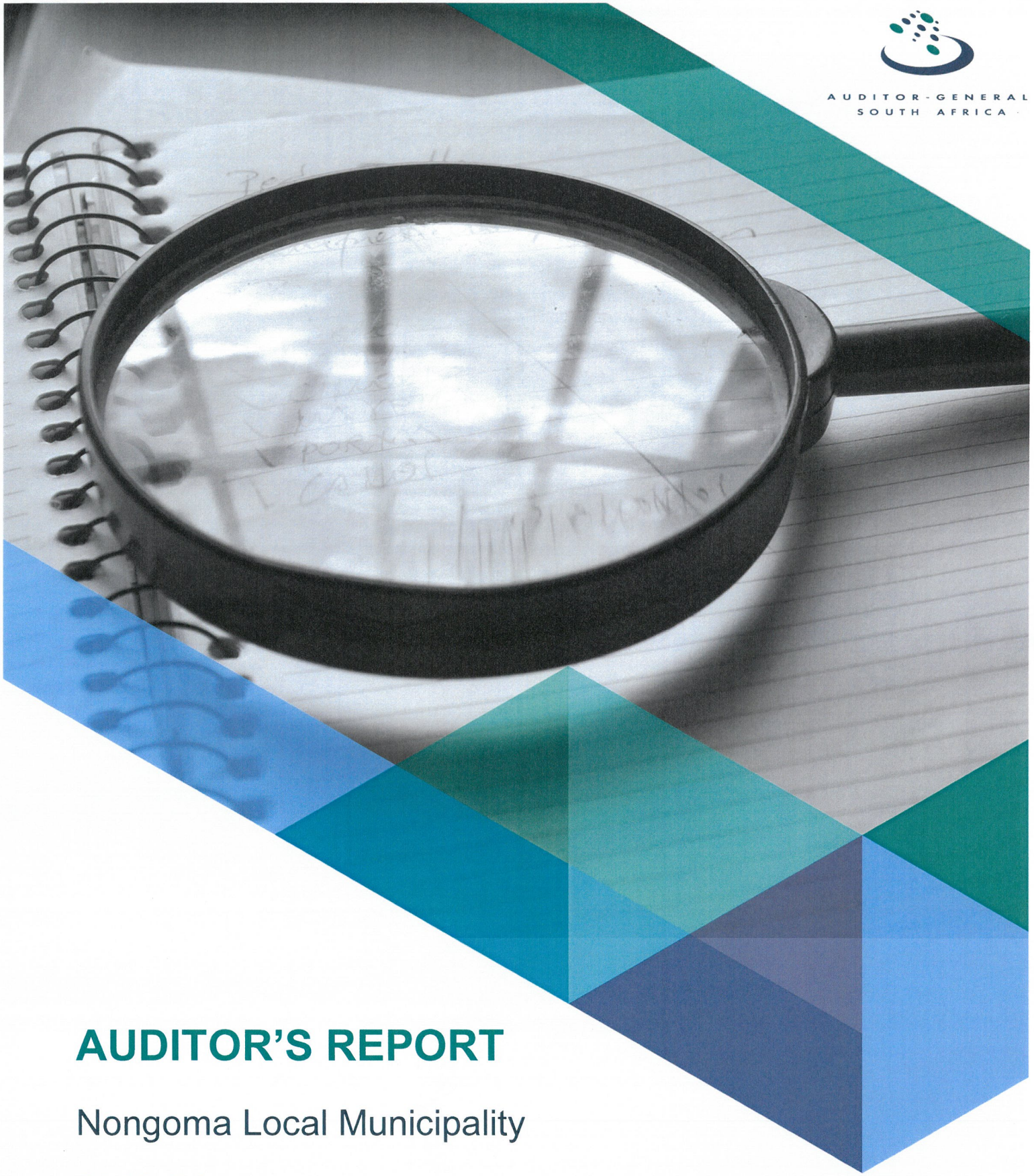
Description	Executive and Council	Finance and Administration	Community and Social Services	Road Transport	Waste Management	Water Management	Total for Municipality
	R	R	R	R	R	R	R
Financial Position							
Receivables from Exchange Transactions:							
- Receivables from exchange transactions	-	2 623 856	-	-	7 584 206		10 208 062
- Receivables from non-exchange transactions	-	23 233 263	2 487 764	-	-		25 721 027
- Vat Receivables	-	10 936 355	-	-	-		10 936 355
- Cash and cash equivalents	-	422 197	-	-	-		422 197
	-	37 215 671	2 487 764	-	7 584 206	-	47 287 641
Capital Assets:							
- Property, Plant and Equipment	-	399 383 331	-	-	-		399 383 331
- Intangible Assets	-	106 714	-	-	-		106 714
Total for Financial Position	-	399 490 045	-	-	-	-	399 490 045
	-	436 705 716	2 487 764	-	7 584 206	-	446 777 686
Capital Expenditure							
Property, Plant and Equipment	-	65 156 849	-	-	-		65 156 849
Intangible Assets	-	126 522	-	-	-		126 522
Total for Capital Expenditure	-	65 283 371	-	-	-	-	65 283 371

Year Ended 30 June 2024

Description	Executive and Council	Finance and Administration	Community and Social Services	Road Transport	Waste Management	Water Management	Total for Municipality
	R	R	R	R	R	R	R
Financial Position							
Receivables from Exchange Transactions:							
- Receivables from exchange transactions	-	1 866 716	-	-	5 395 707	-	7 262 423
- Receivables from non exchange transactions	-	18 998 637	2 034 330	-	-	-	21 032 967
- Vat Receivables	-	6 299 639	-	-	-	-	6 299 639
- Cash and cash equivalents	-	-	-	-	-	-	-
	-	27 164 991	2 034 330	-	5 395 707	-	34 595 029
Capital Assets:							
- Property, Plant and Equipment	-	393 558 578	-	-	-	-	393 558 578
- Intangible Assets	-	50 510	-	-	-	-	50 510
Total for Financial Position	-	393 609 088	-	-	-	-	393 609 088
	-	420 774 079	2 034 330	-	5 395 707	-	428 204 117
Capital Expenditure							
Property, Plant and Equipment	-	30 094 602	-	-	-	-	30 094 602
Intangible Assets	-	-	-	-	-	-	-
Total for Capital Expenditure	-	30 094 602	-	-	-	-	30 094 602

ANNEXURE B:

AUDITOR GENERALS REPORT (2023/24 FY)



AUDITOR-GENERAL
SOUTH AFRICA

AUDITOR'S REPORT

Nongoma Local Municipality

2023-24

Date: 13 December 2024

Report of the auditor-general to KwaZulu-Natal Provincial Legislature and the council of the Nongoma Local Municipality

Report on the audit of the financial statements

Qualified Opinion

1. I have audited the financial statements of the Nongoma Local Municipality set out on pages xx to xx which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cashflow statement and statement of comparison of budget information and actual amounts for the year then ended, as well as notes to financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the possible effect of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of Nongoma Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act 5 of 2023 (Dora).

Basis for qualified opinion

Contracted services

3. I was unable to obtain sufficient and appropriate evidence for contracted services expenditure due to a breakdown in the municipality's controls to certify goods and services received. I was unable to confirm the expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to contracted services expenditure, stated at R59,09 million in note 29 to the annual financial statements.

4. Additionally, the municipality did not classify expenditure in accordance with GRAP 1, *Presentation of financial statements*. Expenditure relating to operational costs and inventory consumed was incorrectly disclosed in the statement of financial performance as contracted services expenditure. Consequently, contracted services were overstated by R16,64 million with a resultant understatement of operational costs by R13,68 million and inventory consumed by R2,96 million.

Operational Costs

5. I was unable to obtain sufficient and appropriate evidence for operational costs due to a breakdown in the municipality's controls to certify goods and services received. I was unable to confirm the expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to operational costs, stated at R42,35 million in note 33 to the annual financial statements.

Inventory consumed

6. I was unable to obtain sufficient and appropriate evidence for inventory purchases due to a breakdown in the municipality's controls to certify goods and services received. I was unable to confirm the expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to inventory consumed, stated at R6,96 million in note 30 to the annual financial statements.

Transfers and subsidies

7. I was unable to obtain sufficient and appropriate evidence for transfers and subsidies paid due to a breakdown in the municipality's controls to certify goods and services received. I was unable to confirm the expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to transfer and subsidies, stated at R3,17 million in note 31 to the annual financial statements.

Irregular expenditure

8. Expenditure that was incurred in contravention of the supply chain management requirements, resulting in irregular expenditure was not included in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. I was unable to determine the full extent of the irregular expenditure that occurred during the financial year, as disclosed in note 37.3 to the annual financial statements, as it was impracticable to do so.

Context for opinion

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

10. 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.

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

Emphasis of matter

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

Material impairments – Receivables from exchange and non-exchange transactions

13. As disclosed in notes 2 and 4 to the financial statements, receivables from exchange and non-exchange transactions were impaired by R9,63 million (2022-23: R6,41million) and R33,43 million (2022-23: R20,93 million) respectively as the recoverability of these amounts were considered to be doubtful.

Restatement of corresponding figures

14. As disclosed in note 35 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

17. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the 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.

18. 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

19. 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.

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

Report on the audit of the annual performance report

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

22. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Basic service delivery and infrastructure	xx to xx	The purpose of this objective is to provide high quality infrastructure network to support improved quality of life and economic growth.

23. I evaluated the reported performance information for the selected key performance area 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.

24. I performed procedures to test whether:

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

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

26. I did not identify any material findings on the reported performance information for the selected key performance area: basic service delivery and infrastructure.

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

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

29. The table that follows provides information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Key performance area : Basic service delivery and infrastructure

Targets achieved: 69% *Budget spent: 60%*		
Key performance indicator not achieved	**Planned target**	**Reported achievement**
Percentage completion of Delini Road Phase 2 by 30 June 2024	60%	51%
Percentage completion of 3,8KM Gobamagagu Road by 31 March 2024	100%	83%
Percentage completion of Ezimpakaneni Hall by 31 March 2024	60%	46%
Percentage completion of the Nongoma testing ground by 31 March 2023	80%	55%
Percentage completion of Mandlakazi Electrification Extensions 2 by 30 June 2024	100%	91%

Report on compliance with legislation

30. 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.

31. 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.

32. 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.

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

Annual financial statements

34. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of receivables from exchange and non-exchange transactions, expenditure, cashflow statement and disclosures identified by the auditors in the

submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

35. Sufficient appropriate audit evidence could not be obtained that all contracts and quotations were awarded in accordance with the legislative requirements as the auditee failed to provide the requested information.

36. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c).

37. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c).

38. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

39. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

40. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43.

41. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in some instances of procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.

42. Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with CIDB Regulations 17 and 25(7A).

43. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5.

44. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

Expenditure management

45. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

46. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R65,40 million, as disclosed in note 37.1 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the budget relating to non-cash items.

47. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1,63 million, as disclosed in note 37.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest incurred on overdue accounts.

Utilisation of conditional grants

48. Performance in respect of programmes funded by the Integrated National Electrification Program was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 5 of 2023).

Other information in the annual report

49. The accounting officer is responsible for the other information included in the annual report. The other information referred to do 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.

50. 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.

51. 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.

52. I did not receive the other information prior to the date of this report. When I do receive it 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

53. 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.

54. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion and the material findings on compliance with legislation included in this report.

55. The accounting officer did not exercise adequate oversight responsibility regarding compliance with legislation relating to credible and reliable financial reporting, procurement and contract management, expenditure management and utilisation of conditional grants.

56. Senior management did not implement adequate review and monitoring controls to support credible and reliable financial reporting and a proper document management system to support the compliance with applicable supply chain management prescripts.

Other reports

57. I draw attention to the following engagements conducted by various parties. 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.

58. At the request of the municipality, an independent consultant conducted a forensic investigation into the allegations of fraud, theft and money laundering relating to three senior officials of the municipality that occurred during the 2023 and 2024 years. The investigation was concluded in June 2024 which resulted in two of the officials being dismissed and the resignation of one official.

Auditor-General

Pietermaritzburg

13 December 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a),56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1),96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)

Legislation	Sections or regulations
directly Accountable to Municipal Managers, 2006	
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

ANNEXURE C:

AUDIT ACTION PLAN

Umkhandlu wakwa - NONGOMA - Local Municipality

Tel: (035) 831 7500|Fax: (035) 831 3152|P.O. Box 84|Nongoma 3950

Lot 103|Main Street Nongoma 3950

Overview

1. Auditor Information

Audit firm name: **AUDITOR GENERAL SOUTH AFRICA (AGSA)**

2. Financial period

2024/25

3. Findings Summary

Finding classification method: **Critical/Major/Minor**

Functions	Critical	Major	Minor	Total
General findings	-	1	-	1
Technical Services	-	1	-	1
Revenue and Debtor Management	-	2	-	2
Financial Reporting	-	1	-	1
Budget Management	2	-	-	2
Supply Chain Management	1	7	-	8
Expenditure Management	2	1	-	3
	5	**13**	**-**	**18**

Definitions:

Critical Findings: Are very high risk findings that require immediate action to protect human life, the health of employees or the environment; May result in loss of license to operate or serious damage to reputation; Require immediate corrective action by the supplier; Need to be communicated to the audit sponsor prior to audit report finalization.

Major Findings: Findings that may pose major impacts to workers, the community, or the environment. Findings that may pose major regulatory non-compliances or illustrate systemic program gaps.

Minor Findings: Findings that may pose minor impacts to workers, the community, the environment. Findings that may pose minor regulatory non-compliances.

NONGOMA LOCAL MUNICIPALITY
AUDIT ACTION PLAN TO ADDRESS AG FINDING
ON 2023/2024 AUDIT REPORT

	Finding number *Reference the question number from the audit report where the finding is recorded.*	Reference to Audit Report Paragraph	Finding Type ***C= Critical*** ***M = Major*** ***Mi = Minor*** *Please indicate finding types*	Description of Finding	Root Causes	Corrective Actions *Details of actions to be taken to follow up on the Finding*	Due date *The task must be completed on or before this date*	Actual completion date	Responsible Section/Department *If management agree to the Finding, and document name of responsible section*	Responsible Person *Note if management agree to the Finding, and document name of responsible person*	Verification Evidence and Comments *Detail of corrective actions taken*	Status Open/Closed or comment
	GENERAL											
	1	35	Major finding	**Limitation of scope** *(Information not being made available to auditors within 2 working days).*	Poor record keeping	1. To create the Audit File checklist to ensure governance areas are covered. 2. All finance transactions on SAGE must be supported by signed evidence. 3. All compliance matters must be supported by signed reports.	**28-Feb-25**		All Departments	All Head of Departments (HODs)		Open
	TECHNICAL SERVICES											
	2	48	Major finding	Performance in respect of programmes funded by the Intergrated National Electrification Program was not evaluated within 2 months the end of the financial period as required by section 12(5) of Division of Revenue Act (Act 5 of 2023).	The municipality had instability on the municipal management position to approve the report.	The Municipality management will be stable and there won't be issues with signing of the report for submission to treasury.	**15-Aug-25**		Technical Services	HOD Technical Services		Open
	BUDGET											
	3	46	Critical finding	**Reasonable steps not taken to prevent Unauthorized Expenditure** *(reasonable steps were not taken to prevent unauthorised expenditure as disclosed in the notes to the financial statements)*	1. End user not involved in the finalisation of procurement where prices exceeds approved requisition. 2. Procurement of goods and services outside the approved SDBIP.	1. To cease implementation of unbudgeted projects and activities. 2. To produce a realistic procurement plan and only procure goods and services per the procurement plan.	**28-Feb-25**		All Departments	Budget Manager		Open
	4	47	Critical finding	**Reasonable steps were not taken to prevent fruitless and wasteful expenditure** *(Reasonable steps were not taken to prevent fruitless and wasteful expenditure as disclosed in note 37 to the annual financial statements, in contravention of section [62(1)(d) / 95(d)] of the MFMA)*	1. Failure to pay 3rd party payments with required period. 2. Lack of funds at the Municipality to settle long outstanding debtors.	1. To settled 3rd party paymentds by the 7th of each month. 2. To make payment arrangements with high value debtors above R1 Million.	**Monthly [with 7 working days].** **28 Feb 2025**		Financial Services	Expenditure Manager CFO		Open
	REVENUE MANAGEMENT											
	5	34	Major finding	**Discrepancies identified Annual Financial Statements and Provision for Impairment** *(Differences were noted on provision Impairment on receivables from exchange and non-exchange transactions – Impairment working paper compared to the Annual Financial Statements).*	Impairment only computed annually.	To perform debtors impairment calculation bi-annualy, reviewed by Manager: Financial Reporting and Approved by CFO.	**15-Feb-25**		Financial Services	Revenue Manager		Open
	6	34	Major finding	**Government debtors and provision of impairments** *(Inappropriate percentage used to calculate impairments for government debtors)*	Lack of Policy on impairment of government debtors	To review the Provision for Impairment Policy by including the impairment of Government Debtors.	**31-May-25**		Financial Services	Revenue Manager		Open
	EXPENDITURE MANAGEMENT											
	7	45	Major finding	**Invoices not paid within 30 days** *(Identified as not being settled within 30 days thereby resulting in non-compliance with the MFMA)*	Lack of funds to pay suppliers due to historic debts that have been escalated and needs immediate attention.	Receipt of Invoices should be centralised and all suppliers must submit invoices to expenditure section, to ensure prompt payments.	**28-Feb-25**		Financial Services	Expenditure Manager CFO		Open
	8	4	Critical finding	**Expenditure classification issue.** *(Expenditure relating to operational costs and inventory consumed was incorrectly disclosed in the trial balance and statement of financial performance as contracted services)*	Lack of MSCOA Classification understanding.	1. Request MSCOA training for expenditure unit officials. 2. Perform monthly GL and TB audit to identify expenditure classification issues.	**1. 15 Feb 2025** **2. Monthly (Within 15 working day)**		Financial Services	Expenditure Manager CFO		Open
	9	5, 6 & 7	Critical finding	**No evidence that goods and/or services were received by the Municipality.** *(Evidence of receipts of goods or services not provided for expenditure incurred relating to contracted services, operational costs, inventory consumed, and transfers and subsidies).*	1. Goods and services are delivered to the Municipality without Goods Received Notes 2. Invoices are not signed by HODs as confirmation of received goods/services.	1. Obtain Goods received Notes (GRNs) for all delivered goods. 2. All invoices must be signed by relevant HOD. 3. Perform monthly expenditure voucher audit. 4. Perform voucher audit in all 2023/24 payment vouchers, request GRNs from all service providers and get all invoices signed by relevant HODs. Updated 2023/24 Irregular Expenditure register.	**1 & 2. Regularly** **3. Monthly (Within 15 working day).** **4. 30 April 2025**		All Departments	All HODs Expenditure Manager CFO		Open
	SUPPLY CHAIN MANAGEMENT											
	10	8	Critical finding	**Irregular expenditure not completely disclosed.** *(Irregular expenditure is not complete)*	Irregular expenditure register only updated at year-end.	1. Regularly update Irregular Expenditure Register as an when irregular expenditure is incurred. 2. Report UIFW Expenditure regiaters to finance portfolio on a monthly basis. 3. Perform Tender audit for 2023/24 tenders and update Irregular expenditure register.	**Monthly**		Financial Services	Expenditure Manager CFO		Open

				Failure to comply with competitive bidding process.								
	11	42	Major finding	Some of the construction contracts were awarded to contractors that ***did not qualify for the contract in accordance with section 18(1) of the CIDB*** Act and CIDB Regulations 17 and 25(7A).	Lack of reviews and approvals of the evaluation report.	1. Bid Evaluation Committee (BEC) and Bid Adjudication Committee (BAC) to review the evaluation report before the appointment is made by the Accounting Officer. 2. To perform Tender and Qoutation audit.	**Regularly** **Monthly (Within 15 working day).**		Financial Services	SCM Manager Bid Evaluation Committee Bid Adjudication Committee Accounting Officer		Open
	12	40	Major finding	Contracts were awarded to providers whose ***tax matters had not been declared by the South African Revenue Service*** to be in order, in contravention of SCM Regulation 43.	Lack of reviews of the tender documents by the Bid Evaluation Committee (BEC) prior to Appointment of the service provider.	1. Bid Evaluation Committee (BEC) must confirm that Tax matters are order before recommending supplier for appointment. 2. To perform Tender and Qoutation audit.	**Regularly** **Monthly (Within 15 working day).**		Financial Services	SCM Manager Bid Evaluation Committee Bid Adjudication Committee Accounting Officer		Open
	13	39	Major finding	Some of the goods and services within the prescribed transaction value for ***competitive bids level were procured without inviting competitive bids*** , as agreement required by SCM Regulation 19(a).	Failure to follow supply chain management policy or SCM Regulations.	1. All tenders to be advertised before making appointments. 2. To perform Tender and Qoutation audit.	**Regularly** **Monthly (Within 15 working day).**		Financial Services	SCM Manager CFO		Open
				Failure to comply with quotation process:								
	14	36	Major finding	Some of the goods and services within the prescribed transaction values for ***formal written price quotations were procured without obtaining the required price quotations*** , in contravention of by SCM Regulation 17(1)(a) and (c).	Failure to follow supply chain management policy or SCM Regulations.	1. Comply with SCM process 2. Bid Evaluation Committee must review evaluation reports to ensure price quotations were obtained prior the appointment of the supplier. 3. To perform Tender and Qoutation audit.	**1 & 2. Regularly** **3. Monthly (Within 15 working day).**		Financial Services	SCM Manager Bid Evaluation Committee Accounting Officer		Open
	15	37	Major finding	Some of the quotations were accepted from bidders who did not submit a declaration of interest as required by SCM Regulation 13(c.).	Failure to follow supply chain management policy or SCM Regulations.	1. Comply with SCM process 2. Bid Evaluation Committee must review evaluation reports to ensure declarations of interest was submitted by service provider prior the appointment of the supplier. 3. To perform Tender and Qoutation audit.	**1 & 2. Regularly** **3. Monthly (Within 15 working day).**					
				Finding no contract management:								
	16	43	Major finding	Some of the ***contracts were extended or modified without the approval of a properly delegated official*** , in contravention of SCM Regulation 5.	Failure to follow supply chain management policy or SCM Regulations.	1. Comply with SCM process 2. All contracts extension must be approved either by Municipal Manager or Municipal Council. 3. To monitor contract register on a monthly basis and report to CFO monthly.	**1 & 2. Regularly** **3. Monthly**		Financial Services	SCM Manager CFO		Open
	17	44	Major finding	The performance of some of the ***contractors of providers was not monitored on a monthly basis*** , as required by section 116(2) (b) of the MFMA.	Failure to monitor suppliers on a monthly basis.	To monitor suppliers monthly by the responsible departments.	**Monthly**		All Departments	All Head of Departments (HODs)		Open
	FINANCIAL REPORTING											
	18	34	Major finding	**Cash flow calculation issues.** *(Inaccurate computation of cash flow statement).*	Lack of review of annual financial statements.	a) Procurement of CaseWare System for the preparation of Annual Financial Statements (AFS). b) Internal review (IA) and External review (Consultants) of Annual Financial Statements.	**31 Jan 2025** **28 Feb 2025**		Financial Services	Financial Reporting Manager		Open

Acting Municipal Manager	
Date signed	**08 January 2025**

ANNEXURE D:

AUDIT & PERFORMANCE COMMITTEE REPORT

REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE FOR THE YEAR ENDED 30 JUNE 2024

AUDIT COMMITTEE REPORT

The Performance and Audit Committee of Nongoma Local Municipality ("The Committee") is pleased to submit its annual report for the 2023/2024 financial year. This report is submitted in terms of the provisions of sections 121(3) (j), 166(2) (b) and 166(2) (c) of the Municipal Finance Management Act of 2003 ("the MFMA") and covers the financial period from 1 July 2023 to 30 June 2024.

COMMITTEE MEMBERS AND ATTENDANCE

The Committee consist of the members listed hereunder. The term of the committee expired on 31 October 2023 and a new committee was appointed by Council on 29th January 2024, and meets as a minimum, four times a year as per the approved Audit Committee Charter. The membership of the committee is as follows:

Committee members	Number of Meetings Attended
Mr UBS Botshiwe (Chairperson) (Reappointed 29 January 2024).	4
Ms. S Dlungwane (Reappointed 29 January 2024)	4
Prof. T Nzimakwe (Appointed 29 January 2024)	4
Mr. P. Dzanibe (Reappointed 29 January 2024)	4
Mr. M Khuzwayo (Chairperson)(Expired 31 October 2023)	3
Mr. A. Nxumalo (Expired 31 October 2023)	3

Overview of Activities

The Committee held four (4) meetings during the financial year.

AUDIT COMMITTEE RESPONSIBILITIES

The Committee has complied with its responsibilities arising from section 166 of the MFMA and clause 14(2) (a) of the Municipal Planning and Performance Management Regulations of 2001. The Committee's work was guided and regulated by an Audit Committee Charter, and discharged all its responsibility as contained therein.

INTERNAL AUDIT INSTITUTIONAL ARRANGEMENT

The Internal Audit Charter as adopted by the Committee regulates the work of the Internal Audit Unit.

In terms of S62 (c) (ii) and S165 (1) of the MFMA each municipality is required to have an Internal Audit unit and S165 (3) allows the municipality to co-source the internal audit function if the municipality requires assistance to develop its internal capacity.

The municipality has an approved structure of internal audit and it has co-sourced the detailed work.

INTERNAL AUDIT FUNCTION

The internal audit unit executed its mandate through implementation of a risk based internal audit plan that was approved by the committee. The internal audit unit reported the outcomes its work in various reports that were tabled and discussed at audit committee meetings. Management is urged to pay specific attention to internal audit recommendation and commit to action plans thereto as these serve as an early warning system.

The Committee is committee notes that ,due management instability ,the internal audit unit did not function optimally during the year as there was cancellation of planned projects that was not sanctioned by the committee. Furthermore, there were delays in the reporting to the committee of completed projects.

Management is urged to ensure the Internal Audit function is adequately supported to ensure that the municipality fully benefits from the value add that the function could bring to the municipality.

EFFECTIVENESS OF SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to provide reasonable assurance that the assets are safeguarded and the liabilities and working capital are effectively and efficiently managed and it remains a management responsibility.

The number of internal control deficiencies as reported in the internal and external audit reports indicate that the system of internal control is not functioning as intended. The committee notes that there is an inconsistent trend in responding to the findings of internal audit and external audit. Management must diligently implement actions plans to both internal and external audit findings in order to ensure that the internal control environment is vastly improved.

RISK MAMANEMENT

The MFMA requires that the Accounting Officer takes all reasonable steps to ensure that the Municipality has and maintains an effective, efficient and transparent system of financial management, risk management and internal control. Furthermore, the MFMA require the Audit Committee advises and reports to Council on, amongst others, matters relating to risk management.
The risk management committee was revived during the second half of the financial year. Ther municipality had an approved risk register and the policies that are necessary for an effective risk management function were in place.

PERFORMANCE MANAGEMENT

Part of the responsibilities of the audit committee includes the review of the performance management function. This this end, the committee has performed the following:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the IDP, budget, SDBIP and performance agreements.
- Review and comment on the smartness of key performance indicators.

The quarterly performance reports were in certain instances not timely presented or had significant deficiencies that still needed to be addressed.

COMPLIANCE WITH LAWS AND REGULATIONS

The municipality had compliance issues with various legislations governing the municipality. These are detailed in various internal and external audit reports. These issues are indicative of an organisational culture that requires that requires to be transformed.

FINANCIAL MANAGEMENT AND FINACNIAL REPORTING

The committee, throughout the year, reviewed and noted the finance reports which were presented at its meetings. These reports included:

- Supply Chain Management quarterly reports.
- Reports on monthly budget statements which included creditors age analysis, debtors age analysis, bank reconciliations, grant reconciliations and cashflow statements.

IT GOVARNANCE

The outcomes of the Internal Audit report on Information Technology Management indicate several shortcomings in IT Governance. Management is urged to ensure that these governance lapses are addressed and continuously monitor the efficacy of Information Technology as driver of performance and risk management.

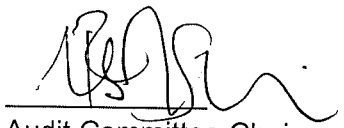
EXTERNAL AUDIT

The Audit Committee concurs with, and accepts the conclusion and audit opinion of the Auditor General on the annual financial statements for the year ended 30 June 2024.The committee notes the regression in the audit opinion.

The committee has reviewed the action plan, as developed by management, to the findings of the Auditor General and will continuously monitor the implementation thereof.

CONCLUSION

The Committee wishes to express its sincere gratitude to the Council and all stakeholders for their support during the financial year.



Audit Committee Chairperson

Mr. UBS Botshiwe
16 January 2025