PEACE UNITY PROGRESS

MANDENI MUNICIPALITY

ANNUAL REPORT

2023/24

MANDENI LOCAL MUNICIPALITY

Contents

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REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium-Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

CHAPTER 1

– MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

On behalf of the Mandeni Municipality, it is with great honor and humility that we present the 2023/24 draft annual report that contain the achievements and appreciate challenges experienced by the Municipality during the said financial year. The 2023/24 financial year marks the third year of the cycle of the Integrated Development Planning five-year cycle. In our endeavor in eradicate poverty and under-development and improve the quality of life for our community, the directive of Mandeni Municipality is not unique to the broader mandate given to local government by South African Constitution, reflected in chapter 7 which is local government. The only uniqueness we have are different legitimate expectations of our citizen. Further chapter 10 of the constitution that is public administration s195(d) states that services must be provided impartially, fairly, equitable and without bias therefore Mandeni Municipality remains committed to democratic governance to ensure that our short, medium, and long-term strategies, priorities, and plans are implemented effectively and efficient.

Therefore, as the Municipality we are committed to render good services to communities such as transformation of the lives of our people, clean governance as well as implementing creative and innovative ways to ensure that our service delivery targets are effectively and efficiently achieved. This report will highlight the municipal performance considering six municipal Key Performance Areas.

This includes; Municipal Transformation and Institutional development, Basic Service Delivery, Local Economic Development, Good governance and Public Participation, Financial Viability and Management and Spatial Rational and Environmental Management.

The municipality in 2023/24 financial year strived to function and provide essential services such as water, sanitation, electricity and solid waste removal, this are imperatives services as enshrined in RSA constitution under bill of rights. Mandeni Municipality planned several projects such as electrification, roads, solid waste and recreational facilities.

140 households were provided with electrification infrastructure (Dry Connections) in Mantshangula /Mhlubulweni Project in Ward 2 & 9 ready to be energised. Furthermore, a target of 100 was set at the beginning of the financial year, however, the municipality overachieved this target hence 113 households were provided with electrification infrastructure (Dry Connections) in Khenana phase 5 ward 10 in the 2023/24 FY. The electrification project planned in Emhlangeni was also achieved with 100 households were provided and energized in ward 5 by 31 December 2023. The other electrification project that was planned for 2023/24 FY was Okhovothi Ward 11 & 12, The total of 105 households benefitted from dry connections and energized by 31 September 2023.

The safety of the community is prioritized through the construction of 26 speed-humps in various wards, as well as the installation of 30 road signs in wards 3,4,7,13,14&15. A number of municipal rural roads were re-gravel, in various wards to ensure that there is an improvement of community infrastructure. This has reinforced the Batho Pele Principles of which local government ought to prioritize. The municipality improved enormously in road infrastructure where the target of 2700 square metres of potholes maintained was set at the beginning of the FY and achieved with 4 107.7 square metres.

In the aim of the community members of Mandeni to ensure access to roads, 300 kilometres of gravel roads maintained were targeted at the beginning of the FY. The target was exceeded, and 312.05 km was achieved in all wards. The municipality ensured drainage systems were channeled, properly hence the municipality-associated upgrade of stormwater in Sundumbili and Amajuba Road in ward 15. The construction of Mandeni DLTC as one of the catalytic project phases one to Top structure is 100%, however, there are some minor challenges that were raised by the Department of Transport such as compliance with a certain DOT standard, which was not taken into consideration during the commencement of the project…….

The RSA Constitution under the Bill of Rights, section 24 environment, states that everyone has the right to acquire an environment that is not harmful to their health or well-being. It is for that reason that the municipality performed weekly waste collection in businesses and community households in all 18 wards. The collection commences from Monday to Friday.

The annual target of 260 collections was achieved. However, there are serious challenges surrounding the overall cleanliness of Mandeni. Therefore, this was combatted through the provision of 40 skip bins in all wards. To aid the cleanliness and tidiness of the Mandeni area, 65 wheelie bins were procured and a target of 16 clean-up campaigns was set in the beginning of the FY, however, a 21-monthly clean-up campaign was conducted in the 2023/24 FY. In addition, 10 brush cutters were procured to ensure the cleanliness in Mandeni.

The municipality ensured the cleanliness of Mandeni through the target of 7 100458 m^2 grass cutting. An actual of 9 780 759 m^2 was achieved. The municipality ensured that everyone has the right to an environment protected for the benefit of present and future generations where conservation is promoted. This is highlighted through the achievement of Arbor Month Celebration on the 12th of September 2023.

The RSA Constitution in Section 26, states that everyone has the right to adequate housing. The municipality ensures that reports on housing delivery are tabled to the Municipal Council and EXCO as well as ensuring that the Housing forum a conducted timeously.

The RSA constitution's, section 29, states that everyone has the right to basic education. Considering this right, on the 31st of March 2024 ,08 Library computers were procured in ward 14. The municipality ensured that citizens in rural areas had access to education.

250 EPWP participants on various EPWP programs (Zimbambele, Lifeguards) were recruited and sustained. 9 farmers supported with seedlings, and animal feeds from various wards. 90 SMME's Supported (Quick Wins) in all wards were achieved ensuring that Local Economic development was prioritized. 763 jobs sustained through the construction of RDP housing projects were targeted.

Youthful drivers and education programmes were conducted ensuring the empowerment and upliftment of Mandeni youth. Furthermore, 2 bi-annual programmes to support Youth Council and Ward Youth Forums were conducted. The importance of employment has always been the cornerstone of all planning in the municipality. Therefore, 643 jobs created through the implementation of infrastructure projects and Expanded Public Works Programmes were targeted for the 2023/24 FY. 763 was the actual achieved.

The municipality also maintained its consistency in terms of ensuring that the completion of the PMS Assessment tools and PMS Documents, as part of the requirements by the Provincial COGTA was submitted timeously with competence being noted.

Municipal staff were also upskilled during the 2023/24 FY with officials undertaking minimum competency training as well as training in their specific fields through 100% utilization of the Workplace Skills Plan (WSP). Mandeni Municipality will ensure that one of its valuable resources, i.e. its staff, is highly valued and supported. Training, personal development, career-pathing, talent management, coaching, mentoring, Individual Performance Management and Employment Assistance Programmes are some of the specific interventions that will need to be enhanced.

In terms of governance, the municipality ensured that the Audit Committee and Performance Audit Committee and the MPAC were fully functional and achieved their legislative mandates.

The municipality has successfully managed to conduct all IDP roadshows and has successfully drafted and adopted the full IDP which includes all relevant stakeholders as per the requirement set forth in the Municipal Systems Act as well as the Municipal Finance Management Act.

Under Municipal Financial Viability and Management, the municipality ensured compliance through the submission of all monthly reports, section 72, section 52 (d) to all relevant stakeholders such as National Treasury, COGTA, etc. The adjustment budget was also tabled to ensure that the smooth operation of projects was conducted.

As the municipality, we, as ever, understand the importance of maintaining a successful financial system. In this regard, we have ensured that 100 per-cent of our creditors are paid within 30 days.

In terms of the municipal financial status, the ratio of cash and cost coverage sustained was targeted 1:3 months. The municipality achieved 1:6 months. The municipality performed well with the expenditure of INEP with 100% achieved. 104% of the operational budget was spent. However, MIG and Library grants were not achieved with an actual of 89% due to poor performance by contractors and lack of recruitment of staff. The municipality is still battling to harness the overtime especial basic service delivery departments, such as Technical and Community services, however the mechanism is on planning stage, which will reduce the overtime.

I would like to reiterate the support of the council working in conjunction with the administration of the municipality in transforming the lives of our people, by implementing practices of good governance, working with integrity, honesty, and transparency, and maintaining a financially viable organization that delivers on its promises of quality service delivery to all people residing within Mandeni Municipality.

Mr. T.P Mdlalose

Honorable Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW

As the Accounting Officer of Mandeni Municipality, I hereby confirm that the 2023/24 Annual Report has been compiled in accordance with the Local Government Municipal Finance Management Act (No. 56 of 2003) read in conjunction with the Local the National Treasury MFMA Circular No.63.

Let me commence with extending my gratitude, by thanking the staff, councilors, members of the communities and stakeholders for the support and commitment shown in 2023/24 financial.

The intention of the annual report is to reflect various projects carried out for the entire period of 2023/24, and the departments provide detailed feedback on performance against targets to various stakeholders including the community, government departments and other interested parties.

We achieved several service delivery goals as well as increase in performance and financial management of our municipality. We have sustained unqualified audit with findings, though our intention is to achieve unqualified audit opinion without findings. In the previous financial year, the municipality acquired the same audit opinion.

The report also further ensures Batho Pele principles are considered accordingly where principles such as openness and transparency, access, dealing with complaints, information are upheld, and the clients of the municipality are informed of the decisions that were taken in this period under review. This report originates from the approved Municipal Strategic Objectives and Service Delivery and Governance Priorities as contained in the approved Municipal Integrated Development Plan.

The Municipality ensured that following significant objectives were effectively and efficiently met.

- To bring new Leadership (Administration and Political) with speed on the Municipal Strategic approach and direction and further solicit new ideas and inputs in advancing the Municipal Mandate of quality and sustainable service delivery.
- To improved monitoring and evaluation method for sustainability for creating the synergy between Municipality function and batho pele principles such as service standard.
- To acknowledge successes and failures or challenges and thus review the strategies in effort to maintain focus by the Municipality in attainment of its long-term vision.
- To take stock of progress made in implementing the Municipal Five-Year Strategic Document (Integrated Development Plan)
- To monitor and modify key service delivery focus areas for the remaining period this term of office of Council.

- The Municipality ensured that their staff embarked on transparency and accountability through the cascading of individual performance management. This has ensured that each employee has taken full responsibility for their daily operations and duties. Hence, the Corporate Services department has appointed an IPMS Officer.

- The municipality has ensured that technology has been integrated with PMS to minimize costs by introducing an e-PMS System. This system is paper-less and accelerate operational delays.

- Enhanced monitoring and evaluation approach by ensuring that several compliance measures during the 2023/24 financial year were taken into consideration. This was through compliance of all stakeholders, through submission of Annual Report, PMS Assessment tool, C88 Reporting template, section 72 reports, as well as annual performance report as per s46 MSA.

- To ensure that the Municipal Strategic Business Plan (Integrated Development Plan) is in keeping with the new Strategic Development Agenda and new Legislative Frameworks hence credible and remain the main delivery mechanism for Quality Service Delivery.

- RSA constitution under bill of rights S24 states that everyone has the rights to acquire the environment that is not harmful to their wellbeing, therefore it is for that reason that the Municipality continues to strive and function essential services to the community.

- As the Accounting Officer of the municipality, I also ensure that the relevant legislation such as RSA Constitution and MFMA, MSA etc. are implemented accordingly. Section 124 of the MFMA in conjunction with section 219 of the Constitution, stated that the disclosure concerning councilors, directors, and officials this must be included to the AFS of the municipality which contain the information of salaries, allowance and benefits of political officer bearers and councilors of the municipality. Those benefits, allowance and salaries are crafted within the upper limits of the framework that is in section 219 of the Constitution.

- ❖ To ensure that the Municipal Strategic Business Plan (Integrated Development Plan) is in keeping with the new Strategic Development Agenda and new Legislative Frameworks hence credible and remain the main delivery mechanism for Quality Service Delivery.

The administration at senior management level concluded 2023/24 financial year with all senior managers, one senior manager joins the last financial year Mandeni Municipality. Mandeni municipality works co-operatively in terms of sharing information with sector departments such as COGTA. COGTA assesses and guides the municipality with certain municipal operations. Provincial and national treasury activities such as assessing Section 72 reports (budget and mid-year) have also occurred before the 25th of January, during each financial year.

Departments such as agriculture, home affairs, Social Welfare and Human Settlement visit various wards to provide services through OSS programmes (Operation Sukhuma Sakhe). Grants are provided by Human Settlements to build RDP houses. As section 26 of RSA Constitution states that everyone has the right to access adequate housing.

The strategic planning session with our council has resulted in a service delivery plan which is already being implemented in all 18 wards in Mandeni. The plan is not an overnight fix but a short, medium and long term to ensure that all communities within the Mandeni Municipal area have basic essential services.

Establishment of the Mandeni Municipality is as a category B Municipality. This is a municipality that shares municipal executive and legislative authority in its area.

The Municipality approved bylaws in order to guide the community to conduct their businesses. The top five strategic risks experienced by the Municipality are lack of municipal cemeteries and failure to maintain existing cemeteries, failure to ensure sustainable waste management solutions, Inadequate roads infrastructure, Ineffective response in an event of a disaster.

As the accounting officer of the municipality, one must address projects which highlighted educational approaches. This was through the procurement of a mobile park-home library to ensure that everyone has the access to education in the community of Mandeni.

The procurement of several plant equipment during the financial year has solidified the objectives of ensuring the community has access to roads which are graded. This highlights the Batho Pele Principles of service delivery.

The municipality in partnership with Khaba- Lidaka agreed to allow graduates and diplomates to have access to internship programme about 50 learners are acquiring training in various skills. Several vacancies were also advertised and filled, thus, ensuring employment opportunities are made available and the youth of Mandeni are equipped with skills and experience through various internship programmes.

As the Accounting Officer, I have ensured that the municipal financial status, ratio of cash and cost coverage sustained was targeted at 1:3 months. Nonetheless, the municipality achieved 1: 9 months. This is a commendable achievement pointing to the financial status of the organization. The expenditure of INEP and Library Grant was achieved at 100%. 104% of the operational budget was spent. However, MIG was not achieved with an actual of 89% due to poor performance by contractors.

It is admirable to note the improvements in relation to our spending and expenditure patterns, but we need to do more. The existent excuse of lack of resource might be a sincere one, but the key question is how efficiently we use the resources at our disposal. It is clear from this annual report that we are moving in the right direction, although not there yet. It is of principal importance to synchronize our quarterly plans with quarterly targets to achieve our broader goals of an effective and efficient Local Municipality

The municipal overall performance because of these challenges remained satisfactory but all efforts shall be put in place to ensure that there is improved level and quality of service delivery to the Community with high level of speed.

Yours Faithfully

Mr. S. G. Khuzwayo.

Municipal Manager

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Mandeni Local Municipality is located along the northern coast of KwaZulu-Natal approximately 50km north of eThekwini Metro and south of the uMhlathuze Municipality. It lies along the N2 National and Provincial corridor, as well as the north-south rail link connecting the economic hubs of Durban and Richards Bay. As such, the municipality is strategically located to provide services and derive economic benefits from these economic hubs. Mandeni Local Municipality is one of the four (4) local municipalities that make up the iLembe District. The other local municipalities are KwaDukuza, Maphumulo and Ndwedwe.

Mandeni Municipality covers approximately 545.48km2 and is made up of 18 Electoral Wards. The municipality is predominantly rural in character, with Ingonyama Trust land accounting for the majority of its land mass. There are four Traditional Council areas within the municipality’s area of jurisdiction, namely:

Map 1: Mandeni Locality Map

Mandeni Local Municipality has excellent regional transportation linkages with the national road – N2 – serving the province, the two major ports of Durban and Richards Bay, the railway line which serves as an important link between the ports as well as the hinterland parts of South Africa and the airports – both existing and proposed, including the Isithebe airstrip.

The identification of the eThekwini-uMhlathuze Corridor places Mandeni Local Municipality in an advantageous position as it is located in between these two municipalities. It stands to benefit hugely from economic activities that will accrue as a result of this initiative.

Mandeni Local Municipality also functions as an important service center for a substantial rural hinterland which lies to the west beyond the eNdulinde Hills. There are no other service centers in the tribal areas and therefore the urban center of Mandeni serves as an important sub-regional service center for the 'shadow corridor of poverty' which tracks the 'development corridor' along the coast. Mandeni is in fact arguably the only place along the coast where the development corridor and the shadow corridor of poverty meet, and hence the acknowledgement of its potential in the Provincial Spatial Framework.

Mandeni Local Municipality is made up of 18 wards. There are four Traditional Authorities namely, iNkosi uMhlongo, iNkosi uMathonsi, iNkosi uMcambi and Nkosi uNgcobo. The majority of the land within the municipality is owned by Traditional Authorities. Some of the wards fall within these Traditional Authorities, such as Ward 1,2,8, and 9 which fall under Macambini Traditional Authority, ward 6,11, and 16 falls under eLangeni Traditional Authority and ward 5,7,12,13,14,15 and 17 falls under the Mathonsi Traditional Authority.

Informal settlements with limited to no facilities or infrastructural services occur on the periphery of the developed areas and within the Isithebe Industrial area and Sundumbili Township. This is also evident in the periphery of the well-established Sundumbili Township and Mathonsi tribal authority area eastwards of the hinterland. Village centres such as Wangu in the west and Nyoni in the north-eastern side comprise of commercial and service development in the two tribal authorities of Mathonsi & Macambini.

The Mandeni Municipality is strongly committed to develop its character as an area of scenic beauty and strong developmental contrasts. As a potential and growing tourist destination, it will enhance its visual and aesthetic appeal. The municipality aims at improving physical and functional integration by establishing a functional town center. The Mandeni municipality aims at increasing economic efficiency of the Municipal area and ensuring that there is improved investor confidence therefore attracting more development to occur within the area.

COMMENT ON BACKGROUND DATA:

The key findings were derived from Census 2022 conducted by Stats SA . Some of the data/information that was obtained is used for comparison purpose. The table below illustrates the population, sex and dependency ratio. The findings illustrate demographic profile from the national to local level (Mandeni Municipality).

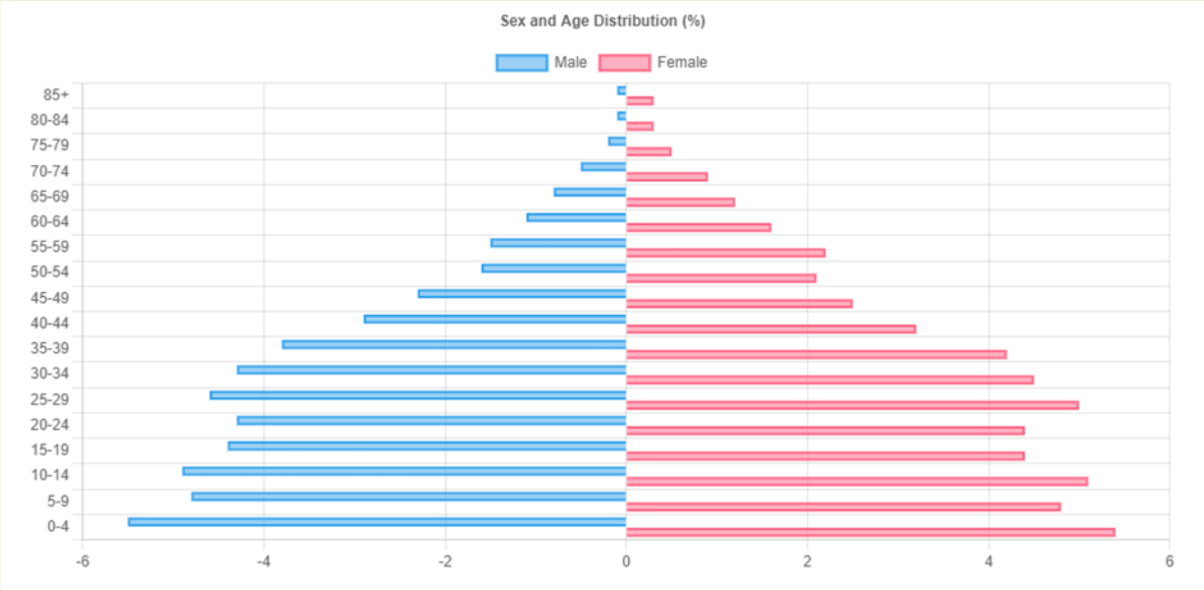
Table 1.3.1 Population Details

Indicator	**Sub Indicator**	**Population**	**% of population**
Population	**Population**	**180939**	
Population	**Young (0-14)**	**55 095**	**30%**

Composition	Youth (15-34)	64 900	36%
	Adults (35-64)	52 223	29%
	Elderly (65+)	8702	5%
Gender	Male	85 891	47,5%
	Female	95 049	52,5%

	Male	Female
0 – 4	9893	9848
5 – 9	8595	8673
10 – 14	8872	9232
15 – 19	7883	8022
20 – 24	7719	7959
25 – 29	8317	9044
30 – 34	7790	8166
35 – 39	6874	7525
40 – 44	5230	5768
45 – 49	4089	4543
50 – 54	2976	3821
55 – 59	2645	3952
60 – 64	1970	2830

65 – 69	**1430**	**2086**
70 – 74	**819**	**1624**
75 – 79	**447**	**833**
80 – 84	**202**	**570**
85+	**139**	**552**



VISION

"TO BE A RELIABLE PEOPLE CENTERED AND SUSTAINABLE ECONOMIC HUB BY 2030"

MISSION

We will achieve our mission by:

- ✓ Continuously striving for better
- ✓ Excelling all key processes of Service Delivery.
- ✓ Continuously listening and responding to our communities and all stakeholders.

VALUES

In keeping with the principles of Batho Pele, Our conduct will be guided by the following:,

- ✓ Transparency
- ✓ Integrity
- ✓ Inclusiveness
- ✓ Commitment
- ✓ Honesty
- ✓ Professionalism

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Technical Services Department (TSD) is primarily responsible for the maintenance, upgrade and provision of new municipal infrastructure assets and service delivery. It consists of the following divisions:

• Technical Administration/Planning and Projects (PMU);

• Roads and Storm Water Repairs and Maintenance;

• Parks, Verges and Open Spaces Maintenance;

• Municipal Buildings Repairs and Maintenance (Works);

• Electricity Distribution; Street lighting; installations and Mechanical Workshop.

The municipality has initiated a process towards the establishment of a Programme Management Unit (PMU) to create sufficient capacity within this department and reposition the municipality to deliver sustainable infrastructural services. The PMU will comprise of appropriately qualified, skilled, and experienced personnel. It will manage all major capital projects, bring expertise, develop systems and procedures and transfer skills and knowledge to municipal staff to leave behind a well capacitated unit on exit.

Mandeni Municipality holds Infrastructure Development Summit started in November 2013 to bring together all relevant stakeholders from varying sectors of society to engage and discuss the infrastructure related challenges facing the municipality and identify possible solutions. Solutions were identified; programs and action plans were developed to help the municipality to achieve its true potential. The recommendations have been incorporated into the organizational strategy.

COMMENT ON ACCESS TO BASIC SERVICES:

All formal households have access to basic civil engineering services. Informal areas within the urban edge have been provided with a minimum level of basic services since 2007. The provision of services to the informal areas is because of rural-urban migration and new family formation which makes planning difficult. An assessment is made annually to determine the backlogs to be addressed based on available funding. Theft and vandalism disrupt the provision and maintenance of services.

Even though Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section on Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Organizational development function falls under the Human Resource Section. Its main objectives are: To manage organizational design and business modelling, co-ordinate culture and change management, administer job descriptions, job evaluation system management, and to develop and maintain an effective employee performance appraisal system and awards process.

The organizational strategic performance however sits in the office of the Municipal Manager, with functions of providing Strategic Scorecard provides the Council with a measurable tool enabling them to fulfil their oversight role in overseeing strategy implementation and consist of the following key elements:

- Strategic Outcomes
- Strategic Key Performance Indicators
- Strategic projects

This document, the Mandeni Municipality Employment Equity Plan (EEP) is prepared in conjunction with the requirements of the Employment Equity Act 55 of 1998' hereinafter referred to as the Act, the associated Regulations and Codes of Best Practice. The (EEP) addresses all aspects of Affirmative Action measures defined by the Act, to redress the disadvantages in employment experienced by designated groups to ensure their equitable representation in the all-occupational levels and levels in the workforce.

The Mandeni Municipality Employment Equity Plan (EEP) which covers the period of 2012 to 2018 is prepared in conjunction with the requirements of the Employment Equity Act 55 of 1998' hereinafter referred to as the Act, the associated Regulations and Codes of Best

Practice. The (EEP) addresses all aspects of Affirmative Action measures defined by the Act, to redress the disadvantages in employment experienced by designated groups to ensure their equitable representation in the all-occupational levels and levels in the workforce.

1.5. STATUTORY ANNUAL REPORT PROCESS

The Municipal Finance Management Act No. 56 of 2003, Chapter 12, prescribes that every municipality must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129. The purpose of an annual report is –

1. to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
2. to provide a report on performance against the budget of the municipality or municipal entity for the financial year; and
3. To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.
   - 3.1 The annual report of municipality must include –
   - 3.2 the annual financial statements of the municipality, and in addition if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126 (1);
   - 3.3 the Auditor-General's audit report in terms of section 126 (3) on those financial statements; and
   - 3.4 The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act.

The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit those statements to the Auditor-General for auditing and the accounting officer of a municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those statements relate, submit those statements to the parent municipality of the entity and the Auditor-General for auditing. The Auditor-General must audit those financial statements and submit and audit report to the accounting officer of the municipality or entity within three months of the receipt of the statements.

The mayor of a municipality must, within seven months after the end of the 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. The council of a municipality must consider the annual report of the municipality of municipal entity, and by no later than two months from the date on which the annual report was tabled in council, adopt an oversight report containing council's comments on the annual report which must include a statement whether the council-

1. Has approved the annual report without reservations;
2. Has rejected the annual report; or
3. Has referred the annual report back for the revision of those components that can be revised.

To give effect to the above legislative requirements, Mandeni Municipality adheres to the table above to ensure the communities of Mandeni Municipality can view the contents of the Annual Report on time; the table serves as a strict and legislated guide.

The Mandeni Municipality in 2023/24 Financial Year acquired an unqualified audit with matters/findings in AFS. Under the PMS the Municipality acquired an unqualified audit with one finding, this was confirmed by Auditor General reports for 2023/24 Financial year. The

Municipality has developed comprehensive interventions to address these challenges and will be monitored through relevant structures, which is attached in terms of circular 63 of the MFMA in chapter 6.

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CHAPTER 2

– GOVERNANCE

INTRODUCTION TO GOVERNANCE

CHAPTER 2

INTRODUCTION TO GOVERNANCE

The nature of governance within the Municipality is such that it is spread in four major components with various structures exercising some authority and accountability in various levels. The following depicts the governance components:

- Political Governance Structure, this governance structure deals with the political governance of the Municipality through Political Office Bearers, Council, Committees;
- Administrative Governance Structures, this governance structure on the other hand focuses on the administration and management of the Municipality is vested in the Municipal Manager who is the Accounting Officer. The Municipal Manager is assisted by the Senior Management Team of the Executive Managers. The Municipal Manager is tasked with the establishment, development and management of sound and effective municipal administration;
- Intergovernmental Relations, the Executive Mayor is the custodian of the intergovernmental relations fora. There are various structures that have been established at the local and provincial level to promote engagement between Municipalities, Sector Departments, State Entities, and etc;
- Public Accountability and Participation, the Mayor assisted by the Municipal Manager is responsible for the community engagement and participation in the

affairs of the Municipality, such as IDP, budget processes, public meetings/Mayoral Izimbizo, etc;

- Corporate Governance, the Municipal Manager assisted by Senior Managers is responsible for the Corporate Governance of the Municipality. This entails risk management & anti-corruption and fraud, internal audit, Supply Chain Management, Oversight Committees, Policies and By-laws, integrated reporting, etc.

2.1. POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political & administrative governance at Mandeni Municipality comprises of the elected councillors and the respective senior managers and the way they actually work together on a day-to-day basis in order to achieve organizational goals

The political governance of the Municipality is derived from the Constitution of 1996 which directs in Section 151 (3) that the Municipality has the right to govern on its own initiative, the local government affairs of the local community. The legislative and executive authority of the Municipality is vested in the Municipal Council.

The Municipal Systems Act Chapter 7 Section 50-52 directs that the Municipality must within its administrative and financial capacity establish and organise its administration in a manner that would enable the Municipality to respond to the needs of the community, facilitate the culture of public service and accountability. The Administration of the Mandeni Municipality under the stewardship of the Municipal Manager who exercises the administrative governance of the Municipality.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

In compliance with Section 151(3) of the Constitution, Section 53 of the Systems Act (Act 32 of 2000) and the Municipal Structures Act (Act 117 of 1998) Mandeni Municipal Council governs the local government affairs of the local community on its own initiative. The roles and areas of responsibility of each political structure and each Political Office Bearer of the Municipality and of the Municipal Manager is defined and adhered to accordingly.

The Political Leadership of the Municipality comprises of elected Councillors through both the Ward System and Proportional Representation, is led by the Mayor. On the other side the Administration of the Municipality is composed of Executive Management appointed in terms of Section 56 and 57 of the Municipal Systems Act as amended. The Municipal Manager is the head of Administration. In order to realise the Constitutional mandate of the Municipality these two components, including the Community have to work together.

2.1 POLITICAL GOVERNANCE

COUNCIL

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Mayor and the Executive Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision-makers, councillors are also actively involved in community work and the various social programmes in the Municipal Area and through the ward committees established in each of the 18 wards.
The municipality's political affairs are managed through an Executive Committee (EXCO) headed by the mayor. There are different Portfolio Committees, each headed by a member of the Executive Committee member established to ensure effective governance.

EXECUTIVE COMMITTEE

The Honourable Mayor of the Municipality assisted by members of the Executive Committee, heads the executive arm of the Municipality. The mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the mayor, delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Mayor operates in concert with the Executive Committee.

HIS WORSHIP: THE MAYOR Cllr. T.P Mdlalose

The Mayor is the leader of the council and has a number of roles which are both legislative and functional. The legislative requirements are outlined in Section 73 and 73AA of the Local Government Act 1989.
The LG Act states that the functions of the Mayor of a Council include:
• - Providing guidance to Councillors about what is expected of a Councillor, including in relation to the role of a Councillor under section65, and the observation of the Councillor - -Conduct Principals and the Councillor Code of

Conduct under section 76B, 76BA and 76C

- - Acting as the principal spokesperson for the Council
- Supporting good working relations between Councillors
- - Carrying out the civic and ceremonial duties of the Office of the Mayor

 **HIS WORSHIP: THE DEPUTY MAYOR Cllr. B.L MAGWAZA**	The Executive Deputy Mayor exercises the powers and performs the duties of the Executive Mayor if the Executive Mayor is absent or not available or if the office of the Executive Mayor is vacant.

 Cllr.P.M Sishi	 Cllr.M.S Mdunge

 Cllr. B.L Magwaza	 Cllr. S.Z Mdletshe
 Cllr.M.Shelembe	 Cllr.M. Mthembu

PORTFOLIO COMMITTEES

Section 80 committees are established to advise the mayor on policy matters and any other matter to be considered by the Mayor. They are assigned to specialise in a specific functional area of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them. They are appointed by Council and the Chairperson is appointed by Council.

The municipal administrative departments report to council via EXCO through its Portfolio Committees of relevance in terms of the key performance areas. The following are the portfolio committees that have been established:

- Community Service and Public Safety
- Economic Development Planning and Human Settlement
- Budget and Treasury
- Infrastructure Development and Technical Services
- Local Public Administration and Human Resources
- Special Programmes

Section 79 committees are permanent committees appointed to advise the Municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. MPAC inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of section 129 of the Municipal Finance Management Act.

RULES COMMITTEE

This committee is normally chaired by the Speaker of Council and is normally composed of Chief Whips of all political parties represented in Council and other members that Council may add.

Terms of Reference

- Look at the implementation of Councillor Code of Conduct and adherence thereto
- Look at the implementation of Council Rules of Order and Standing Orders
- Advise Speaker and Council on matters needing attention
- Look at Council Dress Code and other matters related to council activities.
- Advise the Speaker and Council on matters requiring disciplining of councillors when Rules and Standing Orders are broken.
- Advise the Speaker and Council on the appointment of Ad Hoc committees when need arises
- Regularly reports to Council on its work and activities.
- Regulate Internal Functioning of Council and its committees.

AUDIT COMMITTEE AND PERFORMANCE AUDIT COMMITTEE

In terms of section 166(2) of the MFMA, Council has an Audit Committee which is an independent advisory body which must advise the Municipal Council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to:

- Internal financial control;
- Risk management;
- Performance management; and
- Effective governance.

COUNCILLORS

Councilors are elected by the local registered voters in terms of the local segment of the Voter's Roll to serve a predetermined term of office on the local council as representatives of their respective constituencies. Mandeni Local Municipality has a total of 35 seats. Eighteen (18) of these seats are allocated to ward councilors who are elected by each of the eighteen wards. Another seventeen (17) seats are allocated top parties through the proportional representation system of elections.

ALLOCATION OF COMMITTEES

Mandeni Local Municipality has five (5) Section 80 Committees established by Council. Each one of these committees is chaired by the members of Executive Committee, and the allocation is as follows:

A. ECONOMIC DEVELOPMENT AND HUMAN SETTLEMENT				
1.	**CLLR**	**SZ**	**MDLETSHE**	**ANC -Chairperson**
2.	**CLLR**	**MC**	**MKHALIPHI**	**ANC**
3.	**CLLR**	**S**	**NTULI**	**ANC**
4.	**CLLR**	**N**	**MPANZA**	**IFP**
5.	**CLLR**	**F**	**GINA**	**IFP**
6.	**CLLR**	**N**	**KHUZWAYO**	**EFF**
7.	**CLLR**	**SS**	**MDUNGE**	**ANC**

B. INFRASTRUCTURE DEVELOPMENT TECHNICAL SERVICE

1.	CLLR	ST	MAGWAZA	ANC – Chairperson
2.	CLLR	DGP	MTHEMBU	ANC
3.	CLLR	S	MTHEMBU	ANC
4.	CLLR	ST	THWALA	ANC
5.	CLLR	N	MPANZA	IFP
6.	CLLR	M	NCANANA	IFP
7.	CLLR	SJ	MATHONSI	AIC

C. LOCAL PUBLIC ADMINISTRATION HUMAN RESOURCE			
1.	CLLR	MS MDUGE	IFP -Chairperson
2.	CLLR	S MABHIDA	ANC
3.	CLLR	N NXUMALO	ANC
4.	CLLR	MB NGIDI	ANC
5.	CLLR	SJ MATHONSI	AIC
6.	CLLR	Z NXUMALO	IFP
7.	CLLR	X MATHONSI	ANC

D. FINANCE			
1.	CLLR	TP MDLALOSE	ANC -Chairperson
2.	CLLR	CT MHLONGO	ANC
3.	CLLR	NO DLADLA	ANC
4.	CLLR	ME NDWANDWE	EEF
5.	CLLR	N NCUBE	IFP
6.	CLLR	LS ZUNGU	IFP
7.	CLLR	MB NGIDI	ANC

E. COMMUNITY SERVICES AND PUBLIC SAFETY			
1.	CLLR	BL MAGWAZA	ANC -Chairperson
2.	CLLR	SS MDUNGE	ANC
3.	CLLR	ST THWALA	ANC
4.	CLLR	CL MTHEMBU	ANC
5.	CLLR	SP NAICKER	DA
6.	CLLR	ME NDWANDWE	EFF
7.	CLLR	BA KHUMALO	IFP

POLITICAL DECISION-TAKING

The Standing Rules and Orders of Council and various pieces of legislation including the Constitution of the Republic of South Africa provides for the processes of decision making by Council.

All issues pertaining to the matters listed below are dealt with by Council and the resolution passed through the supporting vote of the majority of members of Council:

a) Approval of Budget

b) The imposition of rates and taxes, levies and duties.

c) The passing of By-laws.

d) The raising of loans.

Other matters are delegated to the Executive Mayor in terms of Section 59 of the Municipal Systems Act. The Executive Mayor must report to Council on the execution of duties delegated to her. All other matters before Council are decided by the majority of votes cast in a particular meeting.

If on any matter there is an equality on votes cast, the Speaker exercise a casting vote in addition to that of him being a Councilor.

Before a Council passes a resolution on any of the following matters it shall first require the Mayor to play his executive role and submit a report and recommendation to the full sitting of Council.

a) The passing of By-laws

b) The approval of budgets

c) The imposition of rates

d) The raising of loans

e) The approval of the IDP and any amendments or reviews of this plan.

f) The appointment and conditions of service of the Municipal Manager and Managers directly accountable to the Municipal Manager.

g) And any other powers and functions as prescribed by various pieces of legislation.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Chairperson	Cllr. S. Shandu (Chairperson)	ANC
Member	**Ms. N.N Mathunjwa**	**EFF**
Member	**Mr. D Mthembu**	**ANC**
Member	**Mr. S Mathonsi**	**IFP**

FUNCTIONS

The MPAC is a committee of the municipal council, appointed in accordance with section 79 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. This will include oversight over municipal entities. For the MPAC to fulfil this oversight role, it needs to be provided with the necessary information and documentation to interrogate the actions of the executive.

REPORTING

The MPAC reports directly to the municipal council and the chairperson of the MPAC must liaise directly with the speaker on the inclusion of reports of the MPAC in the council agenda. As the MPAC is a committee of the council, its reports are submitted directly to the council without being submitted to the Executive Committee. The chairperson of the MPAC liaises directly with the speaker on the inclusion of its report in the council agenda, and the committee staff ensures that the documentation is physically included in the agenda of the council meeting.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipality has established a process or mechanism to regularly evaluate the staff establishment and if necessary, review the staff establishment, in line with organizational objectives and development priorities. This mechanism provides for the review of the organizational structure at the beginning of the financial year, which entails revisiting each Department and Business Units to ensure that they respond to the priorities contained in the Integrated Development Plan (IDP). The organizational design and the structure of the Municipality are such that it seeks to respond to both national and local government priorities of:

a) Municipal Institutional Development & Transformation.

b) Basic Service Delivery

c) Local Economic Development

d) Municipal Financial Viability

e) Good governance

f) Building Local Economies to create more employment & sustainable livelihood.

g) Improve local public services and broaden access to services

h) Promote more active community participation in local government

i) Effective, accountable, and clean local government

The Municipal Manager is the Head of Administration and plays a pivotal role in the functioning of the Municipality. The Municipal Manager subject to policy direction by Council must organize the Administration in the manner that enables Council to hold the Municipal Manager accountable for the overall performance of the Municipality.

As head of the administration, the municipal manager is responsible for the formation and development of an economical, effective, efficient, and accountable administration, which is equipped to implement the IDP, operates within the municipality's performance management system, and is responsive to the needs of the local community to participate in municipality. The municipal manager manages communication between the political structures and office-bearers and the administration.

To be able to give fruition to the requirement to run an efficient, economical, and accountable administration, the operations of the municipality are divided into six directorates:

a) Office of the municipal Manager

b) Budget and Treasury

c) Corporate Services

d) Community Services and Public Safety

e) Economic Development, Planning and Human Settlements

f) Technical Services and Infrastructure Development

. TOP ADMINISTRATIVE STRUCTURE

 **MUNICIPAL MANAGER** **Mr. S.G Khuzwayo**	Municipal Manager is responsible for the operations and performance in the following sections: ▪ Responsible for setting up effective and sound local administration; ▪ Coordinates the compilation of IDP; ▪ Responsible for PMS of the Municipality; ▪ Oversees the management of internal audit; ▪ As the Accounting Officer has overall responsibility for finances of the Municipality; ▪ Advice Political Office Bearers and Council on various issues; ▪ Responsible for compliance of the Municipality with various pieces of legislation; ▪ Must ensure community participation in the affairs of the Municipality; ▪ Legal Services; and ▪ Risk Management

 **CHIEF FINANCIAL OFFICER** **Miss N. GUZANA**	

- Property Valuations;

DIRECTOR: CORPORATE SERVICES

Mr. V.P Zulu

Corporate Services Director is responsible for the operations and performance in the following sections:

- Information and Communications Technology;
- Administration and Auxiliary Services;
- Human Resources and
- Council Secretariat

DIRECTOR: TECHNICALSERVICES

Mr. S DLAMINI

- Project Management.

DIRECTOR: ECONOMIC DEVELOPMENT & PLANNING HUMAN SETTLEMENTS

Mr. Mbongwa

Economic Development & Planning Human Settlements is responsible for the operations and performance in the following sections:

- Local Economic Development;
- Development Planning;
- Strategic Planning/IDP;
- Human Settlements and
- Building Control.

DIRECTOR: COMMUNITY SERVICES AND PUBLIC SAFETY.

Mrs. Bongani Sithole

The community Services Department is primarily responsible for the social wellbeing of the community. It comprises the following sections:

- Library Services;
- Parks, Verges and Gardens Community Facilities;
- Community Development;
- Public Safety
- Fire and Rescue Services and Disaster Management;
- Security Services
- Cemeteries & Crematoria and
- Waste Management

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The municipality strengthened the functioning of the following structures established according to the provisions of the Intergovernmental Relations Framework Act no 13 of 2005. These high-level strategic forums are as follows: IDM Intergovernmental Relations Forum, Executive Mayors Forum, District Speakers Forum, Municipal Managers Forum, Chief Financial Officers Forum, IDP Representative Forum and PMS Forum.

The above forums are established to share best practices among others and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottleneck within certain spheres. Such forums must be attended to check and report on service delivery. Once these forums are successful, service delivery will be achieved, and we will have communities that are happy.

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Mayor and Municipal Manager of Mandeni LM attend the Premier's Co-ordinating Forum (PCF). The IDM enjoys the advantage of having the Mayor as the Chairperson of SALGA, which then puts the Region in a better position to influence SALGA in strategic issues that are of interest to the Region and South Africa as a whole. Members of the Mayoral

Committees (MMCs) also attend, and in some cases chair SALGA working groups. The IDM also sends representatives to SALGA Provincial and National Members' Assemblies.

Inter-Governmental Forums (IGR) are functioning well at District level. The mayors IGR Forum has a year programme scheduled for monthly meetings. The Speakers', Chief Whips' and MMCs' Forums as well as the Troika meetings are operating. The MMCs also have established relations with their respective Member of Executive Committees (MECs) and in some cases, national government departments as well.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Municipality participates in the Premiers' Inter-Governmental Forum as well as the Provincial Speaker's Forum.

The Municipal Managers also have a Provincial and National Forum. In all these Forums, issues pertaining to service delivery and matters of common interest are discussed.

Information and best practices are shared and the interaction with Province and other municipalities is valuable to have a better co-ordination and co-operation.

Various forums in which officials participate are also structured at Provincial level, e.g., Communication Forum and SALGA Technical workgroups.

Councillors and Officials also participate in SALGA working groups in which valuable information is shared.

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

The Mandeni Municipality has no municipal entities; however, the Enterprise Ilembe has been established within the Ilembe District Municipality.

DISTRICT INTERGOVERNMENTAL STRUCTURES

IGR in the ILembe District was initially introduced in 2006 and has since developed fully. There is coordination in the functions of the district family of municipalities. It has provided a platform for the district municipalities to plan and synchronize all the programmes and projects that are inter-reliant as provided by the IDP's.

There are 10 Forums within the district, with the District Intergovernmental Forum being the highest authority. All Forum is constituted by senior officials from the Local Municipalities, District Municipality, Provincial and National Sector Departments. Each forum meets as indicated in the structure above to discuss issues pertaining to its portfolio and functions with an aim to devise a plan on how these entities can collectively work towards achieving their respective IDP objectives and National priorities/outcomes.

The Sub-Forums then report to the Technical Support Forum (made up by Municipal Managers) for discussion and recommendation. The Technical Support Forum in turn reports to the District Intergovernmental Forum (Mayors Forum).

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC MEETINGS

Public participation is an institutionalised function in our Municipality. Our communities have learned to appreciate the elaborative process which ensures that all interested residents are afforded ample opportunity to make meaningful contributions to policy development and planning for developments in the municipal jurisdiction. The evolution of ward-based planning and the related establishment of ward committee system have elevated community participation to higher level in terms of legal provision and institutionalisation of the process. Mandeni Local Municipality, through the Office of the Speaker, liaise continuously with communities through ward committee members and other stakeholder forums.

To facilitate maximum participation by ward committee members, the Municipality provides stipends for each member.

In the promotion of public accountability and participation members of the public are invited to attend all meetings of the Council and its committees. Another mechanism of public participation is conducted through Mayoral Budget and Integrated Development Plan

(IDP) Izimbizo's. These are held prior to developing the draft budget to provide feedback to the community about the implementation of projects in the current financial year and to illicit the needs of the community in order to provide input for the new financial year. A second (IDP) Izimbizo is held once the draft budget has been developed in order to inform the public of key elements in the proposed budget and illicit responses thereto.

2.5. IDP PARTICIPATION AND ALLIGNMENT

The Municipal Systems Act as promulgated in 2000 describes the various core processes that are essential in realizing a system of developmental local government. These aspects include participative governance, IDP, performance management and reporting, resource allocation and organisational change. These processes are linked into a single cycle at the local level that will align various sectoral initiatives from national and provincial government departments with municipalities own capacities and processes, including alignment with district initiatives.

The process plan is a document that is developed for this very purpose it outlines the framework/process for the alignment and engagement in the review of the Integrated Development Plan. This is done in alignment with parallel processes like the Budget and the Performance Management System. Every year around the end of August, the Municipality finalize a Process Plan which is approved by Full Council, once approved a public notice is posted to our website and various newspapers inviting members of public as well as various stakeholders to make submissions with regards to developmental priority needs. The very same Process Plan is posted on the Mandeni website where different activities and milestones are reflected in terms of the IDP review and PMS and Budget implementation and monitoring. The Mandeni Municipality has a structured program of public participation. This program is reflected in the Process Plan and forms the basis for citizenry engagement framework which is currently mooted in a form of a public participation policy.

The following are forms of citizenry participation that are utilized by the Municipality to ensure the citizen and stakeholders voices are accommodated in the planning, execution and review of the IDP, Budget and PMS processes:

- Ward Committee Monthly Meetings
- Stakeholders Quarterly Meeting (Reporting on PMS Progress/SDBIP and IDP
- Monthly Community Meetings by Councillors (due to financial constrains-are held once in two months /6 meetings per annum per ward
- Project Based Meetings
- Sector Plan Based Engagements
- Executive committee
- Full Council Meeting
- Integrated Development Planning Meetings:
- Izimbizo: Public Meetings for Budget, IDP etc.
- Municipal Property Rates Act (MPRA)
- Service Standard or Charter
- Community Based Planning
- Complaints Register: Customer Care and Batho Pele Engagements
- Sukuma Sakhe – Premier's Flagship Tool for Accelerated Service Delivery at a Ward Base Level
- Attendance to invitations by Interest groups
- Partnerships and MOUs: MIDI,
- Inaugural State of the Municipal Address (SOMA)

The public participation mechanisms/forums listed above are conducted throughout the year specifically at an operational level and then some of them are organized on a fortnightly, monthly, quarterly and annually as reflected in our Process Plan, the intergovernmental relations and citizenry participation system model is presented for adoption by Full Council which forms the basis for Public Participation Policy.

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The Municipality formulated a programme with ward numbers, dates, time, and venues for public meetings in relation to IDP review. The programme included stakeholders such as the business community and the rate payers. All the stakeholders were engaged on IDP review, Budget, and Performance Management System in terms of the KPAs and KPIs. At the end IDP representative forum meeting resolutions were taken after participation by sector departments and NGO's, which were relevant to partake in the discussion of Mandeni IDP review all our meetings were successful with meaningful participation of the public.

IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	**YES/NO**
Does the municipality have impact, outcome, input, output indicators?	NO
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	YES
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align to the section 57 Managers	YES
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	YES
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

* Section 26 of Municipal Systems Act 2000 T 2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

Corporative governance is a link between all three spheres of government as enshrined in the constitution of the country. Inter-governmental relations are working relations between spheres of government for realization of a service delivery. In terms of the mandate of each sphere per the constitution, the expectation is that spheres of government complement each other. This is done for the purpose of best practice and service delivery.

Corporate Governance within Mandeni Municipality entails *Risk Management*, *Anti-Corruption and Fraud*, Internal Audit, Audit and Audit Performance Committee, Municipal Public Accounts Committee and Supply *Chain Management* which is unpacked below:

2.6. RISK MANAGEMENT

The Mandeni Local Municipality subscribes to the Public Sector Risk Management Framework as well as other international best practices (ISO 31000) to identify, analyze, treat, monitor, and communicate risks internally.

The provision of Section 62 (1) (c) (i) of the Municipal Finance Management Act (Act Number 56 of 2003) stipulates that the Accounting Officer of the Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all responsible steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

Risk Management unit facilitate the risk management processes, developing Strategic Risk Register, Operational Risk Registers, Fraud Risk Register, ICT Risk Register, and OHS Risk Register. These registers are monitored to ensure that all risks that could hamper service delivery are being prioritized.

The Municipality has in the current year of assessment a dedicated unit to co-ordinate the function of risk management under the Risk Management Unit. This unit has been ably guided by an independent risk chairperson, the Enterprise Risk Management Committee, the Audit and Performance Committee, the Accounting Officer and all senior management and management in the formulation of the risk registers. Furthermore, this unit has ensured that there has been quarterly sitting of the risk management committee and that risks are monitored and reported on a quarterly basis. Internal audit has also played a significant role in this area in ensuring that the municipality complies with the requirements of the Municipal Finance Management Act.

The Audit and Performance Committee has also been actively involved in the risk management processes. Hence, why the Risk Management Committee chairperson is required to submit a quarterly report to the Audit & Performance Committee.

The Risk Management Committee is chaired by the independent chairperson. The Risk Management Committee is governed by its Charter. This approach has proven to be successful, and in terms of good governance. This is what is required by the National Treasury Risk Management Framework.

The Municipality ensured that there was a successful risk assessment process conducted during the commencement of the period and it should be noted that this process was attended by the KZN Provincial Treasury. During this process the strategic top 10 risks were identified, and the strategic risk register was developed. it incorporated all the risks that were identified and the mitigating action plans to be implemented by the management. During the risk assessments the other 3 risk registers were developed, which is the Operational Risk Register, Fraud Risk Register, OHS Risk Register and ICT Risk Register. This risk assessment also ensured focus was given to IDP priority areas and the National KPA's to ensure that risks are aligned to programs within the Municipality, Regionally, Provincially and Nationally.

During the 2023/2024 year of assessment there were dedicated risk champions appointed per department. These Risk Champions are managers in their departments, and they assisted to enable the risk management processes in their respective departments. They facilitated the quarterly risk reporting by the departments and played a huge role in monitoring of risk by ensuring the risk management is part of their monthly meeting agenda items.

STRATEGIC RISKS FOR 2023/2024 FINANCIAL YEAR

NO.	IDP Objective	RISK DESCIPTION	ROOT CAUSES	ACTION PLANS
1	6.1 Ensure that our people have access to community facilities and services. Aspire to a healthy, safe, and crime-free Mandeni	Lack of municipal cemeteries and failure to maintain existing cemeteries	1. Existing grave site are full 2. Failure to maintain grave sites 3. Lack of dedicated personnel for cemeteries 4. Inability to identify suitable land for grave site 5. Lack cemeteries in the district level 6. Vandalism	1. Finalise the study to identify the land for grave site Risk Owner: Municipal Manager Action Owner: Manger- IDP Due Date: 31/12/2023
2	1.1 To improve access to all basic services	Inadequate maintenance of stormwater facilities	1. Infrastructure backlog 2. Damage of stormwater infrastructure consequent to water and sanitation infrastructure maintenance by district municipality 3. Uncoordinated Allocation of land on peripheral areas by traditional leaders	1. Upgrade programme for drainage system in sundumbili Action Owner: Manager Civil Due date 30/06/2024 2. Maintenance programme jetting of stormwater in different wards Action Owner: Manager Civil

			resulting in increased storm water catchment 4. Non collection of waste resulting in blockage of storm water 5. Insufficient resources (Plant & equipment, funding and capacity limitations such as Skilled Technicians). 6. Lack of maintenance	Due date quarterly 3. Slot in councillors public meeting for awareness on litting and illegal dumping Action Owner: Manager Civil Due date: Quarterly 4. Procurement of jetting machine to unblock stormwater Action Owner: Manager Civil Due date: 31/12/2023
3	1.1 To improve access to all basic services	Inadequate roads infrastructure	1. Infrastructure backlog 2. Aging Road infrastructure 3. Insufficient resources (Plant & equipment, funding and capacity limitations such as Skilled Technicians). 4. Lack of maintenance 5. Appointment of unqualified service providers 6. Lack of quality check by	1. Construction of gravel roads in rural areas ward 11,16,17,18,1,5, Action owner: Manager Civil engineering Due date: 30/06/2024 2. Upgrade of roads ward 15 majuba roads, ward 13 phase1 and phase 2 Action Owner: Manager PMU

			project managers	Due date: 30/06/2024 3. Upgrade the drainage system of sundumbili Action Owner: Manager Civil Due date 30/06/2024 4. Pothole programme Action Owner: Manager Civil Due date: Quarterly 5. Procure Plant and Equipment - Trucks, Waters tanks, Grader and a Roller Action Owner: Director Technical Due date: 31/12/2023
4	1.1 To improve access to all basic services	Failure to ensure reliable and adequate supply of electricity within municipal distribution license area.	1. Illegal connections and tempering of meters resulting in financial loss 2. Unstable supply due to illegal connections 3. Ageing infrastructure	1. Monthly meter audit through billing unit. i. check disconnections vs reconnections. ii buying history of the customers.

			4. Cable theft 5. Inadequate training of electrical staff resulting in non- quality of supply of electricity. 6. Shortage of Human Resources and equipment 7. Community installing different energy source in their households (e.g Solar system) 8. Independent power producers 9.Purchase requisition not processed by supply chain 10. Lack of spare transformers 11. Lack of suitable storage room	Risk Owner: Director Tech Serv Action Owner: Manager Treasury Due Date: Monthly 2. 80% of the number of queries resolved Action owner: Director tech serv Due date: Quarterly 2. Explore and benchmark municipal By-Law for tariff charges for solar panel users Action Owner: Director technical Due date: 30/06/2024 3. Request appointment of three electrician assistant 2024/2025 budget Action owner: Director Tech serv Due date: 30/06/2024 4. Training on MV switching

				(license of MV) Action owner: Director Tech serv Due date: 30/06/2024 5.Include the Cable replacement in the 2024/2025 budget Action owner: Director Tech serv Due date: 30/06/2024 7. Include the building of storeroom in the 2024/2025 budget Action owner: Director Tech serv Due date: 30/06/2024 8. Procurement of Spare transformer Action owner: Director Tech serv Due date: 30/06/2024
5	6.1 Ensure that our people have	Failure to ensure sustainable. waste management	1. Regular break down of waste trucks 2. Delays in collection of	1. Finalise establishment of Waste Recycling Site (this is not budgeted for due to fact that the

	access to community facilities. and services. Aspire to a healthy, safe, and crime-free. Mandeni	solutions	waste. 3. Reliance on EPWP personnel to carry out the operation 4. Lack of landfill site 5. Lack formalised recycling programme 6. Illegal dumping 7.non-enforceable solid waste disposal Bylaws by the public 8. Lack of access to certain areas 9. Lack of land fill for Ilembe district	municipality was relying on the iLembe Recycling project which unfortunately failed) however the municipality have budgeted for the (i) Bailer machine bottle crusher (ii)Weigh pad Risk Owner: Municipal Manager Action Owner: Director-Community Services Due Date: 30/06/2024 2. Identify recycling site Risk Owner: Municipal Manager Action Owner: Director-Community Services Due Date: 30/06/2024 3. Appointment of general assistants. (iii) 11 employees to be

				employed on permanent basis. Risk Owner: Municipal Manager Action Owner: Director-Community Services Due Date: 30/09/2023 4. Establishment of material recovery centre within the local municipality. Risk Owner: Municipal Manager Action Owner: Director-Community Services Due Date: 30/06/2024
6	7.1 Realize a completely protected environment. Facilitate a creation of disaster-ready community	Ineffective response in an event of a disaster	Insufficient human resources Lack of Business Continuity Plan Insufficient tools of trade IT Equipment	1. Complete signing of mutual aid agreement between Umlalazi, Mandeni & kwadukuza Municipality Action Owner: Director CSPS 30/09/2023 2. Include the relocation plan of fire station to the budget of

			Vehicles Generators, Jaws of life Inadequate storeroom for the relief equipment	2024/2025 Action Owner: Director CSPS 30/06/2024 3. Conduct ongoing disaster awareness Action Owner: Director CSPS Due date: Quarterly 4. Include the procurement of bakkie in 2024/25 budget. (Disaster bakkie) Action Owner: Director CSPS Due date: 30/06/2024 5. Develop Disaster Response SOP, and Policy Action Owner: Director CSPS Due date: 30/09/2023 6. Appoint of 4 Fire Fighters

				Action Owner: Director CSPS ue date:31/12/2023 7. Appointment of of general assistant for disaster Action Owner: Director CSPS 30/06/2024
7	7.1 Realize a completely-protected environment. Facilitate a creation of disaster-ready community	Inadequate realization of a completely-protected municipal environment.	Illegal dumping of waste Pollution emissions by industries Lack of land fill site and transfer station Lack of recycling program Lack of Climate Response Strategy	1. Roll out the Integrated Waste Management Plan through the transfer of services Action Owner: Director CSPS Due date: 31/12/2023 2. Appointment of environmental practitioner Action Owner: Director EDPHS Due date: 31/12/2023

8	2.1 Ensure a financially viable municipality	Inability to manage and to ensure the sustainability of municipal finances	Misalignment between equitable share and increasing indigent population Decreasing revenue base coupled with increased employee costs High municipal uncollectable debt from the Ingonyama Trust Board High dependency on grant allocation Failure to take disciplinary actions on incurred Unauthorised Irregular, Fruitless and Wasteful Expenditure Non-adherence to cost containment measures	1. Schedule the sitting of the Revenue & Debt Management Committee. i) Extend the committee to Senior Managers. Action owner: CFO Due Date: 30/09/2023 2. Investigate the apportionment of the Free Basic Service with the allocation of the Equitable Share against Internal Funds Action owner: CFO Due date: 30/06/2024 4.Include Conducting of Land audit in 2024/2025 budget Action owner: Director EDPHS Due date: 30/06/2024 5. Explore and benchmark municipal By-Law for tariff charges for solar panel users

			Budget Constraints Slow implementation of revenue enhancement strategy	Action Owner: Director technical Due date: 30/06/2024 6. Conduct continuous investigation on electricity for low and non purchases Action owner: CFO Due date: Quarterly 7. Consolidate Indigent Register for the Ilembe District Action Owner: CFO Due date: 30/09/2023 8. Conduct " Rand for Rand" campaign to assist municipality with the revenue Action Owner: CFO Due date: 30/09/2023 9. Motivate for Equitable Share with National Treasury

				Action Owner: CFO Due date: 30/06/2024 .
9	7. Promoting and facilitating environmental protection and sustainable spatial planning	Failure to facilitate the equitable allocation of land in line with SPLUMA	Municipality is characterized and is highly influenced by rural settlement dynamics Historic non-use of the land use scheme in the rural areas Poor allocation of residential properties by Amakhosi	1. Conduct awareness campaigns to Amakhosi on Spatial Planning & Land Use Action Owner: Director EDPHS Due date: Quarterly 2. Upgrade Law Enforcement Officers - Traffic Officer, Building Inspector (Peace officers training)

			Contestation of boundaries between municipality and izinduna over land allocation and beyond traditional council boundaries Lack of Building Control By-Law Land invasion Non compliance with the building plans requirements by township residents Infrequent inspections on compliance with building requirements Failure to impose fines on non-compliance with building requirements	Action Owner: Director EDPHS Due date: 31/12/2023 3. Pro-actively re-zone identified economic nodes to met development demands and Lay infrastructure pro-actively Action Owner: Director EDPHS Due date: 30/06/2024 4. Align spatial planning documents (Infrastructure Development Plan and Spatial Development Plan) Action Owner: Director EDPHS Due date: 30/06/2024 5. Include land audits budget in the 2024/2025 budget Action Owner: Director EDPHS Due date: 30/06/2024

10	1.1 To improve access to all basic services	Failure to ensure reliable and equitable provision of houses	1. Delays in delivering housing targets to housing beneficiaries - Improper planning 3. Poor beneficiation administration - Inadequate beneficiary list - Double allocation and missing of beneficiaries 4. Misunderstanding between Implementing agent and subcontractors (Rates) 5. delays in approval of funding 6.Delays Appointment of implementing agents 7. Delays in Beneficiary admin for (OSS)	1. Facilitate for engagement between implementing agents and sub-contractors (rates) Action owner: Director EDPHS Due date: 30/09/2023 2. Request for fast-Tracking of approval for funding and appointment of implementing agents from Dpt of Human Settlement Action owner: Director EDPHS Due date: 31/12/2023 3.packaging of housing project funding applications for approval by Department of Human Settlements Risk Owner: Municipal Manager Action Owner: Manager- Human Settlement Due Date: 30/06/2024

2.7. ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI CORRUPTION STATEGY

The Municipality has taken an active role in dealing with fraud and anti-corruption. Firstly, the municipality through its council has adopted the fraud prevention policy and strategy in June 2023 which was workshopped to Council during policy review session.

The municipality has also ensured that in the current year (2023/2024) there is a dedicated budget set aside for fraud hotline, which is being initiated as a District wide initiative. Furthermore, an action plan is in progress to address all the challenges pertaining to fraud related issues.

All reported fraudulent cases are reported directly to the Office of the Municipal Manager. If the allegations have financial implications. The forensic investigation is conducted, and the case is reported to the disciplinary board for recommendations.

2.8. INTERNAL AUDIT

In terms of Section 62 (c) of the Municipal Finance Management Act no 56 of 2003 (MFMA), the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—

(a) that the municipality has and maintains effective, efficient and transparent systems—

(i) of financial and risk management and internal control; and

(ii) of internal audit operating in accordance with any prescribed norms and standards;

Furthermore, Section 165 (1) of the MFMA, states that each municipality must have an internal audit unit.

Section 165 (2) states that the internal audit unit of a municipality must—

(a) prepare a risk-based audit plan and an internal audit program for each financial year;

(b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to—

(i) internal audit;

(ii) internal controls;

(iii) accounting procedures and practices;

(iv) risk and risk management;

(v) performance management;

(vi) loss control; and

(vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and

(viii) Perform such other duties as may be assigned to it by the Accounting Officer.

Regulation 14 (1) (a) of the Local Government: Municipal Planning & Performance Management Regulations of 2001, prescribe that a municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes.

The Municipality had, within its Organizational structure, a dedicated internal audit unit in the 2023/24 year of assessment. Furthermore, the municipality has an independent audit committee with four (4) members of sufficient skills and experience to ensure adequate oversight over internal audit as well as municipal activities as a whole.

The 2023/2024 year of assessment was a successful year for the internal audit unit with the following key achievements being noted:

- The first year in which internal audit plan was completed without any delays
- The first audit of technical services and grant spend
- The acknowledgement by governance structures such as Treasury and CoGTA on the strength of the internal audit unit and the ability of the internal audit unit to perform majority of audits in house
- The successful workshopping and review of the Internal Audit Charter
- The undertaking of four quarterly PMS assessments
- The reduction on the use of consultants for specific internal audit projects
- The successful support of MPAC for Unauthorized, Irregular and Fruitless and Wasteful Expenditure

Furthermore, the internal audit unit had ensured that there was quarterly sitting of the audit committee as well as quarterly reports of the audit committee to council.

The internal audit unit also ensured that it complied with its statutory requirements of performing four quarterly audits as per the developed and approved internal audit plan and then tabling each quarterly report with follow ups to audit committee for consideration. The unit also successfully oversaw the development of the 2023/24 internal audit plan which was approved by the audit committee on the 28th of June 2024.

In regards to the 2023/24 scheduled audits the following key areas where reviewed and tabled to audit committee for consideration.

PROJECT	**FOCUS AREAS**

Revenue and Debt Management	• Accuracy of billing and collections • Reconciliations (Revenue and debtors • Debt collection procedures • Debt policy and Indigent Policy • Test Debt collection system (Existence and Completeness) and alignment to SAGE • Collection trends per sector (Business, government and household) – Current year debt management issue has escalated and hence collection trends needs to be retested in detail • Recording of revenue
Supply Chain Management	• Turnaround time for completion of procurement process (Ordering; Receiving process, Invoicing and Reconciliation) • Planning (Procurement plan), Policy review and awareness • Contract and Project Management (Standard operating procedures, organogram and testing of high value and long-term contracts) • Performance assessment of service providers and contractors • Contract and Project Management (Completeness of Contract register and supporting documentation

	• Review of supplier database (capturing, editing and approval of suppliers), performance monitoring of suppliers • Review of supplier database (suppliers in service of the state, suppliers who are employees, blacklisted suppliers) • Creditor (including payments). • Supplier return process and quality verification of goods and services received • Completeness of Supplier documents
Unauthorized, irregular, fruitless and wasteful expenditure	• Investigations of irregular expenditure resulting from approved deviations. • Investigations of unauthorized, irregular, fruitless an wasteful expenditure incurred.
Physical verification of employees against payroll reports	• Provincial Treasury Circular (PT/MF) 1 of 2017/2018
Asset Management	• Fleet Management – Policy and application • Test read/write access to the SAGE PASTEL system

	• Compliance with the fleet management policy and submission of exception reports relating to fuel, accidents and insurance) • Fixed Asset Register (Completeness) • Fixed Asset Register (Existence) • Impairment testing (sample basis) • Repairs and Maintenance (Capitalisation versus Expenditure) • Formation of asset disposal committee and effectiveness of this committee • Review the controls for impairment testing of moveable and immovable assets • Fixed Asset Register reconciliation • Additions and Disposals • Investment property (Completeness, Rights, Existence and Valuation • Under Construction WIP Assets – WIP valuation and transfers to Fixed Asset Register

ICT	• ICT Governance • DRP and BCP • ICT Security and awareness • ICT Assets • Assessment of the nature of the project management function (Outsourced EPCM vs In-house Project Management Personnel)
Performance Management System (PMS)	• Review the SDBIP, organizational scorecard, departmental scorecards, Section 57 Performance agreements to the Integrated Development Plan (IDP) for alignment • Presentation of SDBIP Consistency, Measurability, Relevance Reliability • Compliance with laws and regulations • Review of POE's against reported information on the SDBIP

Reviews of Annual Financial Statements	• Review Accounting Policies and compliance with GRAP • Ensure that the AFS agrees to the Trial balance and General Ledger • Perform review of financial statements for validity, accuracy and completeness • Review working paper file and ensure that it agrees to information on the AFS, TB and GL • Follow-up on AG findings.
Reviews of Annual Performance Report	• Review the adequacy and effectiveness of controls around the performance information and the following areas will be included in the audit scope, but not restricted to the following: - Review credibility of POE files (Reliability of Performance Information); - Review the processes with which performance information is processed, collated, filed, analyzed and reported in line with the FMPPI; - • Follow-up on AG findings.

2.9. AUDIT AND PERFORMANCE AUDIT COMMITTEE

File Reference: Author : Mondli Makhunga

Report Number: Designation : Chairperson of the Audit Committee

CONFIDENTIAL The Honourable Speaker

FOR CONSIDERATION MANDENI MUNICIPAL COUNCIL

SUBJECT: AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT FOR THE PERIOD ENDED 30 JUNE 2024

DATE: 20 April 2024

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1. INTRODUCTION

The Audit and Performance Committee (Herein referred to as the "Audit Committee") is pleased to present its report covering the period from 1 January 2024 – 30 June 2024.

2. PURPOSE

2.1 This is a report to the Council which indicates the activities performed by the Audit Committee between 1 January 2024 – 30 June 2024.

2.2 The purpose of this report is for consideration by members of the Council.

3. LEGISLATIVE REQUIREMENTS

3.1. Section 166 of the Municipal Finance Management Act, Act 56 of 2003 obliges every Municipality to establish an independent Audit Committee which must advise the Municipal Council and the Management of the Municipality on matters relating to internal controls, internal audits, risk management, accounting policies, adequacy, reliability and accuracy of the financial reporting information, performance management, effective governance, compliance with the MFMA, the Annual Division of Revenue Act ('DoRA"), any other applicable legislation and any other issues referred to it by the Municipality.

3.2. Section 166 of the Municipal Finance Act No. 56 of 2003, as amended ("the MFMA"), read with circular 65 published by the National Treasury and regulation 14(2)(a) of the Municipal Planning and Performance Management Regulations of 2001 requires that the audit committee must report on its activities.

3.3. In carrying out our oversight responsibilities, the Audit Committee is guided by the formal terms of reference "The Audit Committee Charter". This Charter is reviewed annually and submitted to the Council for approval.

4. THE AUDIT COMMITTEE COMPOSITION AND ATTENDANCE

4.1. During the period under review, the Audit Committee consisted of four (4) members with diverse skills. The Audit Committee has to date met five (5) times (wherein two (4) were ordinary meetings and one (1) was special meetings to deal with AFS). This is in line with the Charter and MFMA's Circular 65 which require that the Audit Committee meets at least four times in a given financial year.

4.2. The table below sets forth the particulars of the members, dates of appointment and their attendance at the meetings of the committee:

	Meetings Attended	30/08/23*	11/12/23	20/03/24	27/05/24	21/08/24
Mr. M Makhunga (Chairperson)	5	✓	✓	✓	✓	✓
Mr. H Mpungose	5	✓	✓	✓	✓	✓
Ms. N Khanyile	5	✓	✓	✓	✓	✓
Mr. B Mhlongo	5	✓	✓	✓	✓	✓

✓ = Present

- = Absent

* = Special Meeting

5. AUDIT COMMITTEE'S RESPONSIBILITY

The Audit Committee hereby reports that it has complied with its responsibilities arising from section 166 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and regulation 14(2) (a) of the Municipal Planning and Performance Management Regulations of 2001.

Furthermore, the Audit Committee reports that it has operated in terms of the Audit Committee Charter read in conjunction with the Internal Audit Charter.

5.1. The Internal Audit Function

5.1.1. Section 165 of the MFMA, prescribes that every Municipality must have an Internal Audit Unit that operates under the direction and control of the Audit Committee. This entails that, functionally the Internal Audit Unit is directly accountable to the Audit Committee while accountable administratively to the Office of the Municipal Manager.

5.1.2. The operational activities of the Internal Audit Unit are regulated by Section 165 of the MFMA, circular 65 published by the National Treasury, the International Standards for the Professional Practices of Internal Auditors (ISPPIA) and the Internal Audit Charter.

5.1.3. The Chief Audit Executive reports administratively to the Municipal Manager and functionally to the Audit Committee to ensure the Internal Audit Function's independence.

5.1.4. The activities of the Internal Audit Unit are guided by the Annual Audit Coverage Plan which is approved by the Audit Committee at the end of the financial year preceding the year under review. The Audit Committee monitors the progress of the implementation of the annual internal audit plan.

5.1.5. During the financial year 2023/24, the internal audit work was performed by the internal staff and the external staff sourced from the external service providers.

5.1.6. At the end of June 2024, all the audit projects planned for execution were completed.

5.1.7. The Audit Committee approved the Internal Audit Plan for the 2023/24 financial period. This plan was submitted to the Council and COGTA for noting.

5.1.8. The Audit Committee approved the Internal Audit Charter and reviewed the Audit and Performance Audit Committee Charter for approval by the council.

System of Internal Control

5.1.9. The Audit Committee received assurance from the Internal Audit Function and the Risk Management Function based on their evaluation of the effectiveness of internal control systems.

5.1.10. The Audit Committee monitored the progress achieved by the Management in implementing remedial actions to prevent the recurrence of findings identified by the Internal Audit and the Auditor General. The audit committee acknowledges management's efforts to strengthen internal controls within the municipality.

5.1.11. Unauthorized Expenditure

There is an unauthorized expenditure reported during the period between 01 July 2023 – 30 June 2024.The municipality incurred an amount of R8 672 326, which relates to bulk purchases and operational cost. This expenditure will still be investigated by MPAC.

5.1.12. Irregular Expenditure

There is an Irregular expenditure reported during the period between 01 July 2023 - 30 June 2024. The municipality incurred an amount of R4 890 750 this will be presented to MPAC for investigation.

5.1.13. Fruitless and Wasteful Expenditure

As at the end of June 2024, the Fruitless and Wasteful Expenditure incurred by the Municipality was R136,741 and had since been investigated by MPAC and approved by Council for write off accordingly.

5.1.14. Deviations

There were no deviations incurred by the Municipal Manager between 01 January 2024 – 30 June 2024.

5.1.15. Unspent Grants

The Committee noted the balance of unspent grants of R9.1 million which emanated from the Municipal Infrastructure Grants and Title Deeds Grants. These grants are accordingly ringfenced until utilised. The Municipality is awaiting the rollover permission from the National Treasury.

5.2. Risk Management Function

5.2.1. Risk Assessments

A risk assessment workshop was conducted on the 11th – 13th of April 2023 to identify risks that might have the potential to impede the municipality's ability to achieve its goals and objectives. Five (5) risk registers were developed, i.e. Strategic, Operational, Fraud, ICT and Occupational Health and Safety (OHS) Risk Registers.

5.2.2. Progress on Strategic Risk Implementation

Previously we presented strategic risks to the Council which we are continuing to monitor as the audit committee. The following is the status of the implementation of action plans linked to these strategic risks for Q1 - Q4.

Department	Risk Action Plan Achievement Rate
Office of the MM	90%
Budget and Treasury Office	81%
Corporate Services	80%
Community Services	75%
Technical Services	71%
EDPHS	68%

These are being overseen by the Risk Management Committee and are presented to the Audit Committee on a quarterly basis where appropriate actions are recommended to expedite the implementation of risk management action plans. The outstanding action plans will be rolled over to the next financial period (2024/25) for further assessment.

5.3. Audit on Performance Information

5.3.1. The Audit Committee has noted the efforts of the Performance Management Unit and the management in providing accurate performance information however there were findings raised by both the internal audit and the Auditor General on this area.

5.3.2. The draft annual report was submitted to the Internal Audit department for review and the audit report on the review of the draft annual report for 2023/2024 was presented to the Audit Committee for noting.

5.3.3. The Audit Committee noted with concern that management still struggles with providing the relevant, sufficient and appropriate portfolio of evidence to support achieved targets.

5.4. External Audit by Auditor-General

5.4.1. During the period under review, the Audit Committee assessed the progress on the action plan, which addresses the issues raised by the Auditor-General in their previous report.

The Auditor General raised 5 significant audit findings of which 3 were significant and 2 were additional matters not impacting the audit opinion.

No.	Finding	Status
1	Agent-principal arrangement- INEP and Massification Grants	Resolved.
2	Statement of cash flow misstatements	Controls were put in place, however, this item will be audited by the AG who will provide feedback on the control effectiveness.
3	Investment Property - Fair Value Adjustment	Controls were put in place, however, this item will be audited by the AG who will provide feedback on the control effectiveness.
4	Quotations with indicators of splitting identified	Resolved.
5	Contract Management	Resolved.

5.4.2. Management is continuously monitored these actions to address the issues raised by the Auditor-General. 3 out of 5 issues were resolved during the financial period whilst the other 2 had controls put in place and are due for review by the Auditor-General.

5.5. Financial Management and Reporting

5.5.1. The Audit Committee reviewed the adequacy and effectiveness of the Municipality's system of internal financial control and reporting through the reports provided by the Internal Audit Function.

5.5.2. As at the end of June 2024, the Municipality reported a surplus of R79.5 million which is a good indication of the financial health of the Municipality.

5.5.3. Capital Expenditure improved in the last quarter of the financial year as there was only a 4% underperformance with a cumulative June 2024 spending of R139.8 million.

5.5.4. Interim Financial Statements and Annual Financial Statements

The Committee reviewed both Interim Financial Statements and Annual Financial Statements for the 2023/24 financial year with the aim of sending credible financial statements to the Auditor General (AG) for review.

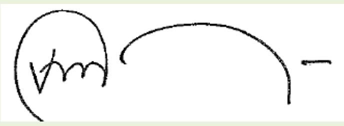
The Committee encouraged the senior management for the Municipality to consider recommendations from both the Audit Committee members and from the Internal Auditors prior to submitting to the AG.

6. RECOMMENDATION

It is recommended that:

6.1. THAT, the report of the Audit Committee is noted by members of the Council.

Prepared by:



Mr. Mondli Makhunga

Chairperson

Mandeni Municipal Audit Committee

20 April 2024

2.10 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Author : Mr. S Shandu

Designation : Chairperson of MPAC

CONFIDENTIAL | The Honourable Speaker

FOR CONSIDERATION | MANDENI MUNICIPAL COUNCIL

SUBJECT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE REPORT FOR THE PERIOD FOR THE YEAR ENDED 30 JUNE 2024

DATE: 31 JULY 2024

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1. INTRODUCTION

1.1 The Municipal Public Accounts Committee **(Herein referred to as the "MPAC")** is pleased to present its Report for the fourth quarter of 2023/2024 financial year.

2. LEGISLATIVE REQUIREMENTS

2.1 Vast powers have been conferred on council in terms of section 160(1)(a) of the Constitution, as follows: "A Municipal Council makes decisions concerning the exercise of all the powers and the performance of all the functions of the municipality;"

2.2 Oversight is a crucial role of council in monitoring and evaluating the actions of the executive and administration in the discharge of the vast powers they possess. It also includes avoidance of abuse of power and guarding against under performance.

2.3 It is also possible for council to delegate the oversight role or part thereof to committees of council. In terms of section 79A(1) of the Local Government: Municipal Structures Amendment Act 3 of 2021 (hereinafter referred to as "the Structures Act"), "a municipal council must establish a committee called the municipal public accounts committee".

2.4 Council is required in terms of section 53(1) of the Local Government: Municipal Systems Act, 32 of 2000 (hereinafter referred to as “the Systems Act”), to define a specific role and area of responsibility for each political structure.

2.5 Furthermore, in terms of section 32(2) of the Local Government: Municipal Finance Management Act, 56 of 2003) (hereinafter referred to as “the MFMA”) and regulation 74 of the Municipal Budget and Reporting Regulations, a municipality must recover unauthorised, irregular or fruitless and wasteful expenditure unless the expenditure is, after investigation by council committee, certified by the council as irrecoverable and written off by the council.

2.6 MPAC activities should enhance increased council and public awareness of the financial and performance challenges of the City and its entities.

2.7 In terms of Municipal Budget Reporting Regulations (MBRR) 23(6)(b);

(1) *Council may authorise unauthorised expenditure in a special adjustment budget tabled in council when the mayor tables the annual report in terms of section 127(2) of the MFMA. This special adjustment budget “may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.”*

This special adjustment budget therefore deals with:

- *unauthorized expenditure that occurred in the first half of the previous financial year that was not included in the main adjustments budget or that was included but referred back for further investigation or further information;*
- *unauthorized expenditure that occurred in the second half of the previous financial year, and*
- *any unauthorized expenditure identified by the Auditor-General during the annual audit process.*

Unauthorised Expenditure: In terms of Section 1 OF THE Local Government:

Municipal Finance Management Act 2003 (Act 56 of 2003) (hereinafter referred to as the MFMA

"Unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes - overspending of the total amount appropriated in the municipality's approved budget;

(a) overspending of the total amount appropriated for a vote in the approved budget;
(b) expenditure from a vote unrelated to the department or functional area covered by the vote;
(c) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose
(d) spending of an allocation referred to in paragraph (b), (c) or (d) of the conditions of the allocations; or
(e) a grant by the municipality otherwise than in accordance with this Act,

2.8 National Treasury MFMA Circular 62 states the following:-
Irregular expenditure is defined in section 1 of the MFMA as follows: "irregular expenditure", in relation to a municipality or municipal entity, means—

(a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;

(b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act.

2.9 Definition of Fruitless and Wasteful Expenditure as per the MFMA means the following:

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised"

2.10 Reporting of allegations of financial misconduct

(3) (1) Any person must report an allegation of financial misconduct against -

(a) the accounting officer, a senior manager or the chief financial officer of a municipality, to the municipal council of the municipality, the provincial treasury and the national treasury
(b) an official of the municipality other than its accounting officer, to that accounting officer

(2) The mayor, accounting officer or chairperson of the board of directors, as the case may be, must table an allegation referred to in sub-regulation (1) before the municipal council or board of directors in the case of municipal entities, not later than seven days after receipt thereof or at the next sitting of the council or board of directors.

(3) the person to whom an allegation of financial misconduct has been reported in terms of sub-regulation (1) must ensure that the report is treated in a confidential manner.

(4) this regulation must not be read as preventing a person from laying a criminal charge with the South African Police Service against any councilor, member of the board of directors of a municipal entity, or official of a municipality or municipal entity in relation to any conduct that may constitute an offence in terms of Part 2 of Chapter 15 of the Act.

(5) An official against whom an allegation of financial conduct is made must be given an opportunity to make written representation to the municipality or municipal entity as to why he or she should not be suspended, within seven days of being notified of the allegation.

2.11 In terms of section 36 of Municipal Supply Chain Management Regulations it states:

Deviation from and Ratification from minor breaches of procurement processes, "(1) A supply chain management policy may allow the accounting officer –

(a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of sub-regulation (1)(a) and (b) and report them to the next meeting of the council, or board of directors in the case of municipal entity, and include as a note to the annual financial statements.

3. MPAC COMPOSITION AND ATTENDANCE

3.1 The MPAC consist of four (4) members who were appointed by Council. The MPAC has met once **(1)** during 2023/2024 financial year and the table below sets forth the particulars of the members and their attendance at meetings held during the above-mentioned period:

Members	**Meetings Attended**	**31-July-2024**
Cllr. S. Shandu (Chairperson)	1	✓
Cllr. N. Mathunjwa	1	✓
Cllr. D Mthembu	1	✓
Cllr. S Mathonsi	0	-

✓ = Present

- = Absent

4. MPAC RESPONSIBILITIES

4.1 Municipal Public Accounts Committee is a committee of council and therefore by a resolution in terms of section 79A of the Structures Act (as amended) determines its composition.

4.1.1 To ensure that municipal resources are used effectively and efficiently and report any deviations to Council;

4.1.2 To review Auditor-General reports together with comments from Management and Audit Committee thereon and to make recommendations to Council;

4.1.3 To review Internal Audit reports together with comments from Management and Audit Committee thereon and to make recommendations to Council;

.

4.1.4 To initiate and develop the Annual Oversight report as part of Annual Report; and

4.1.5 To attend and to make recommendations to Council on any relevant matter referred to it by Council, Exco, a Portfolio Committee, a member of MPAC, a Councillor, and the Municipal Manager,

4.1.6 On its own initiative investigate and report to Council on any relevant matter affecting the municipality.

5. BACKGROUND

5.1 The municipality incurred irregular expenditure amounting to R2 057 320.40 between 01 July 2023 and 30 June 2024, which is the irregular expenditure for the whole of 2023/2024 financial year. ***Refer to the attached irregular expenditure register.***

5.2 The irregular expenditure that was incurred between 01 July and 31 March 2024 amounting to R1 953 437.86 has already been investigated by MPAC during 2023/2024 financial year and written-off by Council.

5.3 The only irregular expenditure which has been investigated by the MPAC and not yet written-off by the Council is the irregular expenditure amounting to R103 882.54, which are payments which were made to Square Meter Trading for the month of January and February which were processed in the month of June 2024 due to dispute between the municipality and the service provider.

5.4 The CFO and Manager SCM were invited to the MPAC meeting on the 31st of July 2024 to provide the background information on the dispute and MPAC noted that that:

a) the municipality was leasing the office space that is owned by Square meter office space at Spar Renckens and these offices were utilized by the EDPHS department;

b) *the lease agreement came to an end on the 31st of January 2024 hence Square Meter billed the municipality the rental amount of R51 941.27 which relates to January rental.* ***See attached invoice***

c) *With regards to the February invoice amounting to R51 941.27, there was a miscommunication between the municipality and Square Meter regarding the handing over of the keys back to the service provider on time (i., by 31st of January 2024).*

d) *Furthermore, some of the files belonging to the EDPHS department could not be moved, after the expiry of the lease agreement (i., 31 January 2024), from the old EDPHS department offices to the Main municipal offices (Top office) because there was no space where these files could be kept due the repairs and renovations of the main municipal buildings hence Square Meter billed the municipality for the month of February the rental amount of R51 941.27.* ***See attached invoice***

e) *The February 2024 payment came because of EDPHS files that could not be moved to the top office at the end of January due to the non-availability of the office space at the Main municipal offices (Top office).*

f) *MPAC, however, was given the assurance by the CFO that the February payment is the last payment which the municipality will make to Square Meter since the EDPHS files have been moved to the Top office since the provision for the office space has been made and the keys have been returned to Square Meter.*

5.4 Manager Youth Affairs was also invited to the MPAC meeting to provide the update on the establishment of the panel of SALGA Games and he cited the following two (2) challenges which caused the delays;

a) *Youth Affairs unit was advised by SCM unit that the panel must include all sporting codes for SALGA Games as a result they had to conduct thorough benchmark with municipalities with similar panel of SALGA Games:*

b) *Also, the lack of regular sittings of bid committees further contributed to the delays:*

5.5 He then, however; gave assurance to the MPAC that the bid document for the establishment of SALGA games was at the bid specifications stage and once it has been approved by the bid specifications committee then it will be advertised and thereafter the panel will be established after the sitting of Bid evaluation and Bid adjudication committees. He further provided assurance that the panel will be established on time before the start of procurement processes for SALGA Games and will be used to shorten the procurement processes.

It is recommended,

a) THAT, the Municipal Public Accounts Committee recommends to Council to write-off the irregular expenditure amounting to R103 882.54 since the contract with Square Meter Trading has already undergone investigation processes by the Municipal Public Accounts Committee since:

i. *there were no financial losses occurred in these transactions;*

ii. the expenditure incurred did not occur due to the negligence but in good faith and as such no disciplinary action is required;

b) THAT, the progress on the establishment of the panel of SALGA Games be noted by Council.

RECOMMENDATIONS

It is recommended that;

a) The Council notes the report of the Municipal Public Accounts Committee for the period 01 April 2024 and 30 June 2024 and its recommendations.

Prepared by:

MR. S. SHANDU

MPAC CHAIRPERSON

SALES TAX INVOICE

No: 2672

MANDENI LOCAL MUNICIPALITY
2 KINGFISHER ROAD
MANDENI
4490

Square Meter Trading (Pty) Ltd T/A
Mandini Properties

Reg No: 2020/141250/07

Vat No: 4020291367

Tel: 032 454 1320

Email: marlene@retail.spar.co.za

Attention: NOZIPHO MNGOMEZULU
Account No: FR MANDINI MUNICIP
Vat No: 4750102586

01-Jan-2024
Page 1 of 1

Date	Description	Value	Vat	Total
01-Jan-2024	RENTAL - MANDENI MUNICIPALITY 2024 JAN	45,166.32	6,774.95	51,941.27
		VAT @15.00 %	6,774.95	TOTAL DUE
				51,941.27

OLD MAIN ROAD, MANDINI, 4490 - PO BOX 1, MANDINI , 4490
Banking Details: Square Meter Trading (Pty) Ltd, NEDBANK, , 1210655535, Code: 198765

Generated On: 2024/07/15 10:15

SALES TAX INVOICE

No: 2702

MANDENI LOCAL MUNICIPALITY
2 KINGFISHER ROAD
MANDENI
4490

Square Meter Trading (Pty) Ltd T/A
Mandini Properties

Reg No: 2020/141250/07

Vat No: 4020291367

Tel: 032 454 1320

Email: marlene@retail.spar.co.za

01-Feb-2024
Page 1 of 1

Attention: NOZIPHO MNGOMEZULU
Account No: FR MANDINI MUNICIP
Vat No: 4750102586

Date	Description	Value	Vat	Total
01-Feb-2024	RENTAL - MANDENI MUNICIPALITY 2024 FEB	45,166.32	6,774.95	51,941.27
		VAT @15.00 %	6,774.95	TOTAL DUE
				51,941.27

OLD MAIN ROAD, MANDINI, 4490 - PO BOX 1, MANDINI , 4490
Banking Details: Square Meter Trading (Pty) Ltd, NEDBANK,, 1210655535, Code: 198765

Generated On: 2024/07/15 10:18

2.11 SUPPLY CHAIN MANAGEMENT

OVERVIEW: SUPPLY CHAIN MANAGEMENT

Supply Chain Management operates within the parameters set down by the constitution and is supported by the different legislative mandates which are mainly the following:

- Municipal Finance Management Act 56 of 2003
- Broad Based Black Economic Empowerment Act 53 of 2003
- Preferential Procurement Policy Framework Act 5 of 2000
- Construction Industry Development Board Act 38 of 2000
- National Treasury Supply Chain Management Regulations
- National/Provincial Treasury SCM Practice Notes and Circulars
- Supply Chain Management Policy of Mandeni Municipality

Supply Chain Management Unit operates directly under the supervision of the Chief Financial Officer, Ms. N.Z. Guzana. Below is a tender register for the 2023/24 Financial Year.

MANDENI LOCAL MUNICIPALITY												
TENDER REGISTER 2023/2024												
30-Jun-24												
NO	BID NO	TENDERS ADVERTISED AND PROJECT NAME	USER DEP.	CLOSING DATE	EXTENSIONS	STATUS	AWARDED SUPPLIER	AWARD DATE	AMOUNT	DURATION	COMMENTS	LOC

	14/22/23`	PANEL OF SERVICE PROVIDERS TO RENDER ACCOMODATION AND TRAVELLING AGENCY SERVICES FOR THREE YEARS	CS	19/05/2023		Awarded	City of Choice Travel & Tours	10-Aug-23	as per rates	3 Years	Bid was re-advertised	No
	25/22/23	REHABILITATION OF AMAJUBA ROAD IN MANDENI, WARD 15	TSID	31/03/2023		Awarded	Nang-U-Mzamo Retailors	18-Jul-23	10,555,885.48	9 months		No
	26/22/23	REHABILITATION OF PHUMLA, INDUMISO AND MALANDELA INTERNAL ROADS AND ASSOCIATED STORM WATER IN SUNDUMBILI, WARD	TSID	31/03/2023		Awarded	MVI-SSS Tading Enterprise	28-Jul-23	16,257,859.82	12 Months		Yes

		13 PHASE 2										
	27/22/23	REHABILITATION OF MTHOMBOTHI, MBABALA, UMGAKLA AND SONDEZA INTERNAL ROADS AND UPGRADE OF ASSOCIATED STORM WATER IN SUNDUMBILI, WARD 13 PHASE 1.	TSID	31/03/2023	27-Oct-23	Awarded	Bheka Phezulu Sales and Investments	9-Oct-23	12,748,334.78	12 Months		No
	33/22/23	MUNICIPAL MINI FACTORIES IN KHENANA AREA, WARD 10	EDPHS	9/5/2023	10-Oct-23	Awarded	Isichaka Esingenamona Construction and Supplies	27-Sep-23	3,476,900.90	4 Months		Yes

	34/22/23	SUPPLY, DELIVERY AND INSTALLATION OF 300 FIXED POLYPROPYLENE BUCKET SEATS AT ISIBUSISIWE COMMUNITY HALL GALLERY AREA.	CSPS	9/5/2023		Cancelled						
	39/22/23	APPOINTMENT OF SERVICE PROVIDER TO IMPLEMENT PMS AUTOMATED SYSTEM FOR 3 YEARS	OMM	19/06/2023		Awarded	Innovation Government Software Solutions	29-Aug-23	3,199,787.50	3 Years		No
	40/22/23	PROVISION AND MANAGEMENT OF SHORT-TERM INSURANCE FOR 3 YEARS	BTO	23/06/2023		Awarded	Kunene Makopo Risk Solutions (Pty) Ltd	26-Sep-23	4,607,168.78	3 Years		No

	41/22/23	APPOINTMENT OF SERVICE PROVIDER TO PROVIDE PAYROLL & HR SYSTEM FOR 3 YEARS	BTO	18/10/2023		Awarded	Pay Day Sotfware Systems	2-Nov-23	1,570,058.20	3 Years		No
	42/22/23	INFRASTRUCTURE ASSET MANAGEMENT SUPPORT FOR 3 YEARS	BTO	23/06/2023		Cancelled					There is no longer a need for this service	
	43/22/23	SUPPLY AND INSTALLATION OF LIGHTNING CONDUCTORS FOR 3 YEARS	CSPS	21/07/2023		Awarded	Tradewind Maintenance	27-Sep-23	22,648.67	3 Years	Award value is per lightning conductor	No
	44/22/23	SUPPLY & DELIVERY OF TWO CAGE TRUCKS	CSPS	7/6/2023		Awarded	Bhedu Bhedu Construction	29-Aug-23	2,428,933.06			Yes
	45/22/23	SUPPLY & DELIVERY OF TLB	CSPS	7/6/2023		Awarded	Neelan's Auto	13-Oct-23	1,972,250.00			No

	46/22/23	MANTSHANGULA MHLUBULWENI ELECTRIFICATION	TSID	11/7/2023		Awarded	R Busisiwe (Pty) Ltd	27-Sep-23	3,906,727.96	4 Months		Yes
	47/22/23	PANEL OF CONTRACTORS FOR INFRASTRUCTURE PROJECTS FOR 3 YEARS	TSID	21/07/2023		Awarded	To Contractors that qualified in the different CIDB gradings	16-Nov-23		36 Months		
1	1/23/24	LEASING OF PARKHOMES TO MANDENI MUNICIPALITY FOR A PERIOD OF 36 MONTHS	CS	25/08/2023		Awarded	Maluthuli Consulting CC	3-Oct-23	2,808,000.00	36 Months		No
2	2/23/24	P415-459 WARD 3 STREETLIGHTS, IN THE MANDENI LOCAL MUNICIPALITY	TSID	16/08/2023	16/02/2024	Awarded	R Busisiwe (Pty) Ltd	27-Feb-24	3,056,951.76			Yes

3	3/23/24	YOUTH TRAINING ON FULL DRIVERS LICENSES COURSE FOR A PERIOD OF 3-YEARS	OMM	15/09/2023	15/03/2024	Awarded	Malume Driving School	3-Apr-24	1,166,400.00	36 Months		Yes
4	4/23/24	SUPPLY AND DELIVERY OF : 5000L WATER TANKER 8 TON TRUCK MOUNTED JETTING MACHINE TO MANDENI MUNICIPALITY	TSID	6/4/2024		Awarded	Amananda Trading (Pty) Ltd	5-Jun-24	2,648,000.00	Once off		No
5	5/23/24	SUPPLY AND INSTALL FLEET MANAGEMENT AND VEHICLE MORNITORING SYSTEM TO MANDENI MUNICIPALITY	TSID	15/09/2023	13/03/2024	Awarded	C Track Fleet Management Solutions (Pty) Ltd	30-May-24	293,112.00	3 Years		NO

		COUNCIL FLEET FOR A PERIOD OF 3 YEARS										
6	6/23/2024	THE ESTABLISHMENT OF A MAXIMUM PANEL OF 03 SERVICE PROVIDERS FOR THE PROVISION OF INDIGENT AND PAUPER BURIALS WITHIN MANDENI MUNICIPALITY FOR A PERIOD OF 36 MONTHS (3 YEARS)	CSPS	17/01/2024		To be re-advertised					All bidders were deemed non-responsive	

7	7/23/2024	THE ESTABLISHMENT OF A MAXIMUM PANEL OF 36 GRASS CUTTING CONTRACTORS FOR GRASS CUTTING SERVICES WITHIN MANDENI FOR A PERIOD OF 2 YEARS (24 MONTHS).	CSPS	17/01/2024		Awarded	KSM TRADING & PROJECTS; ALU AND G (PTY) LTD; NBV MKHALIPHI TRADING ENTERPRISE; MNAWA TRADING CC; MFANOSE (PTY) LTD; THEMBELA TRADING (PTY) LTD;GCAWANA LOGISTICS (PTY) LTD; LUBAMBOLUNYE TRADING AND PROJECTS; USANDILE TRADING CC; BUSANGOKWAKHE (PTY) LTD; SIGUDI TRADING	9-May-24	60c/m2	24 months		Yes

							ENTERPRISE CC; UMLUNGE TRADING; IDLETSHE (PTY) LTD; JWAYEZILE (PTY) LTD; INNOSIZA (PTY) LTD; PHANTAVU TRADING ENTERPRISE; OLUNGAWELWA (PTY) LTD; INKOLELO INVESTMENT (PTY) LTD; BRUCE AND ELSIE (PTY) LTD; EZAMAKHUBA CONSTRUCTION (PTY) LTD; NQUBEKO YAMANINA					

							PRIMARY COPERATIVE; TILONGO TRADING ENTERPRISE; MHADU TRADING ENTERPRISE CC; NKABEDONSAYO TRADING CC; NITHENSI (PTY) LTD; NONDWAYIZA UYASHINGA (PTY) LTD; ASAMKELE CONTRACTING & TRADING; ITHONYALENKOSAZANA (PTY) LTD; B. MNCUBE CONSTRUCTION (PTY) LTD; SONYAMBASE (PTY)					

							LTD; AZE SMPL (PTY) LTD; MONDISE CONSTRUCTION; MPOHLONT TRADING; NYELETE YANGA TRADING					
8	8/23/24	SUPPLY AND DELIVERY OF TWO 4WD TRACTORS AND TWO 1.2M ROLL MOWERS TO MANDENI MUNICIP	CS PS	6/12/2023		Awarded	Sikhula Ebunyeni Enterprises	16-Feb-24	1,499, 201.00	Once off		No

		ALITY										
9	9/23/24	CONSTRUCTION OF ENDLONDLWENI WARD 10 SPORTSFIELD	TSID	19/01/2024		Awarded	Maboka Contractors (Pty) Ltd	16-Feb-24	13,321,772.49	12 Months		No
10	10/23/24	PROCUREMENT OF A FULLY QUALIFIED AND COMPETENT ELECTRICAL CONTRACTOR TO MAINTAIN AND HANDOVER 31 TRANSFORMERS WITHIN WARD 3	TSID	19/01/2024		Cancelled						
11	11/23/24	SUPPLY AND DELIVERY OF MATERIALS AND EQUIPMENT FOR SMMEs WITHIN MANDE	EDPHS	13/02/2024		Awarded	Vukalusha Trading Enterprise	3-Apr-24	935,093.60	Once off		Yes

		NI MUNICIPALITY										
12	12/23/24	APPOINTMENT OF A MAXIMUM PANEL OF 8 SERVICE PROVIDERS FOR MECHANICAL, ELECTRICAL, REPAIRS AND MAINTENANCE OF MUNICIPAL PLANT, FLEET AND EQUIPMENT FOR A PERIOD OF THREE (3) YEARS AS AND WHEN REQUIRED BY MANDENI LOCAL MUNICIP	TSID	23/02/2024		BAC						

		ALITY										
13	13/23/24	SUPPLY AND DELIVERY OF 4 x 4 QUAD TO MANDENI MUNICIPALITY	CSPS	7/2/2024		Awarded	All By Grace	3-Apr-24	311,347.49	Once off		Yes
14	14/23/24	ESTABLISHMENT OF PANEL OF A MAXIMUM THREE (3) OF SERVICE PROVIDERS TO ASSIST WITH SUPPLY, INSTALL, SERVICE AND REPAIR OF AIRCONDITIONE	TSID	15/03/2024		BAC						

		RS FOR A PERIOD OF 3 YEARS AS AND WHEN REQUIRED BY MANDENI MUNICIPALITY										
15	15/23/24	SUPPLY AND DELIVERY OF 2 X 12 CUBIC METER TIPPER TRUCK TO MANDENI MUNICIPALITY	TSID	28/02/2024		Awarded	Neelan's Auto	30-May-24	5,200,000.00	Once off		No
16	16/23/24	SUPPLY AND DELIVERY OF: 16000 LITRE WATER TANKER TRUCK TO MANDENI MUNICIPALITY	TSID	28/02/2024		Awarded	Neelan's Auto	30-May-24	2,800,000.00	Once off		No

17	17/23/24	REQUEST FOR SERVICE PROVIDERS FOR THE PROVISION OF HYGIENE SERVICES IN MANDENI MUNICIPALITY FACILITIES FOR A PERIOD OF 3 (THREE) YEARS	CS	10/6/2024		Provisional Award						
18	18/23/24	THE BEAUTIFICATION OF SUNDUMBILI TOWNSHIP ENTRANCE IN WARD 15.	CSPS	5/4/2024		Awarded	Akha Holdings (Pty) Ltd	5-Jun-24	1,383,546.95	3 months		No
	19/23/24	MANUFACTURE, SUPPLY AND DELIVER 60 X 6 CUBIC METERS STEEL REFUSE SKIPS TO MANDENI	CSPS	5/2/2024		Awarded	Zama Zama Engineering and Manufactures	23-May-24	2,691,000.00	Once off		No

		MUNICIPALITY											
	20/23/24	ESTABLISHMENT OF A PANEL OF CONSULTANTS FOR CONSULTANTS FOR CIVIL AND BULDING PROJECTS FOR A PERIOD OF THREE (3) YEARS	TSID	5/27/2024		Re-advertised							
	21/23/24	ESTABLISHMENT OF A PANEL OF CONTRACTORS TO IMPLEMENT CIVIL AND OTHER GENERAL BUILDING INFRAST	TSID	24/05/2024		BEC							

		RUCTURE PROJECTS WITHIN MANDENI LOCAL MUNICIPALITY FOR A PERIOD OF 3 YEARS AS AND WHEN REQUIRED										
	22/23/24	ESTABLISHMENT OF A PANEL FOR CONSULTANTS FOR ELECTRICAL PROJECTS FOR A PERIOD OF THREE (3) YEARS	TSID	27/05/2024		Re-advertised						
	23/23/24	SUPPLY AND installation OF CLEAR VIEW fence WITH GATES AT COMMU	CSPS	5/6/2024		Awarded	Mdlangeni Trading CC	10-Jun-24	845,199.40	1 Month		Yes

		NITY SERVICES AND PUBLIC SAFETY PRECINCT.										
	24/23/24	REQUEST FOR ESTABLISHMENT OF PANEL OF SERVICE PROVIDERS FOR THE SOURCING SOCIAL AND ECONOMIC INFRASTRUCTURE INVESTMENT CAPITAL PROPOSAL FOR A PERIOD OF 3 (THREE) YEARS	TSID	12/7/2024		Advert						
	TOTAL								**99,706,179.84**			

PREPARED BY:

MANA

GER
SCM

2.12 WEBSITES

Section 75 of the Municipal Finance Management Act, 56 of 2003 requires the Accounting Officer of the municipality to place on the website the municipal documents referred to in Section 21 (a) of the MSA.

Information to be placed on the website	2023/24
1. 2023/24 Adjusted budget	Yes
2. 2023/24 Adjusted SDBIP	Yes
3. 2023/24 Mid-year and performance reports	Yes
4. 2023/24 MTREF budget	Yes
5. 2023/24 Final IDP	Yes
6. All budget related policies	Yes
7. 2023/24 Annual Report	Yes
8. 2023/24 Performance Agreements for Senior Managers	Yes

as per section 57 (1) (b) of the MSA	

2.13 BY-LAWS

Mandeni Municipality by-laws were adopted by the Council of Mandeni Municipality to regulate affairs and services within the municipality's jurisdiction.

The Animal Pound Bylaws, keeping animals' bylaws, Integrated Waste Management bylaws, Fire-prevention bylaws, financial bylaws, environmental bylaws, electricity supply bylaws, and public open spaces bylaws share the purpose of resolving conflicts and disagreements that protect the municipality from potential problems by clearly outlining rules around the authority levels, rights, and expectations in the Municipality's jurisdiction.

Public satisfaction on municipal services

Mandeni municipality has an office responsible for public complaints, which are to be attended to accordingly. The municipality also develops a suggestion box that permits community members to express their views regarding the services rendered by the municipality. This is imperative in measuring citizens' satisfaction with all services rendered by the municipality, such as roads, electricity, housing, waste removal, etc. The customer care office, which is part of the Office of the Municipal Manager, has an officer who deals with public satisfaction. This box helps the municipality understand better their public needs. These suggestions help overcome challenges in all Mandeni Municipality wards. It is also essential that it promotes Batho Pele Principles by enhancing the quality and accessibility of municipal services by improving efficiency and accountability to put the community in all goods and services. Batho Pele's principles include consultations, dealing with complaints, and access.

Municipal Oversight Committees

All oversight committees play an imperative role in ensuring that the municipality implements all relevant legislation and compliance. For example, the Municipal Public Accounts Committee, section 129 of the MFMA, states that the council must table the consolidated and oversight report on the annual report for the 2023/24 financial year.

Section 79 of the Committee on Governance Oversight states that it shall consider and make recommendations to the council on the following matters: legislative role, participatory, and representatives.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

(PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

In the 2023/24 financial year, Mandeni Municipality rendered infrastructural development projects. The municipality is discharged with a responsibility to provide basic services to the community within its jurisdiction amongst others are the provision of Low-Cost Houses, electrification, and roads in partnership with the Department of Human Settlements and Eskom.

The Mandeni Local Municipality has control over providing basic services relating to refuse collection and disposal, access roads and associated storm-water management and housing.

The iLembe District Municipality is the Water Services Authority and Provider for the Mandeni Municipal Area of Jurisdiction and therefore are in control of the water and sanitation services provision within Mandeni.

The Mandeni Local Municipality has a license to distribute electricity within the Mandini Suburb (ward 03) only and there are no backlogs or indigent households in this licensed area. The remaining areas within the municipality are supplied by Eskom who has the license to distribute electricity in those areas. All the Municipal backlogs relating to basic electricity services are within Eskom's license area of jurisdiction. The Municipality is intervening in the electrification backlog eradication through the Integrated National Electrification Programme (INEP) grant under schedule 5B of the Division of Revenue Act (DoRA) managed by the Department of Energy (DoE).

3.1. WATER PROVISION

The Constitution of the Republic of South Africa, 1996 assigns the responsibility of ensuring access to water services to Local Government. Furthermore, the Water Services Act, 1997 entrusts the municipality with the provision of affordable, efficient on-going water services which is sustainable.

In terms of section 84 of the Local Government: Municipal Structures Act, 117 of 1998 the function of providing water and sanitation services within the Mandeni Local Municipality is a function given to the iLembe District municipality (IDM).

The Tugela River which is also the largest river in the KwaZulu-Natal Province and second largest river in South Africa traverses the Mandeni Local Municipality and terminates at Tugela Mouth still within the Mandeni Local Municipality Jurisdiction. This river catchment is the primary source of raw water for the area. The IDM extracts 40 million litres of water from the Tugela River daily for treatment and distribution to the local communities and businesses. The IDM has planned and is in the process of implementing major water schemes such as the Ndulinde and Macambini Water Schemes which will serve those communities with a reliable supply of water extracted from the Tugela River. These schemes once complete will ensure water security for the area into the future.

The IDM has further partnered with the Umgeni Water Board to plan and establish regional bulk water scheme known as the lower Tugela Bulk Water Supply Scheme (LTBWSS) which will see the extraction of 110 million litres of water per day from the Tugela River to supply the southern parts of the Mandeni and the iLembe Region including parts of the eThekwini Municipality. Currently phase 1 of the LTBWSS is under construction for 55 million litres per day extraction, purification, and transportation.

3.2 WASTE WATER (SANITATION) PROVISION

The Constitution of the Republic of South Africa, 1996 assigns the responsibility of ensuring access to water services to Local Government. Furthermore, the Water Services Act, 1997 entrusts the municipality with the provision of affordable, efficient on-going water services which is sustainable.

In terms of section 84 of the Local Government: Municipal Structures Act, 117 of 1998 the function of providing water and sanitation services within the Mandeni Local Municipality is a function of the iLembe District municipality (IDM).

The IDM provides full water borne sanitation services to the urban areas and these are supported by the Sundumbili, Mandini and Tugela Waste water treatment plants.

All other rural areas are serviced by VIP toilets. Some isolated areas of settlement have

conservancy tanks or soak pits such as the Tugela Beach area.

The Municipality under the year in review ensured 3 Water and Sanitation Reports was submitted to the Infrastructure Development and Technical Services Committee meeting by collating information sourced from the district municipality (iLembe).

3.3 ELECTRICITY

The Mandeni Municipality has a very small license area for electricity distribution (Mandini Suburb in ward 3). The rest of the area is supplied by Eskom.

The municipality and Eskom are guided by the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006 in carrying out their function.

Under the year in review the Mandeni Municipality in respects to the provision of electricity managed to accomplish the following;

- On-going electricity repairs and maintenance are being carried out on municipal buildings and facilities.

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

The Bill of Rights in RSA Constitution, Chapter 2 Section 24 under environment states that everyone has the right to acquire the environment that is not harmful to the well-being of individuals. It is for that reason that the municipality ensures that waste collection for both public and business are collected timeously. Furthermore, the municipality ensures that grass-cutting in various wards are maintained. That is why the municipality successfully procured 10 brush-cutters, 60 skip bins, 65 wheelie bins in all wards (Ward 1 to 18) during 2023/24 financial year.

Also, the municipality is consistent in weekly waste collection in all 18 wards which achieved a total of 260 collections per annum in the 2023/24 FY.

Furthermore, the monthly grass-cutting performed and achieved was 9380759 square metres.

3.4.1 CHALLENGES

The following are some of the challenges that the Municipality faces in terms of effective compliance with legislative prescripts regulating waste collection.

3.4.1.1. NON-AVAILABILITY OF WASTE TRANSFER STATION AND/OR LANDFILL FACILITIES

Due to access to a suitable land to develop a waste transfer station and/or a landfill site, this is causing the Municipality to incur huge waste transportation and disposal costs as each waste truck must make at least 160 kms to and from King Cetshwayo District Municipality disposal site in Empangeni to dispose waste. This on its own affect the service delivery as the Municipality is only able to transport one load of waste per truck per day due to distance travelled and time consuming.

Also, the wear and tear costs of the trucks are increasing due to this long distance that they have to the travel daily and weekly. Unnecessary/unplanned overtime is sometimes incurred.

3.4.1.2. ILLEGAL DUMPING OF DOMESTIC, BUILDING RUBBLE AND GARDEN WASTE

This is one of the challenges being experienced mainly due to the non-availability of a transfer station and/or drop off facilities which makes it difficult to enforce by-laws.

Secondly, the lack of financial resources to procure vehicle and equipment to deal with illegal dumping is also a set-back in terms of the upkeep of the municipal areas.

3.4.1.3. POLLUTION OF NATURAL RESOURCES

Notwithstanding concerted effort to manage waste effectively, however, if the members of the community are not taking the responsibility water, soil, cur, etc. will continue to be polluted.

3.4.2. PROPOSED SOLUTIONS

The possible solutions to the abovementioned and other related challenges are dependent on lobbying and mobilizing resources from other organs of state as well as the private sector and non-government sector.

3.4.2.1. LAND ACQUISITION FOR DEVELOPMENT OF WASTE TRANSFER STATION AND/OR LANDFILL FACILITIES

The Municipality is at the negotiation stage with Ithala for the transfer of waste management services from Isithebe Industrial Estate including the use of an existing transfer station.

It also points to mobilizing funding sources within the National Department of Forestry Fisheries and the Environment to develop such facilities.

It is noteworthy that the District Municipality through the Vuthela Programme/Project has embarked on a feasibility study to develop a regional landfill facility which will assist the municipality to disposal costs.

Also, the District Municipality has committee to assist the Municipality with the review of its integrated Waste Management Plan (IWMP) which is a compliance issue in terms of Section 11 of the NEM: Waste Management Act, 2008 (Act No. 59 of 2008).

3.4.2.2. PROVISION OF FINANCIAL RESOURCES

It will be necessary that as the Municipality improves its debt collection, and/or identifying other funding sources, consideration be given to provide funding for procurement of vehicles plant and equipment to deal with illegally dumped waste.

3.4.2.3. REINFORCEMENT OF COMMUNITY EDUCATION AND AWARENESS CAMPAIGN

The implementation of different EPWP programmes by the National Department of Forestry Fisheries and Environment as well as the Provincial Department of Economic Development

Tourism and Environmental Affairs assisted a great deal to educate and make community members aware of the negative effects of disposing waste illegally and irresponsibly.

As a result of lack of adequate resources to reinforce community education and awareness campaigns, the Department of Environmental Affairs will be approached to ascertain if such a Programme can be re-introduced in the same or similar form.

In the meantime, ward campaigns will be done continuously also as part of Back-to-Basic and Thuma Mina Campaigns.

WASTE KERB COLLECTION

The annual waste Collection target of 260 times in all wards (including residential and business premises) was achieved.

COMMERCIAL WASTE COLLECTION

. Due to a large area of the municipality being rural and the fact that the Municipality is entrusted with ensuring that it promotes a healthy and safe environment for its community, it (municipality) reaches out to rural community by providing waste skips which are placed in strategic positions to ensure that each skip services as many as two hundred (200) households.

More skips were procured to reduce the distance travelled by individuals from their respective homes to a central skip and to reduce the number of households serviced by one skip.

3.5HOUSING

The municipality in partnership with the Department of Human Settlements has been continuously delivering low-cost houses through RDP Programme in both Urban and Rural areas of Mandeni.

HOUSING DEVELOPMENTS

- The municipality during the Financial Year under review had only 4 housing projects that were under construction funded by the Department of Human Settlements (DoHS) during the 2023/24 financial year being Inyoni Integrated Housing Project (Ward 3, 7, 10, 11, 12, 13, 14, 15,16, 17and 18), phase five of the Macambini Rural Housing Project (Ward 1, 2, 8 and 9) and phase three of the Isithebe Rural Housing Project (Ward 11, 12, 16, 17 and 18). Though some progress has been on the ground, the human settlements portfolio has been affected by budget constraints at the Department of Human Settlements which has result in progress moving at a rather slow rate. The progress registered during the financial year under the various housing projects which is outlined below:

- **Inyoni Housing Project:** In the 2023/2024 financial year construction of units under project construction phases 1, 2 and 3 was underway for approved beneficiaries. To date 1136 units are complete 42 are at roof level, 10 units are at wall-plate level, 154 units are at foundation level and 242 are greenfield including the light-home industry sites. The implementing agent resumed construction activities to complete outstanding works for 508 units in phases 1,2 and 3. Whilst this is a resilient step towards achieving successful completion of the project, the significant challenge affecting this stride is budget constraints to fund construction activities in the project. A resolution was taken to assist the beneficiaries who were approved on duplicated sites by allocating them sites that were approved against missing beneficiaries that have been advertised as per beneficiary administration policy. There are 431 units to complete phase 1, 2 and 3. Currently, the construction of bulk and internal service infrastructure in phase 4 after which the construction of top structure (BNG units) will commence along with the disposal of serviced sites. The Municipality is also in efforts to initiate the planning activities and subsequent funding approval for the first public rental housing in Mandeni under the community residential redevelopment (CRU) programme which will be constructed in phase 4 of Inyoni IRDP.

- **Isithebe Rural housing (11,12, 16, 17 and 18):**

  The Department of Human Settlement approved 300 units for Phase 3 of the project (300 out of 2000 units). The completion of project sub-phases 1 and 2 has yielded a total of 600 units that have been handed over to beneficiaries of the project. The 2023/2024 financial year was dedicated to completing phase 3 of the project, however this was negatively impacted by the aforementioned budget constraints which resulted in the implementing agent vacating the site at some point during the financial year thus the progress made is very limited. To date, under the current phase 102 houses were completed, 168 units at roof level, 209 units at wall-plate level, 287 units at foundation level. These figures are cumulative.

  Macambini Housing Project (Ward 1, 2, 8 and 9): This housing project has progressed significantly in its construction programme; phases one, two, three and four of the projects consisting of 1650 units have been completed and handed over the beneficiaries. During the 2023/2024 financial year the construction activities for phase 5 commenced and progress to date is as follows; 250 units have been completed,308 units at roof level, 342 units at wall-plate level and 343 units at foundation level. These figures are cumulative. Again, this project was also affected by the budget constraint which resulted in the implementing agent vacating the site until funding can be made available.

- **Title Deeds Restoration Programme; Inyoni portion 1-4 and 5-11 erf 412 Isithebe Industrial Estate.**
- Inyoni is a catalyst integrated urban housing project within the Municipality ensuring provision of variety of housing typologies and socio-economic opportunities.
- The project serves as strides to implement the live, work and play model of development through its composite of various opportunities within one area.

- The various housing typologies and opportunities will produce 3020 units in total which consists of the following typologies:
  - ✓ 2418 BNG low-cost housing units
  - ✓ Financial Linked Individual Subsidy (FLISP)/ serviced sites- 355
  - ✓ Rental Housing/Medium Density- Community Residential Units (CRU)- 165
  - ✓ Mixed Use Home Commercial and Light Industry- 82

- Municipality seeks to implement the first ever rental housing component through the CRU program- funding for feasibility assessment has been secured from Department of Human Settlements.
- Furthermore, the project will serve as the first ever intervention of serviced sites that will empower the gap market within Mandeni to purchase serviced sites (355) and construct their own units after having obtained building approvals from the Municipality.

- The composite of non-residential land uses to be implemented in the project area can be summarized as follows:
  - ✓ Core Commercial sites- 2
  - ✓ Community Facilities- 19
  - ✓ Primary Schools- 4
  - ✓ Secondary Schools- 2

Active Spaces (playground/sport fields) – 15

PROGRESS ON THE INYONI INTEGRATED HUMAN SETTLEMENT PROJECT

Portion 1 of erf 412 of Isithebe Industrial Estate

- ❖ Township register was opened over portion 1 of erf 412.
- ❖ This portion consists of about 269 erven (sites), 145 units were registered, and 5 unit being prepared for lodgment at deeds office. There is a total of 135 outstanding units to be transferred.

Portion 2 of erf 412 of Isithebe Industrial Estate

- ❖ Township register was opened on the 09th of December 2022 over portion 2 of erf 412.
- ❖ Portion consists of about 368 erven.

Portion 3 of erf 412 of Isithebe Industrial Estate

- Township register was opened on the 09th of December 2022 over portion 3 of erf 412.
- This portion consists of about 197 erven.
- The total number of erven registered to beneficiaries is 43 units.

Portion 4 (portions 5-11) of erf 412 of Isithebe Industrial Estate

- Township register for this portion(s) has not been opened yet.
- Surveyor who worked on the project (John) confirmed that the layout plans for portion 4 were never registered with the Surveyor's office.
- The reason he advanced was that there were errors to be corrected in the initial layout, but for some reasons it was never lodged for registration.
- Municipality has engaged the Surveyor and we received the estimated costs of registering the plans with the Surveyor-General. We wait for further instructions from the municipality.
- 389 units have been registered to the names of beneficiaries and Title Deeds have been received by the Municipality.

Operation Sukuma Sakhe OSS.

- **Emergency Assistance (Disaster) Housing:** Following the heavy rainfall that impacted several households within the municipal area, in collaborative efforts with the Department of Human Settlements a service provider was appointed to assist 99 households across wards 2,5,7,8,9,10,12, 13,15,16,18. The service provider was introduced to the Municipality during
- **War room functionality:** War Room functionality is aided by two critical factors: 1. Committed War Room Champion / Ward Councilor and 2: Availability of a CDW as a resource personnel to support the war room technically and administratively.
- **Mandeni has 18 wards and therefore is expected to have 18 functional war rooms.** On average, all war rooms are functional in Mandeni except for ward 03 which is geographically challenged to sit its war room properly. Ward 17 has a challenge sitting regularly and provide evidence of such sittings.

We have managed to induct almost all war rooms to ensure that they are capacitated on what is expected of them to do especially on cases of case referrals.
The LTT and Local Aids Council (LAC) sits regularly with the LAC sitting quartley as per the terms of reference framework derived from the mandate of the South African National Council on Aids (SANAC). Whilst the Local Tast Team sits monthly and reports to the DTT in accordance with the OSS Provincial Framework.

- **RECOMMENDATION:** We recommend the strengthening of the OSS and LAC Structure by appointing an official to attend to related cases on a continuous basis. Currently, the incumbent is overstretched as he is appointed as the Special Programmes Officer, which deals with a vast of vulnerable groups already.
  To improve the workings of the office, we need to manage cases through a file management system where a case is opened, investigated, intervention is made or recommended and a case is closed and reported. These processes require a dedicated official; well-resourced to deal with them.

  This will expand the services to more needy beneficiaries especially in need of Home Affairs services and the Department of Human Settlement, which are in the main a majority on the list of OSS referrals.
  We also recommend a set aside budget for food vouchers for temporary relief of hunger for families and children in distress, which will serve as a gap whilst the application to SASSA and DSD is still in the process.

3.6. FREE BASIC SERVICES AND INDIGENT SUPPORT

The Mandeni Local Municipality aids indigent households with regards to free basic services relating to refuse collection and disposal, electricity, and rates. Refuse collection and disposal is provided free of charge to rural households through communal bins (skips) strategically placed within walking distances. 50kwh of free electricity is supplied to qualifying households within the Eskom supply area through an agreement entered with Eskom whereby Eskom is reimbursed by the municipality.

The first R15 000 of the property value of all households is not rated and indigent households are exempt from rates and other charges. The iLembe District Municipality aids all households with access to 6000 litres of water per month free of charge. All VIP toilets are free of charge.

In order to qualify for the free basic electricity, indigent households are required to register for the service with Eskom and only approximately 50% of the potential indigent households registered for and received the free service allocation for the year. An average number of 1086 households received free basic electricity for the year. Qualifying households are encouraged to take up the support by registering for it. Over 6000 households received free basic refuse services for the year.

COMPONENT B: ROAD TRANSPORT

The municipality prepared and adopted a Roads Master-plan for its area of jurisdiction. This exercise has established that the Municipality has approximately 700km of municipal access roads under its jurisdiction. Approximately 15% of these roads are urban paved roads whilst the remaining approximately 85% are rural unpaved roads requiring mechanical maintenance and repair work at high cost.

The municipality is well serviced by major roads within the area. The N2 freeway runs north – south in the municipality linking it to the major ports of Richards Bay and Durban. The R102 fulfils the similar function. Other main roads link these two major corridors to the hinterland to the west. The KZNDOT is currently upgrading the D883 that links the Mandeni Municipality to the Umlalazi Municipality through the Ndulinde area. They have further appointed a contractor for the upgrade of the P415 to Thukela Mouth Beach.

3.7 ROADS

Through the roads master-plan formulation the municipality has established a pavement management system to manage its existing roads infrastructure assets and a prioritization model for investment in new roads infrastructure. The rural roads require constant importing of gravel onto them, and gravel is a scarce commodity that needs to be transported long distances at very high transport costs. The municipality has an in-house routine rural dirt/gravel road maintenance program using the municipal plant and equipment. The work under this program entails re-gravelling and blading.

Other routine maintenance programs relate to pot-hole repairs and drainage maintenance being done in-house. The municipality has two other programs that are capital in nature, i.e. Urban Roads Rehabilitation Program and Rural Roads Rehabilitation Program. The Urban Roads Rehabilitation Program addresses the ageing dilapidated infrastructure by renewing the assets. The Rural Roads Rehabilitation Program addresses the rural dirt roads by planning, designing, and constructing them properly complete with associated storm-water drainage. New roads are also being constructed in support of Human Settlements Projects.

ROADS AND STORMWATER

- 4107.7 m² potholes repaired in wards 2,3,4,7,10,12,13,14,15 on urban roads by 30 June 2024
- 150m of guard rails were constructed in ward 7 and 12 by 30 June 2024
- 26 Speed humps were constructed in wards 3,7,13, 14 and 15.
- 312.05 km of gravel roads were maintained in-house in various wards.

- 250 m of kerbs and concrete channel were constructed in wards 2,3 and 12.
- 30 road signs and 15km of road marking center lines.

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

- Mandeni Municipality approved authority to function as a Grade E Driving License Testing Centre (DLTC) that does not permit the testing of driving licenses and Motor Licensing Bureau (MLB) status. The restriction caused by the fact that the Municipality still does not have a testing ground and enough space for Motor Licensing (MLB). Otherwise, it will be progressed as a Grade D DLTC with Motor Vehicle Licensing (MLB).

However, the DLTC is having some challenges where poor performance by Contractor was identified, such as meeting the deadlines, financial constrains as well as lack of human resources. The delays in the procurement process had some challenges, however the new Contractor was appointed, and the project was launched, though it was delaying the project commencement, due to non-availability of leadership.

During the period under review, the CSPS its revenue collection generated cash revenue of R2 938 834.06 from all the transactions performed by the Centre. This will be more if the testing ground was fully functional this revenue would been doubled or tripled. Most importantly, both Provincial and National Departments of Transport have been giving the DLTC a clean audit from its date of operation in 2014 to date.

3.9 WASTE WATER (STORMWATER DRAINAGE)

The municipality prepared a comprehensive storm-water masterplan for its area of jurisdiction. The municipality carries out routine storm-water repairs and maintenance and upgrades and installs new storm-water systems during roads provisioning and human settlements projects. Stormwater drains unblocking is routinely being done in various wards.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

The Mandeni municipality has made great strides in terms of the functioning of the town planning component of the municipality which is fully-fledged and functional.

STRATEGIC PLANNING

- **Preparation of the IDP**

  The planning unit is responsible for the preparation of the Municipal IDP and ensures the compliance with Chapter 5 of the MSA.

- **Public participation**

  The municipality in line with Section 16(1) (a)(i-iv) of the Municipal Systems Act which encourages the involvement and participation of communities and other stakeholders in the affairs of the municipality in particular IDP, PMS and Budget planning process engaged all communities across the municipality at Ward levels through a ward cluster approach and all other stakeholders to ascertain their needs and issues.

  Local Economic Development

- The planning unit is critical in the facilitation of local economic development through the identification of appropriate areas for business to operate. The Planning Unit continued to play an advisory role on Tourism related issues in line with the existing Local Area Plans for both Tugela Mouth and Dokodweni Areas. The town planning unit continues to provide comments and inputs in the issuing of business licenses and permits.

LAND USE MANAGEMENT

- The Town Planning unit ensures compliance with the adopted Urban town planning scheme. The Town Planning unit also ensured the workshopping of the bylaw enforcement officers on such scheme and continues to work hand in hand with the colleagues to ensure efficient bylaw enforcement.
- The planning continued to ensure compliance to the Spatial Planning and Land Use Management Act through processing of Land Development Applications with legislated time frames.

SPATIAL PLANNING AND SPLUMA

- The Municipality in its implementation and compliance with Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) processes development applications through the District Joint Municipal Planning Tribunal (MMN JMPT) constituted by the three local Municipalities namely Mandeni, Maphumulo and Ndwedwe Municipality. During the year under review, a total of 9 planning applications were received by the Municipality for assessment. Four applications were tabled to the MMN JMPT for approval and 3 were approved with conditions and 1 application was referred to the applicant. The other five (5) applications are within the legislated timeframes and are being subjected to the legislated processes of SPLUMA.

- The Planning unit continues to receive applications pertaining to land requests for various uses ranging from the establishment of small businesses to the establishment of municipal office space by government departments and service delivery projects by the internal municipal departments. These applications and requests are channeled through the various council structures accordingly.

3.11. LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The municipality through Section 152 (1)(c) through several interventions programme has been striving to promote local economic development within its jurisdiction with focus on SMME Development and support; Agricultural; job creation (poverty alleviation) and Tourism economic sectors.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12. CEMETORIES AND CREMATORIUMS

- Relevant EIA and geothechnical assessments have been conducted and found area to be suitable for this development.
- Municiplaity has made budget provision for phase 1 of the estalishment of new cemetery.The scope of work includes installation of galvanised palisade fencing and guardhouse.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.13. POLLUTION CONTROL

By virtue of the Municipal health services being the competence of district and metropolitan municipalities in terms of the National health Act, 61 of 2003 read with the Air Pollution Control Act 39 of 2004, and the fact that pollution control is one of the services of both the district municipality and the provincial government (in terms of control of hazardous substances), Mandeni Municipality relies on the Ilembe District Municipality as well as other private sector and/or non-governmental organisations, including National government in terms of controlling pollution of its natural resources.

COMPONENT F: HEALTH

Constitutionally and legally the health service is a functional area of concurrence of national and provincial legislative competency.

However, the Municipality in discharging its duties as an organ of the State and in compliance with Section 153 of the Constitution read with Section 23 of Municipal Systems Act had cooperated with and offered its assistance and support to the Department of Health in rendering the health services. This includes attending its official events / campaign and support the Department with requests such as making availability of community hall facilities or hire tents for them in area where it does not have community hall facilities to be used in community education and awareness campaigns.

Also, the Municipality had constituted a Health and Social Services Forum over and above the Operation Sukuma Sakhe structure with a view of providing an opportunity to health and social services stakeholders to engage, share experience and learn from one another in a bid to enhance the lives of the community of Mandeni.

3.14 CLINICS

There are seven clinics within Mandeni Municipality jurisdictional area with Sundumbili Community Health Centre coordinating the activities of other local clinics. Unfortunately, the Municipality still lacks a hospital, hence the residents of Mandeni are referred to Stanger Hospital in KwaDukuza for hospital services.

3.15 AMBULANCE SERVICES

The ambulance services are an exclusive competence of the provincial department of health.

3.16 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION;

With the advent of the National Health Act, 2003 (Act No.61 of 2003), the environmental health services became a competence of district and metropolitan municipalities. Hence, for health inspection the municipality relies on the district environmental health services.

COMPONENT G: SECURITY AND SAFETY

3.17 POLICE

Constitutionally and legally, police service is the concurrent competence of National and Provincial Governments. However, with the advent of the Civilian Secretariat for Police Service Act 2 of 2011, coupled with the National Safety Plan and the Community Safety Forum Policy, municipalities are responsible for community social crime. It must be mentioned that the municipality is in its infancy in terms of compliance with its mandate.

But, as a part of upholding the community's safety, the Municipality is finalizing outsourcing the service that will be rendered the animal pound service by Section 3(2) of the KwaZulu Natal Pound Act 3 of 2016. It has been established by the Provincial Social and Justice Cluster that stray and trespassing animals are a severe threat to public safety both from the roads and in the social environment of people in terms of infectious diseases. Hence, they must be impounded, not herded or trespassed.

3.18 FIRE

The Municipality recently performed the Fire Rescue Service internally, rendering service internally. The municipality has employed the Chief Fire Officer and the firefighters.

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

DISASTER MANAGEMENT

Since the Municipality Disaster Unit, in partnership with iLembe District Municipality, conducted disaster risk education and awareness campaigns, community members have taken their health and safety seriously.

Disaster Management has conducted Four (04) Disaster Management Advisory Forum (DMAF) meetings, one (01) Disaster Volunteers refresher Training, eighteen (12) awareness campaigns, and Fourteen (14) disaster management-related1 July 2023 to 30 June 2024 period. A total number of two hundred and thirty-seven (237) incidents were reported, comprising one hundred and thirty-four (134) heavy rainfall, forty-nine (49) structural fires, forty-three (43) strong wind, five (5) drowning, four (4) lightning, and two (2) structural collapse.

ROAD TRAFFIC SAFETY AND LAW ENFORCEMENT

The traffic unit conducted thirty-six (36) bi-monthly roadblocks to ensure that motor vehicles were in good condition and that the commuters' safety was considered. The Unit also conducted a Road Safety Easter Festive Season April 2024 Awareness Campaign jointly with SAPS and Security Stakeholders and a December 2023 Road Safety Awareness Campaign with SAPS and Security Stakeholders. To reduce these negative statistics, the road traffic law enforcement Unit, working with other similar state agencies, staged thirty (36) joint operations aimed at police visibility.

COMPONENT H: SPORT AND RECREATION

3.20. SPORT AND RECREATION

- Sports and Recreation Programmes
    - The Municipality successfully conducted the top achievers and sports awards by the 15th of June 2024.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.21 HUMAN RESOURCE SERVICES

- Municipal Finance Management Program (MFMP)- Employees and Councillors participated in this programme funded by the Local Government Sector Education and Training Authority (LGSETA) and acquired a vast knowledge in terms of Municipal Compliance and Operations. Hence, this project caters for all the activities of the municipality, eg. SCM, performance management system, project management, etc.
- Staff bursaries- Employees are given the opportunity to acquire further skills and qualifications through staff bursaries.
- Staff development programmes- Training is provided to staff members across provinces which are provided by Salga, COGTA, provincial and national treasury.
- Workplace Skills Plan (WSP)- The total percentage of employees that were trained according to the WSP prescriptions were 100%.

- Employee Wellness Program- Staff members that experience any difficulties regarding work-related and personal stress are provided with help through this program which helps them cope better by being provided with a psychologist for counselling.
- Learnerships and Inservice training- Mandeni municipality allows individuals to apply for learnerships and in-service training to help them acquire skills and working experience.

3.22 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT ANNUAL REPORT FY 2023/24

1.1. The 2023/2024 financial year was characterized by the heavy ICT infrastructure deployment to the municipality's main office due to roof overhauling project.

1.2. IT had to play a significant role in ensuring the continuation of council business in the mist of roof replacement project. This was of course a collaborative work and was carried out with strict detail to minimize any business impact. During the relocation process to and from the office building to park-home offices, IT ensured proper deployment and decommission of data cables standards were followed and service was not impacted.

1.3. It is worth noting that during the financial year 23/24, IT took a strategic approach to relocate our disaster recovery site from Technical Services Office to Duber Trade Port. This was to guarantee that municipal data is backed-up and kept in safe environments and complied with recovery point and time objectives (RPOs and RTOs) as dictated by the COBIT Framework.

1.4. In the spirit of safeguarding municipal data which has become extremely important, IT noted various isolated incidents of soft attacks in our environment i.e. phishing, email impersonation, etc…. A series of Cyber Security Awareness campaigns were conducted with primarily the assistance of the state agency for IT, SITA. These were preceded by the cyber security audit done by internal auditors which revealed the importance of such awareness campaigns to our system users as they're prone to fall for "social engineering" tactics. To add a layer of security to our domain, IT implemented Sendmarc which prevents any interception of our emails and impersonation thereof.

1.5. In driving the digital inclusion of our citizens, the municipality is part of a program conducted by SALGA called: SALGA Tech Games. The program aims to drive appetite for coding and programing particularly to young people in and around Mandeni as well as other jurisdictions. Through the involvement of IT and the Youth office, the municipality is well represented and proceeds to form part of engagements whenever necessary.

1.6. IT is still dedicated to innovation and constant development as we go forward in order to provide reliable and effective IT solutions that support the organization's strategic objectives.

<u>Website</u>

Section 75 of the Municipal Finance Management Act, 56 of 2003, requires the accounting officer of a municipality to place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality:

Information to be placed on the website	2023/24
1. **Adjustment budget 2023/2**	Yes
2. **Mid-Year and Performance Report**	Yes
3. **MTREF Budget 2023/24**	Yes
4. **Final IDP 2023/24**	Yes
5. **All budget related policies 2023/24**	Yes
6. **Annual Report 2023/24**	Yes
7. **Oversight report for 2023/24**	Yes
8. **Performance Agreements as per s57 (1) (b) of MSA**	Yes
10. **All SCM contract above R30 000 per quarter**	Yes

CHAPTER 4

– ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The Organizational development function falls under the Human Resource Section. Its main objectives are to manage organizational design and business modeling, co-ordinate culture and change management, administer job descriptions, job evaluation system management, and to develop and maintain an effective employee performance appraisal system towards process.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

Total employment to include staff turnover. Mandeni Municipality during the 2023/24 FY had a total of 329 employees. Employees that resigned in that financial year was a total of 28. At the end of the 2023/24 financial year had a total of 329 employees.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE LEVELS OF REPORTING

Mandeni Municipality municipal workforce levels

- MM and Section 56 Top management- 6
- Middle Managers -20
- Superintendent -7
- Assistant Managers – 8
- Supervisors – 6
- Officers – 56
- Clerks – 12

This totals to 115

MANAGING THE MUNICIPAL WORKFORCE

This document, the Mandeni Municipality Employment Equity Plan (EEP) is prepared in conjunction with the requirements of the Employment Equity Act 55 of 1998' hereinafter referred to as the Act, the associated Regulations and Codes of Best Practice. The EEP addresses all aspects of Affirmative Action measures defined by the Act, to redress the disadvantages in employment experienced by designated groups to ensure their equitable representation in all the occupational levels in the workforce.

The purpose of the Act is to achieve in the workplace by:

(a) Promoting equal opportunity and fair treatment in employment through elimination of unfair practice.

(b) Implementing affirmative action measures to redress the disadvantages in employment by designated groups to ensure their equitable representation in all occupational levels and levels in the workplace.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The Corporate Services department under Human Resource Management offered a variety of employees capacitating to promote competency.

- Municipal Finance Management Program (MFMP)- Employees and Councillors participated in this programme funded by the Local Government Sector Education and Training Authority (LGSETA) and acquired a vast knowledge in terms of Municipal Compliance and Operations. Hence, this project caters for all the activities of the municipality, eg. SCM, performance management system, project management, etc.
- Staff bursaries- Employees are given the opportunity to acquire further skills and qualifications through staff bursaries.
- Staff development programmes- Training is provided to staff members across provinces which are provided by Salga, COGTA, provincial and national treasury.
- Workplace Skills Plan (WSP)- The total number of employees that were trained according to the WSP prescriptions were 118.
- Employee Wellness Program- Staff members that experience any difficulties regarding work-related and personal stress are provided with help through this program which helps them cope better by being provided with a psychologist for counselling.
- Learnerships and Inservice training- Mandeni municipality allows individuals to apply for learnerships and in-service training to help them acquire skills and working experience.

SKILLS DEVELOPMENT

- The Municipality conducted the Skills 2023/24 auditing process.
- The workplace skills plan was developed and was adopted by the HRDC on the 18 April 2023.

- The workplace skills plan was submitted to LGSSETA on the 26 April 2024.
- The total Number of employees that were trained according to the WSP prescriptions were 118. The actual target was 108. The target was achieved.
- The Actual amount spent on skills development in the 2023/24 financial year was R1 405 000.00. The targeted amount to be used was R1 405 000.00.
- For Effective implementation of recognized collective agreements, applicable legislation and policies, the Department conducted workshops half-yearly on collective agreements and applicable legislation and policies.

Workforce capacity development

The municipal remains committed to the development of internal and external capacity by providing the various skills development intervention and at improving the performance of individual employees, councillors and providing skills to unemployed youth within Mandeni jurisdiction.

The human resource development ensures that workplace skills plans (WSP) which is aligned to the municipal strategic objectives is developed annually in line with Skills Development Act and local government sector and training authority (LGSETA) guidelines. Funding to implement learning programs has been provided by the municipality or sourced from LGSETA.

The workplace skills plan focuses on the following:

Training programme.	Number of beneficiaries
1. Municipal officials training	118
2. Councilor's development	27
3. Staff bursaries	26

COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

During the 2023/24 FY, Mandeni Municipality had a total expenditure of R 116 925, 166 for the municipal workforce. This is reflected in Note 31 of the AFS.

INTRODUCTION TO THE MUNICIPAL PERSONELLE

SKILLS LEVEL	MANDENI
Senior officials	2.5
Professionals	2.3
Tech/Assoc Prof	7.8
Clerks	7.3
Service workers	4.9
Skilled agric workers	2.9
Plant operators	22.1
Craft and trade	20.3

4.1. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

1) 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;

(b) A comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and

(c) Measures taken to improve performance.

(2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players." Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

LEGISLATIVE PERFORMANCE REPORTING FRAMEWORK

FREQUENCY AND NATURE OF REPORT	MANDATE	RECIPIENTS
Monthly reporting on actual revenue targets and spending against budget no later than 10 working days after the end of each month	Section 71 of the MFMA	National Treasury
Quarterly progress report	Section 41 (1) (e) of the Systems Act, Section 166 (2) (a) (v) and (vii) of the Municipal Management Finance Act (MFMA) and Regulation 7 of Municipal Planning and Performance Management Regulations.	1. Municipal Manager 2. Mayor 3. EXCO 4. Audit Committee 5. National Treasury
Mid-year performance assessment	Section 72 of the MFMA. Section 13 (2) (a) of Municipal Planning and Performance Management Regulations 2001.	1. Municipal Manager 2. Mayor 3. EXCO 4. Council 5. Audit Committee 6. National Treasury 7.Provincial Government
Annual report (to be tabled before Council by 31 January (draft and approved / published by 31 March each year)	Sections 121 and 127 of the MFMA, as read with Section 46 of the Systems Act and Section 6 of the Systems Amendment Act.	1. Mayor 2. EXCO 3. MPAC 4. Council 5. Audit Committee 6. Auditor-General 7. National Treasury 8. Provincial Government 9. Local Community

MUNICIPAL POWERS AND FUNCTIONS

The powers and function of Mandeni Municipality are as per Schedule 4 Part B and Schedule 5 Part B 9f the Municipal Demarcation Board.

Building Regulations	Facilities for the accommodation, care and burial of animals
Child Care Facilities	Fencing and fences
Electricity Reticulation	Licensing of dogs
Fire Fighting	Licensing and control of undertakings that sell food to the public
Local Tourism	Local amenities
Municipal Planning	Local sports facilities
Storm water	Markets
Trading Regulations	Municipal abattoirs
Billboards and the Display of Advertisements in Public Places	Municipal parks and recreation
Cemeteries, Funeral Parlours and Crematoria	Municipal roads
Cleansing	Noise pollution
Control of Public Nuisance	Pounds
Control of Undertakings that sell liquor to the public	Public Places

OPERATING PROCEDURES AND OVERVIEW

In the 2023/24 Financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is corresponding to the institutional service delivery objectives captured in the IDP. The municipality has continued to maintain the effective operation of the following mechanisms:

- The 2023/24 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000.
- The budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003.
- After approval of the budget, the 2023/24 SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the organizational strategies.
- Performance agreements with performance plans were developed, signed, and approved by the Honorable and the Accounting Officer as required by the Municipal Performance Regulations, 2006.
- Quarterly performance reports with supporting Portfolio of Evidence Files were prepared by managers directly reporting to the Municipal Manager. These reports were used in the quarterly performance assessments.
- Quarterly performance reports were verified by the OPMSMER Unit and audited by the Internal Audit unit to test the credibility and reliability.
- The performance assessments for 2023/24 Annual and mid-term for 2024/25 is in progress hence the Auditor General (AG) was on site. Planning will ensue once AG has concluded work on site.

PERFORMANCE /AUDIT COMMITTEE

The Performance Audit Committee for the 2023/24 financial year was re-affirmed in terms of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 members are as follow:

- During the year under review, the Performance and Audit Committee met quarterly to consider the performance reports. The deliberations and resolutions taken by the PAC are encapsulated in the minutes of the committee.

PERFORMANCE EVALUATION PANEL

Performance Evaluation Panels have also been established Municipal Performance Regulations Section 27 (4) (d), for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager.

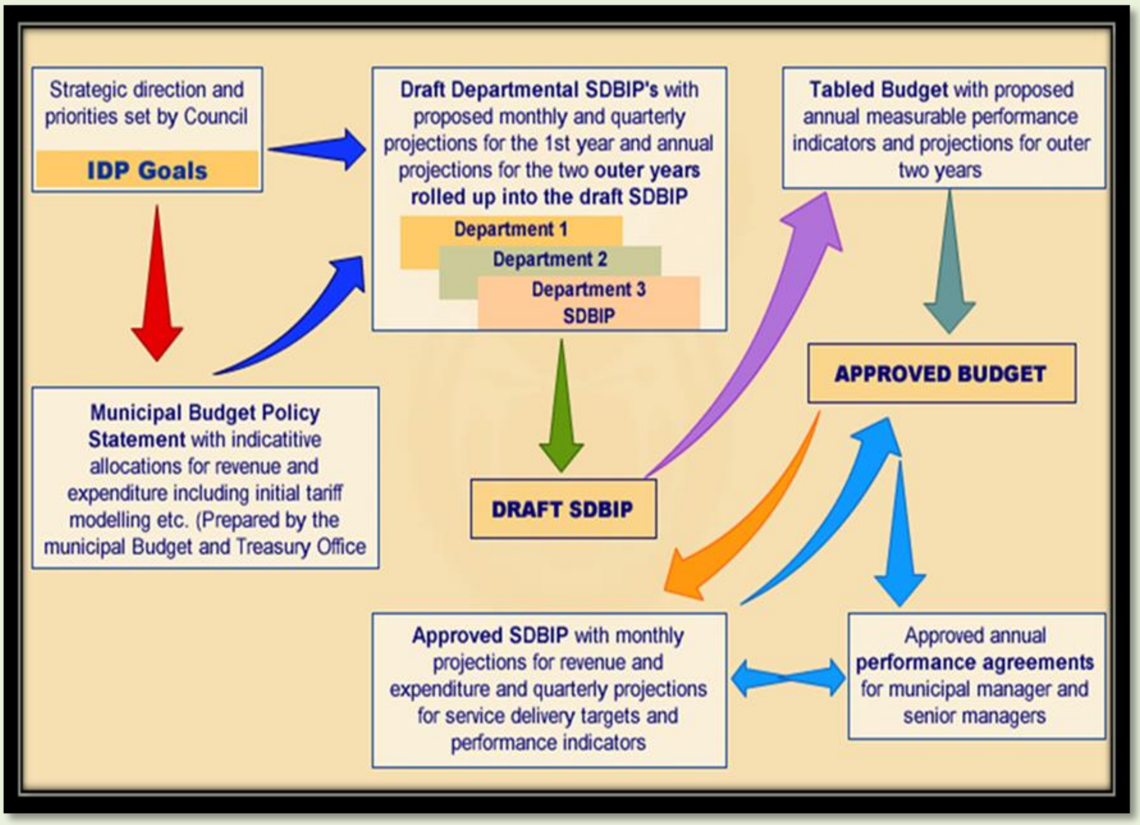
4.2. ORGANISATIONAL SCORECARD/TOP LAYER SDBIP

The municipal scorecard (Top Layer SDBIP) consolidates service delivery targets set by Council and Senior Management and provide an overall picture of performance for the municipality, reflecting performance on its strategic priorities. This is a **one-year** detailed plan but includes a **three-year capital plan.**

The necessary components include:

- Monthly projections of revenue to be collected for each source.
- Expected revenue to be collected NOT billed.
- Monthly projections of expenditure (operating and capital) and revenue for each vote.
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators, and
- Detailed capital project plan broken down by ward over three years.

The process for preparing and approving the SDBIP, as depicted in the MFMA Circular No.13, is diagrammatically summarized as follows:



It should be noted that, for the quarter three and quarter four performance reporting the 2023/24 Top Layer SDBIP was amended as per adjusted budget adopted by Council.

The Mandeni 2023/24 SDBIP was revised based on the following recommendations:

1. SMART principle, in some instances, indicators and targets were re-defined due to existing targets being not measurable, achievable, and lacking alignment to the IDP.
2. Mid-year performance results were exploited to make Q3 and Q4 adjustments, especially areas of immense over and under performance.
3. The synergy in alignment between the approved 2023/24 Top Layer SDBIP and IDP Review 2023/24 was considered.

PROCESSES IN AMENDING 2023/24 TOP LAYER SDBIP

The process was consultative and included the following key milestones:

a) Amending the SDBIP to the strategic framework in the IDP to achieve alignment.

b) Meeting with the Head of Departments (HOD).

c) Submitted proposed amendments to the Audit Committee.

d) Submitted proposed amendments to council for adoption.

e) Submitted the Revised SDBIP 2023/24 to be signed by the mayor and tabled to council for the acquiring of council resolution.

f) Public advert was posted on the Amended SDBIP 2023/24 and on the on the website and advertised in the Zulu and English Local Newspapers.

MUNICIPAL ASSESSMENT TOOL/C88 REPORT

Local government is a primary point of delivery where most citizens interface with government. Our vision of a developmental local government system was that it would be the building block on which the reconstruction and development of our country and society would be built.

The citizens of our country could engage in a meaningful and direct way with the institutions of the state. We have made tremendous progress in delivering water, electricity, sanitation and refuse removal at a local level. These rates of delivery are unprecedented in world-wide terms.

It is therefore important to understand where we are, where we could be and what needs to be done to improve performance. Our goal is to improve the functioning of municipalities to better serve communities by getting the ***basics right***.

The Back to Basic Programme which was officially launched at the Presidential Summit on 18 September 2014, is to ensure a focused and strengthened local government by setting the ***basics,*** however the back to basic was become obsolete hence COGTA introduced the Municipal assessment tools its main objective is to ensure that all municipalities prioritize compliance and work as per relevant legislations, this Municipal assessment tool monitor municipalities on quarterly basis where each municipalities submit quarterly reports to COGTA, which reflects on how municipalities achieve and comply to their assigned Key performance Indicators.

This municipal assessment tool also considers all key performance areas right and together with other spheres, provide basic services efficiently and effectively and in a caring manner. The monitoring of municipal service provision efficiency and effectiveness is a pivotal aspect of the implementation of the ***Municipal assessment tool.*** The department of Co-operative Governance and Traditional Affairs (COGTA) has developed a quarterly assessment and monitoring process facilitated through the completion of a Quarterly Provincial municipal assessment tool Template.

Changing strategic orientation is not easy and it requires bold leadership and political will. At the same time, we need a collective effort and unity of purpose and partnership with leaders in local government, provinces, and national government. We need to improve the political management of municipalities and be responsive to the needs and aspirations of local communities. To achieve this, we urgently require:

- Mayors and Municipal Mayoral Committees with a vision to change and the calibre of leadership to drive the change process.
- Speakers of Councils who can effectively manage the business of Council and lead it in its engagement and outreach programmes.
- Councillors that will inspire and organize for our common purpose of serving our people and creating a dynamic link their constituencies.
- Municipal Managers and senior managers that understand the core mandate and orientation understand their specific role in delivering the local government vision as envisaged in the White Paper and act in a manner that ensures that local government primarily serves its people by delivering basic services.

KEY AREAS OF BACK-TO- BASIC ARE THE FOLLOWING:

- Basic Services: Creating decent living conditions.
- Good Governance
- Public Participation: Putting People First
- Sound Financial Management
- Building Capable Institutions and Administrations

During the process of adjusting the budget, the municipality has also amended its SDBIP to align to the municipal assessment tool.

Mandeni Municipality has maintained a status of consistency in terms of functionality in the Municipal assessment tool Programme, hence submission occurred in quarterly basis.

4.3. DEPARTMENTAL SCORECARD/LOWER LAYER SDBIP

The Departmental Scorecards (detail Top Layer SDBIP) capture the performance of each Department. Unlike the Organizational Scorecard, which reflects on the strategic performance of the municipality, the Departmental SDBIP provides a comprehensive picture of the performance of that Department/sub-department/branch. It was compiled by **Senior Managers** for their **Departments** and

consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

This non-financial third quarter performance report contains information about:

- Quarterly performance against quarterly and annual targets as per the SDBIP is reported on. The SDBIP contains the objectives and indicators as per the Municipal IDP as well as National indicators. The SDBIP for 2023/24 was developed to reflect cumulative performance, therefore the status of indicators reflects the overall performance level achieved in the 2023/24 Financial Year
- Measures taken to improve performance; Corrective action is included for each KPI.
- Comparison of performance against set targets.
- Calculations to calculate the variance between actual quarterly performances are included for each KPI; Calculations to calculate the variance between actual quarterly performances are included for each KPI; Comparisons of performance against quarterly targets are highlighted in the form of colors based on scores which were calculated manually by the OPMSMER Unit.
- The scoring method utilized is in line with the assessment rating calculator prescribed by the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006.
- The purpose of including these ratings and color coding is to serve as early warning indicators so that Council can easily distinguish under performance, achievements and an explanation is as per the table under 4.

4.4. ORGANISATIONAL PERFORMANCE HIGHLIGHTS AGAINST PREDERTEMINED OBJECTIVES (KPI)

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

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the municipality is 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 municipality in formulating and reviewing its Integrated Development Plan (IDP) developed and adopted Strategic Goals, Strategic Objectives and Strategies which are key instruments to drive or facilitate implementation of both, the IDP and Budget in service delivery.

These Key instruments are considered as enablers to justify an organization's activities and existence, define performance standards as well as the specific tasks that must be accomplished for the municipal goals to be met. Below is the table that illustrates Strategic Goals, Objectives and Strategies as adopted by Council for implementation of IDP, Budget and operational plan (Service Delivery and Budget Implementation Plan).

2023/24 TOP LAYER SDBIP			
IDP REF	**STRATEGIC GOAL**	**STRATEGIC OBJECTIVE**	**STRATEGIES 2023/24**
BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT			
BSD 01	Universal access to basic services and infrastructure development by 2030	Improve access to all infrastructure and services	Facilitate access to electricity for all targeted households
BSD 02			Reduce the road infrastructure backlog and maintain the existing infrastructure
BSD 03			Facilitate the reduction of the housing backlog
BSD 04			Provide efficient waste collection and management service to all targeted household
BSD 05	Universal access to basic service delivery and infrastructure development by 2030	Improve access to all infrastructure and services	Facilitate the provision of new community facilities
BSD 06	Providing and facilitating access to social services and facilities	Improve access to all infrastructure and services	Facilitate the provision of new community facilities

GOOD GOVERNMENT AND PUBLIC PARTICIPATION			
GGPP01	To foster a culture of community involvement and good governance in the affairs of the municipality	Ensure participative, transparent and accountable Governance	Improve the public participation processes
GGPP 02			
GGPP 03		Aspire to a healthy, safe and crime-free area	Ensure the municipal contribution to community safety
GGPP 04			Design and implement sports, arts and heritage celebration programmes
GGPP 05		Ensure that all legislated Council structures meetings seat.	Improve the public participation processes
GGPP 06		Implementation of risk mitigation strategies specific to the department	Improve the audit opinion

FINANCIAL MANAGEMENT AND FINANCIAL VIABILITY			
MFVM 01	To develop a sustainable and efficient municipality based on sound financial management	Ensure a financially viable municipality	Ensure a constant and accurate financial reporting
MFVM 04			Ensure a constant and accurate financial reporting
MFVM 05			Manage and increase the municipal revenue base.
MFVM 06			Ensure that the municipality acquires goods and services in terms of supply chain regulations

LOCAL ECONOMIC DEVELOPMENT			
LED 02	Facilitate the creation of job opportunities	Achieve a holistic human development and capacitation for the realisation of skilled and employable workforce.	Improve the community skills base
LED 03			Ensure the empowerment of youth, women and people living with disabilities.
LED 04			Facilitate the implementation of the EPWP
LED 05			
LED 06			
LED 07			Strategic planning for Local Economic Development

MUNICIPAL INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION			
MTID 01	Provision of effective, efficient, transparent and accountable leadership	Creating a conducive working environment	Maintain and improve the municipal policies
MTID 02			Ensure effective and efficient human resource management
MTID 03			Ensure effective and efficient human resource development
MTID 04			Improve performance
MTID 05			Improve information technology and document management systems
MTID 06			Improve municipal services and Infrastructure

SPATIAL RATIONAL ENVIRONMENTAL MANAGEMENT/ CROSS-CUTTING MEASURES			
SREM 01	Promoting and facilitating environmental protection and sustainable spatial planning	CBD Regenaration	Creating government precinct with efficient space for public facilities and services
SREM 02		Ensure an integrated and alligned development planning	Ensure proper development
SREM 03		Facilitate a creation of a disaster-ready community	Provide a framework for the spatial vision and form of Municipality

The SDBIP were prepared as described in the paragraphs below and approved by the mayor.

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

COLOUR	CATEGORY
	TOTAL NUMBER OF KPI's
	KPI's NOT ACHIEVED
	KPI's ACHIEVED

The Service Delivery Performance Report is divided according to the National Key Performance Areas (KPA) of Local Government namely:

NO	NATIONAL KEY PERFORMANCE AREA	ACRONYM
1	Basic service delivery	BSD
2	Good governance and public participation	GGPP
3	Municipal financial viability and management	MFVM
4	Local economic development	LED
5	Municipal Transformation and Institutional Development	MTID
6	Spatial Rational and Environmental Management	SREM

INTRODUCTION TO MUNICIPAL PERFORMANCE

PREDETERMINED OBJECTIVES DEPARTMENTAL SDBIP

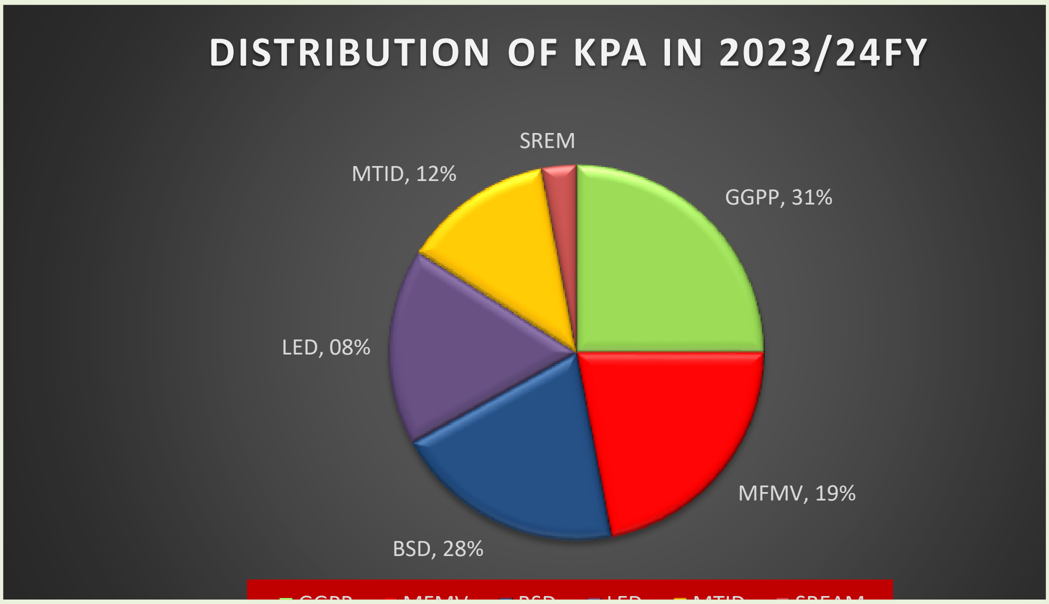
The SDBIP serves to focus both the administration and Council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

SDBIP should therefore determine (and be consistent with) the performance agreements between the Mayor and the Municipal Manager and the Municipal Manager and Senior Managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as Municipal Entities, Public-Private Partnerships, and service contracts. The SDBIP Template is therefore included in the report for each department as follows:

- Department: Office of the Municipal Manager
- Department: Budget and Treasury Office
- Department: Corporate Services
- Department: Economic Development Planning and Human Settlements
- Department: Technical Services and Infrastructure Development

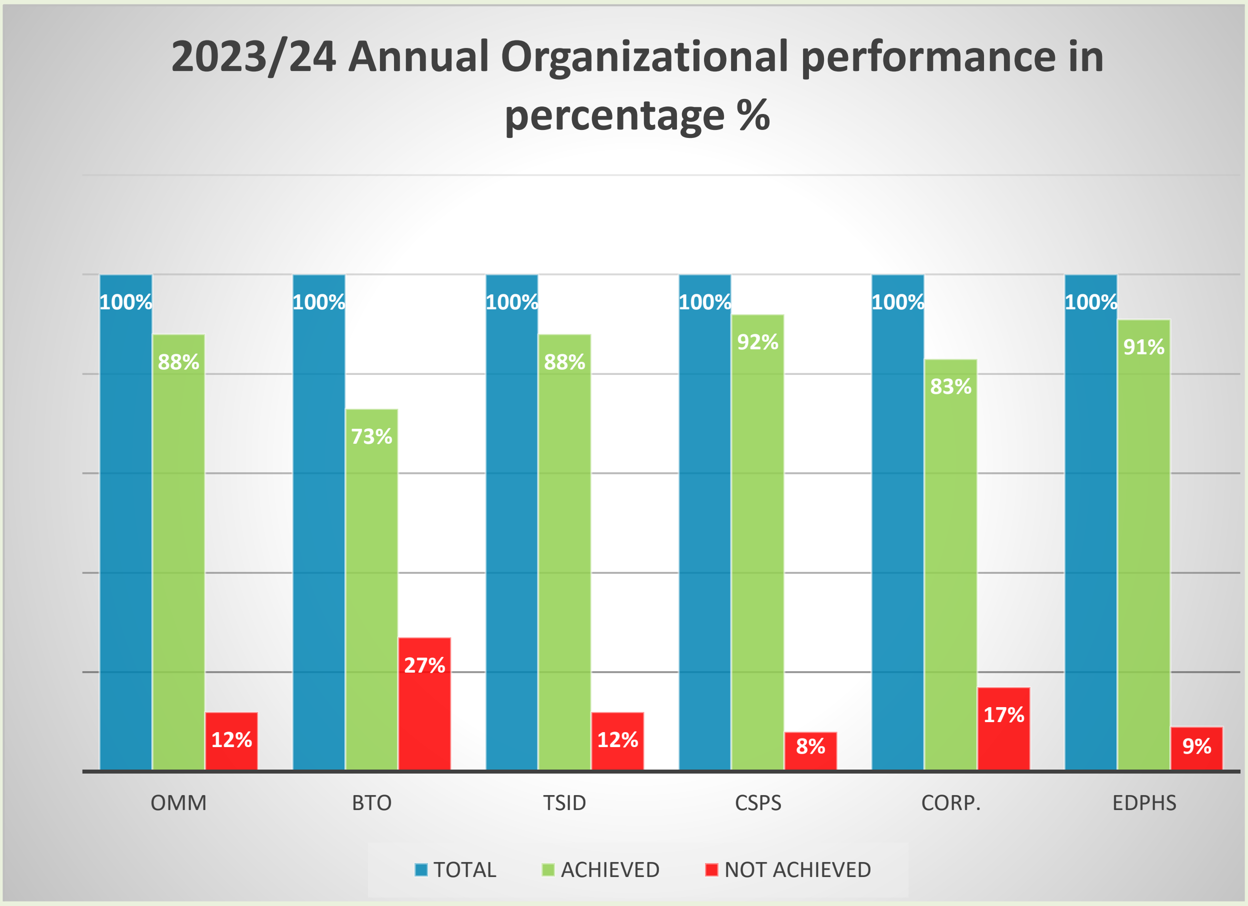
- Department: Community Services and Public Safety

This pie chart below depicts the distribution of key performance indicator (KPI) to each national key performance area (NKPA). It is helpful to highlight the number of KPI's contributing to the NKPA because; it gives an indication where the municipality's focus is in terms of contributions towards the NKPA's.

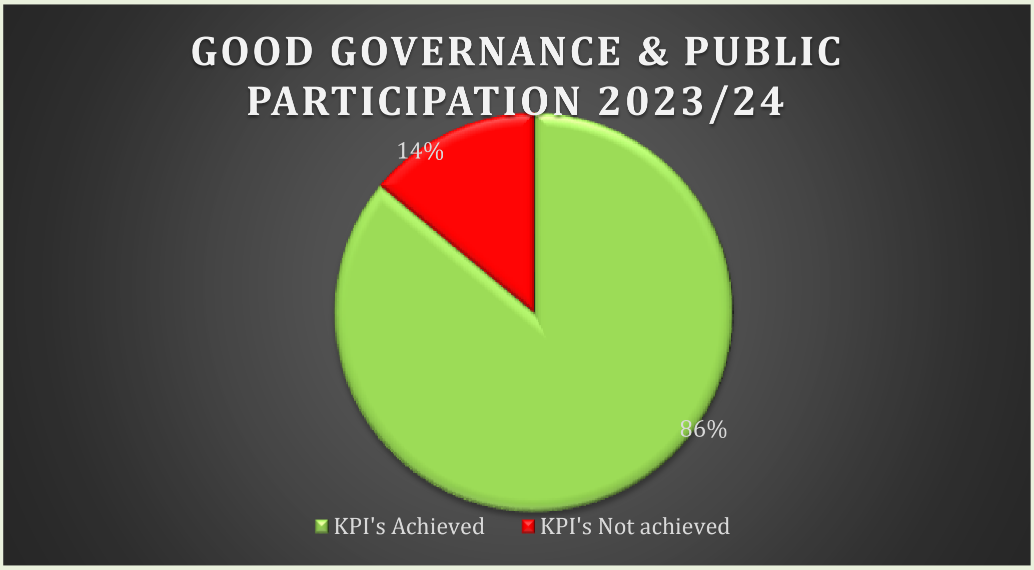


Evidently the pie chart shows that the municipality has most of its KPA's in the top two dedicated to ***Good Governance and Public Participation*** at 31% and ***Basic Service Delivery*** at 28%. ***Municipal financial viability management*** at 19%. **Municipal Transformation and Institutional Development** at 12% followed by ***Local Economic Development*** at 08%. The NKPA shows that **Spatial Rational and Environmental Management** takes 2 %.

The following graphs illustrate the overall performance of the Municipality measured in terms of the Top Layer (Strategic) SDBIP as at the end of the year that ended 30th of June 2024.


2023/24 Annual Organizational performance in percentage %
100%
88%
12%
100%
73%
27%
100%
88%
12%
100%
92%
8%
100%
83%
17%
100%
91%
9%
OMM
BTO
TSID
CSPS
CORP.
EDPHS
TOTAL
ACHIEVED
NOT ACHIEVED

4.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION



This pie chart displays the performance achieved under the Good Governance and Public Participation (GGPP) National Key Performance Area (NKPA).

As indicated, there were **92** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **79** of their planned targets and **13** targets were not achieved. Which translates to an overall of **86% achievement** in the 2023/24 FY.

Under this KPA we focus on the following areas;

- Integrated Planning
- Policy Development
- Public Participation
- Internal Audit and Risk management
- Anti-Corruption Strategy

The municipality managed to develop and adopted its New 5-year Integrated Development Plan (IDP), Performance Management System (PMS) and Budget 2023-2027 in line with the prescribed legislation (Municipal Finance Management Act, Act 56 of 2003 and Municipal

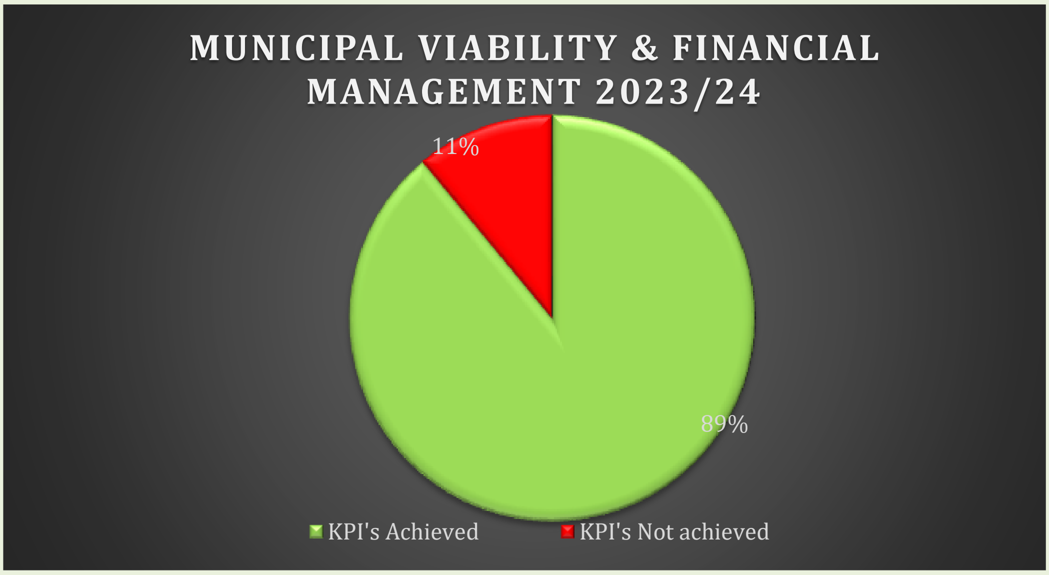
Systems Act, Act 32 of 2000 as amended). The municipality ensured that all stakeholders were engaged on the adopted process plan as a guide for the development and review of the IDP, PMS and Budget and this was done through IDP Representative Forums, and this process also included the office of the MEC for Co-operative Governance and Traditional Affairs and comments receive from the said office were further affected onto the final Process Plan. Further to the above, the IDP Unit played a key role in the council strategic planning session which was held in Drakensburg in September where council deliberated on various issues including those that needed to find space in the new IDP.

- The Municipality during the term under review conducted a successful IDP Capacity Building workshop for councilors and ward committees which was aimed at inducting both councilors and ward committees on IDP related matters including the development of ward-based plans. The municipality in line with Section 16(1)(a)(i-iv) of the Municipal Systems Act which encourages the involvement and participation of communities and other stakeholders in the affairs of the municipality in particular IDP, PMS and Budget planning process engaged all communities across the municipality at Ward levels through a ward by ward approach and all other stakeholders to ascertain their needs and issues for consideration during the development of the New 5 year Integrated Development Plan and Plan.
- Also, the municipality through SECO Partnership received the outcomes of the 2014 survey conducted by the World Bank on "Doing the Business within iLembe and Mandeni" and the results proved the processes and turn-around time for compliance before investors start their businesses to be lengthy and complicated.

4.6 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The Budget and Treasury Office is a municipal department that was established in terms of Chapter 9 of the Municipal Finance Management Act No.56 of 2003 (MFMA). Its major role is to administer municipal funds, advise the accounting officer and other departments of their role in terms of this Act and to perform budgeting, accounting, analysis, financial reporting cash management, debt management, supply chain management, financial management, review, and other duties.

Below is a graph demonstration of the performance of this department in the 2023/24 financial year.



This pie chart displays the performance achieved under the Municipal Financial Viability Management (MFVM) National Key Performance Area (NKPA).

As indicated, there were **57** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **51** of their planned targets and **06** targets were not achieved. Which translates to an overall of **89% achievement** in the 2023/24 FY.

MONITOR THE EXPENDITURE OF THE MUNICIPALITY'S BUDGET

The municipality continues with proper budget monitoring on its expenditure in the 2023/24 financial year. However, allocated budgets being not fully utilized by the end of June 2024 due to some projects experienced some various challenges such as poor performance by the contractors, Adverse weather, and land disputes.

The percentage of MIG expenditure was sitting at 89 % at the end of 2023/24 financial year due to the Hlomendlini sport field that was terminated due to poor performance by the contractor and the Construction of Endlondlweni sport field was also terminated due to land disputes.

The percentage spent on INEP was 100% at the end the 2023/24 financial year. The Municipality had really put in efforts to ensure expenditures of R 7384000 was spent, and this meant that the INEP aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of electrification and community lighting is achieved.

PAY ALL SUPPLIERS WITHIN A LEGISLATED PERIOD

We continue to do well on the payment of creditors. The outstanding balances are linked to issues identified on the individual invoices. Reasons are normally given of the dispute for reconciliation to be done before invoice can be paid.

CONDUCT ALL EXPENDITURE RECONCILIATIONS

For the reliable financial information, it is crucial that reconciliations are done monthly. This is what makes it easy for the municipality to be able to give better assessment of the budget. The ability to produce a trial balance allows us to produce the financial statements quarterly and give analysis of information and ratios. Monthly reports are sent to the portfolio committee with all relevant information for decision making. Section 71 reports are produced for the mayor and submitted to treasuries as per budget reporting format.

MANAGE THE MUNICIPAL ASSETS

The municipality has improved in the administration of assets. The capacity in the unit was provided. This has made it possible to shift from involving external resources by build capacity internally.

Continuous assessment of assets for impairment is being done. It is appreciated that the unit is now able to account for depreciation monthly. Monthly reconciliations are a contributing factor to a good report from the auditor general.

IMPROVE THE COLLECTION RATE

The balance of the amount outstanding from debtors has Increased from 203 million to R 236 million in the period from 01 July 2023 to 30 June 2024 (16% Increased).

The culture of non-payment by ordinary households due to poor database and sanctioning tools is still a contributing factor to our poor revenue collection.

Debt pack have been re-appointed, Debt collectors had been appointed and trained on using debt Management system, the process of telephonic collection, sending our SMSs, letters of demand has commenced, the institution of legal proceedings will soon be implemented. The new interns have been employed through Khabaledaka, the interns were employed to perfume data cleansing exercise, moreover they will be assisting with disconnection of services for non-payment by the consumers.

Debt collection measures will be improved after the policy review by issuing summons with the intention to attach movable property. This initiative is however a slow process because of the sheriff's involvement. They cannot cope with the number of summonses to be served. Debt management component is currently analysis the debt book with the aim of chasing after a collectible portion of the debt book, as well as seeking the possibility of write off an uncollectable portion to ensure cost effectiveness.

The collection process is also affected by the non-cooperation of the community when they are invited to register for indigent benefits.

CONDUCT ALL REVENUE RECONCILIATIONS

The municipality has adopted the revenue enhancement strategy. This is being implemented. This strategy is a process that is mainly supported by external stakeholders. Its impact will be assessed going forward. At this point in time it is important that an opportunity is given for its support.

We have advanced with the prepaid supply of electricity system. We will guarantee electricity billing. Monthly billings of all services are done. Other income is supported to supplement the cash flow that is so needed. Income generated from interest on investment is according lower than the budget due to low levels of cash. These reports are monthly submitted to the portfolio committee.

MANAGE THE SUPPLY CHAIN PROCESSES.

The success of the SCM Unit is dependent on the role played by the user departments. To control the unit, the procurement plans were instituted and implemented. However, these plans are not perfectly followed. Improvement is monitored through working together with other departments.

Bid Committees have worked tremendously to support the functioning of the unit. At the close of June 2023 all tenders were awarded. Due to poor planning in some units, there is an increase in deviations. This situation is being addressed.

Contract management is earmarked for improvement as this is an area that the report of the auditor general has pointed out some weaknesses, including the maintenance of documents, monitoring of service providers, transfer of skills etc. A proper training is envisaged in this regard for proper procedures to be in place.

Going forward this sitting of the Bid Committees will be scheduled. The SCM unit will be provided with permanent qualified personnel and improve the workflow processes.

PERFORM MONTHLY FINANCIAL REPORTING

Mandeni Municipality can produce the budget in time as expected and in the format that is required. Monthly S71 reports are produced and reported to Treasury. It is appreciated that the municipality can report on the norms and standard ratios as recommended by National Treasury in Circular 72

In the implementation of the budget, it is noted that other line items are overspent. Some of these overspending is caused by non-compliance with the procurement plans. Others are due to unforeseen circumstances. These will result into unauthorized expenditure. The adjustment budget has dealt with these anomalies.

PERFORM QUARTERLY FINANCIAL REPORTING.

As part of the assessment for half yearly budget performance section 52 report was prepared for submission to the Mayor and Council. The significance of this report in the half year review is that it gives the cumulative performance of the budget that is assisting to the preparation of section 72 report.

Due to improvement in the information technology, it is important that the department is on par with technology available and the new trend of doing things. The Municipality has introduced the e-PMS system as part of improving performance of the organization and it has assisted the municipality to reduce the costs of using paper.

PERFORM ANNUAL FINANCIAL REPORTING.

The achievements were high in the submission of annual financial statements in that the reports were audited and found to have no errors in the past three years.

We continue to review the standards of reporting of financial information. It assists that now we can produce financial statements periodically and review information against the standards such that we have fewer issues at year end when we finally produce annual financial statements. It is important that a compulsory workshop be attended to build capacity.

The standard chart of account mSCOA was introduced by National Treasury. The objective of the regulation is to provide a national standard for uniform recording and classification of municipal budget and financial information at a transactional level by providing standard chart of accounts aligned to budget formats and accounting standards.

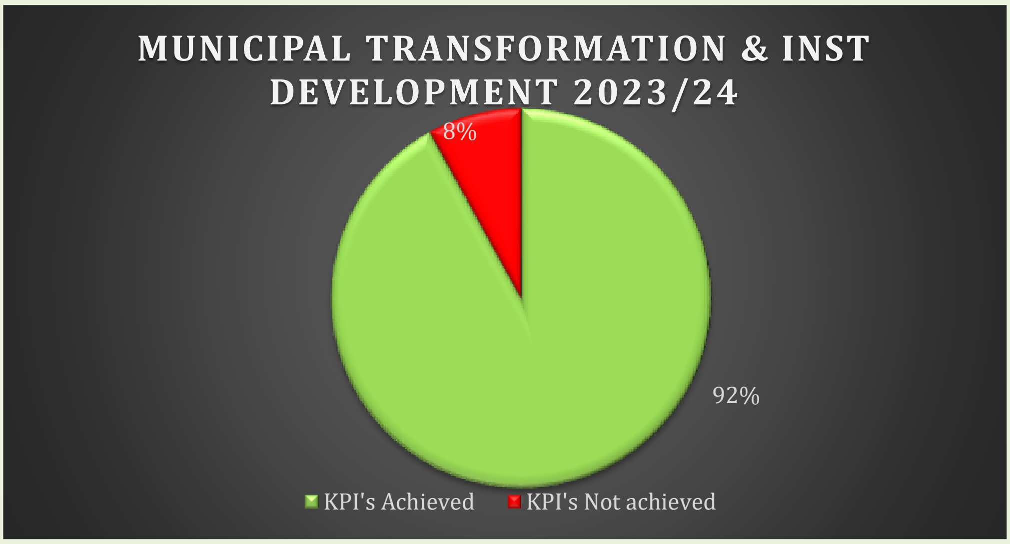
The municipality prepared and adopted its budget for 2023/24 MTREF financial year in an mSCOA classification framework which is made up of seven segments.

The revenue generated by the Department has contributed towards the municipal revenue base during the year under review. Further awareness campaigns will be conducted by the Department on the various bylaws applicable in each section to ensure that there is an improvement in the level of compliance by the community which will further increase the departmental contribution towards the overall municipal revenue stream.

To ensure effective Municipal Financial Viability and Maintenance the Municipality did the following.

- Regular reporting is being done to funders of grants as per funding requirements and compliance with the Division of Revenue Act. (NDPG, MIG, EPWP, FMG and INEP).
- Maintain and improve municipal cash flows.
- Spent 100% of MIG funding.
- Participated in MSCOA implementation by ensuring attendance to Project Steering Committee meetings held quarterly by the Budget and Treasury department.

4.7 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT



This pie chart displays the performance achieved under the Municipal Institutional Transformation and Development National Key Performance Area (NKPA).

As indicated, there were **36** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **33** of their planned targets and **3** targets were not achieved. Which translates to an overall of **92% achievement** in the 2023/24 FY.

ADOPTION OF MUNICIPAL POLICIES AND FIVE YEAR HR STRATEGY

- On the 30th of June 2024, the Identification, review, and adoption of municipal policies was not achieved, due to session that was not concluded on the 13-14 June 2024, however the session proceeded after the year end.
- The IDP aligned organizational and departmental organograms were Developed and adopted on the 23rd of May 2024.

EMPLOYMENT EQUITY PLAN, LOCAL LABOUR FORUM, AND LABOUR RELATIONS

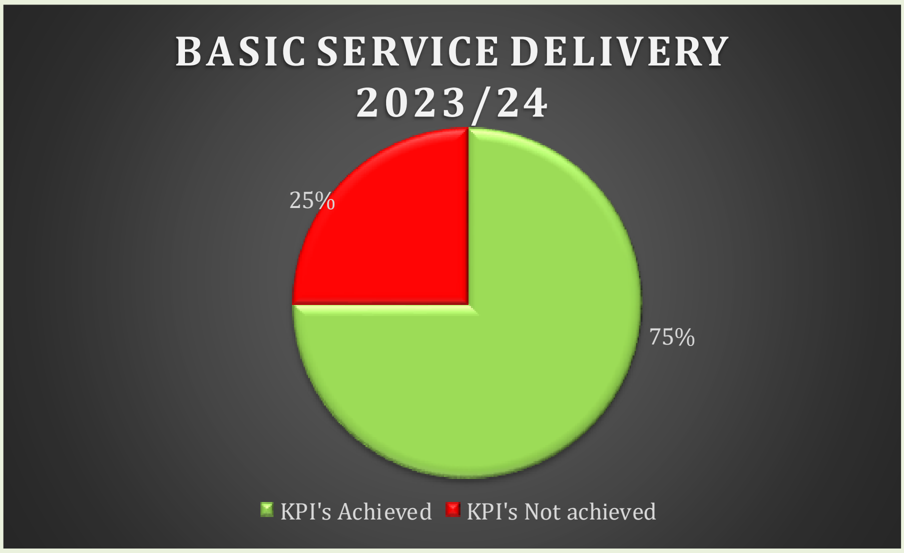
- Maintenance of the functionality of the Local Labour Forum was achieved by holding 4 Local Labour Forum meetings, the target was 4 and the department had no variance.
- 4 quarterly Labour relations reports were submitted to MANCO in the year 2023/24, the actual target was met.

SKILLS DEVELOPMENT

- The Municipality conducted the Skills 2023/24 auditing process.
- The workplace skills plan was developed and was adopted by the HRDC on the 18 April 2023.
- The workplace skills plan was submitted to LGSSETA on the 17 April 2024.
- The total Number of employees that were trained according to the WSP prescriptions were 118. The actual target was 108. The target was achieved.

- The Actual amount spent on skills development in the 2023/24 financial year was R1 405 000.00. The targeted amount to be used was R1 405 000.00.
- For Effective implementation of recognized collective agreements, applicable legislation and policies, the Department conducted workshops half-yearly on collective agreements and applicable legislation and policies.

4.8 BASIC SERVICE DELIVERY



This pie chart displays the performance achieved under the Basic Service Delivery National Key Performance Area (NKPA).

As indicated, there were **83** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **62** of their planned targets and **21** targets were not achieved. Which translates to an overall of **75% achievement** in the 2023/24 FY.

HOUSING DEVELOPMENTS

- The municipality during the Financial Year under review had only 4 housing projects that were under construction funded by the Department of Human Settlements (DoHS) during the 2023/24 financial year being Inyoni Integrated Housing Project (Ward 3, 7, 10, 11, 12, 13, 14, 15,16, 17and 18), phase five of the Macambini Rural Housing Project (Ward 1, 2, 8 and 9) and phase three of the Isithebe Rural Housing Project (Ward 11, 12, 16, 17 and 18). Though some progress has been on the ground, the human settlements portfolio has been affected by budget constraints at the Department of Human Settlements which has result in progress moving at a rather slow rate. The progress registered during the financial year under the various housing projects which is outlined below:

- **Inyoni Housing Project:** In the 2023/2024 financial year construction of units under project construction phases 1, 2 and 3 was underway for approved beneficiaries. To date 1136 units are complete 42 are at roof level, 10 units are at wall-plate level, 154 units are at foundation level and 242 are greenfield including the light-home industry sites. The implementing agent resumed construction activities to complete outstanding works for 508 units in phases 1,2 and 3. Whilst this is a resilient step towards achieving successful completion of the project, the significant challenge affecting this stride is budget constraints to fund construction activities in the project. A resolution was taken to assist the beneficiaries who were approved on duplicated sites by allocating them sites that were approved against missing beneficiaries that have been advertised as per beneficiary administration policy. There are 431 units to complete phase 1, 2 and 3. Currently, the construction of bulk and internal service infrastructure in phase 4 after which the construction of top structure (BNG units) will commence along with the disposal of serviced sites. The Municipality is also in efforts to initiate the planning activities and subsequent funding approval for the first public rental housing in Mandeni under the community residential redevelopment (CRU) programme which will be constructed in phase 4 of Inyoni IRDP.

- **Isithebe Rural housing (11,12, 16, 17 and 18):**
  The Department of Human Settlement approved 300 units for Phase 3 of the project (300 out of 2000 units). The completion of project sub-phases 1 and 2 has yielded a total of 600 units that have been handed over to beneficiaries of the project. The 2023/2024 financial year was dedicated to completing phase 3 of the project, however this was negatively impacted by the aforementioned budget constraints which resulted in the implementing agent vacating the site at some point during the financial year thus the progress made is very limited. To date,

under the current phase 102 houses were completed, 168 units at roof level, 209 units at wall-plate level, 287 units at foundation level. These figures are cumulative.

Macambini Housing Project (Ward 1, 2, 8 and 9): This housing project has progressed significantly in its construction programme; phases one, two, three and four of the projects consisting of 1650 units have been completed and handed over the beneficiaries. During the 2023/204 financial year the construction activities for phase 5 commenced and progress to date is as follows; 250 units have been completed,308 units at roof level, 342 units at wall-plate level and 343 units at foundation level. These figures are cumulative. Again, this project was also affected by the budget constraint which resulted in the implementing agent vacating the site until funding can be made available.

Title Deeds Restoration Programme; Portion 1-4 and 5-11 erf 412 Isithebe Industrial Estate.

- Inyoni is a catalyst integrated urban housing project within the Municipality ensuring provision of variety of housing typologies and socio-economic opportunities.
- The project serves as strides to implement the live, work and play model of development through its composite of various opportunities within one area.

- The various housing typologies and opportunities will produce 3020 units in total which consists of the following typologies:
  - ✓ 2418 BNG low-cost housing units
  - ✓ Financial Linked Individual Subsidy (FLISP)/ serviced sites- 355
  - ✓ Rental Housing/Medium Density- Community Residential Units (CRU)- 165
  - ✓ Mixed Use Home Commercial and Light Industry- 82

- Municipality seeks to implement the first ever rental housing component through the CRU programme- funding for feasibility assessment has been secured from Department of Human Settlements.
- Furthermore, the project will serve as the first ever intervention of serviced sites that will empower the gap market within Mandeni to purchase serviced sites (355) and construct their own units after having obtained building approvals from the Municipality.

- The composite of non-residential land uses to be implemented in the project area can be summarised as follows:
  - ✓ Core Commercial sites- 2
  - ✓ Community Facilities- 19
  - ✓ Primary Schools- 4
  - ✓ Secondary Schools- 2

Active Spaces (playground/sport fields) – 15

PROGRESS ON THE INYONI INTEGRATED HUMAN SETTLEMENT PROJECT

Portion 1 of erf 412 of Isithebe Industrial Estate

- Township register was opened over portion 1 of erf 412.
- This portion consists of about 269 erven (sites), 145 units were registered, and 5 unit being prepared for lodgment at deeds office. There is a total of 135 outstanding units to be transferred.

Portion 2 of erf 412 of Isithebe Industrial Estate

- Township register was opened on the 09th of December 2022 over portion 2 of erf 412.
- Portion consists of about 368 erven.
- The total number of erven registered to beneficiaries is 111 units.

- Total outstanding to be transferred is 208 units.

Portion 3 of erf 412 of Isithebe Industrial Estate

- Township register was opened on the 09th of December 2024 over portion 3 of erf 412.
- This portion consists of about 197 erven.
- The total number of erven registered to beneficiaries is 43 units.
- No units have been transferred for the month of **October.**
- Total outstanding to be transferred is 127 units.

Portion 4 (portions 5-11) of erf 412 of Isithebe Industrial Estate

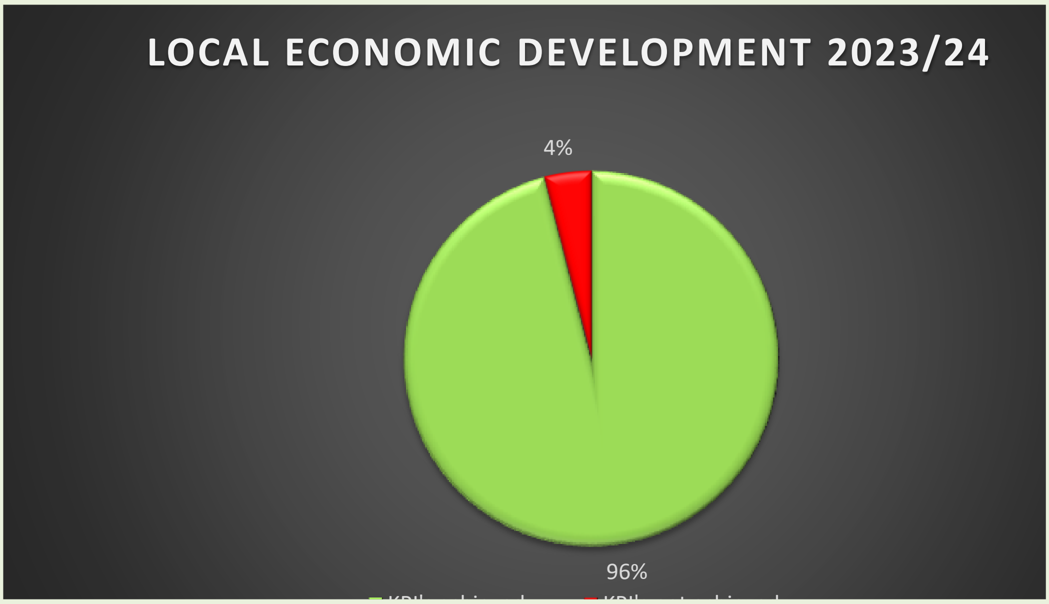
- Township register for this portion(s) has not been opened yet.
- Surveyor who worked on the project (John) confirmed that the layout plans for portion 4 were never registered with the Surveyor's office.
- The reason he advanced was that there were errors to be corrected in the initial layout, but for some reasons it was never lodged for registration.
- Municipality has engaged the Surveyor and we received the estimated costs of registering the plans with the Surveyor-General. We wait for further instructions from the municipality.

- 389 units have been registered to the names of beneficiaries and Title Deeds have been received by the Municipality.

- **Operation Sukuma Sakhe (OSS) cases:** The OSS programme caters for extraordinary circumstances of people living under highly vulnerable conditions that require urgent human settlements intervention. As of 30 June 2023, the Department of Human Settlements has approved funding and appointed service provider to implement various OSS projects. This includes 30 OSS cases) across wards 1,2,3, 6, 9, 10,12 and 15); 49 OSS cases (across wards 1, 3, 4, 5, 6, 7, 9, 10, 12, 15 & 18) and 115 cases (across wards 4,5,6,7,8,9,10,11,12,13,14,15,16,17 & 18). The service providers have been undertaking pre-construction activities including beneficiary administrations toward processing beneficiary approvals on the HSS system as well as packaging of applications for NHBRC project and home enrolment. Delays were incurred in obtaining approval for project enrolments from NHBRC. Upon completion of these pre-requisite activities construction of units will commence on the ground. The Implementing Agent has procured material for construction and has started with construction.

- **Emergency Assistance (Disaster) Housing:** Following the heavy rainfall that impacted several households within the municipal area, in collaborative efforts with the Department of Human Settlements a service provider was appointed to assist 99 households across wards 2,5,7,8,9,10,12, 13,15,16,18. The service provider was introduced to the Municipality during the month of June 2024 and has commenced with beneficiary verification on the ground. The project is due to take 6 months in duration.
- **MANDAFARM AND ISITHEBE PERI-URBAN INFORMAL SETTLEMENTS UPGRADING PLANS (Ward 7,11,15,16,17 & 18)** Human Settlement Department appointed a service provider to undertake project feasibility and finalise the upgrading plans for Isithebe and Manda Farm informal settlements. the project will assist to categorize the settlements into the following categories that will guide the best approach to assist beneficiaries from the settlements from a human settlements perspective; A: Full services, top structure and tenure upgrading settlement;B1: Interim basic services for settlements viable for long term full upgrading; B2: Emergency Basic services settlement where long term upgrading is not viable, but relocation is not urgent or possible; C: Relocations is the last resort for settlements and is an urgent priority. The service provider undertook a door-door site verification to gather socio-economic information about the residents from these settlements and simultaneously conducted desktop studies to establish the suitable areas for residential use. After conducting the aforementioned, the implementing agent is currently in the process of designing a basic layout. It has been established that some households will need to be relocated as they are located on environmentally sensitive areas.

4.9 LOCAL ECONOMIC DEVELOPMENT



This pie chart displays the performance achieved under the Local Economic Development National Key Performance Area (NKPA).

As indicated, there were **23** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **22** of their planned targets and **01** target was not achieved. Which translates to an overall of **96% achievement** in the 2023/24 FY.

This NKPA needs to be considered very attentively hence, it plays a huge impact on service delivery and is essential for the economic growth of the municipality, as well as empowering Local businesses.

SMME'S

- The number of SMME's and Cooperates supported on Quick Wins by 30 June 2024 had a target of 100, but the municipality achieved 104. There was a need to ensure all wards are benefitted. Further the municipality eradicate poverty by supporting 10 tourism entrepreneurs, a target of 10 was set and it was achieved all 10.

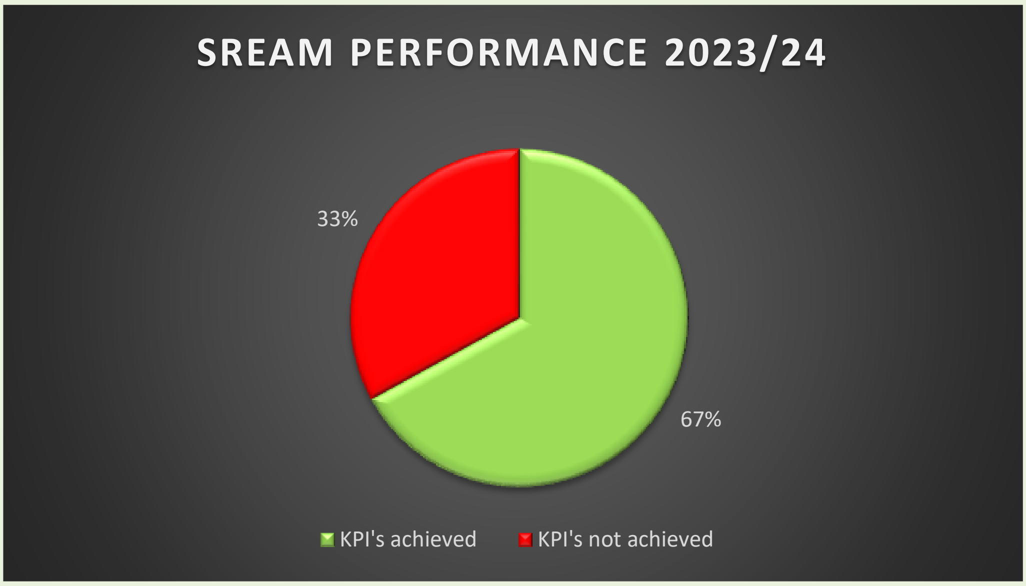
COMMUNITY WORKS PROGRAMME (CWP)

- A target of 643 jobs created through implementation of infrastructure projects and EPWP by 30 June 2024 was set. However, 763 jobs were created.

REGISTRATION BURSARIES AWARDED TO BENEFICIARIES

- Registration bursaries for matriculants and scholarship awards was achieved on the 13 February 2024.

4.10 SPATIAL RATIONAL AND ENVIRONMENTAL MANAGEMENT



This pie chart displays the performance achieved under the Spatial Rational and Environmental National Key Performance Area (NKPA).

As indicated, there were **03** key performance indicators (KPI's) that the municipality had planned to achieve in the financial year. The municipality achieved **02** of their planned targets and **1** target was not achieved. Which translates to an overall of **67% achievement** in the 2023/24 FY.

FORWARD PLANNING

- The municipality managed to review and adopt Spatial Development Framework by Council on the 23rd of May 2024.

- In terms of Land Use Management, the planning unit reviewed the existing Mandeni Land Use Management Scheme to incorporate the rural component of the Municipality forming a Municipal Wall-to-Wall Scheme in line with the National SPLUM Act. This project was funded by Provincial COGTA. The wall-to-wall scheme was amended through the legislated processes with the project team inclusive of Provincial departments, Ilembe District family of Municipality, Mandeni Municipality units and also included uMlalazi Municipality which we share a boundary within the north for ease of cross-border planning alignment.

  The said scheme went to public consultation to source inputs from the interested and affected parties, the impacts of the zonings and revised development controls. Further engagements were undertaken through formal council structures to sensitize the leadership of the implications of the review and how it will impact the community and business sectors alike. This was presented to full Council for approval in June 2021 rubberstamping the document.

  In June 2024, minor amendments were also done to the same documents and adopted by Council as well. It must be noted that the LUMS document is a working document therefore requiring continuous amendments to deal with the very dynamic Municipal conditions.

SPATIAL PLANNING AND SPLUMA

- The Municipality in its implementation and compliance with Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) processes development applications through the District Joint Municipal Planning Tribunal (MMN JMPT) constituted by the three local Municipalities namely Mandeni, Maphumulo and Ndwedwe Municipality. During the year under review, a total of 9 planning applications were received by the Municipality for assessment. Four applications have been tabled to the MMN JMPT for approval and 3 were approved with conditions and 1 application was referred to the applicant. The other five (5) applications are within the legislated timeframes and are being subjected to the legislated processes of SPLUMA.

- The Planning unit continues to receive applications pertaining to land requests for various uses ranging from the establishment of small businesses to the establishment of municipal office space by government departments and service delivery projects by the internal municipal departments. These applications and requests are channeled through the various council structures accordingly.

4.11. DEPARTMENTAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024 (AS PER SDBIP)

The SDBIP serves a critical role to focus both the Administration and Council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

The SDBIP provides the vital link between the Mayor, Council (Executive) and the Administration, and facilitates the process for holding Management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the Mayor, Councilor's, Municipal Manager, Senior Managers and Community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of Senior Management and achievement of the strategic objectives set by council. It enables the Municipal Manager to monitor the performance of Senior Managers, the Mayor to monitor the performance of the Municipal Manager, and for the Community to monitor the performance of the Municipality.

The SDBIP should therefore determine (and be consistent with) the performance agreements between the Mayor, Municipal Manager and the Senior Mangers determined at the start of every financial year approved by the mayor. It must also be consistent with outsourced service delivery agreements such as Municipal Entities, Public-Private Partnerships, and service contracts. The SDBIP's for each department are attached as annexure as follows:

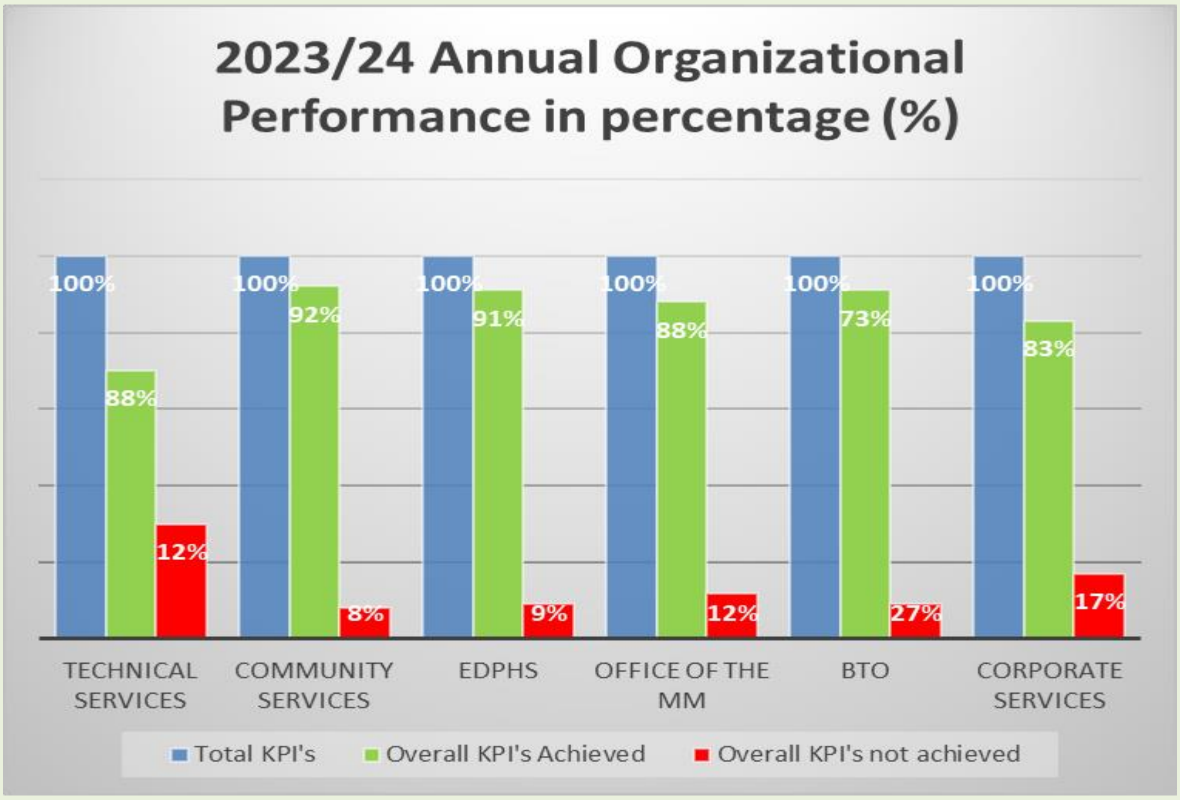
- Department: Office of the Municipal Manager
- Department: Budget and Treasury

- Department: Technical Services and Infrastructure Development.
- Department: Community Services and Public Safety.
- Department: Corporate Services
- Department: Economic Development Planning and Human Settlements.

Departmental SDBIP indicates performance indicators per National Key Performance Areas and comments with corrective measures with regards to indicators not achieved for the office of the Municipal Manager, Budget and Treasury Office, Technical Services, Community Services, Corporate Services and EDP Department.

The following are departmental annual performance summaries for the 2023/24 financial year.

Below is a graphical demonstration of how the Departments performed in the year in review:

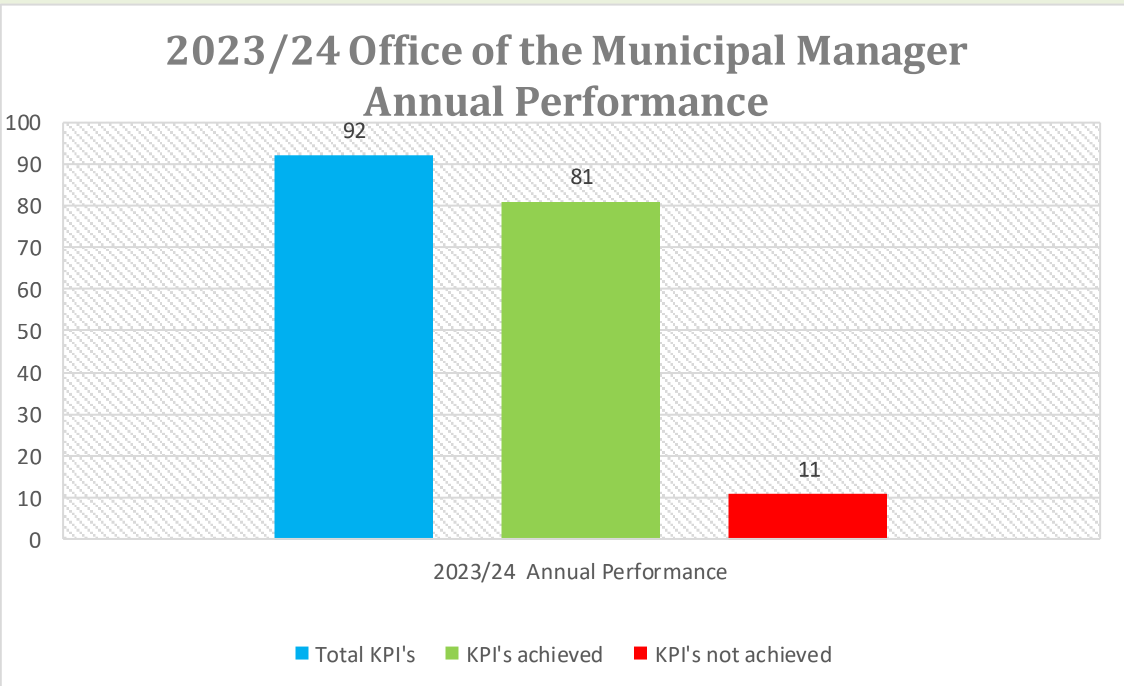


OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager is the nerve centre of Mandeni Municipality. The municipality has achieved tremendous progress since the new administration assumed office. The Municipal Manager's office has recently beefed-up its human resources capacity through the establishment of the following units:

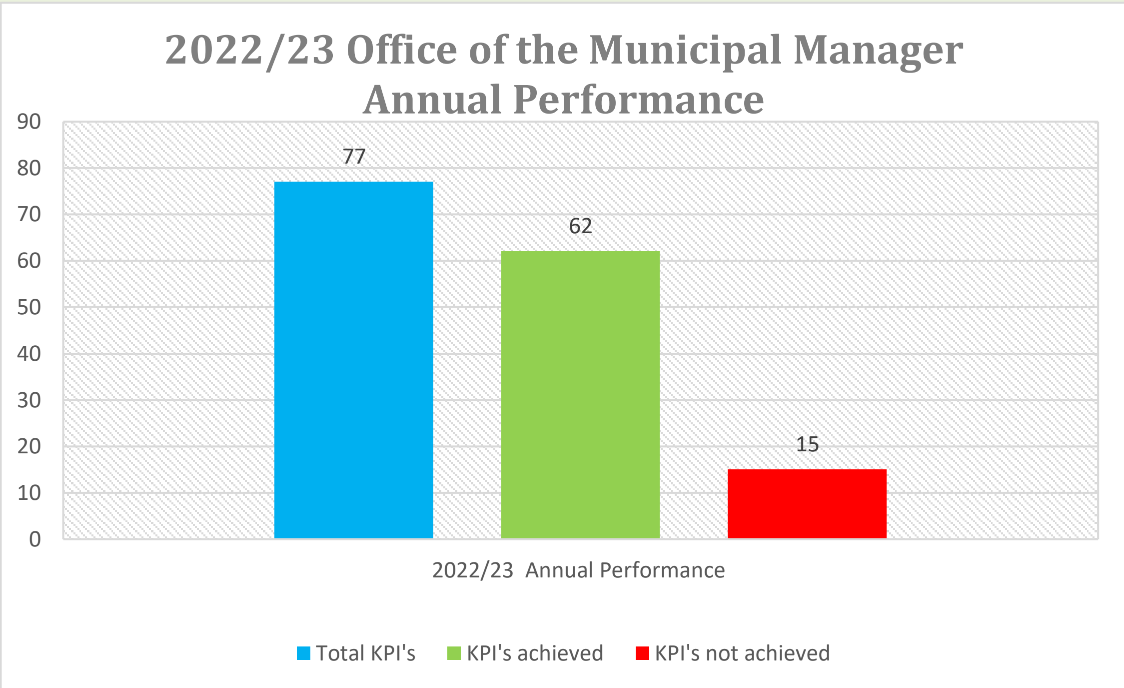
- Internal Audit
- Risk management
- Performance Management Systems
- Special Programmes
- Municipal Public Accounts
- Communication
- Public Participation

Below are the graphs representing the performance of the Municipal Manager's Office in the 2023/24 and 2022/23 financial years and a comparative SDBIP of the Office of the Municipal Manager's performance.



	Number of KPI's	Percentage of KPI's
Total KPI's	92	100%
KPI's achieved	81	88 %
KPI's not achieved	11	12%

The office of the Municipal Manager had a total of 92 KPI's in the 2023/24 financial year. 81 targets were achieved, whilst 11 were not achieved. This translates to an overall achievement of 88% of the KPI's for the office of the Municipal Manager.



	Number of KPI's	Percentage of KPI's
Total KPI's	77	100%
KPI's achieved	62	81 %

KPI's not achieved	15	19 %

The Office of the Municipal Manager had a total of 77 KPI's in the 2022/23 financial year. 62 targets were achieved, whilst 15 targets were not achieved. This translates to an overall achievement of 81 % of the KPI's for Office of the Municipal Manager.

OFFICE OF THE MUNICIPAL MANAGER 2023/24 FY									
IDP REF	KPI NO.	Key performance indicator 2023/24	2022/23		2023/24		REASON FOR VARIENCE	CORRECTIVE MEASURE	POE
			Target	Actual	Target	Actual			
BASIC SERVICE DELIVERY									
BSD 01	1	Number of households (140 HH) to be provided with electrification infrastructure (Dry Connections) in Mantshangula Mhlubulweni Electrification Project in Wards 2 & 9 and ready to	New Indicator		140	140	N/A	N/A	Practical completion report of dry connection

		be energized by 30 March 2024						
BSD 01	2	Number of households (100 HH) to be provided with electrification infrastructure (Dry Connections) in Khenana Phase 5 Electrification Project in Ward 10 and ready to be energized by 31 December 2023	New Indicator	100	113	N/A	N/A	Practical completion report of dry connection
BSD 01	3	Number of households (100HH) to be provided with electrification infrastructure (Dry Connections) in Emhlangeni in Ward 5 and ready to be energised by 30 September 2023	New Indicator	100	100			Practical completion report of dry connection

BSD 01	4	Number of households (105 HH) to be provided with electrification infrastructure (Dry Connections) in Okhovothi Ward 12 and ready to be energised by 30 September 2023	New Indicator	105	105	N/A	N/A	Practical completion report of dry connection
BSD 01	5	Date of presenting the bid document for procuring and delivery of Mandeni Sub-Station-5 Bulk in ward 3 to Bid Specifications Committee by 31 March 2024	New Indicator	31-Mar-24	Not Achieved	Slow progress of the consultant in compiling and submitting the tender document hindered the achieving of targeted date for the tender document to be presented and approved at the Bid Specification Committee.	The municipality to perform the financial risk assessment for all recommended contractors to mitigate the risk of poor performance. Furthermore, we will ensure that service providers	Draft tender document

							under Technical Services department are assessed monthly and meet with them monthly through Project Steering Committee meetings. Community unrest is addressed at a political level.	
BSD 02	6	Date of completion for the construction of a sports field and combo court in Hlomendlini (Ward 4) by	New Indicator	30-Jun-24	Not Achieved	Slow progress of the contractor. The contractor was terminated and the letter of	The municipality to perform the financial risk assessment	Practical completion certificate

		30 June 2024				termination for the contractor and consultant was issued.	for all recommended contractors to mitigate the risk of poor performance. Furthermore, we will ensure that service providers under Technical Services department are assessed monthly and meet with them monthly through Project Steering Committee meetings.	

BSD 02	7	Date of registration of the MIG 1 Business Plan for the construction of a community hall in Khenana Township in ward 10 by 30 June 2024	New Indicator	30-Jun-24	Not Achieved	It was not prioritized for the current FY	Departmental meetings will be held to review the departmental scorecard prior to approval of the SDBIP by the Mayor after the budget is approved before the start of every financial year. Technical Services department management	MIG 1 Form from COGTA MIG-MIS

								will also hold meetings during mid-year adjustment process to review all the targets that needs to be revised.	
BSD 02	8	Number of kilometres (300kms) of gravel roads maintained in-house in wards 1,2,4,5,6,7,8, 9,10,11,12,16 ,17,18 by 30 June 2024	300 km	300km	300 km	312.05km	N/A	N/A	Measurement reports
BSD 02	9	Number of 2700m² of potholes repaired and maintained in wards 2,3,4,7,10,12, 13,14&15 by 30 June 2024	1700 m²	1729.2 m²	2700 m²	4107.2m²	N/A	N/A	Measurement Reports

BS D 02	10	Date of regravelling of 1.7 km road from KwaMoya to KwaGina Ward 9 to practical completion by 30 June 2024	New Indicator	30-Jun-24	7-Jun-24	N/A	N/A	Practical completion certificate
BS D 02	11	Date of regravelling of 1.6 km road from Isikhonyane Tribal Court to KwaNxumalo ePhoyiseni Ward 11 to practical completion by 30 June 2024	New Indicator	30-Jun-24	20-May-24	N/A	N/A	Practical completion certificate
BS D 02	12	Date of regravelling of 2.0 km road from Swidi Church to Winya road Ward 16 to practical completion by 30 June 2024	New Indicator	30-Jun-24	16-May-24	N/A	N/A	Practical completion certificate
BS D 02	13	Date of regravelling of 1.0 km road from Zavutha to Vusimuzi High School Ward 17 to practical completion by 30 June		30-Jun-24	15-May-24	N/A	N/A	Practical completion certificate

		2024					
BS D 02	14	Date of regravelling 1.1 km road from Ndovela to Isithebe Library Ward 18 to practical completion by 30 June 2024	30-Jun-24	16-May-24	N/A	N/A	Practical completion certificate
BS D 02	15	Date of regravelling 1,0 km road leading to eMatshe'amhlophe at Ward 6 by 30 June 2024	30-Jun-24	3-Jun-24	N/A	N/A	Practical completion certificate
BS D 02	16	Date of regravelling of 1.5km road eSikhoveni Road at Ward 8 by 30 June 2024	30-Jun-24	28-Jun-24	N/A	N/A	Practical completion certificate
BS D 02	17	Date of regravelling 1.5 km road from iNduna uSithole leading to Thembalihle Store at Ward 1 by 30 June 2024	30-Jun-24	28-Jun-24	N/A	N/A	Practical completion certificate
BS D 02	18	Date of regravelling of 1.5 km road leading	30-Jun-24	16-May-24	N/A	N/A	Practical completion certifica

		to eMathuneni at Ward 5 by 30 June 2024					te
BS D 02	19	Date of regravelling of 1.5 km road leading to eZihlabathini at ward 02 by 30 June 2024	30-Jun-24	31-May-24	N/A	N/A	Practical completion certificate
BS D 02	20	Date of completion of the Rehabilitation of Internal Roads (1.23kms) and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Rehabilitation of Mthombothi, Mbabala, Umgakla & Sondeza Internal Roads & Upgrade Associated Stormwater in Sundumbili, Ward 13 Phase 1) by 30 June 2024	30-Jun-24	Not Achieved	Community unrest. Adverse weather conditions. Slow progress by the contractor.	The municipality to perform the financial risk assessment for all recommended contractors to mitigate the risk of poor performance. Furthermore, we will ensure that service providers under Technical Service	Practical completion certificate

							s department are assessed monthly and meet with them monthly through Project Steering Committee meetings. Community unrest is addressed at a political level.	
BSD 02	21	Date of completion of the Rehabilitation of Internal Roads (1.6 kms) and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 2 &		30-Jun-24	Not Achieved	Theft of survey setting out pegs by the community. Additional scope of work. Shortage of material from suppliers. adverse weather	Community awareness campaigns to be conducted to alert the community the	Practical completion certificate

		Ward 14 White City Section (Rehabilitation of Phumla, Indumiso and Malandela Internal Roads & Stormwater in Sundumbili, Ward 13 Phase 2 and Ward 14) by 30 June 2024				conditions. Community unrest	importance of implementing the project. Proper planning by the department to avoid the additional scope of documentation work. Community unrest addressed at a political level.	
BSD 03	22	Number of monthly progress reports (July to Nov 2024) and (February to June 2025) on housing delivery submitted to EDPHSPC by 30 June 2024	New Indicator	10	10	N/A	N/A	EDPHS Reports /Minutes

BS D 04	23	Number of weekly waste collection(261) in 18 municipal wards by 30 June 2024	261	261	260	260	N/A	N/A	Waste collection plan and register
BS D 05	24	Number of m² of monthly grass-cutting performed in all Wards by 30 June 2024	7 100 458 m²	7100458 m²	7,100,458 m²	9780759 m²	N/A	N/A	Grass cutting schedules/registers
BS D 05	25	Number of Skip bins (40) to be procured and delivered in all wards (ward 1 to ward 18) by 30 June 2024	New Indicator		40	40	N/A	N/A	Delivery note
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT									
MF VM 01	26	Number of monthly Section 71 reports compiled and submitted to Treasury by 30 June 2023	12	12	12	12	N/A	N/A	Sec 71 reports/ email / acknowledge of receipt
MF VM 01	27	Date of submission of Section 72 reports to Council by 31 January 2024	31-Jan-23	26-Jan-23	31-Jan-24	31-Jan-24	N/A	N/A	Council resolution

MF VM 01	28	Number of quarterly Section 52 reports compiled and submitted to council by 30 June 2024	4	4	4	4	N/A	N/A	Sec 52 reports
MF VM 01	29	Percentage of operational budget spent by 30 June 2023	100%	105%	100%	100%	N/A	N/A	Management account
MF VM 01	30	Date of submission of 2024/25 Mscoa compliant budget to council for adoption by 31 May 2024	31-May-23	31-May-23	31-May-24	23-May-24	N/A	N/A	Council Resolution
MF VM 02	31	Amount of quarterly of expenditure on overtime kept within allocated budget by 30 June 2024	R 40 000	R 396729.53	R150,000	R468195.21	The incurred of overtime was caused by Salga games, IDP roadshows meetings and lot of events which take place over the weekend.	Improve the monitoring of overtime by ensuring that only staff with pre-authorized overtime forms will be allowed to work overtime.	Report from finance showing expenditure on overtime

								Maximize on as few staff members working during the weekends to avoid many people working.	
MF VM 06	32	Date of procurement plans for 2024/25 FY approved by Municipal Manager by 30 June 2024	30-Jun-23	30-Jun-23	30-Jun-24	23-May-24	N/A	N/A	Signed procurement Plans
MF VM 06	33	Date of Procurement of equipment for sporting codes by 31 December 2023	31-Dec-22	31-Dec-22	31-Dec-23	05-Dec-23	N/A	N/A	Copy of delivery note
MF VM 03	34	Date of reviewed budget related policies adopted by Council by 31 May 2024	31-May-23	31-May-23	31-May-24	23-May-24	N/A	N/A	Council Resolution

MF VM 01	35	Date of submission of 2023/24 Annual Financial Statements and Annual Performance Report to Auditor General by 31 August 2023	31-Aug-22	31-Aug-22	31-Aug-23	31-Aug-23	N/A	N/A	Acknowledgement of receipt by AG
GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
GG PP 01	36	Number of monthly media slots acquired with the national and local radio stations by 30 June 2024	12	12	12	14	N/A	N/A	Reports and Media Clips
GG PP 01	37	Number of quarterly newsletters issued to general public by 30 June 2024	4	4	4	5	N/A	N/A	Copies of newsletters
GG PP 01	38	Number of bi-annual disciplinary Board meetings coordinated by 30 June 2024	2	2	30 days	30 days	N/A	N/A	Attendance Registers, notices and agenda

GG PP 01	39	Date of presenting 2022/23 draft Annual Report to council by 31 January 2024	31-Jan-23	26-Jan-23	31-Jan-24	31-Jan-24	N/A	N/A	Council resolution
GG PP 01	40	Date of presenting 2022/23 Annual Report to community by 31 March 2024	31-Mar-23	08-Mar-23	31-Mar-24	22-Feb-24	N/A	N/A	Copy of Annual Report/ Attendance register
GG PP 02	41	Number of quarterly ward committee functionality reports submitted to Council by 30 June 2024	4	1	4	4	N/A	N/A	Council Resolution
GG PP 02	42	Number of EXCO meetings coordinated by 30 June 2024	12	13	12	11	The was no EXCO meeting in December as per Council calendar, Councillors were on recess	The targert will be ammended for 2024/25 Financial year	Attendance Registers, notice and agenda
GG PP 01	43	Number of Council meetings coordinated by 30 June 2024	10	13	10	14	N/A	N/A	Attendance Register, agenda, and notices
GG PP 01	44	Number of quarterly Audit Committee meetings coordinated	4	5	4	4	N/A	N/A	Attendance Register & Agenda

		by 30 June 2024							
GG PP 01	45	Number of monthly MANCO meetings held by 30 June 2024	12	12	12	12	N/A	N/A	Attendance Registers
GG PP 01	46	Number of monthly Top MANCO meetings held by 30 June 2024	12	5	8	7	The ovecomitted of the Municipal Manager hence Troika proposed the meeting with MM every Monday, this clash with Top Manco meetings. Further the clash was caused by priorities for preparation of AFS and APR in terms of compliance	To re-arrange the schedule of Top Manco meeting during the adjustmet of scorecard in February 2024	Attendance register
GG PP 02	47	Number of quarterly cluster war-rooms reports submitted to EXCO by 30 June 2024	4	3	4	3	Manager strategic planning could not prepare and table the report to Exco due to	The report will be tabled for Exco meeting that will	Attendance Registers

							bereavement leave.	take place on the 25th of July 2024.	
GG PP 02	48	Number of quarterly Reports of Local Aids Council submitted to Council by 30 June 2024	4	3	4	3	Manager strategic planning could not prepare and table the report to Exco due to bereavement leave.	The report will be tabled for Exco meeting that will take place on the 25th of July 2024	Council resolution
GG PP 03	49	Number of tri-annual road safety awareness campaign (Transport month, Festive and easter) conducted by 30 June 2024	New Indicator		3	3	N/A	N/A	Dated photos, Attendance register, & stop and check list
GG PP 03	50	Number of bi-monthly roadblocks conducted by 30 June 2024	24	38	24	36	N/A	N/A	Attendance register and stop and checklist
GG PP 04	51	Number of artist development programme/talent search conducted by	2	2	2	2	N/A	N/A	Dated photos, Programme of the Event

		30 June 2024							and Attendance register
GG PP 04	52	Date of Talent search programme conducted by 31 December 2023	New Indicator		31-Dec-23	31-Dec-23	N/A	N/A	Dated photos, programme of the event and attendance register
GG PP 04	53	Number of bi-annual sports forum held by 30 June 2024	2	2	2	2	N/A	N/A	Dated photos and attendance registers
GG PP 05	54	Number of quarterly Disaster Advisory forum meetings held by 30 June 2024	4	4	4	4	N/A	N/A	Agenda, Minutes and Attendance register
GG PP 05	55	Date of adoption of the 2024/25 IDP, Budget and PMS Process Plan by 31 August 2023	31-Aug-22	29-Jul-22	31-Aug-23	31-Aug-23	N/A	N/A	Council resolution
GG PP O5	56	Number of bi-annual Education forum meetings held by 30 June 2024	2	2	2	2	N/A	N/A	Agenda, Minutes and Attendance register

GG PP 05	57	Date of approval and adoption of the 2024/25 IDP by Council by 31 May 2024	31-May-23	31-May-23	31-May-24	23-May-24	N/A	N/A	Council resolution
GG PP 04	58	Date of hosting Annual Heritage Parade and Fashion Design show by 31 December 2023	30-Sep-22	30-Sep-22	31-Dec-23	30-Dec-23	N/A	N/A	Dated photos, Programme of the Event and Attendance register
GG PP 04	59	Date of SALGA games (inter wards) conducted by 30 September 2023	New Indicator		30-Sep-23	30-Sep-23	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GG PP 04	60	Date of SALGA games (district) conducted by 31 December 2023	New Indicator		31-Dec-23	8-11-Dec-23	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GG PP 04	61	Date of Club Development programme conducted by 31 December 2023	New Indicator		31-Dec-23	31-Dec-23	N/A	N/A	Dated photo, Programme of the event and Attendance

								Register
GG PP 04	62	Date of Mandeni Health Lifestyle programmes conducted by 30 September 2023		30-Sep-23	30-Sep-23			Dated photo, Programme of the event and Attendance Register
GG PP 04	63	Date of Mayoral Cup Tournaments conducted by 30 June 2024		30-Jun-24	19-May-24	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GG PP 04	64	Number of Sports Development programme conducted by 31 December 2023	New Indicator	2	2	N/A	N/A	Dated photo, Programme of the event and Attendance Register
GG PP 04	65	Date of Top achievers and Sports awards conducted by 30 June 2024		30-Jun-24	15-Jun-24	N/A	N/A	Dated photo, Programme of the event and Attendance Register

GG PP 06	66	Number of quarterly Risk Management Committee meetings coordinated by 30 June 2024	4	3	4	4	N/A	N/A	Letter of acknowledgement and risk register
GG PP 06	67	Number of strategic risk mitigation strategies implemented by all HOD's by 30 June 2024	220	38	115	86	Some of the HOD's did not achieve their action plans due to the SCM delays and budget constraints.	To include action plans that are budgeted for.	Quarterly risk mitigation action plan
GG PP 06	68	Number of risk mitigation strategies implemented by OMM Department by 30 June 2024	36	9	8	11	Capacity in the Risk Unit in the first, second and third quarters.	Manager and Officer were appointed in Q4.	Quarterly risk mitigation action plan
GG PP 06	69	Number of consolidated Quarterly Reports on Implementation of Risk Management Action Plans submitted to Risk Management Committee (from CSPSD, EDPHS, TSID, BTO and CSD) by 30 June 2024	4	2	4	4	Capacity in the Risk Unit in the first, second and third quarters.	Manager and Officer were appointed in Q4.	Report on risk management

GG PP 06	70	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2024	3 days	3 days	3 days	3 days	N/A	N/A	Acknowledgement Letters
GG PP 06	71	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by 31 December 2023	3 days	3 days	3 days	3 days	N/A	N/A	Tracking Tool
GG PP 06	72	Percentage of Auditor general queries in the AG Action plan Resolved by management by 30 June 2024	100%	100%	100%	100%	N/A	N/A	Quarterly progress reports/ Council resolution
LOCAL ECONOMIC DEVELOPMENT									
LED 02	73	Date of registration bursaries for matriculants and scholarship awards by 31 March 2024	31-Mar-23	23-Feb-23	31-Mar-24	14-Feb-24	N/A	N/A	Attendance registers and letters of bursaries awards

LED 03	74	Date of youthful drivers and education programmes conducted by 30 June 2024	1	1	30-Jun-24	30-Jun-24	N/A	N/A	Copies of driver's license
LED 03	75	Date of youth SMME Support programmes workshops conducted by 30 June 2024	30-Jun-23	28-Feb-23	30-Jun-24	20-Jun-24	N/A	N/A	Dated photos and attendance registers
LED 03	76	Number of bi-annual programmes to support Youth Council and Ward Youth Forums by 30 June 2024	2	2	2	2	N/A	N/A	Attendance register
LED 03	77	Date of youth month celebration programmes by 30 June 2024	30-Jun-23	22-Jun-23	30-Jun-24	16-Jun-24	N/A	N/A	Dated photos and attendance register
LED 03	78	Date of Annual Youth Summit Workshop held by 30 June 2024	30-Jun-23	30-Jun-23	30-Jun-24	9-May-24	N/A	N/A	Dated photos and attendance register
LED 04	79	Number of quarterly progress reports on jobs created submitted to EXCO by 30 June 2024	4	4	4	4	N/A	N/A	Quarterly progress reports of jobs created and EXCO agenda

LED 04	80	Number of jobs created through implementation of infrastructure projects and Expanded Public Works Programmes by 30 June 2024	600	684	643	763	The increase in the need for job creation.	N/A	Reports
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT									
MTID 01	81	Date of adopting the reviewed policies by council by 30 June 2024	30-Jun-24	31-May-23	30-Jun-24	27-Jun-24	N/A	N/A	Council Resolution
MTID 02	82	Date of reviewed and adopted Organogram by council by 31 May 2024	31-May-23	31-May-23	31-May-24	27-Jun-24	N/A	N/A	Council resolution
MTID 02	83	Number of quarterly local labour forum meetings to be held by 30 June 2024	N/A	N/A	4	4	N/A	N/A	Agenda, Minutes and Attendance Register
MTID 05	84	Number of quarterly ICT Steering Committee meetings conducted by 30 June 2024	4	4	4	4	N/A	N/A	Agenda, Minutes and Attendance Registers

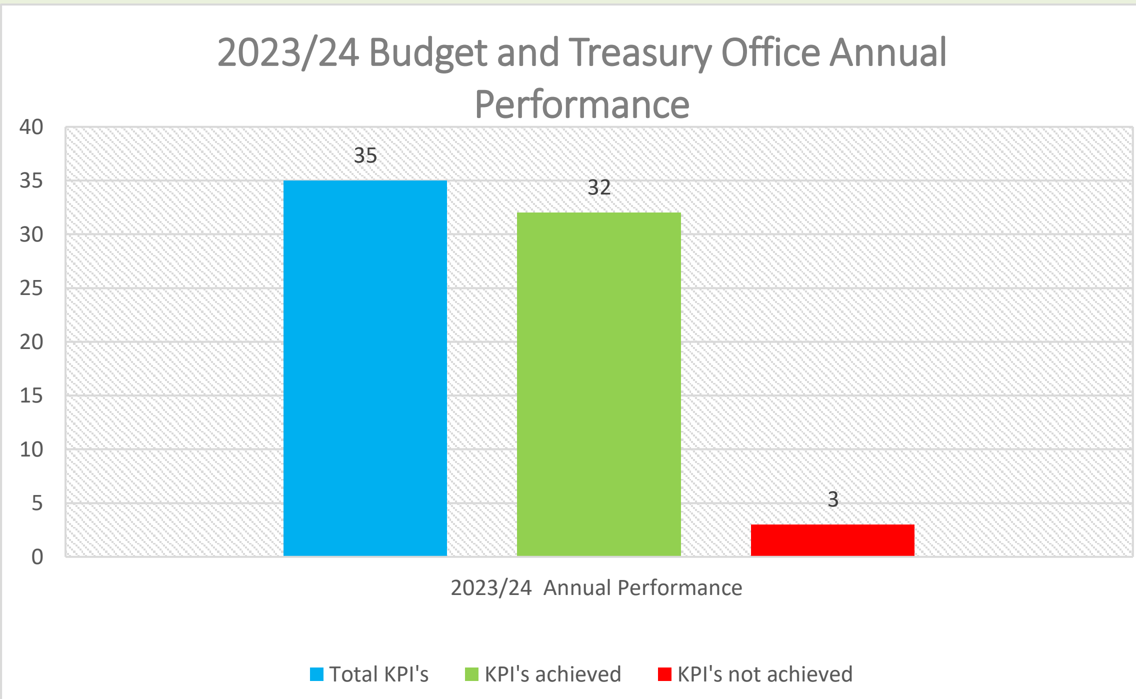
MT ID 04	85	Date of advertising the 2023/24 SDBIP by 31 July 2023	31-Jul-22	27-Jul-22	31-Jul-23	31-Jul-23	N/A	N/A	Copy of Advert
MT ID 04	86	Number of performance agreements to be signed by 31 July 2023	6	6	5	5	N/A	N/A	Copy of Perform ance Agreem ents
MT ID 04	87	Number of Quarterly Organization al PMS Assessment Reports/ Tools submitted to Provincial COGTA and Council by 30 June 2024	4	4	4	4	N/A	N/A	Acknowl edgeme nt of receipt by Provinci al COGTA
MT ID 04	88	Date of submission of managers performance plans to senior managers by 31 August 2023	31-Aug-22	31-Aug-22	31-Aug-23	31-Aug-23	N/A	N/A	Manage r's Perform ance Plan's
MT ID 04	89	Number of monthly progress reports on implementati on of	59	53	66	66	The Communic ation manager is suspended for entire	The OMM need to improvi se if	PMS monthly perform ance plans

		performance plans by managers submitted to HOD by 30 June 2023					quarter 3, which reduces progress reports of middle mangers	the suspended middle managers continue in with suspension in the next quarter, an appointment of acting to the position will permit the progress reports timeously.	
MT ID 04	90	Date of adopting the adjusted scorecards by 28 February 2024	28-Feb-23	28-Feb-23	28-Feb-24	28-Feb-24	N/A	N/A	Council Resolution
MT ID 04	91	Date of 2024/25 SBDIP approval by Mayor by 30 June 2024	New Indicator		30-Jun-24	14-Jun-24	N/A	N/A	Signed SDBIP

MT ID 04	92	Date of installation of PMS Automated system by 31 December 2023	New Indicator	31-Dec-23	29-Aug-23	N/A	N/A	Completion Certificate

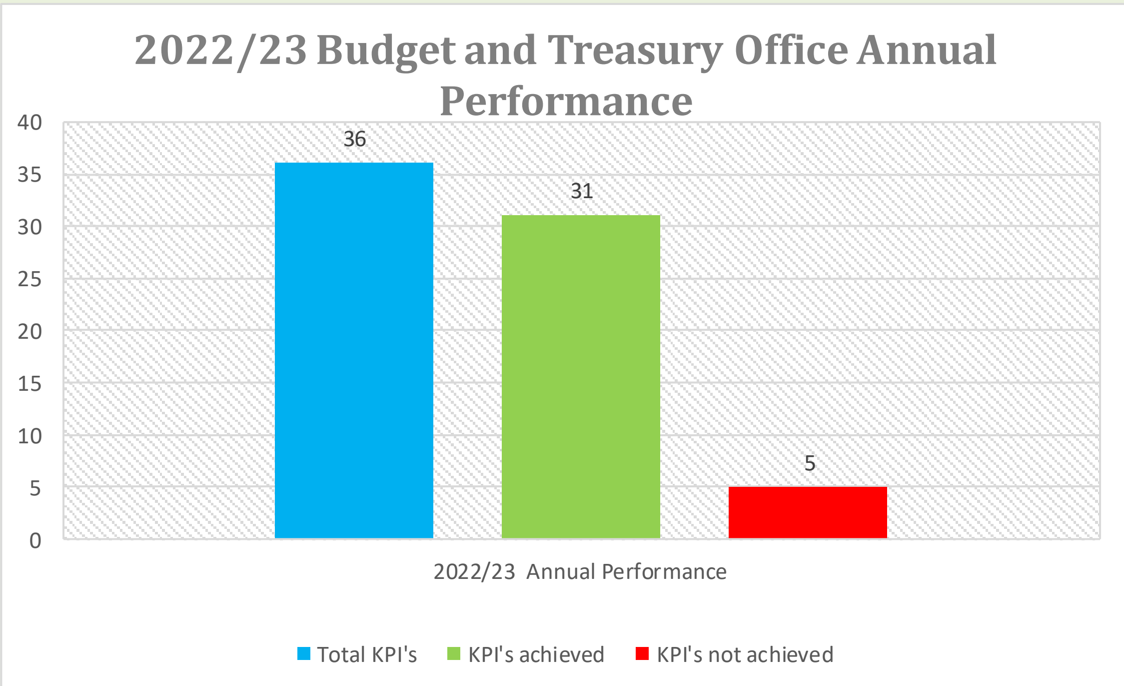
BUDGET AND TREASURY OFFICE

The Budget and Treasury Office is a municipal department that was established in terms of Chapter 9 of the Municipal Finance Management Act No. 56 of 2003 (MFMA). Its major role is to administer municipal funds, advise the accounting officer and other departments of their role in terms of this Act and to perform budgeting, accounting, analysis, financial reporting cash management, debt management, supply chain management, financial management, review, and other duties. Below are the graphs representing the performance of the Budget and Treasury Office in the 2023/24 and 2022/23 financial years.



	Number of KPI's	Percentage of KPI's
Total KPI's	35	100%
KPI's achieved	32	91%
KPI's not achieved	3	9%

The budget and treasury had the total of 35 KPI's. The department achieved 32 of the sets targets and 3 targets were not achieved. This translates to an overall achievement of 91% in this department for the 2023/24 Financial year.



	Number of KPI's	Percentage of KPI's
Total KPI's	36	100%
KPI's achieved	31	86%
KPI's not achieved	5	14%

The budget and Treasury office had a total of 36PKI's. The department achieved 31 of the set targets and 5 were not achieved. This translates to an achievement of 86% in this department for the 2022/23 Financial Year.

2023/24 BUDGET AND TREASURY OFFICE SCORECARD										
IDP POE REF	KPI NO.	Key performance indicator 2023/24	2022/23		2023/24		REASON FOR VARIANCE	CORRECTIVE MEASURE	PORTFOLIO OF EVIDENCE	RESPONSIBLE PERSON
			TARGET	ACTUAL	TARGET	ACTUAL				
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
MFV M 01	1	Number of monthly section 71 reports compiled and submitted to NT and FPC by 30 June 2024	12	12	12	12	N/A	N/A	Section 71 Reports	CFO
MFV M 01	2	Date of section 72 reports submitted to Council by 31 January 2024	25-Jan-23	26-Jan-223	31-Jan-24	31-Jan-24	N/A	N/A	Council Resolution	CFO
MFV M 01	3	Number of quarterly section 52 reports compiled and submitted to council by 30 June 2024	4	4	4	4	N/A	N/A	Council Resolution/ Section 52(d) Report	CFO

MFV M 01	**4**	Percentage of operational budget spent by 30 June 2024	100%	78%	100%	91%	This is due to year end transactions that have not been considered as we are busy reconciling and wrapping up this financial year for the following items: Debt Impairment; Depreciation and Interest on Retirement benefit.	Remedial Action is to ensure that all non-cash items are considered and processed under Operational Expenditure before compilation of AFS for 2023/24 FY.	Management account/ C Schedule	CFO
MFV M 02	**5**	Date of tabling 2023/24 adjustment budget to council for adoption by 28 February 2024	28-Feb-23	24-Feb-23	28-Feb-24	28-Feb-24	N/A	N/A	Council resolution/ Agenda	CFO
MFV M 03	**6**	Date of reviewed Budget Related Policies adopted by Council by 31 May 2024	31-May-23	31-May-22	31-May-24	23-May-24	N/A	N/A	Council Resolution	CFO

MFV M 04	**7**	Number of unauthorized, irregular, fruitless, and wasteful expenditure (UIFW) registers submitted to FPC, MPAC, Council and EXCO by 30 June 2024	4	4	4	4	N/A	N/A	Copies of UIFW registers and proof of submission to FPC, MPAC, Council and EXCO	CFO
MFV M 01	**8**	Percentage spent quarterly on all BTO conditional grants as per terms and conditions by 30 June 2024	100%	100%	100%	100%	N/A	N/A	Grant Register and Management Account	CFO
MFV M 04	**9**	Percentage of invoices paid within 30 days from the receipt by creditors by 30 June 2024	95%	99%	100%	100%	N/A	N/A	Creditors age analysis	CFO
MFV M 04	**10**	Number of quarterly physical assets verification performed and update asset register by 30 June 2024	4	4	4	4	N/A	N/A	Asset Reconciliation.	CFO
MFV M 05	**11**	Date of approved indigent debtors billed with allocation of	31-May-23	31-May-23	31-May-24	27-Jun-24	N/A	N/A	Indigent register	CFO

		free basic services by 31 May 2024								
MFV M 05	**12**	Percentage of quarterly debt collected by 30 June 2024	60%	80%	60%	76%	N/A	N/A	Circular 71 Uniform financial ratios and Norms	CFO
MFV M 06	**13**	Number of days taken to finalize procurement processes for tenders within R30 000- R200 000k by 30 June 2024	14 days	19 days	14 days	13days	The delays in awarding was mainly caused by depletion of budget provisions and time taken by user departments to transfer funds or identify alternative votes. Also, the high volume of requisitions below R30 000.00 resulted in SCM officials dedicating the majority of efforts in processin	The user departments must be given the first 10 months of the FY to request all goods & services in excess of R30 000. This will ensure that no requisitions are raised in May whereas the budget provisions have been depleted and sufficient funds are no longer available to conclude the	Quotation register, purchase order	CFO

							g these as they are urgently required for day-to-day activities by the Municipality	procurement. A memo will be sent to Manco by end of July 2023 informing them of this resolution.		
MFVM 06	**14**	Percentage of tenders (above 200k) awarded within 90 calendar days from the closing date of receiving tenders by 30 June 2024	100%	100%	100%	82%	Delays are due to volume of response received from Bidders in relation to the following bids: Panel Grass Cutting, Panel for Construction of Roads and Stormwater	Is to ensure that Bid Committee Members are allocated enough time to Evaluate Tenders within stipulated timeline.	Tender advert and Appointment letters and registers	CFO
MFVM 06	**15**	Number of quarterly contract update performed and reported to FPC by 30 June 2024	4	4	4	4	N/A	N/A	Contract register	CFO

MFV M 01	**16**	Ratio of cash and cost coverage sustained quarterly as per norm by 30 June 2024	1:3 (Months)	1:9 (Months)	1:3 (months)	1:6 (months)	N/A	N/A	C-Schedule /Ratios	CFO
MFV M 01	**17**	Percentage of the treasury department capital Budget Spent by 30 June 2024	100%	91%	100%	86%	Budget allocated for capital was for procuring vehicle for the department, Vehicle has been procured and delivered , there were saving made from this procurement.	N/A	C-Schedule	
MFV M 01	**18**	Date of submission of 2024/25 Mscoa compliant budget to council for adoption by 31 May 2024	31-May-23	31-May-23	31-May-24	23-May-24	N/A	N/A	Council Resolution Budget Adjustment, Final Budget Adverts SDBIP	CFO
MFV M 01	**19**	Date of submission of GRAP compliant 2024/25 AFS to AG by 31 August 2023	31-Aug-22	31-Aug-22	31-Aug-23	31-Aug-23	N/A	N/A	Acknowledgement by AG	CFO

MFVM 02	**20**	Number of quarterly progress reports on implementation of 2024/25 procurement plans submitted to MANCO by 30 June 2024	4	4	4	4	N/A	N/A	Report on implementation of procurement plan	CFO
MFVM 02	**21**	Amount of quarterly of expenditure on overtime kept within allocated budget by 30 June 2024	R 50 000	R 52253	R50,000	R11549	N/A	N/A	Report from finance showing expenditure on overtime	CFO
GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
GGPP 01	**22**	Number of quarterly audit and performance audit committee meetings attended by 30 June 2024	4	**5**	4	4	N/A	N/A	Attendance Registers	CFO
GGPP 02	**23**	Number of quarterly reports for cluster war-rooms submitted to OMM by 30 June 2024	4	4	4	4	N/A	N/A	Attendance Registers and quarterly war-rooms reports	CFO
GGPP 05	**24**	Date of adoption of the 2022/25 IDP, Budget and PMS Process Plan by 31	31-Aug-22	31-Aug-22	31-Aug-23	31-Aug-23	N/A	N/A	Council Resolution	CFO

		August 2023								
GGPP 05	**25**	Number of quarterly Performance reports submitted to Finance Portfolio Committee by 30 June 2024	4	4	4	4	N/A	N/A	Minutes of Finance Portfolio committee	CFO
GGPP 05	**26**	Number of monthly (July to November 2023 and February to June 2024) portfolio committee meetings held by 30 June 2024	N/A	N/A	10	10	N/A	N/A	Attendance registers of meetings	CFO
GGPP 06	**27**	Number of risk mitigation strategies implemented by BTO Department by 30 June 2024	5	5	6	5	After consultation with the Colleagues from National COGTA it was clear that the formula they use to allocate funds cannot be manipulated based on our motivatio	N/A	Quarterly risk mitigation action plan	CFO

							n. We have attached the basis of their calculation as well as the assumptions applied.			
GGPP 06	**28**	Percentage of AG queries in the AG Action Plan resolved by Management within the development time frame by 30 June 2024	100%	80%	100%	100%	N/A	N/A	AG action plan	CFO
GGPP 06	**29**	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2024	3 days	3 days	3 days'	3 days'	N/A	N/A	Acknowledgement Letters	CFO
GGPP 06	**30**	Number of risk progress reports submitted to risk management unit by 30 June 2023	4	4	4	4	N/A	N/A	Quarterly risk mitigation reports and RM Committee minutes	CFO
GGPP 06	**31**	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by	3 days	3 days	3 days'	3 days'	N/A	N/A	Tracking Tool	CFO

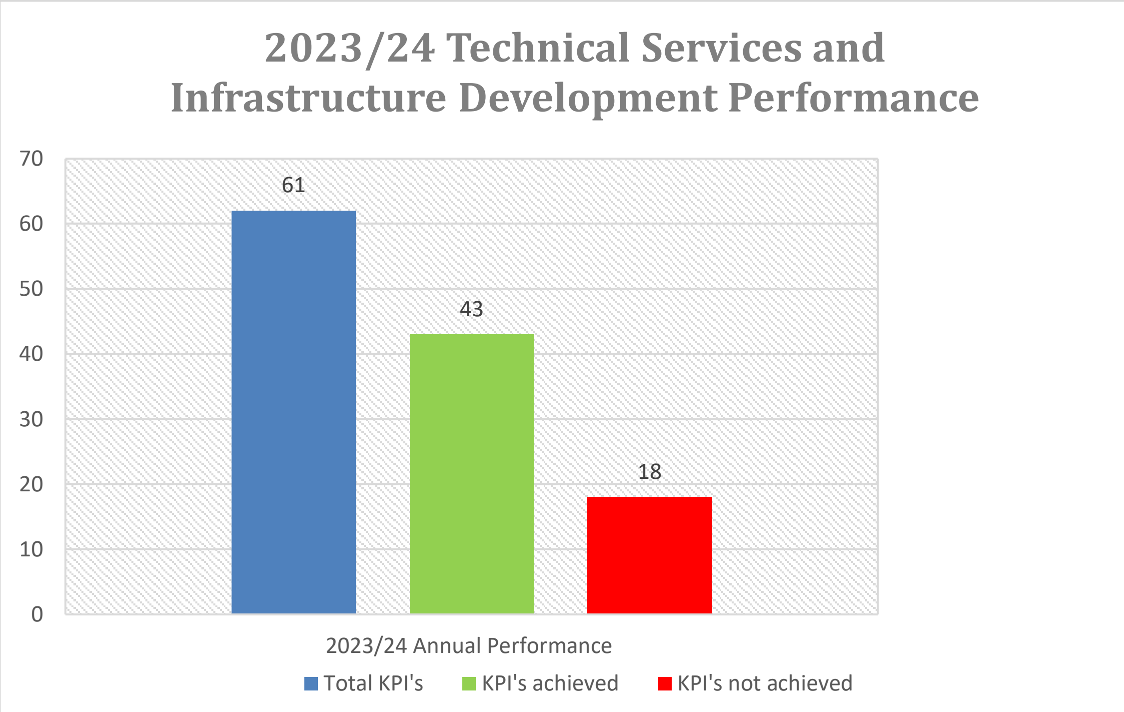
		31 December 2023								
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
MTID 04	**32**	Date of submission of the departmental Organogram to Corporate Services Department for inclusion in the overall municipal organogram by 28 Feb 2024	28-Feb-23	30-Mar-23	28-Feb-24	28-Feb-24	N/A	N/A	Draft Organogram and Transmittal to CS/ Council resolution	CFO
MTOD 04	**33**	Date of submission of managers performance plans to HOD's by 31 August 2023	31-Aug-22	31-Aug-22	31-Aug-23	31-Aug-23	N/A	N/A	Manager's Performance Plan's	CFO
MTID 04	**34**	Number of progress reports on implementation of performance plans by managers submitted to HOD's by 30 June 2024	36	36	36	36	N/A	N/A	PMS monthly progress reports	CFO
LOCAL ECONOMIC DEVELOPMENT										

LED 03	**35**	Percentage of procurement awarded to designated sectors i.e., youth, women and disabled by 30 June 2024	10%	27%	10%	49%	N/A	N/A	Analysis report of 45% of awards made to youth, women and disabled	CFO

TECHNICAL SERVICES AND INFRASTRUCTURE DEVELOPMENT

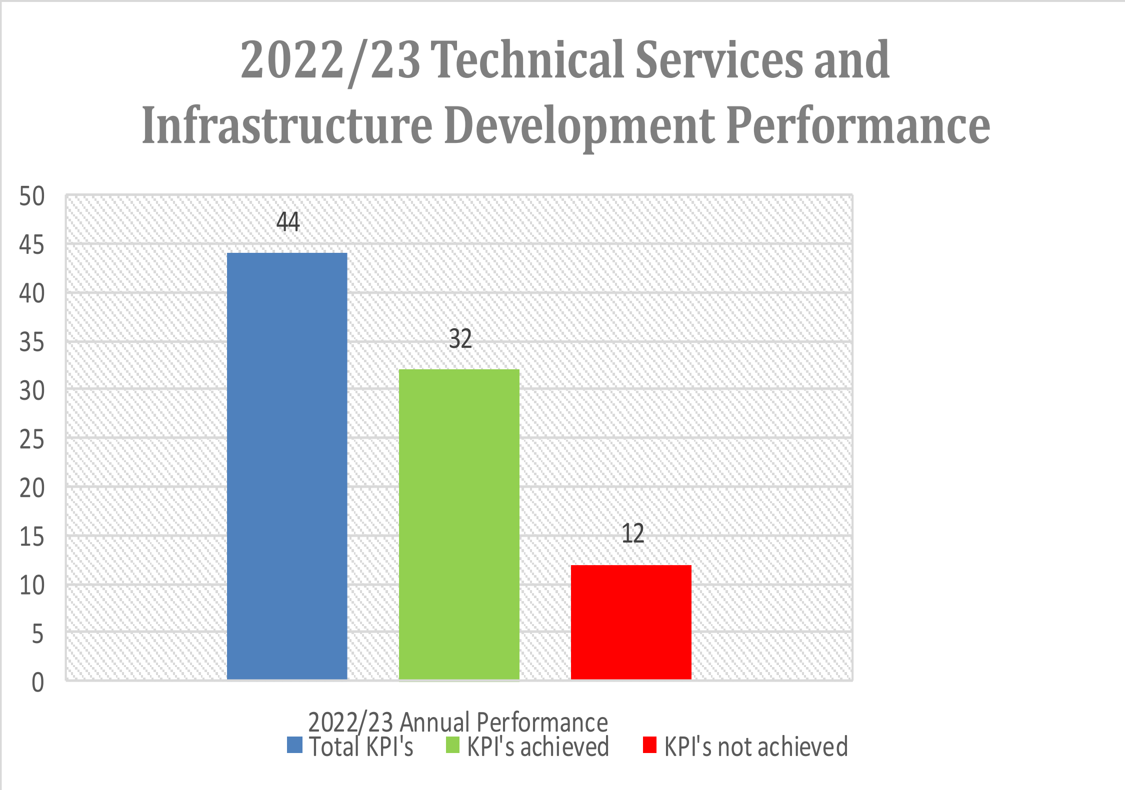
The Technical Services Department is primarily responsible for the maintenance, upgrade and provision of new municipal infrastructure assets and service delivery. It consists of the following divisions:

- Technical Administration/Planning and Projects (PMU).
- Roads and Storm Water Repairs and Maintenance.
- Municipal Buildings Repairs and Maintenance (Works).
- Electricity Distribution, Street Lighting, Installation and Mechanical Workshop. Below are the graphs representing the performance of the Technical Services and Infrastructure Development Department in the 2023/24 and 2022/23 financial years.



	Number of KPI’s	Percentage of KPI’s
Total KPI’s	61	100%
KPI’s achieved	43	70%
KPI’s not achieved	18	30%

The Technical Services and Infrastructure Development department had a total of 61 KPI’S. 43 KPI’s were achieved and 18 KPI’s were not achieved. This translates to an overall achievement of 70% in this department during the 2023/24 financial year.



	Number of KPI's	Percentage of KPI's
Total KPI's	44	100%
KPI's achieved	32	73%
KPI's not achieved	12	27%

The Technical Services and Infrastructure Development department had a total of 44 KPI'S. 32 KPI's were achieved and 12 KPI's were not achieved. This translates to an overall achievement 73% in this department during the 2022/23 financial year.

2023/24 TECHNICAL SERVICES AND INFRASTRUCTURE SCORECARD										
IDP REF	**KPI NO**	**Key performance indicator (KPI)**	2022/23		2023/24		**Reason for variance**	**Corrective measure**	**Portfolio of Evidence**	**WARD**
			Target	**Actual**	**Target**	**Actual**				
BASIC SERVICE DELIVERY										
BSD 01	**1**	Number of households (140 HH) to be provided with electrification infrastructure (dry connections) in Mantshangula mhlubulweni electrification project in wards 2 & 9 and ready to be energized by 31 March 2024	New Indicator		140	140	N/A	N/A	Practical completion report of dry connections and Beneficiaries list	2 & 9
BSD 01	**2**	Number of households (100 HH) to be provided with	New Indicator		100	113	N/A	N/A		10

		electrification infrastructure (dry connection) in khenana phase 5 electrification project in ward 10 and ready to be energized by 31 December 2023							
BSD 01	**3**	Number of households (100HH) to be provided with electrification infrastructure (Dry Connections) in Emhlangeni in Ward 5 and ready to be energised by 30 December 2023	New Indicator	100	100	N/A	N/A	Practical completion report of dry connections and Beneficiaries list.	5
BSD 01	**4**	Number of households (105 HH) to be provided with electrification	New Indicator	105	105	N/A	N/A		11 & 12

		infrastructure (Dry Connections) in Okhovothi Ward 11 and 12 and ready to be energised by 30 September 2023							
BSD 01	**5**	Date of presenting the bid document for procuring and delivering of Mandeni Sub-Station-5 Bulk in ward 3 to Bid Specifications Committee by 31 March 2024	New Indicator	31 Mar 24	Not Achieved	Slow progress of the consultant in compiling and submitting the tender document hindered the achieving of targeted date for the tender document to be presented and approved at the Bid Specification Committee.	The municipality to perform the financial risk assessment for all recommended contractors to mitigate the risk of poor performance. Furthermore, we will ensure that service providers under Technical Services department are assessed monthly and meet with them monthly through Project	BSC Minutes	3

							Steering Committee meetings. Community unrest is addressed at a political level.		
BSD 01	**6**	Date of completion of the Installation of Streetlights on P415 & P459 in ward 3 by 30 June 2024	New Indicator	30-Jun-24	Not Achieved	The Technical services Department commenced the SCM Processes very late which caused the delay for the appointment of the service provider. After the service provider was appointment there is a lead time whereby the service provider is ordering the	This project will be fast tracked and completed by the end of second quarter of 2024/2025 financial year (i.e., 31 December 2024).	Practical completion certificate	3

						material.			
BSD 02	**7**	Date of completing the Rehabilitation of Internal Roads (1.23kms) and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Rehabilitation of Mthombothi, Mbabala, Umgakla & Sondeza Internal Roads & Upgrade Associated Stormwater in Sundumbili, Ward 13 Phase 1) by 30	New Indicator	30-Jun-24	Not Achieved	Community unrest. Adverse weather conditions. Slow progress by the contractor.	1. The department will ensure that there is continuous project progress monitoring and roll out of consumer education program and further awareness through IDP roadshows. 2. This will be addressed through implementation of extension of time in line with the General Conditions of Contract.	Practical Completion certificate	13

		June 2024					3. The department will ensure that there is close monitoring of performance of the contractor and turnaround plans to improve performance as well as strict implementation of general conditions of contracts (i.e., penalties, terminations and reporting the contractor under the poor performing contractors' registers).		
BSD 02	**8**	Date of completing the Rehabilitation of Internal Roads (1.6 kms) and Upgrade of Associate	New Indicator	30-Jun-24	Not Achieved	Theft of survey setting out pegs by the community. Additional scope of work. Shortage of	1. The department will ensure that there is continuous project progress monitoring and roll out of	Practical completion certificate	13 & 14

		d Stormwater in Sundumbili, Ward 13 Phase 2 & Ward 14 White City Section (Rehabilitation of Phumla, Indumiso and Malandela Internal Roads & Stormwater in Sundumbili, Ward 13 Phase 2 and Ward 14) by 30 June 2024				material from suppliers. adverse weather conditions. Community unrest	consumer education program and further awareness through IDP roadshows. 2. The Technical Services department will ensure better relationship with iLembe district by inviting the District to the monthly portfolio committee meetings. 3. The department will ensure that there is		

							continuous project progress monitoring and roll out of consumer education program and further awareness through IDP roadshows.		
BSD 02	**9**	Date of completing the rehabilitation of Internal Road (1 km) and Upgrade of Associated Stormwater in Sundumbili, Ward 15 (Rehabilitation of Amajuba Road in Mandeni, Ward 15) by 30 June 2024	New Indicator	30-Jun-24	30-Apr-24	N/A	N/A	Practical Completion Certificate	15

BSD 02	**10**	Date of presenting the bid document for the Upgrade of 1.5 km of Machibini Link Road in Wards 10 & 12 to Bid Specifications Committee by 31 March 2024	30-Sep-22	26-Jul-22	31-Mar-24	Not Achieved	. Initially the indicator was not on the scorecard because it was not budgeted for. It was then included to the 2023/24 scorecard during Mid-year adjustment using the fund of the projects that were terminated(Ndlondlweni Sport field and Hlomendlini Sport field), since the two project were terminated then the upgrade of Machibini Link Road had to be prioritize during 2023/2024 FY. Initially,	A departmental meeting are to be held to review the departmental scorecard prior to approval of the SDBIP by the Mayor after the budget is approved. Technical Services department will hold meetings during mid-year adjustment process to review all the targets that needs to be revised.	BSC Minutes	10 & 12

							it was planned that Machibini project will go out on tender hence the KPI to present it to the BSC by 31 March 2024 however, SCM advised the Technical Services management that the service provider should be sourced from the existing panel hence the target to present the bid document to the BSC fell away.			

BSD 02	**11**	Date of presenting the bid document for the Rehabilitation of 0.99 km of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase 1 to Bid Specifications Committee by 31 March 2024	New Indicator	31-Mar-24	28-Mar-24	N/A	N/A	BSC Minutes	13, 14 & 15
BSD 02	**12**	Date of practical completion of the 735m Link Road between Masomonce and KwaSithebe Bus Route in Ward 12&13 by 30 June 2024	New Indicator	30-Jun-24	Not Achieved	The preliminary design indicated that construction costs are high and therefore needed to be reviewed on numerous occasions.	Final design report will be reviewed thoroughly before the tender document is finalized. Contractor will be sourced from the panel of contractors in place.	Practical Completion Certificate	

BSD 2	**13**	Date of practical completion of construction of sports field and combo court in Hlomendlini (Ward 4) by 30 June 2024	New Indicator	30-Jun-24	Not Achieved	Slow progress of the contractor. The contractor was terminated and the letter of termination for the contractor and consultant was issued.	The municipality to perform the financial risk assessment for all recommended contractors to mitigate the risk of poor performance. Furthermore, we will ensure that service providers under Technical Services department are assessed monthly and meet with them monthly through Project Steering Committee meetings.	Practical completion certificate	4

BSD 2	**14**	Percentage of completion of construction of sports field in Endlondlweni (Ward 10) by 30 June 2024	New Indicator	40%	Not Achieved	During the construction stage of the project, local residents claimed that the land belonged to them and that there were grave on it. Residents requested payment for the use of land from the municipality. The land,however, was donated to the Muncipality by the tribal leader for the purpose of the construction of the sportfield. Before	Public consultations are done prior to introduction of projects in all wards. Political leadership and Amakhosi are informed and their interventions is requested.	Progress Report	10

						construction public participation was done and no issues were raised by community members. Only when the project was about to commence were the concerns raised by the community. This has led the project to a complete halt.			
BSD 02	**15**	Date of registration of the MIG 1 Business Plan for the Construction of a Community Hall in Ward 8 by 30 Septemb	New Indicator	30-Sep-23	28-Jul-23	N/A	N/A	MIG 1 Business Plan	8

		er 2023							
BSD 02	**16**	Date of registration of the MIG 1 Business Plan for the Construction of a Sportsfield in Ward 1, Mandeni by 31 December 2023	New Indicator	31-Dec-23	10-Oct-23	N/A	N/A	MIG 1 Business Plan	1
BSD 02	**17**	Date of registration of the MIG 1 Business Plan for the Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10 by 31 December 2023	New Indicator	31-Dec-23	10-Oct-23	N/A	N/A	MIG 1 Business Plan	10

BSD 02	**18**	Date of registration of the MIG 1 Business Plan for the Construction of a Sportsfield in Ward 2, Mandeni by 30 September 2023	New Indicator	30-Sep-23	28-Jul-23	N/A	N/A	MIG 1 Business Plan	2
BSD 02	**19**	Date of registration of the MIG 1 Business Plan for the construction of a community hall in Khenana Township in ward 10 by 30 June 2024		30-Jun-24	Not Achieved	It was not prioritized for the current FY	Departmental meetings are to be held to review the departmental scorecard prior to approval of the SDBIP by the Mayor after the budget is approved. Technical Services department will hold meetings during mid-year adjustment process to review all the targets	MIG 1 Business Plan	10

							that needs to be revised.		
BSD 02	**20**	Date of registration of the MIG 1 Business Plan for the Rehabilitation of 4.35km of Quartz Road and Portion of Platinum Road in Ward 4 by 30 September 2023 (Quartz Road is 1.9km & Platinum drive is 2.45km)	New Indicator	30-Sep-23	28-Jul-23	N/A	N/A	MIG 1 Business Plan	4
BSD 02	**21**	Date of registration of the MIG 1 Business Plan for the rehabilitation of Internal Roads (Nhlalonhle Road, Downtown road, Khuthala road & Masilela road) in		30-Sep-23	29-Sep-23	N/A	N/A	MIG 1 Business Plan	14

		Ward 14, Chappies Section by 30 September 2023 (Nhlalonhle is 469m, Downtown is 415m, Khuthala 319m & Masilela 426m)							
BSD 02		Date of completion of project documentation stage (Inception, concept and viability, design and presenting bid document to BSC) for the Ward 16 Community Hall by 31 January 2024	New Indicator			N/A	N/A	MIG 1 Business Plan	8

BSD 02	**22**	Date of presenting the bid document for the Construction of New Office Block to Bid Specifications Committee by 30 June 2024	New Indicator		30-Jun-24	Not Achieved	Delays in the design process of the building by Technical Services department. Finalized designs had to be presented to council before preparing the tender document to be presented to BSC.	Director Technical Services will ensure plans are done in line with timelines and failure to do so will result in disciplinary actions against the responsible officials.	BSC minutes	3
BSD 02	**23**	Number of m2 of potholes repaired and maintained ($2700m^2$) in wards 2,3,4,7,10,12,13,14&15 by 30 June 2024	1700 m^2	1729.2m^2	2700 m2	4107,7m^2	Overachieved to compensate the backlog.	N/A	Measurement report	2,3,4,7,10,12,13,14,15.

3BS D 02	**24**	Number of metres (300m) of guard rails to be installed in wards 7 and 12 by 30 June 2024	300m	150m	300m	150m	Targets that are planned towards the end of the financial year. The department unfortunately did not initiate the second 150m requisition, which was planned for the last quarter of the FY, due to an oversight.	For 2024/25 FY, the majority of the Basic Service Delivery KPI's have been planned either for Q1, Q2 and Q3	Completion Certificate	7,12
BSD 02	**25**	Number of metres of kerbs and concrete channel (200m) to be constructed in wards 2,3 and 12 by 30 June 2024	250 m	250m	200m	250m	N/A	N/A	Completion Certificate and Measurement report	2,3,12

BSD 02	**26**	Number of kilometres (300kms) of gravel roads maintained in-house in wards 1,2,4,5,6,7,8,9,10,11,12,16,17,18 by 30 June 2024	300 km	373.1 km	300 km	312.05 km	N/A.	N/A	Measurement Reports	1,2,4,5,6,7,8,9,10,11,12,16,17,18.
BSD 02	**27**	Number of speed humps (25) constructed in wards 3,7,13,14,15 by 30 June 2024	25	25	25	26	N/A	N/A	Completion Certificate	3,7,13,14,15.
BSD 02	**28**	Number of road signs (30) to be installed in wards 3,4,7,13,14&15 by the 30 June 2024	New Indicator		30	30	N/A	N/A.	Completion Certificate	3,4,7,13,14,15.
BSD 02	**28a**	Percentage of completion of repainting of 15km of	New Indicator		100%	100%	N/A	N/A.	Completion Certificate	3,4,7,13,14,15.

		road markings to completed in wards 3,4,7,13, 14,15 by the 30 June 2024							
BSD 02	**29**	Date of re-gravelling of 1.7km road from KwaMoya to KwaGina Ward 9 to practical completion by 30 June 2024	New Indicator	30-Jun-24	7-Jun-24	N/A	N/A	Practical Completion Certificate	9
BSD 02	**30**	Date of re-gravelling of 1.6km road from Isikhonyane Tribal Court to Kwa Nxumalo ePhoyiseni Ward 11 to practical completion by 30 June 2024		30-Jun-24	20-May-24	N/A	N/A	Practical Completion Certificate	11
BSD 02	**31**	Date of re-gravelling of 2.0km road		30-Jun-24	16-May-24	N/A	N/A	Practical Completion Certificat	16

		from Swidi Church to Winya road Ward 16 to practical completion by 30 June 2024						e	
BSD 02	**32**	Date of re-gravelling of 1.0km road from Zavutha to Vusimuzi High School Ward 17 to practical completion by 30 June 2024	New Indicator	30-Jun-24	15-May-24	N/A	N/A	Practical Completion Certificate	17
BSD 02	**33**	Date of re-gravelling of 1.1km road from Ndovela to Isithebe Library Ward 18 to practical completion by 30 June 2024		30-Jun-24	16-May-24	N/A	N/A	Practical Completion Certificate	18
BSD 02	**34**	Date of re-graveling of 1.0km road		30-Jun-24	3-Jun-24	N/A	N/A	Practical Completion Certificat	6

		leading to eMatshe'amhlophe at Ward 6 by 30 June 2024						e	
BSD 02	**35**	Date of re-graveling of 1.5km road at eSikhoveni Road at Ward 8 by 30 June 2024		30-Jun-24	28-Jun-24	N/A	N/A	Practical Completion Certificate	8
BSD 02	**36**	Date of re-gravelling of 1.5km road from iNduna uSithole leading to Thembalihle Store at Ward 1 by 30 June 2024	New Indicator	30-Jun-24	28-Jun-24	N/A	N/A	Practical Completion Certificate	1
BSD 02	**37**	Date of re-gravelling of 1.5km road leading to eMathuneni at Ward 5 by 30 June 2024		30-Jun-24	16-May-24	N/A	N/A	Practical Completion Certificate	5

BSD 02	**38**	Date of re-gravelling of 1.5km road to Ezihlabathini at Ward 2 by 30 June 2024	New Indicator		30-Jun-24	31-May-24	N/A	N/A	Practical Completion Certificate	2
BSD 06	**39**	Date of completion of the Construction of the Mechanical Workshop and Office Block by 31 March 2024	30-Jun-23	Not Achieved	31-Mar-24	Not Achieved	Slow progress by the contractor, additional scope of work as well as non-existant of as-built information /drawings.	The municipality to perform the financial risk assessment for all recommended contractors to mitigate the risk of poor performance. Furthermore, we will ensure that service providers under Technical Services department are assessed monthly and meet with them monthly through Project Steering Committee meetings.	Practical Completion Certificate	3

								The Technical services to retrieve as-built information/drawing before the contractor be on site.		
BSD 06	**40**	Date of completion of repair and renovation of the Civic Centre & Roof Replacement in Mandeni Municipality by 30 June 2024	New Indicator		30-Jun-24	28-Jun-24	N/A	N/A	Practical Completion Certificate	3
BSD 06	**41**	Date of completion of construction for DLTC phase 1 to top structure and G7 layer by 30 April 2024	New Indicator		30-Apr-24	Not Achieved	The delay was caused by non-compliance with Department of the Transport requirements by the municipality at the initial stage of the project	Technical services department will improve the communication with the outside stakeholders. Perform the financial	Signed progress report by consultant	3

						which caused Transport department to not grant approval of the project at a later stage. Poor performance by Contractor who was initially appointed cited financial challenges was terminated and the municipality had to start the procurement processes again to appoint another contractor to complete the project	risk assessment for all recommended contractors to mitigate the risk of poor performance. Furthermore, we will ensure that service providers under Technical Services department are assessed monthly and meet with them monthly through Project Steering Committee meetings.		
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT									
MF VM 02	**42**	Amount of overtime expenditure kept within	R 350 000	R398 701	R430 000	R812 692,79	There has been an increase in the number of staff	Decrease the number of teams deployed to work during	Report from finance showing expenditure on ove1rtim	N/A

		the allocated budget on a quarterly basis by 30 June 2024					employed and the transfer of drivers from Corporate to Technical under fleet and workshop, that are always required to assist the whole of Mandeni LM to carry out duties beyond normal working hours.	overtime. Increase supervision and control in the number of drivers from fleet that should work beyond normal working hours. Refrain from doing work that can be done the next working day.	e	
MF VM 06	**43**	Date of completing draft Departmental Budget estimate document by 31 March 2024	31-Mar-23	28-Feb-23	31-Mar-24	05-Mar-24	N/A	N/A	Draft budget estimate document	N/A
MF VM 01	**44**	Percentage of expenditure on INEP funding by 30 June 2024	100%	89%	100%	100%	N/A	N/A.	Signed Report of Expenditure by the Department	N/A

MFVM01	**45**	Percentage of operational budget spent by 30 June 2024	100%	104%	100%	97%	There have been delayed procurement processes such as SP rejecting award letter because of pricing. Restarting of tenders and formal quotation due to either the few numbers of companies tendered or 3-month period of awarding the tender has lapsed. These ultimately caused a decrease in expenditure.	To do follow-ups with Bid Chairpersons after a tender has been closed. To engage with SCM to find ways to achieve the end user's objective whilst opening the market for more companies to qualify. Referring to those tenders that have few companies bidding.	Management account	N/A
MFVM01	**46**	Percentage of expenditure on massification funding	N/A	N/A	100%	100%	N/A	N/A		

		by 31 December 2023								
MF VM 01	**47**	Percentage of expenditure on MIG funding by 30 June 2024	100%	100%	100%	89%	Underspending was due to the slow progress to some of the projects, namely, Hlomendlini sport field (The contractor and consultant was terminated) Hlomendlini sport field is on hold, as well as Ward 13 and 14 projects.	Perform the financial risk assessment for all recommended contractors to mitigate the risk of poor performance of the service providers. Furthermore, we will ensure that service providers under Technical Services department are assessed monthly and meet with them monthly through Project Steering Committee	MIG Certificate of Expenditure and revenue	N/A

								meetings.		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
GGP P 01	**48**	Number of quarterly audit and performance committee meetings attended by 30 June 2024	4	5	4	4	N/A	N/A	Attendance registers	N/A
GGP P 02	**49**	Number of cluster war-rooms reports submitted to the Office of the Municipal Manager by 30 June 2024	4	1	2	0	Invitation not received and the effort from the department to check if there are any sittings was not done.	Engage the custodians for meeting schedule. The Director to insist the Managers attend.	Attendance registers	N/A
GGP P 05	**50**	Number of Performance reports submitted to Technical Services Portfolio Committee (TSID)	4	4	4	4	N/A	N/A	Minutes of TSID Portfolio committee	N/A

		by 30 June 2024								
GGP P 05	**51**	Number of monthly (July 2023 to November 2023 and February 2024 to June 2024) Technical Services Portfolio Committee meetings held by 30 June 2024	New Indicator		10	9	The meeting in September did not sit due to the councilors' quorum that did not meet expected criteria.	The special meeting will be convened within the relevant quarter if the ordinary meeting did not sit.	Attendance register and minutes of TSID portfolio committee	N/A
GGP P 06	**52**	Number of risk action plans in the strategic risk register implemented by Technical Services Department (ITDS) by 30 June 2024	10	10	17	17	N/A	N/A	Quarterly risk mitigation action plan	N/A

GGP P 06	**53**	Number of risk progress reports submitted to risk management unit by 30 June 2024	4	2	4	4	N/A	N/A	Quarterly risk reports	N/A
GGP P 06	**54**	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2024	3 days	3 days	3 days'	3 days'	N/A	N/A	Acknowe ledgement Letter	N/A
GGP P 06	**55**	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by 31 December 2023	3 days	3 days	3 days'	3 days'	N/A	N/A	Acknowe ledgement Letter	N/A
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										

MTID 02	**56**	Date of submission of the departmental Organogram to Corporate Services Department for inclusion in the overall municipal organogram by 28 Feb 2024	28-Feb-23	31-Mar-23	28-Feb-24	04-Mar-24	A slight delay because the inputs had to be sent to the Director on the 29th of February 2024 for verification before forwarding to Manager Human Resources.	For the department to consolidate the draft organogram timeously in such a way that there is plenty of time for the Director to validate and sent to CS rep before or on target date.	Draft Organogram and Transmittal to CS/ Council resolution	N/A
MTID 06	**57**	Percentage of new vehicles fitted with tracking devices within 30 days after delivery	N/A	N/A	100%	100%	N/A	N/A	Monthly invoice and Tracker certificate	N/A
MTID 06	**58**	Number of Municipal Plant and Equipment Serviced by 30 June 2024	6	4	9	9	N/A	N/A	Job Cards signed by Mechanic	N/A
MTID 06	**59**	Number of Municipal Truck's COF and serviced by 30	12	5	17	11	Unavailability of a part(Hydraulic PTO and wiper	Fleets must be roadworthy before undergoing the	COF Certificate with Job Card	N/A

		June 2024					motor) that was needed to correct the fault in time. The truck had a breakdown in the middle of March 2024. Some of the trucks were delayed to be licensed due to budget constraints and will be licensed in July 2024. One truck was involved in an accident.	certificate of fittness. Proper budgeting for licencing for all the vehicles.		
MTID 04	**60**	Date of submission of manager's performance plan to HOD	31-Aug-22	31-Aug-22	31-Aug-23	31-Aug-23	N/A	N/A	Signed Manager's Performance Plan	N/A

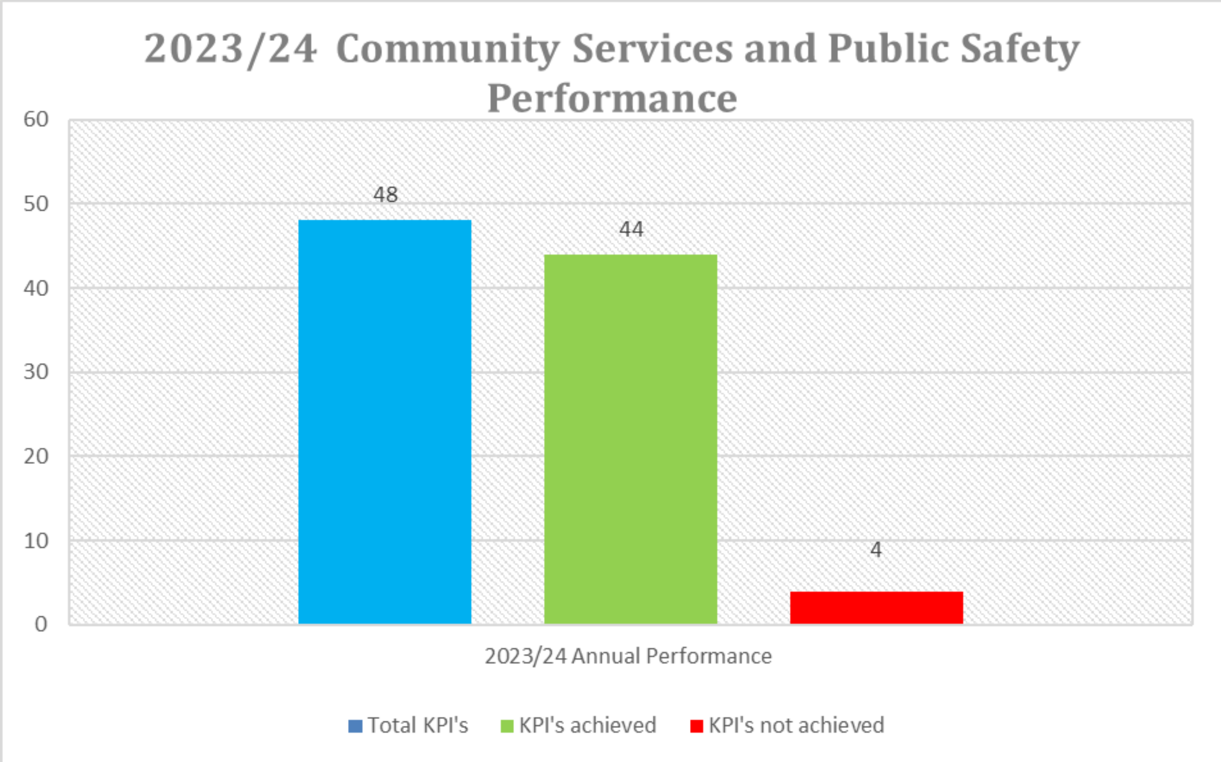
		by 31 August 2023								
MTID 04	**61**	Number of monthly progress reports on implementation of performance plans by managers submitted to HOD's by 30 June 2024	24	24	20	20	N/A	N/A	Monthly performance report	N/A

COMMUNITY SERVICES AND PUBLIC SAFETY

The community Services Department is primarily responsible for the social wellbeing of the community. It comprises the following sections:

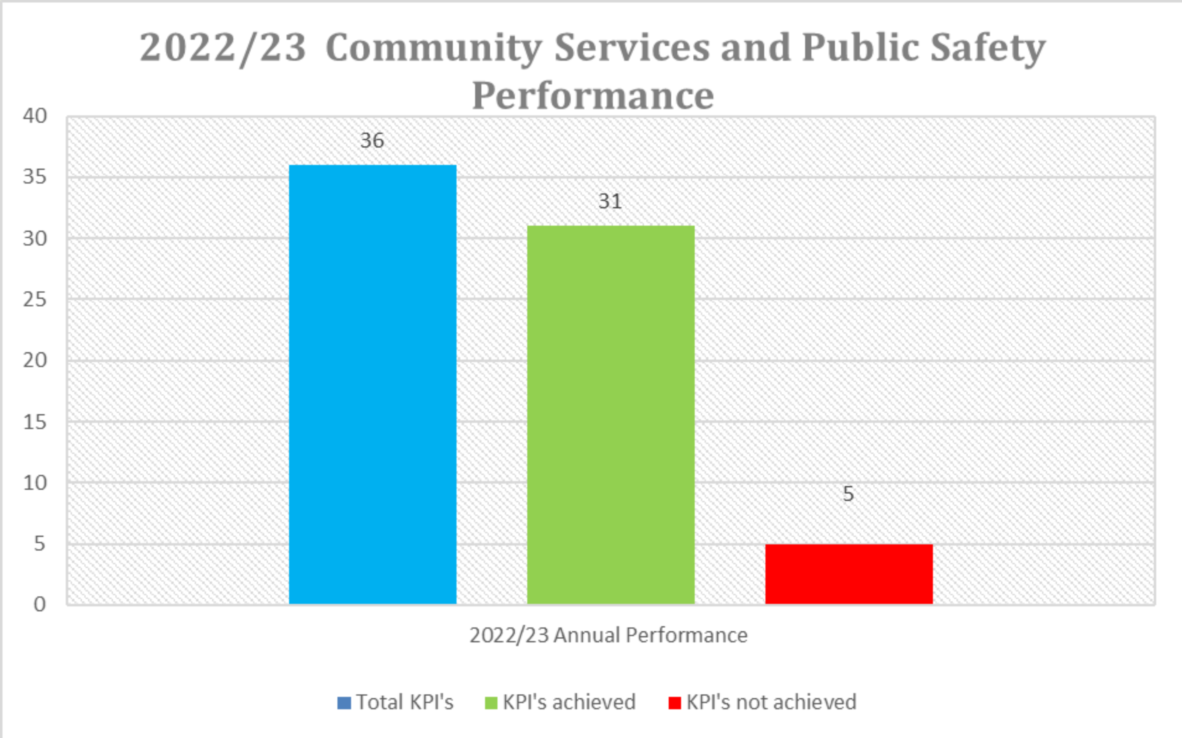
- Library Services.
- Parks, Verges and Gardens Community Facilities; Community Development.
- Public Safety
- Fire and Rescue Services and Disaster Management.
- Security Services.
- Cemeteries & Crematoria.
- Waste Management.

Below are the graphs representing the performance of the Community Services and Public Safety Department during the 2023/24 and 2022/23 financial years.



	Number of KPI’s	Percentage of KPI’s
Total KPI’s	48	100%
KPI’s achieved	44	92%
KPI’s not achieved	4	8%

The Community Services and Public Safety Department had a total of 48 KPI’s. 44 KPI’s were achieved whilst 04 KPI’s were not achieved. This translates to an overall achievement of 76% in this department during 2023/24 Financial Year.



	Number of KPI’s	Percentage of KPI’s
Total KPI’s	36	100%
KPI’s achieved	31	86%
KPI’s not achieved	5	14%

The Community Services and Public Safety Department had a total of 36 KPI’s. 31 KPI’s were achieved, whilst 5 KPI’s were not achieved. This translates to an overall achievement of 86 % in this department for 2022/23 Financial year.

2023/24 COMMUNITY SERVICES AND PUBLIC SAFETY SCORECARD										
IDP REF	KPI NO	Key performance indicator	2022/2023		2023/24		Reason for Variance	Corrective Measures	Portfolio of Evidence	Ward
			Target	Actual	Target	Actual				
BASIC SERVICE DELIVERY										
BSD 04	1	Number of times waste collected weekly at Tugela Mouth Beach, Tugela Mouth Village North bound, Renckens, Dark city, Qhib'khowe, Bhidla, Gcaleka, Thokoza, Majuba and households from sondoni traffic robot to Sibusisiwe CH (wards 2, 7 & 15) by June 2024(MONDAYS)	52	52	52	52	N/A	N/A	Waste collection plan and register	2,7 & 15

BSD 04	**2**	Number of times waste collected weekly at Renckens, Ireland, White City, Red Hill, Chappies and Sikhalambazo (wards 7, 13 & 14) by 30 June 2024 (TUESDAYS)	52	52	52	52	N/A	N/A	Waste collection plan and register	7, 13 & 14
BSD 04	**3**	Number of times waste collected weekly at Mandeni and Sappi Village, Renckens and Khenan Area (wards 3, 7 & 10) by 30 June 2024 (WEDNESDAYS)	52	52	52	52	N/A	N/A	Waste collection plan and register	3, 7 & 10
BSD 04	**4**	Number of times waste collected weekly at Tugela, Tugela Mouth Village, South Bound, Newark, New Town, Padianagar, Ematankeni, Ehholo, Ebhokisini,	52	52	52	52	N/A	N/A	Waste collection plan and register	4 & 7

		Skhephekhepheni, Ezinsimbini, Nova Farm and renckens (wards 4 & 7) by 30 June 2024 (THURSDAYS)								
BSD 04	**5**	Number of times waste collected weekly at Businesses, Skips, Ndulinde Library, Ndulinde Clinic and Renckens (and out-call requests) (1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12,16, 17 & 18) by 30 June 2023 (FRIDAYS)	53	53	52	52	N/A	N/A	Waste collection plan and register	1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12,16, 17 & 18
BSD 04	**6**	Number of m^2 of monthly grass-cutting performed in all Wards (ward 1 to 18) by 30 June 2024	7 100 458 m^2	812 217 8 m^2	7 100 458 m^2	97807 59 m^2	Additional number and high volume of grass-cutting requests	N/A	Grass cutting schedules /registers/ invoices	All Wards

BSD 05	**7**	Number of Skip bins (40) to be procured and delivered in all wards (ward 1 to ward 18) by 30 June 2024	New Indicator	40	40	N/A	N/A	Delivery note	4,7,18
BSD 05	**8**	Date of delivery of recycling equipment by 30 June 2024	New Indicator	30-Jun-2024	Not Achieved	The project had a budget allocation of R 1.2 million in 2023/24 financial year which was moved to fund another prioritized departmental project.	Departmental meetings will be held to review the departmental scorecard prior to approval of the SDBIP by the Mayor after the budget is approved before the start of every financial year. Community Services & Public Safety department management will also hold meetings during mid-year adjustment process to review all the	Delivery Note	N/A

								targets that needs to be revised.		
BSD 05	**9**	Date of delivery of 65 wheelie bins by 31 Mar 24	New Indicator		31-Mar-24	16-Feb-24	N/A	N/A	Delivery Note	N/A
BSD 05	**10**	Date of Arbor Month Celebration at Sibusisiwe Hall by 30 September 2023	30-Sep-22	15-Sep-22	30-Sep-23	12-Sep-23	N/A	N/A	Dated photos and attendance register	All Wards
BSD 05	**11**	Date of phase 1 sundumbili entrance Beautification by 30 June 2024	New Indicator		30 Jun 24	Not Achieved	There was a delay in the appointment of service provider as the original budget for the project was transferred to another project. As a result SCM processes could only be initiated after approval of budget during mid-term adjustmen	Managers responsible to ensure compliance with the Procurement Plan in terms of predetermined timeframes. The project has since been budgeted for in the 2024/25 financial year and the service provider has been appointed.	Completion Certificate	Ward 15

							t.			
BSD 05	**12**	Number of monthly environmental education al awareness campaign conducted by 30 June 2024	New Indicator		12	15	As the number of illegal dumps increase, more education and awareness campaigns needed to be conducted to teach the community about the danger of having illegal dumps around	N/A	Dated photo and attendant Register	All wards 18
BSD 05	**13**	Number of monthly clean-up campaign conducted by 30 June 2024	12	13	16	21	Increase of illegal dumping sites due non-availability of a landfill site	N/A	Dated photos and attendance register	All Wards
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										

MF VM 01	**14**	Percentage of operational budget spent by 30 June 2024	100 %	97%	100 %	102%	High Volume of grass-cutting requests as well as disposal of refuse collection led to overspending.	N/A	Management account	3
MF VM 02	**15**	Amount of overtime expenditure kept within the allocated budget on a quarterly basis by 30 June 2024	R 430 000	R 443 790.51	R80 445 3.00	R2045 616.52	Budget exceeded due to number of high emergency response activities and other unplanned events. High frequency breakdown of Compactor Trucks which results in unplanned overtime	The Departmental Managers responsible to ensure close monitoring of overtime and restrict usage of planned overtime. To encourage staff members to take time off instead of paid overtime in instances where overtime is unavoidable. The department to motivate for the procurem	Report from finance showing expenditure on overtime	

								ent of additional waste trucks and the utilization of waste disposal site within the 50km radius of the municipality to reduce wear & tear on the fleet and reduce operational costs.		
MFVM 04	**16**	Percentage of EPWP conditional grant spent by 30 June 2024	100.00%	100.00%	100%	100%	N/A	N/A	Expenditure report from BTO	N/A
MFVM 04	**17**	Percentage of Library (DAC) conditional grant spent by 30 June 2024	100.00%	100.00%	100%	79%	The target was not reached due to the delays in the recruitment of Library Assistant and procurement of computer as well as air conditioners	Fast tracking the process of recruitment with HR, as well as the procurement process with SCM	Expenditure report from BTO	N/A

MF VM 05	**18**	Amount of Revenue collected on services provided by CSPSD by 30 June 2024	R 107 000	R2 938 834, 06	R10 7,00 0	R3 679,2 06.10	N/A	N/A	Ledge Spread Sheet from Finance	N/A
MF VM 06	**19**	Date of delivery 2 tractors by 31 March 2024	New Indicator		31-Mar -24	11-Mar-24	N/A	N/A	Delivery Note	N/A
MF VM 06	**20**	Date of delivery of 2 cage trucks and 1 TLB by 31 December 2023			31-Dec-23	10-Nov-23	N/A	N/A	Delivery Note	N/A
MF VM 06	**21**	Date of delivery of 1 IRB Boat by 31 December 2023	New Indicator		31-Dec-23	21-Dec-23	N/A	N/A	Delivery Note	N/A
MFV M 06	**22**	Date of delivery of 10 Brush-cutters by 30 Septembe r 2023	31-Dec-22	27-Sep-22	31-Sep-23	29-Sep-23	N/A	N/A	Copy of delivery note	N/A

MF VM 06	**23**	Date of delivery of 2 new Air-conditioners for Libraries by 30 June 2024		30-Jun-24	03 June 2024	N/A	N/A	Delivery Note	N/A
MF VM 06	**24**	Date of delivery of 1 library vehicle by 31 March 2024		31-Mar-24	12-Mar-24	N/A	N/A	Delivery Note	N/A
MF VM 06	**25**	Date of delivery of 8 new Library Computers by 30 June 2024	New Indicator	30-Jun-24	17-Apr-24	N/A	N/A	Delivery Note	N/A
MF MV 05	**26**	Date of delivery of 1 quad bike by 30 June 2024	New Indicator	30-Jun-24	08-May-24	N/A	N/A	Delivery Note	N/A
GOOD GOVORNANCE AND PUBLIC PARTICIPATION									

GGP P 01	**27**	Number of quarterly Audit and Performance Audit committee meetings attended by 30 June 2024	4	5	4	4	N/A	N/A	Attendance Register	N/A
GGP P02	**28**	Number of quarterly cluster war-room reports submitted to the Office of the Municipal Manager by 30 June 2024	4	4	4	4	N/A	N/A	Acknowledgement letters	N/A
GGP P 03	**29**	Number of monthly fire awareness campaign held by 30 June 2024	New Indicator		12	12	N/A	N/A	Dated photos and attendance register	N/A
GGP P 03	**30**	Number of monthly disaster awareness campaigns held in wards 1,2,4, 5,6, 7,8,9,11,12,16,17 and 18 by 30 June 2024	12	14	12	14	N/A	N/A	Dated photos and attendance registers	All Wards

GGP P 03	**31**	Number of Tri-Annual Road safety awareness campaign (Transport Month, Festive and easter) conducted by 30 June 2024	New Indicator		3	3	N/A	N/A	Dated Photos, Attendance registers and checklist.	N/A
GGP P03	**32**	Number of bi-monthly roadblocks conducted by 30 June 2024	24	38	24	26	The high number joint operation emanates from the increase of the motorist	That the annual target set be reviewed/ adjusted	Attendance register and stop and checklist	N/A
GGP P03	**33**	Number of seasonal Firebreaks awareness campaigns conducted by 30 June 2024	4	4	4	4	N/A	N/A	Dated photos and attendance registers	5,6,8 & 16
GGP P 03	**34**	Number of monthly library outreach programme conducted by 30 June 2024	New Indicator		12	23	N/A	N/A	Dated photos, attendance registers and program of the day.	N/A

GGP P 03	**35**	Number of bi-annual Public Safety awareness campaigns conducted by 30 June 2024	New Indicator		2	2	N/A	N/A	Dated photos and attendance registers.	N/A
GGP P 05	**36**	Number of monthly (July to November 2023 and February to June 2024) Community Services and Public Safety Department (CSPSD) portfolio committee meetings held by 30 June 2024	10	10	10	10	N/A	N/A	Report of meeting	N/A
GGP P 05	**37**	Number of quarterly Performance reports submitted to Community Services Portfolio Committee by 30 June 2024	4	3	4	4	N/A	N/A	Minutes of CSPS Portfolio Committee	N/A

GGP P 05	**38**	Number of quarterly Disaster Advisory forum meetings held by 30 June 2024	4	4	4	4	N/A	N/A	Agenda, Minutes and Attendance register	N/A
GGP P 06	**39**	Number of risk action plans in the strategic risk register implemented by Community Services and Public Safety Department (CSPSD) Department by 30 June 2023	4	3	12	12	N/A	N/A	Quarterly risk mitigation action plan	N/A
GGP P 06	**40**	Number of risk progress reports submitted to risk management unit by 30 June 2024	4	4	4	4	N/A	N/A	Risk Management Quarterly reports	N/A

GGPP 06	**41**	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2024	3 days	3 days	3 days	3 days	N/A	N/A	Acknowledgement letter	N/A
GGPP 06	**42**	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by 31 December 2023	3 days	3 days	3 days	3 days	N/A	N/A	Tracking Tool	N/A
LOCAL ECONOMIC DEVELOPMENT										
LED 03	**43**	Number of EPWP participants on various EPWP programs (Zimbambele, Lifeguards) recruited and sustained by 30 September 2023	250	250	250	250	N/A	N/A	Appointment contracts.	N/A

LED 05	**44**	Number of Quarterly reports on implementation of EPWP (CWP, Zimbambele, food for waste, life guards) programmes submitted to EXCO by 30 June 2024	4	3	4	4	N/A	N/A	Quarterly report	N/A
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
MTID 01	**45**	Date of developed draft policies and by-laws and/or reviewed draft policies and by-laws approved by Council by 30 June 2024	30-Jun-23	Not achieved	30-Jun-24	13-Jun-24	The policies were presented to council policy review session on the 12-13 Jun 2024, but they could not be adopted by end of June 2024.	Policies have been adopted by council on 10 July 2024.	Copy of a Council resolution	N/A
MTOD 02	**46**	Date of submission of the departmental Organogram to Corporate Services Department for inclusion in the	28-Feb-23	23-Mar-23	31-Mar-24	06-Mar-24	N/A	N/A	Draft Organogram and Transmittal to CS/ Council resolution	

		overall municipal organogram by 31 March 2024								
MTID 04	**47**	Date of submission of managers performance plans to HOD's by 31 August 2023	31-Aug-22	30-Aug-22	31-Aug-23	30-Aug-23	N/A	N/A	PMS monthly performance plans	N/A
MTID 04	**48**	Number of progress reports on implementation of performance plans by managers submitted to HOD's by 30 June 2024	24	24	24	24	N/A	N/A	Manager's Performance Plan's	N/A

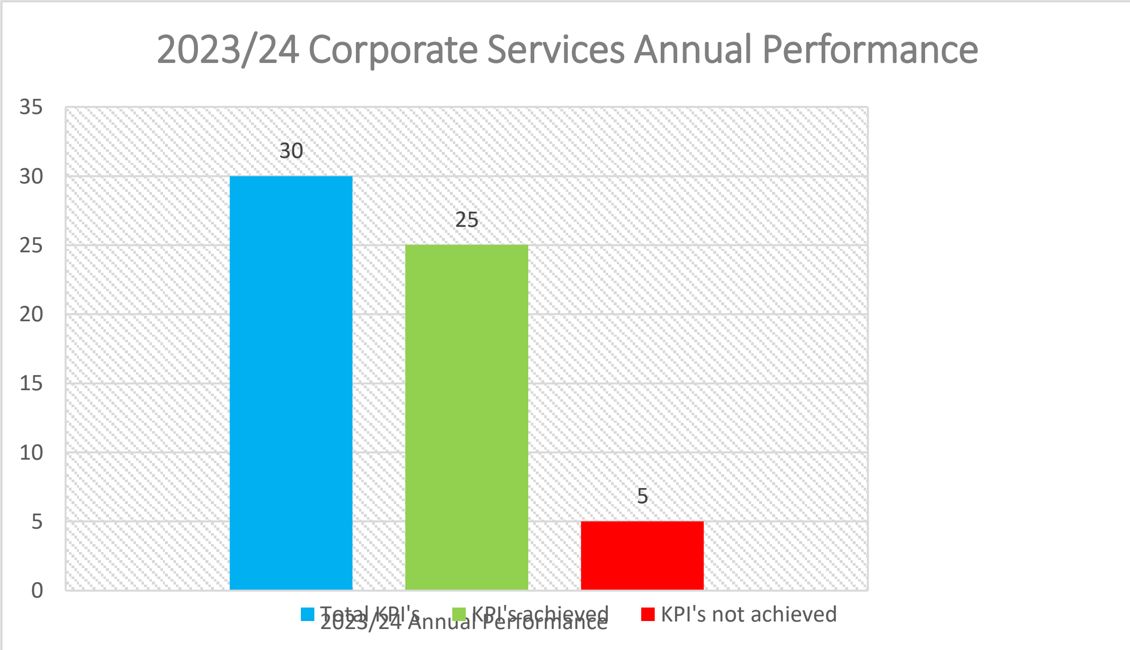
CORPORATE SERVICES

The Department of Corporate Services in headed by the Director: Corporate Services who is a section 57 employee according to the Municipal Systems Act of 2000. The corporate wing is mainly responsible for the following:

- Human Resources Management.
- General Administration.
- Information Technology.
- Committees.
- Individual Performance management system and,

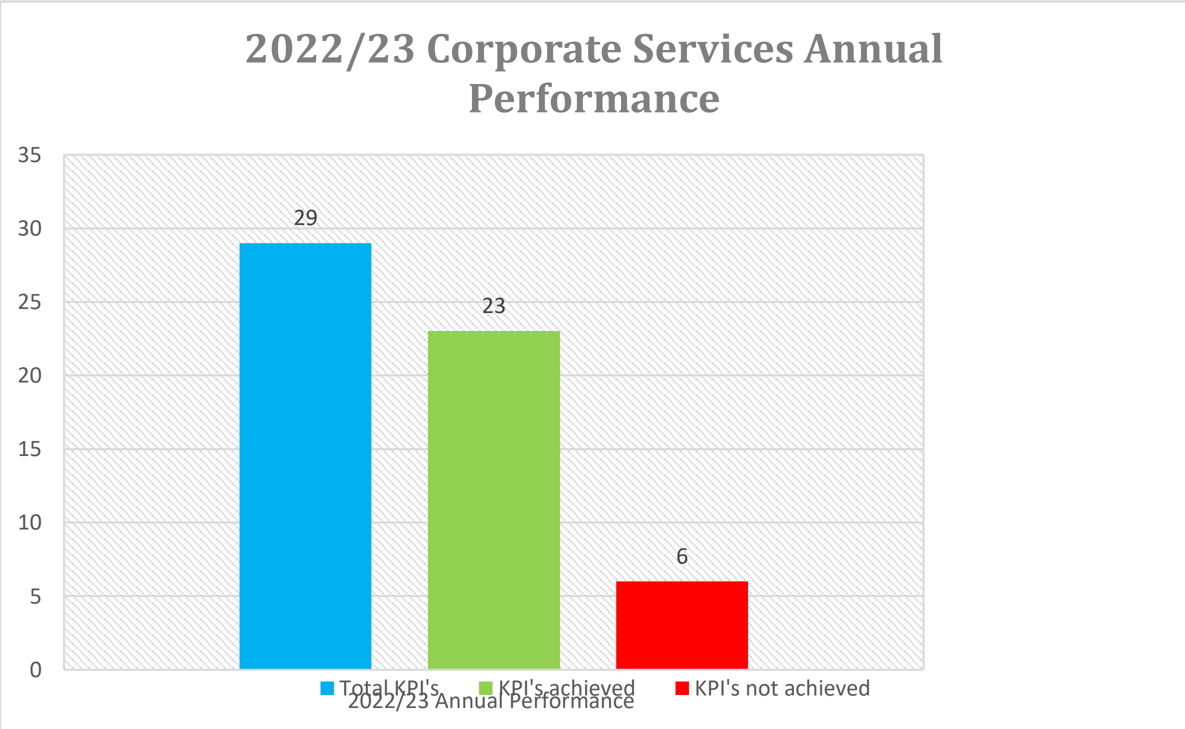
Labour Relations.

Below is a graph of the performance of the Corporate Services Department in 2023/24 and 2022/23 financial years.



	Number of KPI’s	Percentage of KPI’s
Total KPI’s	30	100%
KPI’s achieved	25	83%
KPI’s not achieved	5	17%

The Corporate Services Department had a total of 30 KPI’s. 25 KPI’s were achieved and 6 KPI’s were not achieved. This translates to an overall achievement of 80% in this department during 2023/24 financial year.



	Number of KPI's	Percentage of KPI's
Total KPI's	29	100%
KPI's achieved	23	79%
KPI's not achieved	6	21%

The Corporate Services Department had a total of 29 KPI's. 23 KPI's were achieved and 6 KPI's were not achieved. This translates to an overall achievement of 79% in this department for 2022/23 financial year.

2023/24 CORPORATE SERVICES SCORECARD									
IDP Ref	**KPI NO.**	KEY PERFORMANCE INDICATORS 2023/24	2022/23		2023/24		Reason for variance	Corrective Measure	Portfolio of Evidence
			Target	Actual	Target	Actual			
MUNICIPAL TRANFORMATION AND INSTITUTIONAL DEVELOPMENT									
MTID 01	**1**	Date of adopting the reviewed corporate services departmental policies by council by 30 June 2024	30-Jun-23	Not achieved	30-Jun-24	13 June 2024	N/A	N/A	Attendance registers and Council resolution
MTID 02	**2**	Date of adopting the organizational structure aligned to the 2024/25 IDP and Budget by council by 31 May 2024	31-May-23	30-May-23	31-May-24	31-May-24	N/A	N/A	Copy of signed and approved organogram and council resolution

MTID 02	**3**	Date of submission of the reviewed employment equity report to department of labour by 31 January 2024	31-Jan-23	31-Jan-23	31-Jan-24	17-Jan-24	N/A	N/A	Proof of Submission from DoL.
MTID 02	**4**	Number of people employed in line with the municipal approved annual recruitment plan by 30 June 2024	36	42	27	60	N/A	N/A	Employment Equity Plan/ appointment letters
MTID 02	**5**	Percentage of municipal budget actuals spent on implementation of WSP by 30 June 2024	100%	100%	100%	100%	N/A	N/A	Management account

MTID 02	**6**	Number of quarterly Health and Safety meetings/trainings conducted by 30 June 2024	4	4	4	4	N/A	N/A	Agenda, minutes, attendance register
MTID 03	**7**	Date of submission of the Workplace Skills Plan/Annual Training Report to SETA by 30 April 2024	30-Apr-23	26-Apr-23	30-Apr-24	17-Apr-24	N/A	N/A	LGSETA report
MTID 04	**8**	Date of submission of managers performance plans to HOD's by 31 August 2023	31-Aug-22	31-Aug-22	31-Aug-23	31-Aug-23	N/A	N/A	Signed manager's Performance Plan's
MTID 04	**9**	Number of monthly progress reports on implementation of performance	24	24	20	20	N/A	N/A	PMS monthly progress reports signed by HOD, manager and MM

		plans by managers submitted to HOD by 30 June 2024							
MTID 05	**10**	Number of quarterly ICT Steering Committee meetings conducted by 30 June 2024	4	4	4	4	N/A	N/A	IT steering committee agenda, minutes, register
		Date of developing ICT strategy development by 30 September 2023					Removed		
MTID 05	**11**	Date of implementing automated booking system for municipal facilities by 30 June 2024	New Indicator		30-Jun-24	2-May-24	N/A	N/A	Close-out-report
MTID 05	**12**	Date of implementing of DR	New Indicator		31-Dec-23	31-Dec-23	N/A	N/A	Close-out-report (Due to the nature of

		Testing by 31 December 2023						the contract, being a 36 month long we are unable to submit the appointment letter)
MTID 05	**13**	Date of renewing of Microsoft licenses (All licenses) by 30 June 2024		30-Jun-24	18-Jun-24	N/A	N/A	Invoice
MTID 05	**14**	Date of implementing IT Project management by 31 December 2023		31-Dec-23	31-Dec-23	N/A	N/A	Close-out-report (Due to the nature of the contract, being a 36 month long we are unable to submit the appointment letter)
MTID 05	**15**	Date of IT Security workshop by 31 March 2024		31-Mar-24	Not Achieved	Could not get a date from SITA as they would be assisting in conducting the workshop	Requested a new date where SITA officials would be available	Close-out-report

GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
GGPP 01	**16**	Number of portfolio committee agendas issued by 30 June 2024	40	46	40	52	N/A	N/A	Portfolio Committee Attendance registers
GGPP 01	**17**	Number of monthly (July to November 2023 and February to June 2024) corporate portfolio committee meetings held by 30 June 2024	10	10	10	10	N/A	N/A	Attendance registers of meetings/signed minutes and agenda
GGPP 01	**18**	Number of quarterly audit and performance committee meetings attended by 30 June 2024	4	5	4	3	Audit Committee Meeting clashed with the municipal special Council hence the meeting	It was agreed that the Director will delegate one of the managers to attend in his behalf in future, in an event that the Director is not available to	Attendance registers

							was not attended.	attend the Performance and Audit committee.	
GGPP 02	**19**	Number of quarterly cluster war-rooms reports submitted to OMM by 30 June 2024	4	1	4	0	Lack of proper coordination between public participation unit, where there was no annual schedule of meetings that needs be acquired by responsible managers, which stipulates wards, dates as well ward councilor. Further more, the deployed	A proper co-ordination between relevant managers, Manco and strategic Manager were implemented, where the responsible managers acquire a schedule of annual plan for war room meetings, indicating dates and wards. Further the deployed managers are expected to compile a report for war room whether the meeting was seat or not that reports must be sign by HOD it will serve as a POE.	Signed off report

							managers were not clear about their roles in war rooms, up until Manager strategic overcome these challenges.		
GGPP 02	**20**	Number of monthly EXCO meeting coordinated by 30 June 2024	12	12	12	11	As per the adopted council calendar no council meeting schedule for December as councilors are taking a recess.	Director corporate services will amend the targets.	Attendance registers, notice of the meeting and minutes
GGPP 01	**21**	Number of Council meeting coordinated by 30 June 2024	10	15	10	14	N/A	N/A	Attendance registers, notice of the meeting and minutes
GGPP 05	**22**	Number of quarterly Performance reports	4	5	4	7	N/A	N/A	Minutes of Corporate Services Portfolio Committee

		submitted to Corporate Portfolio Committee by 30 June 2024							
GGPP 06	**23**	Number of risk mitigation strategies implemented by 30 June 2024	31	22	29	22	Two risks were not achieved from ICT unit: 1. Procurement of a cloud backup solution - The appointment of the service provider has not been done. 2.Formally issues appointment letters for ICT steering comm members-Letters were not submitted to MM's	1.Procument of a cloud backup solution-ICT Unit will do follow up with SCM for the appointment of the services provider. 2.Formally issue appointment letters for ICT steering Comm Members-Submission of appointment letters will be done to MM for signature and distribution to member	Quarterly risk mitigation action plan

							office for signature on time		
GGPP 06	**24**	Number of risk progress reports submitted to risk management unit by 30 June 2024	3	3	3	3	N/A	N/A	Quarterly risk mitigation reports and RM Committee minutes
GGPP 06	**25**	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2024	3 days	3 days	3 days	3 days	N/A	N/A	Acknowledgement Letters
GGPP 06	**26**	Number of days for management to respond to request for information and Audit Queries raised by	3 days	3 days	3 days	3 days	N/A	N/A	Tracking Tool

		Auditor General by 31 December 2023							
MUNICIPAL FINANCIAL MANAGEMENT VIABILITY									
MFV M 01	**27**	Percentage of operational budget spent by CS by 30 June 2024	100%	96%	100%	108%	The department shortly spent less than the budgeted amount on printing, publication & books	This votes only apply to the external purchasing, so the user department does not have any control over quotes that the supplier have brought forward or either the charges which sometimes tends to be higher and lower.	Management account
MFV M 02	**28**	Amount of quarterly of expenditure on overtime kept within allocated budget by 30 June 2024	R 120 000	R183678.95	R120 000	R14 108.94	N/A	N/A	Report from finance showing expenditure on overtime

MFV M 05	**29**	Amount of Revenue collected on services (municipal houses rented) provided by municipal departments by 30 June 2024	R112, 000	R 155 347,14	R112, 000	R119001.06	N/A	N/A	Ledge Spread Sheet from Finance
MFV M 06	**30**	Date of procurement of computers by 30 September 2023	New Indicator		30-Sep-23	15-Sep-23	N/A	N/A	Delivery note

ECONOMIC DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS.

The Economic Development and Planning Department is the strategic business unit of the municipality and includes the following four divisions:

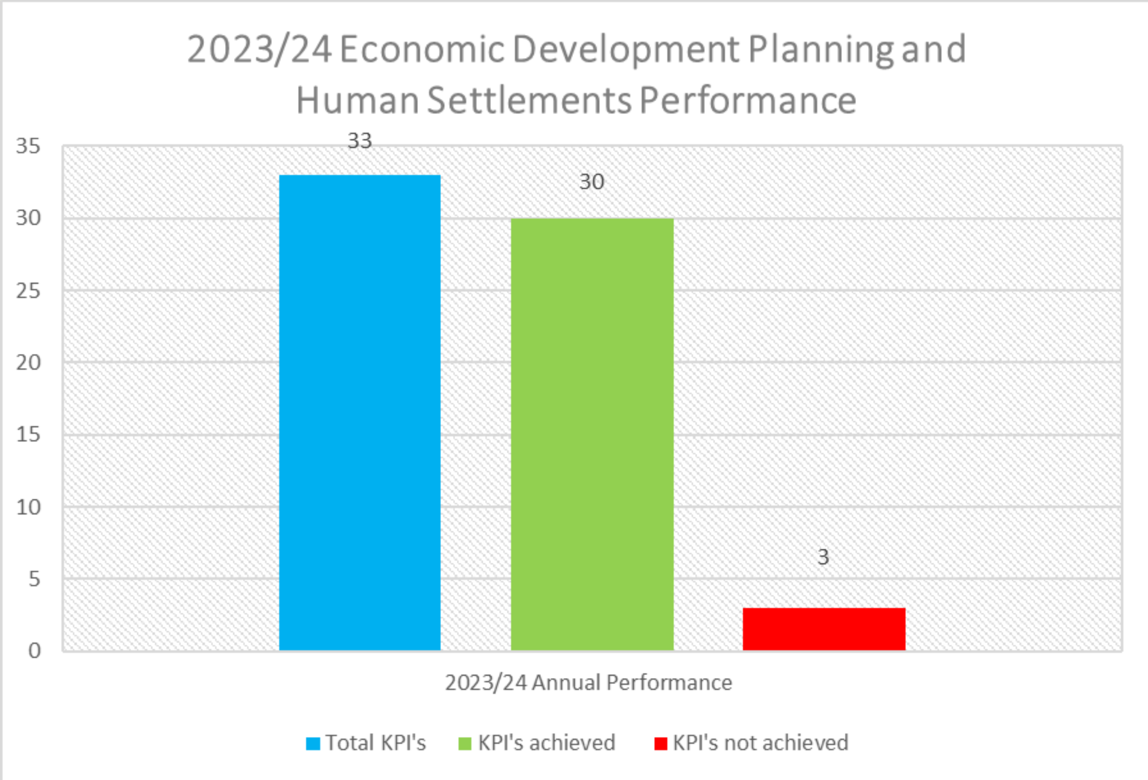
- Integrated Development (Strategic) Planning, Spatial Planning and Statutory Planning which includes implementation of the Land Use Management System, particularly the Planning and Development Act (PDA) and in future, the Spatial Planning and Land Use Management Act (SPLUMA).

- Human Settlements is essentially the implementation of rural and urban sustainable human settlement and development projects as an agent of the provincial Department of Human Settlements. Building controls which includes the assessment and approval of building plans and enforcement of the National Building Regulations.

- Local Economic Development (Tourism, Business Licensing and SMME's

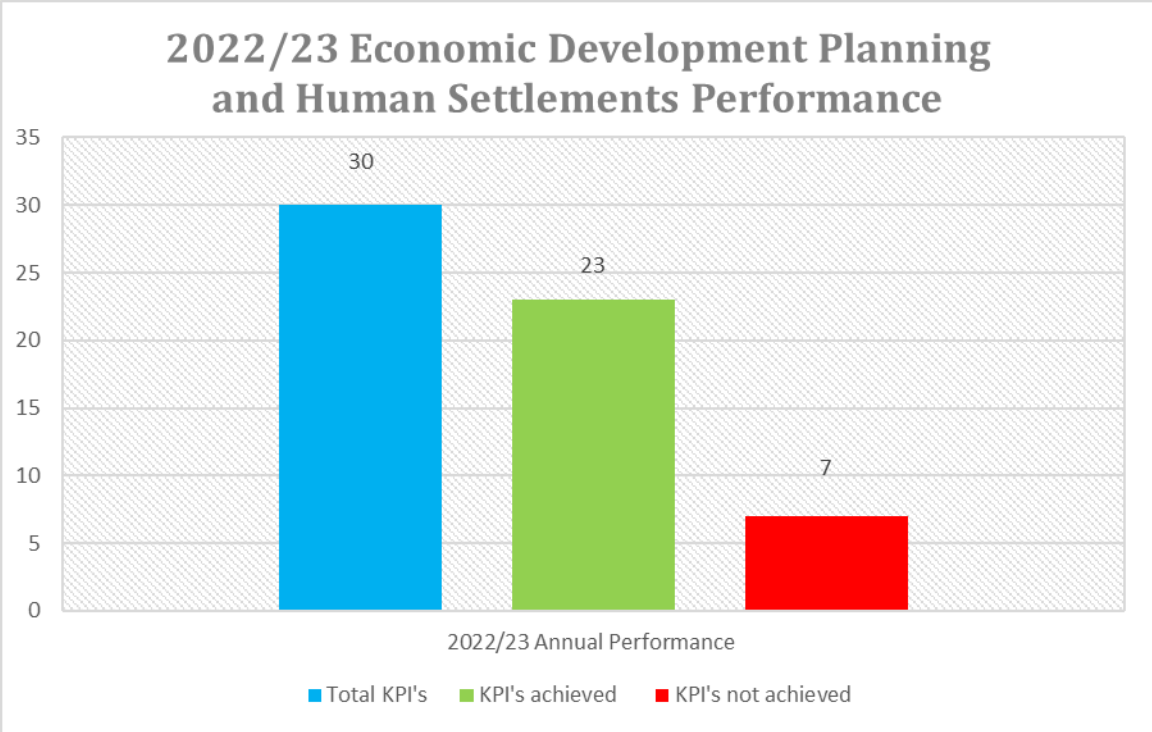
  Development, Agriculture, Manufacturing).

Below is a graph demonstration of the performance of this department in the 2023/24 and 2022/23 financial year.



	Number of KPI’s	Percentage of KPI’s
Total KPI’s	33	100%
KPI’s achieved	30	91%
KPI’s not achieved	3	9%

The Economic Development Planning and Human Settlements Department had a total of 33 KPI’s. 33 KPI’s were achieved and 3 KPI’s were not achieved. This translates to an overall of 91% achievement during 2023/24 financial year.



	Number of KPI’s	Percentage of KPI’s
Total KPI’s	30	100%
KPI’s achieved	23	77%
KPI’s not achieved	7	23%

The Economic Development Planning and Human Settlements Department had a total of 30 KPI’s. 23 KPI’s were achieved and 7 KPI’s were not achieved. This translates to an overall of 77 % achievement for the department in the 2022/23 financial year.

2023/24 ECONOMIC DEVELOPMENT, PLANNING AND HUMAN SETTELEMENTS SCORECARD										
IDP REF NO	**KPI NO.**	**Key Performance Indicator**	**2022/23**		**2023/24**		**Reason for variance**	**Corrective measures**	**WARD**	**POE**
			TARGET	**ACTUAL**	**TARGET**	**ACTUAL**				
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
BSD 03	1	Number of monthly progress reports (July 2023 to Nov 2023) and (February 2024 to June 2024) on housing delivery submitted to Economic Development Planning and Human Settlement Portfolio Committee (EDPHS) by 30 June 2024	New Indicator		10	10	N/A	N/A	1; 2; 8; 9; 10, 11; 16,17 and 18	EDPHSPC Reports / minutes
BSD 03	2	Number of bi-annual Housing Forum hosted by 31 March 2024			2	2	N/A	N/A	3	Attendance Register
BSD 03	3	Number of monthly progress reports (July 2023 to Nov 2023) and (Feb. 2024 to June 2024)	New Indicator		10	10	N/A	N/A	3	EDPHSPC Reports / Minutes.

		on property transferred/title deeds to Economic Development Planning and Human Settlement Portfolio Committee (EDPHS) by 30 June 2024								
GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
GGPP 01	**4**	Number of quarterly audit and performance committee meetings attended by 30 June 2024	4	5	4	4	N/A	N/A	3	Attendance Registers
GGPP 01	**5**	Number of monthly (July 2023 to November 2023 and February 2024 to June 2024) Economic Development Planning and Human Settlement (EDPHS) portfolio committee meetings held by 30 June 2024	New Indicator		10	10	N/A	N/A	3	Attendance register
GGPP 02	6	Number of quarterly cluster war-rooms	4	5	4	2	A scheduled war room meeting in Ward 5	If it happens in future that the war room is	5,14	Attendance register

		reports (wards 5 & 14) submitted to the Office of the Municipal Manager by 30 June 2024					during Q2 clashed with IDP Roadshow meeting at Isikhonyane hence the responsible Manager could not attend war room meeting.	clashing with the equal important meeting the Director or responsible manager will delegate a senior official from the department.		
GGPP 05	7	Date of adoption of the 2024/25 IDP, Budget and PMS Process Plan by 31 August 2023	31-Aug-22	31-Aug-22	31-Aug-23	31-Aug-23	N/A	N/A	18 Wards	Council Resolution
GGPP 05	8	Date of approval and adoption of the 2023/24 IDP by Council by 31 May 2024	31-May-23	30-May-23	31-May-24	23-May-24	N/A	N/A	18 Wards	Council Resolutions
GGPP 05	9	Number of quarterly Performance reports submitted to Economic Development Planning and Human Settlement (EDPHS) Portfolio Committee by 30 June 2024	4	3	4	4	N/A	N/A	N/A	Minutes of EDPHS Portfolio Committee

GGPP06	10	Number of risk progress reports submitted to risk management unit by 30 June 2024	4	4	4	4	N/A	N/A	N/A	Quarterly risk mitigation progress report
GGPP06	11	Number of risk action plans in the strategic risk register implemented by Economic Development Planning and Human Settlement (EDPHS) Department by 30 June 2024	35	26	14	15	N/A	N/A	N/A	Quarterly risk mitigation action plan
GGPP 06	12	Number of days for management to respond to Internal Audit Unit queries raised by 30 June 2024	3 days	3 days	3 days	3 days	N/A	N/A	N/A	Acknowledgement Letters
GGPP 06	13	Number of days for management to respond to request for information and Audit Queries raised by Auditor General by 31 December 2023	3 days	3 days	3 days	3 days	N/A	N/A	N/A	Tracking Tool

LOCAL ECONOMIC DEVELOPMENT											
LED 07	14	Number of quarterly trainings provided intended to improve the business skills in particular SMME's by 30 June 2024	2	2	4	9	N/A	N/A	All wards (18)	Attendance registers
LED 07	15	Number of SMME's Supported (Quick Wins) in all Wards (ward 1 to 18) by 30 June 2024	36	77	100	104	N/A	N/A	All Wards (18)	Acknowledgement letter/ list of beneficiaries
LED 07	16	Number of Emerging Entrepreneurs supported on the entrepreneur support programme by 30 June 2024	4	5	3	3	N/A	N/A	All wards (18)	List the entrepreneurs supported and Acknowledgement letter
LED 07	17	Number of quarterly business compliance inspections conducted by 30 June 2024	4	3	4	4	N/A.	N/A	All wards (18)	Attendance Register (A list of various B C workshops conducted), Report of inspection Signed by

										Manager and HOD and dated photos
		Erection of Youth Enterprise sign board by 31 December 2023							It was resolved that the youth enterprise park activities be removed from EDPHS Performance plan and remain under youth manager within the office of the Municipal manager.	
LED 06	18	Number of bi-annual Local Economic Development Forum attended by 30 June 2024	New Indicator		2	2	N/A	N/A	N/A	Attendance registers /

										Munites
LED 06	19	Date of hosting the business fair for Mandeni SMME's by 31 March 2024	31-Mar-23	04-05 Apr-23	31-Mar-24	24-Mar-24	N/A	N/A	All Wards (18)	Attendance Register
LED 04	20	Number of jobs sustained through construction of RDP housing projects by 30 June 2024	400	156	100	170	N/A	N/A	1,8,10, 11,12, 16,17 &18	Beneficiary register
LED 07	21	Number of agricultural fresh Produce markets hosted by 30 June 2024	New Indicator		3	2	EDPHS were advised by its key stakeholder, the Department of Agriculture, that these quarters are dry season, crops are not ready for harvest and to be sold.	Effort will be made to ensure the municipality is taking over the farmers market programme to have full control towards implementing this programme.	All wards (18)	Register of agricultural fresh produce farmers

LED 06	22	Date of launching the Mandeni Community Tourism Organization by 31 March 2024	New Indicator	31-Mar-24	14-Mar - 24	N/A	N/A	All wards (18)	Constitution and list of members
LED 06	23	Date of hosting Mandeni Yebo Yes Beach Festival in ward 1 (Dokodweni) by 31 December 2023		31-Dec - 23	27-28 Dec-23	N/A	N/A	1	Event inspiration Report presented to EDPHS portfolio Committee/ Munites
LED 06	24	Date of launching Raft Race in Ward 2 & 3 by 30 June 2024	New Indicator	30-Jun-24	24-April 24	N/A	N/A	2 & 3	Event attendance Register
LED 06	25	Number of Tourism Entrepreneurs supported through tourism entrepreneur support programme in all ward (ward 1 to 18) by 30 June 2024		10	10	N/A	N/A	All wards (18)	Acknowledgement letter

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
MFVM 01	26	Percentage of operational budget spent by 30 June 2024	100 %	97.50 %	100%	91%	N/A	N/A	N/A	Management account
MFVM 02	27	amount of quarterly of expenditure on overtime kept within allocated budget by 30 June 2024	R 30 000	R 957.45	R30,000	R8 433.93	N/A	N/A	N/A	Report from finance showing expenditure on overtime
MFVM 05	28	Amount of revenue collected as per submitted town planning applications, business license, building plans and rental collection from Informal Traders Stalls by 30 June 2024	R100 000.00	R 107 604.90	R120 000	R385 908.93	N/A	N/A	N/A	Ledge Spread Sheet from Finance
SPATIAL RATIONAL AND ENVIRONMENTAL MANAGEMENT/CROSS-CUTTING MEASURES										

SREM 01	29	Percentage of building plans which are less than $500m^2$ approved by the Municipal Building control office within 30 days of the receipt of the application by 30 June 2024	100 %	100%	100%	100%	N/A	N/A	N/A	Date and time stamped data, Sequential List of building plans received, sequential list of building plans processed within 60 days letters to applicants
SREM 02	30	Date of Amending land use management scheme by 31 May 2024	New Indicator		31 May 2024	Not Achieved	During the start of the project Cogta reminded our planning section that Section 7 of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) state that, “A municipality may review its land us scheme in order to achieve consistency with the municipal spatial development	This KPI will be removed and it will not appear the next EDPHS scorecard.	3, 7 and 15	Council Resolution

							framework and must do so at least every five years.”			
SREM 03	31	Date of Review and final adoption of Spatial Development Framework by Council by 31 May 2024	31-May-23	31-May-23	31-May-24	23-May-24	N/A	N/A	N/A	Council Resolution
		Preparation and adoption of Precinct Plans for Gcaleka and Portion of Isithebe by 31 March 2024					Thia KPI was removed, hence it was not feasible			
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
MTID 04	32	Date of submission of managers performance plans to HOD's by 31 August 2023	31-Aug-22	31-Aug-22	31-Aug-23	31-Aug-23	N/A	N/A	N/A	Manager's Performance Plan's
MTID 04	33	Number of progress reports on implementation of performance plans by managers submitted to HOD's by 30 June 2024	36	36	36	36	N/A	N/A	N/A	PMS monthly progress reports

CHAPTER 5

FINANCIAL PERFORMANCE

FINANCIAL HEALTH OVERVIEW

COMPONENT A: STATEMENT OF FINANCIAL POSITION

Statement of Financial Position as of 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	42,734,144	42,751,851
Receivables from exchange transactions	4	22,159,064	25,709,058
Receivables from non-exchange transactions	5	3,093,468	3,669,055
Statutory receivables	6	52,832,933	27,926,956
Call and investment deposits	7	199,451,615	244,203,556
Cash and cash equivalents	8	9,356,268	10,321,268
		329,627,492	**354,581,744**
Non-Current Assets			
Investment property	9	41,913,000	40,529,000
Property, plant and equipment	10	669,291,315	561,888,006
Intangible assets	11	2,371,690	330,671
		713,576,005	**602,747,677**
Total Assets		**1,043,203,497**	**957,329,421**
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	66,084,693	47,342,009
Consumer deposits	13	185,196	216,464
Employee benefit obligation	15	1,125,558	894,403
Unspent conditional grants and receipts	14	9,028,438	25,788,956
		76,423,885	**74,241,832**
Non-Current Liabilities			
Employee benefit obligation	15	25,769,737	21,693,073
Total Liabilities		**102,193,622**	**95,934,905**
Net Assets		**941,009,875**	**861,394,516**
Reserves			
Housing Development fund		2,133,415	1,986,085
Accumulated surplus	16	938,876,460	859,408,431
Total Net Assets		**941,009,875**	**861,394,516**

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

The Budget and Treasury Office's main responsibilities are to ensure that:

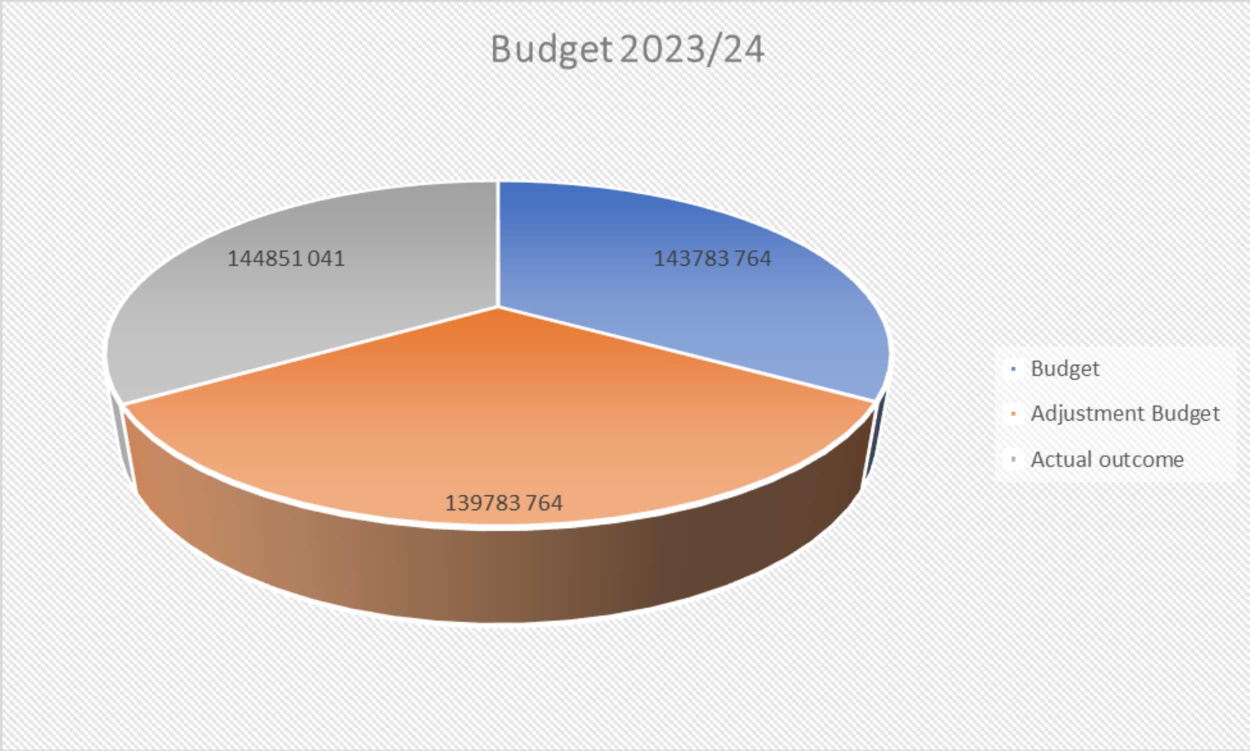
- The municipality's assets are safeguarded.
- The municipality's budget is achieved.
- The finances are properly accounted for and reported accordingly.

In implementing these functions there are key indicators to ensure their achievement. Deviations are explained.

The purpose of this report is to give an overview update on the progress of implementing these functions.

Financial Overview: 2023/24			
			R'
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	317,049,681	341,728,736	342,167,129
Taxes, Levies and tariffs	62,166,186	73,705,267	57,778,536
Other	3,152,995	3,152,995	20,580,911
Sub Total	382,368,862	418,586,998	420,526,576
Less: Expenditure	402,120,559	438,378,733	420,124,343
Net Total*	**-19,751,697**	**-19,791,735**	**402,233**
* Note: surplus/(deficit			

Operating Ratios	
Detail	
Employee Cost	35%
Current Ratio	R4.07c
Cash cost coverage	6months
Collection rate	81%
Capital expenditure to Total expenditure	26%
Level of cash backed reserves	Above 100%



Total Capital Expenditure: 2022/23 to 2023/24 Financial Years			R'000
Detail	2022/23	2023/24	2023/24
Original Budget	73,920,399	78,311,180	143,783,764
Adjustment Budget	84,280,025	86,665,931	139,783,764
Actual	63,545,832	75,545,053	144,851,041

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Taxation		25,546,585	48,915,720
Sale of goods and services		70,196,724	62,814,135
Grants		293,790,675	288,141,000
Interest income		42,000,936	13,978,362
		431,534,920	413,849,217
Payments			
Employee costs		(141,802,002)	(130,376,808)
Suppliers		(191,959,081)	(162,240,095)
Other payments		(136,746)	(324,760)
		(333,897,829)	(292,941,663)
Net cash flows from operating activities	45	**97,637,091**	**120,907,554**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(142,727,127)	(75,545,053)
Proceeds from sale of property, plant and equipment	10	1,192,678	1,086,867
Proceeds from sale of investment property	9	157,000	-
Purchase of intangible assets	11	(2,123,913)	-
Net cash flows from investing activities		**(143,501,362)**	**(74,458,186)**
Cash flows from financing activities			
Finance lease payments		-	(13,719)
Interest on reserves capitalised		147,330	107,660
Net cash flows from financing activities		**147,330**	**93,941**
Net increase in cash and cash equivalents		**(45,716,941)**	**46,543,309**
Cash and cash equivalents at the beginning of the year		254,524,824	207,981,515
Cash and cash equivalents at the end of the year	7&8	**208,807,883**	**254,524,824**

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023
Revenue			
Revenue from exchange transactions			
Service charges	18	73,544,048	61,433,607
Construction contracts	19	10,560,568	6,815,022
Rental of facilities and equipment	20	294,366	354,021
Interest income - Service charges	21	919,269	1,228,720
Licences and permits	22	984,777	547,007
Other income	23	2,764,386	3,586,648
Interest received - investment	24	26,748,038	20,010,444

Total revenue from exchange transactions		**115,815,452**	**93,975,469**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	58,320,526	51,761,585
Interest income - Property rates	26	3,459,757	2,627,819
Transfer revenue			
Government grants & subsidies	27	297,059,542	263,259,332
Fines, penalties and forfeits	28	1,583,588	1,001,853
Donated assets income	29	14,200	5,234,331
Total revenue from non-exchange transactions		**360,437,613**	**323,884,920**
Total revenue	17	**476,253,065**	**417,860,389**
Expenditure			
Employee related costs	30	(130,711,296)	(116,925,166)
Remuneration of councillors	31	(14,563,808)	(14,325,359)
Bad debts written off	32	(4,388,493)	(1,918,671)
Depreciation and amortisation	33	(31,488,912)	(30,062,529)
Finance costs	39	(3,134,616)	(3,322,630)
Lease rentals on operating lease	38	(2,272,751)	(1,175,012)
Debt impairment	37	(6,047,836)	(13,103,576)
Inventory consumed	34	(3,834,651)	(4,371,235)
Bulk purchases	35	(52,474,725)	(45,292,594)
Contracted services	40	(86,359,034)	(62,255,231)
General expenses	41	(60,092,620)	(42,496,847)
Total expenditure		**(395,368,742)**	**(335,248,850)**
Operating surplus		**80,884,323**	**82,611,539**
Loss on disposal/scrapping of assets	42	(500,517)	(6,079,512)
Fair value adjustments	43	1,541,000	30,180,500
Actuarial gains/losses	15	(217,970)	3,169,090
Impairment loss	36	(2,238,807)	(2,374,266)
		(1,416,294)	**24,895,812**
Surplus for the period		**79,468,029**	**107,507,351**

Chapter 5

ACCOUNTING OFFICER'S RESPONSIBILITYAND APPROVAL

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

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

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

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

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

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

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

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The annual financial statements set out on pages 6 to 88, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024 and were signed on its behalf by:

COMPONENT D: OTHER FINANCIAL MATTERS

a) Maintain alignment between the IDP, PMS and Budget Process

b) That monthly monitoring of SDBIP's and Capital Program through presentation conducted to the respective Portfolio Committees be a standing item.

c) That the financial system and performance management system be tightly aligned to ensure accurate and clear performance reports are prepared and submitted for the understanding of all stakeholders.

d) Monitoring and evaluation be strengthened were PMS, M, E & R Unit conduct monthly consultation verification meetings at least a month before the end of the quarter, and obedience to the timeframes that are as per the process plan.

e) Department to take ownership of cascading PMS to lower levels, and OPMSMER Unit to assist and report through all structures of the municipality, Top Manco, Manco, Departmental Meetings, Portfolio, Council and Executive Council.

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 the selected key performance area and on the municipality's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

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

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

Communication with those charged with governance

AUDITOR-GENERAL
SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL

Mandeni Municipality

For the year ended 30 June 2024

Report of the auditor-general to KwaZulu-Natal Provincial Legislature and the council on Mandeni Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mandeni Municipality set out on pages 550 to 645 which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mandeni Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

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

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

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

Emphasis of matters

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

Contingencies

7. With reference to note 47 to the financial statements, the municipality is the defendant in multiple litigations. The outcome of these matters was not determinable at year end and no provision for any liability that may result was made in the financial statements.

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.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 224, forms part of our auditor's report.

Report on the audit of the annual performance report

17. 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.

18. 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	Technical Services: 227-253 CSPS:265-270 EDPHS:299-300	Improve access to all infrastructure and services.
	AFS:550-651	

19. 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.

20. I performed procedures to test whether:

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

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

22. I did not identify any material findings on the reported performance information for the selected key performance area.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

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

25. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 29 to 37.

Basic service delivery

Targets achieved: 74%
Budget spent: 128%

Key service delivery indicator not achieved	Planned target	Reported achievement
Date of completion of the Installation of Streetlights on P415 & P459 in ward 3 by 30 June 2024	30 June 2024	Not achieved
Date of completing the Rehabilitation of Internal Roads (1.23kms) and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Rehabilitation of Mthombothi, Mbabala, Umgakla & Sondeza Internal Roads & Upgrade Associated Stormwater in Sundumbili, Ward 13 Phase 1) by 30 June 2024	30 June 2024	Not achieved
Date of completing the Rehabilitation of Internal Roads (1.6 kms) and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 2 & Ward 14 White City Section (Rehabilitation of Phumla, Indumiso and Malandela Internal Roads & Stormwater in Sundumbili, Ward 13 Phase 2 and Ward 14) by 30 June 2024	30 June 2024	Not achieved
Date of practical completion of the 735m Link Road between Masomonce and KwaSithebe Bus Route in Ward 12&13 by 30 June 2024	30 June 2024	Not achieved

Material misstatements

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

Report on compliance with legislation

27. 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.

28. 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.

29. 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.

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

Expenditure management

31. Reasonable steps were not taken to prevent irregular expenditure amounting to R6,26 million as disclosed in note 51 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

32. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R8,67 million, as disclosed in note 52 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Annual financial statements

33. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, expenditure and the cash flow statement identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

34. 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 Supply Chain Management Regulation 13(c).

35. 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.

36. Some of the quotations were awarded to bidders based on preference points that were not allocated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act and its regulations.

37. 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).

38. 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 Supply Chain Management Regulation 17(1)(a) and (c).

Other information in the annual report

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

40. 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.

41. 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.

42. I did not receive the other information prior to the date of this report. When I do receive and read this information, and 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

43. 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.

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

45. Controls and processes including reviews over financial reporting were not effectively implemented by senior management in specific areas, which resulted in material adjustments.

46. Management did not exercise adequate monitoring of compliance with relevant laws and regulations in expenditure management as well as procurement and contract management.

Other reports

47. 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.

48. An independent consultant investigated an allegation of misappropriation and fraudulent use of the fuel master tag at the request of the municipality, covering the period 29 January 2022 to 18 February 2022. The final report was provided to the municipality on 05 July 2022 with recommendations. The municipality implemented consequence management for two employees who were subjected to formal disciplinary proceedings and subsequently dismissed.

Auditor-General

Pietermaritzburg

29 November 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 the selected key performance area and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(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)

Legislation	Sections or regulations
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment 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)

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)

Legislation	Sections or regulations
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment 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)

MANDENI MUNICIPALITY DRAFT AUDIT ACTION PLAN

No.	AUDIT QUERY	ROOT CAUSES	RECOMMENDATIONS	MANAGEMENT ACTION PLAN	TARGET DATE	RESPONSIBLE PERSON	PROGRESS TO DATE BY MANAGEMENT	INTERNAL AUDIT OBSERVATIONS	STATUS
A	UDIT REPORT FINDINGS								

1	**Suppliers in service of the state** a) During the audit of procurement and contract management conflicts of interests, the below suppliers were identified to have been in service of another state institution. The following responses and explanations were provided to the AG in relation to this finding: • TEMBE KHESWA NXUMALO: Mr. MMS Nxumalo was appointed by the KZN Treasury to serve on the MBAT. He is not employed by the state. He receives reimbursement	Delays on CSD to update people who have recently been employed in the sevrice of the state.	The accounting officer should investigate these suppliers for any possible misrepresentation and implement the necessary remedial measures such as recovering the funds spent, instituting disciplinary proceedings against those liable for such actions, and also possible criminal prosecution as may be appropriate in accordance with MFMA circular 62 and Municipal SCM Regulations 38.	1. The Municipality will write to those companies that have directors who in the service of the state and inform them to desist from engaging in government quotations or bids. 2. Management will seek advise from Provincial Treasury through a formal letter on how the municipality should treat those individuals who are only serving on the Provincial Treasury's MBAT/Board.	2025/01/31 2025/01/31	SCM Manager CFO			

	s for claims made and to facilitate these payments, it was deemed necessary to create a persal number for him. See attached letter from the KZN Treasury. The CSD also does not declare him as a government employee • KUKHANYA PROJECTS: Management is in possession of an affidavit from one of the company's directors indicating that R TYOBEKA is not a director of Kukhanya Projects. Additionally, there is correspondence provided that was sent to Kukhanya Projects by two other Municipalities								

	regarding the same finding by the AG. The CSD of Kukhanya Projects does not declare NJ Fatuse or HL Hardy as directors of this company. • NZAMAKHUZE HOLDINGS: the director was an employee of the Johannesburg Water and resigned on January 2017. He was appointed as Director of the company in September 2017 • SHAKALAND TECHNICAL COLLEGE: this was not a procurement process but rather the payment of bursary funds for Municipal official.								

	Paperwork is attached • BBM HOT CHILLIES: the director was appointed on the 1st of November 2023 by the department of transport. It is management's contention that the director was not yet appearing as an employee of the state as the date of the first purchase order. • AZOPHUMELELA PROJECTS: the director has been identified as an employee of MUT as an administrator. • GASOLO AND MASINA: the director was a learner and receiving a stipend from								

	the department. • SON OF X PROJECTS: the director was appointed on the 29th of August 2023 by the department of transport and the purchase order was processed on the 1st of September 2023. It is management's contention that the director was not yet appearing as an employee of the state as at the 1st of September 2023. • PITSHI AND COMPANY: the official concerned has deposed an affidavit stating that he was not employed by the government at the time of the order being								

	awarded. He ceased employment in June 2021. • OLUNGAWELWA: Management is in possession of an affidavit from Innocent Sifiso Shande indicating that he is not a director of this company nor any relationship with Andile Mzimela. Further to that we have also verified CSD and confirmed that he is not the director of this company. • INQUBEKO YAMANINA: MV Mhlongo was appointed as a General Assistance from this period 2016/03/14 up until 2016/08/09								

	(Attached Payroll Extract) Further to that MV Mhongo served as a Councillor for a period of 5 years from 2016/08/10 up to 2021/11/09 (Attached Payroll Extract). However, the employee mentioned at the time the order was awarded, he was no longer an employee nor Councillor of the municipality.								

2	**Unauthorized, irregular fruitless and wasteful expenditure not prevented** In terms of section 62(1)(d) of the MFMA, the accounting officer must take reasonable steps to prevent unauthorized, irregular, or fruitless and wasteful expenditure. In terms of section 62(1)(d) of the MFMA, the accounting officer must take reasonable steps to prevent unauthorized, irregular, or fruitless and wasteful expenditure. **During 2023/24 FY,**	The Fruitless and Wasteful expenditure for the year under review mainly consist of two creditors, Eskom (>20%) and the Department of Labor and employment (>70%). Eskom charges are persistent, and they always emanate from the parastatal's capacity to allocate funds as they are received. Penalty charges all relates to the small Municipal internal use accounts which consist of various accounts relating to all facilities	The accounting officer must develop and implement a SCM compliance checklist, which encompasses all of the requirements of the applicable SCM laws and regulations. This checklist must be signed and dated by the relevant officials as confirmation that all requirements were complied with in order to isolate accountability within the different stages of the procurement process. This compliance must be audited by internal audit as part of its audit coverage plan. • Management to develop stronger controls so as to prevent fruitless and wasteful expenditure and in a timely manner. • The accounting officer should further improve the monitoring of the achievement on the audit action plan and recommendations by	1. Going Forward, Management will continue to facilitate engagements with Eskom through the MEC champion and Cogta. 2. Management will also draft a formal dispute to the National Department of Labor and Employment and will further facilitate the training our officials to fully comprehend the complexity of Coida and it implications in the life of ordinary employees.	31 Janaury 2025 28 February 2025	Manager Treasury Director Corporate Services/HR Managerf			

	management reported irregular expenditure amounting to R2 057 320.00 to Council which came as a result of the following transactions; *- The appointment of service provider (Square Meter) did not follow SCM processes - the extension of lease agreement with Square Meter for EDPHS Offices at Renckens.* *- Non-Compliance with Section 12(3) of SCM Policy which prohibits the deliberate splitting of orders to avoid undergoing competitive bidding*	owned by the Municipality in the Eskom's jurisdiction of supply. The planning and coordination of the SALGA games is controlled at the District Municipality. Part of the planning process is for the District Municipality to communicate, as early as possible, to the Mandeni Municipality what sporting codes (among other critical items) are to be observed during the upcoming games. If this is communicate d in time, it gives Mandeni Municipality enough time to plan its own	internal and external auditors to ensure that the findings are not repeated. Management must ensure the annual budget is prepared to adequately carter for the operating expenditure requirements of the entity. Management must develop stronger expenditure monitoring controls in respect of all expenditure being incurred are in line with the budget to prevention unauthorised expenditure.						

	processes for SALGA Games for December 2022 as well as December 2023. **During 2023/24 FY, management reported fruitless & wasteful expenditure amounting to R136 741 to Council which came as a result of the following transactions;** **-** *Interest incurred on Eskom invoices and the Department of Labour.*	requirements and embark on an SCM process which would encompass all the items that are needed. Unfortunately, the inability of the District Municipality to effectively communicate rendered us paralyzed in so far as compiling our own procurement strategy Payments made to Square Meter for the lease of office space to accommodate EDHPS Staff. This was due to a shortage of office space in accommodating municipal staff within the main offices.							

3	**Procurement processes not followed** Paragraph 12(6) allows the following exemptions which are not in compliance with the SCM regulations: a) Training conducted by other organs of state; b) Repairs to radios and repeaters for communication ; c) Goods or services sourced from a manufacturer or manufacturing agency e.g. vehicles and plant services; electrical equipment, repairs to emergency lights and sirens, calibrations or repairs to	Supply Chain Management (SCM) policy not in line with SCM regulations The incorrect application and interpretation of SCM policy following the vetting by the Provincial Treasury.	• Management must implement proper control processes at the evaluation stage of the award process to ensure that bidders meet requirements of legislation before awards are made. Such control processes must include properly completed tender evaluation forms and checklists. • The CFO must revisit other awards that may have similar non-compliance and disclose expenditure incurred from those awards as irregular expenditure. • All adjustments made must be presented to the auditors with supporting evidence for further review.	1. Review SCM Policy to be aligned with SCM Regulations and remove paragraph 12(6) which covers non-applicable exemptions. 2. The revised SCM Policy will be tabled in the next EXCO and next Council meetings 3. Review SCM Policy to be aligned with SCM Regulations and remove the non-applicable exemptions. 4. Disclosure of the irregular appointment and associated expenditure and report to Council. 5. Extract all payment	31-Jan-25 31-Jan-25 20-Dec-24	SCM Manager SCM Manager Manager SCM			

	speed timing machines, meters (as per appointed service provider), meter reading, fire equipment; d) Sage Pastel system (or as per the appointment), Microsoft Software, Payday meal vouchers for standby staff; e) certified local taxi associations with route permit; f) Procurement of artists and programme directors: That one quotation be sourced from the preferred Artist or Programme Director subject to the approval of the Accounting Officer; **Upon**			vouchers for all payments processed from July to date for the following Service Providers GASOLO, BELL, CFO Toyota and ISUZU so as to ensure that deviation forms, CSD and MBD 4 are attached on these vouchers					

	inspection of the following quotations, we noted that SCM process were not followed which result to irregular expenditure: - Tender Morganite - Gasolo and Masina - Bell Equipment Sales South Africa - Multi Crane - Cfoa Mobility								

4	**Incorrect allocation and calculation of preference points** During the audit of procurement and contract management, we performed a recalculation of the total points granted to the bidder based on the stipulated specific goals in the bid document. We identified differences between the total points as per the auditor's recalculation and management's calculations as per evaluation forms. The above finding relates to the following two (2) bids: *- Quotation No. 62/23/24 was*	Formulaes on standard templates used to perform the calculations may be corrupt.	• Management should implement proper control processes at each stage of evaluation process to ensure that bids are evaluated correctly, and the allocation and calculation of points is done correctly. Such control processes should include a properly completed checklist for each stage of the process to ensure that all criteria are adhered to during the bid evaluation process. • Management should quantify all payments made to the suppliers and disclose such expenditure as irregular expenditure in the financial statements. Management should also revisit the population to identify any awards that may have been made using similarly flawed application of criteria.	1. Go back in all Quotations processed from July to date so as to verify if allocation of points claimed and calculation of points are in accordance with PPPFA. 2. If there is anything identified management will have to disclose such expenditure as part of Irregular appointments. 3. Management will go back and check formulaes on standard templates used for the calculations and correct any gaps that may be identified	2025/01/31 2025/01/31 2025/01/31	SCM Manager SCM Manager SCM Manager			

	awarded to Fana Manufacturing to Supply & Deliver Tracksuits for Athletes for an amount of R199 525 *- Quotation No. 3/23/24 was awarded to Takur Trading to Supply and Deliver Brushcutters for an amount of R95 450*								

5	**Awards made to persons whose tax matters were not in order** Section 43(1) of the SCM policy stipulates that no award above R30 000 may be made in terms of this policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order. Section 43(2) says that before making an award to a person the Municipal Manager must first check with SARS whether that person's tax matters are in order. The following award was made to a bidder whose	The SCM unit was experiencing challenges with the CSD system during the awarding of these orders. It is normal that, at times, accessing the CSD portal is not possible for various reasons. None verification of suppliers tax compliant status at the time of signing an order.	• Proper control processes should be implemented at the tender evaluation and adjudication stages of the award process to ensure that bidders meet requirements of legislation before awards are made to them. Such control processes must include properly completed tender evaluation and tender adjudication checklists as required by the municipality's own SCM policy. • The CFO should revisit other awards that may have similar non-compliance and disclose expenditure incurred from those awards as irregular expenditure. All adjustments made must be presented to the auditors with supporting evidence for further review.	1. When the CSD is not accessible, the SCM will not make any awards until CSD is accessible and such will be communicated with the affected user departments. 2. Tax compliant status will be verified prior to signing the order for all quotations. 3. Go back to all Quotations processed from July to date so as to verify if awarded suppliers tax matters were in order. 4. If there is anything identified management will have to disclose such expenditure as	On going On going 31 January 2025 On going On going	SCM Manager SCM Manager SCM Manager SCM Manager SCM Manager			

	tax matters at the time of award was not tax compliant; *- Bid No. 09/23/24 was awarded to Star Ambition (Pty) Ltd to provide the Training Programme for Competency Certificates for Operators for an amount of R191 360* *- Bid No. 87/23/24 was awarded to TMK Consulting to Render Caseware Training for an amount of R243 375*			part of Irregular appointments. 5. Suppliers tax compliant status will be verified prior to issuing orders.					

6	**Non-compliance with the CIDB regulations** During the audit of competitive bids awarded by the municipality, we noted that the bid listed below was awarded to a registered contractor who tendered outside the tender value range associated with their contractor grading designation. i.e. the winning contractor's offer was higher than the maximum amount in which the contractor is considered to be capable of executing the contract as per their grading in terms of regulation 17.	Non-implemetation of SCM Committee compliance checklists which have been developed with the assistance of Provincial Treasury at SCM unit.	• Management should enhance the review and monitoring of compliance with applicable laws and regulations in order to avoid the re-occurrence of the above mentioned instance of non-compliance. • Management should obtain further technical guidance on the interpretation and applicability of regulation 25(7A) and all the relevant requirements associated with the application of regulation 25(7A) in order to ensure that the regulation is applied in relevant tenders going forward. • The irregular expenditure needs to be investigated to determine whether any official is liable for losses incurred as a result of this expenditure. Disciplinary steps must be taken against officials who	1. Disclosure of the irregular appointment and associated expenditure and report to Council. 2. BEC Checklist will be reviewed by adding budget estimate and CIDB maximum grading for the project which must be checked by bid committee members. 3. The reviewed BEC Cheklist will be reviewed by BAC members prior implementatio n.	2025/01/31 2025/01/31 2025/01/31	SCM Manager BEC Chairperson BAC Chairperson			

	- *Akha Holdings was appointed for the beautification of Sundumbili Township Entrance in Ward 15 for an amount of R1 383 546.95*		caused or permitted the irregular expenditure and losses incurred must be recovered from the person liable.						

7	**Interest paid and received not disclosed separately** During the audit of the statement of cash-flow, it was noted that the cash interest paid and received was not disclosed separately as required by GRAP 2. Furthermore, the amount disclosed as interest was understated by R5 499 730 as a portion of the amount was accounted for under taxation and sale of goods and services.	Final adjustment that we made on AFS prior submission to Auditor General.	Management must adjust the statement of cashflow and ensure that the cash flow statement is accurate and supported.	1. Management will prepared interim finacial statements and interest received and interest piad will be disclosed separated in line with GRAP standards.	31-Mar-25	CFO			

8	**Statutory receivables - Allowance for impairment, input (Billed revenue) does not agree to the underlying schedules audited.** During the audit of statutory receivables – allowance for impairment, the billed revenue input we noted that for the following debtors, the billed revenue included in allowance for impairment calculation does not agree to the audited annual billing schedule for property rates. This resulted in a projected disagreement overstatement of R 61 749 407.80 on the	Delays in appointing an expert to assist with performing debt impairment calculations.	Management must ensure that the allowance for impairment is calculated accurately and that inputs used in the calculation are accurate, complete and aligned with other relevant sources submitted for audit. Management must adjust the annual financial statements to ensure the statutory receivable - allowance for impairment is reported at an amount that is accurate, correctly valued and allocated. Management must revisit the entire population, correct and resolve the error on the allowance for impairment of all debtors affected. Management must ensure adequate reviews are in place to ensure that inputs in calculations and final output amounts that are reported and disclosed in the	1. An expert who will assist with debt impairment calculations will be appointed in March during the preparation of interim financial statements.	31-Mar-25	Manager Treasury			

	Statutory receivables – allowance for impairment. Management needs to update the impairment calculation and re-confirm the provision raised to confirm the correct adjustment.		financial statements are correctly determined.							

9	**Measures taken to improve performance are not aligned to the KPI and are not supported by corroborating evidence** Measures aimed at improving the performance for targets not achieved were reported. However, the reported measures were not specific to the KPIs and are not adequately detailed to appropriately provide a comprehensive improvement plan to achieve the reported targets. Furthermore, measures aimed at improving performance against targets	Lack of adequate reviews of Annual Performance Report by management.	Head of department should ensure adeqaute review of the departmental scorecards for their respective departments prior to submission to PMS office	1. Management will revisit all KPI's and check alignment and make necessary adjustments	28-Feb-25	Directors/CFO			

	were reported. However, I could not determine if the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.								
B	**ISSUES NOT IN THE AUDIT REPORT HOWEVER WHICH NEEDS THE ATTENTION OF MPAC**								

1	**Quotations with indicators of splitting identified** In terms of Municipal Supply Chain Management Regulations paragraph 12(3) it is stated that, “Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single	Lack of proper planning of procurement by departments. Non-implemetation of quotations compliance checklists which have been developed with the assistance of Provincial Treasury at SCM unit. Workflow of requisitions on the system which exclude middle magers.	• Management should develop and implement adequate processes to ensure that orders made are compliant with all requirements of SCM regulations. • Management should revisit the entire population to identify other instance of order splitting.	1. Go back in all Quotations processed from July to date and verify if there were no quotation awarded resulting in splitting of order. 2. If there is anything identified management will have to disclose such expenditure as part of Irregular appointments. 3. Review all the requisitions issued so as to ensure that there is no splitting of quotations prior to issuing of advert. 4. ICT to asist by adding middle managers to be part of the	2025/01/31 Monthly Going forward - Monthly 2025/01/31 2025/03/31 2025/01/31	SCM Manager SCM Manager SCM Manager ICT Manager CFO SCM Manager			

	transaction." During the audit of quotations, it was noted that the below listed goods were split into two for the below awards to avoid the requirements of competitive bidding process: - The requisitions for both Quotation No.37/23/24 & Quotation No.39/23/24 were raised on the same date, on the 8th of September 2024, by Executive Secretary Technical Services and both requistions were for the Supply and Deliver Electrical Materials. - *Quotation No.39/23/24*			requisitions process workflow. 5. Budget and Reporting Unit to facilitate training of managers on how to review the requisitions on the system before approval by Head of Departments. 6. SCM Unit to engage CCG regarding the possibility of activating the function that will detect splitting of orders.					

	was awarded to Nozibusiso Legacy (Pty) Ltd for an amount of R77 000 *- Quotation No.37/23/24 was awarded to Nosekwazi Trading (Pty) for an amount of R154 000*								

2	**Non-compliant bidder awarded** During the audit of quotation 93/23/24 for the Design, layout and print of the Mandeni municipality annual report, we noted that award was unfairly made to Gwizz Graphic creations (pty) Ltd for an amount of R101 200 due to the following reasons. • *It was noted that Gwizz creation did not submit a certified copy of the most recent municipal account.* • *The tenderer also did not submit a full lease*	Non-implemetation of checklists which have been developed with the assistance of Provincial Treasury at SCM unit.	• Management should implement proper control processes at each stage of evaluation and adjudication processes to ensure that bids are evaluated correctly and that those not meeting the qualifying criteria are disqualified and their bids are not considered further. Such control processes should include a properly completed checklist for each stage of the process to ensure that all criteria are adhered to by the various committees during the bid evaluation and adjudication processes. • Management should quantify all payments made to the supplier and disclose such expenditure in the financial statements. Management should also revisit the population to identify any awards that may have been made	1. All purchase order to be accompanied by quotations compliance checklist of all the returnable documents prior to approval and the checklist will be signed by preparer and reviewer as evidence of review.	On going	SCM Manager			

	agreement and certificate from the landlord indicating that the levies are not in arrears as stipulated in the advertisement • *The tenderer should have been disqualified as they did not meet all the mandatory requirements of the tender.*		using similarly flawed application of criteria.						

LEGENDS

	RESOLVED
	UNRESOLVED
	IN PROGRESS/ ON-GOING
	ACTION PLAN NOT DUE AS YET

APPENDICES

APPENDIX A

(Councillors; Committee Allocation and Council Attendance)

COUNCILLORS

Councilors are elected by the local registered voters in terms of the local segment of the Voter's Roll to serve a predetermined term of office on the local council as representatives of their respective constituencies. Mandeni Local Municipality has a total of 35 seats. Eighteen (18) of these seats are allocated to ward councilors who are elected by each of the eighteen wards. Another seventeen (17) seats are allocated top parties through the proportional representation system of elections.

ALLOCATION OF COMMITTEES

Mandeni Local Municipality has five (5) Section 80 Committees established by Council. Each one of these committees is chaired by the members of Executive Committee, and the allocation is as follows:

A. ECONOMIC DEVELOPMENT AND HUMAN SETTLEMENT				
1.	CLLR	SZ	MDLETSHE	ANC -Chairperson
2.	CLLR	MC	MKHALIPHI	ANC
3.	CLLR	S	NTULI	ANC
4.	CLLR	N	MPANZA	IFP

5.	CLLR	F	GINA	IFP
6.	CLLR	N	KHUZWAZYO	EFF
7.	CLLR	SS	MDUNGE	ANC

B. INFRASTRUCTURE DEVELOPMENT TECHNICAL SERVICE				
1.	CLLR	ST	MAGWAZA	ANC -Chairperson
2.	CLLR	DGP	MTHEMBU	ANC
3.	CLLR	S	MTHEMBU	ANC
4.	CLLR	ST	THWALA	ANC
5.	CLLR	N	MPANZA	IFP
6.	CLLR	M	NCANANA	IFP
7.	CLLR	SJ	MATHONSI	AIC

C. LOCAL PUBLIC ADMINISTRATION HUMAN RESOURCE				
1.	CLLR	MS	MDUNGE	IFP -Chairperson
2.	CLLR	S	MABHIDA	ANC
3.	CLLR	N	NXUMALO	ANC
4.	CLLR	MB	NGIDI	ANC
5.	CLLR	SJ	MATHONSI	AIC
6.	CLLR	Z	NXUMALO	IFP
7.	CLLR	X	MATHONSI	ANC

D. FINANCE				
1.	CLLR	TP	MDLALOSE	ANC -Chairperson

2.	CLLR	CT	MHLONGO	ANC
3.	CLLR	NO	DLADLA	ANC
4.	CLLR	ME	NDWANDWE	EFF
5.	CLLR	N	NCUBE	IFP
6.	CLLR	LS	ZUNGU	IFP
7.	CLLR	MB	NGIDI	ANC

E. COMMUNITY SERVICES AND PUBLIC SAFETY				
1.	CLLR	BL	MAGWAZA	ANC -Chairperson
2.	CLLR	SS	MDUNGE	ANC
3.	CLLR	ST	THWALA	ANC
4.	CLLR	CL	MTHEMBU	ANC
5.	CLLR	SP	NAICKER	DA
6.	CLLR	ME	NDWANDWE	EFF
7.	CLLR	BA	KHUMALO	IFP

POLITICAL DECISION-TAKING

The Standing Rules and Orders of Council and various pieces of legislation including the Constitution of the Republic of South Africa provides for the processes of decision making by Council.

All issues pertaining to the matters listed below are dealt with by Council and the resolution passed through the supporting vote of the majority of members of Council:

a) Approval of Budget

b) The imposition of rates and taxes, levies and duties.

c) The passing of By-laws.

d) The raising of loans.

Other matters are delegated to the Executive Mayor in terms of Section 59 of the Municipal Systems Act. The Executive Mayor must report to Council on the execution of duties delegated to her. All other matters before Council are decided by the majority of votes cast in a particular meeting.

If on any matter there is an equality on votes cast, the Speaker exercise a casting vote in addition to that of him being a Councillor.

Before a Council passes a resolution on any of the following matters it shall first require the Mayor to play his executive role and submit a report and recommendation to the full sitting of Council.

a) The passing of By-laws

b) The approval of budgets

c) The imposition of rates

d) The raising of loans

e) The approval of the IDP and any amendments or reviews of this plan.

f) The appointment and conditions of service of the Municipal Manager and Managers directly accountable to the Municipal Manager.

g) And any other powers and functions as prescribed by various pieces of legislation.

APPENDIX B

COMMITTEES AND COMMITTEE PURPOSES

FINANCE PORTFOLIO COMMITTEE

CONSTITUTION:

1. Name and Status

The finance portfolio committee is a standing committee appointed in terms of section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

2. Membership

The committee shall consist of:

2.1 Chairperson appointed by council.

2.2 Seven (7) Councilors appointed by the council; and

2.3 The Mayor as a voting Ex-Officio member, please note here the Mayor is the chairperson.

3. Quorum

The quorum of the committee shall be not less than fifty percent [disregarding fractions] plus one (50% [disregarding fractions] +1) of current members (excluding the mayor).

4. Rules of Procedure

The Rules of Order of the council, insofar as they govern Committees, shall apply to the Committee.

5. Functions

5.1 The committee shall monitor, investigate, enquire into, and make recommendations to the Executive committee relating to any aspect affecting the Council in connection with the following functions:

(a) Budget and Reporting
(b) Revenue Management and Enhancement
(c) Expenditure Control
(d) Supply Chain and Contract Management
(e) Financial Management
(f) Anti-Corruption and Anti-fraud strategy

5.2 The committee shall also monitor, investigate, enquire into, and make recommendations to the Executive Committee on any other matter referred to it by the Executive Committee for such monitoring, investigations or enquiry.

5.3 In carrying out its functions the committee:

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.
5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6. Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1 Aspects of policy in respect of the functions of the Committee.
6.1.2 All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.
6.1.3 Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.
6.1.4 Any amendments to the terms of reference of the committee

7. General Policy Functions

The Committee may:

7.1 Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

7.2 Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.

7.3 Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

COMMUNITY SERVICES AND PUBLIC SAFETY AND SECURITY PORFOLIO COMMITTEE

Constitution:

1 Name and Status

The Community Services and Public Services Portfolio Committee is a standing Committee appointed in terms of section 80 Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

2 Membership

The committee shall consist of:

2.1 Chairperson appointed by council.

2.2 Seven (7) Councilors appointed by the council; and

2.3 The Mayor as a voting Ex-Officio member.

3 Quorum

The quorum shall be not less than fifty percent (disregarding fractions) plus one (disregarding fractions) (50% + 1) of current members (excluding the Mayor).

4 Rules of Procedure

The Rules of Order of the Council, insofar as they govern Committees, shall apply to the Committee.

5 Functions

5.1 The Committee shall monitor, investigate, enquire into and make recommendations to the Executive Committee relating to any aspect affecting the Council in connection with the following functions:

(a) Libraries
(b) Museum
(c) Beach Amenities
(d) Marine Safety
(e) Sports and Recreation
(f) Verge Maintenance
(g) Cemeteries
(h) Pounds
(i) Emergency Services (Traffic and Fire)
(j) Security Services
(k) Disaster Management
(l) Communications
(m) Vehicle Licensing
(n) Trade Licensing
(o) General Law Enforcement
(p) Environmental Health
(q) Personal Health
(r) Youth Development Initiatives
(s) Gender Related Programme
(t) Programme of Children and Elderly
(u) Programmes Related to the Disabled Persons (Persons Living with Disabilities)
(v) Stakeholder Coordination (Operation Sukuma Sakhe)

(w) Programmes dealing with promotion of preventative measures on HIV/AIDS Coordinate Activities of Local Aids Council Coordination of programmes dealing with promotion of preventative measures on HIV/AIDS and other related programmes for those infected and affected

(x) Coordinate Activities of Local Aids Council.

5.2. The Committee shall also monitor, investigate, enquire into and make recommendations to the Executive Committee for such monitoring, investigations or enquiry.

5.3. In carrying out its functions the Committee

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.

5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6. Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1 Aspects of policy in respect of the functions of the Committee.

6.1.2 All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.

6.1.3 Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.

6.1.4 Any amendments to the terms of reference of the committee

7. General Policy Functions

The Committee may:

7.1 Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

7.2 Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.

7.3 Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

ECONOMIC DEVELOPMENT, PLANNING, COMMUNITY DEVELOPMENT & HOUSING PORTFOLIO COMMITTEE

Constitution:

1. Name and Status

The Economic Development, Planning, Community Development and Human Settlement Portfolio Committee is a standing committee appointed in terms of section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

2. Membership

The Committee shall consist of:

1. Chairperson appointed by Council.
2. Seven (7) Councilors appointed by the Council; and
3. The Mayor as a voting Ex-Officio member.

3. Quorum

The quorum of the Committee shall be not less than fifty percent [disregarding fractions] plus one (50% [disregarding fractions] +1) of current members (excluding the mayor).

4. Rules of Procedure

The Rules of Order of the Council, insofar as they govern Committees, shall apply to the Committee.

5. Functions

5.1 The Committee shall monitor, investigate, enquire into and make recommendations to the Executive Committee relating to any aspect affecting the Council in connection with the following functions:

(a) Town Planning
(b) Spatial planning
(c) Local Economic Development
(d) Community Development
(e) Environmental Conservation
(f) Building Control
(g) Integrated Development Plan
(h) Local Tourism
(i) Business Licensing and Business Development (SMMes) and Cooperatives)
(j) Agriculture Development
(k) Human Settlements and Housing (Including Housing Sector Plan)
(l) Implementation of Building Regulations and By-Laws
(m) Environment and Coastal Management
(n) Land Reform

5.2 The Committee shall also monitor, investigate, enquire into, and make recommendations to the Executive Committee on any other matter referred to it by the Executive Committee for such monitoring, investigations, or enquiry.

5.3 In carrying out its functions the Committee:

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.

5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6 Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1 Aspects of policy in respect of the functions of the Committee.
6.1.2 All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.
6.1.3 Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.
6.1.4 Any amendments to the terms of reference of the committee

7 General Policy Functions

The Committee may:

7.1 Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

7.2 Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.

7.3 Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

LOCAL PUBLIC ADMINISTRATION & HUMAN RESOURCES PORTFOLIO COMMITTEE

Constitution:

1. Name and Status

The Local Public Administration & Human Resources Portfolio Committee is a standing Committee appointed in terms of section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

2. Membership

The Committee shall consist of

1. Chairperson appointed by Council
2. Seven (7) Councillors appointed by the council; and
3. The Mayor as a voting Ex-Officio member

3. Quorum

The quorum of the Committee shall be not less than fifty percent (disregarding fractions) plus one (50 %) (disregarding fractions) + 1 of current members (excluding the Mayor).

4. Rules of Procedure

The Rules of Order of the Council, insofar as they govern Committees, shall apply to the Committee.

5. Functions

5.1. The Committee shall monitor, investigate, enquire into and make recommendation to the Executive Committee relating to any aspect affecting the Council in connection with the following functions:

(a) Local Public Administration with particular reference to Chapter 7 the Local Government: Municipal Systems Act, 2000.
(b) Human Resources.
(c) Labour Relations; and Employees Relations.
(d) Occupational Health and Safety.
(e) Performance Management.
(f) Information Technology.
(g) Municipal Administration and Auxiliary Services.
(h) Council Support.
(i) Policy Development.
(j) Public Participation and Ward Committee Coordination.
(k) Implementing resolutions taken by the LLF and HRDC.
(l) Communications.

5.2. The Committee shall also monitor, investigate, enquire into and make recommendations to the Executive Committee for such monitoring, investigations or enquiry.

5.3. In carrying out its functions the Committee

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.
5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6. Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1 Aspects of policy in respect of the functions of the Committee.
6.1.2 All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.
6.1.3 Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.
6.1.4 Any amendments to the terms of reference of the committee

7. General Policy Functions

The Committee may:

a. Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

b. Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.

c. Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

INFRASTRUCTURAL AND TECHNICAL SERVICES PORTFOLIO COMMITTEE

Constitution:

6. Name and Status

The Infrastructural and Technical Services Portfolio Committee is a standing committee appointed in terms of section 80 of the Local Government: Municipal Structures Act, 1998 to assist the Executive Committee.

7. Membership

The Committee shall consist of:

4. Chairperson appointed by Council;
5. Seven (7) Councillors appointed by the Council; and

6. The Mayor as a voting Ex-Officio member.

8. Quorum

The quorum of the Committee shall be not less than fifty percent (disregarding fractions) plus one (50%) (disregarding fractions) +1 of current members (excluding the Mayor).

9. Rules of Procedure

The Rules of Order of the Council, insofar as they govern Committees, shall apply to the Committee.

10. Functions

5.1. The Committee shall monitor, investigate, enquire into and make recommendations to the Executive Committee relating to any aspect affecting the Council in connection with the following functions:

(o) Water and Sanitation in conjunction with District Municipality
(p) Sewerage
(q) Roads
(r) Storm Water Drainage
(s) Electricity and Street lights
(t) Mechanical Workshops
(u) Fleet Management
(v) Cleansing & Waste Management
(w) Maintenance and Municipal Facilities
(x) Parks and Gardens
(y) Municipal Roads
(z) Maintenance of Municipal Facilities
(aa) Management of Capital Equipment and Technical Service Fleet
(bb) Telecommunication

5.2 The Committee shall also monitor, investigate, enquire into and make recommendations to the Executive Committee on any other matter referred to it by the Executive Committee for such monitoring, investigations or enquiry.

5.3. In carrying out its functions the Committee

5.3.1 Shall at all times ensure that it complies with all requirements of law in regards to public participation, the receipt of evidence or representation and similar matters.

5.3.2 Shall, subject to paragraph 4 hereof, determine the extent, nature and form of its proceedings.

6 Standing Authorities

6.1. Without derogation from the afore going and subject to the provisions of any law, the Committee is authorized to advise, from time to time, the Executive Committee and any Employee to whom specific powers have been delegated on:

6.1.1. Aspects of policy in respect of the functions of the Committee.

6.1.2. All bylaws, fees, tariffs which the council may enact or prescribe within the terms of reference of the committee.

6.1.3. Any legislation or proposed legislations falling within the terms of reference of the committee which the Council may adopt.

6.1.4. Any amendments to the terms of reference of the committee

7 General Policy Functions

The Committee may:

7.1 Appoint from within its own membership a sub-committee with powers to co-opt such other members as the sub-committee may deem fit, to consider and to report to the Committee on any matter falling within its terms of reference.

7.2 Refer to the Executive Committee for decision, with or without a recommendation, any matter falling within its terms of reference.

7.3 Consider all matters of a policy nature incidental to the above terms of reference and submit recommendations on such matters to the Executive Committee

APPENDIX C

THIRD TIER ADMINISTRATIVE STRUCTURE

Mandeni Municipality Organisation Structure
KZN 291

MANDENI

MUNICIPALITY

P.O.BOX 144
MANDENI
4490

TELEPHONE : 032-4568200 FAX : 032-4562567 WEBSITE: www.mandeni.gov.za

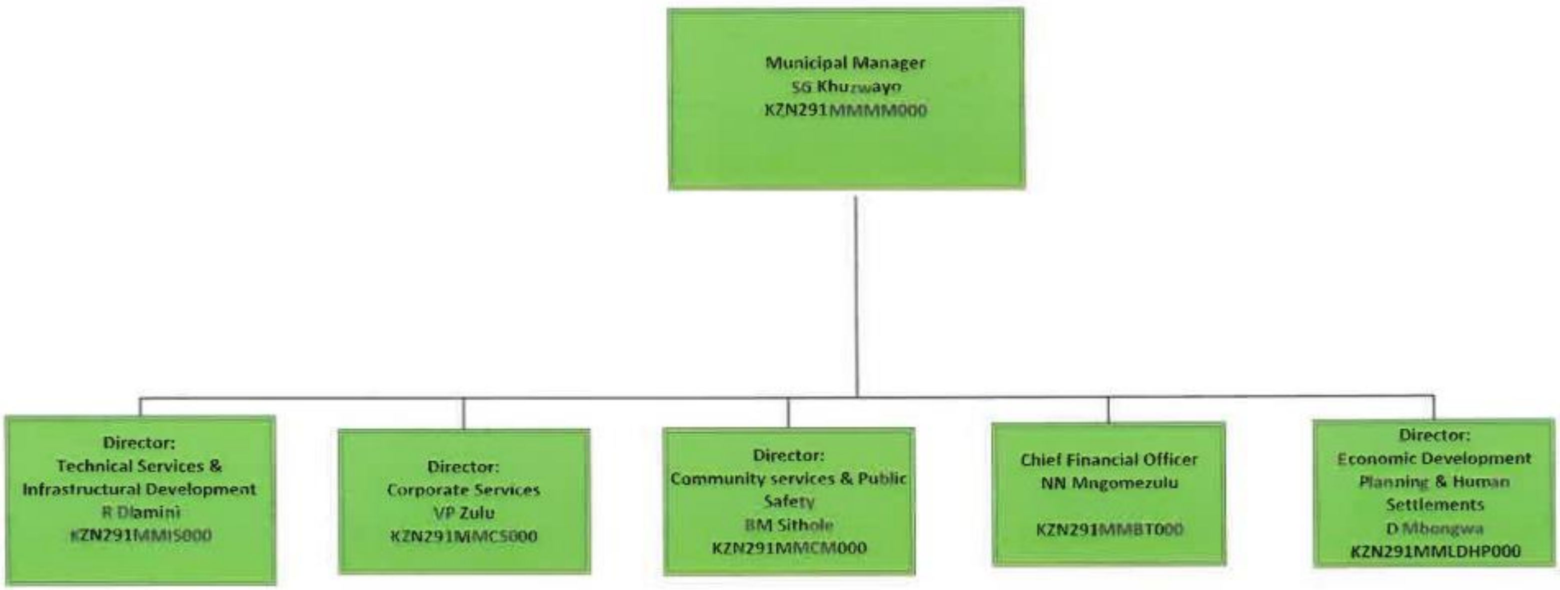
FINAL ORGANISATIONAL STRUCTURE
2023/34

31/05/2023

OCCUPIED /FILLED	VACANT WITH BUDGET	INTERNS (GRANT FUNDED)	OUTSOURCED
Green	Red	Yellow	No colour

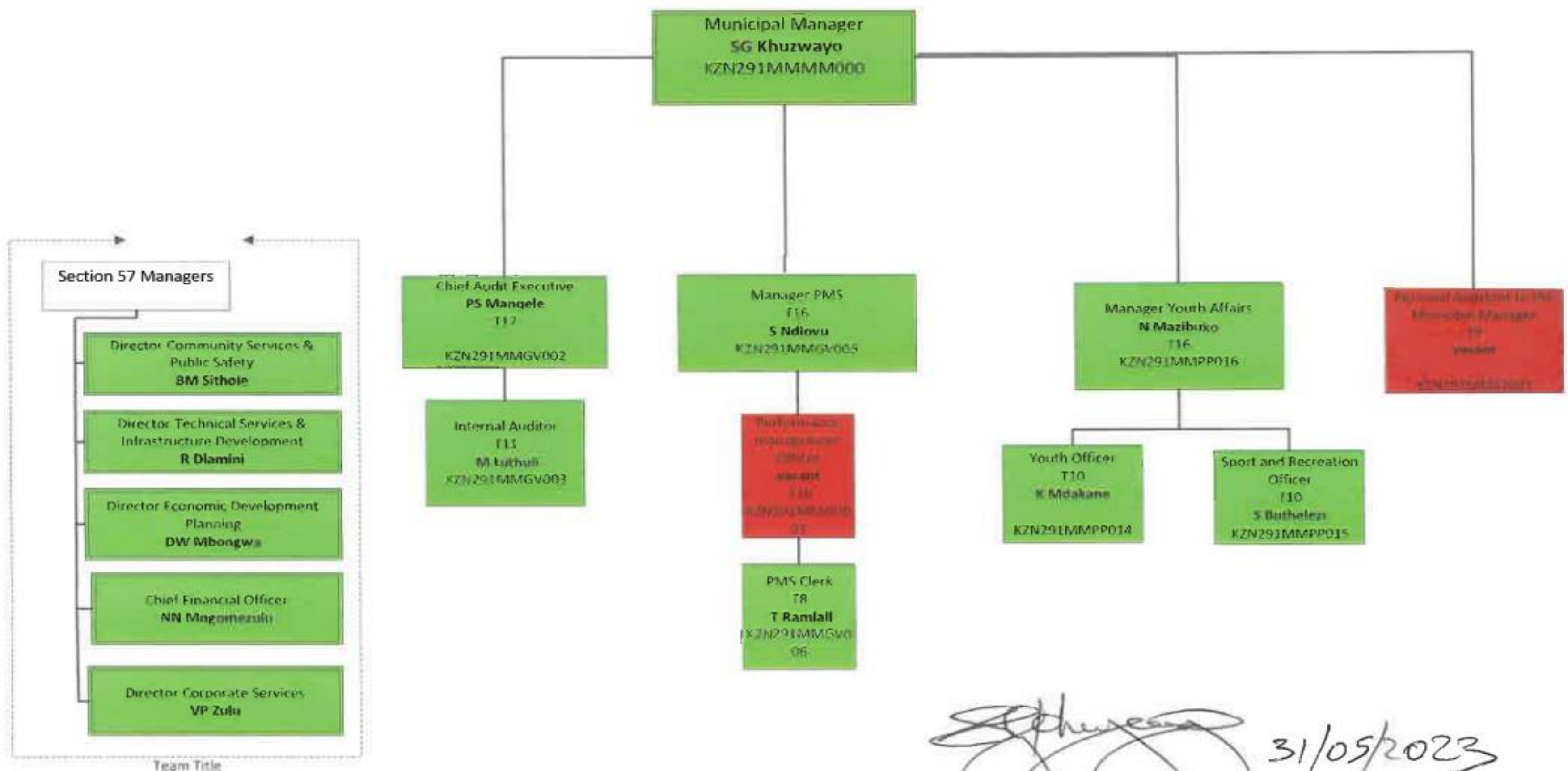
LEGEND

Mandeni Municipality Organisation Structure
KZN 291



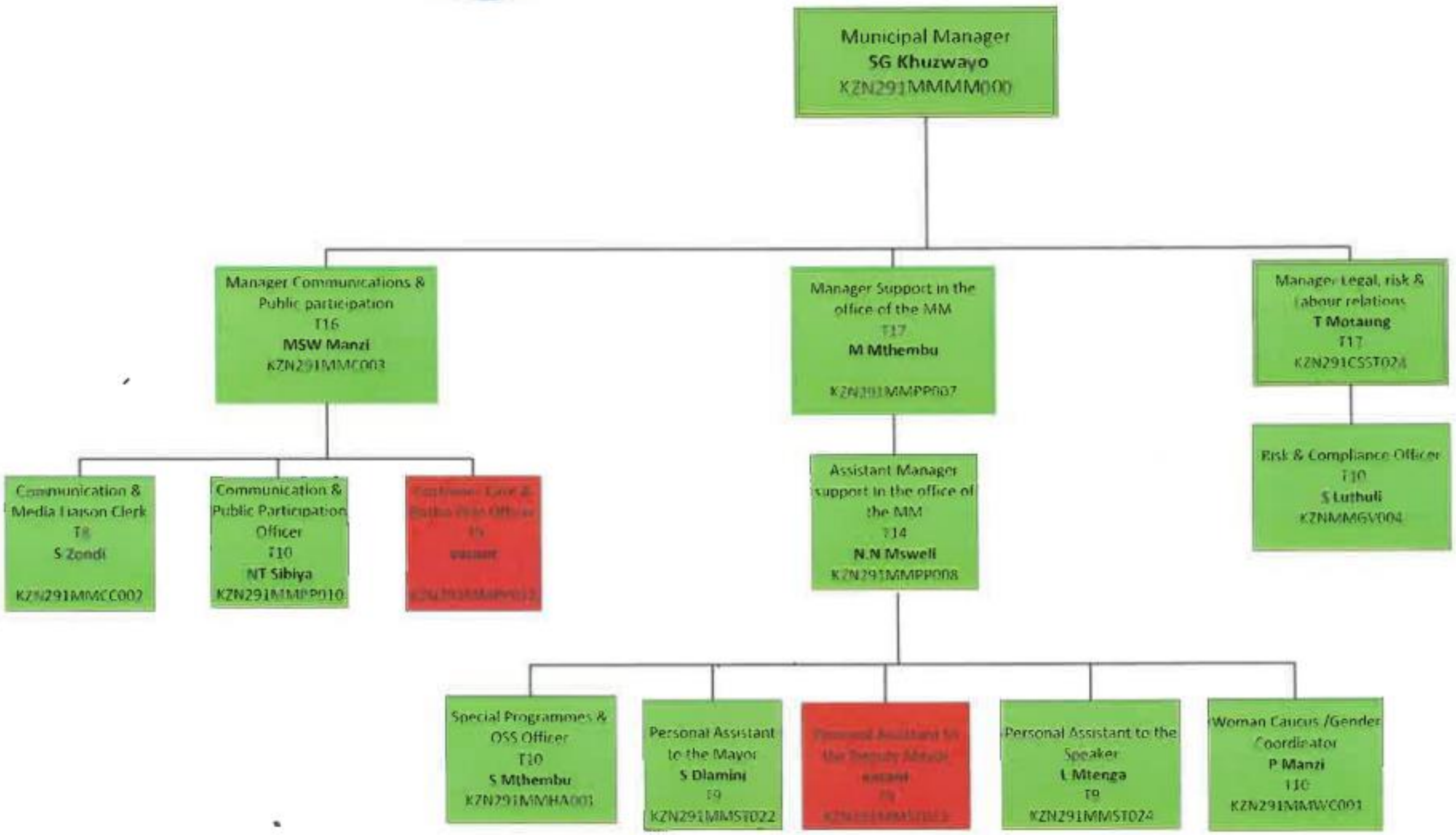
31/05/2023

Municipal Managers Office
(Page 1 of 2)

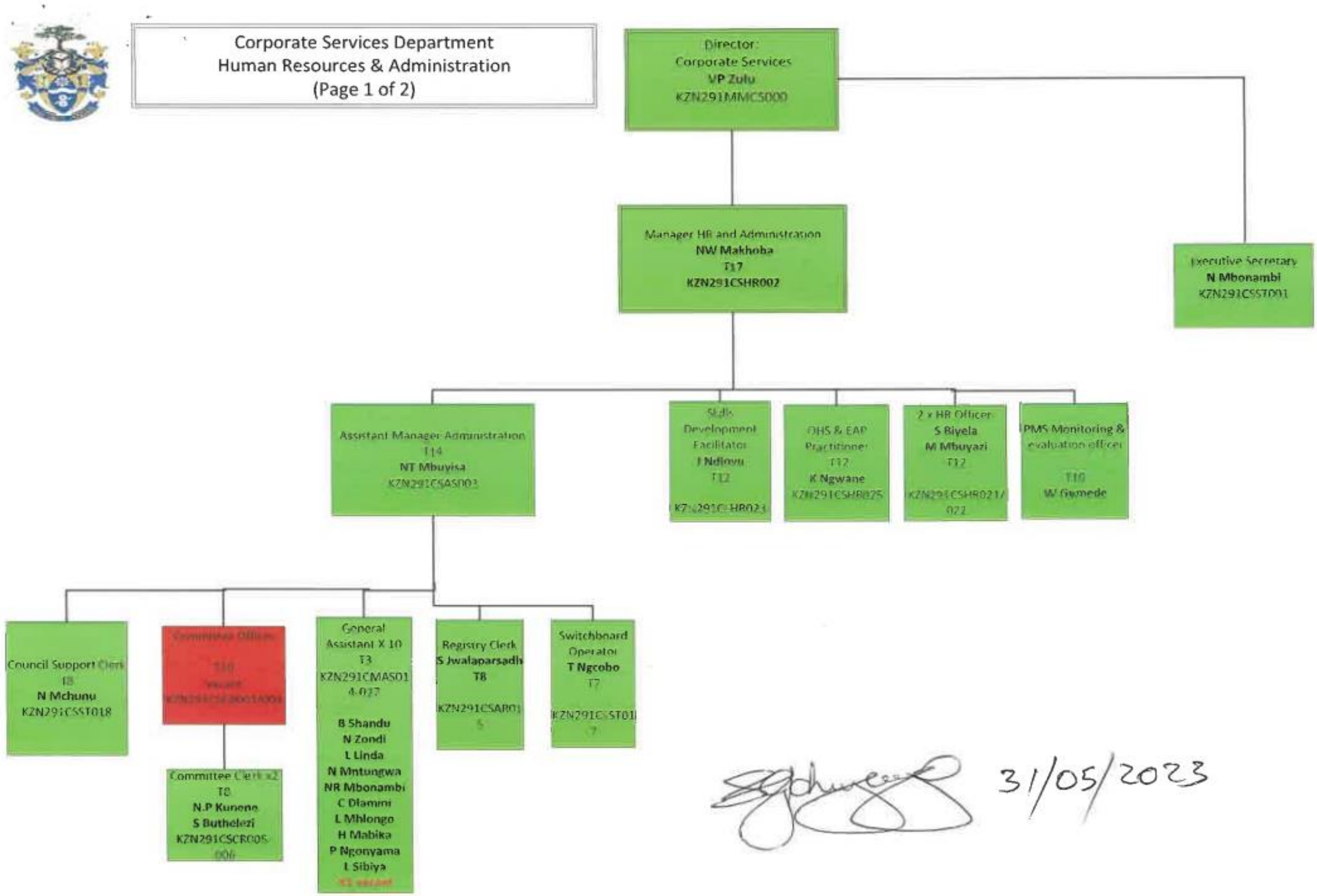


31/05/2023

Municipal Manager's office
(Page 2 of 2)

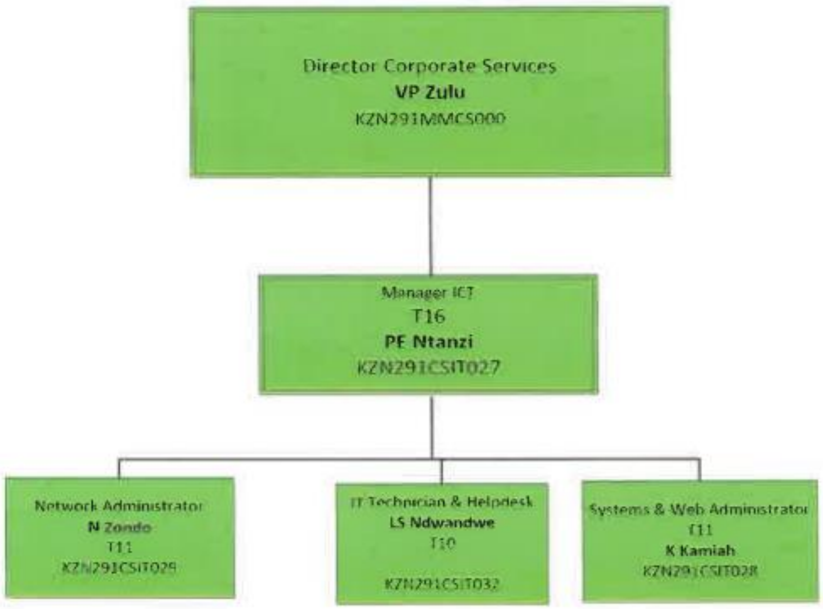


31/05/2023


Corporate Services Department
Human Resources & Administration
(Page 1 of 2)
Director:
Corporate Services
VP Zulu
KZN291MMCS000
Manager HR and Administration
NW Makhoba
T17
KZN291CSHR002
Executive Secretary
N Mbonambi
KZN291CSST001
Assistant Manager Administration
T14
NT Mbuyisa
KZN291CSAS003
Skills Development Facilitator
T12
OHS & EAP Practitioner
T12
K Ngwane
2 x HR Officer
S Biyela
M Mbuyazi
T12
KZN291CSHR021/022
PMS Monitoring & evaluation officer
T10
W Gumede
Council Support Clerk
T8
N Mchunu
KZN291CSST018
General Assistant X 10
T3
KZN291CMAS014-027
B Shandu
N Zondi
L Linda
N Mntungwa
NR Mbonambi
C Dlamini
L Mhlongo
H Mabika
P Ngonyama
L Sibiya
Registry Clerk
S Jwalaparsadh
T8
Switchboard Operator
T Ngcobo
T7
Committee Clerk x2
T8
N.P Kunene
S Buthelezi

31/05/2023

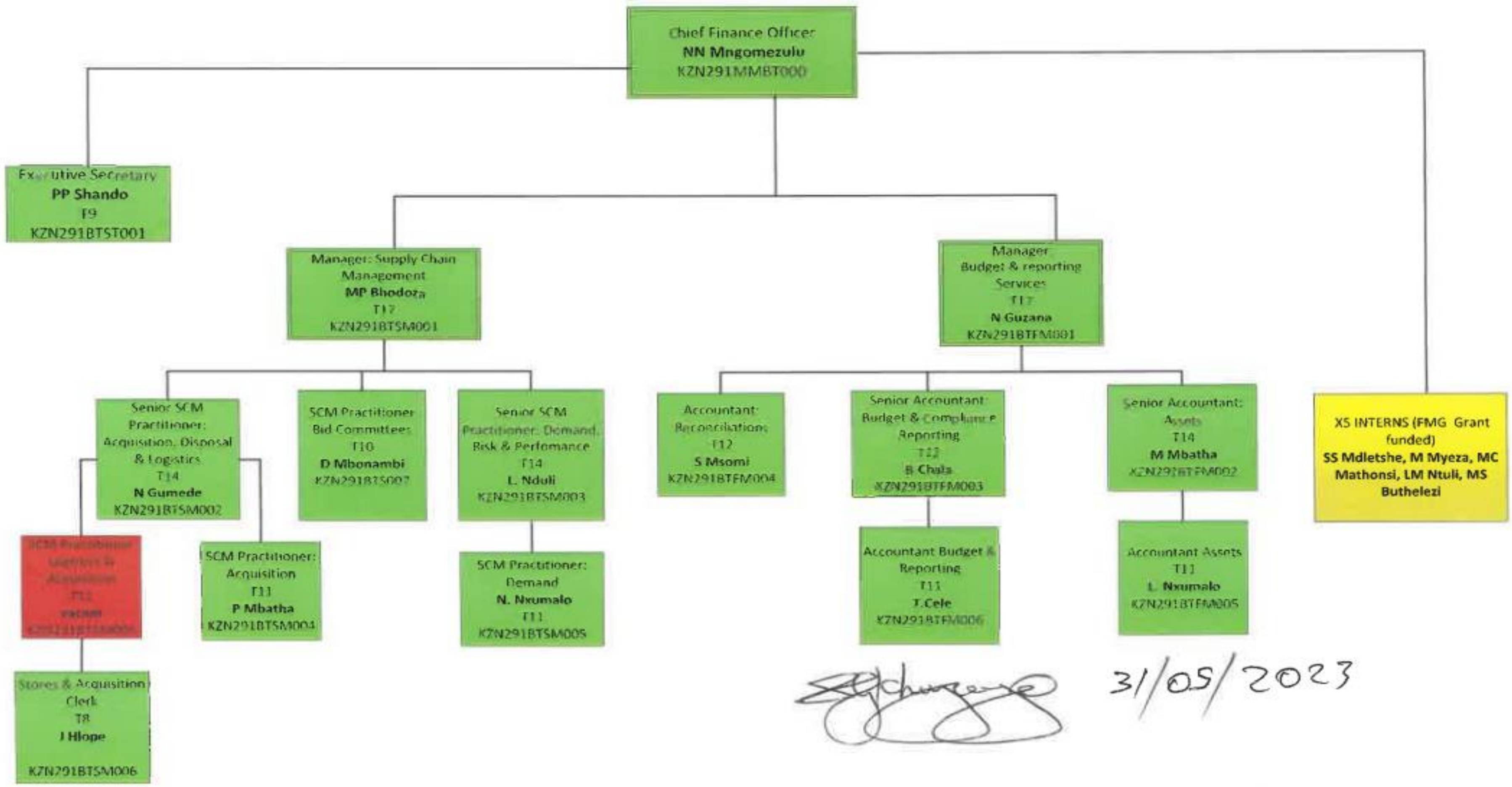
Corporate Services Department
Information Communication & Technology
(Page 2 of 2)



31/05/2023

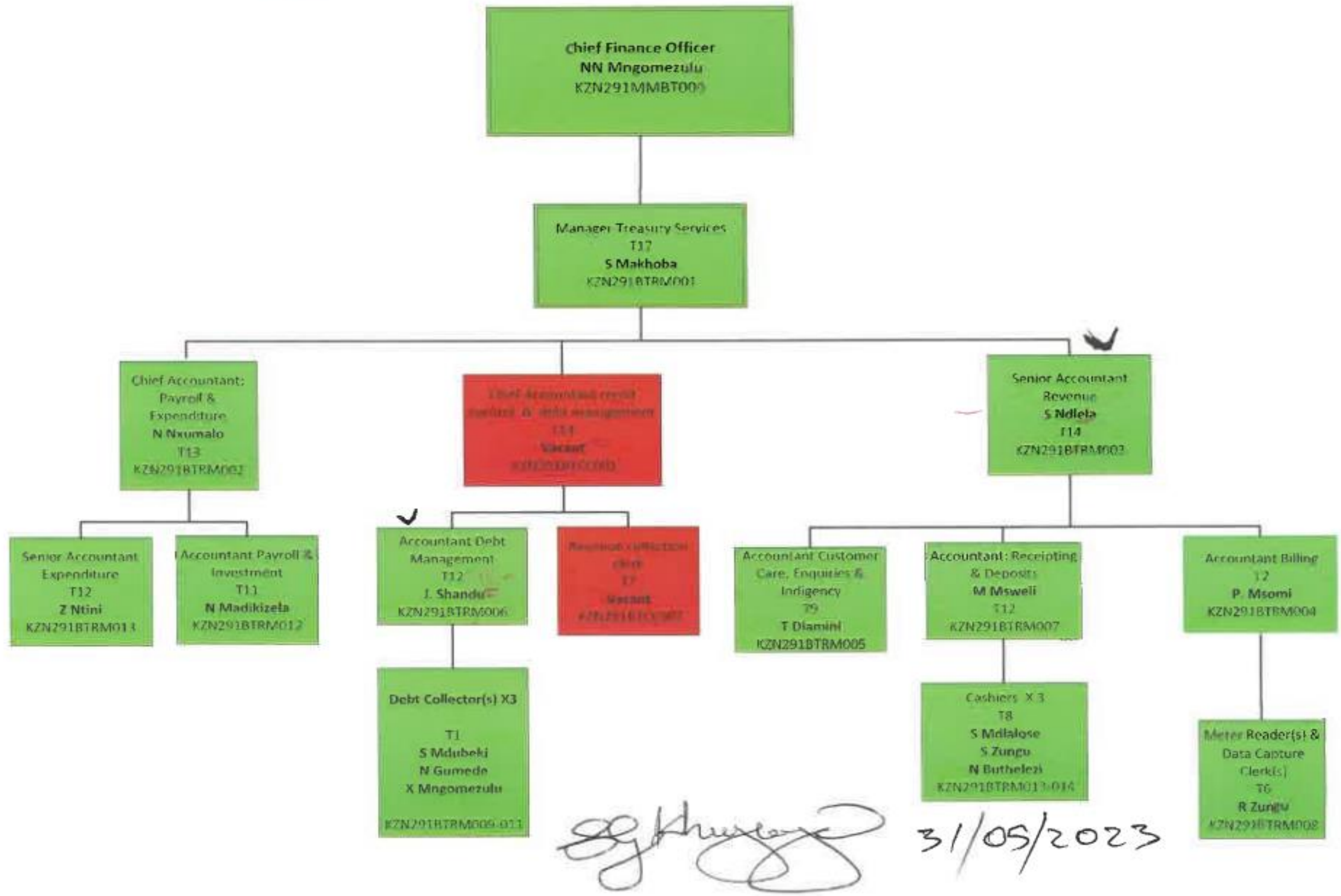
Budget & Treasury Office Department

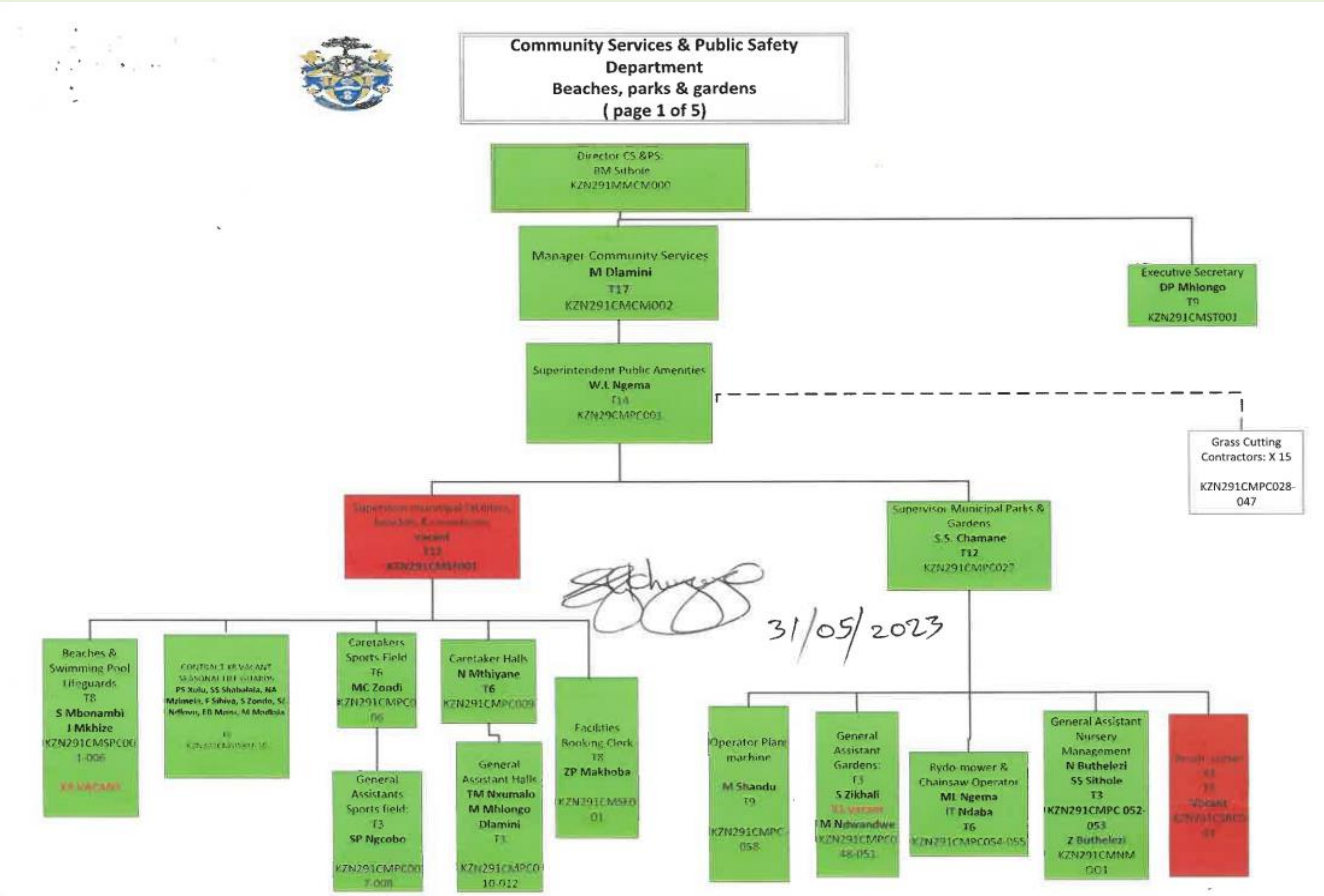
Supply Chain Management &
Budget Services
(Page 1 of 2)



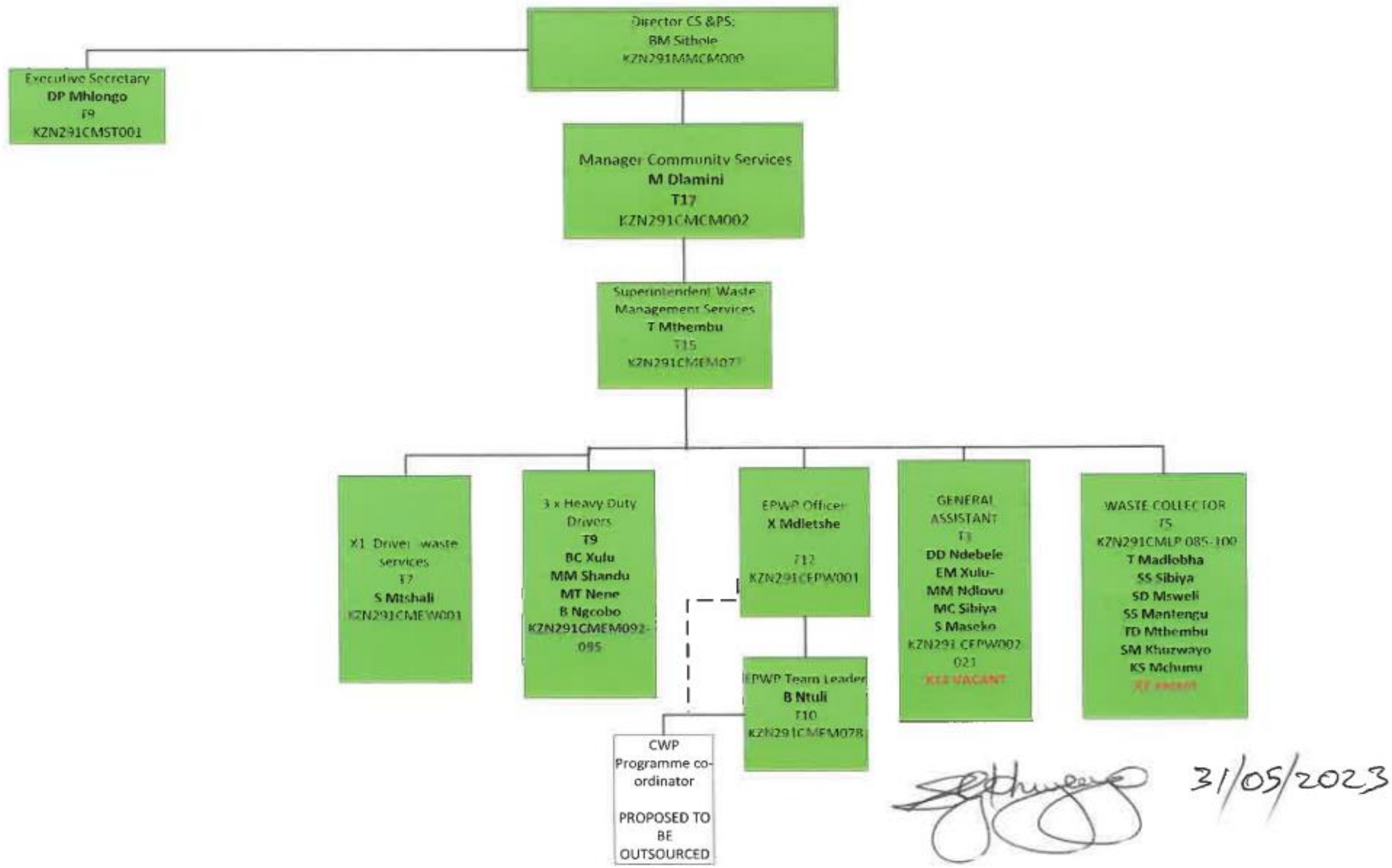
31/05/2023

Budget & Treasury Office Department
Treasury Services
(Page 2 of 2)

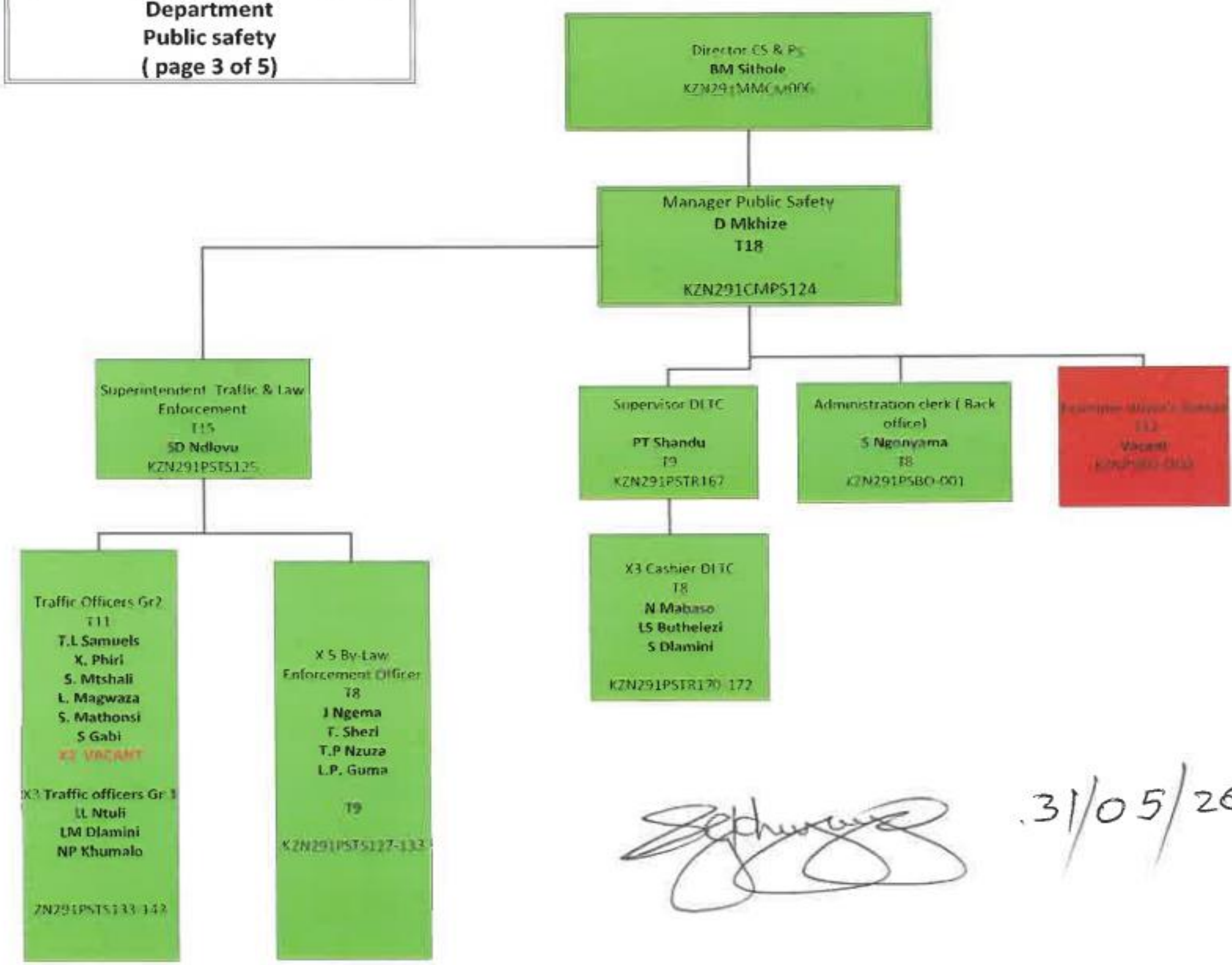



Community Services & Public Safety
Department
Beaches, parks & gardens
(page 1 of 5)
Director CS &PS:
BM Sithole
KZN291MMCM000
Manager Community Services
M Dlamini
T17
KZN291CMCM002
Executive Secretary
DP Mhlongo
T9
KZN291CMST001
Superintendent Public Amenities
W.I. Ngema
T14
KZN29CMPC001
Grass Cutting
Contractors: X 15
KZN291CMPC028-
047
Supervisor Municipal Parks &
Gardens
S.S. Chamane
T12
KZN291CMPC027
31/05/2023
Beaches &
Swimming Pool
Lifeguards
T8
S Mbonambi
J Mkhize
KZN291CMSPC00
1-006
PS Xulu, SS Shabalala, NA
Mzimela, F Sibiya, S Zondo, SC
Ndlovu, EB Mpisi, M Modisha
Caretakers
Sports Field
T6
MC Zondi
KZN291CMPC0
06
Caretaker Halls
N Mthiyane
T6
KZN291CMPC009
Facilities
Booking Clerk
T8
ZP Makhoba
KZN291CMSFD
01
General
Assistants
Sports field:
T3
SP Ngcobo
KZN291CMPC00
7-008
General
Assistant Halls
TM Nxumalo
M Mhlongo
Dlamini
T3
KZN291CMPC0
10-012
Operator Plane
machine
M Shandu
T9
KZN291CMPC-
058
General
Assistant
Gardens:
T3
S Zikhali
M Ndwandwe
KZN291CMPC0
48-051
Rydo mower &
Chainsaw Operator
ML Ngema
IT Ndaba
T6
KZN291CMPC054-055
General Assistant
Nursery
Management
N Buthelezi
SS Sithole
T3
KZN291CMPC 052-
053
Z Buthelezi
KZN291CMNM
001

Community Services & Public Safety Department
Waste management
(page 2 of 5)

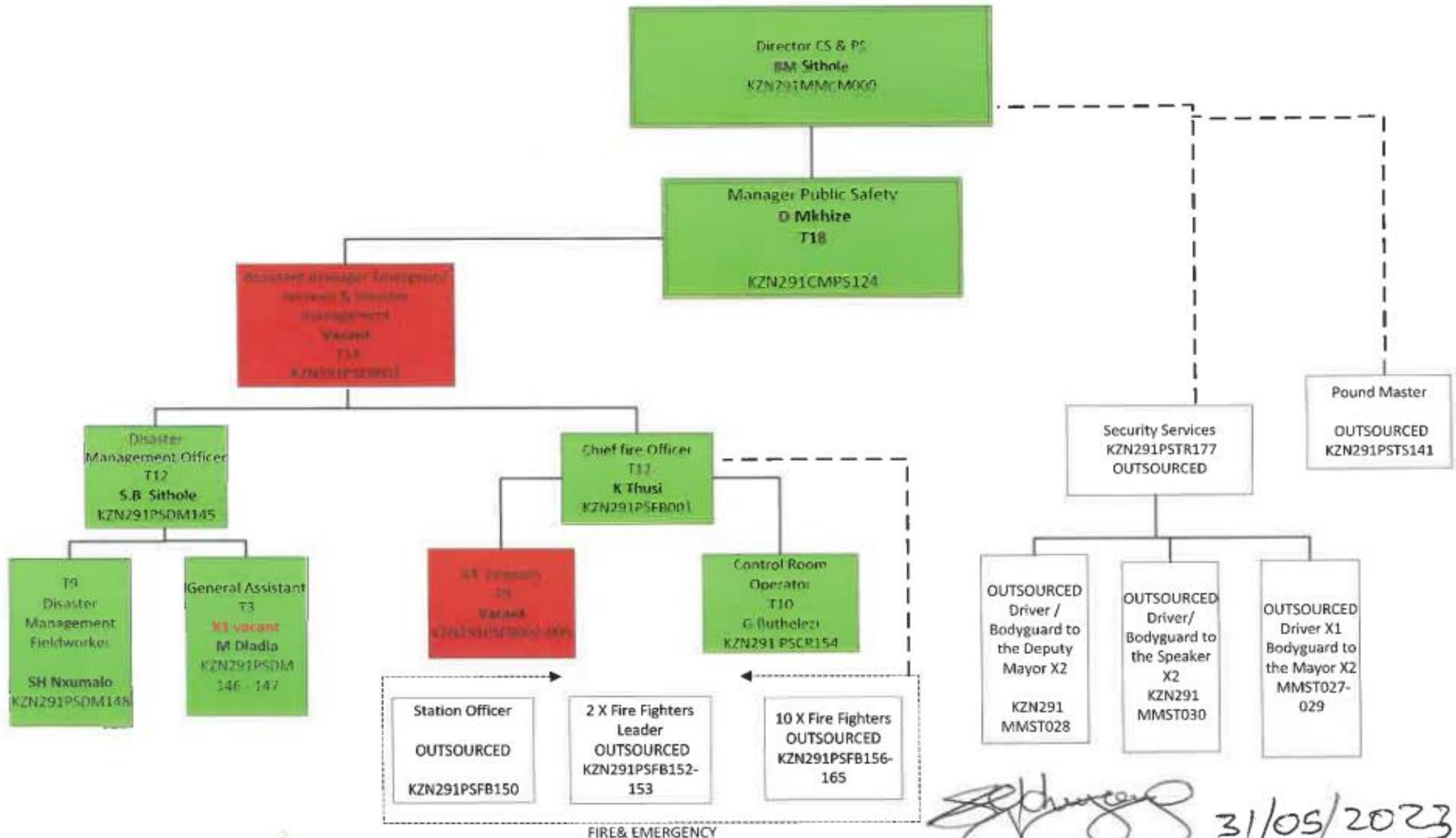


Community Services & Public Safety Department
Public safety
(page 3 of 5)

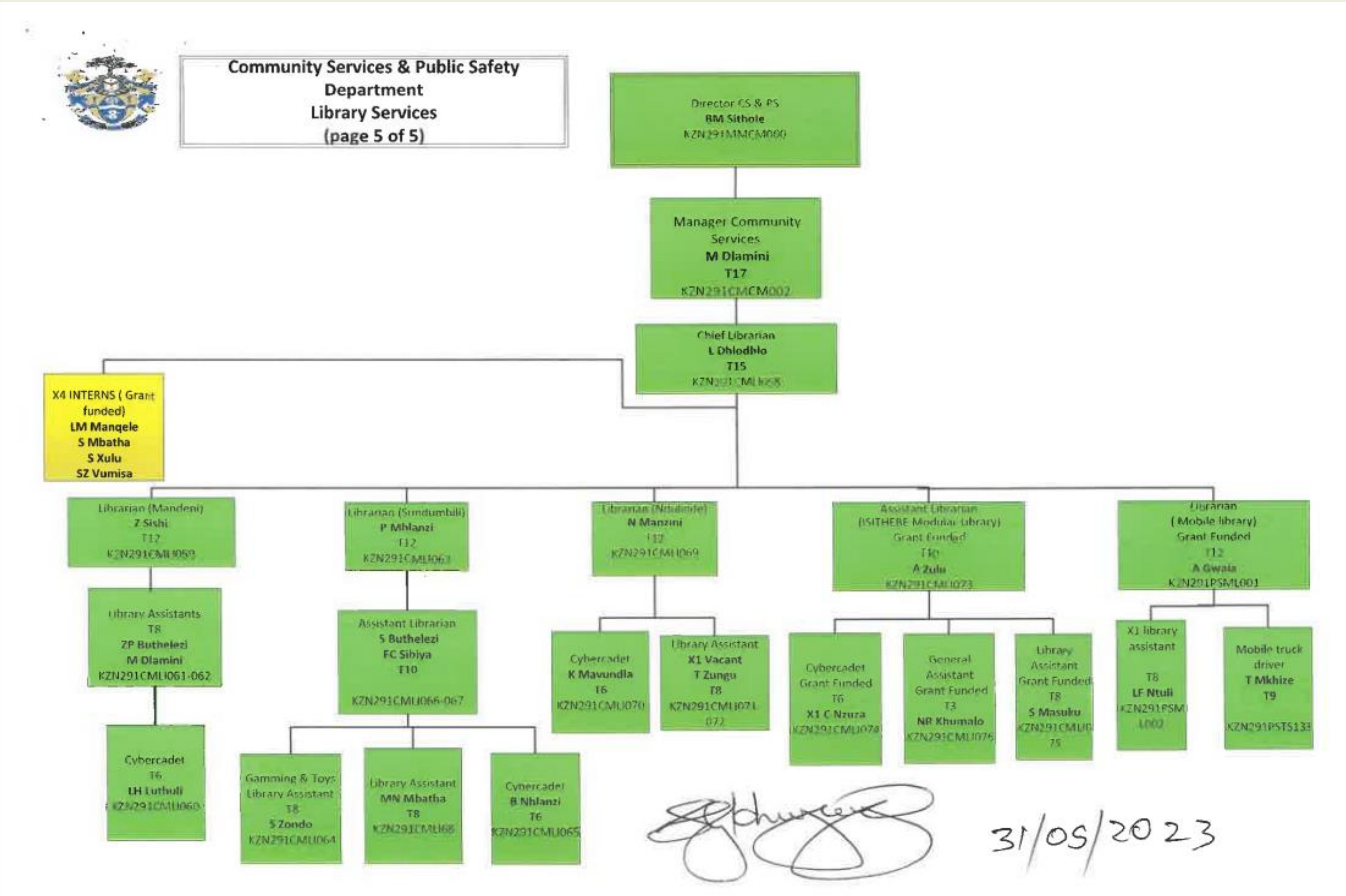


31/05/2023

Community Services & Public Safety Department
Public Safety
(page 4 of 5)

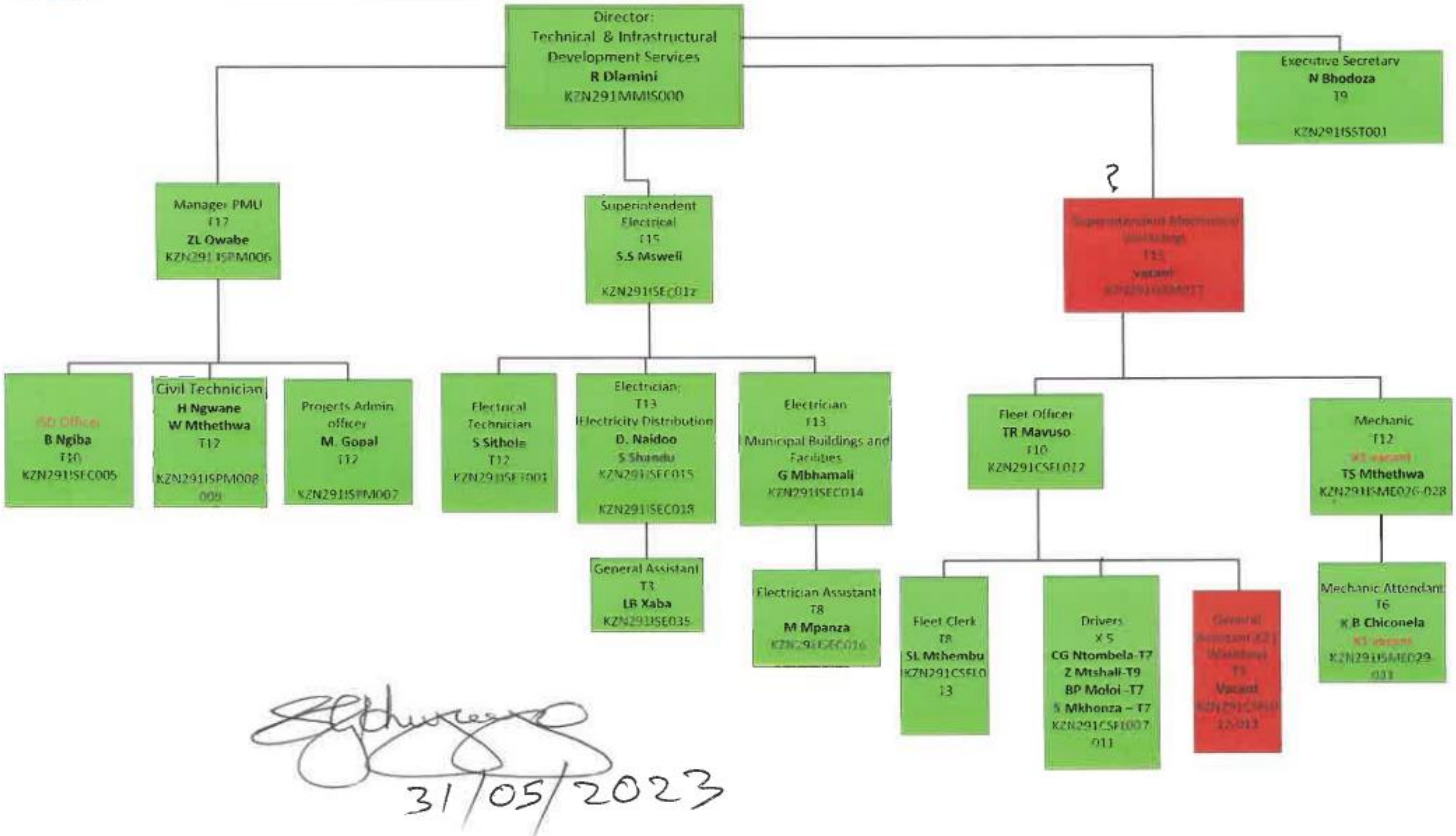


31/05/2023



Community Services & Public Safety
Department
Library Services
(page 5 of 5)
Director CS & PS
BM Sithole
KZN291MMCM000
Manager Community Services
M Dlamini
T17
KZN291CMCM002
Chief Librarian
L Dhlodhlo
T15
X4 INTERNS (Grant funded)
LM Manqele
S Mbatha
S Xulu
SZ Vumisa
Librarian (Mandeni)
Z Sishi
T12
KZN291CMLI059
Library Assistants
T8
ZP Buthelezi
M Dlamini
KZN291CMLI061-062
Cybercadet
T6
LH Luthuli
KZN291CMLI060
Librarian (Sundumbili)
P Mhlanzi
T12
KZN291CMLI063
Assistant Librarian
S Buthelezi
FC Sibiya
T10
KZN291CMLI066-067
Gamming & Toys Library Assistant
T8
S Zondo
KZN291CMLI064
Library Assistant
MN Mbatha
T8
KZN291CMLI68
Cybercadet
B Nhlanzi
T6
KZN291CMLI065
N Manzini
KZN291CMLI069
Cybercadet
K Mavundla
T6
KZN291CMLI070
X1 Vacant
T Zungu
T8
KZN291CMLI071-072
(ISITHEBE Modular Library)
A Zulu
KZN291CMLI073
Cybercadet
Grant Funded
T6
X1 C Nzuza
KZN291CMLI074
General Assistant
Grant Funded
T3
NR Khumalo
KZN291CMLI076
Library Assistant
Grant Funded
T8
S Masuku
KZN291CMLI075
(Mobile library)
Grant Funded
T12
A Gwala
KZN291PSML001
X1 library assistant
T8
LF Ntuli
KZN291PSML002
Mobile truck driver
T Mkhize
T9
KZN291PSTS133
31/05/2023

Technical Services & Infrastructural Development Department
PMU, Electrical and Mechanical Units
(Page 1 of 2)



Technical Services & Infrastructural Development Department
Civil OPS & Maintanance
(Page 2 of 2)

Director:
Technical & Infrastructural Development Services
R Dlamini
KZN291MMIS000

Manager Civil Ops and Maintenance
D Miller
T17
KZN291ISPS036

Superintendent Roads, Storm Water & Building maintenance
T15
V Kaunda
KZN291 ISRS037

Supervisor Rural Roads maintanance
T12
DN Nkosi
KZN291ISRS056

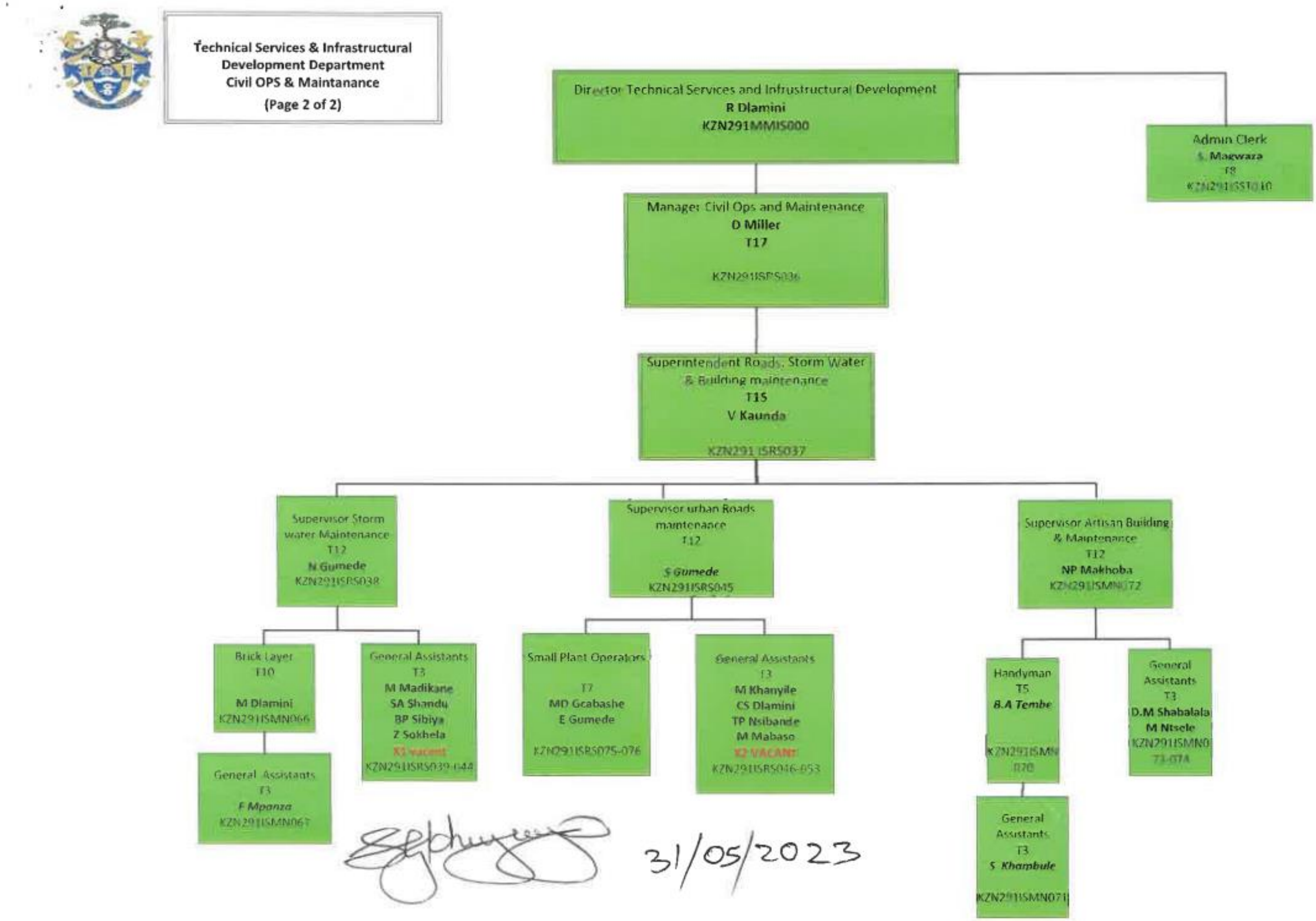
Truck Driver (x3)
T7
B.V Mchunu
MF Mnguni
X1 vacant
KZN291ISME032 – 035

General Assistant
T3
N Nyawo
KZN291ISRS059 063

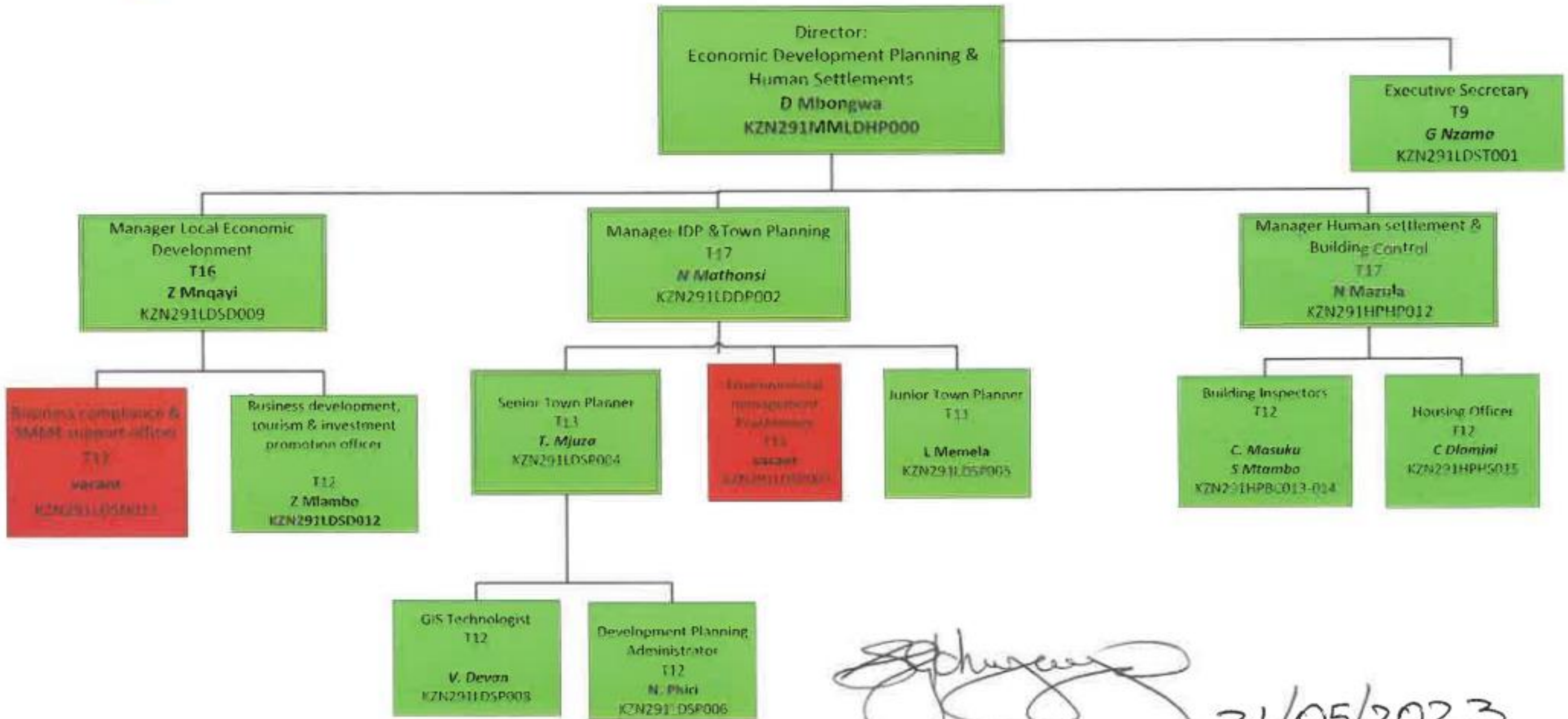
Heavy Duty Plant Operator
T9
T Ntshaba
T Mbokazi
N Dube
SS Hadebe
LT Madlala
MM Mdletshe
Z Mtetwa
KZN291ISHD 023-28

Heavy Duty Truck Driver
T9
CJ Mzimela
Ngubeni
TN Ntuli
KZN291ISME018-021
X2 VACANT

31/05/2023


Technical Services & Infrastructural
Development Department
Civil OPS & Maintanance
(Page 2 of 2)
Director Technical Services and Infrustructural Development
R Dlamini
KZN291MMIS000
Admin Clerk
S. Magwaza
T8
KZN291ISST010
Manager Civil Ops and Maintenance
D Miller
T17
KZN291ISRS036
Superintendent Roads, Storm Water
& Building maintenance
T15
V Kaunda
KZN291 ISRS037
Supervisor Storm
water Maintenance
T12
N Gumede
KZN291ISRS038
Supervisor urban Roads
maintenance
T12
S Gumede
KZN291ISRS045
Supervisor Artisan Building
& Maintenance
T12
NP Makhoba
KZN291ISMN072
Brick Layer
T10
M Dlamini
KZN291ISMN066
General Assistants
T3
F Mponza
KZN291ISMN067
General Assistants
T3
M Madikane
SA Shandu
BP Sibiya
Z Sokhela
X1 vacant
KZN291ISRS039-044
Small Plant Operators
T7
MD Gcabashe
E Gumede
KZN291ISRS075-076
General Assistants
T3
M Khanyile
CS Dlamini
TP Nsibande
M Mabaso
X2 VACANT
KZN291ISRS046-053
Handyman
T5
B.A Tembe
KZN291ISMN
070
General
Assistants
T3
D.M Shabalala
M Ntsele
KZN291ISMN0
73-074
General
Assistants
T3
S Khambule
KZN291ISMN071
31/05/2023

Economic Development Planning and Human Settlement
(Page1 of 1)



31/05/2023

APPENDIX D

Functions of Municipality/Entity

In terms of Section 156 of the Constitution of the Republic of South Africa, 1996, a municipality has executive authority in respect of, and has the right to administer:

- The local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and
- Any other matters assigned to it by national or provincial legislation.

In addition, national and provincial governments must assign to a municipality, by agreement and subject to any conditions, the administration of a matter listed in Part A of Schedule 4 or Part A of Schedule 5 to the Constitution which necessarily related to local government, if:

- That matter would most effectively be administered locally; and
- The municipality has the capacity to administer it. (Section 156(4), Constitution)

Section 83 read with section 84(1) and (2) of the Municipal Structures Act 117 of 1998 (Structures Act) divides up the functions listed in Schedule 4B and 5B of the Constitution between local municipalities and district municipalities.

The Minister, in terms of section 84(3) of the Structures Act, and the MEC, in terms of section 85(1) of the Structures Act may adjust the functions and powers of local and district municipalities by way of notice in the Government Gazette and Provincial Gazette respectively.

National Legislation may also assign certain duties and responsibilities relating to national or provincial government powers and functions.

In addition to the above, a district municipality is obligated in terms of section 83 (3) to seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by –

- Ensuring integrated development planning for the district as a whole;
- Promoting bulk infrastructure development and services for the district as a whole;
- Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
- Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

Appendix E- Ward reporting

Report on challenges affecting the Ward Committees in Mandeni.

11 November 2024

Listed below is a summary of challenges affecting the Ward Committees in Mandeni

Ward	Challenge	Action required/ Taken
01	A PR Councillor deployed in Ward 1 to oversee the Ward Committee and assist in the Ward Functionality	Speaker has deployed a PR Councillor to play an oversight role
05	There are challenges with the secretariat and the coordination of public meetings	Public Meetings to be coordinated in the Speaker's office in consultation with the Ward Committee & the Ward Councillor

06	Poor Communication between the Ward Cllr & the Ward Committee Secretary	Mediation by the Speaker's office between all parties involved.
08	Member representing the traditional sector does not attend.	A letter was sent to Inkosi to report the matter. Awaiting feedback.
10	Nonattendance of members, frivolous excuses given.	Formal report to be made to the Speakers office for immediate intervention.
13	2 members of the committee have gotten employment and need to be replaced.	A public meeting to fill the vacancies.
15	Communication between the committee and the Ward Cllr	Mediation is underway by the Speaker's office.
17	Vacancies to be filled & communication between Cllr & the Ward committee secretary	A public meeting to fill the vacancies and intervention by the Speaker's office.
18	Coordination of public meetings and communication between the Cllr and members of the committee. Conflict within members	Meetings to be coordinated in the Speaker's office in consultation with the Ward Committee & Cllr. The Speaker's office is drafting a programme to mediate in Wards with conflicts

Ward Reporting

Mandeni Municipality submits ward reports monthly to COGTA. Most wards are functional. However, there is a challenge of ward 17 whereby some reports are not submitted. The matter was reported to the Speaker of the municipality to resolve the matter.

There are ongoing engagements with Ward Councillors and the Secretariat of the Ward Committee on what is expected from them in order to remain or be functional as per the guidelines set out by CoGTA.

The Ward Committees have been and will continue to receive workshops and trainings to ensure that they fully understand their role. The challenge that we are facing currently in terms of compliance is the submission of minutes for community feedback meetings.

A possible solution for this challenge is to have Municipal Officials attend public meetings to render secretariat support in areas where needed. The submission rate has improved, a cut-off date has been set as the 20th of each month, this has helped a great deal.

APPENDIX F

Ward Information

WARD INFORMATION

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2023/24						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
MIG FUNDED PROJECTS						
1.	Rehabilitation of (1.6km) Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)	13	R 5363924.00	July 2023	June 2024	Under construction
2.	Rehabilitation of (1.6km) Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela)	13 & 14	R 1297119.15	July 2023	June 2024	Under construction
3.	Rehabilitation of (1km) Internal Roads and Upgrade of Associated	15	R 9669311.56	July 2023	April 2024	Completed

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2023/24						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
	Stormwater in Sundumbili ward 15 (Amajuba Road)					
12.	Presenting bid document for an Upgrade of Machibini Link Road in Isithebe in Ward 10 and Ward 12	10 & 12	R365173.91	July 2023	March 2024	Project not completed
13.	Presenting the dib document for Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1	13, 14 & 15	R1780750.15	July 2023	March 2024	In progress
INTERNALY FUNDED PROJECTS						
1.	Installation of P415 & P549 streetlights	03	R 1722103.41	January 2024	March 2024	completed
2.	Presenting bid document of new office block	03	R 1723115.02	July 2023	TBC	Under Construction
3.	Construction of Mechanical Workshop and Construction of New Offices	03	R 11267780,26	July 2023	TBC	Under construction

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2023/24						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
4.	Rehabilitation of KwaMoya to Gina Road.	09	R158754.55	July 2023	June 2024	Completed
5.	Rehabilitation of Skhonyane Road.	11	R2070846011	July 2023	May 2024	Completed
6.	Rehabilitatio of Swidi to Winya Road	16	R2295428.88	July 2023	May 2024	Completed
7.	Rehabilitation of Zavutha to Vusumuzi Road	17	R2388941.52	July 2023	May 2024	Completed
8.	Rehabilitation of Ndovela road	18	R2000650.33	July 2023	May 2024	Completed
9.	Regravelling of Matshamhlophe road	06	R1630847.54	July 2023	June 2024	Completed
10.	Regravelling of esikhoveni road	08	R2335136.16	July 2023	June 2024	Completed
11.	Regravelling of road leading from induna usthole to thembalihle store.	01	R2062970.88	July 2023	June 2024	Completed
12	Regravelling of road leading to	05	R3407050.02	July 2023	May 2024	Completed

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2023/24						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
	emathuneni					
13.	Regravelling of road leading to ezihlabathini	02	R2513759.59	July 2023	May 2024	Completed
14.	Construction of phase 1 DLTC	03	R8893389.61	July 2023	TBC	Under Construction
INEP GRANT FUNDED PROJECTS						
1.	Presenting a bid document for Mandeni substation 5 bulk.	3	R 7384000.00	July 023	TBC	Planning stage
MASSIFICATION GRANT FUNDED PROJECTS						
1.	Mantshangula Mhlubulweni Electrification Project (140 HH)	2 & 9	R 1431834.87	TBC	TBC	Tender Stage
2.	Khenana Phase 5 Electrification Project (100 HH)	10	R 1414428.30	TBC	TBC	Planning Stage
3.	Mhlangeni electrification (100HH)	05	R2 000 000.00			

MANDENI MUNICIPALITY PROJECT LIST INFORMATION FY 2023/24						
NO.	**PROJECT NAME**	**WARD**	**COST**	**START DATE**	**END DATE**	**PROGRESS**
4.	UKhovothi electrification (105 HH)	11 & 12	R 1640000.00			

Cllr's Name & Surname	Organization	Cellphone No.	Ward	Type	ID No.	Address
MKHALIPHI MZWAKHE CORNWELL	ANC	073 454 0564	12	W	7904215681087	ZAKHENI AREA
DLADLA NHLANHLA OSWALD	ANC	078 672 5820	7	W	8401055386082	A1289 DARK CITY, SUNDUMBILI, 4491
KHUZWAYO NOKUKHANYA HLENGEKILE	EFF	064 853 9408	N/A	PR	9801260539083	HLOMENDLINI AREA, HOUSE NO.1416, MANDENI
MTHEMBU CAROLINE LUNGILE	ANC	073 196 6659	11	W	6901270514089	ISITHEBE THEMBENI RESERVE
NCUBE NDUDUZO SBUSISO	IFP	073 791 7803	N/A	PR	8704085391083	SKHALAMBAZO, HOUSE NO 377 SUNDUMBILI, 4491

WARD COMMITTEE DATABASE: 2023/24

DISTRICT:			**ILEMBE**								
LOCAL MUNICIPALITY:			**MANDENI**								
WARD NO.	**MEMBERSHP**	**SURNAME**	**FULL NAMES**	**ID NO. (13 DIGITS)**	**GENDER**		**SECTOR REPRESENTED**	**CONTACT NO.**	**HIGHEST EDUCATIONAL QUALIFICATIONS**	**PREVIOUS MEMBER**	
					M	**F**				**YES**	**NO**
1	**WARD CLLR**	M.Shelembe						072 026 1629			
		Shandu	Fano	6705205256082	M		Transport	076 327 9260	Grade 7		no
		Manqele	Sizwe Abednego	8601095905086	M		Agriculture	082 624 4802	Matric		no
	WC	Masinga	Thabani	8401195931086	M		Safety	078 101	MATRIC		no

	MEMBERS							9825				
		Mchunu	Ngitheni Zinhle	8107260774083	F		Social Welfare	084 962 99 12			no	
		Mtembu	Celumusa	8902035914083	M		Sport and Religion	072 935 1504			no	
		Majola	Sibonelo	8508086050089	M		Health	073 092 6699	Primary agriculture NQF4		no	
		Ntuli	Veronica Nompumelelo	6801060561086	F		Women	072 797 1159	Matric		no	
		Shandu	Mbongiseni	6508095517088	M		Civic Society	072 931 8042	Grade 11		Yes	
		Ntombela	vulindlela	8106175810081	M		Transport	074 674 4869	Matric		no	
		Dube	Muntukazi	8510106695083	M		Disability	066 177 2635			no	
2	**WARD CLLR**	Mthembu	D.G.P		M			082 701 4892				

		Biyela	Mlungisi	7411075321084	M		Community Safety	073 761 2290	Matric	yes	
		Nxumalo	Mandlenkosi	7503105728089	M		Health	072 336 7046	matric		no
	WC MEMBERS	Nene	Balungile	7312240654089	F		Transport	073 903 4883	matric	yes	
		Khanyile	Namhla	7701030583088	F		Business	064 644 7887	eletrical Diploma		no
		Mathe	Zanele	8108091171085	F		Environmental Affairs	076 100 5853	grade 11		no
		Mthimkhulu	Khanyisile	8908191051081	F		Youth	071 552 7917	matric		no
		Mathaba	Njabulo	9103045871087	M		Education	072 982 3650	matric		no
											no
		moffat	Msomi	6810225470083	M		Disability	083 418 6485		yes	
		Nkosiyoyi	Vilakazi	7601095492086	M		Traditional	083 872 8839			

3	**WARD CLLR**	Mhlongo	C.T					082 701 4898			
	WC MEMBERS	Gina	Mfanaomusha	6601017619080	M		Health	0797159467			no
		Makhoba	Celokuhle	8409105821081	M		Informal Traders & Tourism	073 991 6234	Grade 12		no
		Nkwanyana	Lusanda	9104020969086	F		Transport	0731109382			
		Mpanza	Goodman	9408086266083	M		Youth	072 084 2166	Grade 12		no
		Mavimbela	Thembi	7304140377085	F		Disability	078 214 5597	LLB Degree		no
		Twala	Sbongiseni	8707115013080	M		Business	0716693017	Grade12		no
		Sibiya	Nokuphiwa	8510080613086	F		Religion	0786518878			no
		Mavimbela	Oswel	9204065487083	M		Traditional	0727444905			
											no

4	**WARD CLLR**	S.T Magwaza						076 760 3117			
	WC MEMBERS	Kilowan	Radish	8611025745083	M		Farm Workers	063 584 0994	grade 12	yes	
		Mkhize	Thembelihle	8109231060089	F		Education & Transport	076 248 7939	Grade 12		no
		Mdluli	Sbusiso	8407155728081	M		Health & Social Dev	079 722 7439	Grade12		no
		Ngema	Gugu	7304210686084	F		Community Safety	060 571 6265	Grade 8		no
		Ndlovu	Dora	6206030331083	F		Women	083 748 7801	grade 7	yes	
		Sibiya	Babongile	9307310403084	F		Ratepayers & Youth affairs	063 215 2524	B.admin and cert in VCT		no
		Gcwensa	Muzi	7501206226086	M		Environmental Affairs	079 600 1149	grade 11	yes	
		Qwabe	Nokuthula	8311111649086	F		Traditional	060 720 5736	Grade 11	yes	

		Zungu	Lucky boy	7308145369088	M		Disability	078 110 5913	Grade 7	yes	
		Mathonsi	Celani	6908105722084	M		Religion	083 541 4247	Grade 12	yes	
5	**WARD CLLR**	Z.M Nxumalo						083 748 0725			
		Mathonsi	Gamelihle Sandile	8506125567083	M		Safety	073 310 9158	Grade 12	yes	
		Ngubane	Nokuthula	8904050534085	F		Agriculture	060 829 6907	Grade 11		no
		Mthethwa	Celiwe	9205150821086	F		Women	067 307 2734	Grade11		no
		Jiyani	Khanyisani	8208016063084	M		Education	0660644337	Grade 12		no
		Khuzwayo	Phumelele	7808280687087	F		Health	072 866 5153	Grade 11		no
		Gumede	Goodman	6908055335085	M		Senior Citizens	073 836 8804	Grade 11		no

		Mathaba	Nkululeko	7809145709082	M		Disability	071 755 6169	Grade 11		no
		Makhoba	Maxwell	7404025571081	M		Sport	076 043 4168	Grade 12		no
		Ngwenya	Mdududzi	8910176083089	M		Transport	0833346852			
		Mntungwa	Thobekile	9109080922081	F		Traditional	071 588 2961	Grade 11		no
6	**WARD CLLR**	S.W Shandu						078 001 4210			
	WC MEMBERS	Chili	Xolisile	8505251754081	F		Education	079 532 3914	Grade 12	Yes	
		Mhlongo	Slindile Nonhlanhla	8601050349080	F		Health	078 356 6224	grade 10	Yes	
		Masuku	Fano Alphios	6705018688086	M		Community Safety	071 271 3891	Grade 7	Yes	
		Mpanza	Slindile Witness	8008010727084	F		Agriculture	071 136 3874	grade 12		No

		Ntuli	Thabiso	9201026162086	M		Youth	083 986 7784			
		khanyile	Nokwazi Tholi	7307110427087	F		Religion	071 511 0071	Grade 11		No
		Nxumalo	Mandlakhe	7212265496087	M		Traditional	076 501 5335	Grade 7		No
		Mkhize	Zakhele Mbhekiseni	7105205396088	M		P.W Disabilities	064 842 8112			
		Mlangeni	Rejoice	6401051158081	F		Transport	079 283 7272	Grade 11		No
7	**WARD CLLR**	N.D Dladla						078 672 5820			
	WC MEMBERS	Mchunu	Thandeka	9402041257089	F		Women	0762503443			No
		Xulu	Zondani	9006151359088	F		Community Safety	064 5409 050	Grade 12		No
		Ntshangase	Sanele	8910170754081	F		Business	074 0762 362	Grade12		No

		Biyela	Nontobeko	8709170779084	F		Health & Social Development	078 6997 143	Grade12		No
		Luthuli	Thokozani	7421175406082	M		Transport	083 5475 996	Grade12		No
		Thusi	Mandlenkosi	7402085712082	M		Informal Traders	079 5774 602	Grade 12		No
		Shandu	Mxolisi	9012060160868	M		Sport	0792732554	Grade 12		No
		Ngubane	Thandukwazi	8807145759084	M		Traditional	083 351 3304	Grade12		No
		Hlabisa	Sandile	9311186010080	M		Youth	0842944637	Grade12		No
		Sangweni	Mangaliso W	9707185657088	M		Disability	0721185738 / 0714261743	Grade 12		No
8	**WARD CLLR**	T.P Mdlalose						0766 79 5812			
	WC	Shezi	Ayanda	8812095354080	F		Youth & Sports	0660650439	Grade 11	Yes	

	MEMBERS	Khumalo	Nonhlanhla	7711240770088	F		Agriculture	0762765878	Grade11		No
		Hlabisa	Nonhlanhla	7405080466083	F		Transport	0791121991	Grade12		NO
		Mthimhkulu	Thabani	790925416080	M		Informal Traders	0834162535	Grade12		NO
		Shwala	Busi	8604680637084	M		Health & Social Dev	0739642450	Grade12		NO
		Thusi	Sakhile	8103125585087	M		Community Safety	0767385251	Grade12		NO
		Zikhali	Nothando	7806070721082	F		Education and business	07383 79715	Grade 12		NO
		Msweli	Lungisani	7404055676081	M		Faith Based Formations	0792507684	Grade12		NO
		Masondo	Veronica N	900910541086	F		P.W Disabilities	0791168407	Grade11		No
		Mbonambi	Wellington	7208205934088	F			079 721 0699			No
9	**WARD CLLR**	S.T Thwala			F			078 976 1260			

	WC MEMBERS	Mangubane	Promise	7211020798084	F		Religion	073 5420 343	Grade 10		No
		Buthelezi	Ncamisile	8503060605081	F		Women	078 706 1578	Grade12		No
		Ntuli	Sakhile	9801156203087	M		Youth	078 305 8230	Grade12		
		Mphande	Bheki	7602045705000	F		Business	073 298 484 4	Grade12	yes	
		Zikhali	Qaphelisile	8706190770085	F		Community Safety	0760879049	Grade11		No
		Ndlovu	Siphiwe		M		Traditional	0726706631	Grade12		No
		Shongwe	Simphiwe		F		P.W Disabilities	0786383114	Grade12		NO
		Msweli	Bernald	8811155631080			Education	073 445 7092			
		Ncube	Pinky	9205160864084	F		Transport	071 528 4803			

10	**WARD CLLR**	Mdunge						060 637 9103			
	WC MEMBERS	Vumisa	Nkosinathi	7506015693087	M		Business	0732905950	Grade 12	Yes	
		Mtshali	Thembeka	8205021177081	F		Social Development	0719681878	Grade 12		No
		Mpanza	Khayelihle	9308256224088	M		Sports & Recreation	0717708570	Grade 12		No
		Dludla	Sibusiso	7507165287084	M		Transport	0766794703	Grade 12		No
		Shandu	Jabulani	7407105746085	M		Faith Based Formation	0608098132	Grade 11		No
		Gcwensa	Zakhele	6902095588084	M		Agriculture	0663683310	Grade12		No
		Dlamuka	Siphesihle	8307165319089	M		Education	0712823013	Grade12		No
		Mtshali	Slindile		F		Youth	0769982553	Grade12		No
		Mkhwamubi	Sboniso	8009175342081	M		Disability	0791949019			
		Gumede	Bhekithemba		M		Traditional	0764728381			

11	**WARD CLLR**	MTHEMBU	CAROLINE			F	WARD COUNCILLOR	0731966459			
	WC MEMBERS	Masuku	Rejoice	6701190625084	F		797143	0729819989			
		Zungu	Velenkosini	8208125952086	M		Faith Based Formations	0670838559			
		Ngema	Nkanyiso	7402165515082	M		Transport	0785188238	Grade12		No
		Khuzwayo	Busisiwe	7210020487086	F		Community safety	0711790928	Grade12		No
		Sibisi	Sifiso	6910245738087	M		Safety	0730615695	Grade 12		No
		Mathonsi	Thandazile	9003120749089	F		Health	0714436257			
		Sikho	Manqele		M		Agriculture	0649843332	Grade12		No
		Dlamuka	Philisiwe	7002040786088	F		Disability	0728914818		Yes	
											No
	WARD CLLR										

		Mpanza	Simphiwe	8,208,156,382,088	F		Transport	0785041168	Grade 11		No
		Ngema	Jabulisiwe	9,010,310,797,089	F		Women	081 2330 232	Grade12		
		Mathonsi	Nokwazi	800,120,076,408	F		Health	079 7788 153	Grade 11		No
12		Masango	Sipho	7,309,285,572,085	M		Civic Society	078 468 5232	Grade12		
		Nxele	Sphiwe	7,512,295,599,085	M		Business	0798033566	Grade12		
		Gazu	Malusi	6,707,255,274,080	M		Disability	0837470409	Grade12		
		Vilakazi	Sbusiso(ukhozi)	8,306,255,338,082	M		Community Safety	063 5767 296	Grade11		No
		Mthembu	Xolani	9104290724088	M		Youth	0762172058	grade12		No
		Danisa	Winson		M		Traditional	0820797143			

13	**WARD CLLR**	**Mthembu**	**Lucas Sduduzo**	**8012270512087**	**M**			**717,401,464**			
	WC MEMBERS	Buthelezi	Phindile		F		Disability	079 909 7953			No
		Sithole	Nkululeko		M		Agriculture	082 071 7178			No
		Sosibo	Nomali		F		Ratepayer				No
		Vumisa	Njabulo	8410145439082	M		Transport	083 955 9067	Grade10	Yes	
		Khumalo	Mbali Octavia	8705020714081	F		Gender	060 846 7428	Diploma Accounting	Yes	
		Ngema	Msizi Lucky	9003265826086	M		Safety	081 477 8772	Grade 12		No
		Mahlangu	Zama	8002200535084	F		Religious	067 246 1076	Grade 11		No
		Mhlongo	Lungani	8410145439082	M		Education&Health	081 011 4860	PGCE Education		No
		Nyawo	Nonjabulo		F		Business	063 295 4792			

14	**WARD CLLR**	**Ngidi**	**Mbuyiseni Bhekizenzo**	**8001065280083**	**M**			**073 333 2442**			
	WC MEMBERS	Msingaphans i	Thembisile	6809140530086	F		Religion	063 795 6551	Grade 12		No
		Shongwe	Sabelo	4611245834082	M		Agriculture	076 300 6959	Grade 12	Yes	
		Ncwane	Princess Zama	9106180906089	F		Sports	072 407 9652	Grade 12		No
		Jele	Sibusiso	9903045478084	M		Business	065 853 3373	National Certificate	Yes	
		Mthembu	Ntombizodwa	7408190324085	F		Health	078 158 1695	Grade 12		No
		Ngema	Manqoba	8908316031089	M		Safety & Security	0660216434	Diploma in Health and Safety		No
		Mavuso	Mulungisi	8406145791084	M		Transport	078 397 4963	Grade12	Yes	

		sibiya	Nikiwe	9401160570082	F		Youth	0614261328			
		Shandu	Zakhele	7909085494081	M		P.W Disabilities	073 484 8879			
		Gumede	Nkululeko	9210185481088	M		Environment	081 236 0667			No
15	**WARD CLLR**	**Nxumalo**	**Nkanyiso**	**8507225853080**	**M**			072 174 8179			
	WC MEMBERS	Ndwandwe	Sizwe Lucas	8805236081083	M		Youth	066 397 1897	Grade 12		No
		Mthembu	Nondumiso	8610140635085	F		Rate	076 518 1165	Grade 12	Yes	
		Ngubane	Zamokuhle B	7103065317088	M		Business	0826148117	Grade 12	Yes	
		Mthembu	Malusi	8203235541012	M		Transport	079 742 1267	Standard 2	Yes	
		Luthuli	Bonga				Agriculture	076 453 1468			

		Nkosi	Zipho Reginald	7706265780083	M		Sport,Arts & Culture	083 509 8030	Grade 12	Yes	
		Zungu	Sboniso	8004225446081	M		Safety & Security	078 167 8492	Grade 9	Yes	
		Gamede	Maxwel Madoda	7304305421082			Disability	073 020 9211	Grade 11		
		Ntshalintshal i	Ntandoyenkosi	9503080503083	M		Health & Social	603278436	grade 11		no
		Hleza	Bafana Percivel	7303096011086	M		Faith	084 296 70488	Grade 12	Yes	
16	**WARD CLLR**	**Mathonsi**	**Xolani Herbet**	**7602125553087**	**M**			**072 591 3879**			
	WC MEMBERS	Somveli	Nosiphesihle	9410251197085	F		Religious	079 597 9567	Grade 12		No
		Buthelezi	Muzi	9006233926084	M		Social Development	079 824 2126	Grade 12		No
		Mtshali	Sbusiso	7002235358081	M		Traditional	071 190 1744	Grade 10	Yes	

		Msweli	Lindani	7910155592085	M		Business	076 014 1122	Grade 8	Yes	
		Mkhize	Eunice Lindeni	7109280906082	F		Woman and elders	078 831 5110	Grade 7	Yes	
		Makhanya	Nkanyiso	8902176242088	M		Transport	076 749 1819	Grade 12.		No
		Nkosi	Goodman Ntuthuko	7912026007087	M		Safety	079 405 1735	Grade 12		No
		Qwabe	Zodwa	7906250791085	F		Disability	078 689 9350	Grade 12		No
		Khoza	Minenhle		F		Sport	067 188 7767	Grade 12		No
		Mthembu	Slindile	8910020687085	F		Youth	071 175 8403	Grade 11		No
17	**WARD CLLR**	**Ntuli**	**Sphesihle**		**M**						
	WC MEMBERS	Msweli	Phindile	9411091131086	F		Health & Social Dev.	060 689 6404	Grade 12		No

		Mfeka	Joseph Zimisele	9010106324080	M		Education	084 303 7417	Grade 12		No
		Khumalo	Linda	8311295915089	M		Disability	076 099 3003	Grade 12	Yes	
		Mbhele	Job		M		Religious				
		Mthembu	Vusumuzi	8809095893083	M		Busines	078 536 0134			
		Zungu	Sibongile Ntombifuthi	7003160877087	F		Women	071 634 4818			
		Mthethwa	Sam	7907245438089	M		Sport	083 594 4369			
		Shange	Nombuso Revival	9410260887080	F		Youth	079 449 1286			
18	**WARD CLLR**	**Mabhida**	**Senzakwenzeke Area**	8405025481089	**M**			**073 520 4973**			
	WC MEMBERS	Jama	Ntombizethu	8607130392081	F		Community Safety	076 272 3463	Grade 12		No

		Mgenge	Nonhlanhla	6911230382081	F		Health & Social Dev	073 134 9054	Grade 12	Yes	
		Thusi	Mjabulisi	7104145634080	M		People With Disabilities	066 561 3917	Grade 11	Yes	
		Nyawo	Bongiwe	6310090796084	F		Faith Based Organizations	063 74 4 4196	Grade 12	Yes	
		Majola	Thulani	8510035446087	M		Education	078 842 5944	Grade 8		No
		Nxumalo	Ella Sdudla	6711120612086	F		Women	079 9378733	Grade 11	Yes	
		Ntimbane	Bongani	7404205883083	M		Sport & Recreational	073 644 6842	Grade 12	Yes	
		Zungu	Sebenzile		F		Youth	060 712 9655	Grade 12		No
		Mathonsi	Sanele	9310056005089	M		Traditional	079 409 6363	Grade		No
		Nsibande	Nkosingiphile		F		Transort	079 452 7377			

APPENDIX G

Recommendations of the Municipal Audit Committee

NO.	ACTION/RESOLUTION	STATUS	RESPONSIBLE PERSON	TIMEFRAME	NARRATIVE
1	**DECCIPLINARY BOARD INDUCTION/WORKSHOP ON THEIR ROLES AND RESPONSIBILITIES** **It was resolved** a) The induction of members of the disciplinary board be done by 30 September 2023	Achieved	MM & CAE	30-Sept-2023	1. The members of disciplinary board were inducted on the 6th of February 2024 as part of training that was facilitated by KZN COGTA 2. The workshop was directed to all members of disciplinary board and MPAC members in all the municipalities in the province. 3. The disciplinary board workshop was conducted by Mr. Phello Moloi from KZN Provincial Treasury.

2	**<u>SUPPLY CHAIN MANAGEMENT</u>** **<u>It was resolved</u>** **a)** THAT, the acting CFO and manager SCM should provide a report on documents management within the SCM Units in the next Audit committee meeting.	Not Achieved	Acting CFO Manager SCM	30-Oct-2023	1. The report will be presented in the next audit committee meeting which is scheduled for the 21st of February 2023

3	**RISK MANAGEMENT COMMITTEE REPORT** **It was resolved**				This is still a challenge as cited in the

	a) THAT, Department must submit evidence files that must support the action plans that have been reported as achieved	Not Achieved	Risk Champions	Ongoin g	Q2 report of RMC Chairperson as well as in the RMC meeting which sat on the 08th of February 2023
	b) THAT, the report of risk management committee must also cover the emerging risks and risks that materialized.	Achieved	RMC Chairperson	Ongoin g	The report of RCM Chairperson covers emerging risk and risk that have materialized

4	**CONTRACT MANAGEMENT REPORT** a) THAT, the SCM Manager should provide an updated contract register which indicates true reflection of the status of service level agreements in the next audit committee meeting.	In progress	Manager SCM	21-Feb-2024	Updated report to be presented by Manager SCM.

APPENDIX H

Long-term contracts and public private partnerships

CONTRACTS REGISTER 30 JUNE 2024

ITEM NO	CONTRACTS SCHEDULE JULY 2023- JUNE 2024	ITEM	DURATION	START DATE	END DATE	CONTRACT VALUE AS PER AWARD LETTER	EXPENDITURE AS AT 30-Nov-24	CONTRACT/SLA STATUS
	TECHNICAL SERVICES							
1	BVI CONSULTING ENGINEERS KZN	PANEL OF CONSULTANTS	3 YEARS	2018-07-25	2022-07-25	9.5% of the project construction cost for each project	R 2,102,765.94	ONGOING
2	NZAMAKHUZA HOLDINGS (PTY) LTD	PANEL OF CONSULTANTS	3 YEARS	2020-10-29	2023-10-29	10.5% of the project construction cost	R 2,623,285.61	ONGOING
3	VERITAS ENGINEERING	PANEL OF CONSULTANTS	3 YEARS	2018-07-25	2022-07-25	10% of the project construction cost for each project	R 59,125.84	ONGOING

4	SKYV CONSULTING ENGINEERS (PTY) LTD	PANEL OF CONSULTANTS	3 YEARS	2021-09-30	2024-09-30	13.5% of the project construction cost for each project	R 482,414.20	ONGOING
5	MORULA CONSULTING ENGINEERS & PRO	PANEL OF CONSULTANTS	3 YEARS	2021-09-30	2024-09-30	10% of the project construction cost for each project	R 31,432.70	ONGOING
6	UKWAKHA CONSULTING ENGINEERS	PANEL OF CONSULTANTS	3 YEARS	2018-07-25	2022-07-25	11% of the project construction cost for each project	R 2,620,569.44	ONGOING
7	HI TECH CONSULTING ENGINEERS	PANEL OF CONSULTANTS	3 YEARS	2021-09-27	2024-09-26	13.5% of the project construction cost for each project	R 908,426.79	Drafted, sent for signing
8	AFICOST JBFF PROJECT MANAGERS (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	14% of the project construction cost	R 1,155,961.98	SIGNED SLA IN PLACE
9	BRIMSTOHN CONSULTING JV	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	12% of the project construction cost	R -	SIGNED SLA IN PLACE

10	DLV PROJECT MANAGERS & ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	9.9% of the project construction cost	R 3,567,847.14	SIGNED SLA IN PLACE
11	ETILWENI (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	13.5% of the project construction cost	R -	SIGNED SLA IN PLACE
12	IMPUMELELO CONSULTING ENGINEERS (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	10.50% of the project construction cost	R -	SIGNED SLA IN PLACE
13	KUKHAYA PROJECTS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	10.50% of the project construction cost	R 999,974.68	SIGNED SLA IN PLACE
14	LIBEKO (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	12% of the project construction cost	R 2,855,467.33	SIGNED SLA IN PLACE
15	LZM AFRICA HOLDINGS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	13.50% of the project construction cost	R 681,130.76	SIGNED SLA IN PLACE

16	NGEJA CONSULTING ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	10.5% of the project construction cost	R 1,205,868.72	SIGNED SLA IN PLACE
17	SANOQWABE CONSULTANTS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	11% of the project construction cost	R 484,715.74	SIGNED SLA IN PLACE
18	SINGH GOVENDER & ASSOCIATES CC	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	11% of the project construction cost	R 2,256,723.44	SIGNED SLA IN PLACE
19	TKQ CONSULTING ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	11.5% of the project construction cost	R -	SIGNED SLA IN PLACE
20	URBANRU (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	11.5% of the project construction cost	R 1,332,226.53	SIGNED SLA IN PLACE
21	THESHANI TRADING ENTERPRISE	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024-09-30	13.5% of the project construction cost	R -	SIGNED SLA IN PLACE

22	FDLK ENGINEERING CONSULTANTS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024/09/30	13.5% of the project construction cost	R 2,072,100.39	SIGNED SLA IN PLACE
23	PSMT CONSULTING ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024/09/30	12.5% of the project construction cost	R 1,219,056.02	SIGNED SLA IN PLACE
24	A-M CONSULTING ENGINEERS (PTY) LTD	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024/09/30	9.8% of the project construction cost	R 249,495.32	SIGNED SLA IN PLACE
25	IQHINA CONSULTING ENGINEERS & MANAGERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021-10-01	2024/09/30	14% of the project construction cost	R 650,279.75	SIGNED SLA IN PLACE
26	MINATHI CONSULTING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	10% of the project construction cost	R 363,644.74	SIGNED SLA IN PLACE

27	ZLM PROJECT ENGINEERING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R 5,690,513.10	SIGNED SLA IN PLACE
28	MABALENGWE ENGINEERA	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R -	Drafted, sent for signing
29	DPNC CONSULTING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R -	Drafted, sent for signing
30	THESHANI TRADING ENTERPRISE	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R -	SIGNED SLA IN PLACE
31	GIBB ENGINEERING AND ARCHITECTURE	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	12% of the project construction cost	R -	SLA sent to SP for for signing
32	MAP AFRICA CONSULTING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	12.85% of the project construction cost	R -	SIGNED SLA IN PLACE

33	SIBAYA ENGINEERS	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R -	SIGNED SLA IN PLACE
34	SIYAZENZELA CONSULTING	PANEL OF PSP FOR CONSULTING SERVICES	3 YEARS	2021/10/01	2024/09/30	14% of the project construction cost	R -	Drafted, sent for signing
35	DESRAE LOGISTICE	PSP TO SUPPLY, DELIVER AND INSTALL TYRES FOR LIGHT & HEAVY DUTY VEHICLES	3 YEARS	2022/03/10	2025/03/09	Transactional basis	R 2,317,083.82	SIGNED SLA IN PLACE
36	UTHUNGULU TYRES	PSP TO SUPPLY, DELIVER AND INSTALL TYRES FOR LIGHT & HEAVY DUTY VEHICLES	3 YEARS	2022/03/10	2025/03/09	Transactional basis	R 334,537.30	SLA not yet back from SP, the service provider has been contacted numerus times however they have not replied.
37	BHEKAPHEZULU INVESTMENTS	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 441,600.00	SIGNED SLA IN PLACE

		WHEN REQUIRED						
38	EZAMALUNQA TRADING	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 517,040.00	SIGNED SLA IN PLACE
39	ISICHAKA ESINGENAMONA	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 516,260.00	SIGNED SLA IN PLACE
40	MANANDA PROJECTS	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 172,500.00	SIGNED SLA IN PLACE

		WHEN REQUIRED						
41	MLOBOMVU PROJECTS	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 552,000.00	SIGNED SLA IN PLACE
42	MVERLASE TRADING	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 901,427.50	SIGNED SLA IN PLACE
43	NEELAN’S AUTO CC	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 234,600.00	SIGNED SLA IN PLACE

		WHEN REQUIRED						
44	ROADLOGIC CIVILS (PTY) LTD	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 959,100.00	SIGNED SLA IN PLACE
45	TRAILWAY TRANSPORT	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 938,400.00	SIGNED SLA IN PLACE
46	ZS CIVILS CONSTRUCTION	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 848,700.00	SIGNED SLA IN PLACE

		WHEN REQUIRED						
47	AQUA TRANSPORT AND PLANT HIRE	PANEL OF TEN (10) SERVICE PROVIDERS TO LEASE PLANT AND EQUIPMENT FOR A PERIOD OF 3 YEARS TO MANDENI MUNICIPALITY, AS AND WHEN REQUIRED	3 YEARS	2022/11/11	2025/11/07	Transactional basis	R 282,831.00	SIGNED SLA IN PLACE
48	EZAMAKHUBA CONSTRUCTION	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 205,000.00	SIGNED SLA IN PLACE
49	NITHENSI (PTY) LTD	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 100,000.00	SIGNED SLA IN PLACE

		PERIOD OF 3 YEARS						
50	BIG O TRADING 298 CC	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLYAND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 148,292.50	SIGNED SLA IN PLACE
51	ZISAYINI TRADING ENTERPRISE	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 122,187.50	SIGNED SLA IN PLACE

52	HUMBLE FRANK MULTI SERVICE	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R -	SIGNED SLA IN PLACE
53	AMATHOKOZAMAHLE TRADING	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 288,750.00	SIGNED SLA IN PLACE
54	SIKHULA EBUNYENI ENTERPRISE	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 163,322.50	SIGNED SLA IN PLACE

55	BUSANGOKWAKHE (PTY) LTD	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 151,250.00	SIGNED SLA IN PLACE
56	FIRED UP AUTO INDUSTRIAL	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 43,200.00	SIGNED SLA IN PLACE
57	MUSA AND SONS TRADING	APPOINTMENT FOR A MAXIMUM PANEL OF 10 SERVICE PROVIDERS TO SUPPLY AND DELIVER ROADS AND BUILDING MATERIALS FOR A PERIOD OF 3 YEARS	3 YEARS	2023/02/07	2026/02/06	Transactional basis	R 302,500.00	SIGNED SLA IN PLACE

58	DESRAE LOGISTICE	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 45,024.05	Draft, sent for signing
59	DOLPHIN COAST TOWING	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R -	Draft, sent for signing
60	KING SHAKA AUTOMOTIVE	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R -	Draft, sent for signing

61	NEELAN'S AUTO CC	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 48,541.73	Draft, sent for signing
62	NKOSI AUTOMOTIVE (PTY) LTD	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 41,215.00	Draft, sent for signing
63	POWERSPARES ISITHEBE	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 12,103.49	Draft, sent for signing

64	SAMUEL AUTOMOTIVE	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 79,189.64	Draft, sent for signing
65	SIYAVUKA SUPPLY SERVICES	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 249,230.40	Draft, sent for signing
66	TAURUS HYDRULICS	APPOINTMENT FOR A MAXIMUM PANEL OF 08 SERVICE PROVIDERS TO ASSIST WITH MECHANICAL, ELECTRICAL REPAIRS AND MAINTENANCE OF MUNICIPAL FLEET AND EQUIPMENT FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/24	Transactional basis	R 41,810.11	Draft, sent for signing

67	R BUSISIWE (PTY) LTD	APPOINTMENT FOR A MAXIMUM PANEL OF 03 SERVICE PROVIDERS TO SUPPLY, INSTALL AND REPAIR OF AIRCONDITIONERS FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/25	2027/07/25	rate based	R -	Draft sent for veting
68	MSEBE CONTRACTING	APPOINTMENT FOR A MAXIMUM PANEL OF 03 SERVICE PROVIDERS TO SUPPLY, INSTALL AND REPAIR OF AIRCONDITIONERS FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/16	2027/07/15	rate based	R -	Draft sent for veting
69	LAMAZWIDE PROJECTS	APPOINTMENT FOR A MAXIMUM PANEL OF 03 SERVICE PROVIDERS TO SUPPLY, INSTALL AND REPAIR OF AIRCONDITIONERS FOR A PERIOD OF 3 YEARS	3 YEARS	2024/07/16	2027/07/15	rate based	R -	Draft sent for veting

	OMM							
1	MALUME MOTORING SCHOOL	YOUTH DRIVER'S LICENCE COURSE	3 YEARS	2024-04-03	2027-04-03	R 1,166,400.00	R 210,750.00	SIGNED SLA IN PLACE
2	BONAKUDE	PSP TO PROVIDE INTERNAL AUDIT AND FORENSIC INVESTIGATION FOR 3 YEARS	3 YEARS	2022-03-31	2025-02-28	Transactional basis	R 1,203,485.50	SIGNED SLA IN PLACE
3	THELULWAZI BUSINESS	PSP TO PROVIDE INTERNAL AUDIT AND FORENSIC INVESTIGATION FOR 3 YEARS	3 YEARS	2022-03-31	2025-02-28	Transactional basis	R 261,038.40	SIGNED SLA IN PLACE
4	ISIQU ACCOUNTANTS AND AUDITORS	PSP TO PROVIDE INTERNAL AUDIT AND FORENSIC INVESTIGATION FOR 3 YEARS	3 YEARS	2022-03-31	2025-02-28	Transactional basis	R 88,200.00	SIGNED SLA IN PLACE
5	INTERGRITY FORENSIC SOLUTIONS	PSP TO PROVIDE INTERNAL AUDIT AND FORENSIC INVESTIGATION FOR 3 YEARS	3 YEARS	2022-03-31	2025-02-28	Transactional basis	R -	SIGNED SLA IN PLACE

6	KAIZEN INTERNATIONAL	PSP TO PROVIDE INTERNAL AUDIT AND FORENSIC INVESTIGATION FOR 3 YEARS	3 YEARS	2022-03-31	2025-02-28	Transactional basis	R 283,715.50	SIGNED SLA IN PLACE
7	PHUMLANI NGUBANE	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 3,400,406.47	SIGNED SLA IN PLACE
8	TEMBE KHESWA NXUMALO INC	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 1,998,138.80	SIGNED SLA IN PLACE
9	MHLANGA INCORPORATED	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 1,074,613.81	SIGNED SLA IN PLACE
10	BHEKISISA GOQO & CO	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 87,931.40	SIGNED SLA IN PLACE

11	MEMELA AND ASSOCIATES	ESTABLISHMENT OF A PANEL OF MINIMUM OF FIVE (5) FIRMS OF ATTORNEYS FOR THE MUNICIPALITY FOR A PERIOD OF 3 YEARS	3 YEARS	2022-07-25	2025-07-25	Transactional basis	R 184,826.76	SIGNED SLA IN PLACE
12	INNOVATION GOVERNMENT SOFTWARE	IMPLEMENTATION OF PMS AUTOMATED SYSTEM FOR 36 MONTHS	3 YEARS	2023-09-01	2026-08-31	R 3,199,787.50	R 596,312.48	SIGNED SLA IN PLACE
	COMMUNITY SERVICES							
1	KING CETSHWAYO MUNICIPALITY	MUNICIPAL DUMPING SITE	2 YEARS	2019-08-01	2022-01-30	Charged per tonages	R 3,542,738.81	EXPIRED
2	PROSECURE	PROVISION OF VIP PROTECTION SERVICES	1 YEAR	2023-10-14	2024-12-13		R 281,689.60	DRAFT SENT FOR SIGNING
3	RURAL METRO EMERGENCY SERVICES	FIRE BRIGADE SERVICES	2 YEARS	2022-09-30	2024-09-29	R 9,309,628.35	R 7,685,854.98	SIGNED SLA IN PLACE

4	NJOMISA BOERDERY	ANIMAL POUND SERVICES	3 YEARS	2022-09-21	2025-09-20	R 1,575,284.88	R 822,609.35	SIGNED SLA IN PLACE
5	EZAMALUNQA TRADING	PROVISION OF SECURITY SERVICES	3 YEARS	2023-01-01	2025-12-31	R 27,869,400.00	R 18,528,431.22	SIGNED SLA IN PLACE
6	SNOBHO (PTY) LTD	SUPPLY AND DELIVER BLACK & YELLOW REFUSE BAGS	3 YEARS	2023-03-06	2026-02-28	R 6,955,200.00	R 2,152,800.00	SIGNED SLA IN PLACE
	CORPORATE SERVICES							
1	ESKOM	ELECTRICITY SUPPLY	ONGOING	2007-07-26	ONGOING	Charge per usage	R 112,184,532.14	ONGOING
2	MOBILE TELEPHONE NETWORKS (MTN)	3G MODEM FOR 87 USERS	3 YEARS	2024-02-01	2027-01-31	R 803,268.00	R 102,549.95	SIGNED SLA IN PLACE

3	MICROSOFT IRELAND OPERATIONS LIMITED	MICROSOFT LICENCES	3 YEARS	2021-11-15	2024-11-14	Based on rand/dollar value	R 5,269,065.38	SIGNED SLA IN PLACE
4	IMVOKOQA SOLUTIONS (PTY) LTD	ICT PANNEL OF SERVICE PROVIDERS	3 YEARS	2023-02-20	2026-02-19	R 694,692.00	R 419,236.00	SIGNED SLA IN PLACE
5	KAYOSI TRADING	BULK UNIFORMS & PPE	3 YEARS	2023-03-10	2026-03-09	Unit cost based	R 2,045,338.25	SIGNED SLA IN PLACE
6	MIN MAP ENTERPRISES AND SERVICES	BULK UNIFORMS & PPE	3 YEARS	2023-03-10	2026-03-09	Unit cost based	R -	SIGNED SLA IN PLACE
7	UNLIMITED ABC	BULK UNIFORMS & PPE	3 YEARS	2023-03-10	2026-03-09	Unit cost based	R 7,728.00	PURCHASE ORDER ISSUED

8	KONICA MINOLTA T/A BIDVEST	OFFICE AUTOMATION	3 YEARS	2023-07-01	2026-06-30	R 3,499,506.36	R 931,351.02	SIGNED SLA IN PLACE
9	EMALANGENI TECHNOLOGIES	SD-WAN , VPN AND IP TELEPHONY SOLUTION	3 YEARS	2023-08-01	2026-07-31	R 6,961,762.59	R 2,121,686.29	SIGNED SLA IN PLACE
10	CITY OF CHOICE TRAVELS	TRAVEL AGENT	3 YEARS	2023-08-10	2026-08-09	Unit cost based	R 3,182,280.83	SLA has been sent to the service provider for signing
11	ADVISORY IT	IMPLEMENTATION OF PROJECT MANAGEMENT OFFICE SYSTEM FOR 36 MONTHS	3 YEARS	2023-09-01	2026-08-31	R 2,000,000.00	R 1,594,600.49	SIGNED SLA IN PLACE
12	EMALANGENI TECHNOLOGIES	SUPPLY, INSTALLATION AND MAINTENANCE OF INTERGRATED TELECOMMUNICATION SOLUTION	3 YEARS	2023-10-05	2026-10-04	R 15,807,366.68	R 1,047,702.82	SIGNED SLA IN PLACE

13	MALUTHULI CONSULTING	LEASING OF PARKHOME OFFICES	3 YEARS	2023-11-01	2026-10-31	R 2,808,000.00	R 873,000.00	SIGNED SLA IN PLACE
14	BAMBHANANI ENTERPRISES	SUPPORT AND MAINTAIN A CLOUD BACK UP AND DISASTER RECOVERY	3 YEARS	2023-11-05	2026-10-31	Unit cost based	R 977,687.16	SIGNED SLA IN PLACE
15	MOBILE TELEPHONE NETWORKS (MTN)	3G MODEM FOR 87 USERS	2 YEARS	2024-02-01	2023-10-14	R 803,268.00	R 102,549.50	SIGNED SLA IN PLACE
16	ADVISORY IT	DEVELOPMENT AND INSTALLATION OF AUTOMATED BOOKING SYSTEM FOR HALLS AND FACILITIES	2 YEARS	2024-05-06	2026-05-05	R 3,000,000.00	R 2,442,500.01	SIGNED SLA IN PLACE
17	SONANI TRADING AND COMMUNICATION	PANEL TO CONDUCT TRAININGS FOR THE MUNICIPALITY STAFF	3 YEARS	2024-05-30	2027-05-29	Transactional Basis	R 232,875.00	SIGNED SLA IN PLACE

18	AGRIOPERATIONS HUB (PTY) LTD	PANEL TO CONDUCT TRAININGS FOR THE MUNICIPALITY STAFF	3 YEARS	2024-05-30	2027-05-29	Transactional Basis	R 74,117.50	SIGNED SLA IN PLACE
19	MORAR INCORPORATED	PANEL TO CONDUCT TRAININGS FOR THE MUNICIPALITY STAFF	3 YEARS	2024-05-30	2027-05-29	Transactional Basis	R -	SIGNED SLA IN PLACE
20	BIDVEST STEIGNER	HYGINE SERVICES	3 YEARS	2024-07-16	2027-07-15	R 2,353,403.35	R 97,018.54	draft sent to legal for vetting
	BTO							
1	CCG TECHNOLOGY GROUP	MSCOA	8 YEARS	2016-11-07	2024-10-31	R 12,637,761.50	R 8,043,360.01	SLA IN PLACE
2	FNB	BANKING SERVICES	5 YEARS	2021-06-01	2026-05-30	Charged per transaction	R -	SLA IN PLACE

3	INSIDE DATA	BULK PRINTING AND MAILING	3 YEARS	2022-02-21	2025-02-20	R 3,753,510.36	R 255,713.64	SLA IN PLACE
4	UMHLABA GEOMATICS	GENERAL VALUATION & PREPARATION OF A VALUATION ROLL	3 YEARS	2022-08-17	2025-08-17	R 1,145,000.00	R 952,302.90	SLA IN PLACE
5	PAY DAY SOFTWARE SYSTEMS	PAY ROLL AND HR SYSTEMS	3 YEARS	2023-11-02	2026-11-02	R 1,570,058.20	R 365,074.40	SLA sent to the SP for signing
6	KUNENE MAKOPO	SHORT - TERM INSURANCE-ASSETS	3 YEARS	2023-10-01	2026-09-30	R 4,607,168.78	R 1,713,059.11	SLA sent to the SP for signing
7	MBD CONSULTING	SOURCING OF SOCIAL AND ECONOMIC INFRASTRUCTURE INVESTMENT CAPITAL PROPOSAL FOR A PERIOD OF 3 (THREE) YEARS	3 YEARS	2024-08-05	2027-08-04	10.00%		SLA IN PLACE
8	CONLOG (PTY) LIMITED	SMART METRES	3 YEARS	2024-08-30	2027-08-29		R 323,444.31	draft sent for vetting

	EDP							
1	MABUNE CONSULTING	A PANEL OF LAND SURVEYORS & TOWN PLANNERS CONSULTANTS FOR A PERIOD OF 3 YEARS	3 YEARS	2022-03-30	2025-02-28	Charged per transaction	R 1,255,322.50	SIGNED SLA IN PLACE
2	IYER / CRAWFORD JV	A PANEL OF LAND SURVEYORS & TOWN PLANNERS CONSULTANTS FOR A PERIOD OF 3 YEARS	3 YEARS	2022-03-30	2025-02-28	Charged per transaction	R -	SLA NOT YET BACK FROM SP, FOLLOW UP HAS BEEN SENT
3	VELENKOSINI PROFESSIONAL LAND SURVEYORS	A PANEL OF LAND SURVEYORS & TOWN PLANNERS CONSULTANTS FOR A PERIOD OF 3 YEARS	3 YEARS	2022-03-30	2025-02-28	Charged per transaction	R 108,500.00	SIGNED SLA IN PLACE
4	TSHANI CONSULTING	A PANEL OF LAND SURVEYORS & TOWN PLANNERS CONSULTANTS FOR A PERIOD OF 3 YEARS	3 YEARS	2022-03-30	2025-02-28	Charged per transaction	R -	SLA NOT YET BACK FROM SP, FOLLOW UP HAS BEEN SENT

5	ISIBUKO DEVELOPMENT PLANNING	A PANEL OF LAND SURVEYORS & TOWN PLANNERS CONSULTANTS FOR A PERIOD OF 3 YEARS	3 YEARS	2022-03-30	2025-02-28	Charged per transaction	R 240,051.00	SIGNED SLA IN PLACE
6	NEW PLANNING	A PANEL OF LAND SURVEYORS & TOWN PLANNERS CONSULTANTS FOR A PERIOD OF 3 YEARS	3 YEARS	2022-03-30	2025-02-28	Charged per transaction	R 154,520.00	SIGNED SLA IN PLACE
	-		-	-				
	PREPARED BY: NN NXUMALO	**SIGN:**						
	SCM PRACTITIONER: DEMAND							
	REVIEWED BY : MR. MP BHODOZA	**SIGN:**						
	MANAGER SCM							

APPENDIX I

Municipal Entity/Service providers performance schedule

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Current Financial Year		Performance of Service Provider		
					Actual	Target	G	S	P
21/22/23	Snobho	2023/05/01	Supply of Refuse bags	R 6 955 200.00			G		
24/21/22	Umhlaba geomatics	17/08/2022	General valuation roll and preparation and updating of valuation roll for implementation for period 1 July 2023 to 30 June 2026	R 1 145 000.00				S	
07/22/23	Mlombomvu	13/12/2022	Construction of DLTC and DMC administration	R14,017,239.0				S	

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Current Financial Year		Performance of Service Provider		
					Actual	Target	G	S	P
	projects cc		offices	0					
12/22/23	Zithunzuzo Trading	21/12/2022	Construction of sports field and combo court in hlomendlini: ward 4	R 8 041 369.71				S	
17/22/23	Ezamalunqa trading (pty) ltd	12/12/2022	Provision of security services, additional sites	R29,901,150.0 0			G		
28/21/22	Njomisa Broedery	21/09/2022	Animal pound	R1,575,284.88			G		
10/22/23	R Busisiwe	21/12/2022	Installation of High mast	R5,046,311.80			G		

Assessment Key	
Good (G)	*The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract*
Satisfactory (S)	*The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract*
Poor (P)	*The service has been provided below acceptable standards*

APPENDIX J

Financial disclosure of financial interests

Indeed, 5 senior managers have signed their declaration of financial interest with one vacant position of Chief Financial Officer (CFO). The performance agreements are also commissioned by an officer of oaths. 5 posts were occupied within the municipality throughout the financial year 2023/2024 and submitted to COGTA before 31 July 2023.

APPENDIX K

Financial Performance (Revenue and expenditure by municipal vote)

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousands	Ref
Revenue by Vote	1
Vote 1 - Executive and council	
Vote 2 - Finance and administration	
Vote 3 - Internal audit	
Vote 4 - Community and social services	
Vote 5 - Sport and Recreation	
Vote 6 - Public safety	
Vote 7 - Housing	
Vote 8 - Planning and Development	
Vote 9 - Road transport	
Vote 10 - Energy sources	
Vote 11 - Waste Management	
Vote 12 - Environmental Protection	
Vote 13 - [NAME OF VOTE 13]	
Vote 14 - [NAME OF VOTE 14]	
Vote 15 - [NAME OF VOTE 15]	
Total Revenue by Vote	2
Expenditure by Vote	1
Vote 1 - Executive and council	
Vote 2 - Finance and administration	
Vote 3 - Internal audit	
Vote 4 - Community and social services	

Vote 5 - Sport and Recreation		
Vote 6 - Public safety		
Vote 7 - Housing		
Vote 8 - Planning and Development		
Vote 9 - Road transport		
Vote 10 - Energy sources		
Vote 11 - Waste Management		
Vote 12 - Environmental Protection		
Vote 13 - [NAME OF VOTE 13]		
Vote 14 - [NAME OF VOTE 14]		
Vote 15 - [NAME OF VOTE 15]		
Total Expenditure by Vote	2	
Surplus/ (Deficit) for the year	2	

References

1. Insert 'Vote'; e.g. Department, if different to standard classification structure

2. Must reconcile to Monthly Budget Statement - Financial Performance Statement (standard classification)

APPENDIX L

CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

KZN291 Mandeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2023/24
R thousand		Audited Outcome	Audited Outcome	Audited Outcome
RECEIPTS:	1, 2			
-				
Operating Transfers and Grants				
National Government:		**209,625**	**217,447**	**223,616**
EPWP Incentive	_	2,387	2,435	2,372
Finance Management	_	2,345	1,850	1,850

Integrated National Electrification Programme	–	6,506	1,998	6,576
Local Government Equitable Share	–	198,387	211,164	212,818
Municipal Infrastructure Grant	–	–	–	–
	–			
Other transfers/grants [insert description]	–			
Provincial Government:	–	**6,926**	**4,648**	**5,930**
Community Library Services Grant	–	6,219	4,214	3,708
Provincialization of Government				
Non-revenue electricity - EDTEA		448		1,000
Massification Grant				239
Housing Title Deed		259	434	983
District Municipality:		**–**	**–**	**–**
[insert description]				
Other grant providers:		**–**	**–**	**–**
[insert description]	–			
Total Operating Transfers and Grants	5	**216,550**	**222,095**	**229,546**
<u>Capital Transfers and Grants</u>				
National Government:		**41,858**	**43,949**	**41,510**
Municipal Disaster Recovery Grant	–	393	–	1,466
	–	–	–	–
Municipal Infrastructure Grant (MIG)	–	41,465	43,949	40,044
Other capital transfers/grants [insert desc]				
Provincial Government:		**–**	**–**	**–**

Provincialization of Libraries	–	–		
District Municipality:		–	–	–
[insert description]				
Other grant providers:		–	–	–
[insert description]				
Total Capital Transfers and Grants	5	**41,858**	**43,949**	**41,510**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**258,408**	**266,044**	**271,056**

APPENDIX M

Appendix M (i) -Capital Expenditure -New Assets Programmes.

KZN291 Mandeni - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Q2 Second Quarter

Description	Ref	2023/24
		Audited Outcome
R thousands	1	
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>		

-		
Infrastructure		**11,236**
Roads Infrastructure		7,886
Roads		7,886
Road Structures		–
Road Furniture		–
Capital Spares		–
Storm water Infrastructure		–
Drainage Collection		–
Storm water Conveyance		–
Attenuation		–
Electrical Infrastructure		1,849
Power Plants		–
HV Substations		1,849
HV Switching Station		–
HV Transmission Conductors		–
MV Substations		–
MV Switching Stations		–
MV Networks		–
LV Networks		–
Capital Spares		–
Water Supply Infrastructure		–
Dams and Weirs		–
Boreholes		–
Reservoirs		–
Pump Stations		–
Water Treatment Works		–
Bulk Mains		–
Distribution		–
Distribution Points		–
PRV Stations		–
Capital Spares		–
Sanitation Infrastructure		–
Pump Station		–

Reticulation		–	
Waste Water Treatment Works		–	
Outfall Sewers		–	
Toilet Facilities		–	
Capital Spares		–	
Solid Waste Infrastructure		1,500	
Landfill Sites		–	
Waste Transfer Stations		–	
Waste Processing Facilities		–	
Waste Drop-off Points		1,500	
Waste Separation Facilities		–	
Electricity Generation Facilities		–	
Capital Spares		–	
Rail Infrastructure		–	
Rail Lines		–	
Rail Structures		–	
Rail Furniture		–	
Drainage Collection		–	
Storm water Conveyance		–	
Attenuation		–	
MV Substations		–	
LV Networks		–	
Capital Spares		–	
Coastal Infrastructure		–	
Sand Pumps		–	
Piers		–	
Revetments		–	
Promenades		–	
Capital Spares		–	
Information and Communication Infrastructure		–	
Data Centres		–	
Core Layers		–	
Distribution Layers		–	
Capital Spares		–	

Community Assets		**30,610**
Community Facilities		23,398
Halls		137
Centres		18,054
Crèches		–
Clinics/Care Centres		–
Fire/Ambulance Stations		–
Testing Stations		–
Museums		–
Galleries		–
Theatres		–
Libraries		–
Cemeteries/Crematoria		–
Police		–
Purls		–
Public Open Space		–
Nature Reserves		–
Public Ablution Facilities		–
Markets		–
Stalls		5,206
Abattoirs		–
Airports		–
Taxi Ranks/Bus Terminals		–
Capital Spares		–
Sport and Recreation Facilities		7,212
Indoor Facilities		–
Outdoor Facilities		7,212
Capital Spares		–
Heritage assets		–
Monuments		–
Historic Buildings		–
Works of Art		–
Conservation Areas		–

Other Heritage	–
Investment properties	**–**
Revenue Generating	–
Improved Property	–
Unimproved Property	–
Non-revenue Generating	–
Improved Property	–
Unimproved Property	–
Other assets	**1,723**
Operational Buildings	1,723
Municipal Offices	1,723
Pay/Enquiry Points	–
Building Plan Offices	–
Workshops	–
Yards	–
Stores	–
Laboratories	–
Training Centres	–
Manufacturing Plant	–
Depots	–
Capital Spares	–
Housing	–
Staff Housing	–
Social Housing	–
Capital Spares	–
Biological or Cultivated Assets	**–**
Biological or Cultivated Assets	–
Intangible Assets	**2,124**
Servitudes	–
Licences and Rights	2,124
Water Rights	–

Effluent Licenses		–
Solid Waste Licenses		–
Computer Software and Applications		2,124
Load Settlement Software Applications		–
Unspecified		–
Computer Equipment		**1,030**
Computer Equipment		1,030
Furniture and Office Equipment		**52,559**
Furniture and Office Equipment		52,559
Machinery and Equipment		**8,676**
Machinery and Equipment		8,676
Transport Assets		**18,989**
Transport Assets		18,989
Land		**–**
Land		–
Zoo's, Marine and Non-biological Animals		**–**
Zoo's, Marine and Non-biological Animals		–
Living resources		**–**
Mature		–
Policing and Protection		–
Zoological plants and animals		–
Immature		–
Policing and Protection		–
Zoological plants and animals		–
Total Capital Expenditure on new assets	1	**126,946**

Appendix M (ii) Capital expenditure on Upgrade/Renewal Programme.

KZN291 Mandeni - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2020/21	2021/22	2023/24	Budget Year 2024/25		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class							
-							
Infrastructure		**6,283**	**6,283**	**7,788**	**3,957**	**3,957**	**3,957**
Roads Infrastructure		6,283	6,283	7,661	435	435	435
Roads		6,283	6,283	7,661	435	435	435
Road Structures		–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–
Attenuation		–	–	–	–	–	–
Electrical Infrastructure		–	–	127	2,261	2,261	2,261
Power Plants		–	–	–	–	–	–
HV Substations		–	–	127	1,565	1,565	1,565
HV Switching Station		–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–
MV Substations		–	–	–	696	696	696
MV Switching Stations		–	–	–	–	–	–
MV Networks		–	–	–	–	–	–

LV Networks	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–
Water Supply Infrastructure	–	–	–	–	–	–
Dams and Weirs	–	–	–	–	–	–
Boreholes	–	–	–	–	–	–
Reservoirs	–	–	–	–	–	–
Pump Stations	–	–	–	–	–	–
Water Treatment Works	–	–	–	–	–	–
Bulk Mains	–	–	–	–	–	–
Distribution	–	–	–	–	–	–
Distribution Points	–	–	–	–	–	–
PRV Stations	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–
Sanitation Infrastructure	–	–	–	–	–	–
Pump Station	–	–	–	–	–	–
Reticulation	–	–	–	–	–	–
Waste Water Treatment Works	–	–	–	–	–	–
Outfall Sewers	–	–	–	–	–	–
Toilet Facilities	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	–	1,043	1,043	1,043
Landfill Sites	–	–	–	–	–	–
Waste Transfer Stations	–	–	–	–	–	–
Waste Processing Facilities	–	–	–	–	–	–
Waste Drop-off Points	–	–	–	1,043	1,043	1,043
Waste Separation Facilities						

	–	–	–	–	–	–
Electricity Generation Facilities	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–
Rail Infrastructure	–	–	–	–	–	–
Rail Lines	–	–	–	–	–	–
Rail Structures	–	–	–	–	–	–
Rail Furniture	–	–	–	–	–	–
Drainage Collection	–	–	–	–	–	–
Storm water Conveyance	–	–	–	–	–	–
Attenuation	–	–	–	–	–	–
MV Substations	–	–	–	–	–	–
LV Networks	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	217	217	217
Sand Pumps	–	–	–	–	–	–
Piers	–	–	–	–	–	–
Revetments	–	–	–	–	–	–
Promenades	–	–	–	–	–	–
Capital Spares	–	–	–	217	217	217
Information and Communication Infrastructure	–	–	–	–	–	–
Data Centres	–	–	–	–	–	–
Core Layers	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–
Community Assets	**11,404**	**16,425**	**14,792**	**23,866**	**23,832**	**23,832**

Community Facilities	6,864	7,811	11,048	11,087	12,174	12,174
Halls	1,113	3,643	–	652	–	–
Centres	5,537	3,953	9,161	5,217	9,565	9,565
Crèches	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–
Testing Stations	–	–	–	–	–	–
Museums	–	–	–	–	–	–
Galleries	–	–	–	–	–	–
Theatres	–	–	–	–	–	–
Libraries	–	–	–	–	–	–
Cemeteries/Crematoria	–	–	–	–	–	–
Police	–	–	–	–	–	–
Parks	–	–	–	–	–	–
Public Open Space	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–
Public Ablution Facilities	–	–	–	–	–	–
Markets	–	–	–	–	–	–
Stalls	214	214	1,888	5,217	2,609	2,609
Abattoirs	–	–	–	–	–	–
Airports	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–
Sport and Recreation Facilities	4,540	8,614	3,744	12,779	11,658	11,658
Indoor Facilities	–	–	–	–	–	–
Outdoor Facilities						

		4,540	8,614	3,744	12,779	11,658	11,658
Capital Spares		–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–
Monuments		–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–
Works of Art		–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–
Improved Property		–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–
Improved Property		–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–
Other assets		**–**	**–**	**–**	**2,391**	**2,391**	**2,391**
Operational Buildings		–	–	–	2,391	2,391	2,391
Municipal Offices		–	–	–	2,087	2,087	2,087
Pay/Enquiry Points		–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–
Workshops		–	–	–	–	–	–
Yards		–	–	–	304	304	304
Stores		–	–	–	–	–	–
Laboratories							

	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–
Depots	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–
Housing	–	–	–	–	–	–
Staff Housing	–	–	–	–	–	–
Social Housing	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–
Water Rights	–	–	–	–	–	–
Effluent Licenses	–	–	–	–	–	–
Solid Waste Licenses	–	–	–	–	–	–
Computer Software and Applications	–	–	–	–	–	–
Load Settlement Software Applications	–	–	–	–	–	–
Unspecified	–	–	–	–	–	–
Computer Equipment	–	–	–	348	896	896
Computer Equipment	–	–	–	348	896	896
Furniture and Office Equipment	19,890	19,890	31,983	565	609	609

Furniture and Office Equipment		19,890	19,890	31,983	565	609	609
Machinery and Equipment		–	–	–	10,078	9,417	9,417
Machinery and Equipment		–	–	–	10,078	9,417	9,417
Transport Assets		–	–	–	17,384	17,489	17,489
Transport Assets		–	–	–	17,384	17,489	17,489
Land		–	–	–	–	–	–
Land		–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–
Living resources		-	-	-	-	-	-
Mature		-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-
Immature		-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-
Total Capital Expenditure on new assets	1	**37,577**	**42,598**	**54,564**	**58,589**	**58,590**	**58,590**

APPENDIX N

CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

KZN291 Mandeni -						
R thousand		**Prior year outcomes**		**2024/25 Medium Term Revenue & Expenditure Framework**		
Function	**Project Description**	**Audited Outcome 2023/24**	**Current Year 2023/24 Full Year Forecast**	**Budget Year 2024/25**	**Budget Year +1 2025/26**	**Budget Year +2 2026/27**
Parent municipality:						
List all operational projects grouped by Function						
Administrative and Corporate Support	**CORPORATE SERVICES DIRECTOR**	1,174	1,311	1,371	1,434	1,252
Administrative and Corporate Support	**Default Transactions**	–	24	25	26	60
Administrative and Corporate Support	**Employee Related - Corp Serv-admin**					

		6,255	7,188	7,518	7,864	6,852
Administrative and Corporate Support	**LEASES OFFICE EQUIPMENT (PRINTERS)**	326	739	773	809	739
Administrative and Corporate Support	**Outsource Staff Uniforms**	920	2,000	2,092	2,188	1,304
Administrative and Corporate Support	**Postage**	2	5	5	5	4
Administrative and Corporate Support	**Printing and Stationery - Corp**	59	174	182	190	174
Administrative and Corporate Support	**Take on**	696	956	985	1,005	816
Administrative and Corporate Support	**Telephone - Telkom**	245	522	546	571	522
Administrative and Corporate Support	**Training & Development for employees**	1,460	696	910	951	1,087
Administrative and Corporate Support	**Substinence & Travelling**	822	496	518	542	670
Administrative and Corporate Support	**Courier & Delivery Services**	–	5	5	5	3
Administrative and Corporate Support	**END YEAR FUNCTION(COUNCILLORS AND STAFF)**	–	87	91	95	–
Administrative and Corporate Support	**MFMP Graduation**	–	192	201	210	–
Administrative and Corporate Support	**Team Building/Employee Wellness & Staff Bursaries**	38	43	45	48	43

Administrative and Corporate Support	**Team Building/Employee Wellness & Staff Bursaries**	1	30	31	33	30
Administrative and Corporate Support	**Lease of Office Buidling and Parkhomes**	847	870	870	1,047	783
Administrative and Corporate Support	**Procurement of cleaning items**	264	826	864	904	361
Administrative and Corporate Support	**PPE SPECIALISED RANGE**	–	304	318	333	–
Administrative and Corporate Support	**SAFETY / WARNING SIGNS**	–	100	105	109	–
Administrative and Corporate Support	**WORK AND PLAY**	–	50	–	–	–
Administrative and Corporate Support	**Procurement of Office Refreshments Corporate Services**	–	276	289	302	–
Administrative and Corporate Support	**SMS PORTAL**	–	35	36	38	26
Administrative and Corporate Support	**KZN 291_STRATEGIC SESSION**	–	435	–	–	–
Administrative and Corporate Support	**Amakhosi Sitting Allowance**	–	30	31	33	–
Animal Care and Diseases	**Animal pound Services**	349	435	455	476	435
Asset Management	**DEPRECIATION**	–	–	–	–	947
Asset Management	**Take on**					

		4,154	5,748	5,920	6,039	1,967
Asset Management	**Security Services**	12,321	11,304	11,424	8,898	11,834
Asset Management	**GRAP ASSET REGISTER**	302	261	273	285	313
Beaches and Jetties	**Hiring of Plant and Equipment for beach cleaning**	–	652	682	714	1,087
Beaches and Jetties	**Procurement of 6 Rescue Boards**	–	–	–	–	157
Beaches and Jetties	**Blue Flag Annual Subscription**	–	35	36	38	40
Biodiversity and Landscape	**Small Tools - Parks**	246	870	910	951	870
Biodiversity and Landscape	**Employee Related Costs for PARKS & GARDENS**	2,984	3,759	3,932	4,112	3,583
Biodiversity and Landscape	**Protective clothing - Parks**	126	130	136	143	174
Cemeteries, Funeral Parlours and Crematoriums	**Pauper/ Indigent Burial**	330	550	575	602	400
Central City Improvement District	**Take on**	124	136	142	149	120
Community Halls and Facilities	**Procurement of Concrete Poles**	–	1,304	1,364	1,427	–
Community Halls and Facilities	**Hire of Honey Sucker Truck**	–	–	–	–	600

Community Halls and Facilities	**Installation and Maintanance of CCTV Cameras and Alarm monitoring system**	–	2,174	–	–	–
Community Halls and Facilities	**COMMUNITY AND SOCIAL SERVICES DIRECTOR**	603	1,237	1,294	1,354	1,180
Community Halls and Facilities	**Default Transactions**	–	60	63	66	60
Community Halls and Facilities	**EMPLOYEE RELATED COSTS SOCIAL SERVICES-MUNICIPAL STAFF**	10,671	15,896	16,627	17,392	15,154
Community Halls and Facilities	**PDP FOR DRIVERS AND LICENSING OF EPWP Lifeguards**	1	5	5	5	–
Community Halls and Facilities	**Printing and Stationery - Commun**	579	–	–	–	–
Community Halls and Facilities	**Procurement of cleaning items**	109	100	102	105	435
Community Halls and Facilities	**Procurement of Stationery Comm Serv & Facilities**	–	350	366	383	–
Community Halls and Facilities	**Take on**	3,592	3,327	3,427	3,495	2,818
Community Halls and Facilities	**SUBSISTENCE AND TRAVELLING-COMM**	276	528	553	578	689
Community Halls and Facilities	**SMS PORTAL**	–	–	–	–	9
Community Halls and Facilities	**Procurement of PPE for EPWP beneficiaries**	–	174	182	190	174
Community Halls and Facilities	**Procurement of cleaning items**					

		120	–	–	–	–
Community Halls and Facilities	**Procurement of Office Refreshments Community Services**	–	50	52	55	–
Community Parks (including Nurseries)	**Procurement of Play Park Equipment**	–	522	546	571	522
Community Parks (including Nurseries)	**Greening of open spaces and Municipal facilities**	385	–	–	–	–
Community Parks (including Nurseries)	**NKPA_MTID02_ EPWP Remuneration**	2,370	1,815	1,898	1,986	2,410
Community Parks (including Nurseries)	**Take on**	4	–	–	–	–
Community Parks (including Nurseries)	**Greening of open spaces and Municipal facilities**	1	87	91	95	43
Community Parks (including Nurseries)	**Grass cutting in various areas around Mandeni**	2,119	3,000	2,900	3,401	2,348
Community Parks (including Nurseries)	**Arbor Day Celebration**	116	95	99	104	70
Corporate Wide Strategic Planning (IDPs, LEDs)	**Printing and Stationery_LED**	71	87	91	95	130
Corporate Wide Strategic Planning (IDPs, LEDs)	**SMME Capacity building programmes**	–	20	21	22	–
Corporate Wide Strategic Planning (IDPs, LEDs)	**PRINTING OF IDP DOCUMENT AND SUMMARIES**	108	130	136	143	174
Corporate Wide Strategic Planning (IDPs, LEDs)	**Arbor Day Celebration**	2	10	10	11	10

Corporate Wide Strategic Planning (IDPs, LEDs)	**Heritage Walk and Lecture**	66	140	146	153	140
Corporate Wide Strategic Planning (IDPs, LEDs)	**Strategic SMMEs Intervention Programme (Quick Wins)**	829	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)	**Tugela Raft Race**	–	348	355	362	350
Corporate Wide Strategic Planning (IDPs, LEDs)	**SPATIAL DEVELOPMENT FRAMEWORK (COGTA)**	–	43	45	48	–
Corporate Wide Strategic Planning (IDPs, LEDs)	**KZN 291_STRATEGIC SESSION**	100	391	–	–	261
Development Facilitation	**PLANNING AND GIS-DIRECTOR**	14	7	7	8	4
Disaster Management	**DIsaster Management**	39	50	52	55	40
Disaster Management	**DIsaster Management**	–	535	559	585	585
Disaster Management	**Disaster relief aid**	303	174	182	190	–
Disaster Management	**Fire rescue services**	3,859	1,478	1,546	1,617	4,174
Economic Development/Planning	**Default Transactions**	–	60	63	66	60
Economic Development/Planning	**Employee Related Costs - LED**	2,546	3,274	3,425	3,582	3,133
Economic Development/Planning	**PLANNING AND GIS-DIRECTOR**					

		95	84	88	92	79
Economic Development/Planning	**SMME Capacity building programmes**	–	20	21	22	–
Economic Development/Planning	**SMME Capacity building programmes**	17	70	73	77	60
Economic Development/Planning	**Single Land Use Scheme (COGTA)**	–	20	21	22	–
Economic Development/Planning	**SUBSISTENCE AND TRAVELLING COSTS**	43	92	96	84	157
Economic Development/Planning	**Convene LED Forums**	20	50	52	55	40
Economic Development/Planning	**CATERING_IDP RF**	–	30	30	31	50
Economic Development/Planning	**MANDENI YEBO YES BEACH FESTIVAL**	–	1,500	–	–	870
Economic Development/Planning	**SMME Fair and exhibition**	12	300	314	328	510
Economic Development/Planning	**Strategic SMMEs Intervention Programme (Quick Wins)**	1,842	1,043	1,216	1,142	870
Economic Development/Planning	**EIA FOR DOKODWENI/UPGRADE**	150	–	–	–	–
Economic Development/Planning	**Support for Agricultural projects**	–	50	52	55	–
Economic Development/Planning	**Feasibility Study for DLTC Trading Facilities**	–	435	–	–	–

Economic Development/Planning	**Commissioning of Land Surveyors**	137	174	182	190	87
Economic Development/Planning	**NODAL PLANS (COGTA)**	425	–	–	–	61
Economic Development/Planning	**Procurement Office Refreshments EDPHS**	–	50	52	55	–
Economic Development/Planning	**Construction of New Cemetery Area**	–	261	273	285	313
Economic Development/Planning	**Analysis of water Samples for Blue Flag Beaches**	–	26	27	29	30
Electricity	**Municipal Building Maintenance Electrical**	1,210	2,609	2,729	2,854	2,174
Electricity	**Electricity Reticulation**	3,521	6,522	6,822	7,136	4,348
Electricity	**Small Tools_Fleet**	463	217	227	238	304
Electricity	**315kva transformer repairs in ward 3(Gazele Place)**	–	3,696	3,866	4,043	6,522
Electricity	**Streetlight maintenance**	379	435	455	476	435
Electricity	**Air-conditioner Maintenance**	69	652	682	714	870
Electricity	**Traffic lights maintenance**	291	652	682	714	435
Electricity	**Electrification of informal trader stalls**					

		–	–	–	–	3,913
Electricity	**EMPLOYEE RELATED COST- ELECTRICITY**	2,765	3,527	3,689	3,859	3,348
Electricity	**ESKOM BULK PURCHASES**	45,293	57,866	59,164	61,931	51,864
Electricity	**FREE BASIC SERVICES**	1,465	1,391	1,455	1,522	–
Electricity	**Stormwater Take On**	1,039	2,590	2,668	2,721	1,163
Electricity	**Subsistence and Travelling Electricity**	–	50	52	55	–
Electricity	**Subsistence and Travelling Electricity**	–	–	–	–	50
Electricity	**ELECTRICITY INTERNAL**	1,703	1,739	1,819	1,903	1,565
Electricity	**MANDENI NON-REVENUE ELECTRICITY**	–	–	–	–	861
Electricity	**FREE BASIC SERVICES**	–	–	–	–	1,391
Electricity	**Default Transactions**	6,576	8,023	6,887	7,921	6,421
Electricity	**Default Transactions**	239	–	–	–	4,140
Electricity	**ELECTRIFICATION PROJECTS**	–	–	–	–	543

Electricity	**ELECTRIFICATION PROJECTS -2**	–	174	182	190	1,223
Finance	**Assessment Rates**	–	4,087	4,128	4,169	4,664
Finance	**BANK CHARGES**	449	391	409	428	391
Finance	**CHIEF FINANCIAL OFFICER- DIRECTOR**	2,059	2,536	2,652	2,774	2,420
Finance	**Employee Related Costs BTO**	14,943	17,602	16,412	11,211	16,796
Finance	**Employee Related Costs for FMG INTERNS**	525	572	598	625	545
Finance	**INDIGENT REGISTER**	15,022	–	–	–	–
Finance	**MANDENI NON-REVENUE ELECTRICITY**	–	–	–	–	836
Finance	**PLANNING AND GIS-DIRECTOR**	873	1,151	326	1,260	1,100
Finance	**Post retirement benefit - Medical Aid Provision**	(1,651)	–	–	–	1,178
Finance	**PRINTING AND STATIONERY FOR BTO**	119	174	182	190	243
Finance	**Take on**	1,767	11,082	8,592	8,987	44,759
Finance	**mSCOA**					

		35	261	273	285	261
Finance	**SUBSISTENCE AND TRAVELLING**	28	130	–	–	–
Finance	**Annual Review of Indigent Register**	5	643	45	48	50
Finance	**IMPLEMENTATION OF CREDIT CONTROL AND DEBT COLLECTION**	1	130	136	143	174
Finance	**Postage**	157	87	91	95	130
Finance	**Procurement of Refreshments for BTO**	–	50	52	55	–
Finance	**Procuremet of Office Refreshments Technical Services**	–	50	52	55	–
Finance	**GRAP AFS**	202	217	227	238	217
Finance	**mSCOA**	846	–	–	–	–
Finance	**Vat Review**	1,964	1,739	1,819	1,903	2,870
Finance	**GRAP ASSET REGISTER**	163	435	455	476	217
Finance	**GRAP AFS**	–	43	45	48	43
Finance	**Payday system**	15	261	273	285	300

Finance	**mSCOA**	–	–	–	–	304
Finance	**TRAINING AND DEVELOPMENT**	895	286	314	339	304
Finance	**SUBSISTENCE AND TRAVELLING**	194	441	189	197	528
Finance	**PREPAID METERING SYSTEM**	2,487	1,739	1,929	1,954	2,609
Fleet Management	**Plant and Equipment Maintenance**	18,546	26,087	27,287	28,542	21,739
Fleet Management	**EMPLOYEE RELATED COSTS FLEET & WORKSHOP**	5,027	6,660	6,967	7,287	6,349
Fleet Management	**Finance lease Payments_ Wesbank Fleet**	2	–	–	–	–
Fleet Management	**FUEL & OIL**	6,487	5,217	5,457	5,708	6,609
Fleet Management	**Payment of vehicle excess (insurance)**	25	17	18	19	35
Fleet Management	**Renewal of Vehicle Licenses**	338	652	682	714	522
Fleet Management	**Take on**	–	1,768	1,821	1,857	–
Fleet Management	**WESBANK FLEET**	0	–	–	–	–
Fleet Management	**Leases of Vehicle_Fleet Management**					

		191	565	591	618	435
Fleet Management	**Vehicle cleaning and Washing**	–	30	31	33	50
Fleet Management	**COR Roadworthy Preparation for Tests X 12 Trucks**	1,099	1,739	1,819	1,903	1,826
Human Resources	**Workmens Compensation**	511	870	1,364	1,427	522
Human Resources	**Default Transactions**	–	787	823	861	750
Human Resources	**EMPLOYEE RELATED COSTS-HR**	3,037	3,618	3,785	3,959	3,447
Human Resources	**Long Service Awards Exit Gifts**	55	150	157	164	210
Human Resources	**Stipen for Construction Training**	–	–	–	–	250
Human Resources	**Training & Development for employees**	130	100	105	109	100
Human Resources	**Substinence & Travelling HR**	42	20	21	22	13
Human Resources	**Team Building/Employee Wellness & Staff Bursaries**	330	600	628	656	550
Human Resources	**Gazetting By-Laws**	–	261	273	285	261
Human Resources	**Team Building/Employee Wellness & Staff Bursaries**	272	400	418	438	350

Human Resources	**EAP Launch for Staff & Councillors**	214	–	–	–	–
Human Resources	**New Engagements & Medical Testing**	74	174	182	190	100
Human Resources	**Team Building/Employee Wellness & Staff Bursaries**	70	50	52	55	100
Human Resources	**Security Veting of Employees**	–	52	55	57	120
Human Resources	**Fumigation**	–	100	105	109	–
Human Resources	**Advertising**	624	565	591	618	609
Informal Settlements	**Housing Forum**	24	30	31	33	40
Information Technology	**IT MANTAINANCE**	5,230	3,478	3,638	3,806	3,696
Information Technology	**IT Project Management**	–	3,478	3,638	3,806	3,478
Information Technology	**Network Connectivity and Infrastructure**	1,304	1,739	1,819	1,903	1,304
Information Technology	**EMPLOYEE RELATED COSTS-IT**	1,366	1,513	1,583	1,656	1,441
Information Technology	**Implementation of ICT Projects 23/24**	–	2,609	3,638	3,806	435
Information Technology	**IT Project Management**					

		–	5,217	6,732	7,134	5,043
Information Technology	**IT Security Workshop**	–	435	455	476	–
Information Technology	**Renewal of Microsoft Licenses (ALL Licences)**	4,125	3,460	3,874	4,261	4,783
Information Technology	**Take on**	807	1,470	1,514	1,544	843
Information Technology	**Telephone - Telkom**	2,185	2,100	2,197	2,298	1,913
Information Technology	**IMPLEMENTATION OF MASTER SYSTEM PLAN AND ICT STRATEGY**	478	–	–	–	–
Information Technology	**Implementation of workflow management system**	–	348	364	381	261
Information Technology	**Hosting of the municipal website**	341	174	182	190	391
Libraries and Archives	**Municipal Building Maintenance-Library**	15	–	–	–	–
Libraries and Archives	**Municipal Building Maintenance-Library**	69	–	–	–	200
Libraries and Archives	**EMPLOYEE RELATED COSTS LIBRARY**	898	1,398	1,462	1,529	1,333
Libraries and Archives	**Employee Related for cybercadets and library staff**	4,207	3,247	3,396	3,552	3,095
Libraries and Archives	**Printing and Stationery - Library**	37	26	23	24	50

Libraries and Archives	**Printing Catridges and stationery**	86	35	30	26	53
Libraries and Archives	**Subsistence and Travelling**	96	146	152	159	124
Libraries and Archives	**Author's Workshop**	–	234	245	256	284
Libraries and Archives	**Library Materials**	30	–	–	–	40
Libraries and Archives	**Payment of LIASA membership**	3	6	6	7	–
Libraries and Archives	**Career expo**	18	60	63	66	85
Libraries and Archives	**DSTV monthly subscription**	29	12	13	13	14
Libraries and Archives	**Procurement of library PPE**	2	30	31	33	23
Literacy Programmes	**LIBRARY COMMUNITY OUTREACH**	26	90	94	98	77
Mayor and Council	**Small Tools_Municipal Buildings**	44	217	227	238	326
Mayor and Council	**Chief Whip Allowance**	428	519	534	545	490
Mayor and Council	**CORPORATE SIGNAGE AND TAGS (BANNERS)**	180	200	209	219	270
Mayor and Council	**Deputy Mayor Allowance**					

		780	886	913	931	836
Mayor and Council	**EMPLOYEE RELATED COSTS OFFICE OF THE MAYOR**	4,306	4,190	4,383	4,584	3,994
Mayor and Council	**Executive Committe Allowance**	2,556	2,663	2,743	2,798	2,513
Mayor and Council	**Mayors Allowance**	964	1,095	1,128	1,151	1,033
Mayor and Council	**SALGA LEVIES**	1,216	1,565	1,637	1,713	–
Mayor and Council	**Speakers Allowance**	780	886	913	931	836
Mayor and Council	**Take on**	641	–	–	–	–
Mayor and Council	**Total Other Councillors Allowance**	8,819	10,338	10,648	10,861	9,753
Mayor and Council	**Training of Ward Committes**	160	200	209	219	200
Mayor and Council	**SUBSISTENCE AND TRAVELLING FOR POLITICAL OFFICE**	472	450	471	492	350
Mayor and Council	**SUBSISTENCE AND TRAVELLING FOR POLITICAL OFFICE**	29	70	73	77	70
Mayor and Council	**Customer Care Workshop**	–	50	52	55	–
Mayor and Council	**Customer Care Workshop**	–	400	418	438	–

Mayor and Council	Customer Care- ICMS System	–	100	105	109	–
Mayor and Council	Take Me To Varsity and Subject Clinics	–	150	157	164	–
Mayor and Council	OPERATION SUKUMA SAKHE	47	180	188	197	150
Mayor and Council	Mens Programme	40	245	256	268	65
Mayor and Council	AMAKHOSI Cultural Development Programms	–	345	361	377	180
Mayor and Council	MEDIA COORDINATION	–	100	105	109	–
Mayor and Council	PROCUREMENT OF MEDIA SLOTS	299	400	418	438	400
Mayor and Council	CORPORATE SIGNAGE AND TAGS (BANNERS)	293	300	314	328	300
Mayor and Council	PROCUREMENT OF DAIRIES AND CALENDERS	159	200	209	219	150
Mayor and Council	REFRESHMENTS FOR THE POLITICAL OFFICES (MAYOR, DEPUTY MAYOR AND SPEAKER'S OFFICE)	60	100	105	109	110
Mayor and Council	Mandeni Healthy Lifestyle Race	29	80	84	88	100
Mayor and Council	Mandeni Healthy Lifestyle Race	17	50	52	55	44
Mayor and Council	COMMUNITY CONSULTATION MEETING					

		1,279	1,400	1,569	1,641	2,050
Mayor and Council	**MAYORAL IMBIZOS AND STRATEGIC ENGAGEMENTS ROADSHOWS**	241	670	805	842	1,751
Mayor and Council	**MORAL REGENERATION MOVEMENT**	11	10	10	11	–
Mayor and Council	**ECD CULTURAL DAY**	124	(53)	(55)	(61)	213
Mayor and Council	**ALBINISM AWARENESS CAMPAIGN**	–	7	7	8	–
Mayor and Council	**Women's day celebration**	72	50	52	55	110
Mayor and Council	**Multi Purpose Women's Caucus**	386	799	836	874	850
Mayor and Council	**Symposium on young womes & sexuality**	–	360	377	394	370
Mayor and Council	**Disability Programme**	174	195	204	213	140
Mayor and Council	**Bursary and Scholarship Awards**	581	650	685	721	495
Mayor and Council	**Bursary and Scholarship Awards**	30	70	73	77	45
Mayor and Council	**16 Days of Activism against Women and Child Abuses**	16	40	42	44	31
Mayor and Council	**HIV/AIDS AND SOCIAL ILLS CAMPAIGN**	7	120	126	131	110

Mayor and Council	**Christmas Party for the Elderly**	–	5	5	5	15
Mayor and Council	**Golden Games**	44	50	52	55	45
Mayor and Council	**Christmas Party for the Elderly**	37	70	73	77	60
Mayor and Council	**Christmas Party for the Elderly**	–	100	105	109	80
Mayor and Council	**16 Days of Activism against Women and Child Abuses**	15	34	36	37	28
Mayor and Council	**Women's day celebration**	57	90	94	98	80
Mayor and Council	**MORAL REGENERATION MOVEMENT**	22	120	126	131	93
Mayor and Council	**INKUNZI ISEMATHOLENI & KIDS PROTECTION WEEK**	29	190	199	208	60
Mayor and Council	**Women's day celebration**	123	256	268	280	150
Mayor and Council	**MORAL REGENERATION MOVEMENT**	16	20	21	22	20
Mayor and Council	**WOMENS SUMMIT**	–	261	418	438	400
Mayor and Council	**Youth Driver Education**	488	400	418	438	450
Mayor and Council	**TOP ACHIEVERS AWARDS**					

		42	80	84	88	103
Mayor and Council	**Youth Top Achievers Awards**	40	90	94	98	84
Mayor and Council	**YOUTH CAREER EXPO & ENTREPRENUER WORKSHOP**	–	200	209	219	200
Mayor and Council	**ARTIST DEVELOPMENT PROGRAMME**	27	200	209	219	187
Mayor and Council	**Club and League Development**	–	20	21	22	–
Mayor and Council	**Mayoral Cup Games/ Awards**	395	260	272	284	260
Mayor and Council	**Support for Mandeni Youth Council**	21	100	105	109	80
Mayor and Council	**Siyaya eMhlangeni(District and eNyokeni)**	30	90	94	98	52
Mayor and Council	**Support for Mandeni Youth Council**	54	150	157	164	105
Mayor and Council	**HIV/AIDS AND SOCIAL ILLS CAMPAIGN**	155	235	246	257	150
Mayor and Council	**Youth Summit**	120	265	277	290	350
Mayor and Council	**ALBINISM AWARENESS CAMPAIGN**	4	74	77	81	23
Mayor and Council	**Exco Retreat and Council Retreat**	10	–	–	–	40

Mayor and Council	**CHRISTMAS PARTY FOR ELDERLY, PWD & CHILDREN WITH HIV/AIDS**	7	80	84	88	70
Mayor and Council	**Umkhosi welembe**	54	90	94	98	78
Mayor and Council	**Mandeni Youth Heritage Parade and Fashion Exhibition**	148	180	188	197	122
Mayor and Council	**Youth Month Celebration**	62	150	157	164	185
Mayor and Council	**Mandeni Art Talent search**	400	800	837	875	800
Mayor and Council	**QUICK WINS**	–	100	105	109	150
Mayor and Council	**ARTIST DEVELOPMENT PROGRAMME**	–	250	262	274	276
Mayor and Council	**Mayoral Cup Games/ Awards**	683	990	722	755	1,093
Mayor and Council	**SALGA KZN DSR GAMES**	15	180	193	206	304
Mayor and Council	**Club and League Development**	–	150	157	164	–
Mayor and Council	**Golden Games**	351	240	251	263	180
Mayor and Council	**SALGA KZN DSR GAMES**	148	1,385	1,449	1,515	157
Mayor and Council	**SPORT DEVELOPMENT PROGRAMME**					

		–	150	157	164	50
Mayor and Council	**Exco Retreat and Council Retreat**	29	–	–	–	50
Mayor and Council	**OPERATION SUKUMA SAKHE**	122	540	565	591	836
Mayor and Council	**IGR MUNIMEC**	24	–	–	–	–
Mayor and Council	**Amakhosi Sitting Allowance**	2	–	–	–	50
Mayor and Council	**WARD COMMITTEE TRAINING**	113	240	251	263	160
Mayor and Council	**Ward Committee Coordination for Public Participation**	2,685	3,000	3,138	3,282	2,800
Municipal Manager, Town Secretary and Chief Executive	**Default Transactions**	–	80	84	88	80
Municipal Manager, Town Secretary and Chief Executive	**Employee Related Costs for FMG INTERNS**	999	1,034	1,082	1,131	986
Municipal Manager, Town Secretary and Chief Executive	**Employee Related Costs for MM Admin**	10,300	11,553	12,085	12,641	11,014
Municipal Manager, Town Secretary and Chief Executive	**Grant in Aid**	6	20	21	22	20
Municipal Manager, Town Secretary and Chief Executive	**Printing Annual Report**	–	100	105	109	87
Municipal Manager, Town Secretary and Chief Executive	**PRINTING AND STATIONERY-MM**	22	130	136	143	130

Municipal Manager, Town Secretary and Chief Executive	**SENIOR MANAGER_MUNICIPAL MANAGER SALARY**	1,374	1,564	1,636	1,711	1,491
Municipal Manager, Town Secretary and Chief Executive	**Training PMS Automated System**	–	870	1,091	1,142	569
Municipal Manager, Town Secretary and Chief Executive	**Subscription _MM**	–	–	–	–	1,417
Municipal Manager, Town Secretary and Chief Executive	**Convene Quarterly MPAC Meetings**	32	50	52	55	55
Municipal Manager, Town Secretary and Chief Executive	**Municipal Newsletter.**	86	200	209	219	87
Municipal Manager, Town Secretary and Chief Executive	**Mens programs**	–	200	114	128	–
Municipal Manager, Town Secretary and Chief Executive	**FEES FOR DISCIPLINARY BOARD**	–	80	84	88	50
Municipal Manager, Town Secretary and Chief Executive	**INSURANCE**	1,953	1,739	1,819	1,903	2,696
Municipal Manager, Town Secretary and Chief Executive	**ILEMBE WATER**	747	696	728	761	478
Municipal Manager, Town Secretary and Chief Executive	**Payment of Audit Committee Members for Attendance of Meetings**	240	300	314	328	278
Municipal Manager, Town Secretary and Chief Executive	**Hotline**	–	50	52	55	50
Municipal Manager, Town Secretary and Chief Executive	**Fraud Awareness**	–	60	63	66	60
Municipal Manager, Town Secretary and	**SUBSTANCE AND TRAVEL CLAIMS FOR OMM**					

Chief Executive		593	304	318	333	400
Municipal Manager, Town Secretary and Chief Executive	**LEGAL AND PROFESSIONAL COSTS**	3,057	1,478	1,774	1,879	2,435
Municipal Manager, Town Secretary and Chief Executive	**Audit Fees**	2,361	2,174	2,274	2,379	2,435
Municipal Manager, Town Secretary and Chief Executive	**Compile and submit quarterly Internal Audit Reports to the Audit Committee**	711	1,435	1,501	1,570	1,000
Municipal Manager, Town Secretary and Chief Executive	**SUBSTANCE AND TRAVEL CLAIMS FOR OMM**	32	100	105	109	100
Municipal Manager, Town Secretary and Chief Executive	**Attendance fees for risk committee chairperson**	37	100	105	109	100
Municipal Manager, Town Secretary and Chief Executive	**Strategic Fraud Risk Assessment**	–	15	16	16	15
Municipal Manager, Town Secretary and Chief Executive	**Convene Quarterly Risk Committee Meetings**	–	10	10	11	10
Police Forces, Traffic and Street Parking Control	**Maintanance of Automated Number Plate Recognition System**	–	1,739	1,819	1,903	–
Police Forces, Traffic and Street Parking Control	**PPE for Fire Fighters**	–	522	546	571	–
Police Forces, Traffic and Street Parking Control	**Lightning conductors**	–	261	273	285	417
Police Forces, Traffic and Street Parking Control	**Traffman System License**	–	304	318	333	235
Police Forces, Traffic and Street Parking Control	**Calibration of Speed Enforcement Camera**	–	20	21	22	10

Police Forces, Traffic and Street Parking Control	**Procurement Road Signs and Notice Boards**	–	348	364	381	–
Police Forces, Traffic and Street Parking Control	**Uniform for traffic officers and disaster management officer**	–	261	273	285	500
Project Management Unit	**Employee Related Costs-Technical Admin**	2,773	2,400	2,510	2,626	2,267
Project Management Unit	**PMU - Salaries**	596	2,191	2,291	2,397	2,035
Project Management Unit	**PPE PMU**	50	–	–	–	–
Project Management Unit	**Printing and Stationery - Technical**	14	–	–	–	–
Project Management Unit	**PMU - Training Costs**	20	–	–	–	97
Project Management Unit	**Subsistence and Travelling Technical**	–	130	136	143	207
Project Management Unit	**Infrastructure Development Programme Steering Committee Meetings**	–	70	73	76	–
Project Management Unit	**Infrastructure Master plan**	113	522	546	571	522
Property Services	**Take on**	889	1,466	1,510	1,540	708
Property Services	**IMPLEMENTATION OF MPRA**	973	304	318	333	957
Recreational Facilities	**EMPLOYEE RELATED COSTS SWIMMING**					

		2,428	2,644	2,766	2,893	2,521
Regional Planning and Development	**Payment of wages for Ingwenya Nature Reserves**	43	52	55	57	50
Regional Planning and Development	**Historical tourism research**	276	130	136	143	130
Regional Planning and Development	**Human Settlement Sector Plan**	506	–	–	–	–
Regional Planning and Development	**Enterpreneur Support Programme**	–	261	273	285	–
Road and Traffic Regulation	**Alcohol Lion 500(screening device)**	–	26	27	29	–
Road and Traffic Regulation	**EMPLOYEE RELATED COSTS PUBLIC SAFETY**	8,741	13,124	13,728	13,360	12,511
Road and Traffic Regulation	**Driving License Cards**	86	391	409	428	450
Road and Traffic Regulation	**Shooting Practise,Firearms,cleaning kit and ammunitions**	–	52	55	57	60
Roads	**Urban Road Maintenance (Hot mix asphalt for big potholes)**	2,089	2,174	2,274	2,379	6,522
Roads	**New borrow pits**	–	2,174	2,274	2,379	–
Roads	**Urban Road Maintanence (Kerbs and concrete channels)**	916	870	910	951	1,087
Roads	**Urban Road Maintenance (Construction of gabion walls) / Msomuhle Road Rehabilitation**	240	870	910	951	870

Roads	**Stormwater Maintenance**	1,738	13,044	13,644	14,271	15,652
Roads	**80 road signs to be replaced by 30 June 2019**	879	1,304	1,364	1,427	1,304
Roads	**Concrete stones rural gravel road maintenance**	521	–	–	–	217
Roads	**Hire : Plant and Equipment**	30,652	17,391	18,191	19,028	18,913
Roads	**Urban road maintanance (Cold mix asphalt bags)**	2,979	2,174	2,274	2,379	2,174
Roads	**Procurement of MSP 1 Prime Coat Drums**	–	261	273	285	217
Roads	**Small Tools - Roads**	717	304	318	333	435
Roads	**Pothole Patching**	–	13,043	13,643	14,271	–
Roads	**Common bricks rural gravel road maintenance**	56	1,304	1,364	1,427	435
Roads	**Procurement of Heavy duty Manhole covers to replace broken manhole cover**	350	870	910	951	652
Roads	**Default Transactions**	–	60	63	66	60
Roads	**DEPRECIATION**	–	–	–	–	1,045
Roads	**EMPLOYEE RELATED COSTS ROADS**					

		8,775	8,907	9,317	9,745	8,491
Roads	**Roads Infrastr Take on**	16,398	17,728	18,260	18,625	22,279
Roads	**Take on**	–	43	45	48	70
Roads	**TECHNICAL SERVICES DIRECTOR**	996	1,455	1,522	1,592	1,387
Roads	**Subsistence and Travelling Technical**	18	43	45	48	57
Roads	**Subsistence and Travelling Technical**	1	–	–	–	39
Roads	**Local Intergrated Transport Plan**	–	435	452	714	435
Roads	**Pothole Patching**	–	–	–	–	2,609
Solid Waste Disposal (Landfill Sites)	**Awareness Campaigns**	–	–	–	–	20
Solid Waste Disposal (Landfill Sites)	**Awareness Campaigns**	–	26	27	29	20
Solid Waste Disposal (Landfill Sites)	**Procurement of the Waste staff Tools**	–	87	91	95	–
Solid Waste Disposal (Landfill Sites)	**Procurement of Waste Staff PPE**	–	–	–	–	50
Solid Waste Removal	**Refuse Bags Contractor**	10,513	9,565	10,005	10,465	9,348

Solid Waste Removal	**Landfill site contract**	4,783	7,391	7,731	8,087	6,957
Solid Waste Removal	**Domestic Refuse-Waste MAnagement**	–	2,174	2,196	2,218	2,000
Solid Waste Removal	**EMPLOYEE REALATED COSTS CEMETERY**	436	367	384	402	350
Solid Waste Removal	**EMPLOYEE RELATED COST-SOLID WASTE**	3,550	6,567	6,869	7,185	6,260
Solid Waste Removal	**NKPA_MTID02_FOOD FOR WASTE REMUNERATION**	1,562	1,200	1,255	1,313	1,228
Solid Waste Removal	**Lease of compactor truck and bakkie**	312	–	–	–	–
Solid Waste Removal	**Hiring of Tipper Truck for 10 days (Illegal Dumps)**	–	–	–	–	30
Solid Waste Removal	**Cleaning Campaigns**	7	20	21	22	10
Solid Waste Removal	**Cleaning Campaigns**	–	96	100	105	150
Solid Waste Removal	**Procurement of 50 Wheelie bins**	–	522	546	571	261
Solid Waste Removal	**Procurement of 30 no dumping signs/Road signs and Notice Board**	27	–	–	–	–
Solid Waste Removal	**Procurement of 80 concrete Bins**	85	–	–	–	430
Sports Grounds and Stadiums	**SPORTS FIELD/STADIUM, COMMUNITY HALL AND**					

	COMMUNITY PARK MAINTENANCE	5,182	8,696	9,096	9,514	7,609
Sports Grounds and Stadiums	SPORT DEVELOPMENT PROGRAMME	184	380	402	425	360
Storm Water Management	Stormwater Take On	2,487	2,802	2,886	2,944	2,948
Tourism	Tourism Branding	–	50	51	52	–
Tourism	Tourism Indaba	–	130	133	136	–
Tourism	Tourism Sites Revival and Signage	–	174	182	190	–
Tourism	Tourism Strategy	–	435	–	–	–
Tourism	Tourism Street and Amenities Naming	–	87	91	95	–
Town Planning, Building Regulations and Enforcement, and City Engineer	EMPLOYEE RELATED COSTS MUNICIPAL BUILDING	1,117	2,118	2,215	2,317	2,021
Town Planning, Building Regulations and Enforcement, and City Engineer	Employee Related Costs-Planning and GIS	6,811	8,729	9,087	9,551	8,351
Town Planning, Building Regulations and Enforcement, and City Engineer	SUBSISTENCE AND TRAVELLING COSTS	–	26	27	29	43
Town Planning, Building Regulations and Enforcement, and City Engineer	Development Planning Shared Services	277	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City Engineer	Local Intergrated Transport Plan	–	174	182	190	–

Town Planning, Building Regulations and Enforcement, and City Engineer	**Registration with Professional Bodies**	1	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City Engineer	**Legal & Professional Fees /Conveyancers**	–	130	133	136	–
Parent Operational expenditure		**406,759**	**529,167**	**539,899**	**555,639**	**543,736**

APPENDIX O

PROJECTS STATUS QUO / PROGRESS REPORT AS OF JUNE 2024

1. **Projects under The Municipal Infrastructure Grant (MIG) Funding:**

2023/24 Financial Year MIG Allocation	**R46 392 000.00**
Less: Total Expenditure (incl. Retention)	R 31 546 560.00
Balance	R 14 845 440.00
Expenditure of as a %	**88,57% (including pending claims)**

Projects under Construction Stage

a) Installation of High Mast Phase 2
b) Construction of a Sportsfield in Hlomendlini : Previous Consultant and Contractor have been terminated.
c) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili ward 15 (Amajuba Road)
d) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).
e) Nyoni Taxi Route Phase 4
f) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
g) Specialised Vehicles, Waste Management (TLB, 2 Cage Trucks) – **Delivered and reported in November 2023.**
h) Construction of Sportfield in Mandeni Ward 10 Endlondlweni -

<u>Projects that are Planning Stage and registered with MIG.</u>

i) Upgrade of Machibini Link Road in Isithebe in Ward 10 and Ward 12.
j) The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
k) Construction of Sportsfield in Hlomendlini - New Consultant was appointed to continue with the project - 27 March 2024

<u>Projects that are in planning stage and are to be registered with MIG</u>

l) Upgrade of Rural Gravel Roads in Mandeni, Phase 5 - Ward 8
m) Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
n) Construction of a Sportsfield in Ward 2, Mandeni
o) Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10
p) Construction of a Sportsfield in Ward 1, Mandeni
q) Construction of Community Hall in Ward 8

r) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 14, Chappies Section

2. Projects under Municipal Internal Funding

Projects under Construction

a) Repair and Renovation of Civic Centre Roof in Mandeni
b) New Protection Services Centre DLTC
c) Extension of Mechanical Workshop and Construction of New Offices
d) P415-459 Ward 3 Streetlights

Projects under planning

e) Establishment of new office building
f) Upgrade of Links Road Mosomonce Bus Route and Enembe/Isithebe Link Road Ward 13
g) Extension of Mechanical/ Technical Services Building Phase 2 and Fencing of Technical Services Depot
h) Construction of a Community Hall in Ward 6
i) Construction of a Community Hall in Ward 12
j) Construction of community hall in ward 16
k) Construction of community hall in ward 11
l) Establishment of new cemeteries, phase 1
m) Establishment of new emergency centre

3. Projects under the Integrated National Electrification Programme (INEP)

2023/24 Financial Year Allocation	**R 7 384 000.00**
Less: Total Expenditure	R 7 384 000.00

Balance	R 0
Expenditure as a %	**100%**

Projects under Construction

a) Dendethu Phase2/Wetane - 108HH (38)
b) Khovothi Electrification 105 HH
c) Emhlangeni Electrification 100 HH

Projects under Planning Stage

d) Mandeni Sub-station - Bulk

4. Projects under the Massification Grant

Total Allocation	**R 5 000 000.00**
Less: Total Expenditure	R 5 231 849.93
Balance	-R 231 849.93
Expenditure as a %	**104.64%**

Projects under Construction

e) Mantshangula Mhlubulweni Electrification Project
f) Khenana Phase 5 Electrification Project

5. Projects under the Disaster Management Grant

Total Allocation	**R17 023 000.00**
Less: Total Expenditure	R 17 023 000.00
Balance	R 0.00
Expenditure as a %	**100%**

Projects under Construction -

a) Novas Farm 2 (Ward 04)
b) D2022 Road (Ward 14)
c) Efalethu Road (Ward 3)
d) D1293 Road (Ward 12)

PROGRESS ON PROJECTS AND EXPENDITURE

Municipal Infrastructure Grant

Projects under Construction Stage

a) Installation of High Mast Lights in Mandeni, Phase 2 (Ward 3, 5, 9, 11 and 12x2)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 067 105.27	R 1 022 364.28
Construction Cost (incl. Retention) (V.O : R 367 004.50)	R 5 413 316.30	R 5 283 165.92
TOTALS (Incl. Vat)	R 6 480 421.57	R 6 3055 530.20

Project Details

Name of Consultant: Africoast JBFE Project Manager

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 May 2024

Project Scope

- Supply and install of 6 x 30m high mast lighting.
- Installation and Commissioning of street and high mast lighting.

- Certifying all the installations for compliance.
- Submitting project report, designs/drawings and quality stacks on project handover.

Current Status Overall Construction progress 98%: All overhead support infrastructure and underground infrastructure has been installed. All 6 High masts have been erected, and the Light fittings have been installed. Consultant to book an outage for energizing.

Challenges: Awaiting approval of metering point application from Eskom. Previously approved metering point has expired due to delays that was experienced on the light fitting specification.

b) Construction of Hlomendlini Sportfield, Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 846 700.02	R 1 317 689.58
Construction Cost (incl. Retention)	R 8 041 369.71	R 3 493 216.27
Sub-Total (MIG Funds)	R 8 888 069.73	R 4 810 905.85
Sub-total (Internal Funds) Approved (26.07.2023)	R 1 547 441.12	R0.00
TOTALS (Incl Vat)	R 10 435 510.85	R 4 810 905.80

<u>Project Details</u>

Name of Consultant: Siyazenzela consulting

Name of Contractor: TBC

Project Commencement Date: TBC

Contractual Completion Date: TBC

Revised Completion date: N/A

Project Scope

- Site Establishment. Setting out of works.
- Bulk earthworks to the various elements of infrastructure on side.
- Construction of a soccer field (110m x 75m).
- Construction of a combi court (38m x 19.5m).
- Construction of an ablution facility (10 toilet units), with change rooms (4 toilet units), public toilets (6 toilet units) and office/first aid room including water, sewage, and electrical supply.
- Construction of a grandstand with a minimum of 5 rows of seats (length of 25m).
- Installation of fencing including gate house (pedestrian and vehicle gates).
- Construction of an unpaved parking area.

Current Status Overall Construction Progress 49%: Site establishment and setting out of works is 100% completed, topsoil removal 100%, fencing 90%, commencement of guardhouse and ablution block along with bulk earthworks currently is approximately 85%.

Challenges:

Municipality has terminated contract with appointed service providers. Appointment for new consultant has been concluded for the completion of redesign of outstanding works. New Consultant's appointment date is the 27th March 2024.

c) **Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili ward 15 (Amajuba Road)**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 360 223.17	R 1 323 892.56
Construction Cost (incl. Retention)	R 9 514 359.75	R 9 550 690.36
Internal Funds	R 1 166 508.82	R 942 617.82
TOTALS (Incl Vat)	R 12 041 091.74	R 11 817 200.74

<u>Project Details</u>

Name of Consultant: Libeko (Pty) Ltd

Name of Contractor: Nangu-U-Mzamo Retailers

Project Commencement Date: August 2023

Contractual Completion Date: February 2024

Revised Completion date: N/A

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material.
- Installation of Subsoil drainage.
- Concrete pipe installation: Installation of prefabricated culverts with associated catch pits and headwalls.
- Concrete kerb-channel: Installation of precast kerb and cast in situ channel.
- Roadbed preparation.
- Hauling and Processing of G7, G6, G5 and G2 quality gravel materials.
- In-situ Recycling (First Phase) and (Second Phase);
- Stabilization.
- Milling and stockpiling of existing surface on strategic sections with minimal degree of surface failure;
- Patching and repairing edge breaks.
- Priming;
- Asphalt Wearing coarse: Lay and process Asphalt from commercial source.
- Construction of speed humps;
- Gabions: Installation of gabions.
- Plantable Interlocking TB300;
- Installation of Concrete Bollards.
- Road Signs: Installation of road signs;
- Road Marking.
- Landscaping and Planting; and
- Finishing the road and road reserve.

Current Status Overall Construction progress 100%: Contractor has achieved their Completion of works dated Tuesday, 30th April 2024.

Challenges: Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an amount of R 1 041 525.73 incl. vat more than the amount approved by COGTA i.e Notification of Registration Amount (NOR). Recent inclement weather conditions have caused delays and sub-contracting issues.

d) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 352 795.17	R 2 256 723.49
Construction Cost (incl. Retention)	R 16 257 859.82	R 13 856 254.04
TOTALS (Incl Vat)	R 18 610 654.99	R 16 112 977.53

<u>Project Details</u>

Name of Consultant: Singh Govender & Associates cc

Name of Contractor: MVI-SSSS Trading Enterprise cc

Project Commencement Date: August 2023

Contractual Completion Date: April 2024

Revised Completion date: July 2024

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- General requirements for construction activities: Employment of Local Labour and CLO.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- The implementation of Traffic Accommodation facilities.
- Milling of the existing road asphalt to spoil.
- Excavation of the existing road layerworks to stockpile and spoil.
- Subgrade treatment: 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions.
- Rip and recompact Roadbed (Subgrade) in preparation for layerworks.
- Installation of cable ducts - and protection to existing services where necessary.
- Import G5 and G2 material from commercial sources for layerworks.
- Construction of a 150mm Subbase layer with G5 material obtained from commercial sources.
- Construction of a 150mm Base layer with G2 material obtained from commercial sources.
- Pre-pulverising cement stabilising of the existing Base layer for areas with minimal degree of surface failures.
- Construction of concrete V-Drains and Kerbing and Channelling.
- Construction of a 40mm Asphalt layer- Mix D, obtained from commercial sources.
- Construction of speed humps.
- Construction of Stormwater pipelines utilising 600mmØ and 450mmØ concrete pipes. The installation of Sub-soil drains for subsurface drainage.
- Construction of Side Inlet Manholes along the roadways. Installation of Guardrails.

- Installation of Gabions.
- Installation of Retaining walls.
- Installation of Road Signs and painting of Road Markings.
- Clearing of the road reserve

Current Status Overall Construction progress 92%: Site establishment 90%, Setting Out of works is 100%, Site Clearance 100% and Roadbed preparation 100%, Stormwater Installation 100%, Manhole Construction subsoil installation 85%, service crossing ducts 92%, G5 material layer 100% for our subbase layer, G2 Base layer 100%, Asphalt Surfacing 85%, Kerbing and Channel 35%.

Contractor has shown improvements with regards to works completed in the month of June 2024.

Challenges: Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an amount of R 5 479 308.70 incl. vat more than the amount approved by COGTA i.e Notification of Registration Amount (NOR). Project delays which have been encountered include recent inclement weather conditions, theft of survey pegs, hard rock excavation and existing services such as water and sewer pipe leaks. Furthermore, we have experienced very unsuitable in-situ material as a result of high moisture level including seepage due to fluctuation in subsurface ground water levels.

e) Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 532 598.83	R 1 099 409.35

Construction Cost (incl. Retention)	R 12 148 430.66	R 6 168 512.61
Internal Funds	R 667 565.79	R 0.00
TOTALS (Incl. Vat)	R 14 348 595.28	R 7 267 921.96

Project Details

Name of Consultant: DLV Project Managers and Engineers

Name of Contractor: Bheka Phezulu Investments and Sales

Project Commencement Date: October 2023

Contractual Completion Date: April 2024

Revised Completion date: July 2024

Project Scope

- Site establishment
- Site clearance
- Mass Earthworks
- Road Bed Preparation
- Clearing Existing Stormwater Infrastructure
- New Stormwater Infrastructure
- New Pavement Layerworks (Construction of 150mm G7 subgrade layer, Construction of stabilized 125mm C4 lower – subbase layer and Construction of stabilized 125mm C4 base)
- Asphalt Road Surfacing
- Kerbs and Channels
- Road Restraint Systems

- Road Signs
- Road Marking
- Finishing

Current Status Overall Construction progress 48%: Site establishment 100%, Site Clearance 50%, Mass earthworks 47%, Roadbed preparation 45%, C4 Stabilized layer 12%, Stormwater 60%, Manholes 45%, subsoil drainage 40%, Asphalt surfacing 16%, Kerbs 20%. intention to terminate has been issued to contractor for poor performance.

Challenges: Delay in the commencement of works due to community dissatisfaction about labour and CLO recruitment. The issue was later resolved, more people were recruited and they agreed that they will work on rotational basis. New CLO was also recruited. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an amount of R 667 565.79 incl. vat more than the amount approved by COGTA. i.e. Notification of Registration Amount (NOR).

The request for additional funding was redirected to the municipality due COGTA not approving the application for award adjustment. Mandeni Municipality has since approved to fund the project internally with an amount of R 667 565.79 incl. vat.

On the 26th of February 2024, 16 No. of labourers put the tools down demanding that they want to start working on full time basis and not work on rotational basis. That has caused the work to not continue. The issue is still pending and is being discussed to find the solution.

The issue of labourers demanding to work on full time basis continued for further one week in the month of March 2024. The resolution was reached on the 6th of March 2024 that the labourers are going to work on full time basis.

Slow progress on site is still being noted as the Contractor has insufficient resources including plant to continue with the construction works. As it stands the Contractor is still not adhered to the acceleration plan that they submit on a weekly basis to finish the project by the Extension of Claim No.2. EOT No.2 for the project is pending approval.

f) Construction of Sportfield in Mandeni Ward 10 (Endlondlweni)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 801 860.14	R 1 357 464.73
Construction Cost	R 13 321 772.49	R 731 780.46
TOTALS (Incl. Vat)	R 15 123 632.63	R 2 089 245.19

Project Details

Name of Consultant: Ukwakha Consulting Engineers

Name of Contractor: Maboka Contractors (Pty) Ltd

Project Commencement Date: March 2024

Contractual Completion Date: October 2024

Revised Completion date: N/A

- Clearing and removal of vegetation, i.e. trees and grass and topsoil removal – Site Clearance
- Earthworks to create the required platform for the development of sports facilities.
- Construction of 110m x 70m soccer field (Soccer field to average DSAC and SAFA standards complete with goal posts)
- Construction of Practice Field
- Athletic Track
- Construction of Combi Court
- Construction of change rooms, ablution facility, and Guardhouse
- Construction of parking bays
- Construction of a grandstand within the soccer field vicinity.
- Provision of water, sewer, and irrigation services

Current Status Overall Construction progress 5%: Site Establishment 70%,

Site Clearing 10%.

Challenges: Upon the project launch, it came to the Mandeni Municipality attention that the land that was earmarked for the construction of the sport field has the graveyard. The family that has graves went out to site to identify the graves. Site layout has been revised to avoid interference with graveyard.

Project is on hold due to unresolved issue of land. Municipality looking at possibility of reprioritising the grant fund.

Municipal Internal Funding:

Projects under Construction Stage

A) **Repair and Renovation of Civic Centre Roof in Mandeni**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 829 510.70	R 1 829 510.71
Construction Cost	R10 993 497.45	R 10 827 620.82
TOTALS (Incl Vat)	R 12 823 008.15	R 12 657 131.53

Project Details

Name of Consultant: LZM Africa Holdings

Name of Contractor: Uhlanga Trading Enterprise

Project Commencement Date: October 2022

Contractual Completion Date: July 2023

Revised Completion date: July 2024

Project Scope

The scope of works includes the following activities.

- Replacement of Existing roof
- Replacing existing ceiling
- Treatment of Rising damp by Specialists
- Installation of Energy saving Components and the replacement of all existing Electrical Components and Wiring
- Upon Replacement of Existing Roofs, the networking and Security cabling will be exposed to damages therefore re-routing and the installation of cable trays is recommendable.
- Damaged Walls with visible rising damp has to restored and re-painted.

Current Status Overall Construction progress 96%: Site Establishment 100%, Relocation of staff 100%, Stripping of Existing Roof 100% and Installation of New Trusses 100%, installation of roof tiles 100%, Electrical work 100%, Ceiling 99%, External Paint 100%, Commissioning of the Smoke & Fire System for the first Phase of works 100%. Contractor to complete electrical works, ceiling and carpentry works for Phase 1 due to some of the works being linked to the second phase.

Phase 2 works progress is as follows: Relocation of staff 100%, Stripping of Existing Roof 100% and Installation of New Trusses 100%, installation of roof tiles 100%, Electrical work 96%, Ceiling 95%, External Paint 80%, floor tiling 100%, IT Works 95%, doors installation 95%. Contractor is yet to commence with the follow works: - smoke and fire detection system and carpentry works for Phase 2.

Challenges: Anticipated delay with regards to the commencement of Phase 2 due to the Relocation of the Mandeni Library service. Further delays have been encountered because of a re-design of the Electrical Works along with the IT Services portion. The contractor has experienced further delays around items that are outsourced to be done by specialized services such as the smoke and fire system, inclement weather during the roof installation, delays regarding the carpentry works. Relocation of staff back to main building has commenced.

B) New Protection Services Centre DLTC

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 114 723.00	R 1 615 369.85
Construction Cost	R 15 525 192.27	R 12 370 516.37
TOTALS (Incl. Vat)	R 17 639 915.27	R 13 985 886.22

<u>Project Details</u>

Name of Consultant: Nzamakhuze Holdings

Name of Contractor: Mlombomvu Projects

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 June 2024

Project Scope

- Site establishment
- Site clearance
- Fencing (450m Approximately) and installation of Vehicular Gates
- Excavation for foundation
- Construction of brickworks for super structure
- Installation of roof sheeting including finishing off remaining works
- Plaster and Paint works for internal walls
- Electrical connections and Plumbing works

- Building Electrical and Mechanical Works (Fire and HVAC)
- Portable water pipeline supply will be connected on the district Municipality main water pipeline.
- Rainwater collection system
- Parking and related pavement earthworks and layer works
- Stormwater Drainage Works and Installation of Jojo Tanks (specification changed to steel tank)
- Yard marking
- Installation of Sewer Reticulation
- Finishes
- Fully furnished kitchen
- Cleaning, removal of building rubble and reinstatement of lawns

Additional Scope:

- Installation of steel tank
- Installation of burglar guards
- Construction of steep hill

Current Status Overall Construction progress 98.1%: Site Establishment 100%, Excavation for foundation 100%, Construction of brickworks for super structure 100%, Installation of roof sheeting including finishing off remaining works (suspended ceiling) 100%, Installation of Sewer Reticulation 100%, Parking and related pavement earthworks 100%, layer works 100%, Concrete Drains 100%, Plaster 100% and Paint works for internal walls 100%, Plumbing works 100%, Building Electrical and Mechanical Works (Fire and HVAC) 98%, Stormwater Drainage Works 95%, Portable water pipeline supply will be connected on the district Municipality main water pipeline 100%, Rainwater collection system 95%, Yard Marking 0%, Fencing 95% and installation of Vehicular Gates 90%, Finishes 98%, Fully furnished kitchen 0%. Cleaning, removal of building rubble and reinstatement of lawns 85%.

The contractor has started with additional scope which is the installation of burglar guards, construction of a platform for a steel tank and construction of a steep hill.

Challenges: No extension of time application has been sent, therefore the contractor is working outside of the contract period.

C) Extension of Mechanical Workshop and Construction of New Offices

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 910 105.97	R 1 774 651.88
Construction Cost	R 16 996 962.19	R 11 186 278.85
TOTALS (Incl. Vat)	R 18 907 069.16	R 10 626 874.16

Project Details

Name of Consultant: Ukwakha Consulting Engineers

Name of Contractor: Bheka Phezulu Investment and Sales

Project Commencement Date: July 2023

Contractual Completion Date: March 2023

Revised Completion date: August 2024

Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks

- Construction of the new 146m² Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m² Office Block
- Construction of the new canteen
- Extension of the existing storage rooms by 114m^2
- Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway
- Construction of new pavement around the site
- Stormwater drainage installation
- Installation of electrical, mechanical, and associated works
- Renovation of the Male and Female Ablution and change rooms
- Construction of New Slabs

Current Status Overall Construction progress 76%: Site Establishment 100%, Site clearance 40%, Demolition of existing pavement 85%, Demolition of an existing building 100% and Construction of the new 100.70m² Office Block 15%, Earthworks 40%, Construction of the new 146m² Mechanical workshop 55%, Construction of the new canteen 95%, Extension of the existing storage rooms by 114m^2 50%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 0%, Construction of new pavement around the site 0%, Stormwater drainage installation 70%, Installation of electrical, mechanical and associated works 40%, Renovation of the Male and Female Ablution and change rooms 96%, Construction of New Slab for the vehicle wash bay 90%

Challenges: The contractor is behind the programme. The contractor has submitted a second extension of time application which is pending approval ending August 2024.

D) P415 - 459 Ward 3 Streetlights

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 293 059.33	R 277 406.82
Construction Cost	R 2 416 562.65	R 1 898 809.65
TOTALS (Incl. Vat)	R 3 116 065.28	R 2 176 216.47

Project Details

Name of Consultant: AM Consulting Engineers

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: May 2024

Contractual Completion Date: September 2024

Revised Completion date: N/A

Project Scope:

- Provision and installation of 52 stepped poles measuring 11 meters each.
- Provision and installation of 3 equipped electrical streetlighting kiosks.
- Installation and activation of streetlighting and kiosks.
- Submission of shop drawings for poles and kiosks before procurement.
- Certification of all installations for compliance.
- Submission of project reports, as-built drawings, and quality stacks upon project handover.

Current Status Overall Construction progress 60%: The construction on the project currently sits at 60%, all 52 poles have been planted. Awaiting delivery of electrical control boxes and energization.

Challenges: None

Department of Energy: Integrated National Electrification Programme (INEP) Projects

Projects under Construction

a) **Dendethu Phase2/Wetane - 108+38 Connections**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R541 761.49	R 290 962.51
Construction Cost	R2 034 054.94	R 2 014 748.60
TOTAL (excl vat)	R2 575 816.43	R 2 305 711.11

Project Details

Name of Consultant: Veritas
Name of Contractor: Afriletrical
Project Commencement Date: 07 October 2022
Completion Date: 07 December 2022
Revised Completion Date: April 2023

Current Status: Overall Construction progress is 100%. All 146 households have been energized. PCS file submitted to Eskom. Normalisation and removal of illegal connections is currently underway by the new appointed service provider. Scope of work to be completed by the 30th of July 2024.

b) **Emhlangeni Electrification Project - 100 HH**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 407 183.93	R 463 817.67
Construction Cost	R 2 908 456.61	R 2 394 374.91
TOTAL (excl. vat)	R 3 315 640.54	R 2 858 192.58

Project Details

Name of Consultant: PSMT Consulting Engineers
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: May 2023
Completion Date: July 2023
Revised Completion Date: 30 April 2024

Current Status: Overall Construction progress is 95% complete. There are 100 dry connections that have been achieved. Outage booking is currently in progress for energizing the dry connection. Transformers will be installed upon the confirmation of the outage. Outage pre-planning meeting to take place on the 9th of July 2024.

Challenges: The project has a dependency as per Eskom's Network Planning Report, which is a line upgrade from MV Oak line to MV Chickadee line. This upgrade calls for break-and-build in the same servitude because of space constraints. The break-and-build requires the line to be dead, this then necessitates the booking of outages from the commencement of the project to do the upgrade as there are no connections to be added in the network before the line has been upgraded. Municipality to meet with DMRE head office on the 7th of March to discuss the project and the way forward. Municipality have met with DMRE and change control application have been done. Outage booking with Eskom underway for energizing the 100 dry connections.

c) **Okhovothi Electrification Project**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R210 983.83	R128 424.94
Construction Cost	R 899 998.72	R 498 874.33
TOTAL	R1 363 717.39	R 627 299.27

Project Details

Name of Consultant: **BVI Engineers**
Name of Contractor: **Onombuthu (Pty) Ltd**
Project Commencement Date: **May 2023**
Completion Date: **August 2023**
Revised Completion Date: **June 2024**

Current Status: Overall Construction progress is at 100%. Currently negotiating with Eskom for outage to energize the 105 dry connections.

Challenges: poor performance from the appointed consultant and contractor.

d) **<u>Mandeni Substation Project</u>**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 11,826,735.62	R 7 380 000.00
Construction Cost	R0	R0
TOTAL	R 7 384 000.00	R 7 384 000.00

<u>Project Details</u>

Name of Consultant: **ZLM Engineers**

Name of Contractor: **N/A**

Project Commencement Date: **12 May 2023**

Completion Date: **TBC**

Revised Completion Date: **Nil**

Current Status: The project is currently at a preliminary design stage.

Challenges: Application has not been made to Eskom for approval of the project design. Draft design document submitted to DMRE for comments.

<u>Projects under Massification Grant</u>

e) **Khenana Phase 5 Electrification Project**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 0.00	R 0.00
Construction Cost	R 1 783 633.26	R 1 414 425,3
TOTAL	R1 783 633.26	R 1 414 425,3

Project Details

Name of Consultant: **Veritas Engineers**

Name of Contractor: **Godide Engineering Services (Pty) Ltd**

Project Commencement Date: **July 2023**

Completion Date: **September 2023**

Revised Completion Date: **30 March 2024**

Current Status: Project completed and energized. Handover signed.

Challenges: None

f) Mantshangula Mhlubulweni Electrification Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 716 075,63	R 575 005.68
Construction Cost	R 3 906 727.96	R 3 159 164.57
TOTAL	R 4 622 803,59	R 3 734 170.25

Project Details

Name of Consultant: **PSMT Engineers**

Name of Contractor: **R. Busisiwe (Pty) Ltd**

Project Commencement Date: **06 November 2023**

Completion Date: **3 June 2024**

Revised Completion Date: **N/A**

Current Status: Project is 95% complete. 78 households have bee energised.

Challenges: The project was stopped as of 17 November 2023 by Macambini Traditional Council, project resumed on the 8th of December 2023.

Projects under Disaster Recovery Grant

a) **Gravelling of Novas Farm 2 (Ward 04)**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 631 643.21	R 539 184.27
Construction Cost	R 3 665 502.91	R 3 653 992.03
TOTAL	R 4 297 146.12	R 4 193 176.30

Project Details

Name of Consultant: Libeko (Pty) Ltd

Name of Contractor: Msebe Contracting and Trading cc

Project Commencement Date: December 2023

Contractual Completion Date: February 2024

Revised Completion date: 28 March 2024

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel selected layer: Preparation and process G7 material.
- Gravel wearing coarse: Preparation and process G5 material
- Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of subsoil
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Site Establishment 100%, Clearing & grubbing 100%, Cutting of trees and bushes, where required 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%, Gravel wearing coarse: Preparation and process G5 material 90%, Prefabricated Culverts: Laying of prefabricated culverts 100% with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Installation of signages 100% and Cleaning of road reserve 100%.

Challenges: The project is behind the planned contract period. The contractor has submitted the application for extension of time ending 28 March 2024.

b) The Rehabilitation of D2022 Road (Ward 14)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 443 870.98	R 315 297.83
Construction Cost	R 2 657 657.41	R 2 653 390.85
TOTAL	R 3 101 528.39	R 2 968 688.68

<u>Project Details</u>

Name of Consultant: Libeko (Pty) Ltd

Name of Contractor: Musa and Sons Trading Enterprise Pty Ltd

Project Commencement Date: December 2023

Contractual Completion Date: February 2024

Revised Completion date: 15 March 2024

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material from commercial source.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel selected layer: Preparation and process G7 material.
- Chemical stabilization: Preparation and process
- Installation of kerbing and channelling
- Crushed Stone Base: Preparation and process G2 material
- Prime Coat: preparation and application.
- 40mm Asphalt Wearing coarse
- Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of subsoil
- Road Marking
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Establishment on site100%, Clearing & grubbing 100%,: Hauling of gravel selected layer material from commercial source 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed 100% and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%, Chemical stabilization: Preparation and process 100%, Installation of kerbing and channelling 100%, Crushed Stone Base: Preparation and process G2 material 100%, Prime Coat: preparation and application 100%, 40mm Asphalt Wearing coarse 100%, Prefabricated Culverts: Laying of prefabricated culverts 100%, with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Road Marking 100%, Installation of signages 100% and Cleaning of road reserve 100%.

The contractor has completed the works, the defect liability period has started.

Challenges: None

c) Gravelling of Efalethu Road (Ward 3)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 699 015.99	R 630 862.48
Construction Cost	R 3 905 945.04	R 3 879 690.23
TOTAL	R 4 604 961.03	R 4 510 552.71

Project Details

Name of Consultant: Libeko (Pty) Ltd

Name of Contractor: Humble Frank Multi Service

Project Commencement Date: December 2023

Contractual Completion Date: February 2024

Revised Completion date: 28 March 2024

Project Scope

- Establishment on site.

- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material from commercial source.
- Purchase of G5 Material: from the Commercial Source.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel selected layer: Preparation and process G7 material.
- Gravel Wearing coarse: Preparation and process G5 material
- Installation of Gabions
- Excavation and preparation of side drains
- Installation of subsoil
- Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Site Establishment 100%, Clearing & grubbing 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%, Gravel wearing coarse: Preparation and process G5 material 100%, Prefabricated Culverts: Laying of prefabricated culverts 100% with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Side Drainage: Excavation and preparation of side drains 100%, Installation of signages 100% and Cleaning of road reserve 100%.

Challenges: The project has reached the practical completion, and the contractor is attending to the snag.

d) Gravelling of D1293 Road (Ward 12)

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 788 939.30	R 741 097.28
Construction Cost	R 4 653 370.55	R 4 645 979.54
TOTAL	R 5 442 309.85	R 5 387 076.82

Project Details

Name of Consultant: Libeko (Pty) Ltd

Name of Contractor: Sukoluhle Trading Enterprise

Project Commencement Date: December 2023

Contractual Completion Date: February 2024

Revised Completion date: 15 March

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- Overhaul: Hauling of gravel selected layer material from commercial source.
- Bulk Earthworks: Cut to fill, cut to spoil, etc.
- Preparation of Roadbed and removal of unsuitable material.
- Gravel Wearing Coarse: Preparation and process G5 material.
- Gravel Subbase Coarse: Preparation and process G7 material

- Side Drainage: Excavation and preparation of side drains.
- Construction of stone pitching.
- Installation of gabion wall and mattresses on stormwater inlet/outlet infrastructure
- Cross drains: Laying of prefabricated culverts with associated catch pits and headwalls
- Installation of subsoil
- Installation of signages
- Cleaning of road reserve

Current Status Overall Construction progress 100%: Site Establishment 100%, Clearing & grubbing 100%, Bulk Earthworks: Cut to fill, cut to spoil, etc. 100%, Preparation of Roadbed and removal of unsuitable material 100%, Gravel selected layer: Preparation and process G7 material 100%, Gravel wearing coarse: Preparation and process G5 material 100%, Prefabricated Culverts: Laying of prefabricated culverts 100% with associated catch pits 100% and headwalls 100%, Installation of subsoil 100%, Side Drainage: Excavation and preparation of side drains 100%, Construction of stone pitching 100%, Installation of signages 100% and Cleaning of road reserve 100%.

Challenges: The project is behind the planned contract period because of experiencing some challenges and delays due to illegal water connections, underground surface water which required additional laying for subsoil drainage and re-routing stormwater due to obstructions. The contractor has achieved practical completion on the Friday, 15th March 2024. Project has reached completion. Defects Lability period has commenced.

APPENDIX P

SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

A] SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

The service that we provide as a municipality is **waste collection.**

- ✓ Here we have a routinely weekly plan, that accommodates all these entities, which is consistently delivered accordingly.
- ✓ We even provide wheelie bins for these entities.
- ✓ We also provide the skip bins for these entities.

Hence, we do not have backlogs.

B] THE Q SECTION – BACKLOGS BY OTHER DEPARTMENTS

Mandeni has the following clinics:

- Ndulinde
- Isithebe
- Sundumbli
- Hlomendlini
- Mandeni
- Ohwebede
- Tugela
- Macambini, and
- Dokodweni

All these are serviced by Eskom for electricity, and iLembe District.

Pertaining to schools, Mandeni has two **circuits, namely Gingindlovu Circuit and part of Phambela Circuit (in ward 3 & 4)**

About 18 of the rural schools do have access to water, and these schools are situated in ward 06, ward 1, 2,8, 5 & 9.

APPENDIX Q

Service backlogs experienced by the community where another sphere of government is responsible for service provision.

There is still a major challenge to sort of government departments that lack to render the anticipated services to the community. There are backlogs in the department of home affairs, where several community members did not get the proper services in terms of acquiring the proper documents such as identity documents, birth certificates, passports, etc. Most of the Home Affairs Offices have a challenge of encountering technical glitches such as internet.

The Department of Transport also has a backlog. The services are very poor if you assess both the local, provincial, and national roads, there are multiple potholes that damage motor vehicles. In certain rural areas, communities suffer due to absence of bridges, walk-overs that interconnect to areas. Some areas have community members, specifically children who have a difficult time getting to school when it rains as proper bridges aren't built.
The Department of Health has a major challenge as some hospitals have patients sleeping on the floor due to a shortage of beds. Proper machinery and technology are also not supplied to the hospitals. There is still a lack of implementing Batho Pele Principles in some government departments, hence there is a service backlogs experienced by the community.

APPENDIX R

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

There are no loans made by the municipality as the municipality is sustained by their reserves and investments.

APPENDIX S

DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71.

The municipal financial departments managed to submit all 12 section 71 reports. This means that deadlines were met, therefore there are 12 reports submitted to the relevant stakeholders. Under compliance measures are met and prioritized by the municipality

APPENDIX T

NATIONAL AND PROVINCIAL OUTCOME BY LOCAL GOVERNMENT

The Municipal Assessment Tool, Circular 88 Reporting template were submitted on a quarterly. The municipality is still complying with COGTA both nationally and provincially in terms of submissions. Various COGTA Assessment documents that include C88 Reporting Template, Mandeni Municipal Assessment Tool, PMS questionnaire, PMS Status Reports. These templates play an imperative tool to assess the municipality in various sectors so that we can render the anticipated service delivery. Other KPI's, assess that certain deadlines are met to show that the municipality reaches certain targets according to dates, targets, and percentages. Therefore, this shows that the municipality is functional in terms of COGTA Assessments. Thus far, all information required has been submitted by the municipality.

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Mandeni Municipality Annual Financial Statements
for the year ended 30 June 2024

General Information

Legal form of entity	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 and principal activities	The provision of services (electricity and refuse) to communities in a sustainable manner to promote social and economic development, and to promote a safe and a healthy environment.
MEMBERS OF EXECUTIVE COUNCIL	
Mayor and Chairman of the Executive Committee	Cllr TP Mdlalose
Deputy Mayor	Cllr BL Magwaza
Speaker (Ex-Officio)	Cllr PM Sishi
Members of the Executive Committee	Cllr SZ Mdletshe
	Cllr ST Magwaza
	Cllr MS Mdunge
	Cllr M Shelembe
	Cllr SC Mdletshe
Other councillors	Cllr NO Dladla
	Cllr SF Gina
	Cllr BA Khumalo
	Cllr NH Khuzwayo
	Cllr SA Mabhida
	Cllr SJ Mathonsi
	Cllr XH Mathonsi
	Cllr S Mathonsi
	Cllr MC Mkhaliphi
	Cllr BA Mchunu
	Cllr ST Thwala
	Cllr SS Mdunge
	Cllr CT Mhlongo
	Cllr CL Mthembu
	Cllr DGP Mthembu
	Cllr LS Mthembu
	Cllr LS Zungu
	Cllr SP Naicker
	Cllr MT Ncanana
	Cllr NS Ncube
	Cllr MB Ngidi
	Cllr N Mathunjwa
	Cllr ME Ndwandwe
	Cllr S Ntuli
	Cllr NR Dludla
	Cllr ZM Nxumalo
	Cllr SW Shandu

General Information

Senior management	SG Khuzwayo - Municipal Manager NZ Guzana - Chief Financial Officer (Acting from 01 July 2023) VP Zulu - Director: Corporate Services RS Dlamini - Director: Technical Services B Sithole - Director: Public Safety and Community Services WD Mbongwa - Director: Economic Development
Auditors	Auditor-General South Africa
Bankers	First National Bank Nedbank
Attorneys	Phumlani Ngubane Tembe Kheswa Nxumalo Incorporated Mhlanga Incorporated Bhekisisa Goqo & Co Memela and Associates Matthew Francis Inc.
Registered office	Mandeni Municipal Office 2 Kingfisher Road Mandeni 4490
Business address	2 Kingfisher Road Mandeni 4490
Postal address	P O Box 144 Mandeni 4490
Telephone number	032 - 456 8200
Fax number	032 - 456 2504
Email address	info@mandeni.gov.za
Grading of local authority	3
Jurisdiction	Mandeni Boundary (as determined by the Demarcation Board)
Legislation governing the municipality's operations	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) Constitution of the Republic of South Africa (Act 108 of 1998) Municipal Property Rates Act (act of 6 2004) Division of Revenue Act (Act 1 of 2007)

Index

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

Accounting Officer's Responsibilities and Approval

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

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

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 31 of these financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Corporative Governance and Traditional Affairs' determination in accordance with this Act.

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

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

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

The annual financial statements set out on pages 7 to 94, which have been prepared on a going concern basis, were approved by the accounting officer on 30 August 2024 and were signed by:

SG Khuzwayo
Accounting Officer

30 August 2024

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2024.

1. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

2. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the year.

3. Accounting Officers' interest in contracts

The accounting officer has no interest in contracts awarded, either direct or indirect.

4. Accounting policies

The annual financial statements are prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Non-current assets

There were no changes in the policy relating to the use of non-current assets.

6. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name
SG Khuzwayo

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	42,734,144	42,751,851
Receivables from exchange transactions	4	22,159,064	25,709,058
Receivables from non-exchange transactions	5	3,093,468	3,669,055
Statutory receivables	6	52,832,933	27,926,956
Call and investment deposits	7	199,451,615	244,203,556
Cash and cash equivalents	8	9,356,268	10,321,268
		329,627,492	**354,581,744**
Non-Current Assets			
Investment property	9	41,913,000	40,529,000
Property, plant and equipment	10	669,291,315	561,888,006
Intangible assets	11	2,371,690	330,671
		713,576,005	**602,747,677**
Total Assets		**1,043,203,497**	**957,329,421**
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	66,084,693	47,342,009
Consumer deposits	13	185,196	216,464
Employee benefit obligation	15	1,125,558	894,403
Unspent conditional grants and receipts	14	9,028,438	25,788,956
		76,423,885	**74,241,832**
Non-Current Liabilities			
Employee benefit obligation	15	25,769,737	21,693,073
Total Liabilities		**102,193,622**	**95,934,905**
Net Assets		**941,009,875**	**861,394,516**
Reserves			
Housing Development fund		2,133,415	1,986,085
Accumulated surplus	16	938,876,460	859,408,431
Total Net Assets		**941,009,875**	**861,394,516**

Mandeni Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023
Revenue			
Revenue from exchange transactions			
Service charges	18	73,544,048	61,433,607
Construction contracts	19	10,560,568	6,815,022
Rental of facilities and equipment	20	294,366	354,021
Interest income - Service charges	21	919,269	1,228,720
Licences and permits	22	984,777	547,007
Other income	23	2,764,386	3,586,648
Interest received - investment	24	26,748,038	20,010,444
Total revenue from exchange transactions		**115,815,452**	**93,975,469**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	58,320,526	51,761,585
Interest income - Property rates	26	3,459,757	2,627,819
Transfer revenue			
Government grants & subsidies	27	297,059,542	263,259,332
Fines, penalties and forfeits	28	1,583,588	1,001,853
Donated assets income	29	14,200	5,234,331
Total revenue from non-exchange transactions		**360,437,613**	**323,884,920**
Total revenue	17	**476,253,065**	**417,860,389**
Expenditure			
Employee related costs	30	(130,711,296)	(116,925,166)
Remuneration of councillors	31	(14,563,808)	(14,325,359)
Bad debts written off	32	(4,388,493)	(1,918,671)
Depreciation and amortisation	33	(31,488,912)	(30,062,529)
Finance costs	39	(3,134,616)	(3,322,630)
Lease rentals on operating lease	38	(2,272,751)	(1,175,012)
Debt impairment	37	(6,047,836)	(13,103,576)
Inventory consumed	34	(3,834,651)	(4,371,235)
Bulk purchases	35	(52,474,725)	(45,292,594)
Contracted services	40	(86,359,034)	(62,255,231)
General expenses	41	(60,092,620)	(42,496,847)
Total expenditure		**(395,368,742)**	**(335,248,850)**
Operating surplus		**80,884,323**	**82,611,539**
Loss on disposal/scrapping of assets	42	(500,517)	(6,079,512)
Fair value adjustments	43	1,541,000	30,180,500
Actuarial gains/losses	15	(217,970)	3,169,090
Impairment loss	36	(2,238,807)	(2,374,266)
		(1,416,294)	**24,895,812**
Surplus for the period		**79,468,029**	**107,507,351**

Statement of Changes in Net Assets

Figures in Rand	Other NDR	Accumulated surplus	Total net assets
Balance at 01 July 2022	**1,878,425**	**751,901,080**	**753,779,505**
Changes in net assets			
Surplus for the year	-	107,507,351	107,507,351
Interest on reserves	107,660	-	107,660
Total changes	107,660	107,507,351	107,615,011
Balance at 01 July 2023	**1,986,085**	**859,408,431**	**861,394,516**
Changes in net assets			
Surplus for the year	-	79,468,029	79,468,029
Interest on reserves	147,330	-	147,330
Total changes	147,330	79,468,029	79,615,359
Balance at 30 June 2024	**2,133,415**	**938,876,460**	**941,009,875**

Mandeni Municipality
Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Taxation		25,546,585	48,915,720
Sale of goods and services		70,196,724	62,814,135
Grants		293,790,675	288,141,000
Interest income		42,000,936	13,978,362
		431,534,920	413,849,217
Payments			
Employee costs		(141,802,002)	(130,376,808)
Suppliers		(191,959,081)	(162,240,095)
Finance costs		(136,746)	(324,760)
		(333,897,829)	(292,941,663)
Net cash flows from operating activities	45	**97,637,091**	**120,907,554**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(142,727,127)	(75,545,053)
Proceeds from sale of property, plant and equipment	10	1,192,678	1,086,867
Proceeds from sale of investment property	9	157,000	-
Purchase of intangible assets	11	(2,123,913)	-
Net cash flows from investing activities		**(143,501,362)**	**(74,458,186)**
Cash flows from financing activities			
Finance lease payments		-	(13,719)
Interest on reserves capitalised		147,330	107,660
Net cash flows from financing activities		**147,330**	**93,941**
Net increase in cash and cash equivalents		**(45,716,941)**	**46,543,309**
Cash and cash equivalents at the beginning of the year		254,524,824	207,981,515
Cash and cash equivalents at the end of the year	7&8	**208,807,883**	**254,524,824**

Mandeni Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Service charges	63,657,010	9,130,436	**72,787,446**	73,544,048	**756,602**
Sale of goods and rendering of services	617,796	12,244,653	**12,862,449**	10,560,568	**(2,301,881)**
Rental of facilities and equipment	192,215	50,139	**242,354**	294,366	**52,012**
Interest earned on service charges	917,821	-	**917,821**	919,269	**1,448**
Licences and permits	737,332	-	**737,332**	984,777	**247,445**
Other income	395,652	1,615,908	**2,011,560**	2,764,386	**752,826**
Interest received - investment	10,500,000	13,000,000	**23,500,000**	26,748,038	**3,248,038**
Total revenue from exchange transactions	**77,017,826**	**36,041,136**	**113,058,962**	**115,815,452**	**2,756,490**
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	59,329,448	-	**59,329,448**	58,320,526	**(1,008,922)**
Interest earned on property rates	2,836,738	-	**2,836,738**	3,459,757	**623,019**
Transfer revenue					
Government grants & subsidies	290,356,000	12,088,100	**302,444,100**	297,059,542	**(5,384,558)**
Fines, Penalties and Forfeits	1,210,000	-	**1,210,000**	1,583,588	**373,588**
Donated assets income	-	-	-	14,200	**14,200**
Total revenue from non-exchange transactions	**353,732,186**	**12,088,100**	**365,820,286**	**360,437,613**	**(5,382,673)**
Total revenue	**430,750,012**	**48,129,236**	**478,879,248**	**476,253,065**	**(2,626,183)**
Expenditure					
Employee related costs	(141,420,149)	-	**(141,420,149)**	(130,711,296)	**10,708,853**
Remuneration of councillors	(15,460,013)	-	**(15,460,013)**	(14,563,808)	**896,205**
Depreciation and amortisation	(35,534,499)	-	**(35,534,499)**	(31,488,912)	**4,045,587**
Impairment loss/ Reversal of impairments	-	-	-	(2,238,807)	**(2,238,807)**
Finance costs	(100,000)	(3,200,000)	**(3,300,000)**	(3,134,616)	**165,384**
Lease rentals on operating lease	(1,521,739)	-	**(1,521,739)**	(2,272,751)	**(751,012)**
Debt Impairment	(37,302,618)	-	**(37,302,618)**	(6,047,836)	**31,254,782**
Bad debts written off	(7,499,999)	-	**(7,499,999)**	(4,388,493)	**3,111,506**
Inventory consumed	(7,410,653)	3,952,623	**(3,458,030)**	(3,834,651)	**(376,621)**
Bulk purchases	(43,602,976)	(8,260,870)	**(51,863,846)**	(52,474,725)	**(610,879)**
Contracted Services	(64,092,094)	(20,792,006)	**(84,884,100)**	(86,359,034)	**(1,474,934)**
General expenses	(46,675,819)	(7,957,921)	**(54,633,740)**	(60,092,620)	**(5,458,880)**
Total expenditure	**(400,620,559)**	**(36,258,174)**	**(436,878,733)**	**(397,607,549)**	**39,271,184**
Operating surplus	**30,129,453**	**11,871,062**	**42,000,515**	**78,645,516**	**36,645,001**
Loss on disposal/scrapping of assets	(1,500,000)	-	**(1,500,000)**	(500,517)	**999,483**
Fair value adjustments	-	-	-	1,541,000	**1,541,000**
Actuarial gains/losses	-	-	-	(217,970)	**(217,970)**
	(1,500,000)	**-**	**(1,500,000)**	**822,513**	**2,322,513**
Surplus before taxation	**28,629,453**	**11,871,062**	**40,500,515**	**79,468,029**	**38,967,514**
Actual Amount on Comparable Basis as Presented	**28,629,453**	**11,871,062**	**40,500,515**	**79,468,029**	**38,967,514**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Material budget differences are disclosed in note 55 - budget variances.

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2024											
Financial Performance											
Property rates	62,166,186	-	62,166,186	-		62,166,186	58,320,526		(3,845,660)	94 %	94 %
Service charges	64,574,831	9,130,436	73,705,267	-		73,705,267	73,544,048		(161,219)	100 %	114 %
Investment revenue	10,500,000	13,000,000	23,500,000	-		23,500,000	26,748,038		3,248,038	114 %	255 %
Transfers recognised - operational	241,974,850	177,000	242,151,850	-		242,151,850	240,489,001		(1,662,849)	99 %	99 %
Other own revenue	3,152,995	13,910,700	17,063,695	-		17,063,695	20,580,911		3,517,216	121 %	653 %
Total revenue (excluding capital transfers and contributions)	**382,368,862**	**36,218,136**	**418,586,998**	**-**		**418,586,998**	**419,682,524**		**1,095,526**	**100 %**	**110 %**
Employee costs	(141,420,149)	-	(141,420,149)	-	-	(141,420,149)	(130,711,296)	-	10,708,853	92 %	92 %
Remuneration of councillors	(15,460,013)	-	(15,460,013)	-	-	(15,460,013)	(14,563,808)	-	896,205	94 %	94 %
Depreciation and asset impairment	(35,534,499)	-	(35,534,499)			(35,534,499)	(33,727,719)	-	1,806,780	95 %	95 %
Finance charges	(100,000)	(3,200,000)	(3,300,000)	-	-	(3,300,000)	(3,134,616)	-	165,384	95 %	3,135 %
Inventory consumed and bulk purchases	(51,013,629)	(4,308,247)	(55,321,876)	-	-	(55,321,876)	(57,747,476)	-	(2,425,600)	104 %	113 %
Contracted services	(64,092,094)	(20,792,006)	(84,884,100)	-	-	(84,884,100)	(86,359,034)	-	(1,474,934)	102 %	135 %
Other expenditure	(94,500,175)	(7,957,921)	(102,458,096)	-	-	(102,458,096)	(70,541,087)	-	31,917,009	69 %	75 %
Total expenditure	**(402,120,559)**	**(36,258,174)**	**(438,378,733)**	**-**	**-**	**(438,378,733)**	**(396,785,036)**	**-**	**41,593,697**	**91 %**	**99 %**
Surplus/(Deficit)	**(19,751,697)**	**(40,038)**	**(19,791,735)**	**-**		**(19,791,735)**	**22,897,488**		**42,689,223**	**(116)%**	**(116)%**

Mandeni Municipality
Annual Financial Statements for the year ended 30 June 2024

Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	48,381,150	11,911,100	60,292,250	-		60,292,250	56,570,541		(3,721,709)	94 %	117 %
Surplus (Deficit) after capital transfers and contributions	**28,629,453**	**11,871,062**	**40,500,515**	**-**		**40,500,515**	**79,468,029**		**38,967,514**	**196 %**	**278 %**
Surplus/(Deficit) for the year	**28,629,453**	**11,871,062**	**40,500,515**	**-**		**40,500,515**	**79,468,029**		**38,967,514**	**196 %**	**278 %**
Capital expenditure and funds sources											
Total capital expenditure	(143,944,633)	4,160,869	(139,783,764)	-		(139,783,764)	(144,851,041)		(5,067,277)	104 %	101 %
Sources of capital funds											
Transfers recognised - capital	(55,597,607)	3,169,564	(52,428,043)	-		(52,428,043)	(52,428,083)		(40)	100 %	94 %
Internally generated funds	(88,347,026)	991,305	(87,355,721)	-		(87,355,721)	(92,422,958)		(5,067,237)	106 %	105 %
Total sources of capital funds	**(143,944,633)**	**4,160,869**	**(139,783,764)**	**-**		**(139,783,764)**	**(144,851,041)**		**(5,067,277)**	**104 %**	**101 %**

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows											
Net cash from (used) operating	74,380,832	(7,512,161)	66,868,671	-		66,868,671	97,637,091		30,768,420	146 %	131 %
Net cash from (used) investing	(165,536,340)	4,869,998	(160,666,342)	-		(160,666,342)	(143,501,362)		17,164,980	89 %	87 %
Net cash from (used) financing	-	-	-	-		-	147,330		147,330	DIV/0 %	DIV/0 %
Net increase/(decrease) in cash and cash equivalents	**(91,155,508)**	**(2,642,163)**	**(93,797,671)**	**-**		**(93,797,671)**	**(45,716,941)**		**48,080,730**	**49 %**	**50 %**
Cash and cash equivalents at the beginning of the year	207,979,210	46,545,614	254,524,824	-		254,524,824	254,524,824		-	100 %	122 %
Cash and cash equivalents at year end	**116,823,702**	**43,903,451**	**160,727,153**	**-**		**160,727,153**	**208,807,883**		**(48,080,730)**	**130 %**	**179 %**

Accounting Policies

1. Presentation of Annual Financial Statements

1.1 Basis of preparation

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

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

A summary of the significant accounting policies, that have been consistently applied in the preparation of these annual financial statements, is disclosed below.

These accounting policies are consistent with the previous period.

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

1.2 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

The impairment for trade receivables, held-to-maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 12 - Payables from exchange transactions.

Useful lives of property, plant and equipment and other assets

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

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

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

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 15.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows under GRAP 13 while the government bond rate was used to discount future cash flows under GRAP 25.

Allowance for debt impairment

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

1.3 Going concern - assumption

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

1.4 Investment property

Investment property is property (land or a building - or part of a building) held to earn rentals or for capital appreciation or both, rather than for:
- use in the production or supply of goods or services; or for
- administrative purposes; or
- sale in the ordinary course of operations.

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

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

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

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

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

1.4 Investment property (continued)

Subsequent measurement - Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

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

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost.

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

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

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

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

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

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

1.5 Property, plant and equipment (continued)

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are connected for as property, plant and equipment.

Subsequent measurement - cost model (land and buildings)

Subsequent to initial recognition, land and buildings are carried at cost less any subsequent accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Subsequent measurement - cost model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

Where the municipality replaces part of an asset, it derecognises the part of an asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or the future economic benefits associated with the asset.

Depreciation

Depreciation is calculated on a depreciable amount, using the straight-line basis over the estimated useful life of items of property, plant and equipment unless depreciation of certain assets is being determined using a method other than the estimated useful life.

Components of assets that are significant in relation to the whole asset and have different useful lives are depreciated separately.

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

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

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

The annual depreciation rates are based on the following estimated average useful lives of items of property, plant and equipment and are assessed as follows:

Item	Depreciation method	Average useful life in years
Buildings	Straight-line	30 years
Infrastructure	Straight-line	30 years
Community	Straight-line	30 years
Other property, plant and equipment	Straight-line	5 to 10 years

The residual value and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from the previous estimate, the change is accounted for as a change in the accounting estimate. In determining the depreciation change for the current year, the residual value for all assets has been taken into account.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

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

1.5 Property, plant and equipment (continued)

Derecognition

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

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

1.6 Intangible assets

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

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

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

Intangible assets are initially recognised at cost.

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

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

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

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

1.6 Intangible assets (continued)

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

Item	Useful life
Computer software	3 years

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

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the statement of financial performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and impairment loss is charged to the statement of financial performance.

Derecognition

Intangible assets are derecognised when the asset is disposed off or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount and is recognised in the statement of financial performance.

1.7 Financial instruments

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

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

Class	Categories
Cash and cash equivalents	Financial asset measured at amortised cost
Call investment deposits	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non- exchange transactions	Financial asset measured at amortised cost
Other receivables	Financial asset measured at fair value

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Categories
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost
Other payables	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

1.7 Financial instruments (continued)

Initial and subsequent measurement

Financial assets

Held-to-maturity Investments and Loans and Receivables 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 revenue recognised on an effective yield basis.

Financial Assets at Available-for-Sale are initially and subsequently, at the end of each financial year, measured at fair value with the profit or loss being recognised in the Statement of Financial Performance.

Financial assets are recognised on the date they originated for loans and receivables and deposits and for other financial assets, initially on the trade date at which the municipality becomes a party to the contractual provision of the instrument.

Financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial liabilities are recognised on the trade date at which the municipality becomes a party to the contractual provisions of the instrument.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. 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 in accordance with GRAP 104.

Initially accounts receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade 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 amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Consumer debtors are stated at cost less a provision for bad debts. The provision is made in accordance with GRAP 104 whereby the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the instruments at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire 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.

1.7 Financial instruments (continued)

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.

Derecognition of financial liabilities

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

1.8 Statutory receivables

Identification

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.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables 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.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from non-exchange transactions (Taxes and transfers).

1.8 Statutory receivables (continued)

Impairment losses

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

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

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

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

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

Derecognition

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

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

Any difference between the consideration received and the amounts derecognised is recognised in surplus or deficit.

Accounting Policies

1.9 Leases

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

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

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

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

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Property, plant equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured at the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value 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, equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance costs and the capital repayment using the effective interest rate method. Lease 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 shorted of the asset's useful life or the lease term.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing.

Operating leases are those leases that do not fall within the scope within the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

Operating leases - lessee

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

1.10 Inventories

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

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

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

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

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

1.10 Inventories (continued)

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

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

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

Redundant and obsolete inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. Consumables are written down with regards to their age, condition and utility.

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

1.11 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

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

Identification

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

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

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

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Value in use

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

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

Discount rate

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

Cash-generating units

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

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

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

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

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

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

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

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

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

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

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

Reversal of impairment loss

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

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

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

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

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

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

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

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

1.12 Employee benefits

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

Short-term employee benefits

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

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

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

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

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

Post-employment benefits

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

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

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

1.12 Employee benefits (continued)

Multi-employer plans and/or State plans and/or Composite social security programmes

The entity classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for it in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the entity accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the entity account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

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

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.12 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The municipality has an obligation to provide post-retirement health care benefits to certain of its retirees. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current conditions of service) on retirement, is entitled to remain a continued member of the medical aid fund in which case the municipality is liable for a certain portion of the medical aid membership fee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.12 Employee benefits (continued)

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

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

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

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

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

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

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

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

1.12 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

Long-term service awards

The municipality has an obligation to provide long-term service awards to all if its employees who have been in service of the municipality for a certain period of time. According to the rules of the long-term service allowance scheme, which the municipality has 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 5,10, 15, 20, 25, 30, 35, 40 and 45 years of continued service.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liability. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

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

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

Accounting Policies

1.12 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating expenditure.

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

1.13 Provisions and contingencies (continued)

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

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:
- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

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

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 47 unless the possibility of an outflow or resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefit is probable.

Decommissioning, restoration and similar liability

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

If the related asset is measured using the cost model:
- changes in the liability are added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.11.

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

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

Accounting Policies

1.13 Provisions and contingencies (continued)

Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:
- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The municipality does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the municipality being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the municipality has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The municipality recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

1.14 Revenue from exchange transactions

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

Service charges relating to electricity are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Revenue from the sale of tender documents is recognised at the point of sale.

1.14 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

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

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.15 Revenue from non-exchange transactions

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

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

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

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

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

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

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

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

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

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

Recognition

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

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

Measurement

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

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

Taxes

The municipality recognises an asset in respect of property rates when the taxable event occurs and the asset recognition criteria are met.

Resources arising from property rates satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The taxable event for property rates is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by the debtors.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind are not recognised.

Concessionary loans received

A concessionary loan is a loan granted to or received by a property, plant and equipment on terms that are not market-related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market-related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the cash flow statement recognises revenue as and when it satisfies the conditions of the loan agreement.

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.

Accounting Policies

1.16 Value-added tax

The municipality accounts for value-added tax (VAT) on a payment basis.

The municipality is registered with the South African Revenue Services (SARS) for VAT on a payment basis, in accordance with section 15(2) of the VAT Act (Act no. 89 of 1991).

1.17 Comparative figures

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

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as it is practical, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far it is practical, and the prior year comparatives are restated accordingly.

1.18 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No.56 of 2003) and includes:

- overspending of the total amount appropriated in the municipality's approved budget;
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraphs (b),(c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or a grant by the municipality in accordance with the Municipal Finance Management Act.

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

Unauthorised expenditure is an expenditure that has not been budgeted for, an expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or an organ of the state. An expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Fruitless and wasteful expenditure

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

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

Accounting Policies

1.20 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is an expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

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

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Accumulated surplus

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of a Council resolution (Number C30 dated 17.10.2012).

These transfers from the net surplus may only be made if they are backed by cash. The amount transferred to CRR is based on the municipality's need to finance future capital progress included in the integrated development plan. The following provisions are set for the creation and utilisation of the CRR:

- the cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- interest earned on the CRR investment is recorded as part of the total interest earned in the statement of financial performance
- the CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for maintenance of these items.
- whenever an asset is purchased out of CRR, an amount equal to the cost price of the asset purchased is transferred from the CRR into a future depreciation reserve called the Capitalisation Reserve. This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the CRR. The Capitalisation Reserve is used to offset depreciation charged on assets purchased out of the CRR to avoid double taxation of the consumers.
- if a gain is made on the sale of assets previously purchased out of the CRR, the gain on these assets sold is reflected in the statement of financial performance.

Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund.

Provisions are set out for the creation and utilisation of the Housing Development Fund. The Housing Development Fund is cash- backed, and invested in accordance with the investment policy of the municipality.

In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.21 Accumulated surplus (continued)

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant-funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant-funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

1.22 Budget information

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

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

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

The annual financial statements and the budget are on the same basis of accounting.

Accounting Policies

1.23 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

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

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

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

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.24 Events after the reporting date

The municipality has carefully considered whether events occurring between the Statement of Financial Position date and the date of approval should be reflected in the annual financial statements. Events after the reporting period (or 'post-Statement of Financial Position events') are either adjusting events or non-adjusting events.

Adjusting events provide further evidence of conditions that existed at the statement of financial position date and the carrying amounts of assets and liabilities at the statement of financial position date are adjusted for such events. Non-adjusting events relate to conditions that arose after the statement of financial position date and should be disclosed.

The municipality adjusts the amount recognised in the annual financial statements to reflect adjusting events after the reporting date once the event occurred.

1.25 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

Accounting Policies

1.26 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by variations in contract work, claims and incentive payments to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

1.27 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.28 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of a municipality after deducting all of its liabilities.

1.29 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.30 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

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

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

Binding arrangement

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

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

Recognition

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

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

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

Accounting Policies

1.31 Segment information

A segment is an activity of an entity:

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

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

Measurement

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

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

1.32 Transfers and subsidies

Transfers and subsidies include all unrequited payments made by the municipality. A payment is unrequited provided that the municipality does not receive anything of similar value directly in return for the transfer to the other party.

Transfers and subsidies are recognised in the Statement of Financial Performance as expenses in the period in which the events giving rise to the transfer occurred.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has not adopted any standards and interpretations that are effective for the current period and that are relevant to its operations.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1: Presentation of Financial Statements (Going concern)	No effective date set	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 July 2025	Unlikely there will be a material impact

3. Inventories

	2024	2023
Land	41,744,000	42,038,000
Consumable stores	804,148	572,495
Maintenance materials	185,996	141,356
	42,734,144	**42,751,851**

	2024	2023
Consumable stores		
Opening balance	572,495	566,658
Additions	1,365,417	1,000,821
Issued/(expensed)	(1,133,764)	(994,984)
	804,148	**572,495**

	2024	2023
Maintenance materials		
Opening balance	141,356	240,463
Additions	518,778	111,887
Issued/(expensed)	(474,138)	(210,994)
	185,996	**141,356**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. Receivables from exchange transactions

	2024	2023
Gross balances		
Electricity	9,582,904	8,939,077
Refuse	67,045,970	58,977,145
Prepayments	2,524,281	2,529,593
Accrued investment income	-	9,753,164
Deferred VAT on liabilities (input)	4,757,289	3,115,012
	83,910,444	**83,313,991**
Less: Allowance for impairment		
Electricity	(2,167,855)	(3,682,694)
Refuse	(59,583,525)	(53,922,239)
	(61,751,380)	**(57,604,933)**
Net balance		
Electricity	7,415,049	5,256,383
Refuse	7,462,445	5,054,906
Prepayments	2,524,281	2,529,593
Accrued investment income	-	9,753,164
Deferred VAT on liabilities (input)	4,757,289	3,115,012
	22,159,064	**25,709,058**
Electricity		
Current (0 -30 days)	6,309,619	4,393,445
31 - 60 days	(450)	686,539
61 - 90 days	144,490	1,168,834
91 - 120 days	91,573	172,723
121 - 365 days	600,688	488,648
> 365 days	2,436,984	2,028,889
Impairment	(2,167,855)	(3,682,693)
	7,415,049	**5,256,385**
Refuse		
Current (0 -30 days)	2,126,436	1,892,897
31 - 60 days	(17,057)	898,404
61 - 90 days	907,511	908,925
91 - 120 days	904,405	1,701,590
121 - 365 days	6,628,265	5,738,897
> 365 days	56,496,410	47,836,433
Impairment	(59,583,525)	(53,922,239)
	7,462,445	**5,054,907**
Prepayments		
Current (0 -30 days)	2,524,281	2,529,593
Accrued investment income		
Current (0 -30 days)	-	9,753,164
Deferred VAT on liabilities (input)		
Current (0 -30 days)	4,757,289	3,115,012

Figures in Rand	2024	2023

5. Receivables from non-exchange transactions

Gross balances		
Interest	35,695,319	38,041,102
Other receivables from non-exchange transactions (not aged)	1,221,111	1,023,517
	36,916,430	**39,064,619**

Other receivables from non-exchange transactions (not aged) comprise of:

Other receivables	975,541	777,947
Postage deposit	10,000	10,000
Rental deposits	235,570	235,570
	1,221,111	**1,023,517**

Less: Non-exchange transactions impairment		
Interest	(33,400,534)	(34,973,136)
Other	(422,428)	(422,428)
	(33,822,962)	**(35,395,564)**

Net balances		
Interest	2,294,785	3,067,966
Other	798,683	601,089
	3,093,468	**3,669,055**

Interest		
Current (0 -30 days)	747,772	666,348
31 - 60 days	-	316,895
61 - 90 days	368,664	319,520
91 - 120 days	362,656	631,688
121 - 365 days	3,159,244	2,061,756
> 365 days	31,056,983	34,044,899
Less: Impairment	(33,400,534)	(34,973,136)
	2,294,785	**3,067,970**

Other		
Receivables not aged	1,221,111	1,023,517
Less: Impairment	(422,428)	(422,428)
	798,683	**601,089**

Total		
Current (0 -30 days)	1,968,883	1,689,865
31 - 60 days	-	316,895
61 - 90 days	368,664	319,520
91 - 120 days	362,656	631,688
121 - 365 days	3,159,244	2,061,756
> 365 days	31,056,983	34,044,899
	36,916,430	39,064,623
Less: Impairment	(33,822,962)	(35,395,564)
	3,093,468	**3,669,059**

Figures in Rand	2024	2023

5. Receivables from non-exchange transactions (continued)

Households		
Current (0 -30 days)	5,112,189	3,878,617
31 - 60 days	(27,817)	2,295,678
61 - 90 days	2,051,577	2,991,561
91 - 120 days	2,854,768	3,603,879
121 - 365 days	18,921,933	11,523,180
> 365 days	130,296,372	122,444,323
Less: Impairment	(142,971,941)	(131,971,395)
	16,237,081	**14,765,843**

Industrial/Commercial		
Current (0 -30 days)	5,943,916	4,680,956
31 - 60 days	(5,386)	828,275
61 - 90 days	691,738	807,184
91 - 120 days	779,247	937,581
121 - 365 days	11,532,996	10,283,015
> 365 days	19,358,377	17,743,474
Less: Impairment	(29,994,359)	(22,835,903)
	8,306,529	**12,444,582**

National/Provincial Government		
Current (0 -30 days)	10,567,528	409,428
31 - 60 days	(14)	253,295
61 - 90 days	357,429	350,830
91 - 120 days	429,118	621,683
121 - 365 days	5,677,237	6,008,049
> 365 days	22,444,239	16,168,217
Less: Impairment	-	(12,979,829)
	39,475,537	**10,831,673**

Provision for Impairment		
Current (0 -30 days)	(4,255,670)	(4,109,655)
31 - 60 days	(108,801)	(105,068)
61 - 90 days	(906,453)	(875,352)
91 - 120 days	(938,596)	(906,392)
121 - 365 days	(21,323,535)	(20,591,909)
> 365 days	(148,733,543)	(143,630,387)
	(176,266,598)	**(170,218,763)**

Reconciliation of allowance for impairment for receivables

Opening balance	(170,218,762)	(157,115,187)
Contribution for bad debt	(6,047,836)	(13,103,575)
	(176,266,598)	**(170,218,762)**

Figures in Rand	2024	2023

6. Statutory receivables

Statutory receivables general information

	2024	2023
Gross balances		
Rates	126,415,933	99,871,418
Fines	4,190,036	2,877,871
VAT receivable (payment basis)	2,919,225	2,395,937
	133,525,194	**105,145,226**
Less: Allowance for impairment		
Rates	(77,814,390)	(75,209,062)
Fines	(2,877,871)	(2,009,208)
	(80,692,261)	**(77,218,270)**
Net balances		
Rates	48,601,543	24,662,356
Fines	1,312,165	868,663
VAT receivable (payment basis)	2,919,225	2,395,937
	52,832,933	**27,926,956**
Rates		
Current (0 -30 days)	14,194,452	2,016,312
31 - 60 days	(15,710)	1,475,410
61 - 90 days	1,680,079	1,752,297
91 - 120 days	2,704,499	2,657,141
121 - 365 days	25,744,002	19,524,944
> 365 days	82,108,611	72,445,792
Less: Impairment	(77,814,390)	(75,209,062)
	48,601,543	**24,662,834**
Fines		
Not aged	4,190,036	2,877,871
Less: Impairment	(2,877,871)	(2,009,208)
	1,312,165	**868,663**
VAT receivable (payment basis)		
Current (0 -30 days)	2,919,225	2,395,937
Total		
Current (0 -30 days)	21,303,712	7,289,638
31 - 60 days	(15,710)	1,475,410
61 - 90 days	1,680,079	1,752,297
91 - 120 days	2,704,499	2,657,141
121 - 365 days	25,744,002	19,524,944
> 365 days	82,108,611	72,445,792
Less: Impairment	(80,692,260)	(77,218,266)
	52,832,933	**27,926,956**

6. Statutory receivables (continued)

Transactions arising from statute

The following prescripts authorise the municipality to charge and collect funds to fund its mandate. The resulting receivables are therefore classified as statutory receivables and are disclosed as such as per GRAP 108 Statutory Receivables:

- Section 229(1) of the Constitution of the Republic of South Africa;
- Municipal Properties Rates Act; and
- Administrative Adjudication of Road Traffic Offences Act.

Determination of transaction amount

The municipality initially measures statutory receivables at their transaction amount. The transaction amount for the purposes of GRAP 108 Statutory Receivables means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Interest charged

Interest is accrued on the outstanding balance of statutory receivables. The municipality adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest on property rates is calculated at the rate of 2% per annum.

Interest charged on property rates is recognised in the statement of financial performance as follows:

	2024	2023
Interest income - Property rates	3,459,757	2,627,819

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

7. Call and investments deposits

Call investment deposits consist of deposits and conditional grants that are ring-fenced to be cash-backed.

Nedbank - Mandeni branch		
Call investment deposits		
Account number - 037881155450 000020		
Cash book balance	-	65,000,000
Bank statement balance	-	65,000,000
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C061294217372		
Cash book balance	181,571,023	101,653,216
Bank statement balance	181,571,023	101,653,216
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062028673219		
Cash book balance	2,132,564	1,985,234
Bank statement balance	2,132,563	1,985,233
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062812286400		
Cash book balance	5,393,616	201,670
Bank statement balance	7,675,512	201,680
Nedbank - Mandeni branch -		
Call investment deposits		
Account number - 037881155450 000025		
Cash book balance	-	50,000,000
Bank statement balance	-	50,000,000
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062113325882		
Cash book balance	473,216	390,196
Bank statement balance	473,217	390,197
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062527527462		
Cash book balance	1	869,183
Bank statement balance	-	1,635,942
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C062538203449		
Cash book balance	5,271,757	2,898,721
Bank statement balance	5,271,757	2,898,721

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

7. Call and investments deposits (continued)

	2024	2023
First National Bank - Mandeni branch		
Call investment deposits -		
Account number - C062812286963		
Cash book balance	4,598,156	5,552,784
Bank statement balance	5,172,336	5,552,784
First National Bank - Mandeni branch -		
Call investment deposits		
Account number - C63048438097		
Cash book balance	11,282	15,652,552
Bank statement balance	11,282	15,652,552
Cash book balance	**199,451,615**	**244,203,556**

	2024	2023
Split between current and non-current portions		
Current assets	199,451,615	244,203,556

The following call investment deposits have no restrictions on the use of funds:

- First National Bank - Mandeni branch - Call investment deposits
  Account number - C061294217372
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062113325882
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062538203449
- Nedbank - Mandeni branch - Call investment deposits
  Account number - 037881155450 000034.
- Nedbank - Mandeni branch - Call investment deposits
  Account number - 037881155450 000033.
- Nedbank - Mandeni branch - Call investment deposits
  Account number - 037881155450 0036.
- Nedbank - Mandeni branch - Call investment deposits
  Account number - 037881155450 0037
- Nedbank - Mandeni branch - Call investment deposits
  Account number - 037881155450 020
- Nedbank - Mandeni branch - Call investment deposits
  Account number - 037881155450 025

Notes to the Annual Financial Statements

7. Call and investments deposits (continued)

The following call investment deposits have the following restrictions on the use of funds:

- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062028673219:
  This account may only be used for housing-related expenditure.
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062812286400:
  This account may only be used for MIG expenditure.
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062812286963
  This account may only be used for housing title deeds.
- First National Bank - Mandeni branch - Call investment deposits
  Account number - C062527527462
  This account may only be used for electrification programmes.

Included in the amounts above are capital grants. See note 14 for additional information.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Rand	2024	2023
Cash on hand	6,220	1,233
Bank balances	9,350,048	10,320,035
	9,356,268	**10,321,268**

9. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	41,913,000	-	41,913,000	40,529,000	-	40,529,000

Reconciliation of investment property - 2024

	Opening balance	Additions	Disposals	Fair value adjustments	Total
Investment property	40,529,000	-	(157,000)	1,541,000	41,913,000

Reconciliation of investment property - 2023

	Opening balance	Additions	Disposals	Transfers	Fair value adjustments	Total
Investment property	42,163,500	-	-	(31,815,000)	30,180,500	40,529,000

Pledged as security

No items of investment property have been pledged as security.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

9. Investment property (continued)

Details of valuation

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.

Fair value of investment properties		
Portion 6 of Farm Lot 5 Ca No. 8440	16,000	15,000
Lot 56 of Padianager	130,000	127,000
Lot 1203 of Mandeni - Aloe Road	62,000	60,000
Portion 4 of Farm Lot 13 Tugela No. 13862	775,000	736,000
The Farm Lot 5 Ca No. 8440	3,430,000	3,330,000
Lot 1340 of Mandeni	62,000	60,000
Lot 1018 of Mandeni	247,000	240,000
Lot 175 of Padianager	258,000	250,000
Lot 48 Tugela Mouth	332,000	330,000
Portion 6 Lot 9901 Newark no. 2621	2,455,000	2,156,000
Various lots Padianagar	8,321,000	8,015,000
Various lots Tugela	400,000	461,000
Various lots Tugela Ext 3	2,134,000	1,997,000
Various lots Mandini Ext 7	348,000	338,000
Various lots Mandini Ext 8	22,943,000	22,414,000
	41,913,000	**40,529,000**

Investment properties transferred

The following investment properties were transferred by the municipality from investment property to property, plant and equipment.

The Remainder of Farm Lot Inyoni no. 13890 now registered as ERF 412 Isithebe Industrial Estate was transferred to Land under Property Plant and Equipment (PPE) for an amount of R11,800,000 as per the Property Valuation for the year ended 30 June 2023. This is due to new Township registration of Portion 1, 2 & 3 of ERF 412 that took place during the 2022-23 Financial Year.

Remainder of Farm Lot 30 Inyoni No. 13890 (ERF 412, Isithebe Industrial Estate)	-	11,800,000

Investment properties disposals		
Lot 1409 Mandini Ext 8	157,000	-

Vacant Land, Lot 1409 Mandini Ext 8 disclosed as investment property was sold and transferred to Mr. LS Magwaza.

10. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	51,998,320	-	51,998,320	51,998,320	-	51,998,320
Buildings	73,808,345	(5,234,090)	68,574,255	45,587,738	(4,308,304)	41,279,434
Infrastructure	594,273,129	(219,586,906)	374,686,223	528,306,305	(206,904,964)	321,401,341
Community	124,736,885	(32,303,939)	92,432,946	117,352,785	(28,549,833)	88,802,952
Other property, plant and equipment	111,495,666	(29,896,095)	81,599,571	84,294,406	(25,888,447)	58,405,959
Total	**956,312,345**	**(287,021,030)**	**669,291,315**	**827,539,554**	**(265,651,548)**	**561,888,006**

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	WIP Transferred	Disposals	Depreciation	Impairment loss	Total
Land	51,998,320	-	-	-	-	-	51,998,320
Buildings	41,279,434	28,220,607	-	-	(925,786)	-	68,574,255
Infrastructure	321,401,341	136,683,452	(61,845,259)	-	(19,314,506)	(2,238,805)	374,686,223
Community	88,802,952	10,811,630	(2,677,971)	(423,928)	(4,079,737)	-	92,432,946
Other property, plant and equipment	58,405,959	31,548,868	-	(1,269,267)	(7,085,989)	-	81,599,571
	561,888,006	**207,264,557**	**(64,523,230)**	**(1,693,195)**	**(31,406,018)**	**(2,238,805)**	**669,291,315**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	WIP Transferred	Disposals	Transfers received	Depreciation	Impairment loss	Total
Land	19,890,000	379,320	-	(86,000)	31,815,000	-	-	51,998,320
Buildings	31,773,003	10,591,478	-	(195,848)	-	(889,199)	-	41,279,434
Infrastructure	320,217,547	34,789,692	(11,438,129)	(45,293)	-	(19,962,442)	(2,160,034)	321,401,341
Community	73,247,245	39,267,813	(19,498,155)	(407,343)	-	(3,592,376)	(214,232)	88,802,952
Other property, plant and equipment	39,660,160	26,687,409	-	(2,360,161)	-	(5,581,449)	-	58,405,959
	484,787,955	**111,715,712**	**(30,936,284)**	**(3,094,645)**	**31,815,000**	**(30,025,466)**	**(2,374,266)**	**561,888,006**

Pledged as security

No items of property, plant and equipment were pledged as security.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

10. Property, plant and equipment (continued)

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

	2024	2023
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
Nyoni Phase 3A - Underpass & Intersection	-	6,283,246
The project was 90% complete as at 30 June 2023. The underpass requires lighting, stormwater, palisade fencing, handrails and kerbing.		
	-	**6,283,246**

Reconciliation of Work-in-Progress - 2024

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	37,953,139	7,183,610	18,386,860	63,523,609
Additions/capital expenditure	74,216,518	8,118,459	28,220,607	110,555,584
Transferred to completed items	(61,845,258)	(2,677,971)	-	(64,523,229)
	50,324,399	**12,624,098**	**46,607,467**	**109,555,964**

Reconciliation of Work-in-Progress - 2023

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	29,101,164	12,765,670	7,795,424	49,662,258
Additions/capital expenditure	22,450,138	14,130,327	10,591,436	47,171,901
WIP impaired	(2,160,034)	(214,232)	-	(2,374,266)
Transferred to completed items	(11,438,129)	(19,498,155)	-	(30,936,284)
	37,953,139	**7,183,610**	**18,386,860**	**63,523,609**

Expenditure incurred to repair and maintain property, plant and equipment

	2024	2023
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Buildings	180,705	191,538
Infrastructure	11,990,021	9,083,517
Community	1,043,413	881,425
Other property, plant and equipment	5,799,449	3,751,627
	19,013,588	**13,908,107**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

11. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3,256,922	(885,232)	2,371,690	1,133,009	(802,338)	330,671

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	330,671	2,123,913	(82,894)	2,371,690

Reconciliation of intangible assets - 2023

	Opening balance	Disposals	Amortisation	Total
Computer software	476,853	(109,075)	(37,107)	330,671

Pledged as security

No items of intangible assets were pledged as security.

12. Payables from exchange transactions

	2024	2023
Trade payables	26,127,527	17,817,921
Retention	11,711,684	7,315,639
Other payables	1,318,676	3,210,216
Unallocated deposits	2,049,978	1,975,493
Leave accrual	14,762,019	12,220,751
Bonus accrual	3,446,446	2,921,073
Deferred VAT on receivables (output)	6,697,700	1,968,850
	66,114,030	47,429,945
Cashier's collections	(29,337)	(87,936)
	66,084,693	**47,342,009**

13. Consumer deposits

	2024	2023
Electricity	185,196	216,464

No guarantees are held in lieu of Electricity Deposits.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprise of:

	2024	2023
Library KZNPA grant	118	119
Economic Development grant	150,000	-
Sport and recreation grant	57,961	57,961
MIG	5,377,559	-
Housing Title Deed grant	3,442,800	4,789,797
Massification Grant	-	4,760,653
INEP grant	-	624,326
Municipal Disaster Relief grant	-	15,556,100
	9,028,438	**25,788,956**

Movement during the year

	2024	2023
Balance at the beginning of the period	25,788,956	8,705,120
Additions during the period	294,415,000	281,103,240
Income recognition during the period	(311,175,518)	(264,019,404)
	9,028,438	**25,788,956**

See note 27 for reconciliation of grants from and receipts.

The capital grants are invested in a ring-fenced investment until utilised. See note 7 for additional information.

Figures in Rand	2024	2023

15. Employee benefit obligations

Post-retirement medical benefit plan

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The municipality operated on five accredited medical aid schemes, namely Keyhealth, LA Health, SAMWU, Bonitas and Hosmed.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by 1Pangaea Expertise Solutions. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Multi-employer pension funds

The municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

All councillors belong to the pension fund for municipal councillors.

Employees belong to a variety of approved pension and provident funds.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:
(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
(ii) One set of financial statements is compiled for each fund and the financial statements set is not drafted for each participating employer.
(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided in sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors/employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The amounts recognised in the statement of financial position are as follows:

	2024	2023
Carrying value		
Present value of the defined benefit obligation-partly or wholly funded	(26,895,295)	(22,587,476)
Non-current liabilities	(25,769,737)	(21,693,073)
Current liabilities	(1,125,558)	(894,403)
	(26,895,295)	**(22,587,476)**

Figures in Rand	2024	2023

15. Employee benefit obligations (continued)

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

	2024	2023
Opening balance	18,389,112	18,002,747
Net expense recognised in the statement of financial performance	3,414,297	386,365
	21,803,409	**18,389,112**

Net expense recognised in the statement of financial performance

	2024	2023
Current service cost	1,657,531	1,139,027
Interest cost	2,544,533	2,544,533
Benefits paid	(685,518)	(688,870)
Actuarial (gains) losses	(102,249)	(2,608,325)
	3,414,297	**386,365**

Key assumptions used

Assumptions used at the reporting date:

	2024	2023
Expected retirement age	63	63
Discount rates used	13.35 %	14.09 %
Medical cost trend rates	9.24 %	10.05 %
Consumer price inflation	7.74 %	8.55 %
Net effective discount rate	3.76 %	3.68 %

Percentage of in-service members withdrawing before retirement

	Female	Male
Age 20 - 24	24.0 %	16.0 %
Age 25 - 29	18.0 %	12.0 %
Age 30 - 34	15.0 %	10.0 %
Age 35 - 40	10.0 %	8.0 %
Age 40 - 44	6.0 %	6.0 %
Age 45 - 49	4.0 %	4.0 %
Age 50 - 54	2.0 %	2.0 %
Age 55 - 59	1.0 %	1.0 %
Age 60+	- %	- %

It is difficult to predict future investment returns and healthcare cost inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP 25 requires that financial assumptions be based on market expectations at the Valuation Date for the period over which the liability obligations are to be settled.

Discount Rate: GRAP 25 stipulates that the choice of this rate should be derived from government bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the post-employment liabilities should be used. The discount rate at 30 June 2024 is 13,35% which represents the average yield from the zero-coupon government bond curve over a 15 to 20-year term.

Salary Inflation Rate: This assumption is required to reflect the estimated growth in salaries of the eligible employees until retirement.

General Salary Inflation: This assumption is more stable relative to the growth in consumer Price Index (CPI) than in the absolute terms. In most industries, experience has shown, that over the long-term, salary inflation is between 1.0% and 1.5% above CPI inflation.

The implied inflation assumption is 7,74% per annum which represents the market's pricing of inflation by comparing the yields on index-linked government bonds and long-term government bonds with a duration of 15 to 20 years, adjusting for an inflation risk premium of 1% per annum.

15. Employee benefit obligations (continued)

It has been assumed that the next salary increase will take place on 1 July 2024.

The next contribution increase was assumed to occur with effect from 1 January 2024.

Replacement ratio: This is the expected pension as a percentage of final salary, at retirement. This assumption is required to determine the income band at the retirement of members since some contribution rate tables are income-dependent. A replacement ratio of 65% was assumed. Income bands are assumed to increase with general salary inflation and therefore an explicit salary inflation assumption is not necessary.

Long service awards and retirement gifts

The independent valuers, 1Pangaea Expertise Solutions, carry out a statutory valuation on an annual basis.

The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate per annum	11.11 %	11.11 %
General salary inflation (long-term)	6.70 %	7.08 %
Net effective discount rate	4.03 %	3.76 %

	2024	2023
Examples of mortality rates used were as follows:		
Average retirement age	63	63
Mortality during employment	SA 85-90	

Membership summary		
Number of members	303	257
Average age of members (years)	40.79	40.91
Average past service (years)	7.50	8.18
Average salary (annual)	286,796	301,49

Benefit Structure

Service years	Award (Number of days)	Award (Number of days)
5	5	5
10	10	10
15	20	20
20	30	30
25	30	30
30	30	30
35	30	30
40	30	30
45	30	30

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

15. Employee benefit obligations (continued)

Movement in the defined benefit obligation is as follows:

Balance at the beginning of the year	4,198,364	4,792,470
Current service cost	475,124	475,124
Interest cost	453,337	453,337
Expected benefit payments	(355,158)	(961,802)
Recognised actuarial (gains) / losses	320,219	(560,765)
Balance at the end of year	**5,091,886**	**4,198,364**

The amounts recognised in the Statement of Financial Performance were as follows:

Current service cost	475,124	475,124
Interest cost	453,337	453,337
Benefit payment	(355,158)	(961,802)
Actuarial (gains) / loss	320,219	(560,765)
	893,522	**(594,106)**

In conclusion:

Statement of Financial Position obligation for		
Long service award liability	5,091,886	4,198,364
Retirement benefit liability	21,803,409	18,389,112
	26,895,295	**22,587,476**

Statement of Financial Performance obligation for		
Long service award expense	893,522	594,106
Retirement benefit expense	3,414,297	(386,365)
	4,307,819	**207,741**

Key assumptions used

In estimating the liability for long service awards (LSA) a number of assumptions are required. GRAP 25 statement places the responsibility on management to set these assumptions, as guided by the principles set out in the Statement and in discussion with the actuary.

It should be noted that the valuation method and assumptions do not affect the ultimate cost of the LSA - this is determined by the actual experience and by the benefits provided. The method and assumptions influence how the past service liability and future-service costs are recognised over time.

It is difficult to predict future investment returns and healthcare cost inflation rates. The relationship between them is more stable and therefore easier to predict. GRAP 25 requires that financial assumptions be based on market expectations at the Valuation Date for the period over which the liability obligations are to be settled.

Discount Rate: GRAP 25 stipulates that the choice of this rate should be derived from high-quality corporate bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the post-employment liabilities should be used. The discount rate is 11% which represents the average yield from the zero-coupon government bond curve over nine years which is consistent with the cash flow weighted average of the liabilities of nine years.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

16. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus

	Revaluation reserve	Public contributions reserve	Accumulated surplus	Total
Balance at 01 July 2022	**151,731,208**	**50,941,129**	**551,107,179**	**753,779,516**
Surplus for the year	-	-	107,507,351	107,507,351
Reserves	-	-	107,660	107,660
Balance at 01 July 2023	**151,731,208**	**50,941,129**	**658,722,190**	**861,394,527**
Surplus for the year	-	-	79,468,029	79,468,029
Balance at 30 June 2024	**151,731,208**	**50,941,129**	**738,190,219**	**940,862,556**

17. Revenue

	2024	2023
Service charges	73,544,048	61,433,607
Construction contracts	10,560,568	6,815,022
Rental of facilities and equipment	294,366	354,021
Interest income - service charges	919,269	1,228,720
Licences and permits	984,777	547,007
Other income	2,764,386	3,586,648
Interest received - external investments	26,748,038	20,010,444
Property rates	58,320,526	51,761,585
Interest income - Property rates	3,459,757	2,627,819
Government grants and subsidies	297,059,542	263,259,332
Fines	1,583,588	1,001,853
Donated assets income	14,200	5,234,331
	476,253,065	**417,860,389**

The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	73,544,048	61,433,607
Construction contracts	10,560,568	6,815,022
Rental of facilities and equipment	294,366	354,021
Interest income - service charges	919,269	1,228,720
Licences and permits	984,777	547,007
Other income	2,764,386	3,586,648
Interest received - external investment	26,748,038	20,010,444
	115,815,452	**93,975,469**

The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	58,320,526	51,761,585
Interest income - Property rates	3,459,757	2,627,819
Transfer revenue		
Government grants and subsidies	297,059,542	263,259,332
Fines	1,583,588	1,001,853
Donated assets income	14,200	5,234,331
	360,437,613	**323,884,920**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

18. Service charges

Sale of electricity	61,164,195	49,863,633
Refuse removal	12,379,853	11,569,974
	73,544,048	**61,433,607**

19. Construction contracts

INEP grant	6,420,870	6,575,675
Massification grant	4,139,698	239,347
	10,560,568	**6,815,022**

20. Rental of facilities and equipment

Premises		
Hall hire	157,877	211,703
Municipal properties	92,201	105,941
Stalls rental	44,289	36,378
	294,367	**354,022**

21. Interest income - Service charges

Interest received on service charges	919,269	1,228,720

22. Licences and permits

Drivers licences	41,510	23,412
Business licences	52,047	22,494
Learners licences	891,220	501,101
	984,777	**547,007**

23. Other income

Building plan fees	114,797	76,467
Sundry income	575,524	1,702,196
Connection fees	135,525	95,354
Swimming pool entrance fees	47,150	-
Photocopier charges	84,265	73,765
Rates clearance certificates	16,526	20,133
Town planning fees	91,897	59,856
Sale of land	230,000	393,000
LG SETA	1,054,093	760,072
Escort fees	414,609	405,805
	2,764,386	**3,586,648**

24. Investment revenue

Interest revenue		
Bank and call deposits	26,748,038	20,010,444

Figures in Rand	2024	2023

25. Property rates

Rates received

	2024	2023
Residential	25,465,440	21,313,255
Commercial	44,580,410	31,750,860
State	22,353,881	13,764,014
Less: Rebates	(34,079,205)	(15,066,544)
	58,320,526	**51,761,585**

Valuations

	2024	2023
Residential	1,754,532,200	1,147,644,000
Commercial	391,423,200	375,176,000
Industrial	1,083,380,600	983,459,000
Mining	11,682,000	15,000,000
Agricultural	1,665,027,600	387,217,000
Municipal	184,964,000	137,961,000
Public Services Infrastructure	184,780,200	20,343,000
Public Benefit Organisation	63,265,000	49,903,000
Vacant land	79,031,000	114,227,800
State Trust land	-	446,500,000
Public Services Purposes	662,895,000	422,300,000
Place of Worship	31,875,000	15,030,000
	6,112,855,800	**4,114,760,800**

Commercial includes industrial, mining and agriculture.

State includes institutional and public services infrastructure.

Valuations on land and buildings are performed every 5 years in line with the provisions of the MPRA. The last General Valuation Roll came into effect on 1 July 2023. It should be noted that a new General Valuation Roll, to be implemented over the next 5 years, was prepared during the year under review. As a result, the interim valuations could not be prepared as this will serve as a duplication hence the Market values remained unchanged for the year under review

The following are the rates randage that were applied to the valuations in respect of the various categories:

	2024	2023
Residential	0.0155	0.0155
Commercial	0.0262	0.0262
Industrial	0.0262	0.0262
Industrial Estate Special	0.0262	0.0262
Mining	0.0262	0.0262
Agriculture	0.0039	0.0039
Public Service Infrastructure	0.0039	0.0039
State	0.0245	0.0245
Municipal	0.0245	0.0245
State Trust land	0.0195	0.0195
Vacant land	0.0245	0.0245
Place of worship	0.0245	0.0245
Public benefit organisation	0.0039	0.0039

All residential property owners are exempt from paying rates on the first R15,000 value of property. All pensioners, the disabled and medically boarded owners are eligible for the rebates. Further to the statutory R15,000 reduction, council took a resolution to add another R185,000 reduction. This means that properties with a market value of less than R200,000 are exempt from paying rates. The council also took a decision not to increase the rates tariffs so as to ensure relief to all customers and deal with the rates shock resulting from the increased market values. The 40% and 80% rebates were granted to industrial and agricultural properties so as to ensure business continuity and employment creation. This was informed by a local economic analysis which identified these two categories as our strategic economic enablers which will play a meaningful role in the realisation of the municipal vision 2030.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

26. Interest income - Property rates

Interest received on service charges	3,459,757	2,627,819

27. Government grants and subsidies

Operating grants		
Equitable share	230,823,000	212,818,432
Finance Management Grant	1,850,000	1,850,000
EDTEA Grant	840,000	1,000,000
Library grant	4,423,001	3,708,000
EPWP Grant	2,553,000	2,372,000
	240,489,001	**221,748,432**
Capital grants		
Municipal Infrastructure Grant	41,014,441	40,044,000
Municipal Disaster Relief Grant	15,556,100	1,466,900
	56,570,541	**41,510,900**
	297,059,542	**263,259,332**

EPWP Grant

Current-year receipts	2,553,000	2,372,000
Conditions met - transferred to revenue	(2,553,000)	(2,372,000)
	-	-

Poverty alleviation programme.

Municipal Infrastructure Grant

Current-year receipts	46,392,000	40,044,000
Conditions met - transferred to revenue	(41,014,440)	(40,044,000)
	5,377,560	-

This grant is used to construct roads infrastructure and related community projects.

Sports and Recreation Grant

Balance unspent at the beginning of year	57,961	57,961

Conditions still to be met - remain liabilities (see note 14).

To pay salaries and facility refurbishment.

Finance Management Grant

Current-year receipts	1,850,000	1,850,000
Conditions met - transferred to revenue	(1,850,000)	(1,850,000)
	-	-

Capacity building for the Budget and Treasury Office.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

27. Government grants and subsidies (continued)

LGSETA

Current-year receipts	-	760,072
Conditions met - transferred to revenue	-	(760,072)
	-	-

Capacity building for the municipality.

Library Grant

Balance unspent at beginning of year	119	119
Current-year receipts	4,423,000	3,708,000
Conditions met - transferred to revenue	(4,423,001)	(3,708,000)
	118	**119**

Conditions still to be met - remain liabilities (see note 14).

To build a modular library.

EDTEA Grant

Current-year receipts	990,000	1,000,000
Conditions met - transferred to revenue	(840,000)	(1,000,000)
	150,000	**-**

Conditions still to be met - remain liabilities (see note 14).

Municipal Employment Initiative Grant from Economic Development, Tourism and Environmental Affairs. The support is towards cost of supply study framework for all licensed electricity distributors from EDTEA.

Municipal Disaster Relief Grant

Balance unspent at beginning of year	15,556,100	-
Current-year receipts	-	17,023,000
Conditions met - transferred to revenue	(15,556,100)	(1,466,900)
	-	**15,556,100**

The grant is for disaster relief.

28. Fines

Library fines	388	553
Traffic fines	1,583,200	1,001,300
	1,583,588	**1,001,853**

29. Donated assets income

Donated assets	14,200	5,234,331

In the prior year, the assets were donated by the Enterprise Ilembe (Economic Development Agency) towards the Mandeni Youth Enterprise Park. In the current year the assets were donated by the KwaZulu-Natal Department of Arts and Culture to the Mandeni municipality's libraries.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

30. Employee-related costs

Basic	83,417,464	74,961,149
Bonus	6,600,548	6,078,044
Medical aid - company contributions	6,331,728	5,425,769
UIF	544,999	478,229
WCA	75,034	59,285
Leave pay accrual	3,462,284	2,636,154
Defined contribution plans	13,021,715	11,824,447
Overtime payments	3,360,594	2,387,639
Car allowance	4,738,583	4,411,949
Housing benefits and allowances	1,223,725	1,074,192
Cellphone allowance	617,383	530,120
Long service awards	1,447,137	925,281
	124,841,194	**110,792,258**

Remuneration of Municipal Manager

Annual Remuneration	1,055,588	966,085
Car Allowance	188,307	188,307
Performance bonuses	104,396	128,607
Contributions to UIF, Medical and Pension Funds	48,093	459
	1,396,384	**1,283,458**

Remuneration of Chief Finance Officer

Annual Remuneration	72,231	819,551
Car Allowance	12,000	260,082
Performance Bonuses	-	95,034
Contributions to UIF, Medical and Pension Funds	3,843	238
	88,074	**1,174,905**

Remuneration of Director Corporate Services

Annual Remuneration	1,011,975	1,079,037
Performance Bonuses	97,885	95,034
Contributions to UIF, Medical and Pension Funds	54,445	238
	1,164,305	**1,174,309**

Remuneration of Director Community Services

Annual Remuneration	815,072	413,577
Car Allowance	180,000	105,000
Performance Bonuses	-	84,487
Contributions to UIF, Medical and Pension Funds	34,848	151
	1,029,920	**603,215**

Remuneration of Director Technical Services

Annual Remuneration	825,811	678,370
Car Allowance	169,261	164,649
Performance Bonuses	-	84,487
Contributions to UIF, Medical and Pension Funds	451	946
	995,523	**928,452**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

30. Employee-related costs (continued)

Remuneration of Director EDPHS

	2024	2023
Annual Remuneration	816,856	685,445
Car Allowance	178,215	187,520
Performance Bonuses	79,629	95,034
Contributions to UIF, Medical and Pension Funds	23,308	416
	1,098,008	**968,415**

Remuneration of Former CFO

	2024	2023
Performance Bonuses	97,885	-

The employee related costs have been unbundled and the bonuses and contributions to UIF and WCA relating to key management have been disclosed separately in the current and prior years. The disclosure has no impact on the overall employee related costs.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

31. Remuneration of the councillors

	2024	2023
Mayor	963,579	963,579
Deputy Mayor	779,504	779,504
Mayoral Committee Members	2,730,466	2,555,844
Speaker	779,504	779,504
Councillors	7,758,696	7,657,939
Councillors allowances	1,552,059	1,588,989
	14,563,808	**14,325,359**

In-kind benefits

The Mayor

The Mayor has access to the office and secretarial support at the cost of Council and is provided with the following:

2 bodyguards.

1 driver.

2 Municipal vehicles purchased.

Tools of trade as Gazette 49142: Determination of upper limit on Office bearers.

The Speaker

The Speaker has access to the office and secretarial support at the cost of Council and is provided with the following:

1 driver.

1 vehicle purchased.

Tools of trade as Gazette 49142: Determination of upper limit on Office bearers.

The Deputy Mayor

The Deputy Mayor has access to the office at the cost of Council and is provided with the following:

1 driver.

1 vehicle purchased.

Tools of trade as Gazette 49142: Determination of Upper Limit of Office Bearers.

32. Bad debts written off

	2024	2023
Indigent relief write off	4,388,493	1,392,595
Debt relief programs write off	-	526,076
	4,388,493	**1,918,671**

33. Depreciation and amortisation

	2024	2023
Property, plant and equipment	31,406,018	29,987,034
Intangible assets	82,894	75,495
	31,488,912	**30,062,529**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

34. Inventory consumed

Consumables and materials	3,834,651	4,371,235

35. Bulk purchases

Electricity - Eskom	52,474,725	45,292,594

36. Impairment loss

Impairments		
Property, plant and equipment	2,238,807	2,374,266
Impairment loss is due to various Internal and main collectors in Sundumbili Ward 13,14 &15 i.e. Amajuba Road, Phumula, Indumiso, Malandela Roads, Umthombothi, Umgakla, Sondeza,Mbabala, Mafunda and Bambanani Roads which were impaired to zero and derecognised because of the deconstruction and rehabilitation.		

37. Debt impairment

Contributions to debt impairment provision	6,047,836	13,103,576

38. Lease rentals on operating lease

Motor vehicles		
Contractual amounts	-	1,529
Equipment		
Contractual amounts	2,272,751	1,173,483
	2,272,751	**1,175,012**

39. Finance costs

Trade and other payables	136,746	324,524
Finance leases	-	236
Retirement benefit obligation	2,997,870	2,997,870
	3,134,616	**3,322,630**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

40. Contracted services

	2024	2023
Consultants and Professional Services		
Business and advisory	8,030,386	5,405,316
Legal cost	2,051,241	3,058,824
Audit committee fees	197,994	240,040
Shared services	-	276,749
Contractors		
Fire services	4,138,916	3,859,399
Repairs and maintenance	25,078,399	18,295,768
Construction contracts - INEP	6,420,870	6,575,675
Construction contracts - Internally funded	2,159,173	-
Prepaid electricity vendors	3,399,272	2,487,308
Construction contracts - Massification grant	4,139,698	239,347
Graphic designers	275,299	293,000
Outsourced Services		
Internal auditors	1,063,388	711,169
Transport services	2,035,600	859,529
Security services	15,746,749	12,321,294
Catering services	5,133,473	2,147,769
Animal care	440,938	348,750
Refuse removal	3,420,759	3,059,214
Cleaning services	340,669	306,026
Valuers	178,794	936,600
Stage and Sound Crew	1,706,595	497,580
Burial services	400,821	335,874
	86,359,034	**62,255,231**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

41. General expenses

Advertising	1,607,740	1,208,178
Auditors remuneration	2,848,920	2,361,186
Bank charges	426,080	448,930
Consulting fees	3,764,786	1,964,346
Deed search costs	26,116	35,994
Electricity - internal	2,164,250	1,703,234
Fuel and oil	9,238,297	6,487,461
Hire charges	1,679,734	785,018
LED Vuthela (SECO)	-	150,000
System development and IT management expenses	2,746,777	29,164
Insurance	1,548,401	1,978,792
Levies	1,145,112	1,024,060
Licences	5,559,960	4,565,181
Vehicle tracking expenses	249,549	190,900
Postage and courier	35,491	159,261
Printing and stationery	790,205	553,026
Free basic electricity	1,483,988	1,464,569
Roadworthy test	1,559,683	1,099,317
Subscriptions and membership fees	116,331	74,798
Subsistence and travelling	4,018,553	2,785,940
SALGA levies	1,416,794	1,215,742
Telephone	5,153,578	2,429,839
Training	2,556,879	2,862,875
Transportation	-	312,277
Uniforms	2,486,314	1,373,548
Ward committees	2,568,600	2,685,300
Water	864,278	746,578
Workmens compensation	1,905,430	510,662
Youth programs	2,130,774	1,290,671
	60,092,620	**42,496,847**

42. Loss on disposal/scrapping of assets

Assets at cost	(5,254,166)	(11,234,471)
Accumulated depreciation	3,403,972	4,068,092
Carrying amount	(1,850,194)	(7,166,379)
Proceeds from sale of assets	1,349,677	1,086,867
Loss on disposal/scrapping of assets	**(500,517)**	**(6,079,512)**

The loss on disposal or scrapping of assets is in respect of the assets that were either broken beyond repairs, lost, scrapped, obsolete, donated and written-off by an insurer. The following are the circumstances that led to the loss on disposal or scrapping.

Transport Assets – Traffic vehicle Toyota Corolla Quest was involved in an accident in August 2023. The insurers declared the vehicle uneconomical to repair and it was written-off. The municipality received a sum of R211,280 as the settlement. Further to that 2 TLBs, 1 Truck, 2 Isuzu Bakkies were sold during the auction on the 22nd of February 2024.

Machinery and Equipment – Cattle Trailer which was meant for the animal pound has remained unused and redundant for a considerate number of years since its procurement in 2016 was recommended for Disposal.

Investment Property - Vacant Land, Lot 1409 Mandini Ext 8 disclosed as Investment Property was sold and transferred to Mr LS Magwaza.

Furniture and office equipment – Majority of the furniture and office equipment are the folding tables at our community facilities such as halls, they are easily broken or stolen by the hall users. Further to that some of the items were destroyed by fire during the torching of Dokodweni beach facility.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

43. Fair value adjustments

Investment property (Fair value model)	1,541,000	30,180,500

The property valuations have been carried out in terms of GRAP 16 by an Independent Professional Valuer i.e. Umhlaba Geomatics. Market value has been undertaken in accordance with standards laid down by the International Valuations Standards Council.

44. Auditors' remuneration

Fees	2,848,920	2,361,186

45. Cash generated from operations

Surplus	79,468,029	107,507,351
Adjustments for:		
Depreciation and amortisation	31,488,912	30,062,529
Loss on disposal/scrapping of assets	500,517	6,079,512
Fair value adjustments	(1,541,000)	(30,180,500)
Impairment loss	2,238,807	2,374,266
Debt impairment	6,047,836	13,103,576
Bad debts written off	4,388,493	1,918,671
Movements in retirement benefit assets and liabilities	4,307,819	(207,741)
Other non-cash items	-	(661)
Donated assets income (non-cash)	(14,200)	(5,234,331)
Changes in working capital:		
Inventories	17,707	93,270
Receivables from exchange transactions	(596,453)	(12,357,267)
Receivables from non-exchange transactions	(2,240,304)	(4,360,292)
Statutory receivables	(28,379,968)	(16,049,767)
Payables from exchange transactions	18,742,682	12,881,595
VAT	-	(1,753,104)
Unspent conditional grants and receipts	(16,760,518)	17,083,836
Consumer deposits	(31,268)	(53,389)
	97,637,091	**120,907,554**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

46. Commitments

Authorised capital expenditure

	2024	2023
Already contracted for but not provided for		
• Property, plant and equipment	34,205,330	22,181,809
Not yet contracted for and authorised by accounting officer		
• Property, plant and equipment - Road infrastructure	19,999,833	-

Total commitments

	2024	2023
Authorised capital expenditure	54,205,163	22,181,809

Finance leases - as lessee (expense)

	2024	2023
Minimum lease payments due		
- later than five years	-	-

Operating leases - as lessee (expense)

	2024	2023
Minimum lease payments due		
- within one year	2,333,950	-
- in second to fifth year inclusive	2,773,816	-
	5,107,766	-

Operating Leases is in respect of rental of Photocopier Machines from Konica Minolta and for the Lease of Park home office Units from Maluthuli Consultling.

There were no defaults or breaches and no terms or conditions were renegotiated during the reporting period.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

47. Contingencies

Contingent assets

Name of entity	Attorney	Rand value 2024	Rand value 2023	Reference
JD Biyela	Matthew Francis Inc.	30,000	30,000	47.1

47.1 A dismissed employee referred an unfair dismissal dispute to the South African Bargaining Council and lost the dispute with costs to the favour of the municipality. The award ruled that the dispute was frivolous and vexatious and therefore the applicant is held liable for costs. The matter remains pending at year-end.

Contingent liabilities

A contingent liability is a possible obligation, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event(s) not wholly within the control of the municipality or a present obligation that is not recognised because, the outflow of economic benefits or service potential is not probable or a real present obligation, that may not be recognised, either because the timing or because the measurement is not known.

The following were identified as contingent liabilities stemming from the interaction with municipal lawyers as they could result in possible claims against the municipality:

Name of entity	Attorney	Rand value 2024	Rand value 2023	Reference
Independent Ethiopian Church of SA	TKN Incorporated	180,000	500,000	47.2
The Rate Payers Association of Tugela Mouth	TKN Incorporated	124,818	300,000	47.3
TD Nxumalo	TKN Incorporated	-	295,000	47.4
S Khoza	TKN Incorporated	-	124,818	47.5
Mazibuko/Transnet	TKN Incorporated	500,000	500,000	47.6
AM Sibiya	TKN Incorporated	-	1,000,000	47.7
Amalunga Nembe & Dendewethu Taxi Association & Others	TKN Incorporated	-	500,000	47.8
Inkosi Lindokuhle Prince Ngcobo & Others	TKN Incorporated	-	500,000	47.9
MA Mthembu	TKN Incorporated	6,148,212	6,148,212	47.10
B Mnyandu	Bhekisisa Goqo & Co	300,000	236,530	47.11
MS Mthembu	TKN Incorporated	500,000	-	47.12
		7,753,030	**10,104,560**	

47.2 The eviction in Court has been postponed to allow for an application for registration of a servitude which is already underway and Boshoff land surveyors in Ballito have been appointed to prepare diagrams to be used for the registration of Thokoza road servitude with the Master of the High Court in Pietermaritzburg. At year end, the matter was still pending. The matter is set down for 17 October 2024.

47.3 Rate Payers Association is demanding that the municipality implements bylaws and control the influx within the Tugela Beach. An interim Court Order was granted in 2019 but the matter is yet to be heard in detail in Court for arguments. The municipality erected some boom gates in line with the Court Order but were damaged and removed by the local community members. The municipality continues to enforce access to the beach but the Ratepayers are continuously complaining and demanding the law enforcement officials to always be present at the beach. The municipality has received a new application lodged by Tugela Mouth Ratepayers Association on the same matter and it is still on pleadings stage. A notice of intention to defend the matter was served and also answering affidavit was filled and served, and the municipality is awaiting their replying affidavit. The matter was set down for 07 March 2023. The matter remains pending at year end.

47.4 Attended Court on the 15th of November 2021 at the Regional Court of Empangeni to note judgement. Our application was dismissed with reserved costs pending the finalisation of our Rule 60A application to be heard on the 14th of March 2022. Rule 60A was also dismissed. The matter was heard on 23 September 2022 where the applicant admitted to having incorrectly set the matter down and incorrectly serving the municipality a Notice of set down. Court adjourned the matter sine die (case adjourned with no specific date for resumption) and further granted the municipality wasted costs for the appearance.

47. Contingencies (continued)

47.5 The matter awaits plea by KwaDukuza Municipality before it is set down for trial in Empangeni Regional court. KwaDukuza Municipality is not cooperative party as this is a project involving Housing Department and Macambini Housing Project which are applying to dismiss with cost against Mandeni Council.

47.6 Application for demolition of illegal structures built on the water servitude and gas pipelines servitude. Application to demolish all illegal businesses on Thokoza road reserve heard on 23rd November 2023. Ingonyama Trust has requested a formal engagement amongst the government entities and further requests evidence that Mandeni Municipality and Transnet have servitudinal rights. The matter was therefore adjourned sine die with provision to refer matter for oral evidence.The matter remains pending at year end.

47.7 Applicant instituted action against the Mandeni Municipality for damages allegedly sustained by him as a result of an incident during which he sustained injuries to his hands whilst he was working during the course and scope of his employment with the municipality. Received instructions not to set the matter down further with the intention of a permanent leave from the Court roll.

47.8 The matter is between the MEC for Transport, Mandeni and Malunga of Nembe Dendethu Taxi Association to evict illegal Taxi Association. The matter is with the Pietermaritzburg High Court. Matter set down for an appeal on the 08th September 2023. Judgement was granted in municipality's favour as appeal was upheld. Decision / order of the previous court set aside.

47.9 Application to have the respondents interdicted and restrained from selling, alienating, allocating, granting or donating properties described as ERF 1299 Padianagar, Hlomemdlini, Mandeni. Further, those persons who occupy this property to be vacated. Main application was heard on the 23rd November 2023. Application upheld. Order granted in municipality's favour to vacate and demolish. Further, 11th and 12th respondents are interdicted from selling this land.

47.10 Plaintiff occupied a Manager position under Special projects and a disciplinary enquiry was convened where a guilty finding and sanctioned was imposed and subsequently dismissed him. Consultations were held. Notice to remove has been filed because the complaint was served and filed. Date of the 20th August 2024 for hearing on the opposed roll. Consultations were again held. Notice to remove cause of complaint served and filed on 06 July 2023. attending to setting matter down on the opposed roll. Notice of exception drafted, served and filed. Date of the 20 August 2024 for hearing on the opposed roll.

47.11 The matter is ready for trial but yet to be certified by the presiding officer.

47.12 Applicants allege to be unlawfully withdrawn as the PR Councillors at the Municipality on the instruction or directive of the EFF application to have them reinstated. Receive instruction to oppose application on the 29 January 2024 and further give a legal opinion on the matter. On 18 December 2023 we held first consultation with client. Attended to drafting and filing our answering affidavit. Received a replying affidavit from the applicants, awaiting the allocation of court date on the oppose roll.

48. Related parties

The key management remuneration is disclosed in note 30 - Employee-related costs and note - 31 Remuneration of councillors.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

49. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	59,386,993	-	-	-
Consumer deposits	185,196	-	-	-

At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	45,373,159	-	-	-
Consumer deposits	216,464	-	-	-

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates. The municipality's level of borrowing and consequently the debt servicing costs are closely monitored and controlled by the EXCO having regard to the prevailing and projected interest rates and the municipality's capacity to service such debt from future earnings and allocations however the long-term loan's interest rate is fixed throughout the term of repayment. Balances exposed to the interest rate risk. The municipality's policy is to further manage interest rate risks so that fluctuations in interest rates do not have a material impact on the net surplus/ deficit.

	2024	2023
Investments	199,451,615	244,203,556
Cash and cash equivalents	9,356,268	10,321,268
	208,807,883	**254,524,824**

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high-quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

	2024	2023
Trade and other receivables from exchange transactions	14,877,494	20,064,453
Receivables from non-exchange transactions	3,093,468	3,669,055
	17,970,962	**23,733,508**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

50. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	660,494	613,998
Fruitless and wasteful expenditure current year	136,741	324,524
Written off by Council - prior year	(660,494)	(278,028)
Written off by Council - current year	(136,741)	-
Fruitless and wasteful expenditure at year-end	**-**	**660,494**

Fruitless and wasteful expenditure incurred by the municipality relates to interest charged by suppliers on late payments.

The amount that was written-off by Council relates to the interest charged by suppliers on late payments.

51. Irregular expenditure

Opening balance as previously reported	1,334,645	1,624,101
Prior period adjustment	-	-
Opening balance as restated	**1,334,645**	**1,624,101**
Add: Irregular expenditure - current	6,259,527	13,656,419
Add: Irregular expenditure - prior period	-	646,102
Less: Amount written off - current	(2,057,320)	(12,967,876)
Less: Amount written off - prior period	(646,102)	(1,624,101)
Closing balance	**4,890,750**	**1,334,645**

All investigations were undertaken by the MPAC prior to write off.

52. Unauthorised expenditure

Opening balance	6,242,581	-
Add: Expenditure identified - current	8,672,326	6,242,581
Less: Amount written off - prior year	(6,242,581)	-
Closing balance	**8,672,326**	**6,242,581**

Unauthorised expenditure incurred in the 2024 financial year of R8,672,326 relates to bulk purchases of R610,879, contracted services of R1,474,934, lease rentals on operating leases of R751,012, inventory consumed of R376,621 and operational costs of R5,458,880.

Unauthorised expenditure incurred in the 2023 financial year of R6,242,581 relates to Bulk Purchases which was due to electricity demand by Umngeni Water. The Council has written off this unathorised expenditure in the current financial year.

MPAC will still undertake investigation on the unauthorised expenditure balance.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

53. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

	2024	2023
Current year subscription / fee	1,416,794	1,215,742
Amount paid - current year	(1,416,794)	(1,215,742)
Balance unpaid (included in payables)	-	-

Material losses through electricity distribution

	2024	2023
Current year subscription / fee	1,043,822	1,064,248

Audit fees

	2024	2023
Opening balance	-	-
Current year subscription/fee	2,848,920	2,361,186
Amount paid - current year	(2,848,920)	(2,361,186)
Balance unpaid (included in payables)	-	-

PAYE and UIF

	2024	2023
Opening balance	-	-
Current year subscription / fee	21,875,834	21,134,950
Amount paid - current year	(21,875,834)	(21,134,950)
Balance unpaid (included in payables)	-	-

Pension and Medical Aid Deductions

	2024	2023
Opening balance	-	-
Current year subscription / fee	19,513,860	17,230,699
Amount paid - current year	(19,513,860)	(17,230,699)
Balance unpaid (included in payables)	-	-

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

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

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding at 30 June 2024:

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr NR Dludla	677	13,184	13,861
Cllr NS Ncube	841	12,974	13,815
Cllr LS Zungu	1,424	83,558	84,982
Cllr NO Dladla	206	-	206
Cllr MB Ngidi	855	51,235	52,090
Cllr BA Khumalo	2,378	17,651	20,029
Cllr BA Mchunu	1,803	38,724	40,527
Cllr LS Mthembu	206	-	206
Cllr SP Naicker	2,179	9,596	11,775
Cllr MT Ncanana	628	3,052	3,680
Cllr MS Mdunge	2,710	654	3,364
Cllr S Mdunge	954	-	954
Cllr Z Mdletshe	245	-	245
	15,106	**230,628**	**245,734**

30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr NR Dludla	649	12,370	13,019
Cllr NS Ncube	752	14,411	15,163
Cllr LS Zungu	981	77,235	78,216
Cllr NO Dladla	195	-	195
Cllr MB Ngidi	838	49,203	50,041
Cllr BA Khumalo	1,765	12,108	13,873
Cllr BA Mchunu	1,734	30,783	32,517
Cllr LS Mthembu	195	-	195
Cllr SP Naicker	351	1,579	1,930
Cllr MT Ncanana	663	2,866	3,529
	8,123	**200,555**	**208,678**

54. Deviation from supply chain management regulations

In the current period, there were no contract awards made in terms of Section 36(1) of the SCM policy.

Notes to the Annual Financial Statements

55. Budget differences

Material differences between budget and actual amounts

The material differences between the approved budget and actual result are the consequence of activities during the financial period. The changes between the approved and final budget are due to changes in the overall budget parameters.

Variances of more than 10% are considered material and are explained below:

	Budget	Actual	Variance	% Variance	References
Service charges	72,787,446	73,544,048	756,602	1 %	
Property rates	59,329,448	58,320,526	(1,008,922)	(2)%	
Interest earned on property rates	2,836,738	3,459,757	623,019	22 %	55.1
Interest earned on service charges	917,821	919,269	1,448	- %	
Investment revenue	23,500,000	26,748,038	3,248,038	14 %	55.2
Transfers recognised - operational	242,151,850	240,489,001	(1,662,849)	(1)%	
Transfers recognised - capital	60,292,250	56,570,541	(3,721,709)	(6)%	
Other own revenue	17,063,695	16,201,885	(861,810)	(5)%	
	478,879,248	**476,253,065**	**(2,626,183)**		
Employee related costs	(141,420,149)	(130,711,296)	10,708,853	(8)%	
Remuneration of councillors	(15,460,013)	(14,563,808)	896,205	(6)%	
Depreciation and asset impairment	(35,534,499)	(33,727,719)	1,806,780	(5)%	
Finance charges	(3,300,000)	(3,134,616)	165,384	(5)%	
Debt impairment	(37,302,618)	(6,047,836)	31,254,782	(84)%	55.3
Bad debts written off	(7,499,999)	(4,388,493)	3,111,506	(41)%	55.4
Bulk purchases	(51,863,846)	(52,474,725)	(610,879)	1 %	
Inventory consumed	(3,458,030)	(3,834,651)	(376,621)	11 %	55.5
Contracted services	(84,884,100)	(86,359,034)	(1,474,934)	2 %	
Other expenditure	(57,655,479)	(61,542,858)	(3,887,379)	7 %	55.6
	40,500,515	**79,468,029**	**38,967,514**		

55.1 The actual interest earned on service charges is more than the budgeted amount. This is due to the implementation of the new general valuation roll which resulted in a significant increase in the property rate revenue. Consequently, property rate debt and the resulting interest charges increased.

55.2 The actual interest earned on investments in more than the budgeted amount. This is due to higher interest rates as well as additional funds being invested.

55.3 The actual provision for debt impairment is less than the budgeted amount. There has been a significant increase in the collection rate of Electricity, this is due to the credit control interventions (Meter audits, disconnections, removal of illegal connections, and replacement of faulty meters) that management has since implemented. The increase in the collection of this line item resulted in a decrease in provision for debt impairment. Subsequently, this reduced the provision for impairment expense.

55.4 The actual bad debt written off is less than the budgeted amount. At the beginning of the financial year, the council took a decision to suspend all debt relief programs, with an exception of the indigent relief program. The suspension therefore resulted in a decrease in the actual debt write offs as there were no additional debt incentives.

55.5 The budgeted inventory consumed is less than the actual amount. This is due to the materials procured during the year for repairs and maintenance.

55.6 The budgeted general expenses are less than the actual amount. This is mainly due to increased fuel costs due to additional fleet procured by the municipality. Workmen's compensation costs also increased due to an audit that was undertaken by Department of Labour for COIDA which identified additional councillors and EPWP beneficiaries which were not previously included.

56. MFMA disclosure on SCM Regulation 45

Supplier name	Employee name	Employee capacity	2024	2023
Sodube Sotobe	NT Sibiya	Public Participation and OSS Officer	81,300	39,300
Fana Manufacturing	N Reddy	Prosecutor - Verulam Magistrate Court	776,687	762,289
Mecom Trading Enterprise	M Msweli	Accountant - Receipting and Deposit	565,323	-
Mzimela Legacy	PZ Sibisi	LED Manager	-	60,300
Conlog Pty Ltd	N Moodley	Director - KZN Department of Health	4,033,533	2,487,308
Adapt IT Pty Ltd	D Mbambo	Operation Maintenance Manager- SANRAL	-	168,466
Taurus Hydraulics and Eng Pty Ltd	T Ramlall	PMS Clerk	1,024,338	1,380,882
Tasveer Trading	S Jwalapursad	Registry Clerk	-	41,696
			6,481,181	**4,940,241**

57. Events after the reporting date

The Accounting Officer is not aware of any significant events after the reporting date.

58. Comparative figures

VAT, Statutory receivables and receivables from exchange transactions

Certain comparative figures have been reclassified. VAT has been classified according to the principles outlined in GRAP 104 on Financial Instruments and GRAP 108 on Statutory Receivables.

Contracted services and general expenses

Certain comparative figures between contracted services and general expenses have been reclassified due to their nature. Items of contracted services and general expenses have been aligned with MSCOA.

Bad debts written off and debt impairment

Bad debts written off and debt impairment were aggregated in the previous financial year. However, in the current financial year these were disclosed separately in order to enhance the presentation and to align with MSCOA.

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year reclassifications:

Statement of financial position

2023

	Note	As previously reported	Reclassification	Restated
VAT		3,542,099	(3,542,099)	-
Receivables from exchange transactions	4	22,594,046	3,115,012	25,709,058
Statutory receivables	6	25,531,019	2,395,937	27,926,956
Payables from exchange transactions	12	(45,373,159)	(1,968,850)	(47,342,009)
		6,294,005	**-**	**6,294,005**

Statement of financial performance

2023

	Note	As previously reported	Reclassification	Restated
General expenditure - Youth programs	41	1,302,671	(12,000)	1,290,671
Contracted services - Stage and Sound Crew	40	456,980	40,600	497,580
General expenditure - Hire charges	41	813,618	(28,600)	785,018
Bad debts written off		-	1,918,671	1,918,671
Debt impairment		15,022,247	(1,918,671)	13,103,576
		17,595,516	**-**	**17,595,516**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

59. Change in estimate

Property, plant and equipment

At the beginning of the financial year the municipality reviewed remaining useful lives of certain items of Property, Plant and Equipment. The remaining useful lives were reassessed based at the beginning of the financial year based on the expected useful lives of those assets. The useful lives of property, plant and equipment were initially estimated between 3 and 15 years. For property, plant and equipment the remaining useful lives were estimated to be between 5 and 20 years. This is considered a change in accounting estimate and the effect is treated prospectively.

	Old estimate	New estimate	Increase / (Decrease) in Depreciation
Depreciation : Current year	3,693,038	952,425	(2,740,613)
Depreciation : Future years	4,815,205	7,555,818	2,740,613
	8,508,243	**8,508,243**	**-**

Intangible assets

At the beginning of the financial year the municipality reviewed remaining useful lives of certain items of Intangible Assets. The remaining useful lives were reassessed based at the beginning of the financial year based on the expected useful lives of those assets. The useful lives of Intangible assets were initially estimated at 3 years. For the intangible assets, the remaining useful lives were estimated to be between 3 and 9 years. This is considered a change in accounting estimate and the effect is treated prospectively.

	Old estimate	New estimate	Increase / (Decrease) in Amortisation
Amortisation : Current year	52,178	26,089	(26,089)
Amortisation : Future years	51,892	77,981	26,089
	104,070	**104,070**	**-**

Reassessment of residual values

Property, plant and equipment

In the beginning of the financial year the municipality reviewed remaining useful lives of certain items of Property, plant and equipment. The residual values were reassessed based on the expected proceeds to be realised at the disposal date of those assets. The residual values of property plant and equipment were initially estimated at 20%. For property plant and equipment, the residual values were changed to 0%. This is considered a change in accounting estimate and the effect is treated prospectively.

	Old estimate	New estimate	Increase / (Decrease) in Depreciation
Depreciation : Current year	1,197,556	1,674,373	476,817
Depreciation : Future years	18,716,505	24,146,922	5,430,417
	19,914,061	**25,821,295**	**5,907,234**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

59. Change in estimate (continued)

Intangible assets

At the beginning of the financial year the municipality reviewed remaining useful lives of certain items of intangible assets. The residual values were reassessed based on the expected proceeds to be realised at the disposal date of those assets. The residual values of intangible assets were initially estimated at 20%. For intangible assets, the residual values were changed to 0%. This is considered a change in accounting estimate and the effect is treated prospectively.

	Old estimate	New estimate	Increase / (Decrease) in Amortisation
Amortisation : Current year	26,089	82,894	56,805
Amortisation : Future years	77,981	247,777	169,796
	104,070	**330,671**	**226,601**

60. Accounting by principals and agents

The municipality is a party to principal-agent arrangements.

Details of the arrangements

Housing Title Deed grant - Title Deeds

- There is a binding agreement with The Provincial Department of Human Settlements Kwa-Zulu Natal for the title deeds restoration programme;
- Transactions are for the benefit of another entity i.e. benefits are for The Provincial Department of Human Settlements in that the title deed activities undertaken are on behalf of the Department.
- The municipality does not have the power to determine the significant terms and conditions of the transactions.
- The municipality has limited inventory risk and therefore not exposed to the variability in the results of transactions.

Entity as agent

Grants received

The municipality does not recognise any revenue in respect of these arrangements. However, grants are provided to the municipality for the execution of the projects.

	2024	2023
Housing Title Deed grant		
Balance unspent at beginning of year	4,789,797	5,772,607
Conditions met	(1,346,996)	(982,810)
Unspent grant at year end	**3,442,801**	**4,789,797**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

61. Segment information

General information

Identification of segments

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

Types of goods and/or services by segment

The Municipality has several departments/functional areas and accordingly, the segments were aggregated for reporting purposes as set out below:

Reportable segment	Goods and/or services
Executive & Council	Provision of overall governance to other segments of the municipality
Finance & Administration	Provision of financial and administrative services to other segments of the municipality
Planning & Development	Provision of economic development activities in the municipality
Roads & Infrastructure	Construction and maintenance of roads and infrastructure owned by the municipality
Community & Social Services	Construction and maintenance of halls and cemeteries owned by the municipality
Energy Sources	Provision of energy and electrical services to the community
Waste management	Provision of waste management services to the community
Public Safety	Provision of pound services and public safety to the community

Reporting on segment assets and liabilities

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

Information about geographical areas

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

Measurement of specific segment information

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

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

61. Segment information (continued)

Segment surplus or deficit

2024

	Executive & Council	Finance & Administration	Planning & Development	Roads & Infrastructure	Community & Social Services	Energy Sources	Waste Management	Public Safety	Total
Revenue									
Service charges	-	-	-	-	-	61,164,195	12,379,853	-	73,544,048
Rental of facilities and equipment	-	-	-	44,289	250,077	-	-	-	294,366
Interest income - service charges	-	-	-	-	-	47,865	871,404	-	919,269
Licences and permits	-	-	52,047	-	-	-	-	932,730	984,777
Other income	-	2,192,908	206,603	-	131,415	97,935	-	135,525	2,764,386
Interest received	-	26,748,038	-	-	-	-	-	-	26,748,038
Construction contracts	-	-	-	-	-	10,560,568	-	-	10,560,568
Other non-operating gains									
Fair value adjustments	-	-	-	-	-	-	-	-	-
Revenue from non-exchange transactions									
Property rates	-	58,320,526	-	-	-	-	-	-	58,320,526
Government grants and subsidies	7,806,000	224,867,000	840,000	56,570,540	6,976,001	-	-	-	297,059,541
Donations received	-	-	-	-	14,200	-	-	-	14,200
Fines	-	-	-	-	388	-	-	1,583,200	1,583,588
Interest income - property rates	-	3,459,757	-	-	-	-	-	-	3,459,757
Municipality's revenue	**7,806,000**	**315,588,229**	**1,098,650**	**56,614,829**	**7,372,081**	**71,870,563**	**13,251,257**	**2,651,455**	**476,253,064**

61. Segment information (continued)

	Executive & Council	Finance & Administration	Planning & Development	Roads & Infrastructure	Community & Social Services	Energy Sources	Waste Management	Public Safety	Total
Expenditure									
Employee costs	(15,424,184)	(30,978,151)	(11,849,970)	(19,957,416)	(33,538,732)	(3,833,536)	(8,899,293)	(6,230,014)	(130,711,296)
Remuneration of councillors	(14,563,808)	-	-	-	-	-	-	-	(14,563,808)
Depreciation and amortisation	-	(31,488,912)	-	-	-	-	-	-	(31,488,912)
Impairment losses	-	(2,238,807)	-	-	-	-	-	-	(2,238,807)
Finance costs	-	(3,134,616)	-	-	-	-	-	-	(3,134,616)
Lease rentals	-	(2,272,751)	-	-	-	-	-	-	(2,272,751)
Bad debt written off	-	(4,388,493)	-	-	-	-	-	-	(4,388,493)
Debt impairment	-	(6,047,836)	-	-	-	-	-	-	(6,047,836)
Contracted services	(14,158,602)	(8,540,138)	(2,168,648)	(19,230,082)	(23,607,347)	(12,643,301)	(1,872,000)	(4,138,916)	(86,359,034)
Inventory consumed	(2,055,927)	(9,000)	(947,970)	(36,217)	(609,786)	-	(175,750)	-	(3,834,650)
Operational costs	(13,154,603)	(31,226,696)	(817,338)	(9,476,722)	(1,321,469)	(3,650,044)	(113,742)	(332,006)	(60,092,620)
Bulk purchases	-	-	-	-	-	(52,474,725)	-	-	(52,474,725)
Loss on disposal of assets	-	(500,517)	-	-	-	-	-	-	(500,517)
Actuarial gains/losses	-	(217,970)	-	-	-	-	-	-	(217,970)
Fair value adjustments	-	1,541,000	-	-	-	-	-	-	1,541,000
Total segment expenditure	**(59,357,124)**	**(119,502,887)**	**(15,783,926)**	**(48,700,437)**	**(59,077,334)**	**(72,601,606)**	**(11,060,785)**	**(10,700,936)**	**(396,785,035)**
Total segmental surplus/(deficit)	**(51,551,124)**	**196,085,342**	**(14,685,276)**	**7,914,392**	**(51,705,253)**	**(731,043)**	**2,190,472**	**(8,049,481)**	**79,468,029**

61. Segment information (continued)

2023

	Executive & Council	Finance & Administration	Planning & Development	Roads & Infrastructure	Community & Social Services	Energy Sources	Waste Management	Public Safety	Total
Revenue									
Service charges	-	-	-	-	-	49,863,633	11,569,974	-	61,433,607
Rental of facilities and equipment	-	-	36,378	105,941	211,702	-	-	-	354,021
Interest income - service charges	-	-	-	-	-	104,134	1,124,586	-	1,228,720
Construction contracts	-	-	-	6,815,022	-	-	-	-	6,815,022
Licences and permits	-	-	22,494	-	-	-	-	524,513	547,007
Other income	-	2,482,401	529,323	-	73,765	95,354	-	405,805	3,586,648
Interest received	-	20,010,444	-	-	-	-	-	-	20,010,444
Other non-operating gains									
Revenue from non-exchange transactions									
Property rates	-	51,761,585	-	-	-	-	-	-	51,761,585
Government grants and subsidies	7,806,000	206,862,432	1,000,000	41,510,900	6,080,000	-	-	-	263,259,332
Donations received	-	5,234,331	-	-	-	-	-	-	5,234,331
Fines	-	-	-	-	553	-	-	1,001,300	1,001,853
Interest income - property rates	-	2,627,819	-	-	-	-	-	-	2,627,819
Municipality's revenue	**7,806,000**	**288,979,012**	**1,588,195**	**48,431,863**	**6,366,020**	**50,063,121**	**12,694,560**	**1,931,618**	**417,860,389**

Notes to the Annual Financial Statements

Figures in Rand

61. Segment information (continued)

	Executive & Council	Finance & Administration	Planning & Development	Roads & Infrastructure	Community & Social Services	Energy Sources	Waste Management	Public Safety	Total
Expenditure									
Employee costs	(17,501,830)	(29,106,516)	(10,297,198)	(19,134,232)	(23,966,250)	(2,738,223)	(5,512,878)	(8,668,039)	(116,925,166)
Remuneration of councillors	(14,325,359)	-	-	-	-	-	-	-	(14,325,359)
Depreciation and amortisation	-	(30,062,529)	-	-	-	-	-	-	(30,062,529)
Impairment losses	-	(2,374,266)	-	-	-	-	-	-	(2,374,266)
Finance costs	-	(3,322,630)	-	-	-	-	-	-	(3,322,630)
Lease rentals	-	(1,175,012)	-	-	-	-	-	-	(1,175,012)
Debt impairment	-	(15,022,247)	-	-	-	-	-	-	(15,022,247)
Contracted services	(8,926,155)	(7,874,053)	(1,807,697)	(18,873,343)	(20,453,144)	(1,186,651)	(3,093,588)	-	(62,214,631)
Inventory consumed	(388,037)	(78,204)	(2,742,002)	(14,343)	(1,148,649)	-	-	-	(4,371,235)
Operational costs	(12,766,552)	(23,790,580)	(406,695)	(1,339,567)	(845,660)	(3,194,238)	(35,284)	(158,871)	(42,537,447)
Bulk purchases	-	-	-	-	-	(45,292,594)	-	-	(45,292,594)
Loss on disposal of assets	-	(6,079,512)	-	-	-	-	-	-	(6,079,512)
Actuarial gains/losses	-	3,169,090	-	-	-	-	-	-	3,169,090
Fair value adjustments	-	30,180,500	-	-	-	-	-	-	30,180,500
Total segment expenditure	**(53,907,933)**	**(85,535,959)**	**(15,253,592)**	**(39,361,485)**	**(46,413,703)**	**(52,411,706)**	**(8,641,750)**	**(8,826,910)**	**(310,353,038)**
Total segmental surplus/(deficit)	**(46,101,933)**	**203,443,053**	**(13,665,397)**	**9,070,378**	**(40,047,683)**	**(2,348,585)**	**4,052,810**	**(6,895,292)**	**107,507,351**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

62. Prior period errors

Property, plant and equipment and investment property

Following audit findings relating to municipal land raised in the 2023 financial year, the municipality has embarked on a thorough exercise to ensure that all its land and properties are accounted for in terms of GRAP and other relevant prescripts.

The Municipal Valuer (Umhlaba Geomatics) was instructed to review the values of all items of Investment Properties as of 30 June 2024 and to identify items whose market values have changed, and those that are no longer meeting the criteria to be classified as investment properties and certify them accordingly.

This exercise revealed that property, plant and equipment was understated by R20,015,000 and investment property also overstated by R20,015,000. The error was corrected retrospectively and the correction of error resulted in adjustments as follows:

Statement of financial position	
Property, plant and equipment	20,015,000
Investment property	(20,015,000)

63. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

CONCLUSION

The Mandeni wishes to reinforce its commitment and dedication in ensuring the service delivery and changing the lives of the people within our municipality. This report clearly demonstrates the commitment of the municipality to ensure that the local community have access to their basic needs.

Investment in capital and social infrastructure remains a clear focus area when projects are identified in the IDP. This report to Council and the local community demonstrates the ability of them Mandeni Municipality to adapt to the ever-changing social needs of the local community. The above the norm budget spent of 100% on capital infrastructure clearly indicates that the municipality has solid and establishment project management systems in place. Improving on those, will be the focus from now on.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy Indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national

Budget	executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic Municipal Service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget Year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost Indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution Indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key	• Service delivery & infrastructure

performance areas	• Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and

Targets:	express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

MANDENI MUNICIPALITY

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