GREATER
KOKSTAD
MUNICIPALITY
PROVINCE OF KWAZULU-NATAL

GREATER KOKSTAD MUNICIPALITY – DRAFT 2022/23 ANNUAL REPORT

"A People-Centred City of Economic Possibilities by 2047"

JUNE 30, 2023

ADAM KOK III BUILDING
75 Hope Street

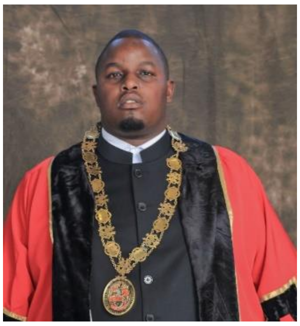
CONTENTS

ABBREVIATIONS

Abbreviation	**Name**
MSA	Municipal Systems Act, 32 of 2000 (MSA)
MPPMR	Municipal Planning and Performance Management Regulations, 2001
MFMA	Municipal Finance Management Act, 56 of 2003
IDP	Integrated Development Plan
SDBIP	Service Delivery & Budget Implementation Plan
IGR	Intergovernmental Relations
MM	Municipal Manager
MANCO	Management Committee
EXCO	Executive Committee
CoGTA	Cooperative Governance & Traditional Affairs
AG(SA)	Auditor-General South Africa
NGO	Non-Governmental Organization
NPO	Non-Profit Organization
CBO	Central Government Offices
OSS	Operation Sukuma Sakhe
OMM	Office of the Municipal Manager
CSD	Corporate Services Department
CSS	Community and Social Services
IPED	Infrastructure, Planning & Economic Development and Spatial Planning
BTO	Budget and Treasury Office
ITS	Infrastructure and Technical Services

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYORS FOREWORD



I take great pleasure in introducing this Annual Report for 2022/2023 financial year. The Annual Report gives an account of work done during the past financial year, as required by the Local Government: Municipal Systems Act, 32 of 2000 (Section 46) and Local Government: Municipal Finance Management Act of, 56 of 2003 Section 121 and 127(2). This document helps us to evaluate our performance, identify short comings and opportunities that will enhance our institutional capacity to deliver on our key strategic thrust of Local Government.

This report serves as a record of accounting mechanism to our communities on the institution's achievements, challenges, mitigation, and remedial measures implemented to address the calls made by the people of Greater Kokstad Municipality through Integrated Development Plan. We present this report in our efforts to implement our Service Delivery Budget & Implementation Plan (SDBIP) 2022/2023, which is a guiding document in measuring our performance. Our mandate is to service our people wherever they live.

The Annual Report 2022/23 provides details on various bulk infrastructure projects being undertaken to facilitate the town's growth. These projects are only possible through strategic partnerships with other spheres of government, the private sector, and the entire community as we cannot meet the challenges that we face on our own. All our efforts during this period were made possible by working together as a team, chairpersons of committees, fellow Councillors, entire management team, staff members and our stakeholders.

The year under review come to an end at a time when the country is confronted by the changing weather patterns and energy crisis. The persistent loadshedding has done untold damage not only to Kokstad but to the country and is an existential threat to businesses and the economy. Amid these and other challenges, we have made efforts to maintain a culture of effective service delivery through maintenance and enhancement of sound fiscal and administrative functioning at all costs. We take pride in serving the community as an extension of good governance with decisions taken in the best interests of the people of Kokstad.

However, we cannot shy away from the day-to-day struggles of ageing and poor infrastructure, limited financial and human resources that continues to place strain on the ability to provide and improve the delivery of services. These challenges are clearly reflected within service delivery initiatives and every effort is being made to improve service delivery performance at every level.

Efforts to improve were made and we are still going to do our utmost best to meet and sustain community needs at all identified levels. We will accelerate the institution of performance management to ensure that all Council Resolutions towards service delivery are implemented, monitored, evaluated, and improved. It is through this approach that we will ensure the accountability of the municipality to local communities. As a local government we will always be evaluated by our ability to meet the growing needs of our residents through rendering quality services, promoting economic development, fiscal discipline, ensuring that we govern effectively and facilitating the growth of our municipality. We will work tirelessly to support an efficient, effective, and highly skilled administration that delivers better services.

I would like to thank the political leadership of the municipality for ensuring that the role of oversite is upheld and the inputs they bring in all strategic areas are geared towards making our municipality great. I would also like to thank the management and staff of the municipality for ensuring political and administrative stability in our municipality. I thank them for everything they do to make sure our municipality is kept abreast on a daily basis.

In our vision to achieve a people-centred city of economic possibilities by 2047 we are going to ensure that our staff is highly valued. Training, coaching, personal development, mentoring and career-pathing are amongst the areas that we are going to enhance so as to have an informed workforce. Equally with the politicians, it is important that we focus our energies on the mandates we have from our respective political parties. Our differences should only be an indication of a strong democratic state, not an impediment to deliver services to our people.

I thank you.

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CLLR MNL MADIKIZELA
Honourable Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW FOR 2022/2023 ANNUAL REPORT

During the 2022/23 financial year, I am delighted to announce that the Greater Kokstad Municipality has shown exceptional performance in the areas of focus including service delivery, governance practices, and financial management. In the year under review, the municipality has significantly improved its management and staff capability, leading to a noticeable improvement in performance. The dedicated management team has diligently instilled principles of good governance throughout our organization. I take pride in announcing that we have achieved remarkable results amidst challenging circumstances. Nevertheless, we acknowledge that in the future we will face increased pressure as our community's needs continue to evolve. Therefore, it is essential for us to enhance our resource utilization and ensure optimal efficiency.

Unforeseen technical problems caused unavoidable delays in the completion of specific projects, leading to a detrimental effect on their scheduled timeline. However, it is important to emphasize that critical municipal services and emergency response remained unaffected throughout this period. The Municipality has once again demonstrated excellence in its Performance Management System and Service Delivery and Budget Implementation Plan (SDBIP), affirming its dedication to delivering tangible results. Although there were some indicators that were not achieved, appropriate measures have been implemented to ensure adherence in the upcoming reporting period.

As a compassionate local government driven by our principles of innovation, integrity, accountability, and transformation; we have consistently directed significant resources toward enhancing infrastructure facilities as well as promoting development. The need for maintenance is evident in this report. The continuous reconstruction of Hawthorne Street and the rehabilitation efforts on both Hawthorne Street and CBD roads further exemplify this point. The municipality is currently grappling with two major challenges. Firstly, there has been a significant issue of land invasion on designated areas for human settlements development. This situation has had detrimental effects on both our community and municipal plans. Secondly, the town is experiencing an alarming increase in waste production, compounded by the illegal dumping of refuse in open spaces. Addressing this problem requires urgent and effective interventions to be implemented without delay.

The municipality has appointed legal practitioners to help the Municipality to curb illegal land invasions on Municipal Owned Land. However, the implementation of Land Use Management System and the preparation of by-laws (to be prepared after the Land Use Scheme has been completed) will enable the municipality to control land use and apply to court to demolish any structure that is in contravention of its Land Use Scheme. This will contribute towards orderly and harmonious development.

I am delighted to announce that the capacity of GKM's management team has been enhanced. Over the course of this year, a new Chief Financial Officer was appointed along with several managers and assistant managers. I would like to express my gratitude for their contributions. We played a significant role in ensuring the success of 2022/2023. While there is still much work ahead of us, we are steadily moving forward towards our goals. The Municipality remains committed to discovering innovative approaches for providing essential services and enhancing the wellbeing of our esteemed residents.

I would like to express my heartfelt gratitude to the Mayor, Executive Committee, entire Council, Audit Committee, management team and all officials for their valuable contributions towards achieving our goal of transforming into "A People Centred City of Economic Possibilities by 2047".

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Mr. S R Zwane

Municipal Manager

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Greater Kokstad Municipality provides Electricity, Refuse Removal, & Housing as part of the Basic Services. It also provides Roads, Storm-water & Drainage together with Local Economic Development and the approval of local building plans to local communities. Notwithstanding the legislative mandate to ensure service delivery as a means to respond to the developmental nature of local government, the Municipality takes cognizance in that the provision should strive to augment an improved socio-economic nexus.

The Greater Kokstad Council adopted its development vision, mission and core values as follows:

"A People-Centred City of Economic Possibilities by 2047"

The formulation of Greater Kokstad Municipal Vision is based on the objective of the Local Government as enshrined on the Constitution of the Republic of South Africa, Act 108 of 1986: Section 152 which prescribes the following as the principal mandates of the Local Government.

- To promote democratic and local government;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and,
- To encourage the involvement of communities and community organizations in the matter of local government.

The mission statement of Greater Kokstad Municipality is:

- **Providing quality and sustainable services with diligence and compassion**
- **Rendering good and transparent corporate governance to promote economic prosperity**

1.2.1. VALUES OF GREATER KOKSTAD MUNICIPALITY

- Caring: Showing compassion whilst delivering services to its citizens
- Accountability: Taking responsibility for decisions and actions taken.
- Transparency and honesty: openness and public involvement in municipal affairs.
- Integrity: professionalism, a commitment to ethics, and focus on justice and fairness and accountability.
- Efficiency: results orientation, cost effectiveness, superior performance, customer satisfaction.
- Professionalism: executing the mandate with diligence.
- Fairness: threat all those who do work with the municipality equally.

- Dignity: respect for everybody.
- Respect: treating all clients and partners with respect.

1.2.2. DEVELOPMENT GOALS

Development goals for the GKM were developed based on the provincial goals as outlined in the PGDS and are as follows:

- Ensure that all people have access to basic services
- Safe, healthy and sustainable living environment
- Employment of all employable people
- Increased investor confidence in the GKM
- To provide strong and decisive leadership
- Developed and capacitated institution
- To ensure human and utilization of natural resources are in harmony
- To foster social compact
- To create options for people on where and how they opt to live, work, play and pray.

1.2.3. POPULATION

The following table summarises key municipal statistics, and is explained briefly below:

Demographic Indicators	2016 Census Survey	2011 Census	2001 Census
Population Size			
Total Population	**76 753**	**65 981**	**56 528**
Age Structure			
Population under 15	32.9%	30.6%	30.9%
Population 15 to 64	64.9%	66.7%	66.7%
Population over 65	2.2%	2.7%	3%
Dependency Ratio			
Per 100 (15-64)	54.0	49.9	51.4%
Sex Ratio			
Males per 100 females	92.5	94.4	100.3
Population Growth			
Per annum	3.44%	1.55%	9.74%
Labour Market			
Unemployment rate (official)	31%	28.9%	41.2%
Youth unemployment rate (official) 15-34	n/a	36.3%	50.1%
Education (aged 20 +)			
No schooling	1.6%	4.1%	10.2%
Matric	34.9%	28.3%	18%
Higher education	9.5%	10.8%	7.7%
Household Dynamics			
Households	24 397	19 140	19 625

Demographic Indicators	2016 Census Survey	2011 Census	2001 Census
Average household size	3.1	3.1	2.7
Female headed households	43.7%	41.6%	43.9%
Formal dwellings	86.3%	83.6%	67.3%
Housing owned	56.7%	36.3%	28.2%
Household Services			
Flush toilet connected to sewerage	66.2%	60.1%	59.5%
Weekly refuse removal	72.7%	74.0%	60.7%
Piped water inside dwelling	27.0%	36.1%	14.7%
Electricity for lighting	88.6%	80.7%	49.9%

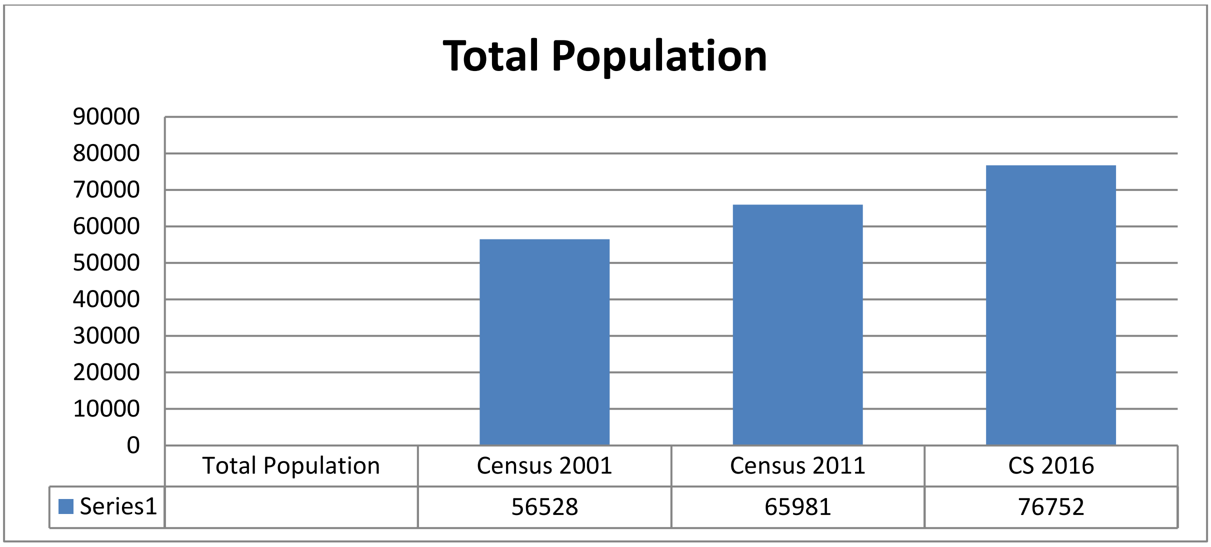
Table 1: Municipal Summary of Key Statistics
Source: www.statssa.gov.za

The population of the Greater Kokstad forms part of the ultimate objective of the development process, as well as being a subject in the process, since the people provide labour and entrepreneurship for production and consume the output of production. Likewise, demographic processes e.g. fertility, mortality and migration determine the demographic outcomes such as size, age-sex structure and spatial distributions of the population which affect the functioning of socio-economic processes of land use, labour absorption, consumption and expenditure which in turn define the socio-economic outcomes in terms of income, employment, education, health, housing etc. In short, this analysis will shade some light on the dynamics of the Greater Kokstad Municipal population, which can then be used to develop strategic interventions.
These demographics characteristic analyses the socio-demographic and human settlement characteristics of the Greater Kokstad Municipality.

POPULATION SIZE

The Greater Kokstad Municipality covers a total area of 2 680km². It is a category B Municipality situated within the Harry Gwala District of KwaZulu-Natal. Initially Statistics South Africa (Statssa) conducted a population census once every 5 years i.e. 1996 and 2001, this interval was however changed to 10 years and thus the last census was in 2011. In between the census, Statssa conducts a Community Survey (CS) and the last one was in 2016. According to Statssa a population census, as defined by the United Nations, is "the total process of collecting, compiling, evaluating, analysing and publishing or otherwise disseminating demographic, economic and social data pertaining, at a specified time, to all persons in a country or a well-defined part of the country"; i.e. a total count of the population. The CS on the other hand is a large-scale household survey conducted by Statistics South Africa to bridge the gap between censuses. i.e. it is a representative sample of the population.

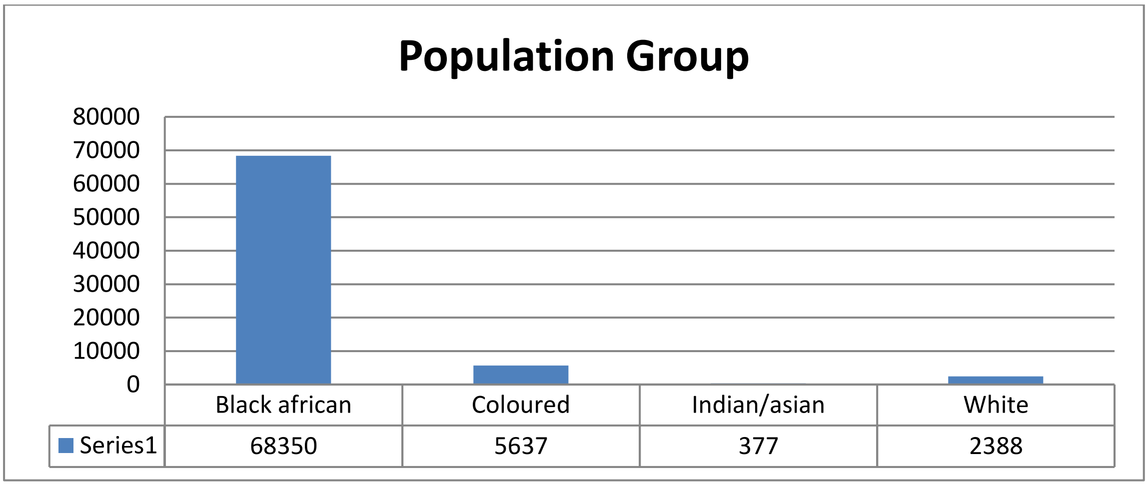
As a result of this, the information from the Community Survey is only provided at a Municipal level and not at ward level as compared to the 2011 census which goes down to the ward level and beyond. Prior to the release of the CS results in 2016 there was a re-demarcation of the municipal wards. Statssa thus had to delay the release of the CS results and realign the ward boundaries to the newly demarcated ward boundaries e.g. population figures for Greater Kokstad from the CS before factoring in the new demarcation was 65 981; but after factoring in the re-demarcation it is 76 753. According to Statistics South Africa, Community Census 2001, 2011 and Community Survey 2016, the total population of the Municipality was as follows: -



Source: Stats SA: Census 2001-2011; COMMUNITY SURVEY 2016

The table below illustrates the distribution of the population based on racial groups.

Table 1: Population Distribution per race (% of population)



Source: Stats SA: COMMUNITY SURVEY 2016

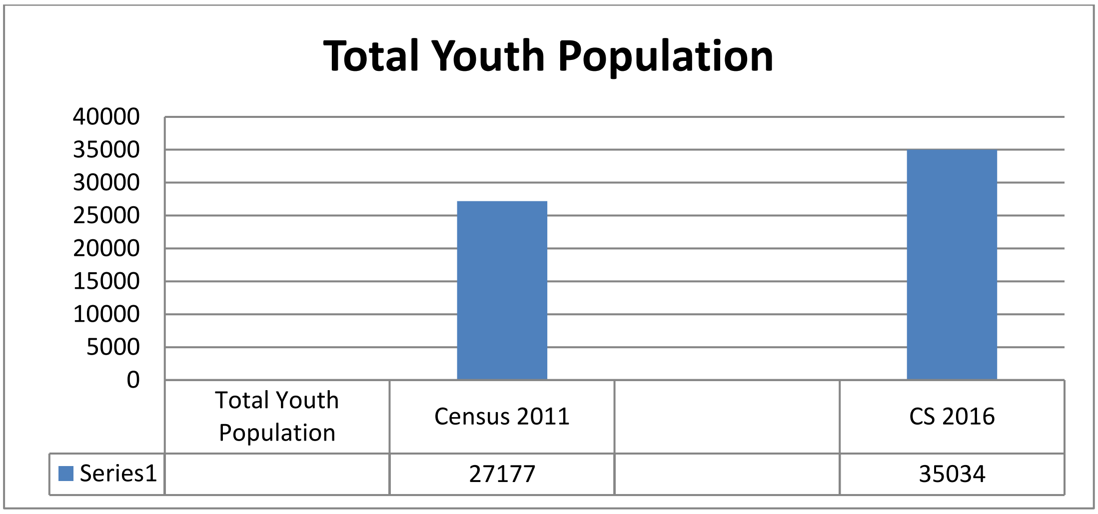
Both statistics on table 1 above show that black people are dominant in the Municipality followed by coloured people, then white people. Indians or Asians are the smallest population group in the municipality.

AGE DISTRIBUTION

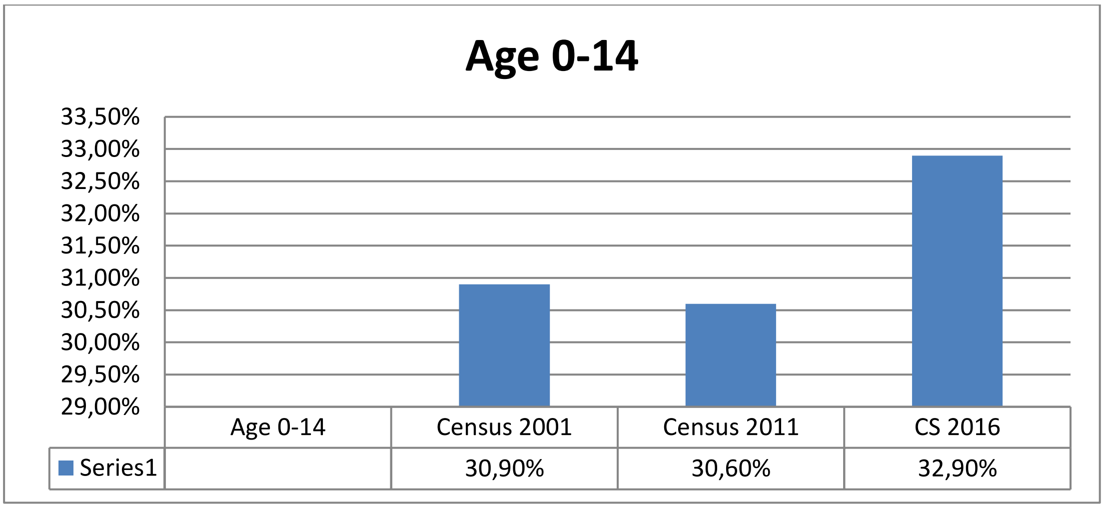
The Greater Kokstad Municipality shows a significant proportion of youth dependency. The overall population is split between youth (0-14), working class (15 – 64) and the elderly (+ 65).

According to Statistics South Africa Community Survey 2016, the youth population accounts for 32.9%, while the working age population accounts for a majority of the population at 64.9%, while the elderly population only makes up 2.2 of the population.

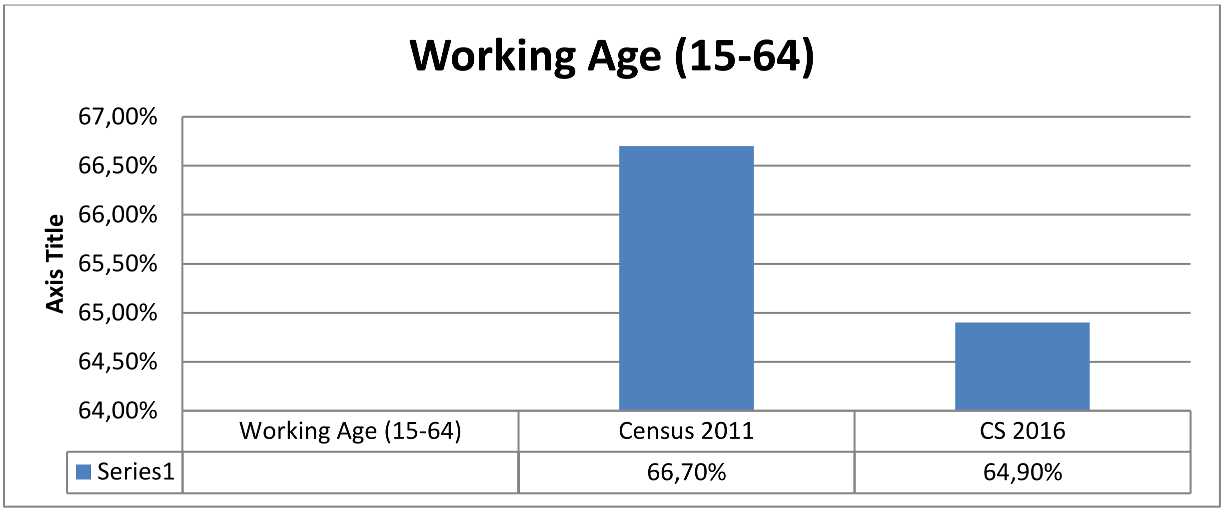
According to the Statistics South Africa Community Survey of 2016, the municipality has seen a rise in the youth population from 27 177 in 2011 to 35 034 in 2016 and working-class populations of 66.7%, and an increase in the number of elderly people from 2.7% in 2011 to 3% in 2016 within the municipality.



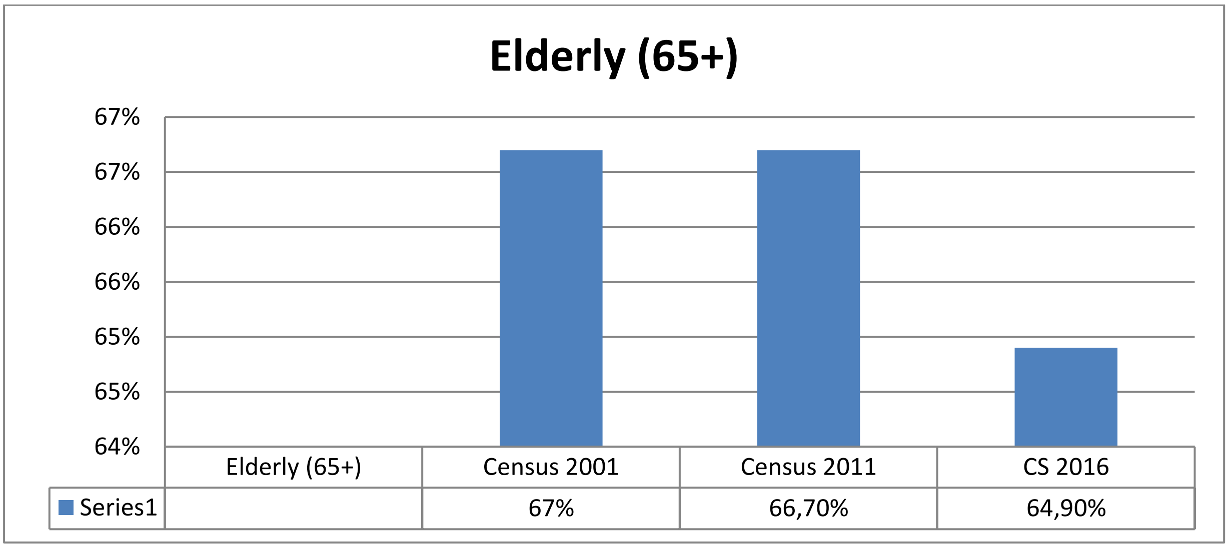
Source: Stats SA: Census 2001-2011; COMMUNITY SURVEY 2016



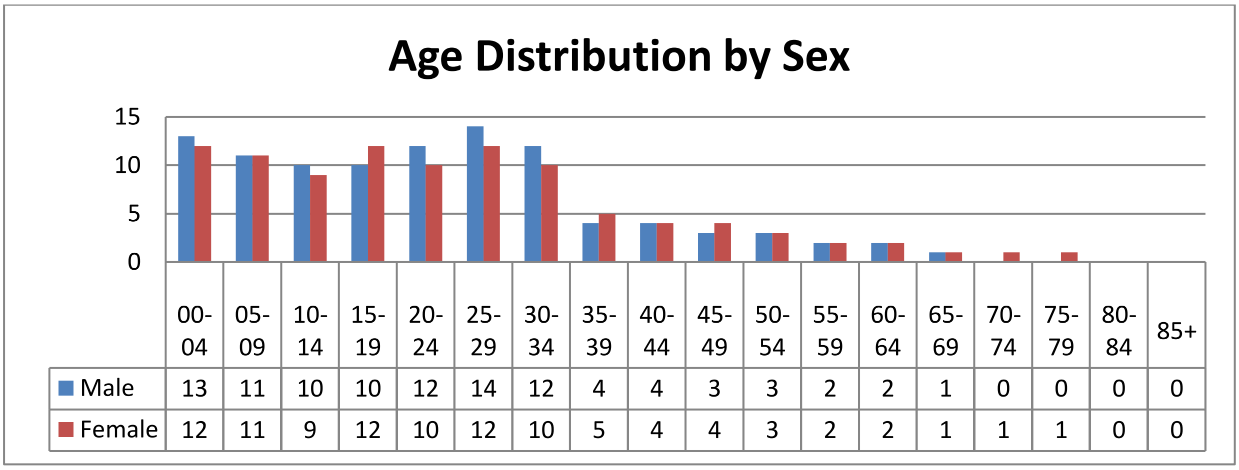
Source: Stats SA: Census 2001-2011; COMMUNITY SURVEY 2016



Source: Stats SA: Census 2001-2011; COMMUNITY SURVEY 2016



Source: Stats SA: Census 2001-2011; COMMUNITY SURVEY 2016



Source: Stats SA: Census 2001-2011; COMMUNITY SURVEY 2016

From the statistics, it can be concluded that the elderly population has increased to 3%.

As shown in graph above, the Greater Kokstad population is relatively young, with 70% of the population being youth under the age of 35. About 35% of the population is still school going pointing out a need to strength the existing FET College and to attract more institutions of higher learning in the future. This relatively young population signifies high potential for population growth in the future which further exacerbates the supply and demand scenario for more housing, education and health services in the foreseeable future. This means that the municipality, sector departments and NGOs must direct their development plan in favour of the youth. This brings us to the key issues of concern in the area such as the high unemployment rate, lack of skills, HIV & AIDS and substance abuse.

The segment of the population falling within the 15 – 64 age groups (which makes approximately 67% of the population) would essentially be classified as the potentially economically active population of Greater Kokstad Municipality. This data also means that there must be improved in-take of social security grants especially the child support grants within the municipal area and economic growth to provide jobs for the economically active population. The Municipality has a relatively small percentage of elderly people, which brings to question whether people are not living to old-age, owing to untimely deaths or whether there is a generation of people that have left the area and are enjoying old age elsewhere.

1.2.4. EDUCATION

The education levels represented below states that a majority of the population has a primary and secondary education. However, the tertiary education sector is very underdeveloped. This poses a major challenge for the Municipality, as this indicates that there are a limited number of qualified or skilled individuals within the labour pool.

From the statistic obtained, it can be concluded that a majority of the youth move away to obtain a tertiary education. From the statistic obtained, it can be concluded that the most persons with institutional education are located within ward 4 which accounts for 18.02% of the population who has a formal education. This is closely followed by wards 1, 6 and 8 which accounts of 17.37%, 14.62% and 13.81%, respectively, of the population who has a formal education.

According to the Statistics South Africa Census 2011, 83.87% of the Municipal population has some form of formal education. However, according to the Statistics South Africa Community Survey 2016, this percentage has increase by 2.59% to 86.46%, which equates to 66 355 persons as depicted in the table below:

	KZN433: Greater Kokstad	KZN434: Ubuhlebezwe	KZN435: Umzimkhulu	KZN436: Dr Nkosazana Dlamini-Zuma	Grand Total
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	15839	15523	16508	13032	60901
NTC I/N1	56	48	103	37	243
NTCII/N2	22	48	128	45	242
NTCIII/N3	43	117	32	43	235
N4/NTC 4/Occupational certificate NQF Level 5	261	301	340	179	1081
N5/NTC 5/Occupational certificate NQF Level 5	105	38	117	29	288

	KZN433: Greater Kokstad	KZN434: Ubuhlebezwe	KZN435: Umzimkhulu	KZN436: Dr Nkosazana Dlamini-Zuma	Grand Total
N6/NTC 6/Occupational certificate NQF Level 5	249	77	525	12	863
Certificate with less than Grade 12/Std 10	14	30	23	-	67
Diploma with less than Grade 12/Std 10	113	74	109	136	433
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	242	699	526	328	1795
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	1152	1088	1264	622	4127
Higher Diploma/Occupational certificate NQF Level 7	788	400	387	273	1848
Post-Higher Diploma (Master's	521	362	537	301	1721
Bachelor's degree/Occupational certificate NQF Level 7	528	467	1007	545	2548
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	212	377	428	178	1194
Master's/Professional Master's at NQF Level 9 degree	35	89	47	54	224
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	22	26	40	30	118
Other	127	437	251	310	1125
Do not know	415	155	165	148	884
Unspecified	211	235	735	122	1303
No schooling	9769	23392	41823	19694	94679
Grade 0	3419	5999	10050	6010	25478
Grade 1/Sub A/Class 1	2538	4641	6718	4604	18501
Grade 2/Sub B/Class 2	1383	3918	6141	4124	15566
Grade 3/Standard 1/ABET 1	2627	5735	10313	6172	24848
Grade 4/Standard 2	2709	5405	10932	6784	25830
Grade 5/Standard 3/ABET 2	3096	5545	11327	5880	25848
Grade 6/Standard 4	3388	6364	13303	5835	28890
Grade 7/Standard 5/ABET 3	3726	4736	8684	5977	23123
Grade 8/Standard 6/Form 1	4150	6538	11729	7017	29434
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	5416	7224	14140	8156	34935
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	6666	8361	14792	10441	40260
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	6908	9900	14061	11361	42230
Grand Total	76753	118346	197286	118480	510865

Source: Stats SA: Census 2011; COMMUNITY SURVEY 2016

1.2.5. HIV/AIDS

The municipality is dealing with HIV issues through Local Aids Council which is chaired by the Mayor and Ward Aids Council chaired by ward Councillors. Department of Health is playing central role in relation to prevention and management of the HIV pandemic.

Food parcels distributed to beneficiaries and tools

Training subsistence farmers and distribution of seedlings

Here is the HIV Management Statistics within the Greater Kokstad Municipal area of jurisdiction:

Data	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Infant PCR test around 10 weeks	92	84.10	92.90	91.10
Infant PCR test positive around 10 weeks	1.6	00	0.93	00
HIV test around 18 months	00	00	00	00
HIV test positive around 18 months	3.2	0	0	0
Inpatient death under 5 years total	4	6	8	3
Children under 12 years sexually assaulted rate	06	03	05	18
Maternal death in facility	00	01	00	00
TB client 5 years and older start on treatment	38	50	109	42
ART client remains on ART end of month - total	11707	11685	11442	33915
HIV test around 18 months positive rate	00	00	00	00

Data	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Infant PCR test positive around 10 weeks rate	0.5	1.6	00	0.93
Antenatal 1st visit before 20 weeks	64.1	60.1	67.1	65.3
Medical male circumcision 15 years and older	49	127	54	201
Medical male circumcision 10-14 years	00	00	00	00
Delivery in facility - total				
Delivery 10-14 years in facility	1	2	1	00
Delivery 15-19 years in facility	78	101	88	90
STI treated new episode				
Screen for TB symptoms 5 years and older	95	129	134	143
Screen for TB symptoms under 5 years	90	101	105	115
Female condoms distributed at facility	5620	9622	9049	9551
Male condoms distributed at facility	243400	448400	274220	352270
Sexual assault case seen - new	06	10	18	5
Child referred from Phila Mntwana Centre - Immunization	00	00	00	00
Child offered deworming at Phila Mntwana Centre by CCGs	125	124	250	118
Child referred from Phila Mntwana Centre - Diarrhea	13	00	00	12
Child referred from Phila Mntwana Centre - TB	00	00	00	00
Child screened at Phila Mntwana Centre	187	210	332	258
Vitamin A - CCG	180	200	310	210

1.2.6. SPATIAL REALITIES

Chapter 4; Part A to E of SPLUMA outlines requirements of SDF's at National, Provincial and at Municipal level with various sections providing prescription for each sphere of government with regard to the SDF preparation and content, section 12 of SPLUMA specifically requires that all spheres of government compile SDF's for their areas of jurisdiction; Part E provides for the preparation and content of a Municipal SDF. Part E defines the status of a SDF.

The GKM 2022-2023 Adopted Spatial Development Framework (SDF) serves as a strategy to interpret and represent the Spatial Development Vision of the Municipality. The vision must be designed to enable sustainable development throughout the municipality while the planning process will address the challenge to balance imperatives of economic efficient, social and environmental integrity.

Furthermore, SPLUMA Section 20 provides that Municipal SDF's, must be prepared as part of a Municipality's Integrated Development Plan in accordance with section 26 (e) of the Local Government Municipal Systems Act No. 32 of 2000.

In the past many Municipalities, have developed SDF's, either in silos or supported (technically and/or financially) by the Department of Rural Development and Land Reform (DRDLR) or by their respective Provinces. Different SDF development approaches were applied depending on who was managing or has been contracted to undertake the project.

In 2014 DRDLR commissioned the development of Comprehensive SDF Guidelines as a response to the current modus-operandi. The process of developing the guidelines was extensive and inclusionary. All relevant stakeholders were consulted, and the comments received were instrumental in shaping the final product. These guidelines will form part of the SPLUMA regulations in as fast as the development of SDF's concerned. These guidelines have been implemented and tested since their development to ascertain their effectiveness in addressing the current challenges and shortcomings with regard to the development process and the content of the SDF's.

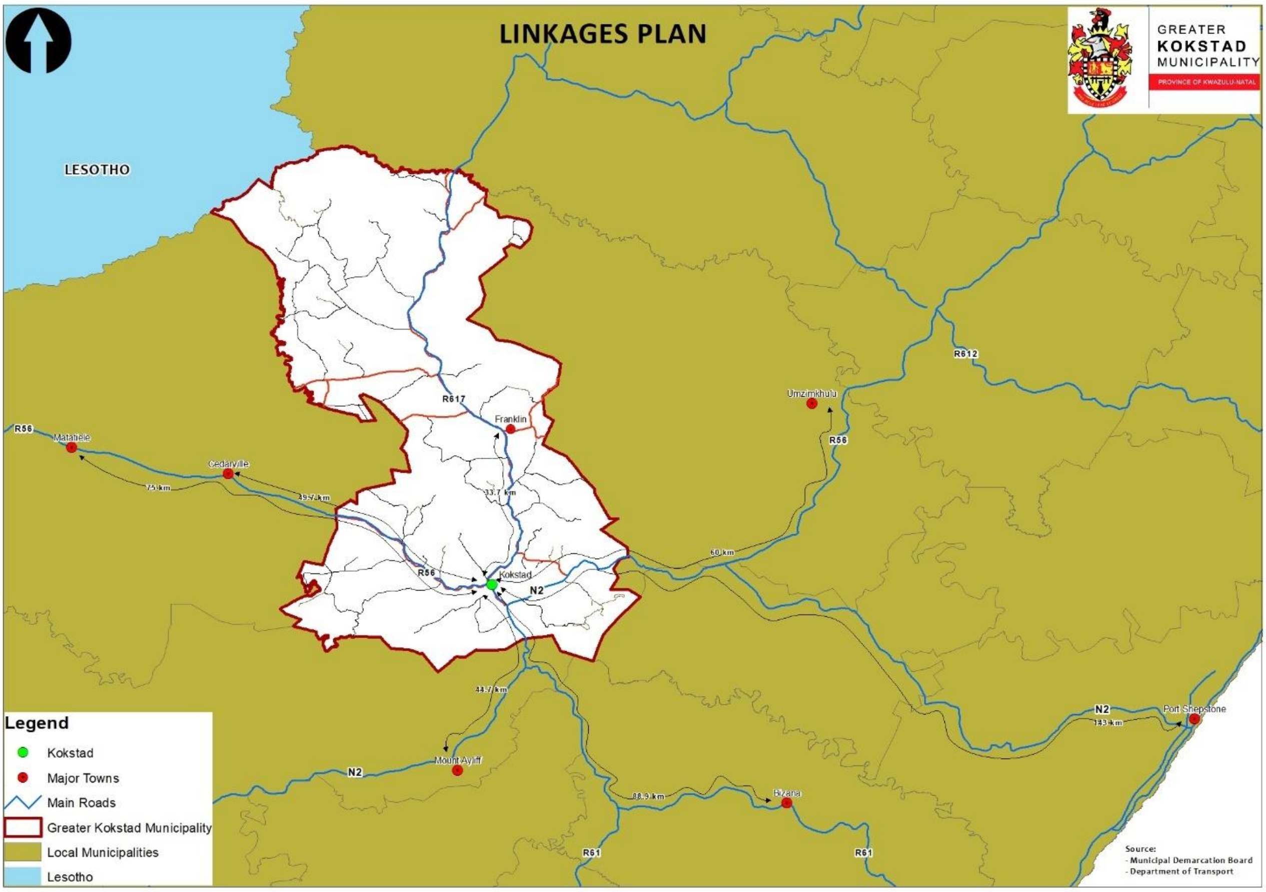
The SDF must have a set of objectives, strategies and policy guidelines that direct development and development options to ensure that the envisaged long term urban and rural structure and target deliverables are realised. The SDF should find a balance between Environmental and Development especially since the economic base (agriculture, tourism, retail and manufacturing) are reliant on the natural resources of its existence. This objective shall be achieved by the development of a SDF in GKM in compliance with the provisions of these guidelines.

The SDF shall be amended accordingly and made credible. Compliance with the following important aspects of an SDF indicated in the Chapter 4 of SPLUMA must be adhered to Section 12 subsection (1) (a) to (o) stipulates generally the areas an SDF must cover. In particular, section 21 (a) to (p) prescribes over and above the parameters of preparing for the development of a MSDF.

The SDF must give effect to the development principles contained in SPLUMA:

_ Spatial Justice
_ Spatial Sustainability
_ Efficiency
_ Spatial Resilience
_ Good Administration

Greater Kokstad Municipality has three urban nodes Kokstad Town, Swartberg and Franklin. Kokstad Town is the major economic center due to its strategic location in terms of transport network, economic and administrative activities. The National Route (N2) links the area to the major economic nodes such as Port Shepstone and Durban in the KwaZulu-Natal Province and Mthatha in the Eastern Cape Province. The R56 links Kokstad to Ixopo and Pietermaritzburg. The strategic location of Kokstad creates opportunities for economic growth. Emanating from the spatial location of the area is high population growth rate due to high migration of people from the Eastern Cape and Lesotho into the area in search for employment opportunities. The municipality is therefore faced with a challenge of planning, providing basic services, housing and creating employment opportunities for its growing communities.

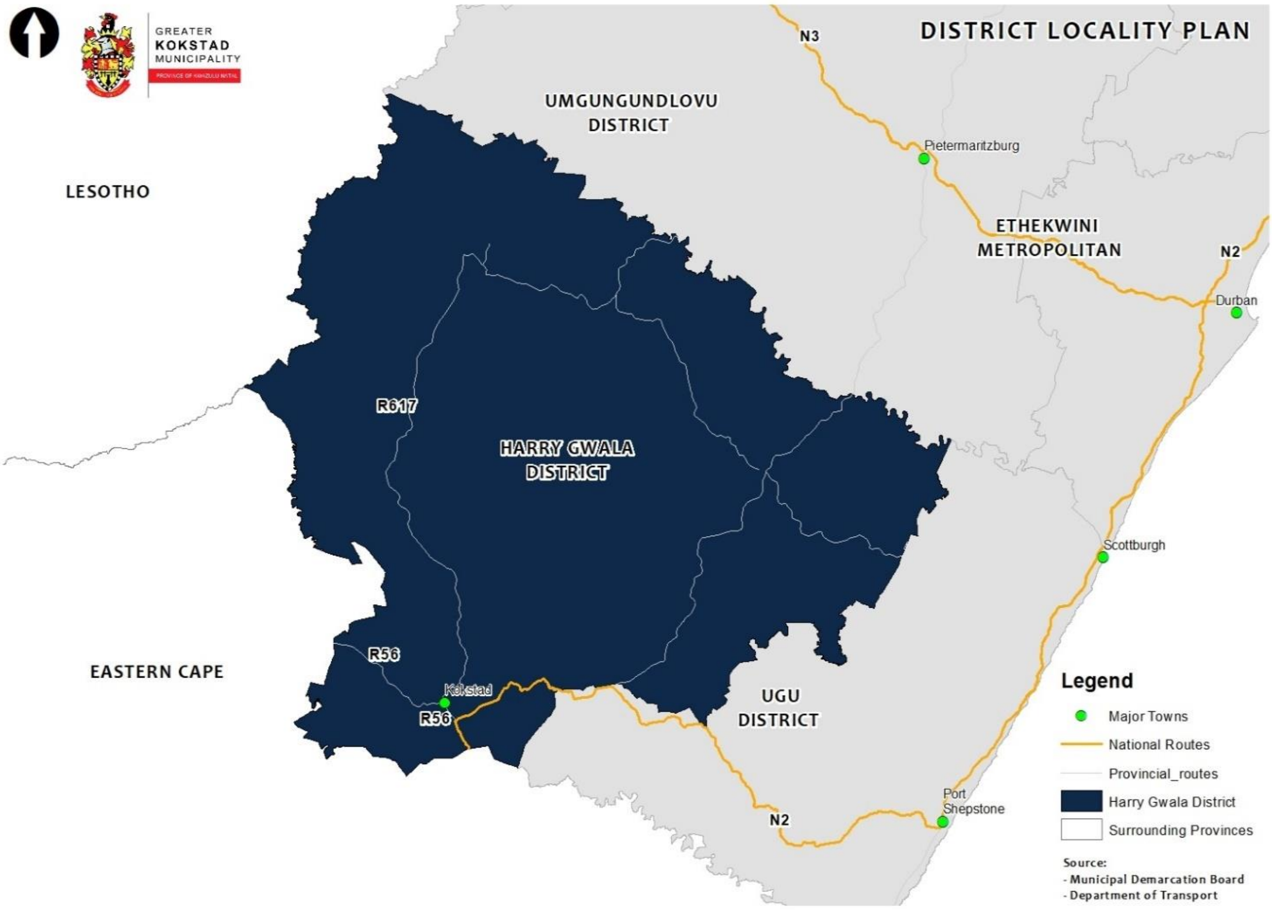


There are also land reform projects in rural areas like Pakkies I and 2, Kransdraai and Makhoba. Apart from the built environment, there are also agriculture, indigenous forests and areas of biodiversity. The municipality acknowledges the relationship between the built and the natural environment and has adopted an integrated approach to development and protection of the natural environment.

One major spatial challenge facing the municipality is illegal occupation of land for housing purposes. The municipality has appointed legal practitioners to help the Municipality to curb illegal land invasions on Municipal Owned Land. However, the implementation of Land Use Management System and the preparation of by-laws (to be prepared after the Land Use Scheme has been completed) will enable the municipality to control land use and apply to court to demolish any structure that is in contravention of its Land Use Scheme. This will contribute towards orderly and harmonious development.

The following spatial characteristics, issues and challenges impact on the future development of the Greater Kokstad Municipality and need to be taken forward in the IDP Process:

- Illegal occupation of land for informal housing purposes.
- Mushrooming of informal settlements on flood line and protected wetland areas.
- Kokstad town is presently not presenting a very good image for Greater Kokstad Municipality, due to the character of key infrastructure.
- There is minimal integration of environmental, land use and transport management system.
- A need exists to redirect growth and development to the previously disadvantaged areas and areas of economic opportunity while focusing on the redevelopment of deteriorating areas within the municipal area.
- There has been a substantial increase in the number of illegal small business operators that are conducting business from home without permission. This has given rise to traffic and safety problems as these areas were not designed for such purposes.
- Infrastructure like roads, electricity, and telephones, the main services are in the urban areas and slowly servicing rural settlements.



1.2.7. LAND REFORM

The implementation of the land reform program within Greater Kokstad Municipality has progressed very slowly. There are a number of land claims that have been lodged on farms in Greater Kokstad.

The priority redistribution is in the Pakkies area (PORTION 3(1) OF THE FARM MELKSPRUIT NO 293.) The only transferred redistribution claim within the study area is the Kokstad Commonage redistribution project. It includes the farm Kranzfontain and is located to the east and southeast of Bhongweni.

The map below indicates all the land reform projects within the Greater Kokstad municipality.

The role of local government in supporting the land reform program remains one of the poorly defined and uncoordinated activities in the integrated development planning process. The land reform affects the local communities, yet it is implemented by a national government department with limited consideration of the IDPs.

The primary aim of the Land Reform Program is to broaden access to land and address the historical imbalances in the land ownership pattern in South Africa. It is a complex program and affects a number of development sectors including agriculture, housing, conservation, commerce, and industry.

As such, it is imperative for the program to be implemented in a cooperative manner with all the spheres of government making firm commitments to support and integrate the program into their planning and service delivery initiatives.

Similarly, these documents do not provide an adequate strategic framework for dealing with the land question. Land issues are complex and intricate with some of them (labour tenants and land restitution) being rights driven. Therefore, land reform is considered as one of the most significant programs that promise to make a major contribution to economic growth, poverty alleviation, and nation building. As such, its implementation should be embedded in the notion of sustainable and integrated development.

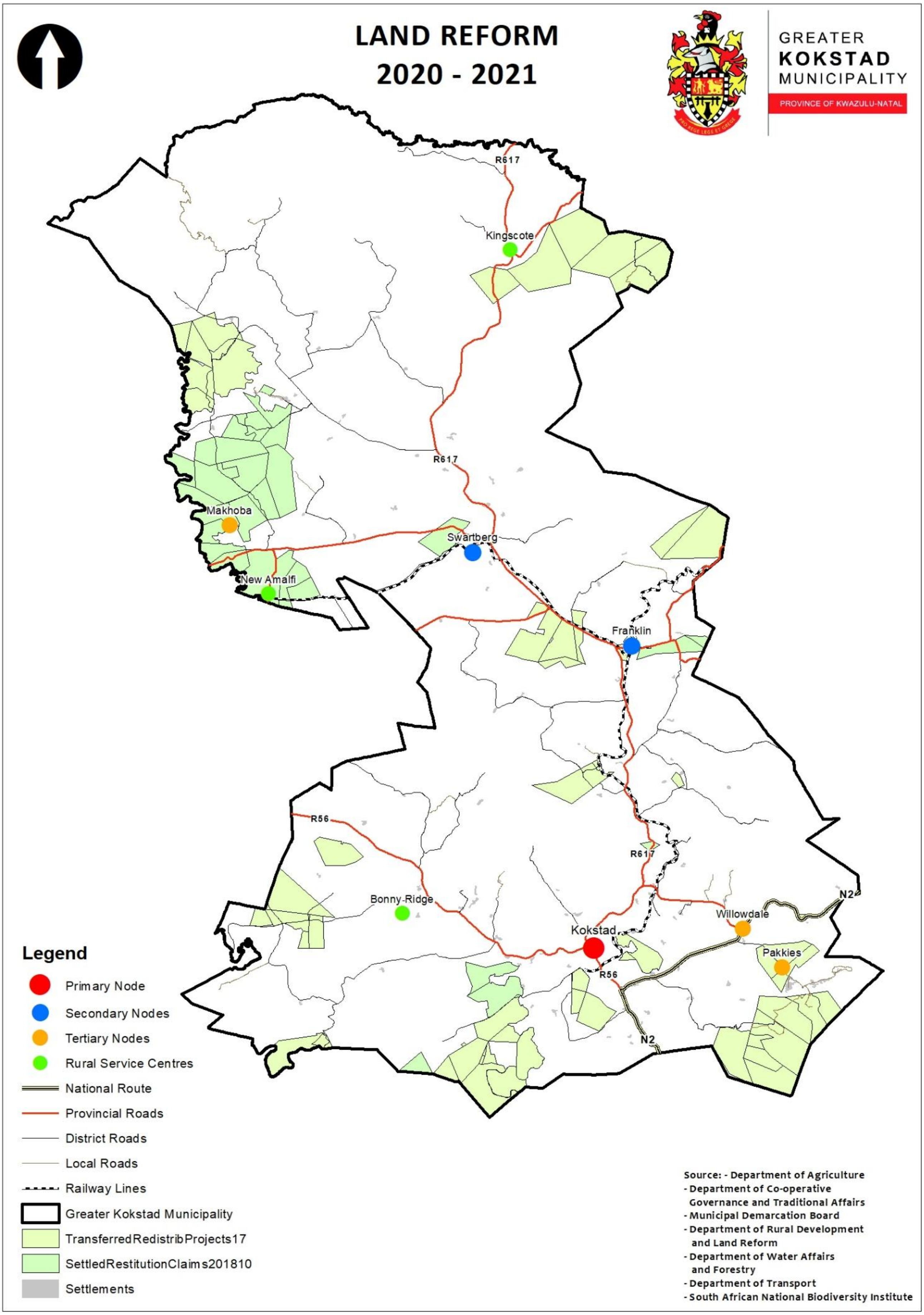
Notwithstanding the aforementioned limitations and given that land reform and redistribution remains the responsibility of the Department of Rural Development and Land Reform (DRDLR) the Municipality retains its responsibility in facilitating access to opportunities. In respect to the Kranzfontein Farm, the Municipality has provided and facilitated support to emerging farmers who have access to the farm. Mechanisation, land preparation and the distribution of seedlings together with mentorship from the Department of Agriculture and Rural Development (DARD) to sustain activities initiated through the 2018/2019 partnership with UKZN (School of Agriculture) has ensured access to markets and participation in the RASET programme. Albeit limited in the support provided to date, the Municipality and DARD through the established AGRIFORUM continue to strive for increased opportunities and market access.

The Municipality through the Local Economic Development unit now holds a voting seat on the District Allocations Committee which considers the leasing of farms acquired by DRDLR. The achievement has realised the allocation of the Chris Fey Farm (Diary Production) to a local farmer to aid in the expansion of the dairy industry responsive to black owned farmers. It is anticipated that continued support by government through partnerships with the private sector should seek to retain jobs especially of unskilled labour. A key paradigm shift in the context of farm labour, would be reskilling and upskilling, especially in literacy in the anticipation of a owner/farmer cooperative developmental model.

To date, training and mentorship has been provided through strategic partnerships created in the development of Agriculture within the Municipal jurisdiction. This however needs to be expanded if the Municipality is to achieve targets for primary development of emerging farmers.

The prioritization of the Franklin_Makoba area as a strategic development node responsive to agriculture and manufacturing (Catalytic Project 2) has positively contributed to the economy and development of the Franklin area.

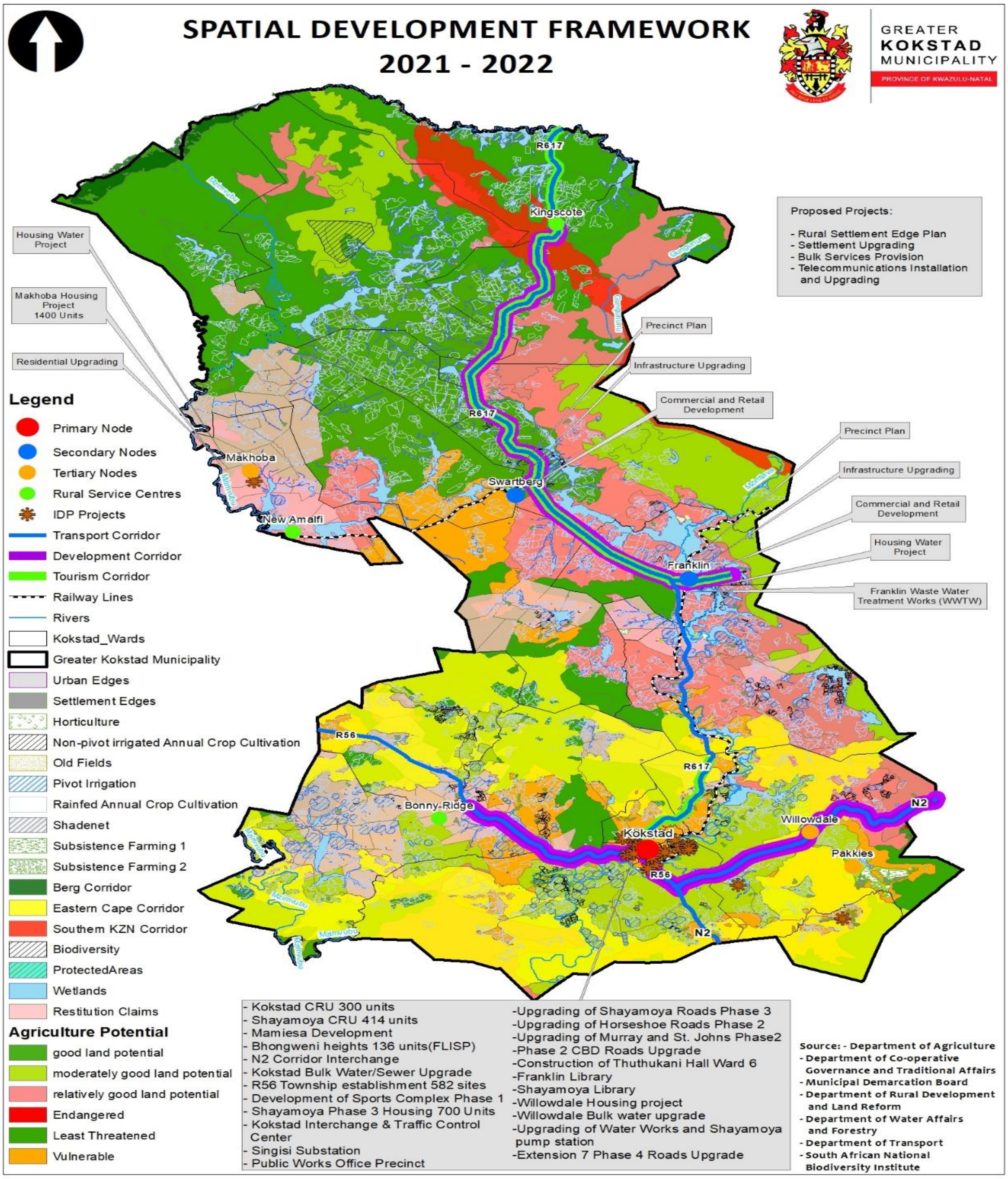
With a focus on agriculture, the Municipality released 10 hectares of municipal owned land in Franklin to a Cooperative and subsequently invested R2,3million for the established of 12 x Hydroponic Tunnels and subsequently R795,000.00 for the establishment and sitting of a borehole to augment access to water. To address challenges identified in the production within the tunnels, training was arranged and provided to the cooperative members. Together with DARD and the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) access to opportunities through the RASET programme continues.



LAND REFORM
2020 - 2021
GREATER
KOKSTAD
MUNICIPALITY
PROVINCE OF KWAZULU-NATAL
R617
Kingscote
R617
Makhoba
Swartberg
New Amalfi
Franklin
R56
R617
N2
Bonny-Ridge
Willowdale
Kokstad
Pakkies
R56
N2
Legend
Primary Node
Secondary Nodes
Tertiary Nodes
Rural Service Centres
National Route
Provincial Roads
District Roads
Local Roads
Railway Lines
Greater Kokstad Municipality
TransferredRedistribProjects17
SettledRestitutionClaims201810
Settlements
Source: - Department of Agriculture
- Department of Co-operative Governance and Traditional Affairs
- Municipal Demarcation Board
- Department of Rural Development and Land Reform
- Department of Water Affairs and Forestry
- Department of Transport
- South African National Biodiversity Institute

1.2.8. COMMENT ON BACKGROUND AND DATA

Greater Kokstad Local Municipality (hereinafter referred to as 'GKM') currently has a 2022/2023 SDF, which in terms of legislation needs to be reviewed annualy. The 2022-2023 SDF has been aligned with the 2022-2023 IDP.



1.3. SERVICE DELIVERY OVERVIEW

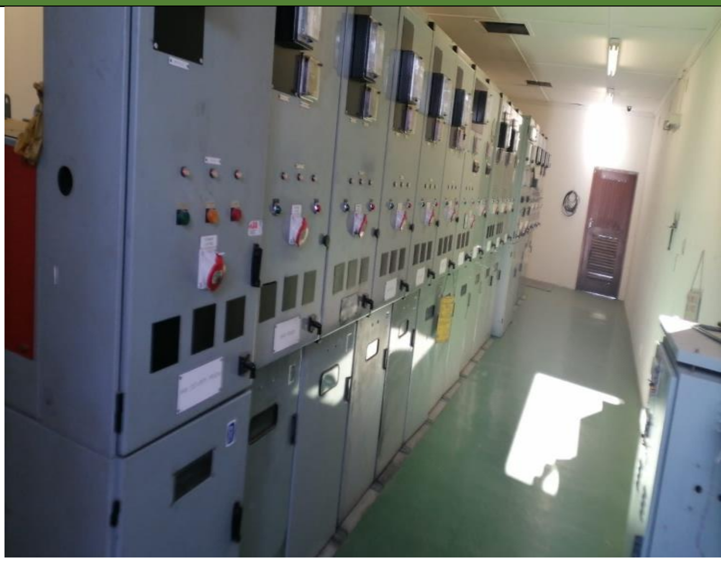
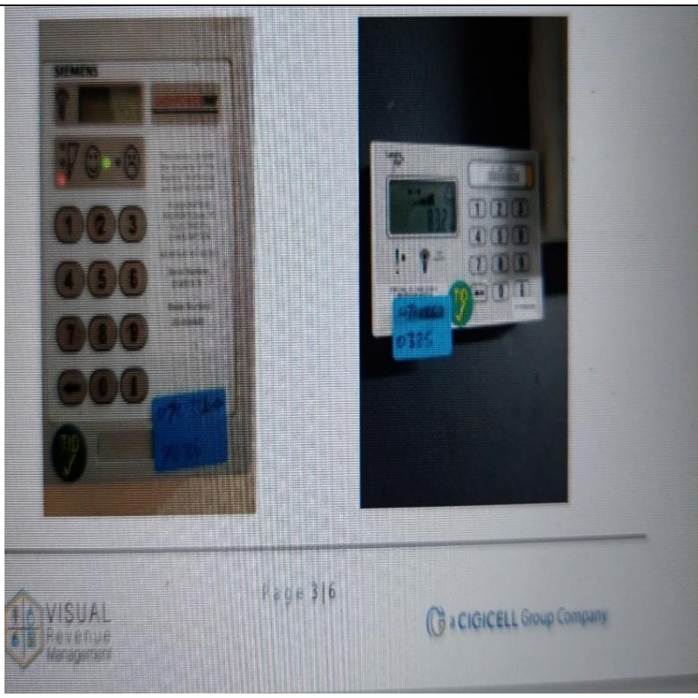
The Greater Kokstad Municipality basic services as contained in our Municipal Indigent Policy is intended to provide norms and standards for a program to improve the lives of indigents and to improve access to free basic services. The policy recognized the need for inter-government co-operation in the process of dealing with indigents but places a specific emphasis on the municipal sphere, recognizing the important role local government has in effectively addressing the needs of indigent households. This requires local understanding and local initiative, co-ordination with support from national and provincial government. The indigent policy seeks to address the problem of institutional exclusion by facilitating the reform of the systems of local government in ways that ensure the inclusion of the poor in ways that will guarantee their access to affordable basic services.

The implementation of the indigent policy as the basis of providing Free Basic Services was done in context of socio-economic realities facing our communities such as:

- High level unemployment
- Low income earners that have limited affordability
- High incidents of child-headed households
- Natural attrition of elderly headed households within our society.

The Municipality indigent policy apply specifically to Free Basic Services program within Municipality i.e. free basic electricity, rates, burial and free basic refuse removal. The equitable share allocated to the Municipality to provide free basic services is still in short supply.

Since 1994 GKM has made huge strides in the service delivery arena with electricity dominating ahead of others, this was made possible by funding from Department of Energy, Eskom and GKM own funding. The 100% connectivity of households in GKM is always a moving target; this is made impossible by widespread of illegal settlements as more people are moving to Kokstad from neighboring towns in anticipation of subsidized housing and better services.

Project Name	Pictures	Status	Expenditure	Other	Comments
JIM PAYNE SUBSTATION UPGRADE BID # GKM 0222/23)		The project was re advertised	R482 749.990	Internal	The project was re advertised due since the was no service provider that met the functionality
TID ROLLOVER OF STS PREPAID ELECTRICITY METERS – BID # N/A		The service provider has implemented TID rollover on 11 077 prepaid meters.	R2 471 708.25	Internal	There challenge in completing the project on time has been the houses that were found closed and had to be revisited again
FRANKLIN BRICK S/S UPGRADE BID # 04-22/23		The project was put on hold due to financial constraints	N/A	Internal	The project was put on hold due to financial constraints

Project Name	Pictures	Status	Expenditure	Other	Comments
UPGRADE OF MINI SUBSTATION BID # GKM 0522/23		The project had to be cancelled due the late appointment of the service provider	N/A	Internal	The project had to be cancelled due the late appointment of the service provider

Project Name	Pictures	Status	Expenditure	Other	Comments
BULK INFRASTRUCTURE/ SUBSTATION		Civil works in progress	R22 233 761.47	DMRE	1. Platform layer works = 100% complete 2. Access road 1,2 & 3 = 80% complete 3. Steel assembly = 50% in progress 4. Control room concrete foundations = 100% 5. Control room brick works = 100% complete 6. Control room roofing = 100% complete 7. Switch room concrete foundations = 100% complete 8. Switch room brick works = 100% complete 9.

Project Name	Pictures	Status	Expenditure	Other	Comments
					Switch room roofing = 100% complete 10. 2 x bund walls = 100% complete 11. 2 x reinforced concrete transformer plinths = 100% complete 12. 7 x Gantry columns = 100% complete 13. Outdoor and Indoor equipment installation = 0(ACTOM material) 14. Out of 46 plinths 43 x plinths casted = 93% 15. Subsoil drain 100% complete

Project Name	Pictures	Status	Expenditure	Other	Comments
					16. Oil Dam earthworks = 100% complete 17. Oil Dam concrete reinforcement = 0% complete 18. Security fencing = 30% complete 19. Steel doors - Control room = 100% complete 20. Steel doors - Switching room = 100% complet

Project Name	Pictures	Status	Expenditure	Other	Comments
ELECTRIFICATIO N OF INFORMAL SETTLEMENTS BID # GKM 0122/23		The project was rolled over to the new financial year due to the late appointment of the service provider	R5,675, 260.96	DMRE	The service provider is on site and is busy with planting electrical poles.
EEDSM – ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT – BID # N/A		The project has been completed	R4 935 865,32	DMRE	The service provider has completed retrofitting – 36X200W High masts fittings, 100X100W LED fittings, 782X60W LED fittings to the Total of 918

1.4. FINANCIAL HEALTH OVERVIEW

Vulnerable customers, we have intensified awareness of the Municipality's indigent subsidy to ensure they are able to access free basic services without being targeted in our Credit control management processes. We have continued to encourage customers experiencing cash flow challenges to enter into alternative payment arrangements in order to improve the collection rate. The GKM remains committed to prudent management of its finances. Our Financial Plan will ensure continued financial sustainability and effective financial planning through prudent generation of annual operating surplus, and the creation of cash reserves to increase the level of infrastructure expenditure to improve service delivery. We have again achieved an unqualified audit opinion as was the circumstance in the previous financial year. This is a firm indication of the committed leadership which drives governance, compliance and strategic financial management.

Financial Overview: 2022/2023 R'000			
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	85 294 000	86 412 000	91 104 791
Taxes, Levies and tariffs			
Other	365 285 000	378 890 000	409 262 608
Sub Total	450 579 000	465 302 000	500 367 399
Less: Expenditure	442 579 000	449 236 000	444 640 540
Net Total*	8 000 000	16 066 000	55 726 859

Operating Ratios	
Detail	**%**
Employee Cost	34%
Repairs and Maintenance	4%
Finance Charges & Impairment	3.4%

The above ratios, which are closely monitored during the year, always ensure that the GKM remains focused on ensuring continued financial sustainability.

Total Capital Expenditure: 2021/22 – 2022/23 R'000			
Details	**2020/21**	**2021/2022**	**2022/23**
Original budget	102 185 000	98 060 000	127 201 000
Adjusted budget	154 227 000	133 559 000	134 566 000
Actual	120 305 000	107 186 000	**82 204 000**

The 2022/2023 financial year capital budget marked a significant milestone once again with an approved adjusted capital budget of R134.5 million. Capital expenditure, as expressed by the additions capitalised in the current year amounted to R million and work in progress amounting to R million (% of approved capital budget).

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Organizational development serves to give effect to the strategy of an organization. It gives a platform for the organization to identify functions as well as posts that are required for it to achieve its mission and vision. Such a decision has to start with the type of structure which is suitable for the organization. The organizational structure of the municipality was reviewed and adopted by Council on 23 June 2022. The structure adopted for the 2022/2023 financial year was informed by the availability of the budget and, as such, some critical posts were not included in the structure.

The structure is being implemented and the recruitment process is being undertaken. In June 2023 the budgeted structure was adopted for 2023/2024 financial year.

1.6. AUDITOR GENERAL REPORT

AG's responsibility is to express an opinion on the consolidated and separate financial statements based on AG's audit. AG conducted AG's audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that AG comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasons of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

AG believes that the audit evidence AG have obtained is sufficient and appropriate to provide a basis for AG's Unqualified Audit Opinion for 2021/2022 Financial Year. The Audit Report shall be included in chapter 6 of the 2022/23 Annual Report once issued by the AG(SA). The municipal performance over the last three financial years in as far as the audit is concerned is summarized below:

Audit Opinions	
Financial Year	Auditor General's Opinion
2019/2020	Unqualified
2021/2022	Unqualified
2022/2023	Unqualified

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1.	Finalize the 4th quarter Report for previous financial year	**31 July 2023**
2.	Submit draft Annual Report to Internal Audit	**08 August 2023**
3.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	**31 August 2023**
4.	Mayor tables the unaudited Annual Report	
5.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
6.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
7.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	**1 September – 31 October 2023**
8.	Municipality receives and start to address the Auditor General's comments	**30 November 2023**
9.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	**31 January 2024**

10.	Audited Annual Report is made public and representation is invited	**01-12 February 2024**
11.	Oversight Committee assesses Annual Report	**19-26 February 2024**
12.	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	**October 2023 – May 2024**
13.	Annual Report and Oversight report presented to Council for adoption	**31 March 2024**

Local authorities prepare annual reports to discharge their public accountability responsibilities. A local authority's annual report serves as a communication tool for providing wider information on activities carried out and services provided, and for comparing actual service delivery with forecast service delivery. The information in annual reports and summary annual reports should allow ratepayers, the community, and the wider public to assess how local authorities have performed in relation to stewardship of community assets, and the efficiency, effectiveness, and cost-effectiveness of operations.

Local authorities are also required to prepare an annual report that fairly reflects their achievements and results against their annual plan, with particular emphasis on comparisons with their forecast financial and non-financial performance.

The annual report should link forecast performance and actual performance. The annual report should compare forecast expectations to actual results, should "feed into" the next year's forecast, and should signal any intended changes in direction, services, or actions based on an analysis of the current year's performance.

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance at Greater Kokstad Municipality is made up of Political & Administrative Governance, Inter-governmental Relations, and Public Accountability & Participation along with Corporate Governance. Political & Administrative Governance is the breakdown of Elected Councillors, the committees they sit on, & the number of meetings they attend. It further looks at the administrative aspect of the municipality in terms of the organizational structure being implemented and a distinction made of the business units and their respective functions. Intergovernmental Relations is basically the relationship that the municipality forges with other sector departments in order to carry out day to day activities, like National Treasury, the Auditor General & the Provincial Department of CoGTA. Public accountability is the way the Municipality operates with regards to the communities by way of holding community meetings, Izimbizo's, State of the Municipality Address and the process of ward committees dealing with issues within the wards. Corporate Governance looks at issues of transparency and accountability whereby the municipality outlines its top risks, and the way in which they run the Municipal Affairs. Together these important aspects intertwine and are forged to ensure all aspects of the municipality are properly functioning and that communities receive quality services at an affordable.

COMPONENT A – POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1. POLITICAL GOVERNANCE

Greater Kokstad Municipality established portfolio committees namely, Executive Committee, Governance and Community & Social Services & Economic Development & Spatial Planning (EDSP) committee , Budget and Treasury & Infrastructure and Technical services, and lastly Local Labour forum. These committees sit on monthly basis to oversee if that the day-to-day activities within the Municipality are dealt with correctly. The Council, MPAC and Audit committee sits on quarterly basis. An Audit Committee provides opinions and recommendations on financial processes and performance and provides comments to the Oversight Committee on the Annual Report.

2.1.1. POLITICAL STRUCTURE

2.1.2. COUNCILLORS

Greater Kokstad Municipality has 19 Councillors. Ten (10) Councillors are Ward Councillors, and 9 Councillors are proportional.

Political parties in the Council are represented as follows:

POLITICAL PARTY	NO. OF COUNCILLORS
AFRICAN NATIONAL CONGRESS(ANC)	12
DEMOCRATIC ALLIANCE(DA)	2
ECONOMIC FREEDOM FIGHTERS (EFF)	4
African Independent Congress (AIC)	1

2.1.3. COMMITTEE ALLOCATIONS JULY 2022 TO JUNE 2023

Committee Allocations July 2022/23		
Portfolio committee	**Chairperson**	**Members**
MPAC	**Councilor M. Hlakanyana**	Councilor N. Mngonyama; Councilor S. Njisane, Councilor SW Mbabala; Councillor KN Norsworthy
Budget & Treasury and Infrastructure & Technical Services	Mayor: Councilor B.M Mtolo	Councilor M N L Madikizela; Councilor Z.R Tshazi; Councilor K. Phuthuma Councillor S.S Silwane
Governance, Community Development & Social Services & EDSP	Councillor Deputy mayor KJ Walker	Councillor N. Mda Councillor B P. Gugwana Councillor A Y. Jikazi Councillor M. Mjoli
Local Labour Forum	Councillor N Thabethe	Cllr N. Mda Cllr M.A Nkitha

2.1.4. WARD COUNCILLORS POLITICAL PARTY (2022-2023)

WARD COUNCILLORS LIST		
Ward No.	**Name**	**Political Party**
Ward 1	Cllr P. Nocanda	ANC
Ward 2	Cllr B.T Nozaza	ANC
Ward 3	Cllr N. Mda	ANC
Ward 4	Cllr S. Jikazi	ANC
Ward 5	Cllr M. Hlakanyana	ANC

Ward 6	Cllr N. Mngonyama	ANC
Ward 7	Cllr S. Njisane	ANC
Ward 8	Cllr L.M.N Madikizela	ANC
Ward 9	Cllr. Gugwana	ANC
Ward 10	Cllr. Z.R Tshazi	ANC

2.1.5. PROPORTIONAL REPRESENTATION (PR) COUNCILLORS BY POLITICAL PARTY (2022 – 2023)

PR COUNCILLORS LIST	
Name	**Political Party**
Deputy Mayor, Cllr KJ Walker	ANC
Cllr N Thabethe	ANC
Cllr. K. Putuma	DA
Cllr. K.N Norsworthy	DA
Cllr. S.S Silwane	EFF
Cllr. R. Ramatlapeng	EFF
Cllr. M. Mjoli	EFF
Cllr. S.W Mbabala	EFF
Cllr. M.A Nkitha	AIC

2.1.6. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee is a committee of Council established under section 79 of the Municipal Structures Act, 1998. Section 79 allows for the co-option of advisory members to a Committee of Council, who are not members of the Council.

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council about the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of MPAC of Council would provide the appropriate mechanism in which Council could fulfill its oversight responsibilities.

FUNCTIONS OF MPAC:

Below are some of the functions that MPAC must perform in executing and fulfilling its oversight role:

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

MPAC CONSTITUTION

The following members of Council are members of the Municipal Public Accounts Committee for Greater Kokstad Municipality:

MPAC CONSTITUTION

The following members of Council are members of the Municipal Public Accounts Committee for Greater Kokstad Municipality:

Members serving in MPAC for the period 01 July 2022 to 30 June 2023

- Cllr M Hlakanyana – Chairperson
- Cllr N Mngonyama
- Cllr K Norsworthy
- Cllr S Mbabala
- Cllr S Njisane

MPAC through its Council approved Annual Plan performed its oversight duties, which included the following:

- Oversight over compliance on the IDP, Budget, Performance and Reporting;
- Oversight over functionality of Council and its Committees;
- Progress on the implementation of projects through conducting projects sites visits;
- Investigation of Irregular; Fruitless and Wasteful expenditure;
- Conducted public hearings on the Annual Report for 2020/2021 and prepared the oversight report and tabled it Council.

2.1.7. THE EXECUTIVE COMMITTEE (EXCO)

The second layer of committees is the EXCO which reports in terms of section 44 of the Local Government: Municipal Structures Act, 1998 to the municipal Council on decisions made in terms of its delegated powers as well as recommendations made on those issues which require the Council's consideration.
EXCO consists of 3 members, namely, the Mayor, Deputy Mayor and 1 (one) another member. The Mayor is the Chairperson of the meeting, whilst the Deputy Mayor automatically becomes the Deputy Chairperson.

2.1.8. PORTFOLIO COMMITTEES (SECTION 80)

The third layer of committees are the Portfolio Committees (in terms of Section 80 of the Local government: Municipal Structures Act, 1998), which makes recommendations to the EXCO and report back on resolutions taken in terms of its delegated powers.

All Portfolio Committees report to the Executive Committee. The Executive Committee may refer a matter back to the Portfolio Committee for further consideration, amend or adopt the recommendations if it has delegated authority to do so, or submit its (Executive committee) recommendations to Council.

There are 2 (two) section 80 committees, namely:

- Governance and Community Social Services and Economic Development and Spatial Planning Portfolio Committee
- Budget and Treasury and Infrastructure and Technical services Portfolio Committee

2.2. ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the head of the municipal administration and provides policy direction. The roles and responsibilities of the Municipal Manager are comprehensively set out in Section 55 of the Municipal Systems Act with his role as the Accounting Officer being set out in Chapter 8 of the Municipal Finance Management Act, 56 of 2003. Through the Delegations Framework the MM has delegated certain functions to the relevant Executive Managers. The Executive Managers assume the roles as delegated and report formally to the MM during Top Manco meetings which take place on a weekly basis. One on one meetings also take place as and when required. Performance management also provide an opportunity for the MM to communicate performance targets and for the measurement of these on a quarterly basis.

There are five Business Units that mirror the committee portfolios also report to the Municipal Manager. They are:

- Corporate Services
- Budget & Treasury Office
- Community and Social Services
- Infrastructure and Technical Services
- Economic Development and Spatial Planning

Each of these Business Units is headed by an Executive Manager, who must ensure that services are effectively and efficiently delivered to the people of the Greater Kokstad Municipality. The municipal manager and his team of executive managers hold weekly meetings to discuss key strategic service deliverables, and to offer guidance on achieving IDP goals.

The administrative component is aligned with the six (6) National Key Performance Areas (named below); and they are linked to Back to Basic Pillars.

- Municipal Transformation and Institutional Development
- Basic Service Delivery
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Cross-Cutting

The Municipal Manager's office has also assumed direct responsibility for Communications and Corporate Strategy as well as the drafting, management, and implementation of Council's Integrated Development Plan (IDP). The Internal Audit Division also falls under the Office of the MM.

2.2.1. TOP ADMINISTARTIVE STRUCTURE

TIER 1
MUNICIPAL MANAGER
Mr. S R Zwane

FUNCTIONS
Communications
Integrated Development Plan
Internal Audit and Risk
Organizational Performance Management System
Special Programme, Youth, Sports and Arts & Culture
Local Economic Development
Offices of the Mayor & Speaker

Tier 2
Executive Manager: Budget and Treasury Office
Mr. S Khoza

TIER 3
Manager: Revenue & Expenditure
Mr. W Dotye

Manager: Financial Reporting & Assets
Ms. S Mbhele

Manager: Budget & Reporting
Ms. O Mbele

FUNCTIONS
Budget & Financial Control
Expenditure Management and Financial Control
Revenue Management
Supply Chain Management
Treasury and Financial Support

Tier 2
Executive Manager: Corporate Services
Dr P N Makoba

TIER 3
Manager: Administration & Customer Care Services – Mr. N Mthimkhulu
Manager Human Resources – Vacant

FUNCTIONS
Recruitment and Selection
Staff establishment
HR Support Services
Benefits Administration
Employee Relations
Occupational Health, Safety and Wellness
Skills Development
Organizational Development
individual Performance Management
Secretariat
Auxiliary and Fleet Services
ICT
Registry

Tier 2
Executive Manager: Infrastructure, Planning & Economic Development
Mrs. CD Vezi

TIER 3
Manager: Local Economic Development–
Mr. M Zulu

Manager: Spatial Planning, Human Settlements & Building Control
Mr. S. Madikizela

Manager: Electrical
Mr. G. Gwagwa

Manager: Civil Engineering
Mr. T Zondi

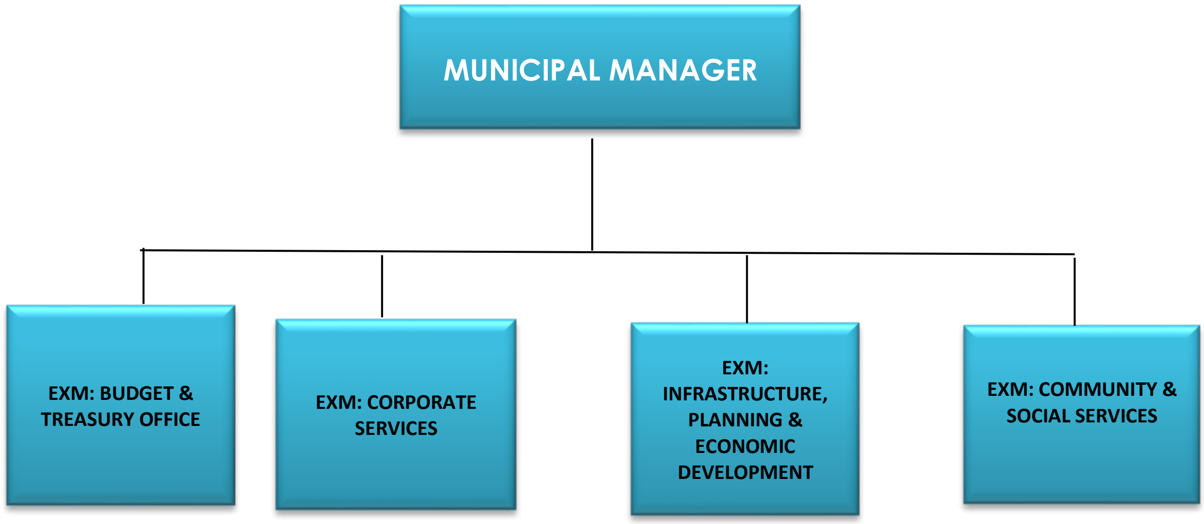
FUNCTIONS
Economic Growth and Development Incl:
Research and Development
SMME and Enterprise Development
Business Licensing and Regulation
Investment Attraction
Business Retention and Expansion
EPWP and Skills Development
Informal Economy
Advancement of Catalytic Projects incl sub-programmes per economic sector
Electricity Distribution,
Technical Services,
Roads, Storm-water
Drainage System
Infrastructure
PMU

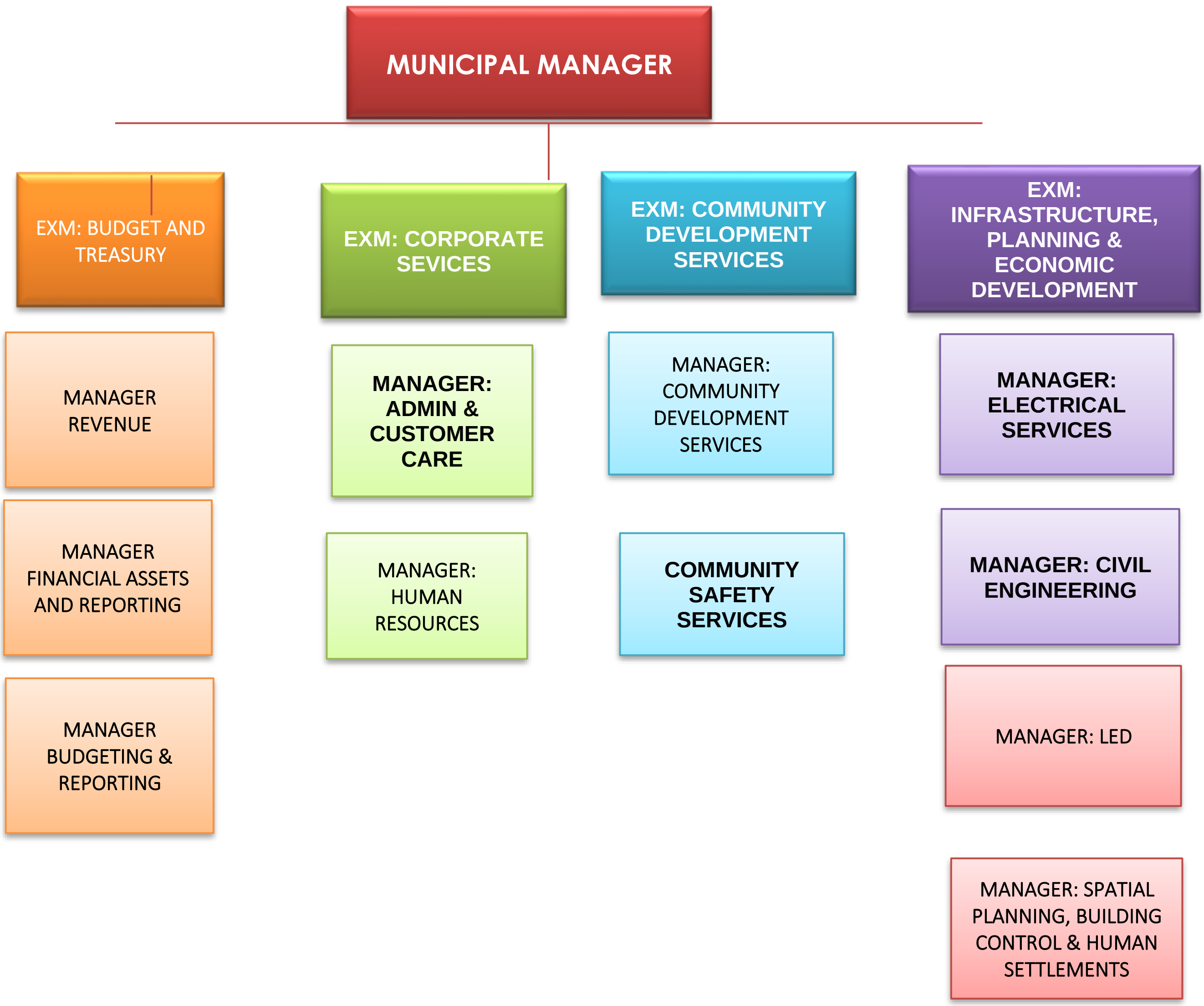
Tier 2
Executive Manager: Community & Social Services
Ms. P Owabe

TIER 3
Manager: Community Services: A Mandlana

FUNCTIONS
Environmental Health
Parks
Facilities
Libraries
Disaster Management
Fire and Emergency Services
Traffic and Security Services
Waste Management

2.2.2. TOP STRUCTURE OF THE GREATER KOKSTAD MUNICIPALITY (TIER 1-3)





COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

2.3. INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The intergovernmental relations Framework Act No 13 of 2005 provides for the establishment of Intergovernmental structures amongst the three spheres of Government, where issues of mutual interests are discussed and agreed upon. It also provides guidelines in which disputes amongst Government spheres and structures should be addressed before legal and courts of law could be approached in resolving the disputes. The Act clearly separate role players and their responsibilities in efforts of serving South African Citizens.

Greater Kokstad Municipality fully participates in all IGR structures for the benefit of enhancing service delivery and ensuring good working relations amongst government spheres. The benefits of such relations are witnessed by several projects that are underway in Kokstad where the Municipality received funds and infrastructure developments from Provincial Departments. The upgrading of N2 interchange by SANRAL, and the upgrading of P609 by the Provincial department of Transport are projects aimed at improving road infrastructure in the area for better attraction of potential investors. These Intergovernmental relations assisted the municipality to realise service delivery in most areas.

The Municipality continue to benefit on Job creation initiatives through EPWP and CWP funding where a number of local people are employed in this programme.

The details of information relating to grants and Projects funded received by the Municipality are disclosed in financial statements as required by the Municipal Finance Management Act no 53 of 2005.

2.3.1. NATIONAL INTERGOVERNMENTAL STRUCTURES

The Greater Kokstad Municipality does not attend the National IGR structure as the IGR framework does not provide for such, however the municipality continue to receive the financial support in a form of grants such as MIG to fund its infrastructural projects.

2.3.2. PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Greater Kokstad Municipality is constantly attending and partaking in various Provincial IGR Structures such as Technical MuniMec, and Provincial MuniMec. The objectives of the forums are to share knowledge and information on matters of the same interest, and to articulate on policy matters that affect Municipalities for implementation and to seek intervention and advises on certain service delivery matters that requires the Provincial and National attention.

2.3.3. DISTRICT INTERGOVERNMENTAL STRUCTURES

The intergovernmental relations Framework provides for the district municipality's role to facilitate and coordinate local municipality on IGR structure's meetings. The IGR Structures are actively coordinated by Harry Gwala District Municipality, Greater Kokstad Municipality is actively partaking and attending IGR structures meetings by invitation such as the District Development Model (DDM), where coordination of municipal service delivery projects is consolidated to produce a district plan that is inclusive of local municipalities plans.

District Technical forum, Mayor's Forum, and cluster forum meetings and programmes. These meetings provide space for all municipal leadership and managers to discuss service delivery issues per cluster and source intervention where necessary. Greater Kokstad Municipality always provides a platform for the District Municipality's inputs on strategic planning sessions to allow alignment of programmes.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Greater Kokstad Municipality has a Public Participation unit within the municipality which facilitates all public Participation activities. To enhance Public Participation, Ward committee structures were established in all wards, they act as advisory structure to the Council and as a bridge between the Municipality and the Community. There are also Community Development Workers which are deployed in wards, they assist on identifying service delivery gaps and advise the relevant departments for interventions.

2.4. PUBLIC MEETINGS

2.4.1. COMMUNICATION, PARTICIPATION AND FORUMS

The Municipality's Communication's Strategy is reviewed on annual basis facilitated by communications and IGR unit. The 2022/2023 action plan was reviewed. It is through the action plan that communication's programmes are consolidated and implemented. The 2022/2023 action plan was successfully implemented and played a huge role in communicating government programmes and service delivery feedback. An intensified action plan on profiling service delivery projects was carried out successfully.

Local Communicators forum meetings were held on quarterly basis which improves communications with community members through ward committee structures and government departments operating in Kokstad.

2.4.2. WARD COMMITTEES

Ward committees are advisory structures which make any recommendations on any matter affecting their wards. They are required to increase the participation of citizens in local government.

During the 2022/223 financial year Ward committees in all wards have performed their activities that includes: sitting of ward committee meetings, reporting back to the community on issues, attending and forwarding community quires to the Municipality, disseminating information to the community and reporting their activities on monthly basis, for the 2022/23 financial year, there were supposed to be 60 Ward Committee meetings and 120 meetings were held.

Public meetings are held on regular basis to keep the community informed on issues affecting service delivery. During the 2022/23 financial year, Greater Kokstad Municipality held community meetings in all wards.

60 Community meetings were planned and 62 were held, broken down as follows in the table below:

Public Meetings						
Ward	Nature and Purpose of meeting	Date of event	No. of Participating Municipal Councillors	No. of Participating Municipal Administrators	Number of Community members attended	Issue Addressed (Yes/No)
1	Community meetings	04 May 2023	1	1	95	
		12 April 2023	13	12	261	Yes
		04 October 22	10	15	180	
		15 November 2022	1	1	119	
		11 August 01 December 2022	1 1	1 1	224 64	
		20 AUGUST2022 11 December 2022	1 1	1 1	62 200	
	committee meetings	WARD COMMITTEE MEETINGS				Yes
		22 April	1	1	10	
		19 May 2023	1	1	10	
		19 June 2023	1	1	10	
		22 January 2023	1	1	10	
		19 February 2023	1	1	10	
		19 March 2023	1	1	10	
		21 July , 2022	1	1	10	
		16 August 2022 26 September 22 October 22 November 10 December	1 1 1 1 1	1 1 1 1 1	10 10 10 10 10	
2 Meetings	Community	16 April 2023	9	8	162	Yes
		07 JUNE 2023	1	1	101	
		31 August 2022	1	1	206	
		09 October 2022	10	07	190	
		24 September 2022 28 November 2022	1 1	1 1	61 35	
Committee Meetings		16 February 2022				

		WARD COMMITTEE MEETINGS				
		24 April 2023	1	1	10	
		12 May 2023 15 June 2023	1 1	1 1	10 10	
		2September 2022	1		10	
		24 October 2022	1	1	10	
		28 February 2022	1	1	10	
		22 March 2022	1	1	10	
		21 April 2022	1	1	10	
		20 May 2022	1	1	10	
		17 June 2022 14 July 2022 19 August 2022 12 Dec 2022	1 1 1 1	1 1 1 1	10 10 10 10	
3	Community meetings	23 May 2023	1	1	67	Yes
		16 May 2023 07 March 2023	8 1	7 1	81 87	
		07 June 2023 26 January	11 1	10 1	98 92	
		13 April 2023	14	41	115	
		24 August 2022 19 January 2023	1 12	2 14	120 70	
	Committee Meetings	05 Ocotber 2022 29 November 14 Dece 2022	10 1 2	26 1 1	126 101 28	
		WARD COMMITTEE MEETINGS				
		22 April 2023	1	1	9	
		18 May 2023	1	1	10	
		15 June 2023	1	1	10	
		20 July 20 January	1	1	10 10	
		17 August	1	1	10	
		22 September 21February	1 1	1 1	10 10	
		19 October 20 March 2023	1 1	1 1	10 10	
		23 November	1	1	10	
		08 December	1	1		
4	Community meetings	18 April 2023	14	12	229	Yes
		15 June 2023	1	1	161	
		26 August 2022	1	1	94	
		06 October 2022	9	10	200	
		29 November 2022	1	1	88	
		07 March 2022	2	1	123	
		WARD COMMITTEE MEETINGS				
		21 April 2023	1	2	9	
		22 May 2023	1	2	9	
		15 June 2023	1	1	9	
	Committee Meeting	20 July 2022			10	

		17 August 2022			10	
		21 September 2022	1	1	10	
		19 October 2022	1	1	10	
		22 November 2022	1	1	10	
		09 December 2022	1	1	10	
5	Community meetings	23 June 2023	1	1	29	Yes
		12 April 2023	13	12	261	
		14 August 2022 23 March 2023	1	1	37 33	
		15 Sept.2022 07 February2023 05 March 2023	1 2 1	1 1 1	99 119 18	
		04 October2022 30 Jan.2023	08 1	22 1	230 76	
	Committee Meeting	05 October 24 Jnaunary	10 2	26 1	126 173	
		15 November 09 December	1 1	1 1	30 47	
		WARD COMMITTEE MEETINGS				
		24 April 2023	1	1	9	
		15 May 2023	1	1	9	
		19 June 2023	1	1	8	
		21 October 22	1	1	9	
		22 November	1	1	9	
		09 December2022 26 January 2023 23 February2023 23 March 2023	1 1 1 1	1 1 1 1	9	
		21 July2022	1	1	9	
		23 August 2022 27 September 2022	1 1 1	1 1 1	9 9 9	
6	Community meetings	09 October 22	10	11	190	
		12 November 22	2	1	53	Yes
		13 November	2	1	13	
		03 February 2023	2	1	58	
		19 March 2023	1	1	12	
		29 March 2023	1	1	61	
		17 April 2023	10	11	217	
	Committee Meetings	WARD COMMITTEE MEETINGS				
		14 October 22	1	1		
		22 November	1	1		
		09 Dec.2022	1	1		
		19 April 2023	1	1	10	
		17 May 2023	1	1	8	
		21 June 2023	1	1	7	

			1	1		
			1	1		
			1	1		
7	Community Meetings	06 October 2022	1	1	73	Yes
		29 September 2022	1	1	39	
		13 July 2022	1	1		
		19 August 2022	1	1	33	
		19 August 22	1	1	44	
		26 September 2023	1	1	60	
		13 April 2023	06	45	122	
		18 April 2023	10	13	281	
	Committee Meetings	WARD COMMITTEE MEETINGS				
		13 July 2022	1	1	10	
		17 May 2023	1	1	07	
		16 June 2023	1	1	10	
		10 August 2022	1	1	10	
		14 October 2022	1	1	10	
		19 Sep 2022	1	1	10	
		10 October 2022	1		10	
		8 November 2022	1	1	8	
		12 Decembe2022	1	1	10	
		20 April 2023	1	1	10	
		12 May 2023 14 June 2023	1 1	1 1	10 10	
8	Community Meeting	04 June 2023	1	1	43	Yes
		12 April 2023	13	12	261	
		17 July 2022	1	3	95	
		17 August 2022	1	3	60	
		04 October 2022	10	27	135	
		04 December 2022 09March 2023	1 1	3 3	50 97	
	Committee Meetings	**WARD COMMITTEE MEETINGS**				
		21 April 2023	1	2	10	
		18 May 2023	1	2	10	
		15 June 2023	1	2	10	
		15 Juny202	1	2	10	
		11 August	1	2	10	
		22 September 15 June 2023 20 July 2023 21 February 2023 21 April 2023 18 May 2023	1 1 1 1 1 1	2 2 2 2 2 2	10 10 10 10 10 10	
		22 October 20 January 2023			10 10	
		22 November 13 December			10 10	
		21 June 2022	1	1	10	

9	Community Meetings	12 April 2023	13	12	261	
		13 April 2023	16	39	100	
		21 June 2023	1	2	185	
		21 June 2023	1	2	83	
		22 June 2023	2	1	28	
		21 July 2022	1	1	44	
		24 August 2022	2	1	37	
		04 October22	10	27	135	
		05 October 08 Marc 2023 07 March 2023	12 1 1	27 2 2	126 60 59	
	Committee Meetings	**WARD COMMITTEE MEETINGS**				
		20 April 2023	1	1	9	
		23 May 2023	1	1	9	
		13 June 2023	1	1	9	
		19 July 2022	1	1	10	
		15 August 2022	1	1	10	
		26 September	1	1	10	
		17 October 2022	1	1	10	
		22 November 2022	1	1	10	
		12 December 19 January 17 February 17 March	1 1 1 1	1 1 1 1	10 9 9 9	
10	Community Meetings	18 August 2022	4	2	82	Yes
		06 October 2022	7	5	289	
		27 November	1	22	101	
		09 Dec 2022	1	1	47	
		09 June 2023	3	4	122	
		30 June	4	5	189	
		13 April 2023	19	39	185	
		18 April 2023	14	20	229	
		24 January 2023	1	1	207	
		15 March 2023	1	2	105	
		26 March 2023	1	1	45	
	Committee meetings	**WARD COMMITTEE MEETINGS**				
		20 July 2022	1	1	10	
		10 August 2022	1	1	10	
		22 September 2022 24 January 2023 15 February 2023 11 March 2023	1	1	10	
		21 October 2022	1	1	10	
		10 November2022	1	1	10	
		09 Dec 2022	1	1	10	

		19 April 2023 22 May 13 June	1 1 1	1 1 1	10 10 10	

2.5. IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have 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 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance at Greater Kokstad Municipality entails Risk Management, Anti-Corruption and Fraud and Supply Chain Management which is unpacked below.

AUDIT AND PERFORMANCE AUDIT COMMITTEE & INTERNAL Audit

The Municipality has established an Audit and Performance Audit Committee as required by section 166 of the MFMA.

- The Composition off the Audit Committee
- Ms Charmaine Jugnarayan – AC Chairperson
- Mr Simiso Ngidi
- Mr Dan Mpanza
- Ms Neo Shabalala
- Mr Z Zulu

INTERNAL AUDIT UNIT IS CO-SOURCED

Section 165(1) of the Municipal Finance Management Act (No 56 of 2003) MFMA requires that each municipality must have an internal audit unit and section.

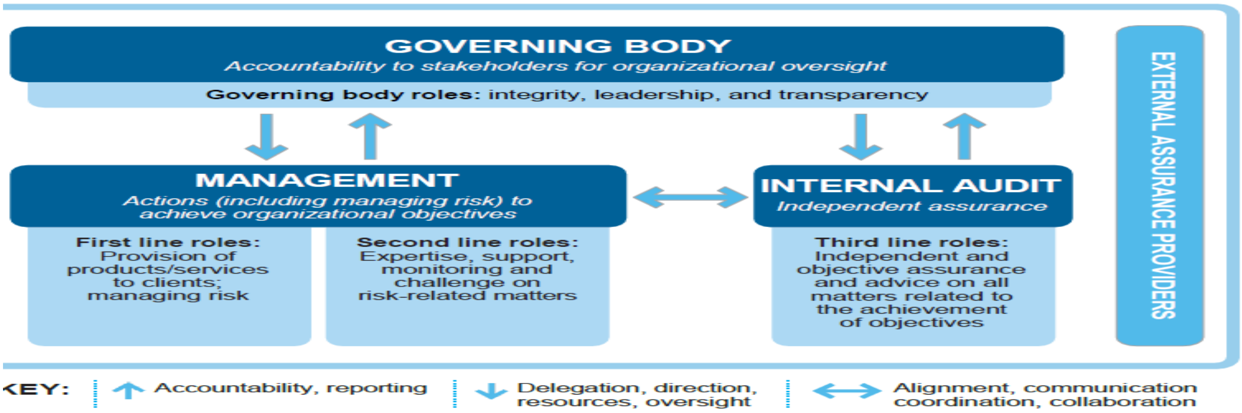
The Internal Audit Unit Composition

- Manager Internal Audit
- Internal Audit Officer
- Intern Internal Audit

The Audit and Performance Audit Committee sits on a quarterly basis in line with the Audit and Performance Audit Committee charter unless there is a need for special meeting. The Municipality has established an Internal Audit unit as required by section 165 of the MFMA. The Unit is head by the Internal Audit Manager, one Internal Audit Officer and One Intern. The Internal Audit unit has developed an Audit Committee Charter, Internal Audit Methodology and a risk based Internal Audit Plan which was approved by the Audit Committee, The Internal Audit plan was prepared in line with S165(2)(a) of the MFMA and the IIA standard 1000. The Plan includes risk-based audit, mandatory audits and adhoc audits which are limited to 4% of the plan due the limited resources. The Internal Audit unit will be co-sourced, a panel of internal auditors will be appointed to assist in technical audits and risk management audits since the Manager is currently heading both Risk and Internal Audit.

Combined Assurance Model Workshop:

A combined assurance model.



PLAN 2022/2023 FINANCIAL YEAR

No.	Quarter	Business Process	Start date	Completion date	Resourcing
1	**Q1**	PMS Q4; APR & AR (2021/2022)	20 July 2022	15 Aug 2022	Co-sourced
2	**Q1**	AFS Review (2021/2022)	08 August 2022	15 Aug 2022	Co-sourced

No.	Quarter	Business Process	Start date	Completion date	Resourcing
3	**Q1**	Supply Chain Management (Q4 2021/2022)	15 July 2022	15 August 2022	Co-sourced
4	**Q1**	IA Follow up review	01 Sep 2022	30 Sept 2022	Co-sourced
5	**Q1**	AGSA audit action plan follows up review	08 Aug 2022	15 Aug 2022	In-sourced
6	**Q1**	Information security	01 Sep 2022	30 Sep 2022	Co-sourced
7	**Q2**	Performance Management System (Q1)	17 Oct 2022	24 Oct 2022	Co-sourced
8	**Q2**	Key Control Checklist	01 Nov 2022	30 Nov 2022	Co-sourced
9	**Q2**	Local Economic Development	01 Nov 2022	02 Dec 2022	Co-sourced
10	**Q2**	IA Follow up review	21 Nov 2022	16 Dec 2022	Co-sourced
11	**Q3**	PMS Q2 & Mid-term report	13 Jan 2023	19 Jan 2023	Co-sourced
12	**Q3**	Loss Control	23 Jan 2023	10 Feb 2023	Co-sourced
13	**Q3**	PMS Alignment	01 Mar 2023	10 Mar 2023	Co-sourced
14	**Q3**	SCM Q1 & Q2	30 Jan 2023	10 Mar 2023	Co-sourced
15	**Q3**	Interim Financial Statements Review	15 Mar 2023	31 Mar 2023	Co-sourced
16	**Q3**	Revenue & Debt Management	03 April 2023	28 April 2023	Co-sourced

No.	Quarter	Business Process	Start date	Completion date	Resourcing
17	**Q3**	IA Follow up review	07 Mar 2022	27 Mar 2022	Co-sourced
18	**Q4**	PMS Q3	11 April 2022	18 April 2022	Co-sourced
19	**Q4**	Supply Chain Management Q3	17 April 2023	19 May 2023	Co-sourced
20	**Q4**	Human Resources	01 May 2023	26 May 2023	Co-sourced
21	**Q4**	Building Control	29 May 2023	23 June 2023	Co-sourced
22	**Q4**	IA Follow up review	05 June 2023	23 June 2023	Co-sourced

2.6. RISK MANAGEMENT

MFMA section 62 (i) (c) requires the Accounting Officer to develop and maintain an effective, efficient, and transparent system of risk management.

Risk Management is crucial management tool which if implemented effectively allows management to take informed decisions and ensure optimum achievement of municipal set goals and objectives. It assists management to better prepare for undesired risk events and to identify untapped opportunities.

The Greater Kokstad Municipality is progressively aligning itself with the principles of the King IV Report on Corporate Governance.

The municipality has established a Risk Committee that functions separately from the Audit Committee, which is intended at increasing prominence on the oversight role with respect to risk management activity.

The Chairperson of the Risk Committee tables its report both to the Audit Committee and Council. Again, this is aimed at drawing specific focus on risk management issues by Council.
The Audit Committee still plays its critical role over the functionality and effectiveness of the risk management function.
The municipality's risk management system is progressively improving and maturing through the alignment of risk management and planning and processes and expanding responsibilities with respect to risk management activities.

MFMA section 62 (i) (c) requires the Accounting Officer to develop and maintain an effective, efficient, and transparent system of risk management. Risk Management is crucial management tool which if implemented effectively allows management to take informed decisions and ensure optimum achievement of municipal set goals and objectives. It assists management to better prepare for undesired risk events and to identify untapped opportunities. The Greater Kokstad Municipality is progressively aligning itself with the principles of the King IV Report on Corporate Governance.

The municipality has established a Risk Committee that functions separately from the Audit Committee, which is intended at increasing prominence on the oversight role with respect to risk management activity. The Chairperson of the Risk Committee tables its report both to the Audit Committee and Council. Again, this is aimed at drawing specific focus on risk management issues by Council. The Audit Committee still plays its critical role over the functionality and effectiveness of the risk management function.

In line with the Enterprise Risk Management Framework the following documents have been developed and approved by Council, Risk Management Policy, Risk Management Strategy and the Risk Management Implementation Plan and Fraud prevention plan. The Municipality has done its risk assessments in line with the National Treasury regulations TR 3.2.1. for the 2022/2023 financial year, which will need to be done for each financial year. The Municipality has developed the following risk profiles. Strategic, Operational OHS, ICT, Project, Fraud, Compliance, in line with the municipal objectives set in the IDP. The documents have been presented to Management Committee, the Risk Management Chairperson has presented them to the Audit Committee and Council.

These risk profiles are monitored by the risk management unit monthly. The Risk Champions present the departmental status core monthly, and Senior Management present the quarterly status core to the Risk Management Committee.

STRATEGIC RISKS

Below are the Strategic risks identified for the 2022/2023 financial year and have been managed through risk.

Ref No	Strategic Objective	Risk Identified	Inherent risk exposure		Residual Risk exposure	
			Index	Risk exposure	Index	Definition
A1-1	Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	Inability/Failure to attract, retain and develop the suitable and skilled personnel to fulfil the municipal mandate	64%	critical	38%	Major
A1-2	Improving access to technological advancement and innovations	Inability to keep up with growing IT demands to support strategic objectives	64%	critical	32%	Moderate

B1-3	To ensure improved access to appropriate basic services and infrastructure	Aging infrastructure	100%	critical	55%	Critical
B1-4	To ensure improved access to appropriate basic services and infrastructure	Failure of the municipality to align external support with the municipal priorities	64%	Critical	32%	Moderate

B1 -5	To ensure improved access to appropriate basic services and infrastructure	Lack of capacity to manage mega projects	64%	critical	45%	Major
C1-6	Facilitate economic growth, development, and creation of decent employment opportunities and to enhance sectoral development	Inability to create regional resilience & special intergration in reliasation of long term economy developments	56%	Major	36%	Major

C2-7	Achieve holistic human development and capacitation for the realization of skilled and employable workforce	Unco-ordinated approach to the development of sector specific skills.	64%	critical	51%	Major
D1-8	To ensure sound budgeting and financial management	Unrealistic budgeting	80%	Critical	40%	Major

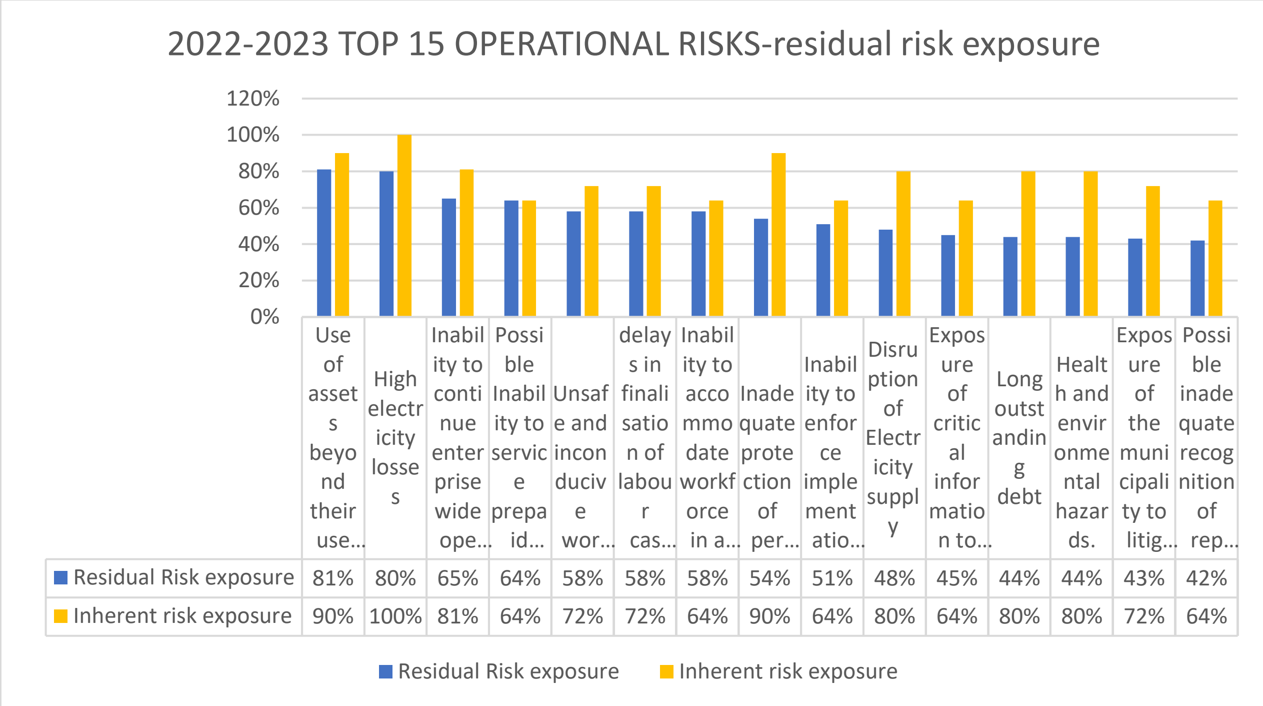
D1-9	To ensure sound budgeting and financial management	Inability to increase/grow revenue base in a sustainable manner	64%	Critical	48%	Major
D1-10	Strengthen procurement processes	Non compliance with applicable regulation and policies	64%	critical	45%	Major

E1-11	To ensure strengthened participative, transparent, accountable governance	Non participation of the public in Municipal processes	48%	Major	31%	Moderate
E1 -12	Fighting fraud and corruption	Perpetuation of fraud and corrupt activities	64%	Critical	42%	Major
F1-13	Ensure an integrated and aligned development planning	Ineffective implementation of the SDF	48%	Major	24%	Moderate

F1-14	Realise a completely Protected Environment	Disruption of environmental sensitive areas	40%	Major	36%	Major
F1-15	Facilitate the creation of a disaster ready community	Failure to coordinate the processes, plans and resources for the implementation of disaster mitigation initiatives	64%	critical	35%	Moderate
F1-16	Realise a completely Protected Environment	Mushrooming of informal settlements	72%	critical	14%	Minor

OPERATIONAL TOP 10 RISKS

In terms of the municipality's risk management methodology, the residual risk exposure for the top 10 risks is above the acceptable levels and as indicated earlier, management has employed risk mitigation strategies which have been implemented and monitored throughout the year.



2.7. ANTI-CORRUPTION AND FRAUD

2.7.1. FRAUD AND ANTI-CORRUPTION STRATEGY

MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. The risk management system referred to in the act includes that of fraud risk management amongst others.

MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. The risk management system referred to in the act includes that of fraud risk management amongst others.

In a strive to eradicate fraud and corruption within the municipality, GKM Council has reviewed the fraud prevention strategy in order to progressively implement the programmes that will ensure achievement of the objectives of the municipality's Enterprise-wide risk management framework in relation to fraud risk management.

Throughout the financial period under review, the Municipality had a functional Anti-fraud Hotline.
The Municipality received allegations on jobs and tenders' sales through the Hotline and through other reporting platforms.

Furthermore, as part of the fraud prevention strategy, GKM has rolled-out an intensive education and awareness campaign on fraud, corruption, and ethical conduct in collaboration with the Office of the Premier and the SIU. This is part of the Municipality's on-going programme which is focusing much on the **promotion of ethical conduct and ethical leadership.**

Council adopted the newly developed Whistle blowing policy, aimed at encouraging whistle blowing by employees and citizens.

2.8. SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPY CHAIN MANAGEMENT

MFMA section 110 - 119; SCM Regulations 2005; Preferential Procurement Regulations 2022 and relevant MFMA circulars provides processes and guidance to help ensure that SCM provide appropriate means of procuring goods and services, offer best value for money and minimize the opportunities for fraud and corruption. The SCM unit is located within the Financial Services, The Chief Financial Officer is the Head of department and the unit has 8 permanent staff (3 x SCM officers, 3 x SCM Clerks, 2 x Stores Clerks) and (Manager –SCM). The unit operates under four Council adopted policies: Supply Chain Management Policy, Policy for the appointment of Consultants and SCM Policy for Infrastructure procurement and delivery management. There is a procedure manual which has been developed and checklist which continuously monitors implementation of all related legislative requirements. Provincial Treasury ensures that SCM officials are trained in the areas they operate in and further provides training to Bid Committees. Challenges that currently delays service delivery are Objections or Disputes, Submissions of poor-quality bid documents by bidders resulting in re-advertisement which is being addressed by prompt dispute resolution and LED initiative to Skilled Local Service Providers.

2.8.1. DEMAND MANAGEMENT

The Procurement Plan defines the Supply Chain Management needs of the organization, aligned to the municipality's IDP, Budget and Departmental SDBIP. The plan is for a minimum of one year but aligned to the IDP three-year period, this is especially critical in the case of capital projects requiring the issuing of bids for multiyear projects, as well as in order to obtain cost savings through longer term goods and service contracts (limited to a three-year period in terms of the MFMA). The main objective of the plan is to assist the service delivery business units to achieve their service delivery mandates and to meet their service delivery requirements without any SCM processes delays and this form the integral component of the entire process to ensure effectiveness, efficient and economical SCM processes.

2.8.2. ACQUISITION DEMAND

Written delegations have been approved whose thresholds are in line with regulation 12 of the SCM regulations and there has been compliance with the delegations throughout the year. A thorough review of all contracts and annual supplies contracts was done to identify contracts that have reached or about to reach their expiry period and are in the process of being re-advertised in the form of a contract register this process has been documented in all monthly reports submitted to management and Council. The members

of Bid Committee who were appointed for the 2022/2023 financial year were trained to ensure that members are aware of their roles and responsibilities and individuals serving in the bid committees of the Greater Kokstad Municipality. Training was provided by Provincial Treasury, and it was resolved that this trend is to continue yearly prior to the appointment of new committee members for every financial year. The SCM unit requested training on Local Production and Content and Bid Committees for SCM officials and the MANCO in 6-7 September 2022 to avoid the repeat of findings that were raised by the Auditor General on Local Production and Content and the second training was done in 7-8 March 2023 which covers the refresher on Bid committee members and the impact on SCM Policy due to new regulations of 2022.Bid documentation were compiled and as far as possible aligned with circular 25. A thorough review of the bid documentation was done to ensure full compliance with circular 25 and circular 62.
Competitive bidding process is followed for procurement above R200 000 and a Bid committee structures were also established with new Bid Committee Members appointed at the start of the Financial Year. These bid structures have been implemented in accordance with regulation 27, 28 and 29 of the SCM regulations throughout the course of the year.

2.8.3. LOGISTICS MANAGEMENT (STORES MANAGEMENT)

Part of logistics management is to establish and implement appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased; regular checking of stock; and monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services.
With Stores having been moved to the SCM unit, we have ensured a continuous provision of relevant stock to the respective department and with stricter controls to be developed and centralization stores for material delivered offsite to ensure proper monitoring of receipts and issues of material. The unit has undertaken a stock count every quarter and with recent year stock completed and verified by Internal Audit.The purpose of conducting a stock count is to verify and ascertain and benchmark the stock records as reflected by the computer system and that of the physical stock on hand. Any discrepancies in stock are then reported and investigated and the same is translated on the computer system as either losses or surpluses. Further to that the investigation is then conducted and necessary remedies made, if any. A review of the supply vendor performance has been done every quarter to ensure that optimal performance and poor performance is detected early.

2.8.4 MONITORING OF SCM CONTRACTS

ASSESSMENT OF THE PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

The Council of the Municipality approved the procurement plan in line with the SDBIP. The procurement plan was implemented during the 2022/2023 Financial Year, however, there have been some delays.
A panel of Service Providers was successfully established, it is utilized in the fields of Civil Engineering Consultants, Electrical Engineering Consultants, Planning Consultants, Legal Services and Electrical Supplies and was done to fast track the procurement process when appointing Service providers in these professions which will assist in improving service delivery. SCM unit has started the tendering process for the appointment of new panel members for all the above-mentioned fields. Regarding the implementation of section 32 of the Municipal SCM regulations, the Municipality resolved not to participate on the use of section 32 of the Municipal SCM Regulations on appointment of service providers. As a result, thereof no bids were awarded under section 32 of the Municipal SCM regulations in the 2022/2023 financial year. The proper management of appointed Service Providers has been a challenge in recent years and this affects the performance of appointed Service Providers. Great efforts have been channeled into improving this situation whereby the following where undertaken:

a. Performance Assessment of all appointed Service is conducted by the Project Manager and verified by the Management Committee Monthly.

b. Submission of the Performance Assessment of Service Providers report to council as required by the Section 116 of MFMA to ensure adequate monitoring and oversight is conducted by council

c. One of the amongst other duties that are dedicated to SCM Officer (Contract), together with the project managers responsible for the performance assessment of service provider as well as ensuring that all Contract Management matters including all compliance issues are addressed.

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 at below acceptable standards

The following are the service providers engaged in the institution during the 2022/2023 financial year.

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year 2021/22		Current Financial Year 2022/23		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
GKM 19-21/22	KANYISA PROPERTIES AND MANAGEMENT SERVICES	28 /07/2022	GENERAL VALUATION AND PREPARATION OF A VALUATION ROLL FOR IMPLEMENTATION 1 JULY 2023 AND PREPARATION AND UPDATING OF THE VALUATION ROLL FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2028	R3, 320, 365.00	GENERAL VALUATION AND PREPARATION OF A VALUATION ROLL FOR IMPLEMENTATION 1 JULY 2023 AND PREPARATION AND UPDATING OF THE VALUATION ROLL FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2028	GENERAL VALUATION AND PREPARATION OF A VALUATION ROLL FOR IMPLEMENTATION 1 JULY 2023 AND PREPARATION AND UPDATING OF THE VALUATION ROLL FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2028	GENERAL VALUATION AND PREPARATION OF A VALUATION ROLL FOR IMPLEMENTATION 1 JULY 2023 AND PREPARATION AND UPDATING OF THE VALUATION ROLL FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2028	GENERAL VALUATION AND PREPARATION OF A VALUATION ROLL FOR IMPLEMENTATION 1 JULY 2023 AND PREPARATION AND UPDATING OF THE VALUATION ROLL FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2028	**		
GKM 26-21/22	NTHAWANI TRADING ENTERPRISES	16 /08/2022	SUPPLY AND DELIVERY OF MATERIAL AND SOTRAGE – BUISNESS SUPPORT: MILITARY VETERANS - PHASE 1	R416, 302.40	SUPPLY AND DELIVERY OF MATERIAL AND SOTRAGE – BUISNESS SUPPORT: MILITARY VETERANS - PHASE 1	SUPPLY AND DELIVERY OF MATERIAL AND SOTRAGE – BUISNESS SUPPORT: MILITARY VETERANS - PHASE 1	SUPPLY AND DELIVERY OF MATERIAL AND SOTRAGE – BUISNESS SUPPORT: MILITARY VETERANS - PHASE 1	SUPPLY AND DELIVERY OF MATERIAL AND SOTRAGE – BUISNESS SUPPORT: MILITARY VETERANS - PHASE 1			**

GKM 25-21/22	BOZZA PROMOTIONS(PTY)LTD	07/09/2022	SUPPLY AND DELIVERY OF LAPTOPS	R593 075.00	SUPPLY AND DELIVERY OF LAPTOPS	SUPPLY AND DELIVERY OF LAPTOPS	SUPPLY AND DELIVERY OF LAPTOPS	SUPPLY AND DELIVERY OF LAPTOPS	**		
GKM 09-22/23	BI INFRASTRUCTURE CONSULTANTS (PTY)LTD	14/09/2022	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF KOKSTAD CBD STORMWATER PHASE 1	R 1 310 000.00	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF KOKSTAD CBD STORMWATER PHASE 1	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF KOKSTAD CBD STORMWATER PHASE 1	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF KOKSTAD CBD STORMWATER PHASE 1	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF KOKSTAD CBD STORMWATER PHASE 1	**		
GKM 01-22/23	BI INFRASTRUCTURE CONSULTANTS (PTY)LTD	14/09/2022	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION MANAGEMENT FOR THE RECONSTRUCTIO	R575 000.00	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION MANAGEMENT FOR THE RECONSTRUCTIO	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION MANAGEMENT FOR THE RECONSTRUCTIO	PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF CONSULTING CIVIL ENGINEERING FOR THE DESIGN, TENDER AND CONSTRUCTION MANAGEMENT FOR THE RECONSTRUCTIO		**	

			N OF HAWTHORN STREET PHASE 1		MANAGEMENT FOR THE RECONSTRUCTION OF HAWTHORN STREET PHASE 1	N OF HAWTHORN STREET PHASE 1	N OF HAWTHORN STREET PHASE 1	N OF HAWTHORN STREET PHASE 1			
GKM 22–21/22	Ukhezo AM Designs (Pty) Ltd	07/10/2022	Appointment of a service provider for grass cutting and weed clearance and tree cutting services	R12, 513, 265.00	Appointment of a service provider for grass cutting and weed clearance and tree cutting services	Appointment of a service provider for grass cutting and weed clearance and tree cutting services	Appointment of a service provider for grass cutting and weed clearance and tree cutting services	Appointment of a service provider for grass cutting and weed clearance and tree cutting services		**	
GKM 02-22/23	Afrilectrical Consulting Engineers	25/10/2022	Appointment of a professional electrical engineer for the upgrading of Jim Payne Substation switch gear including relay programming of Central, Main, Bhongweni and Bhekintaba Substations	14% all inclusive	Appointment of a professional electrical engineer for the upgrading of Jim Payne Substation switch gear including relay programming of Central, Main, Bhongweni and Bhekintaba Substations	Appointment of a professional electrical engineer for the upgrading of Jim Payne Substation switch gear including relay programming of Central, Main, Bhongweni and Bhekintaba Substations	Appointment of a professional electrical engineer for the upgrading of Jim Payne Substation switch gear including relay programming of Central, Main, Bhongweni and Bhekintaba Substations	Appointment of a professional electrical engineer for the upgrading of Jim Payne Substation switch gear including relay programming of Central, Main, Bhongweni and Bhekintaba Substations	**		
GKM 02-22/23 PANEL	FMA Engineers (Pty) Ltd	01/11/2022	Appointment of a professional service provider for the provision	11% all inclusive	Appointment of a professional service	Appointment of a professional service provider for the provision	Appointment of a professional service provider for the provision	Appointment of a professional service provider for the provision		**	

			of consulting civil engineering services for the design, tender and construction management for the upgrading of Shayamoya Roads Phase 3		provider for the provision of consulting civil engineering services for the design, tender and construction management for the upgrading of Shayamoya Roads Phase 3	of consulting civil engineering services for the design, tender and construction management for the upgrading of Shayamoya Roads Phase 3	of consulting civil engineering services for the design, tender and construction management for the upgrading of Shayamoya Roads Phase 3	of consulting civil engineering services for the design, tender and construction management for the upgrading of Shayamoya Roads Phase 3			
GKM 01-22/23	Afrilectrical Consulting Engineers	18/11/2022	Appointment of a professional service provider for the electrification of informal settlements within the Greater Kokstad Municipality.	R950, 000.00	Appointment of a professional service provider for the electrification of informal settlements within the Greater Kokstad Municipality.	Appointment of a professional service provider for the electrification of informal settlements within the Greater Kokstad Municipality.	Appointment of a professional service provider for the electrification of informal settlements within the Greater Kokstad Municipality.	Appointment of a professional service provider for the electrification of informal settlements within the Greater Kokstad Municipality.		**	
GKM 06 – 22/23	Nanante (Pty) Ltd	20/11/2022	Appointment of a service provider to plan monitor and implement energy efficiency demand side management	R4, 389, 550.00	Appointment of a service provider to plan monitor and implement energy efficiency	Appointment of a service provider to plan monitor and implement energy efficiency demand side management	Appointment of a service provider to plan monitor and implement energy efficiency demand side management	Appointment of a service provider to plan monitor and implement energy efficiency demand side management	**		

					demand side management						
TRANSVERSAL CONTRACT	Toyota South Africa Motors (Pty) Ltd		Supply and delivery of x 3 Fortuner 2.8 GD-6 4x4	R2,214,040.00	Supply and delivery of x 3 Fortuner 2.8 GD-6 4x4	Supply and delivery of x 3 Fortuner 2.8 GD-6 4x4	Supply and delivery of x 3 Fortuner 2.8 GD-6 4x4	Supply and delivery of x 3 Fortuner 2.8 GD-6 4x4	**		
GKM 08-22/23	PELICAN DEVELOPMENTS AND PLANNING (PTY) LTD	09/01/2023	REHABILITATION OF LONG HOMES ROADS	R5, 528, 598.38	REHABILITATION OF LONG HOMES ROADS	REHABILITATION OF LONG HOMES ROADS	REHABILITATION OF LONG HOMES ROADS	REHABILITATION OF LONG HOMES ROADS	**		
GKM 30-22-23	IKHAMBI TRADING ENTERPRISE	09/01/2023	RECONSTRUCTION OF HAWTHORN STREET	R16, 340, 586.44	RECONSTRUCTION OF HAWTHORN STREET	RECONSTRUCTION OF HAWTHORN STREET	RECONSTRUCTION OF HAWTHORN STREET	RECONSTRUCTION OF HAWTHORN STREET	**		
GKM 14-21/22	QHOLO PROJECTS	09/03/2023	SUPPLY AND DELIVERY OF AGRICULTURAL IMPLEMENTS FOR MARAISKOP	R304 700.00	SUPPLY AND DELIVERY OF AGRICULTURAL IMPLEMENTS FOR MARAISKOP	SUPPLY AND DELIVERY OF AGRICULTURAL IMPLEMENTS FOR MARAISKOP	SUPPLY AND DELIVERY OF AGRICULTURAL IMPLEMENTS FOR MARAISKOP	SUPPLY AND DELIVERY OF AGRICULTURAL IMPLEMENTS FOR MARAISKOP			**
GKM 13-22/23	DIBA CHASING TRADING	22/03/2023	SUPPLY AND DELIVERY OF MUNICIPAL REFUSE BAGS	R3 384 000.00	SUPPLY AND DELIVERY OF MUNICIPAL REFUSE BAGS	SUPPLY AND DELIVERY OF MUNICIPAL REFUSE BAGS	SUPPLY AND DELIVERY OF MUNICIPAL REFUSE BAGS	SUPPLY AND DELIVERY OF MUNICIPAL REFUSE BAGS		**	
GKM 32-22/23	SHEARER GROUP	10/05/2023	UPGRADE OF KOKSTAD CBD STORMWATER	R 6 946 453.39	UPGRADE OF KOKSTAD CBD STORMWATER	UPGRADE OF KOKSTAD CBD STORMWATER	UPGRADE OF KOKSTAD CBD STORMWATER	UPGRADE OF KOKSTAD CBD STORMWATER		**	
GKM 40-22/23	KHULANIMATHENJWA TRADING	2023/06/02	REHABILITATION OF CBD ROADS PHASE 3	R 5,996,780.57	REHABILITATION OF CBD ROADS PHASE 3	REHABILITATION OF CBD ROADS PHASE 3	REHABILITATION OF CBD ROADS PHASE 3	REHABILITATION OF CBD ROADS PHASE 3			
GKM 37-22/23	CAPITAL POWER PROJECTS	2023/05/30	ELECTRIFICATION OF INFORMAL SETTLEMENTS	R 9,766,828.87	ELECTRIFICATION OF INFORMAL	ELECTRIFICATION OF INFORMAL SETTLEMENTS	ELECTRIFICATION OF INFORMAL SETTLEMENTS	ELECTRIFICATION OF INFORMAL SETTLEMENTS		**	

			WITHIN THE GREATER KOKSTAD MUNICIPALITY		SETTLEMENTS WITHIN THE GREATER KOKSTAD MUNICIPALITY	WITHIN THE GREATER KOKSTAD MUNICIPALITY	WITHIN THE GREATER KOKSTAD MUNICIPALITY	WITHIN THE GREATER KOKSTAD MUNICIPALITY			
PANEL	MMK GROUP (PTY)LTD	2023/06/07	CONSULTING CIVIL ENGINEERING SERVICES FOR STORMWATER UPGRADE AND WIDENING OF HORSESHOE TAXI ROUTE IN WARD 9	Percentage based on construction value	CONSULTING CIVIL ENGINEERING SERVICES FOR STORMWATER UPGRADE AND WIDENING OF HORSESHOE TAXI ROUTE IN WARD 9	CONSULTING CIVIL ENGINEERING SERVICES FOR STORMWATER UPGRADE AND WIDENING OF HORSESHOE TAXI ROUTE IN WARD 9	CONSULTING CIVIL ENGINEERING SERVICES FOR STORMWATER UPGRADE AND WIDENING OF HORSESHOE TAXI ROUTE IN WARD 9	CONSULTING CIVIL ENGINEERING SERVICES FOR STORMWATER UPGRADE AND WIDENING OF HORSESHOE TAXI ROUTE IN WARD 9		**	
PANEL	FMA ENGINEERS (PTY) LTD	2023/06/07	PROVISION OF CONSULTING CIVIL ENGINEERING SERVICES FOR THE CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF HORSESHOE ROADS PHASE 2 IN WARD 1 & 9	Percentage based on construction value	PROVISION OF CONSULTING CIVIL ENGINEERING SERVICES FOR THE CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF HORSESHOE ROADS PHASE 2 IN WARD 1 & 9	PROVISION OF CONSULTING CIVIL ENGINEERING SERVICES FOR THE CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF HORSESHOE ROADS PHASE 2 IN WARD 1 & 9	PROVISION OF CONSULTING CIVIL ENGINEERING SERVICES FOR THE CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF HORSESHOE ROADS PHASE 2 IN WARD 1 & 9	PROVISION OF CONSULTING CIVIL ENGINEERING SERVICES FOR THE CONSTRUCTION MANAGEMENT FOR THE UPGRADING OF HORSESHOE ROADS PHASE 2 IN WARD 1 & 9		**	
GKM 35-22/23	NZEMA ENTERPRISES	2023/06/14	REHABILITATION OF WYLDE ROAD	R 1,002,403.60	REHABILITATION OF WYLDE ROAD	REHABILITATION OF WYLDE ROAD	REHABILITATION OF WYLDE ROAD	REHABILITATION OF WYLDE ROAD		**	

GKM 17-22/23	ICONIS-ICON INFORMATION SYSTEMS(PTY)LTD	2023/06/22	INSTALL FIBRE AND NETWORKS POINTS	R	987,511.73	INSTALL FIBRE AND NETWORKS POINTS	INSTALL FIBRE AND NETWORKS POINTS	INSTALL FIBRE AND NETWORKS POINTS	INSTALL FIBRE AND NETWORKS POINTS		**	
GKM 16-22/23	PROFECIA IT	2023/06/22	SUPPLY OF CUSTOMER CARE AND IT DESK SOLUTION FOR A PERIOD OF THREE YEARS	R	1,397,537.18	SUPPLY OF CUSTOMER CARE AND IT DESK SOLUTION FOR A PERIOD OF THREE YEARS	SUPPLY OF CUSTOMER CARE AND IT DESK SOLUTION FOR A PERIOD OF THREE YEARS	SUPPLY OF CUSTOMER CARE AND IT DESK SOLUTION FOR A PERIOD OF THREE YEARS	SUPPLY OF CUSTOMER CARE AND IT DESK SOLUTION FOR A PERIOD OF THREE YEARS		**	
GKM 19-22/23	OBYTECH SOLUTIONS(PTY)LTD	2023/06/26	SUPPLY AND RENEWAL OF SOFTWARE LICENCES FOR A PERIOD OF 36 MONTHS	R	5,568,360.12	SUPPLY AND RENEWAL OF SOFTWARE LICENCES FOR A PERIOD OF 36 MONTHS	SUPPLY AND RENEWAL OF SOFTWARE LICENCES FOR A PERIOD OF 36 MONTHS	SUPPLY AND RENEWAL OF SOFTWARE LICENCES FOR A PERIOD OF 36 MONTHS	SUPPLY AND RENEWAL OF SOFTWARE LICENCES FOR A PERIOD OF 36 MONTHS		**	
GKM 31-22/23	ZHEMVELOH ENTERPRISE	2023/06/26	UPGRADING OF SHAYAMOYA ROADS PHASE 3	R	8,507,356.24	UPGRADING OF SHAYAMOYA ROADS PHASE 3	UPGRADING OF SHAYAMOYA ROADS PHASE 3	UPGRADING OF SHAYAMOYA ROADS PHASE 3	UPGRADING OF SHAYAMOYA ROADS PHASE 3		**	

2.9. BY-LAWS

The municipality has initiated the process of reviewing of all bylaws during 2021/22 financial year, from consultation to adoption by the Council.

On a legal perspective, the following bylaws are still valid for implementation;

By-laws Introduced during 2020/21					
Newly Developed	**Revised**	**Public Participation conducted prior to adoption of By-law (Yes/No)**	**Dates of Public Participation**	**By-law Gazetted (Yes/No)**	**Date of Publication**
N/A	Trading by-law	Yes	January to May 2022	Yes	2022
N/A	Credit control and debt collection – bylaw	Yes	January to May 2022	Yes	2022
N/A	Municipal tariffs	Yes	January to May 2022	Yes	2022
N/A	Control of public nuisance	Yes	January to May 2022	Yes	2022
N/A	Electricity supply	Yes	January to May 2022	Yes	2022
N/A	Municipal facilities and public amenities	Yes	January to May 2022	Yes	2022
N/A	Cemeteries by-law	Yes	January to May 2022	Yes	2022
N/A	Civic symbols, honors and related matters	Yes	January to May 2022	Yes	2022
N/A	Fire prevention	Yes	January to May 2022	Yes	2022
N/A	Keeping animals	Yes	January to May 2022	Yes	2022
N/A	Parking by-law	Yes	January to May 2022	Yes	2022
N/A	Pound by-law	Yes	January to May 2022	Yes	2022
N/A	Property encroachment by-law	Yes	January to May 2022	Yes	2022

By-laws Introduced during 2020/21					
Newly Developed	**Revised**	**Public Participation conducted prior to adoption of By-law (Yes/No)**	**Dates of Public Participation**	**By-law Gazetted (Yes/No)**	**Date of Publication**
N/A	Rates by-law	Yes	January to May 2022	Yes	2022
N/A	Refuse removal and disposal	Yes	January to May 2022	Yes	2022
N/A	Outdoor, advertising and signage	Yes	January to May 2022	Yes	2022
N/A	Spatial Planning and Land Use By-law	Yes	January to May 2022	Yes	2022
Yes	Scrap Metal Dealer & Recycling By Law	Yes	January to February 2022	Yes	2022
Yes	Tuck Shop/Spaza Shop By Law	Yes	January to February 2022	Yes	2022

2.10. WEBSITES

Municipal Website: Content and Currency of Material		
Documents Published on the Municipality's Website	**Yes/No**	**Publishing Date**
Current annual and adjustment budgets and all budget-related documents	Yes	01/ 03/2023 30/05/2023
All current budget-related policies	Yes	26/06/2023
The previous annual report (2021/22)	Yes	31/03/23
The annual report (2021/22) published/to be published	Yes	06/04/23
All performance agreements required in terms of section 57 (1)(b) of the Municipal Systems Act and resulting scorecards (2022/23)	Yes	28/07/2022
All service delivery agreements (2022/23)	No	N/A
All long-term borrowing contracts (2022/23)	No	N/A
All supply chain management contracts above a prescribed value for 2022/23	No	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2022/23	Yes	30/06/2023
Contracts agreed in 2022/23 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	N/A
Public-private partnership agreements referred to in section 120 made in 2022/23	N/A	N/A
All quarterly reports tabled in the Council in terms of section 52 (d) during 2022/23	Yes	18/10/2022 26/01/2023 28/04/2023 24/07/2023

For Legislative Compliance, various Business Units are expected to furnish relevant information for publishing on the Greater Kokstad Website. Information is updated almost daily or as and when uploads are received from various departments and is accessible within a few hours depending on the content. Internet bandwidth on the LAN is not very reliable therefore uploads onto the Website is very slow. Although 3G Data Connectivity is available the speed is not consistent and affects uploads and test downloads. However Greater Kokstad Municipality always strives and publishes the necessary information on the Website.

The Public can access information on www.kokstad.gov.za 24hrs a day by viewing some information on respective pages whereas other information is available as downloads viz. PDFs (Readable with Acrobat Reader). Information not up to date, it is usually due to respective Units not providing them timeously or not at all. Most information provided is uploaded and available within a few hours; however, Internet bandwidth, LAN or 3G is not always reliable.

It should be noted that Municipality is currently in a process of upgrading the Website to improve the accessability of the wesite content and a website visitors counter has been added to monitor and report on the use of website by the public. The municipality has computers with internet access in libraries for public use.

2.11. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

INTRODUCTION

Public Participation is a core tool of accountability and good governance. It is also a means through which citizens exercise their voice in determining their livelihoods and quality of life. Municipalities are charged with a wide portfolio of responsibilities, including the provision of basic services, facilitation of good socio-economic environments, etc. Within these functions, legislation, and good practice calls that the communities are an essential part in determining the direction in which their localities grow.

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

COMPONENT A: BASIC SERVICES

This component includes: water, waste water (sanitation), electricity supply, waste management, and housing services, and a summary of free basic services.

3.1. WATER & SANITATION (WATER SERVICES) PROVISION

Water Services i.e. the supply of Water and Sanitation is a function of the Harry Gwala District Municipality (HGDM) which is the designated Water Service Authority (WSA). Greater Kokstad Municipality (GKM) engage with the WSA through quarterly infrastructure meetings which are held between the District and other Local Municipalities. All the challenges and progress on projects are discussed in these meetings. The major challenge is that the HGDM sometimes does not hold the meetings. The WSA is carrying out a few bulk projects like Horseshoe VIP conversion to water borne sanitation and the sewer main in Shayamoya to address backlogs.
The water restriction that was put in place by HGDM in November 2018 has been lifted due to the good rains which saw the levels of the Crystal Springs Dam and the Mzintlava River being replenished to satisfactory levels.

No. of Households	With Access	Access Percentage	Backlogs	Backlog Percentage	Services
24,314	22,165	91.20	2,149	8.80	Water Supply
24,314	16,154	66.44	8,160	33.56	Sanitation

Source: Provincial profile: KwaZulu-Natal [Community Survey 2016], Report 03-01-10

3.2. ELECTRICITY

INTRODUCTION

GKM is licensed by NERSA to distribute approximately 22MVA (15 MVA from main Sub-Station and 7MVA from Bhekintaba Sub-Station) of electricity to the residents within its area of supply. ESKOM is the electricity supplier to farming areas with the few of them that are supplied by GKM.

GKM wrote to Nersa with regards to the application to supply all farm areas that are under the Eskom Area of supply, and the Municipality has since met with Eskom and started with the negotiations to the transfer of the network.

Majority of household in GKM are in Kokstad town and peri-urban areas and are on prepaid meters. All in all, GKM has some plus/minus 15600 electricity meters (pre-paid and conventional) with the bulk of 15200 being pre-paid.

The other major centers are Franklin and Swartberg, with Makhoba emerging as a settlement under construction. ESKOM is currently electrifying the houses at Makhoba which have occupants. It can be said that all formal households within these areas are 100% covered except Makhoba that is being electrified by ESKOM.

Since 1994 GKM has made huge strides in the service delivery arena with electricity dominating ahead of others, this was made possible by funding from Department of Mineral Resources and Energy under the Integrated National Electrification Programme (INEP) as well as COGTA, ESKOM and GKM own funding.

In this regard the 100% connectivity of households in GKM is always a moving target, this is made impossible by widespread illegal settlements as more people are moving to Kokstad from neighboring towns in anticipation of subsidized housing and better services.

The table below demonstrates households by main source of energy for cooking and lighting.

Greater Kokstad Municipality	Cooking				Lighting			
	Electricity	Other Energy Sources	None	Total	Electricity	Other Energy Sources	None	Total
	19,916	4,411	69	24,396	21,634	2,762	1	24,397

Households by main source of energy for cooking and lighting, Community Survey 2016.

It should also be noted that due to the new developments happening around town and the surroundings the Municipality had to make sure that there is always available capacity to cater for all the new electricity connections. With the help of the Department of Mineral Resources and Energy's INEP, GKM has been funded for the construction of a new substation with a 20MVA capacity which will help to cater for the new housing developments such as R56 Housing and electrification projects such as informal settlements etc.

Employees: Electricity Services					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0-3	1	2	2	0	0%
4-6	6	6	6	0	0%
7-9	2	3	3	0	0%
10-12	0	0	0	0	0%
13-15	5	5	5	0	0%
16-18	18	22	11	11	50%
19-20	0	0	0	0	0%
Total	32	37	32	5	13,51%

Electrical Engineering Section Staff Compliment

CAPITAL EXPENDITURE 2022/23: ELECTRICITY SERVICES				
Project Name/Description	**Budget**	**Adjustment Budget**	**Actual Expenditure**	**% Expenditure**
JIM PAYNE SUBSTATION UPGRADE	R3 500 000.00	Nil	R482 749.99	13.97%
TID ROLLOVER OF STS PREPAID ELECTRICITY METERS	R5 000 000.00	Nil	R4,701,796.49	94%
BULK INFRASTRUCTURE/ SUBSTATION	R20,000,000.00	R2,233,761.47	R22,233,761.47	100%
ELECTRIFICATION OF INFORMAL SETTLEMENTS	R10,000,000.00	R8,500,000.00	R5,675,260.96	66.76%
EEDSM – ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT	R5,000,000.00	R4 935 865,32	R4 935 865,32	

The Electricity services has performed very well in trying to minimize the backlog in terms of upgrading, maintenance and repairs of the existing old infrastructure, this is evident from the upgrading of Mini sub-stations and Transformers and also in the upgrading of the MV cables. The Council has also committed to budget for the continuation of the upgrading of the infrastructure until all the infrastructure is up to standard to improve the quality of supply as required by NERSA. This will be made possible by the use of the adopted Energy Master Plan which has categorized the works into immediate, medium- and long-term targets for upgrading and maintenance of the electrical infrastructure.

INFORMAL SETTLEMENTS

OLD JIMPAYNE SUBSTATION SWITCHGEAR

SINGISI SUBSTATION PROJECT

EEDSM AWARENESS CAMPAIGN

3.3. WASTE MANAGEMENT

INTRODUCTION

Waste management in South Africa faces numerous challenges, which hold back the country's progress towards a cleaner and greener future (Department of Environmental Affairs, 2018). These challenges include, inter alia, poor waste collection services, non-compliant and unlicensed landfill sites, illegal waste dumping, and inadequate attention is given to waste minimisation, re-use, recycling and recovery initiatives (Department of Environmental Affairs, 2018). One of the major development challenges in this regard is finding ways to rapidly dispose of the increasing spectrums of domestic and industrial wastes generated daily. In response to these challenges, the National Waste Management Strategy (NWMS) of 2019, as authorised by the National Environmental Management Waste Act 59 of 2008, was developed, which underlines the need for integrated waste management and requires the effective functioning of the waste management hierarchy.

Existence and functionality of IWMP

Chapter 3, Section 11 of National Environmental Management: Waste Act requires certain organs of state to prepare integrated waste management plans. GKM developed and adopted IWMP in 2019. The focus of this document mainly was to integrate all facets of waste management and to strategically map out the implementation of the various objectives arising therefrom within given timeframes. The municipality is currently implementing the adopted action plan's projects and programmes. Furthermore, the Municipality has a clear refuse removal and management plan for all its suburbs including the Central Business District (CBD)

There are 8752 households with access to solid waste refuse removal within the Greater Kokstad Municipal area of jurisdiction, with an estimated number of 3000 informal settlements, formal refuse

removal /collection is done to 75 % of households. Some informal settlements do benefit as refuse is collected on street to their dwellings. Waste is collected weekly on the residential areas and seven days per week within the central business district.
Recycling

Recycling (Waste Minimization and Circular Economy Initiatives).
At present, only an estimated 7% of the total waste generated in South Africa is diverted from landfill for re-use or recycling (DEA, 2019). A lack of waste minimisation and recycling has been identified by the Department of Environment Forestry and Fisheries (DEFF) as a key issue.
Recycling activities in GKM are largely driven by private recycling companies within Kokstad and outside Kokstad. A range of informal recycling initiatives exists in GKM, which contribute to the strengthening of the recovery and recycling of materials across the value chain
Recycling is conducted by individuals that are based at the landfill site. Currently recycling is informal, and the municipality is in a process of formalizing it. The formalization of recycling is incorporated in the new contract for kransfontien landfill site management. Recyclables are collected by private recycling companies within Kokstad and outside Kokstad. The municipality plans to operate formal recycling in the new land fill site.

Landfill Sites Management
The municipality has 1 operational Landfill site that is licensed which is the kransfontien Landfill site. Shayamoya Landfill site has been closed; budget is required for rehabilitation.

Waste Information
The South African Waste Information System (SAWIS) developed by the Department of Environmental Affairs (DEA) in 2005, is a system used by government and industry to capture routine data on the tonnages of waste generated, recycled and disposed of in South Africa on a monthly and annual basis. Section 4 (1) of NATIONAL WASTE INFORMATION REGULATIONS IN TERMS OF THE NATIONAL ENVIRONMENTAL MANAGEMENT: WASTE ACT, 2008 (ACT NO. 59 OF 2008) states that “A person conducting an existing waste management activity listed in Annexure 1 must apply to the Department to be registered on the SAWIS within ninety (90) days of the promulgation of these regulations, and any person commencing a waste management activity after the promulgation of the regulations must apply to be registered on the SAWIS prior to commencement with the activity”. To this end, kransfontien Landfill site is registered with SAWIS.

Waste vehicles
There are three refuse removal compactor trucks, two skip bin truck, one TLB and one tractor for refuse removal as well as one garden refuse 8-ton track. The Waste Management Section conducted 21 public awareness and cleaned up campaigns. Illegal clearance is conducted throughout the week and Sundays are regarded as illegal clearance day. Municipal Environmental Management Inspectors (EMI’s) are assisting the municipality in enforcing waste management by laws.

Biophysical Environment
The Municipality is rendering the Environmental Management Function to achieve sound environmental management and biodiversity goals. Environmental Management Unit has been established and the key positions related to Environmental Management, Air Quality Management, Coastal Zone Management, Biodiversity Management and Climate Change. The municipality is participating in environmental management programmes funded by the Department of Environmental Affairs, Forestry and Fisheries.
Illegal dumping rehabilitation and public awareness campaigns
<u>The waste clean-up, Illegal dumping clearance and public awareness campaigns.</u>

Illegal dumping clearance campaigns

Clean up campaigns.

Public awareness campaigns

Integrated clean-up campaigns.

Solid Waste Services Delivery Levels *Households				
Description	**2019/20**	**2020/21**	**2021/22**	
	Actual No.	**Actual No.**	**Actual No.**	
Solid Waste Removal: (minimum level)				
Removed at least once a week	All streets	All streets	All streets	
Minimum Service Level and Above sub-total				
Minimum Service Level and Above Percentage	100%	100%	100%	
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	25%	25%	25%	
Using communal refuse dump	10%	10%	10%	
Using own refuse dump	75%	75%	75%	
Other rubbish disposal	0	0	0	
No rubbish disposal	5%	5%	5%	
Below Minimum Service Level sub-total				
Below Minimum Service Level Percentage	0%	0%	0%	
Total number of Households	**10730**	**10730**	**8752**	

Households- Solid Waste Services Delivery Levels below the minimum*Households										
Description	**2019/20**			**2020/2021**			**2021/22**			
	Actual No.	**Original Budget No.**	**Adjusted Budget No.**	**Actual No.**	**Original Budget No.**	**Adjusted Budget No.**	**Actual No.**	**Original Budget No.**	**Adjusted Budget No.**	**Actual No.**
Formal settlements										
Total households	**10730**	**10730**	10730	**10730**	**10730**	10730	**8752**	**8752**	8752	8752
Households below minimum service level	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Proportion of households below minimum service level	1860	1860	2300	1860	1860	2300	1860	1860	2300	2300
Informal settlements										
Total households	1350	1350	1370	1350	1350	1370	1350	1350	1370	1370
Households below minimum service level	0	0	0	0	0	0	0	0	0	0
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Employees: Solid Waste Management Services					
Job Level	**2021/22**	**2022/23**			
	Employees No.	**Posts No.**	**Employees No.**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts) %**
0-3	2	2	2	0	0%
4-6	3	1	1	0	0%
7-9	8	8	8	0	0%
10-12	15	7	5	2	28,57%
13-15	0	0	0	0	0%
16-18	86	52	49	3	5,77%

19-20	0	0	0	0	0%
Total	114	70	65	5	7,14%

Financial Performance 2022/23: Solid Waste Management Services R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget %
Total Operational Revenue	17 134 225.28	22 922 621.00	22 922 621.00	17 134 225.28	75%
Expenditure					
Employees	18 254 265.70	19 150 473.00	19 150 473.00	18 254 265.70	95%
Repairs and Maintenance	4 724 687.91	2 630 000.00	2 630 000.00	4 724 687.91	100%
Other	2 366 957.44	2 545 017.00	2 545 017.00	2 366 957.44	93%
Total Operational Expenditure	42 480 136.33	47 248 111.00	47 248 111.00	42 480 136.33	89%

There are 8752 households within the Greater Kokstad Municipal area of jurisdiction, with an estimated number of 3000 informal settlements, formal refuse removal /collection is done to 75 % of households. Some informal settlements do benefit as refuse is collected on street to their dwellings. Waste is collected weekly on the residential areas and seven days per week within the central business district.

Recycling is conducted by individuals that are based at the landfill site. Currently the recycling is informal, and the municipality is in a process of formalizing it. Recyclables are collected by private recycling companies within Kokstad and outside Kokstad. The municipality plans to operate formal recycling in the new land fill site.

Greater Kokstad municipality's' Integrated Waste Management Plan (IWMP) has been adopted by the Council has been work shopped to Council and submitted to Departments of Environmental Affairs for promulgation. The IWMP makes a comprehensive analysis of the status quo of the municipality's waste management, critical analysis, and assesses strategies to address the challenges. Then, the implementation plan summarizes the priority projects and associated actions that are recommended for implementation of the strategies that were developed as part of the IWMP.

The old Shayamoya landfill site has been closed for rehabilitation. The new Kransfontain Landfill site is located at the east of Horseshoe, which is northeast of the CBD is licensed and is operational since the commencement letter was received from department of environmental affairs. There are three refuse removal compactor trucks, one skip bin truck, one TLB and one tractor for refuse removal.

Waste Management Section conducted 21 public awareness and clean up campaigns in collaboration with external stakeholders. Illegal clearance is conducted weekly, and Sundays are regarded as clean-up and awareness days. The municipality has adopted a door-to-door awareness campaign strategy with specific focus on illegal dumping hotspot areas. Municipal Environmental Management Inspectors (EMI's) are assisting the municipality in terms enforcing waste management and control of public nuisance by laws.

3.4. HOUSING

INTRODUCTION

Human settlement patterns are typical, with the older part of town housing the more affluent (historically white) population in the leafy suburbs, with peripheral poor (black) townships. The suburbs are low density, with large sites along tree lined streets, and single storey bungalow-built form. Site sizes range from over 4000m2 (the zoning allows a minimum of 1800m2), compared to the township areas, which are zoned for 450m2 sites but in fact the average is more like 300m2. Parts of the old town lend themselves to densification, and the strip along the river, to the east, is particularly in need of intensification, and presents an opportunity to improve the sustainability of Kokstad as a settlement.

Human settlements development in the municipality is challenged by the following:

The lack of affordable, well-located land for low-cost settlements has resulted in the human settlements programmes largely extending existing areas that had been developed for low-income settlements in the past, often located at the urban margins and with weak prospects of integration.
These extensions to existing low-income settlements generally lacked amenities necessary for a decent quality of life, mainly because of the lack of funding and poor alignment of budgets; National policy and provincial funding allocations have not always been able to effectively respond to the changing nature of demand caused by rapid urbanization; The number of subsidies required is increasing, resulting in an additional burden on the national and provincial fiscus; The lack of institutional and sector capacity to deliver human settlements programmes; and The inability of beneficiaries of human settlements subsidies to afford municipal services and taxes, creating the view by the municipality that such housing projects are liabilities. The Municipality's Integrated Development Plan identified the following key issues in terms of human settlements: High prices of privately owned land, lack of suitable land to build houses; Private shack settlements are used as an income-generating activity; Urbanization results in growing number of informal settlements; Speculation in up-market human settlements, especially in areas outside urban edges of the Spatial Development Framework has resulted in ad-hoc development and cost inefficiencies; The lack of funding and the non-alignment of municipal and government department budgeting processes; Lack of bulk services for human settlements development. The Housing Sector Plan (2022-2023) indicates that the municipality faces a low and middle-income human settlements crisis. It broadly describes the housing demand as follows: Need for low-income (fully subsidized) houses at 1000. Informal settlements need to be relocated or upgraded. Highly constrained, a demand-driven private housing market with inflated house prices, in all market segments.

The Shayamoya Township is characterised by monotony, and lacks legibility, partly through the layout design that is predicated on engineering efficiency and lowest cost. Most sites have pedestrian access, or in some instances roads that have only been half surfaced, no storm water control system in place and the current sewer system is old and under huge pressure as over spills are day to day experiences. The character of Shayamoya is largely determined by a mass housing approach to delivery, also evidenced by the mono-functional land use.

Bhongweni Township is older, is on flatter land, and although also delivered through state subsidies for incremental housing, the grid layout and street scale has resulted in a very pleasing character. The area has been identified through additions to the original RDP houses, often to provide rooms for tenants. A central social facilities precinct, as well as pockets of houses for slightly higher income residents, provides relief and as semblance of human settlement rather than a housing project. Informal settlements at the edges of the townships site either on the steepest slopes or dangerously close to the river and are the object of proposed slums clearance projects.

Percentage of households with access to basic housing			
Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2012/13	10550	8548	81%
2013/14	10550	8548	81%
2014/15	10700	8698	81.2%
2015/16	10910	8908	81.6%

3.4.1. COMPLETED HOUSING PROJECTS

According to the information received from the Housing Subsidy System section of the Department of Human Settlement, from 1994 until the end of 2021 approximately 6858 houses have been completed within the Greater Kokstad Municipality. The historical housing delivery figures are summarised per local municipality in the below table. From this table, it can be seen that housing units have been delivered mostly in Greater Kokstad local municipality.

Greater Kokstad Municipality has been proactive in initiating and implementing housing projects, over 6000 housing opportunities have been provided to date (of which approximately 2651 have been developed to cater specifically for informal settlement communities), since the inception of the Government's housing subsidy scheme. However, there still exists a significant demand, as evidenced, particularly by informal settlements, mainly in the vicinity of Kokstad Town.

Makhoba Housing Project for 2022-2023 financial year 636 of 1400 Housing Units completed.

Local Municipality	Properties Transferred	Service Sites Completed	Serviced Under Construction	Slabs Completed	Units Completed	Units Under Construction	Wall Plates Completed
Greater Kokstad Municipality	618	948	330	757	636	1400	756

3.4.1.2 Title Deed Restoration Programme

The Greater Kokstad Municipality with the assistance of the KZN Department of Human Settlement has undertaken on the Title Restoration Programme for the Greater Kokstad Municipality. The Greater Kokstad Municipality has properties that are located in Bhongweni which existed prior 1994 which were previously owned by NPA. These properties are now registered in the name of the Municipality.

Properties in Bhongweni were transferred to the Municipality by the NPA, some properties were transferred to the occupants of the properties and a number of properties with occupants were transferred to the Municipality. The process for the transfer to occupying residents is unknown by the Municipality. On site survey has been completed at Horseshoe.

Conveyancing Attorneys have been appointed to serve at the Municipality's Dispute Resolution Committee.

3.4.2. HOUSING DEMAND

The 2011 census and 2016 Community Survey data provides some form of typological classification for the various units of spatial analysis used in the census. These include the categories of formal residential, informal residential, traditional residential, collective living quarters, smallholdings and farms. In addition, it also includes a number of other non-residential typological classifications including vacant land, Parks, and Recreation, industrial and commercial. The data provides a comparative distribution of land area and population according to this classification is below.

The 2011 census and 2016 Community Survey data distinguishes between 11 different housing categories under the variable referred to as "type of dwelling". These categories range from brick houses on separate stands to different types of informal dwellings, and other categories such as caravans and tents. The categories that can potentially be regarded as forming part of the housing backlog or demand at a particular location include the following types:

- Traditional dwelling
- House/flat/room in backyard
- Informal dwelling (shack; in backyard)
- Informal dwelling (shack; not in backyard)
- Room/flatlet on a property or larger dwelling
- Caravan/tent

The Housing Sector Plan (GKM HSP: 2022-2023) indicates that Greater Kokstad faces a low and middle-income housing crisis. It broadly describes the housing demand as follows:

- Need for low-income (fully subsidized) houses at 2800.
- Informal settlements need to be relocated or upgraded.
- Highly constrained, demand-driven private housing market with inflated house prices, in all market segments.
- Demand for housing is across the board, ranging from single-person rented accommodation, through basic fully-subsidized housing units, to middle and upper-income bonded accommodation.

The lack of accommodation contributes to pressure on existing housing, with the negative outcomes of squatting, overcrowding of existing houses, down-market "raiding" by higher income households and escalating of rentals and sale prices of houses.

According to the Greater Kokstad Municipality's 2022-2023 Housing Sector Plan, the below stipulates the estimated housing and planned housing units to reduce the current housing backlog.

- Slum Clearance Project Shayamoya Phase 3 Housing Project- 1003 units
- R56 Integrated Sustainable Settlement Kokstad 583 units
- Franklin Phase 2 Residential Development (New Project) -350 units.
- Makhoba Housing Farms Argyll & Springfontien -418 & 994 Units 636 completed to date
- Willowdale Housing Project Kargs Post -83 units
- Need for low-income (fully subsidized) houses at 2800.
- Kokstad Community Residential Units 300 Units
- Shayamoya Community Residential Units 414 Units
- Informal settlements need to be relocated or upgraded.
- Highly constrained, demand driven private housing market with inflated house prices in all market segments.
- Demand for housing is across the board ranging from single person rented accommodation through basic fully subsidized housing units, to middle and upper-income bonded accommodation.
- An estimated housing demand of 4550 is evident in Greater Kokstad Municipality

3.4.3. CURRENT HOUSING PROJECTS

The table below represents the Greater Kokstad Municipality planned housing projects indicated in the Integrated Development Plan 2022-2023.

Project Code	Project	Housing Units	Funding			2022/2023
			2020/2021	2021/2022	2022/2023	
K0711001	Makhoba Housing Project	1400	Stage 3	Stage 3	R44m	*Project Blocked*
K16020010	Shayamoya Phase 3 Slums Clearance	700 (1003)	Planning	R2.5M	N/A	*Planning Stage Completed (Application for Stage 2 & 3 submitted to DoHS)*
K20211688	Kokstad Community Residential Units Developments (CRU)	300	Stage 3 R30M	Stage 3 R30M	Stage 3 R35M	*Under Construction (228 Units at Practical Completion Stage)*
	Shayamoya Community Residential Units Developments (CRU)	414	R147 000.00 Feasibility	R147 000.00 Feasibility	R147 000.00 Feasibility	*Project is at Planning Stage*
	R56 Mixed Housing Development	582	Feasibility	Stage 1	Stage 1 R4M	*Costing and Designs Completed (Awaiting approval of General Plans form S.G)*
	Bhongweni Heights Middle Income Housing	136	Feasibility	Stage 1	Construction	*Under Construction*
K15060001	Willowdale Housing Project	83	Stage 1	Stage 3	Stage 3	*Complete*

Table Above: Current and Planned Housing Projects

Stage 1 = Planning

Stage 2 = Internal Structures
Stage 3 = Top Structures

3.4.4. INFORMAL SETTLEMENTS

There are seven (7) informal settlements the in Greater Kokstad municipality that need serious attention due to their inhumane conditions. The below gives an overview of status in terms of how far the municipality has intervened and commenced with the rectification of their living conditions by constructing houses and undertaking Geotech services to determine if the land is liveable and how many houses can be built. These include:

Name	No. of Dwelling Units
Horseshoe	1300
Lindelani/Moyeni and Bhambayi	450
Marikana	1700
Bergview	98
Ezimpungutyeni	150
Franklin	300

Table Above: Informal Settlements Project

3.4.5. LAND ISSUES RELATING TO HOUSING

People gravitate from areas outside the municipality to meet their economic and social needs. It implies that administrative demarcations are not necessarily the basis for planning and development but is far more important to understand and take cognizance of functional economic and social linkages of an area. Nevertheless, institutional demarcation is important since it determines the functions and powers of the municipality and in that sense determines what it can and cannot do irrespective of cross boundary impacts.

- The majority of households residing in traditional dwellings of two rooms or less (regarded as part of the potential housing backlog as defined in this report) will be accommodated in terms of housing provision at their current location.
- Land plays a pivotal role in more than one way in municipal development. The key issues are:
- Ward demarcations that can define the power balance and hence the allocation of resources.
- Land ownership that often determines the rate of development, if not the availability for development.
- Land restitution as part of the process of addressing imbalances created under the previous political dispensation.
- Land values that form the basis for municipal revenue and the ability to intervene is the development process.

Various areas in the municipality are subjected to land claims and the land restitution process. There is no logical link between land ownership and the optimal use of land. However, the land restitution process, if not resolved speedily creates uncertainty in the property market and might affect land values, the marketability of land and the development process in general.

- High prices of privately-owned land a lack of land to build houses.
- Limited land availability and middle-income housing

Most people in the rural areas of the municipality do not own land and as result they live in a very squalor condition and exposed to hazardous health conditions due to poor basic service. This has become a critical issue which requires immediate actions by the municipality.

The relevance of the identified focus areas as identified in Section 13 have to be contextualised against the overall provincial and the more detailed local housing need profile and the potential land requirements resulting from this profile. The potential land needs required to address the current housing demand within the province, and specifically within the identified focus areas, are influenced by a range of factors. To account for these factors, the following assumptions were used as point of departure:

- The majority of households residing in traditional dwellings of two rooms or less (regarded as part of the potential housing backlog as defined in this report) will be accommodated in terms of housing provision at their current location. These households are largely located on Ingonyama Trust Land and will not require substantial new “greenfield” land areas for housing development purposes.
- It was assumed that one third of households residing within informal structures on a separate stand or within a backyard of another structure could form part of in-situ upgrading processes and be accommodated at their current location. It was thus further assumed that the other two thirds will require alternative land (Greenfield) for settlement purposes.
- A total of 20% of households earning between R38 000 – R153 000, need a GAP market house for which land has to be identified.
- Over and above the existing housing demand and land requirement figures, calculations were also made in terms of additional housing units and land required to accommodate the anticipated housing demand up to 2030.
- In terms of informing the land requirement the following density related assumptions were made

    - 30% of the GAP Market housing requirement will be provided for at a density of 15 dwelling units per ha.
    - 60% of the current housing backlog will be provided for at a density of 20 dwelling units per ha.
    - 30% of the current Greenfield housing backlog and 50% of the current GAP Market requirement will be provided for at a density of 40 dwelling units per hectare.

The implementation of the land reform programme within the Greater Kokstad Municipality has been very sedentary although a number of land claims have been lodged. The Kokstad Commonage redistribution project is the only claim to have been transferred. Priority is now concentrated on the redistribution in the Pakkies area.

The main components of land reform with specific reference to the Greater Kokstad Municipal area are that:

- A strategy for the distribution of information on land reform to stakeholders and possible beneficiaries. It is anticipated that existing representative structures such as the Farmers. Associations, Kokstad Chambers of Commerce and the larger commercial landowners should remain the focus for this exercise from where the information can filter down to grassroots levels; and
- As most of the areas in the Greater Kokstad are under the control of a farming community, land reform becomes complicated. The Land Reform Legislation does not cater for the land extension within the sub-region. Land Reform will contribute to the increased opportunities for commercial farming thus aiding in the economic development of the Greater Kokstad Municipality.

Land ownership in the municipal area was assessed from the current valuation role of the Council.

Land ownership is fundamental to development. There is also a growing consensus that there is a direct link between land ownership, development, and more specifically communal ownership and under-development.

Various areas in the municipality are subjected to land claims and the land restitution process. There is no logical link between land ownership and the optimal use of land. However, the land restitution process, if not resolved speedily creates uncertainty in the property market and might affect land values, the marketability of land and the development process in general.

Land, and more specifically land ownership, is very much a central issue in South African politics.
Furthermore, land and the value of land is the basis for property taxes that accounts for a substantial portion of municipal revenue. As indicated location, production potential, access to services and amenities and investment return determines the value of land.

3.4.6. HOUSING CAPACITIES

The Municipality has not been delegated a mandate to act as developer and Province plays the role of the Developer. The Greater Kokstad Municipality has a Housing Section. The housing functions are under Economic Development and Spatial Planning Department. Not all the positions are filled and this impacts on the ability of the municipality to provide on-site technical support to projects. The municipality has a Human Settlements Officer who takes care of housing matters.

The below information particularizes about the remedial actions the Department of Human Settlements have proposed:

- The eradication of slum areas (Informal housing) has been highlighted by national government.
- The identification and formalisation of these areas, if found to be suitable, needs to be prioritised.
- Establish the real need for housing (The Backlog) and prioritise the beneficiaries.
- Proactively identify and access land needed for future housing.
- Beneficiary and surrounding communities need to be consulted and participate in all housing related matters.
- All housing developments must contribute to the formulation of compact and integrated nodes.

- All housing developments are to comply with legislative processes and requirements.
- Strive to minimize or eradicate informal and/or shacks.
- The full spectrum of housing needs is to be catered for, i.e. low-income, subsidy housing, multi-storey developments, affordable housing.
- Low-income subsidised residential areas where freestanding dwellings are erected on individual stands should not be developed at gross densities of higher than 20 units per hectare, while the erven should not be smaller than 250m2.
- The housing backlog is to be eradicated by 2030. 20% of all new subsidy housing areas are to be allocated to the provision of rental stock and alternative housing types.
- An investigation needs to be launched to determine the feasibility of the provision of alternative housing typologies in Greater Kokstad Municipality.

3.4.7. INFORMAL SETTLEMENT UPGRADE STRATEGY

The municipality has been active in their development of their informal settlement housing plan. The municipal strategy predominantly aims at providing new Greenfields's housing developments in close proximity to the current informal settlements and relocating the informal settlements. This can be seen from the strategy in Bhambayi and Lindelani/Moyeni that relocated to Shayamoya and Franklin Phase 2.

The primary concern is how to accommodate the remaining informal settlements, but for this the municipality has initiated two projects to establish new Greenfield housing projects in Bhambayi (600 units) and Franklin (300 units). The municipality could further convert Ezimpungutyeni into CRU's as rental stock.

There is however a shortfall to accommodate the Horseshoe community staying in environmentally sensitive areas.

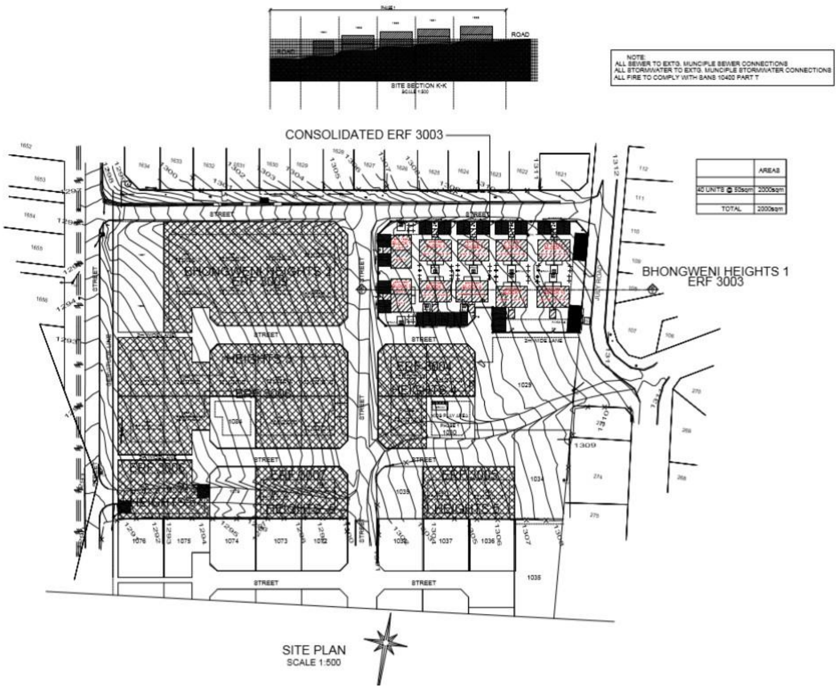
The following strategies should be put in place: -

- The municipality should fast-track the new Greenfields developments in Bhambayi/Shayamoya and Franklin to assist with relocation of informal settlements.
- The municipality should consider in-situ upgrade in areas suitable for development, rather than relocation.
- The municipality should consider rental stock in Ezimpungutyeni by implementing CRU's.
- The uncontrolled and rapid growth at Marikana informal settlements requires urgent intervention and community participation.
- Community based communication in relation to the relevant Municipal development plans should be improved.

Housing Interventions: -

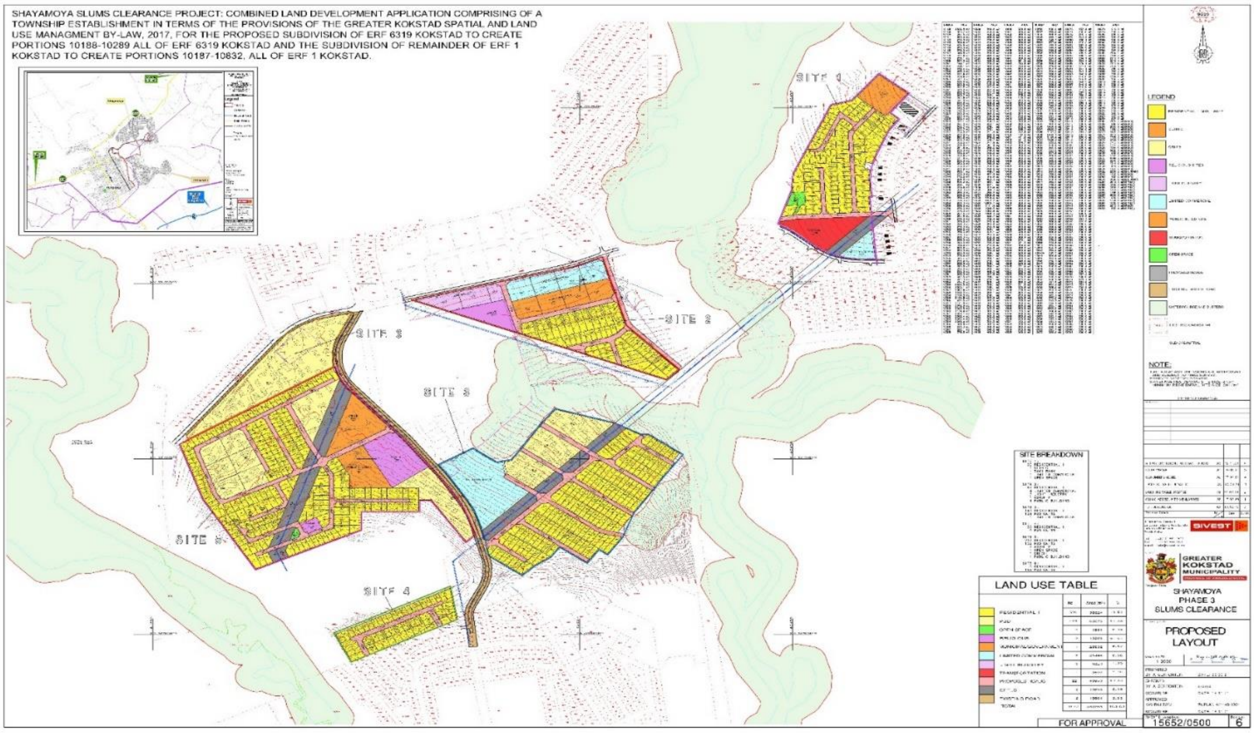
_ *Willowdale Housing Project, Kargs Post 83 units*
_ *R56 Integrated Sustainable Settlement Kokstad 583 Units*
_ *Shayamoya 700 (1003) Units (Low cost Housing)*
*-Homes 2010 *Bhongweni Heights*
_ *Makhoba 1400 Housing Development*
_ *Thuthuka Ngele Rural Urban Housing Project 300 Units*
- Kransdraai and Mariaskop 350 Units
- Pakkies 300 Units
-Franklin Phase 2- 300 Units
_ *Ekuthuleni Rural Housing Project 150*
_ *Kokstad Community Residential Units 300*
-Shayamoya Community Residential Units 414
_ *Informal Settlement Housing Project for Horseshoe, Lindelani/ Moyeni, Marikana, Bergview, Bhambayi, Ezimpungutyeni and Franklin*
_ *Development of an Informal Settlement Strategy*
_ *Franklin Residential Development – 450 Units*

Percentage of Households with access to basic housing 2022/2023		
Total Households (Formal and Informal Settlements)	**Households in formal settlements**	**Percentage of households in Formal settlements**
19140	11500	60%



Bhongweni Heights 133 Units in progress

Kokstad CRU 300 Units



Shayamoya Phase 3 Approved Layout Plan

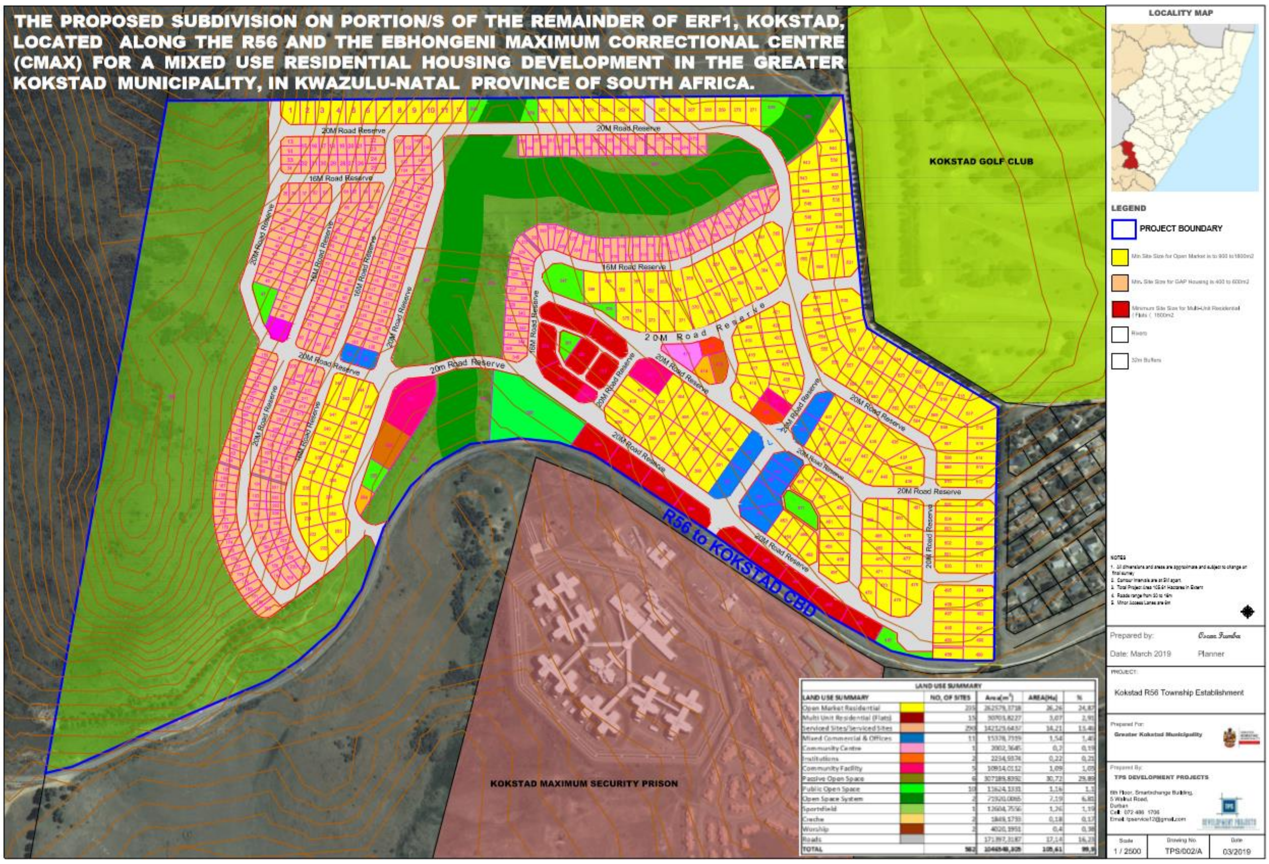
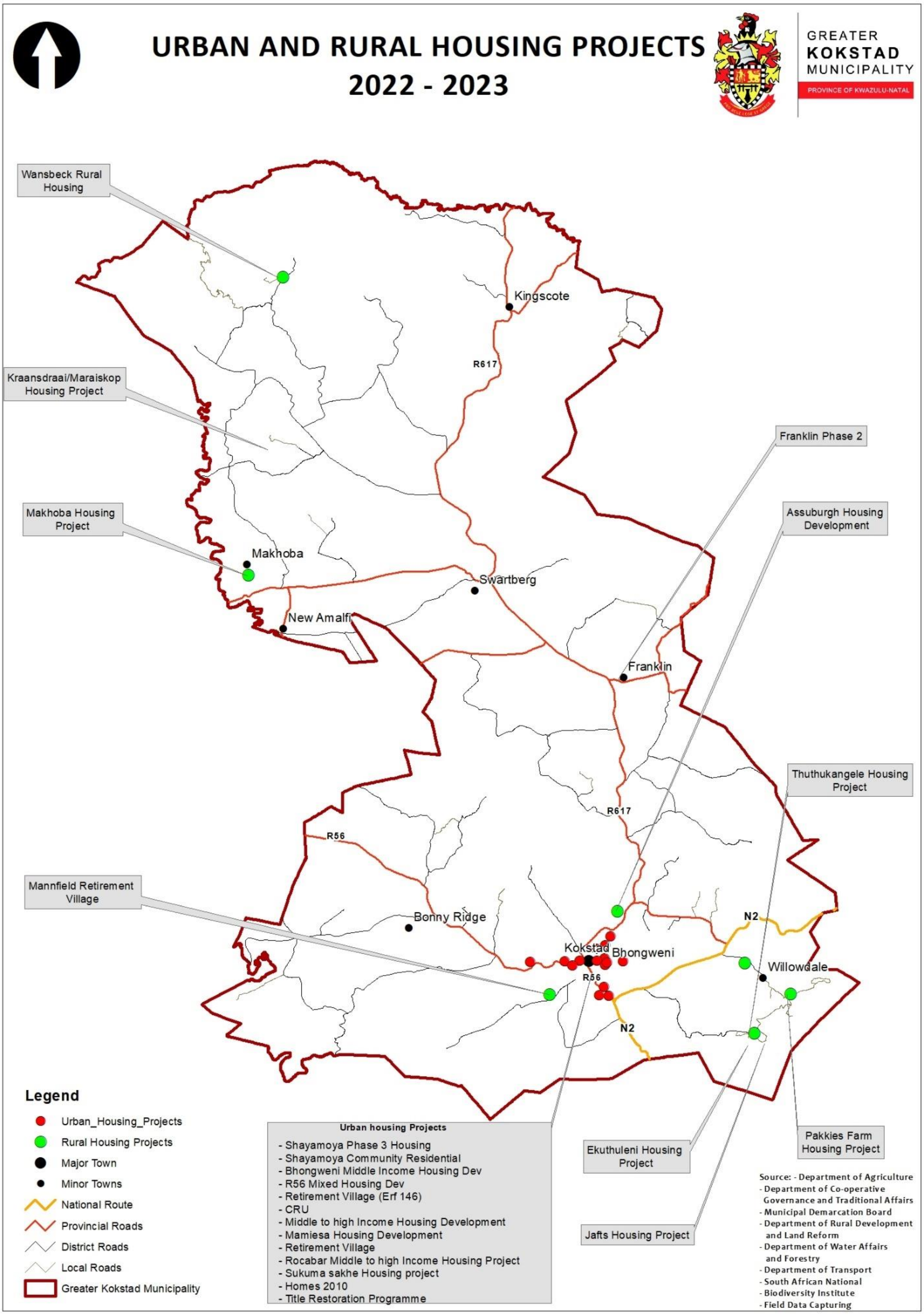


Figure: R56 Township Establishment

LAND USE SUMMARY	NO. OF SITES	AREA(m^2)	AREA (ha)	PERCENTAGE (%)
Open Market Residential	234	261341.2708	26,13	24,74
Multi-Unit Residential	15	30703.8227	3,07	2,91
Serviced Sites	290	142129.6437	14,21	13,46
Mixed Commercial and Offices	11	15378.7319	1,54	1,46
Community Centre	1	2002.3645	0,2	0,19
Institutions	2	2234.9374	0,22	0,21
Community Facility	5	10914.0112	1,09	1,03
Passive Open Space	6	307129.8392	30,72	29,89
Public Open Space	11	12862.2341	1,28	1.21
Open Space System	2	71920.0065	7,19	6,81
Sportsfield	1	12604.7556	1,27	1,19
Crèche	2	1849.1733	0,18	0,17
Worship	2	4020.1951	0,4	0,38
Road	-	171397.3187	17,14	16,23
Total	582	1046548.305	105,61	100

Proposed R56 Township Establishment


URBAN AND RURAL HOUSING PROJECTS
2022 - 2023
GREATER
KOKSTAD
MUNICIPALITY
PROVINCE OF KWAZULU-NATAL
Wansbeck Rural Housing
Kraansdraai/Maraiskop Housing Project
Makhoba Housing Project
Franklin Phase 2
Assuburgh Housing Development
Thuthukangele Housing Project
Mannfield Retirement Village
Ekuthuleni Housing Project
Jafts Housing Project
Pakkies Farm Housing Project
Kingscote
R617
Makhoba
Swartberg
New Amalfi
Franklin
R56
Bonny Ridge
Kokstad
Bhongweni
Willowdale
N2
Legend
Urban_Housing_Projects
Rural Housing Projects
Major Town
Minor Towns
National Route
Provincial Roads
District Roads
Local Roads
Greater Kokstad Municipality
Urban housing Projects
- Shayamoya Phase 3 Housing
- Shayamoya Community Residential
- Bhongweni Middle Income Housing Dev
- R56 Mixed Housing Dev
- Retirement Village (Erf 146)
- CRU
- Middle to high Income Housing Development
- Mamiesa Housing Development
- Retirement Village
- Rocabar Middle to high Income Housing Project
- Sukuma sakhe Housing project
- Homes 2010
- Title Restoration Programme
Source: - Department of Agriculture
- Department of Co-operative Governance and Traditional Affairs
- Municipal Demarcation Board
- Department of Rural Development and Land Reform
- Department of Water Affairs and Forestry
- Department of Transport
- South African National Biodiversity Institute
- Field Data Capturing

3.5. FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION

The delivery of free basic services to the people is a priority to the Council in order to afford dignity to our community that live below the poverty line. In this group, we include and not limited to the elderly, unemployed, child headed household and people living with disabilities.

Free Basic Services to Low Income Households			
Period	Number of Households		
	Households earning less than R1100/ month		
	Total	Access to Free Basic Electricity	Access to Free Basic Refuse
2020/21	4753	4753	4753
2021/22	5229	5229	5229
2022/23	5310	5310	5310

COMPONENT B: ROADS

This component includes: roads and waste water (storm water drainage).

The Municipality had a Road Infrastructure Development policy in place. Infrastructure, Planning and Economic Development (IPED) is responsible for strategic leadership of roads development in GKM as follows:

- Classification of the road network
- Road asset management
- Five-year implementation program and its funding needs
- Roads maintenance program and funding needs
- Roads policy and standards

Generally, GKM's service delivery mechanism is by means of outsourcing major work by use of consultants for specialist designs and construction where heavy machinery is required while minor works like fixing of potholes, replacing and cleaning of storm-water pipes is done in-house.

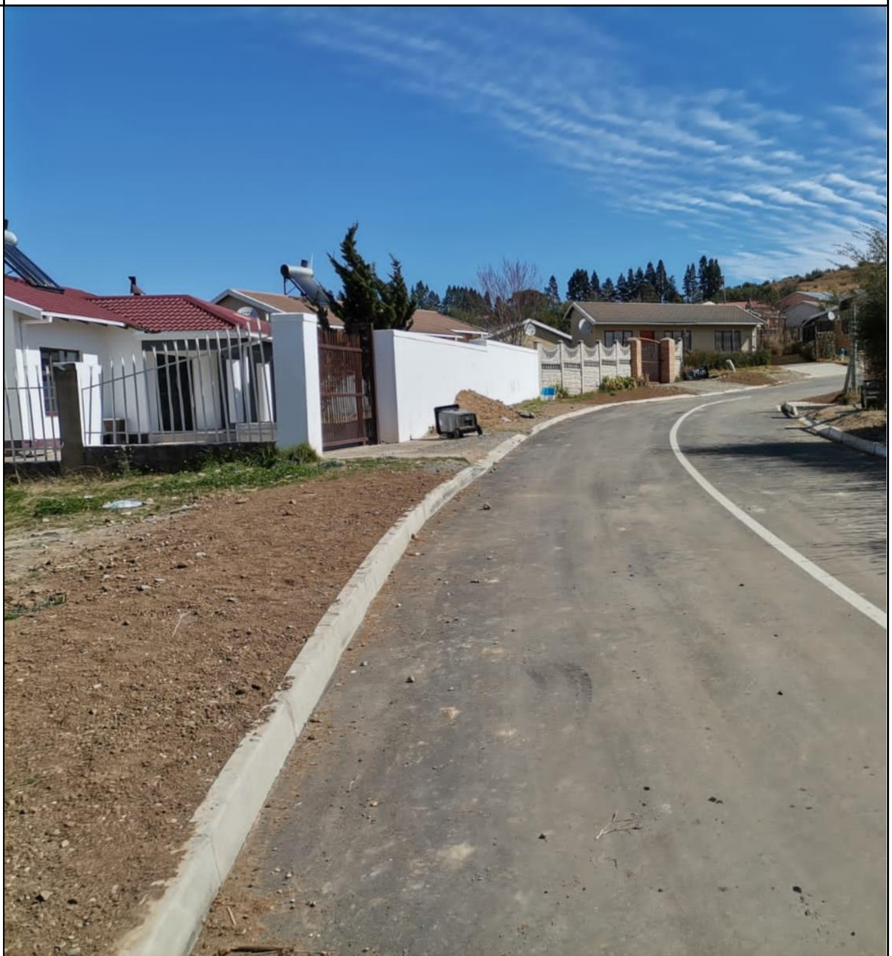
3.6. ROADS

INTRODUCTION

The municipality is faced with a huge backlog in terms of roads upgrade and rehabilitation or asset management of roads. The available budget for roads is minimal versus the backlog and the Municipality also undertakes maintenance i.e. repairing of potholes. Since the Municipality is still struggling in collecting revenue, the funding of new roads, upgrading of gravel roads and asset management is very limited only those funded by grants such as Municipal Infrastructure Grant (MIG) are being upgraded.

Over the years the municipality has focused on rehabilitation and upgrading of existing roads around the municipal jurisdiction with its focus in CBD, Extension 7, Shayamoya, Horseshoe and Bhongweni areas. Most of the roads in the CBD have reached their design life and road failures occur which results in lots of potholes developing. The municipality has thus focused on the rehabilitation of Kokstad CBD roads, upgrading of gravel roads in Extension 7 and Shayamoya in the 2022/2023 FY. The areas outside the Kokstad CBD (i.e., Shayamoya, Horseshoe, Bhongweni and Franklin) still have a backlog of gravel roads which requires upgrading to asphalt. The municipality over the year has upgraded gravel roads to asphalt in different areas of Kokstad.

The following projects were completed in the 2022/2023 financial year:

PROJECT NAME	PROJECT DESCRIPTION	PROJECT VALUE	PICTURE
A. Upgrading of Extension 7 Roads Phase 4	The project entails the upgrading of approximately 1.1km of gravel roads to asphalt in Extension 7. The project also includes stormwater upgrade which is both underground and surface drainage, road furniture and traffic signs.	R 10 276 610.28	

B.	Rehabilitation of Long Home Roads	The project entails rehabilitation of 1.425km of Long Home Roads	R 2 572 487.33	
C.	Rehabilitation of Wyled Road (Hawthorn to Main Street)	The project entails rehabilitating of 0.37km of Wyled Road (Hawthorn to Main Street)	R 1 002 403.60	

Table 3.6.1

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2020/21	11.7km	Nil	5.1km	6km
2021/22	11.7km	Nil	4.4 km	5km
2022/23	7.30km	Nil	1.1km	6.20km

Re-Gravelling

Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2020/21	5.1km	5.1km	Nil	Nil	2200 m²
2021/22	4.4km	4.4km	1.8km	Nil	2200 m²
2022/23	2.87 km	Nil	2.87km	Nil	18 400 m²

Cost of Construction/ Maintenance R'000						
	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained
2019/20	Nil	R 9 279 000	In-house maintenance	Nil	R 4 000 000	R 3 500 000
2020/21	Nil	R 28 318 625	In-house maintenance	Nil	Nil	R 3 600 000
2021/22	Nil	R 17 934 726	In-house maintenance	Nil	R 17 861 927	R 1 500 000
2022/23	Nil	R 3 791 172.18	In-house Maintenance	Nil	10 656 055.70	R 2 500 000

Top Three Service Delivery Priorities for Ward (Highest Priority First)

Ward No.	Priority Name and Detail	Progress During 2022/23
7	Upgrade of Roads Extension 7 Phase 4	1.1km of road tared
5 & 8	Rehabilitation of Long homes Roads	1.4km of road tared
3	Rehabilitation of Wylde Road	0.37km of road tared

Capital Expenditure 2022/23: Road Services R'000					
Details	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original	Variances to Budget %
Total All				%	
Upgrade of Roads Ext 7	2 800 000	2 289 968,00	0	0%	0%
Kokstad CBD roads	3 600 000	3 600 000,00	0	0%	0%
UPGRADE OF LONGHOMES ROADS	700 000	700 000,00	0	0%	0%
Upgrade of Roads Ext 7 phase 4	2 289 968	2 777 302,52	2 777 302,52	100%	100%
Shayamoya roads upgrade -Phase 2	335 000	335 000,00	0	0%	0%
Upgrade longHomes Roads	2 312 650	2 312 650,00	2 198 187,40	95%	95%
Shayamoya roads upgrade -Phase 3	3 948 000	1 658 045,48	358 806,29	9%	22%

3.7. WASTEWATER (STORMWATER DRAINAGE)

The Municipality is responsible for the maintenance of storm water drainage, however the challenge that is facing the Municipality is the shortage of staff or human resource to perform the required task. The areas that the Municipality tagerts are CBD, Bhongweni, Shayamoya, Horse-shoe, Extension 7. The municipality has also procured a jetting machine which will assist in the clearing of blocked drainage system.

STORM WATER DRAIN CLEANING

COMPONENT C: ECONOMIC DEVELOPMENT AND SPATIAL PLANNING

GKM formulated a long-term vision towards 2047. To achieve this vision, the municipality needs to take advantage of various opportunities and strengths presented to them and capitalise on such. GKM envisage and pledges a future characterised by a thriving economy and an improved quality of life where people are centre. The vision provides an indication of how people should perceive the future and require critical ingredients and instruments, of which the Municipality, in coordination and corporation with other organs of state and the private sector will have to possess. The achievement of this vision will require the involvement of all staff and senior management.

The Municipality has adopted the Smart City development Strategy - The SCDS intends to provide a platform to address prolonged key challenges facing the municipality. It must ultimately serve as overarching strategic framework for GKM. The strategy serves as a means of augmenting collaboration and coordination of resources and monitoring implementation of medium-term plans e.g., Integrated Development Plan, Spatial Development Framework and Local Economic Development Strategy. Alignment and consolidation of existing strategies, plans and policies directives. - Articulate strategies and action plans to deal with longer-term challenges. - Focus catalytic thrusts which address key problems. - Complement and inform the IDP.

SCDS - STRATEGIC GOALS

Reflect the municipality’s future that the people can own and actively contribute to.
Provide certainty to investors for the long term.
Provide a gateway to a future municipality beyond the limitations of medium-term focus

Of the IDP, SDF and the electoral cycle to the local administration and councillors.
Integrate the key aspects of integrated sustainable development.
Reflect the strategic development priorities of GKM.
Identify unique opportunities, challenges, and ways of doing things.
Develop a coordinated institutional framework to benefit from opportunities.

Strategic Focus of Smart City Development

- Strategic framework -provides focus for maximum impact.
- Purpose is to focus and coordinate the activities of all stakeholders to attain Vision 2047. The Smart City Development Strategy (SCDS) is meant to be a **cross-cutting strategy** that must undertake to contribute towards the following aspects.
- Reflect the municipality's future that the **people** can own and actively contribute to.
- Provide certainty to **investors** for the long term
- Provide a gateway to a future municipality beyond the limitations of medium-term focus of the IDP, SDF and the electoral cycle to the **local administration and councillors**.
- Integrate the key aspects of **integrated sustainable development**.
- Reflect the **strategic development priorities** of GKM.
- Identify **unique opportunities**, challenges, and ways of doing things.
- Develop a **coordinated institutional framework** to benefit from opportunities.

EMPHASIS ON LOCAL ECONOMIC DEVELOPMENT

All around the world, local governments, the private sector, and civil society are demanding better ways to achieve local economic development, a cornerstone to sustainable development. This is because local government faces increased democratic reforms and greater decentralisation while simultaneously there are massive transformations taking place in the global economy resulting from trade liberalisation, privatisation and enhanced communications. The significance of these changes is that citizens and local government face formidable challenges, greater opportunities, and growing responsibility to work together to address the economic health of municipalities and the livelihood of their local citizens, many of whom are under- or unemployed and living in poverty.

Achieving economic growth and staying competitive is a serious challenge. Ensuring the benefits of growth are spread widely such that development becomes inclusive and impacting on the quality of life of all citizens is even more challenging. We should therefore not only ask how we can make economic growth a reality in our communities, but how can we make sure that economic growth benefits the marginalised and the poor.

This requires firmly placing LED within the broader framework of local sustainable development and because LED is a participatory process requiring people from all sectors to work together to stimulate local commercial activity it is necessary to understand that LED is a process-orientated and non-prescriptive endeavour incorporating:

- Local values (poverty reduction, basic needs, local jobs, integrating social and environmental values).

- Economic drivers (value added resource use, local skills training, local income retention, regional cooperative) and
- Development (the role of structural change, quality of development)

The above therefore suggests that LED is not about "quick fixes" or generating wish lists. It requires a practical understanding of what the local area does well and what is has to offer, where its weaknesses and gaps lie, what outside threats and opportunities exist, and what the local area wants and needs.

The vision of the department, remained:

Through <u>innovation</u> and <u>dedication,</u> the EDSP department will <u>advance, align and augment resource capacity</u> to realise the Municipality's <u>sustainable</u> development trajectory by 2047.

To ensure alignment with the Municipal vision together with provincial and national strategies but more importantly to initiate innovative ways to ensure authentic realisation of growth and development perspectives.

The vision unpacked, mandates that we work towards:

<u>Innovation</u>: Improved methods / processes of translating strategic objectives into goods or services that create or add value

<u>Dedication</u>: Quality of being dedicated and committed to realise the developmental agenda of the Municipality through 5Year Legacy Projects and a 30Year Sustainable Development Plan

<u>Advance</u>: Through political and strategic decisions taken, to drive (lead) economic development and growth (overlay of planning processes, land use, business retention, etc.

<u>Align</u>: All planning, resource allocation, recruitment, etc to respond to intention of vision

<u>Augment</u>: Increase / Add Value to

<u>Resource Capacity:</u> Land, human, assets, financial incl. renewable and non-renewable and assistance obtained.

<u>Sustainable</u>: Economic development that is conducted without the depletion of natural and man-made resources

The revised vision and mission affirm the premise of ensuring that a consolidated approach through the formulation and implementation of the Local Growth and Development Strategy is taken to realising and advancing:

i. <u>Competitive Advantage</u>: Economic Hub of the District, Serviced Industrial Sites, Agriculture, Agri-processing, manufacturing, locality – Gateway into South Africa from Lesotho and into KZN from the Eastern Cape.

   <u>GKM Responsiveness</u>: Development of Smart City Development Strategy

ii. Friendly and Safe Environment: Including Light Industrial expansion, Agri-processing potential, re-commercialisation reinstituted land i.e., farms, dry port.

GKM Responsiveness: GKM own funding investment into the economy in the form direct support to primary agriculture

iii. To Work: The Youth dominate the demographic and with influx of high school graduates into the pool of unemployed school leavers places strong emphasis on initiatives for long term development of Youth to allow them to actively engage in the labour market. Methods should focus on life-long learning thereby providing the principle of providing bursaries for school leavers.

Consideration should also be given to the manner in which the Expanded Public Works Programme (EPWP) is implemented. Initiatives to partner with existing business will be explored to engage unskilled labour with an obligation on the Municipality to meet a portion of the labour cost thus providing the opportunity to access work opportunities as a full-time equivalent.

GKM Responsiveness: Expansion of EPWP Programme to include semi-skilled and skilled participants as a means to obtain experience or alternatively the completion of a qualification.

iv. To do business: Investment friendly initiatives to be unconventional and need to be inclusive of red tape reduction. Whilst simultaneously attracting investment it becomes imperative that methods to retain the existence and expand the operation of current business with focus on SMME's and Cooperatives as a means to adequately address the triple challenges.

In this regard, the current methodology of procurement with public funds needs to be innovative to respond to set-aside procurement from targeted sectors (Youth, Women, Disabled and Military Veterans) and should strive to build capacity and develop skills.

GKM Responsiveness: Introduction of the Strategic Projects Fund in the partnership with Economic Development, Tourism and Environmental Affairs to support Formal and Informal businesses that are operational for the purposes of Business Expansion and Retention.

v. A better life and access to quality service delivery: Revenue enhancement strategies need to be crafted which do not increase the burden on those that can afford to meet the cost of services and infrastructure plans regularly updated so as to identify critical infrastructure requirements. In addition, the Municipality needs to respond to infrastructure development as a means to attract investment, especially in the nodal areas (e.g. CBD, proposed Developmental Node – Franklin_Makhoba_Swartberg).

vi. Stakeholder Relations: The Constitution of the Republic of South Africa, 1996 assigns specific Powers and Functions to the different spheres of government and categories of municipalities. In the Kokstad context, as the only authority with all-inclusive authority within the local sphere, the municipality has a fundamental role to play in strengthening stakeholder relations and engagements so as to address backlogs and reduce possible repetition of services provided.

GKM Responsiveness: Support in the establishment and strengthening of forums.

vii. Good Governance incl the Policy Environment: A constitutional mandate exists that requires that we remain accountable and in so doing, the onus rests with us to facilitate participative governance to strengthen coordination and capacity. A policy environment which is pro-poor but economically sustainable needs to be informed by all stakeholders and actively implemented.

GKM responsiveness: All policy are developed in-house and respond to the formal and informal economy, EPWP, Red Tape Reduction, Military Veterans, and Investment attraction together with business retention.

viii. Improved livelihoods: The spatial inequity created by past imbalances continues to exist in predominantly the rural areas. Pragmatic measures to redesign areas should have already occurred however in the absence of this, this strategy through its catalytic projects needs to remain mindful of the pressing need for spatial equity.

Success can only be realised in encouraging a business environment where markets can operate efficiently, but appropriately, within the local context. Micro, Small and Medium-sized enterprises must be strongly supported and encouraged to take the lead as they play a key role in creating new local employment, wealth, and tax generation. Visible results can help maintain momentum in the short term, and simply initiating a single project focusing on one critical issue might pave the way for long term success. Ultimately LED is about sustainable development in the long-term, for it takes time to change local conditions and mind sets, building capacity, organise participatory processes and empower stakeholders, especially the poor.

3.8. SPATIAL PLANNING

SPATIAL PLANNING & DEVELOPMENT VISION AND OBJECTIVES

MUNICIPAL DEVELOPMENT VISION

The vision is a roadmap of a municipality's future, the direction in which it is headed, the position it intends to be at within a certain period of time and the capabilities it plans to develop. From this, the Municipality is able to create an organizational purpose and identity.

All stakeholders must share a clear vision of what they want, and passionately believe in their ability to achieve it. The vision, key principles, objectives and the role of each of the identified nodes must be drawn up. This requires a great degree of participation on the part of the stakeholders.
The following vision was developed for the Greater Kokstad Municipality:

"BY 2047, THE GREATER KOKSTAD MUNICIPALITY WILL BE THE MAIN LOGISTICS AND COMMERCIAL HUB OF THE HARRY GWALA DISTRICT THROUGH THE DEVELOPMENT AND SUSTAINABLE USE OF ENVIRONMENTAL AND AGRICULTURAL RESOURCES FOR ECONOMIC GROWTH AND DEVELOPMENT FOR THE BENEFIT OF ALL COMMUNITIES"

The vision is underpinned by the following principles: -

- Sustainable growth and development
- Quality, affordable services and service delivery,
- Financial health and fiscal discipline,
- Transformation and integration,
- Accountable and transparent local government,
- Respectful and fundamental rights,
- Equity,

- Safe and secure living environment,

In support of the vision, the mission statement below aims to guide the political leadership and administrative functionality: -

> ***"PROVIDING SUSTAINABLE SERVICES TO COMMUNITIES THROUGH OPTIMAL AND PROFESSIONAL DEPLOYMENT OF RESOURCES AND ENHANCING ECONOMIC DEVELOPMENT, SAFE AND HEALTHY ENVIRONMENT"***

The vision will provide direction in the planning process and will ensure that the process is focused. In terms of the vision, there certain fundamentals, which provide guidelines for, decision-making. These guidelines for the basis for any decision making made by the Greater Kokstad Municipality, stakeholders, interested and affected parties and potential investors.

DEVELOPMENT OBJECTIVES

In order to achieve the future vision, the following overall objectives have been formulated: -

There exist a multitude of principles, directives, and guidelines for spatial planning and development at national and provincial level. In terms of the White Paper on Spatial Planning and Land Use Management, 2001, "The overall aim of the principles and norms is to achieve planning outcomes that:

- Restructure spatially inefficient settlements;
- Promote the sustainable use of the land resources in the country;
- Channel resources to areas of greatest need and development potential, thereby redressing the inequitable historical treatment of marginalized areas;
- Consider the fiscal, institutional and administrative capacities of role players, the needs of communities and the environment;
- Stimulate economic development opportunities in rural and urban areas; and
- Support an equitable protection of rights to and in land.

The various principles and directives can be translated into a set of collective development objectives in accordance with the national agenda that forms the overarching objectives of the Spatial Development Framework, namely -.

- To promote sustainable development;
- To promote efficient development;
- To promote equitable development;
- To ensure integrated development, and
- To improve the quality and image of the physical environment.

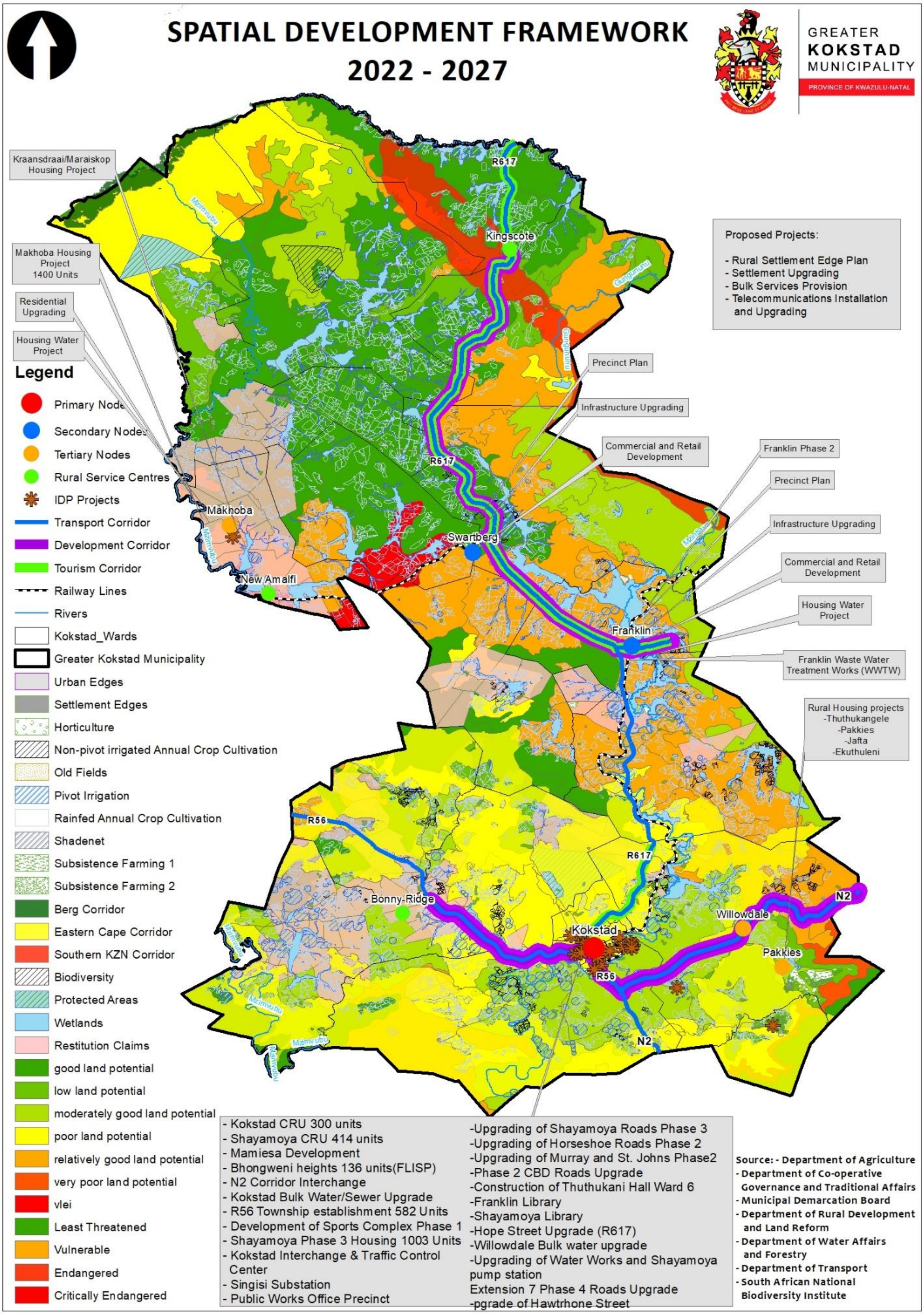
Applications for Land Use Development						
Detail	**Formalization of Townships**		**Rezoning**		**Built Environment**	
	2021/2022	**2022/2023**	**2021/2022**	**2022/2023**	**2021/2022**	**2022/2023**
Planning application received	7	6	8	5	100	105
Determination made in year of receipt	7	6	5	5	100	105
Determination made in following year	Nil	Nil	Nil	Nil	Nil	Nil
Applications withdrawn	Nil	Nil	Nil	Nil	Nil	Nil
Applications outstanding at year end	Nil	Nil	Nil	Nil	Nil	Nil

2022-2023:

Total Operation Cost was R100 000.00 (adverting, registered mail and printing)

Total Revenue Received R 657 716.18 on Development Applications and Building Plans.

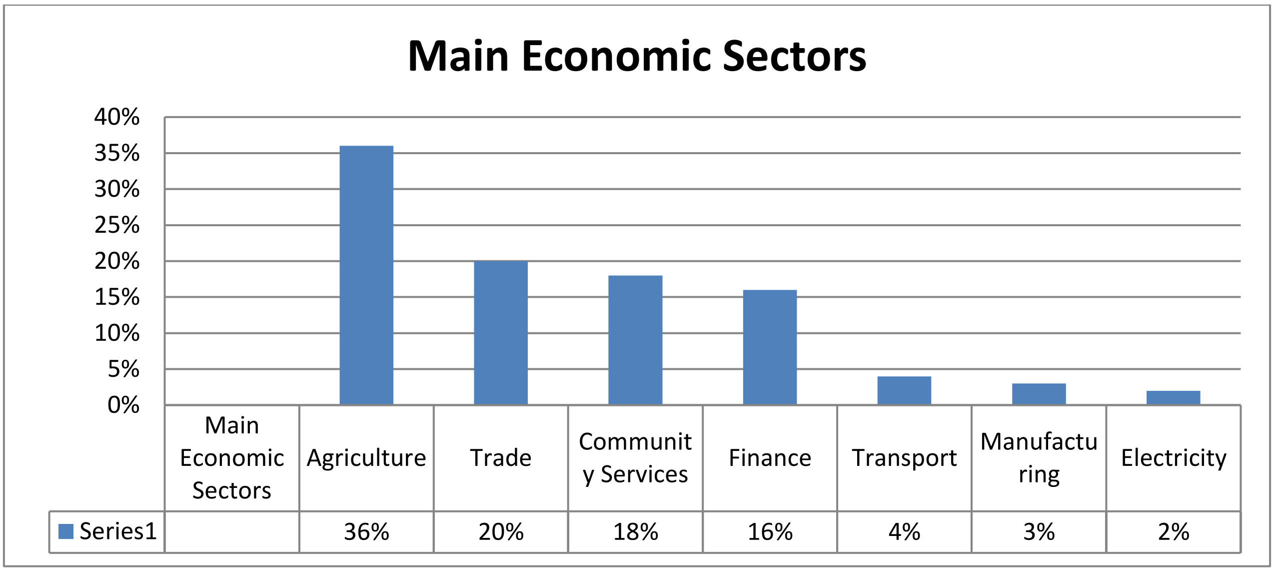
Employees: Planning Services					
Job Level	2022/2023	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
4-6	9	11	11	0	0%
7-9	0	0	0	0	0%


SPATIAL DEVELOPMENT FRAMEWORK
2022 - 2027
GREATER
KOKSTAD
MUNICIPALITY
PROVINCE OF KWAZULU-NATAL
Kraansdraai/Maraiskop Housing Project
Makhoba Housing Project 1400 Units
Residential Upgrading
Housing Water Project
Proposed Projects:
- Rural Settlement Edge Plan
- Settlement Upgrading
- Bulk Services Provision
- Telecommunications Installation and Upgrading
Precinct Plan
Infrastructure Upgrading
Commercial and Retail Development
Franklin Phase 2
Precinct Plan
Infrastructure Upgrading
Commercial and Retail Development
Housing Water Project
Franklin Waste Water Treatment Works (WWTW)
Rural Housing projects
-Thuthukangele
-Pakkies
-Jafta
-Ekuthuleni
R617
Kingscote
Swartberg
Makhoba
New Amalfi
Franklin
R56
Bonny-Ridge
Kokstad
Willowdale
Pakkies
N2
Mzimvubu
Legend
Primary Nodes
Secondary Nodes
Tertiary Nodes
Rural Service Centres
IDP Projects
Transport Corridor
Development Corridor
Tourism Corridor
Railway Lines
Rivers
Kokstad_Wards
Greater Kokstad Municipality
Urban Edges
Settlement Edges
Horticulture
Non-pivot irrigated Annual Crop Cultivation
Old Fields
Pivot Irrigation
Rainfed Annual Crop Cultivation
Shadenet
Subsistence Farming 1
Subsistence Farming 2
Berg Corridor
Eastern Cape Corridor
Southern KZN Corridor
Biodiversity
Protected Areas
Wetlands
Restitution Claims
good land potential
low land potential
moderately good land potential
poor land potential
relatively good land potential
very poor land potential
vlei
Least Threatened
Vulnerable
Endangered
Critically Endangered
- Kokstad CRU 300 units
- Shayamoya CRU 414 units
- Mamiesa Development
- Bhongweni heights 136 units(FLISP)
- N2 Corridor Interchange
- Kokstad Bulk Water/Sewer Upgrade
- R56 Township establishment 582 Units
- Development of Sports Complex Phase 1
- Shayamoya Phase 3 Housing 1003 Units
- Kokstad Interchange & Traffic Control Center
- Singisi Substation
- Public Works Office Precinct
-Upgrading of Shayamoya Roads Phase 3
-Upgrading of Horseshoe Roads Phase 2
-Upgrading of Murray and St. Johns Phase2
-Phase 2 CBD Roads Upgrade
-Construction of Thuthukani Hall Ward 6
-Franklin Library
-Shayamoya Library
-Hope Street Upgrade (R617)
-Willowdale Bulk water upgrade
-Upgrading of Water Works and Shayamoya pump station
Extension 7 Phase 4 Roads Upgrade
-pgrade of Hawtrhone Street
Source: - Department of Agriculture
- Department of Co-operative Governance and Traditional Affairs
- Municipal Demarcation Board
- Department of Rural Development and Land Reform
- Department of Water Affairs and Forestry
- Department of Transport
- South African National Biodiversity Institute

3.9. LOCAL ECONOMIC DEVELOPMENT

Local Economic Development as defined in adopted National LED Framework reads:

"LED will seek to create competitive, sustainable, diverse, innovation-driven inclusive local economies that are vibrant places in which to live, invest, and work, which maximise local opportunities, address local needs, and which contribute to South Africa's national development objectives, including sustainable ways of utilising local resources and expand learning capabilities". **(National LED Framework, 2018-2028)**



The following Table indicates the Thrusts along with the programmes, projects and development facilitation actions identified to promote growth and development together with the status as realised in the 2022/2023 financial year:

PROGRAMMES	PROJECTS AND DEVELOPMENT FACILITATION
THRUST 1: LOCAL BUSINESS SUPPORT AND STIMULUS – ACHIEVEMENTS	
Local marketing and promotion of investment opportunities	• Supply and Delivery of Implements for Marais Kop - • Military Veterans Business Support - Fencing , Gated Entrance , Storage Container, (Steel and Wooden) , Ablution facility (Potable Plastic toilet) and Water storage • Partnerships with funding institutions, development agencies and sector departments resulted in capacitation of emerging contractors, Community Tourism Organisation (CTO), Suppliers Day to enable more active participation in local economy. • Establishment of the GKM Investment Working Committee – To facilitate and formalise a dedicated team in driving investment attraction.
Establish entrepreneurial and small business support structures	• Updated database for local businesses • Inclusive of locality in functionality to augment the retention of local spend • Establishment of Greater Kokstad Business Forum to enable information dissemination, facilitate linkages between SMMEs and larger franchise groups • Partnership with SEDA for the training and mentorship of local enterprise
Industrial strengthening and trade development	• Reviewed Informal Economy Policy and adoption of Bylaw to allow for a more formalised approach to the informal trade sector • Various workshops and Bulk Buying initiatives in collaboration with the Department of Economic Development, Tourism and Environmental Services

	• Offtake agreements with local chain stores for primary production
THRUST 2: RESTRUCTUING AND DIVERSIFYING THE RURAL ECONOMIC BASE	
Social capital renewal and improved access to external markets	• Improved access to support services within wards and information in rural areas
Sustainable farming practices for emerging farmers and youth	• Established 10 x demonstration plots, distribution of seedlings together with mechanisation for 40 emerging enterprises. • Supported economic collaboration amongst 50 farmers, especially smaller producers, to form and develop cooperatives. • Provision of business support for co-operative, development advice and linkages with intermediaries • Facilitated the development of partnerships between emerging farmers, commercial farmers, traditional leaders, etc • Facilitate the development of supply/service contracts with local SMME 's and agricultural enterprise • Facilitated farmer support DARD and DRDLR – R300,000 fencing for Cooperative in Franklin
THRUST 3: AGRICULTURE SECTOR EXPANSION AND PROMOTION OF LOCAL VALUE ADDING	
Expansion and diversification of existing agricultural products	**PROJECTS:** • Through LED Unit, local farmers enabled to participate in the National School Nutrition Scheme.

3.9.1. POLICY FORMULATION

The following policy documents were formulated and subsequently reviewed so as to inform the activities of the Municipality in strengthening the realisation of the objectives of LED:

- Business Registration and Licensing Policy – as per Powers and Functions of Constitution and Business Act, 71 of 1991 – to regulate all trade within municipal jurisdiction
- Informal Economy Policy – in line with the KZN Informal Economy Policy – to be proactive in the regulation but more importantly to augment the activities to sustain the entry level enterprises
- Allocations Policy – to inform the criteria in considering the allocation of municipal owned trading sites
- Expanded Public Works Policy (Phase III) – to augment realisation of Phase III Principles to increase opportunities for Job Creation and to inform the processes to address the exit of participants from the programme so as to ensure there is sustainable development
- SMME / Enterprise Development Policy – as a means to strengthen emerging enterprise as a means to retain local spend and provide means for the strengthening of emerging enterprise to graduate from being emerging
- Business Retention, Expansion and Investment Attraction Policy – aimed at facilitating access to financial and non-financial support and opportunities to allow for the development of SMME's and local business enterprise based on the proviso of a 1-Stop-Shop.
- Marketing Strategy – as a means to attract investment into municipality as the preferred destination to live, work and do business. Inclusive herein is the reduction of bureaucratic red tape as a means to augment investment, retain and expand existing enterprise.

- Military Veterans Support Policy – as a means to provide direct assistance to one of governments priority sectors in the form of economic opportunities, training, skills development and employment opportunities through existing government programmes.

3.9.2. PARTNERSHIPS

To progress the objectives of local economic development, as LED is a partnership approach, partnerships were concluded with the following:

i. GKM and Small Enterprise Development Agency (SEDA) – MoU of Collocation: Objectives:

   - To increase presence of SEDA in Kokstad by establishing offices in Kokstad
   - Placement of Municipal funded intern to ensure that the needs of SMME's are coordinated and fast-tracked
   - The SEDA offices work in conjunction with the Greater Kokstad Business Forum.

ii. GKM and Private Sector together with sector departments and community structures

   Establishment of EDGE (Economic Development, Growth and Enterprise Forum), to strengthen partnerships with Private Sector and Sector Departments to align priorities, align budgets and strengthen the coordinated approach to development

   One of the limitations, due to human resources challenges, was the frequency of meetings of the Forum. This however is determined to change, and its functionality and successful operation has been included as a deliverable for the respective Unit.

   Notwithstanding challenges in the functionality of the Forum, the Municipality engages with the different sectors through the sub-fora (e.g Greater Kokstad Small Business Forum, Community Tourism Organisation)

iii. Partnership with Durban Chamber of Commerce and KZN Growth Fund subsequent to the hosting of the Growth and Development Summit – the partnership is intended to strengthen businesses and attract investment

iv. Partnership with the Moses Kotane Institute (entity of EDTEA) for the realisation of the Innovation Ignition Programme and implementation of the ICT Hub. The Programme also seeks to train enterprise on how to do business on different levels of technology.

v. Establishment of various Fora to augment economic sectors: The following forums were established, have met frequently and continue to receive the support of the Municipality:

   - Greater Kokstad Business Forum
   - Agri Forum
   - Community Tourism Organisation
   - Local Informal Economy Chamber

vi. Development of Tourism and Investment Brochure to market the Greater Kokstad Municipality as the destination of economic possibilities and to advance the main economic sectors.

3.9.3. AGRICULTURE

The most important economic thrust realised for the agricultural sector was the prioritisation of Franklin_Makoba_Swartberg triangulation as a development node for the Municipality and the decision of the Council to direct investment into the area either through direct municipal own investment or the channelling of grants to realise the development trajectory of the area.

The Franklin_Makoba_Swartberg Development Node has received the following investment:

- **Cultural Village – R14,5million** – CoGTA Funded: Status – Project complete – along with the construction and the engagement of local labour as per mandatory requirements, local cooperatives received diverse opportunities in the development (e.g. thatching of roofs)
- **Integrated Centre – R2,8million** – DRDLR funded: Status – Contractor appointed – completion was extended for anticipated in March 2019 however with challenges and the subsequent onset of the COVID19 pandemic, the completion has been staggered. It is intended that the Centre will be repurposed for the establishment of a manufacturing facility.
- **Farmer Production Support Unit (FPSU) – R5million** – DRDLR Funded: Status – awaiting final adjudication by DRDLR BAC
- **8 x Hydroponic Tunnels with internal drip irrigation system – R2,0million** – GKM Funded: Status: Project Close Out
- **Borehole (Franklin) complete**- R2million – Complete
- **Borehole, Generator and Water Storage (Ward 2)** – R 800 000.00 – Initial stages FY 22/23
- **Aquaculture (Fish Farming)** – R 800 000.00 – FY 22/23
- **Implements for Marais Kop** (Ward 2) – R 300 000.00 FY 22/23




Tractor and implements in response to Farmer Production Support – initiatives to increase primary production

3.9.4. JOB CREATION AND EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

Job creation through Government Led interventions Projects

Job creation through EPWP* Projects		
Details	**EPWP Projects NO.**	**Jobs created through EPWP Projects NO.**
2021/2022	CWP	
	EPWP	732
2022/2023	CWP	
	EPWP	556

Greater Kokstad Municipality		**2019/ 2020 Target**	**2019/ 2020 Achieved**	**2020/ 2021 Target**	**2020/ 2021 Achieved**	**2021/ 2022**	**2022/ 2023**	**2023/ 2024**	**TOTAL FOR PHASE IV**	**Status To Date**
	WO	382	**718**	388	938	395	401	408	1974	**1656**
	FTE	128	**324**	130	322	132	134	136	660	**646**

The LED Unit has remained committed to ensuring that EPWP is integrated into the internal processes of the Municipality and with the support of Council and the administration, through the adoption of the EPWP Policy – Phase IV the following has been realized:

- Adoption of Policy – Phase IV
- Adoption of Recruitment Guidelines in compliance with National and Provincial guidelines which has now determined the process of recruitment to be fair and transparent
- Adoption of Standard Operating Procedures – the first for the district.

Employees: Local Economic Development Services					
Job Level	2021/2022	2022/2023			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0-3	1	1	1	0	0%
4-6	0	0	0	0	0%
10-13	2	2	2	0	0%
Total	3	3	3	0	0%

Financial Performance 2021/2022: Local Economic Development Services R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Budget
Total Operational Revenue	4 628 000	5 266 000	5 266 000	5 266 000	100%
Expenditure					
Employees	8 719 606.13	5 920 534	3 052 830.16	2 035 566	33%
Repairs and Maintenance	N/A	N/A	N/A	N/A	N/A
Other		300 000.00	300 000.00		
Total Operational Expenditure		**18 807 829.00**	**21 554 679.00**		81%

3.9.5. POVERTY ALLEVIATION

i. Launch of the Seed Bank – to encourage community gardens programs.
ii. Extending of the Strategic Fund to the Informal Traders Economy.
iii. Partnership with Department of Small Business Development and SEDA – assistance to informal economy actors
iv. Community Gardens – Assistance to Emerging Farmers.

150,000 seedlings (variety) were distributed to the various community gardens being supported across Municipal jurisdiction.

3.10. RESPONSIVENESS TO COVID19 PANDEMIC

The Greater Kokstad Municipality acknowledges that the novel COVID-19 global pandemic has and will continue to fundamentally reshape our lives. More than a health crisis, the pandemic has resulted in devastating personal, social, economic, and educational disruptions.

The Economic Renewal, Growth and Transformation Plan seeks to devise a programme of action to address the immediate, latent, and enduring socio-economic challenges caused by COVID-19. The overarching goal is a concerted effort to resuscitate and strengthen economic activity whilst simultaneously realising the development trajectory of the Municipality and its economic actors.

The prevailing COVID-19 global pandemic is equally unprecedented and unforeseen. To mitigate the likely impact, the President announced lockdown measures the impact of the pandemic will manifest across the socio-economic environment and at different levels across the social and income strata. The Presidential Proclamation in March 2020 declaring a National State of Disaster and the subsequent legislative response by government to flatten the infection curve has come at the expense of steepening the macroeconomic recession curve. Arguably, the technical recession existed prior to the proclamation however has been exacerbated.

Without deflecting from the debilitating impact, the pandemic offers government an opportunity to assess failing policy and structural positions. The development of immediate innovative programmes and the complementary redirection or reprioritisation of budgets becomes critical.

Based on the above premise, the Municipality, having consciously reviewed its existing strategy documentation, current financial and human resource capacity embraces a pragmatic and progressive outcomes-based approach to economic recovery and transformation.

The plan, aligned to all spheres of government, is intended to recover and transform the economy to address immediate challenges, devise a socio-economic agenda to avert a continuation and to simultaneously realise growth.

1.1. ECONOMIC OVERVIEW

The COVID-19 pandemic has had a significant impact on food security, safety and nutrition, albeit in different ways. Currently, 135 million people globally face acute hunger, and it is estimated that by the end of 2020, this figure will have almost doubled to 265 million, because of the COVID-19 pandemic.

Continued contests such as limited revenue collection, poor consumer spending, low business confidence and private sector investment, together with the impact of the pandemic, it is forecasted that the country's economy could likely contract by between 5 – 17%.

Notwithstanding business and household relief measures and without measuring the impact, the shrinkage in the economy is further compounded by:

- Business downsizing or shutting down operations.
- Government revenue declined as a result in disruptions in service payment and reduced access to working capital.
- Unemployment and Poverty levels increased.

The above implies that while relief programmes are useful, they are not job creation policies and are therefore not sustainable.

Key messages extracted from the South African United Nations Socio-Economic Impact Assessment, about 34% of which are those categorized as middle class. Higher incidences of poverty are likely to occur in female headed households, rural dwellers, populations with education below secondary level, unskilled labour and the informal sector.

Overall, it may take at least five (5) years for the economy to return to pre-2019 levels.

The following presents the Municipality's responsiveness to the COVID19 pandemic, specific to attempts to sustain the economy:

OPPORTUNITIES	APPLICABILITY	ACTION TAKEN DURING LOCKDOWN	CONTINUAL ACTION IN ACCORDANCE WITH RISK ADJUSTED STRATEGY
Government led interventions: • South African Future Trust (SAFT) • Debt Relief Finance Scheme • Business Growth/Resilience Facility • Spaza Shop Grant Funding • Tourism Relief Funding • COVID-19 SME Fund • IDC COVID – 19 Essential Supplies Funding • COVID-19 UIF Temporary Employer/ Employee Relief Scheme (TRS) • COVID-19 Business Rescue Assistance (COBRA) • Training Lay - off Scheme • COVID – 19 Tax Relief	Promotion and Development of SMMEs and Cooperatives – in the form of Funding Opportunities and Debt Relief	• Continual information dissemination on the availability of opportunities to all structures / fora within the Municipality (i.e. Greater Kokstad Business Forum, Kokstad Chamber of Commerce, SMME Database, Emerging Enterprise Database and interested individuals not registered on any LED led database) • Verified database of 210 Informal Economy Actors as per December 2019 94 Farmers telephonically contacted and encouraged to apply for funding through DARD	• Facilitate access to finance and funding for business expansion and growth • Provide business advisory services, e.g. formalization of business entities and compliance with applicable regulations. • Liaise with EDTEA, Ithala, DSBD, DARD, DRDLR and other funding institutions on status of applications

<u>STATUS OF ACCESS AND ASSISTANCE TO DATE</u>:

- Registration of 163 business enterprise on SME government database (Spaza Shops – 88 and Informal Economy Actors – 210
- In collaboration with DARD and DRDLR – updated database of Farmers together with produce immediately available and projected – submitted to RASET and given access to markets locally and within the District
- Coordinated the submission of 44 applications from Greater Kokstad Municipality – each application valued at the maximum of R50,000.00
- Database of Spaza Shops (88) developed and submitted to SALGA, CoGTA – LED Unit and DSBD
- Assisted 55 Spaza Shops with the completion of applications to enable accessing funding

Given the impact of the pandemic on the economy and the approach to a “new normal” the Municipality will need to device mechanisms to alleviate job shedding and a possible shrinkage in the economy. However there existence an opportunity in every circumstance and it is the intention of the Municipality to augment a buy local campaign.

Continued interventions per economic sector:

A. LAND AND AGRICULTURE

Agriculture is one of the main economic sectors within the Greater Kokstad Municipality and includes existing commercial and micro farmers as well as emerging farmers. In considering the promotion of agriculture and value-chains with backward and forward linkages within the production and services sector, the following challenges must be addressed:

- Climate change and resultant impact
- Limited interest in agriculture by the youth and subsistence farming
- Access to formal markets together with supply and demand disparities
- Infrastructure challenges, knowledge base, access to credit and innovation i.e. climate resilient crops

Programme	Intervention	Responsibility	Status / Time Frame
Increase and Strengthen Primary Production and Mechanisation	• Assessment of land potential and ploughing schedule.	GKM and DARD	Ongoing
	• Establish tunnels – Bhongweni and Pakkies	GKM	Ongoing
Market Support for Small Scale Farmers	• Access to RASET Programme	GKM, HGDM, DARD and EDTEA	Immediate based on production availability
Skills and Capacity Development	• Identification of programmes for implementation including business and marketing skills	All	Ongoing

Programme	Intervention	Responsibility	Status / Time Frame
Unlock potential of milk cluster	Facilitate development of dairy infrastructure and value chain • Database of dairy farmers and status of activities • Investigate needs (facilities, market, equipment)	GKM, DARD, DRDLR, ADA	Long Term
Unlock red meat value chain	Facilitate development of beef out-grower model and commercialisation of cattle across value chain inclusive of textile industry • Black owned abattoir • Supply into textile industry		

B. INDUSTRY DEVELOPMENT

Industrial development remains a key driver of economic growth. In the context of Greater Kokstad Municipality, it is necessary to view industrial development in the regional context.

Programme	Intervention	Responsibility	Status / Time Frame
Access to Opportunities	Facilitate access to Relief Funds for the different sectors i.e. formal, informal economy (tuck shops, informal economy actors), agriculture, tourism	GKM, Sector Departments, SEDA	Ongoing
Business Fora engagements	• Active participation in 8-A-Side discussions • Quarterly meetings with all Business Fora i.e. Kokstad Chamber of Commerce, Greater Kokstad Business Forum • Resuscitate and strengthen Community Tourism Organisation	GKM, EDTEA and Business Fora	Ongoing and Quarterly

Programme	Intervention	Responsibility	Status / Time Frame
Regulatory Compliance	• Ensure compliance with legislative prescripts • Red Tape Reduction	GKM	Implemented with ongoing review and compliance

C. CLOTHING AND TEXTILE SECTOR

The clothing and textile sector has been in decline and has been greatest hit due to factory closure in most instances due to the import of raw materials. The influx of counterfeit goods remains a continual challenge especially in the informal economy.

In addition to the above, the uncoordinated approach to market access of cooperatives and limited compliance with industry standards (SABS) poses a threat to the retention and expansion of initiatives.

Programme	Intervention	Responsibility	Status / Time Frame
Access to Opportunities	• Facilitate access to relief funding either to sustain jobs or for recapitalisation of equipment	GKM, SEDA, EDTEA	Immediate and Ongoing
Regulatory Compliance	• Business inspections and ensuring compliance with legislative prescripts	GKM and Regulatory Compliance Forum	Quarterly and Ad Hoc

D. TOURISM

Tourism cuts across multiple sectors and has an impact thereon such as the hospitality industry, food and beverage industry, transport, sporting events, retail outlets, etc. The active promotion of Tourism within industry standards together with the impacted sectors requires strong considerations and support.

Programme	Intervention	Responsibility	Status / Time Frame
Institutional arrangements	• Community Tourism Organisation and ensure membership of outlets	GKM, Tourism outlets in Kokstad	Immediate and ongoing
Capacity building	• Upskill and reskill	GKM	Currently under implementation through EPWP LED Learnership

E. INFORMAL ECONOMY

The informal economy contributes 18% of the total employment in the province and is likely to increase given increased unemployment. In most instances the informal economy is underrated and not properly assisted or supported. Further, the informal economy traders are the only actors recognised whereas the informal economy is expansive to include the transport industry, home based business, etc. Challenges in the sector include limited access to infrastructure and services, excessive enforcement and exclusion from proper planning in the development of central business districts.

Programme	Intervention	Responsibility	Status / Time Frame
Institutional Support	• Strengthen Local Informal Economy Chamber and engage quarterly	GKM and Local Informal Economy Chamber	Immediate and Quarterly

F. CREATIVE INDUSTRY, SPORTS AND CULTURE

The creative industry is defined as drama or theatre, music, film, creative writing, graphic design, photography and visual arts.

Programme	Intervention	Responsibility	Status / Time Frame
Music and Visual Arts	Facilitate operation of Franklin Cultural Village with usage of outdoor amphitheatre	GKM	Ongoing
	Strengthening of Arts and Crafts – including skills and capacity building	GKM – LED and CSS	Immediate and Ongoing
	Museums to run quarterly programmes	GKM CSS	Immediate and quarterly
Fashion Design	Facilitate Support to industry Skills Development	GKM Special Programmes	Immediate and ongoing
Music Industry	Events, Concerts and Festivals	GKM CSS	Immediate and Ongoing as per events calendar

G. INFRASTRUCTURE

Although not a specific economic sector, infrastructure development contributes to the economic enhancement of assets, SMME development in participation to economic opportunities together with investment. Whilst municipalities allocate budgets for development, a consolidated and fast paced approach needs to unfold to ensure integration and stimulation of the economy.

It also becomes critical to prioritise catalytic project development together with nodal development.

Programme	Intervention	Responsibility	Status / Time Frame
GKM Capital Projects	Fast track implementation Provision of Sub-contracting for SMME development ensuring compliance with preferential procurement	GKM	Immediate and ongoing
SANRAL Project – Interchange	Active participation on PLC to ensure that 30% basket of opportunities benefits applicable SMMEs in line with priority sectors	SANRAL and PLC	As per project duration
Capacity Building and Skills Development	SMME / Contractor Development Programme	GKM, DOT and DPWI	Immediate and Ongoing
Alternative methods of project implementation	Enhancement of EPWP Programme to augment job creation	GKM	Dependent on project implementation model
Government precinct	Facilitate implementation of government precinct – land availability processed	GKM and DPWI	Ongoing
Mega School – Franklin	Establish status and include on catalytic project list for Provincial prioritisation	GKM	Ongoing
Private Sector Development	Unlock potential for increased private sector investment	GKM	Ongoing
	Reduce red tape to enhance approval stages		Immediate and Ongoing

H. TELECOMMUNICATIONS AND DIGITAL ECONOMY

The increasing usage of ICT together with the advent of COVID-19 has caused an amplified urgency in addressing the inequality of access together with the provision of reliable channels of communication. ICT further enhances the manner in which business should be done in respect to communication, online stores, web based training, etc. The implementation of ICT should always remain mindful of the criteria of a smart city ensuring accessibility to all.

Programme	Intervention	Responsibility	Status / Time Frame
Innovation Ignition Hub	Implementation of ICT Hub at Kokstad Skills Centre Responsive Training Programmes developed responsive to 4IR Innovation Support	GKM and MKI	Ongoing
Automated services	Investigate and establish of fully automated system in a phased approach	GKM	over 3 years

CONSIDERATIONS

ITEM	INTERVENTION	CONSIDERATION
GKM Economic Renewal, Growth and Transformation Plan	As guided by the Provincial Plan the Municipality is required to formulate a local plan. The Plan however requires considerations in respect to: • Current budget allocations for projects and programmes versus projected to enable the realisation of the Plan • Human Resources to augment the responsible departmental unit to facilitate implementation of the plan	Amendment to Organogram to cater for the implementation of the Plan – requirement: 1 x Experienced LED Officer

ITEM	INTERVENTION	CONSIDERATION
Economic Relief	The Provincial Plan requires that the Municipality makes available: • Specific budget provision to implement the Municipal Plan • Economic Relief Packages in respect to tax holidays, interest on accounts due, etc	• Considerations for relief packages is a Council mandate and needs to be considered in line with the financial status of the Municipality.
Proposed Projects	Herein, specific attention is made to unbudgeted projects aimed at rejuvenating the economy specific to rural and township economies.	• Adjustment Budget for 2022/2023 to consider possible additions to capital budget to cater for new projects.
Amendment to Bylaws	To revive rural and township economies, current limitations in respect to the infrastructure to trade needs to be considered i.e. ready built / customised containers	• Council to consider possible revisions to policy / bylaws to possible regulations that limit innovation
Community Halls	Proposed repurposing of Community Halls due to possible limited usage. The Community Halls could be considered as venues for business related activities.	• Council together with CSS, Special Programmes and LED to consider possible repurposing of community halls as areas of business functionality.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

This component includes: libraries; community halls; cemeteries, stadiums, public toilets, parks, pound management and Operation Sukuma Sakhe.

3.11. LIBRARIES, COMMUNITY FACILITIES

There are two libraries in Greater Kokstad Municipality, one in Kokstad Town and one in Bhongweni, there is also one Modular Library at Franklin. Shayamoya Library is still under construction. The Kokstad Library has a capacity of 50 persons seated, while Bhongweni Library has a capacity of 43 people including computers with internet access. Library services offer career development activities with schools and work in association with some sector departments in dissemination of information related to health, HIV/Aids awareness and sports development. However, these two libraries are inadequate as they are too small for the population served and do not have adequate study space for students.

Kokstad Town Library

Bhongweni Library

Franklin modular library

The Municipality together with Department of Arts and Culture has constructed Modular Library at Franklin and in the process of constructing study library at Shaymoya.

Basic Computer Training

Libraries offer basic computer literacy course to community members and students to empower public on how to operate computers and to be computer literate.

Library orientation/school visits

This programme includes incorporating local schools to be educated in all Library Services and the basic and basic understanding library services including computer literacy. The benefits of Outreach programme for promote library services include increased usage, increased value in the Library usage, education of users and changed perceptions.

Literacy day

The main purpose to celebrate the Literacy Day is to encourage awareness towards literacy so that everyone can know their social and individual rights. As we need food to be live, we need literacy for social and personal development, considering the immensely increased rate of poverty, uncontrollable population growth, gender inequality, etc. Kokstad libraries together with local school we decided to celebrate the day with a goal to remove these problems. Eliminating them not only helps individuals to grow, but also contributes to the overall growth and upliftment of the community.

Library programme with the toddlers & juveniles

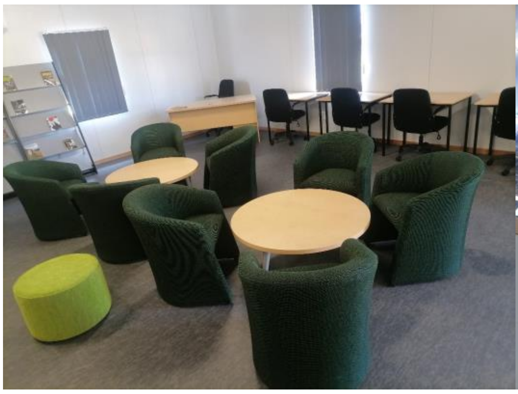
Libraries are filled with toys these days; the aim is to promote sharing between toddlers and juveniles, and to improve the lifestyle of the children growing from township. Toys are tools that the little brain uses to grow and the types of tools that children interact with shape their understanding of the world around them.

Franklin Public Library

Receiving new furniture that was donated by Arts and Culture Provincial Library.

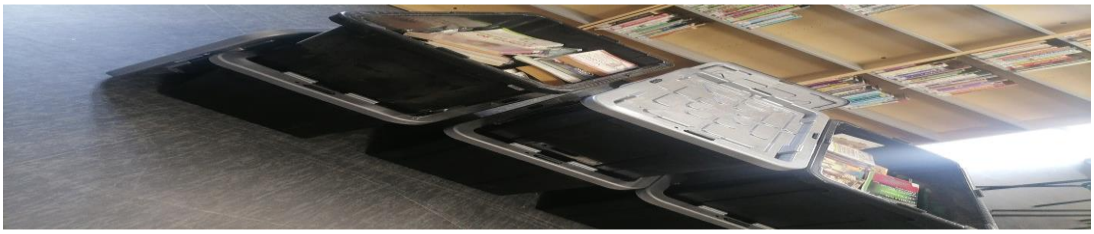
INTERNET CAFÉ SECTION

STUDY AREA



Children Section

Franklin Public library received boxes of library materials (i.e. Books) from Arts and Culture Provincial Library.



Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	2021/22	2022/23			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0-3	0	0	0	0	0%
4-6	2	2	2	0	0%
7-9	2	6	6	0	0%
10-12	2	4	4	0	0%
13-15	0	1	1	0	0%
T16-18	5	7	6	0	0%
19-20	0	0	0	1	14,29%
Total	9	20	19	1	5%

Financial Performance 2022/23: Libraries; Archives; Museums; Galleries; Community Facilities; Other R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Vacancies to Budget %
Total Operational Revenue	2 898 000	3 187 000	4 305 000	4 305 000	100%
Expenditure					
Employees	2 512 320	3 067 902	3 615 432.25	2 452 722.50	67%
Repairs and Maintenance	165 000	45 482	45 482	0	0%
Other	355 066	119 098	119 098	R112 807.44	95%
Total Operational Expenditure	5 930 386	3 232 482	3 232 482	2 565 529.94	79%

3.12. CEMETERIES AND CREMATORIUMS

INTRODUCTION

The Greater Kokstad Municipality has investigated and allocated land for establishing cemetery and crematoria in ward 10 under its jurisdiction as part of its critical infrastructure provision and commitment to service delivery, construction of this new cemetery is complete and ready for use. The old town cemetery will be closed by February 2022.

Employees: Cemeteries and Crematoriums					
Job Level	2021/22	2022/23			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	1	1	1	0	0%
10-12	0	0	0	0	0%
13-15	0	2	2	0	0%
16-18	6	4	4	0	0%
19-20	0	0	0	0	0%
Total	8	8	8	8	0%

Financial Performance 2022/23: Cemeteries and Crematoriums R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Vacancies to Budget %
Total Operational Revenue	300 000	300 000.00	300 000.00	285 773.29	95%
Expenditure					
Employees	1 228 776	1 315 772	1 119 227	1 119 227	100%
Repairs and Maintenance	0	0	0	0	0
Other	810 247	428 538	428 538	371 385	87%
Total Operational Expenditure	2 039 023	1 744 310	1 744 310	1 490 612	85%

3.13. CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

INTRODUCTION

The Special Programmes Division is located in the Office of the Municipal Manager responsible for advocacy on behalf of vulnerable groups i.e. youth development, gender, children, senior citizens and people with disabilities.

The mandate of the Special Programmes division is to promote, facilitate, coordinate and monitor the recognition of the rights of women, men, youth, children, senior citizens and people with disabilities.

Youth Development

The Municipality has in the financial year re-launched the Youth Council structure which is a collective of 14 to champion and oversee the Implementation of the Municipal Youth Development Strategy. The Youth Development Strategy consist of 7 pillars which are outlined hereunder:-

GKM YOUTH DEVELOPMENT STRATEGY

The Municipality have developed the Youth Dev Strategy 2022 - 2027 Consisting of 7 Goals / Pillars.

7 GOALS / PILLARS	GOAL NAME	STRATEGIC INTERVENTION
GOAL 1	Education And Skills Development	SkillsProgrammes, Second Chance Matric, Abet Programme, Short Courses, Bursaries
GOAL 2	Social Development	Leadership Development, Community Development, Life Skills, HIV Aid, Parenting And Family Planning, Volunteer Programmes, Youth Academies, Creative Arts Development , Sport Development
GOAL 3	Career Development	Exhibitions, Career Counselling & Guidance, Career Information, Take A Child To Work Day, Youth Advisory Centers, Stage Performances Platform, Access to Sport Infrastructure
GOAL 4	Work Integrated Learning	In-service Training, Internship, Apprenticeship, Graduate Development Programmes
GOAL 5	Private Public Partnership	Extended Public Works Programme (EPWP), NARYSEC, Community Works Programme (CPW)
GOAL 6	Economic Development	Small Business Development, Co-Operative Businesses, Business Expo Entrepreneurship, Innovation Empowerment
GOAL 7	4 Industrial Revolution IR4	Online Media Marketing , Cloud Computing , Social Media Specialist, Cyber Security, Social Media Specialisation, Ecommerce and Digital Trade

The Back-to-school programme for 2022/23 took a different approach integrating learning and sport activities. The programme was championed by the Municipal Women's Caucus who prioritized the Westlands school due to its location and challenges.

Youth Month Celebration

The Greater Kokstad Municipality celebrated the youth month staging the Netball Tournament and the Youth Beauty Pageant.

Women Empowerment

Women Empowerment remain one of the key aspects that need more focus. The Municipality has supported the Women's Caucus Empowerment Session held at Imbali Guesthouse.

DISABILITY

The people with disabilities are an intergral part of the municipality and an important stakeholder in the holistic municipal development. The Municipality appreciates the intervention by private partners in developing people with disabilities. More than 100 people with disabilities have benefited in the AgriBio-Tech Innovation and Enterprise development programme being trained in Plant Production, Poultry Production and New Business Venture.

SENIOR CITIZENS GAMES

The Municipality has in the financial year re-activated the senior citizens games (Golden Games) after Covid19 pandemic. The games are played by Luncheon clubs which exist in almost all wards.

Employees for 2022/23: Child Care, Aged Care, Social Programs, Youth, Sport, Arts and Culture					
Job Level	2021/2022	2022/23			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
4-6	4	4	4	0	0
7-9	0	0	0	0	0
Total	4	4	4	0	0

COMPONENT E: SECURITY AND SAFETY

This component includes: Traffic Officers, fire, disaster management, licensing, and control of animals, and control of public nuisances etc.

INTRODUCTION

The community safety component has a mandate to ensure that a safe and healthy environment is established and maintained within the jurisdiction of the municipality. This mandate is executed through the continuous enforcement and monitoring of municipal by-laws. Our area is an economic hub and services a wide range of communities. This has a direct bearing on mobility with routes including the N2, R56 and R617 providing means to get to Kokstad. As a result, we engage on traffic law enforcement initiatives which include the certification of vehicles for roadworthiness, driver's license testing and general traffic law enforcement. An integrated approach has been adopted through engaging with relevant stakeholders on matters pertaining to road safety awareness and crime reduction initiatives.
The municipality has made provision for cameras to be installed within the CBD and enhanced police visibility to combat crimes which seek to hinder a progressive city. Security personnel have been made available to safeguard municipal property.

3.13. POLICE

INTRODUCTION

The Community Safety deduces its mandate from Section 152 (d) of the Constitutional Act of the Republic of South Africa where it is prescribed that municipalities are to ensure a safe and healthy environment for its citizens. Further, the municipality has developed a Safety Plan which eloquently ventilates the roles that sister departments along other internal municipal divisions need to play in ensuring that the area of Greater Kokstad Municipality maintains relative safety and security. The number of guarded sites has increased significantly due to infrastructure development throughout the wards in Kokstad.
The core foundation in terms of Traffic Law Enforcement remains the following five (5) pillars…
Pillar 1: Road Safety Management – through various awareness campaigns some of which was in partnership with other stakeholders, the component advocated for voluntary compliance. However, the component was immensely crippled by issues related to registration of officers in accordance with the NRTA 93/96 and the Criminal Procedure Act section 334(1). A number programs were put in place throughout the year which focused on various areas of law enforcement.

Pillar 2: Safer Roads & Mobility – through programs championed by other departments, the municipality saw a plethora of programs being implemented that would have contributed towards ensuring that the road infrastructure was improved which paved the way for enhanced mobility. Through our technical staff the municipality was able to ensure that the correct signage was placed accordingly, and the relevant road markings renewed. The engineering aspect is a shared responsibility, the roads infrastructure budget and expenditure has contributed towards ensuring that our roads are safe in terms of design and aesthetics.

Pillar 3: Safer Vehicles – the municipality runs a Grade A vehicle testing facility which is well equipped and adequately staffed. We have been able to maintain our status. Our Vehicle Testing Station is a conduit towards our contribution towards ensuring that vehicles on our roads are fit and roadworthy. The vehicle testing station boasts state of the art equipment which bodes well for the credibility of the testing process. Various programs that have sought to target RTQS (Road Transport Quality System) vehicles and ensure that these vehicles remain in a roadworthy condition at all material times. The public transport operators have been invited on a few occasions to participate in programs aimed at assisting them in ensuring that their vehicles are kept in good mechanical condition at all times.

Pillar 4: Safe Road Users – We continue to run a Grade A Driving License Testing Centre. Our Centre is well equipped with the necessary equipment and experienced staff members. Our aim to produce quality and knowledgeable drivers through implementing fair testing processes. Again, through our partnership with the Department of Transport we hope to revive a technologically advanced testing system using tablets for testing purposes. The benefits are in that we can minimize instances of fraud and corruption.
Our public awareness drives have further targeted pedestrians who are the most vulnerable group of road users and part of this was encouraging pedestrians to remain visible at night through donning bright clothing and avoiding jay-walking.

Pillar 5: Post-Crash Response – a vibrant team of Traffic Officers is always immediately available to respond to any motor vehicle incidents that may occur. Response times can be the difference between life and death and through simulation exercises we were able to determine where we needed to improve our response times.

Employees for 2022/23: Traffic Department					
Job Level	**2021/2022**	**2022/2023**			
	No. of Employees	**No. of Posts**	**No. of Employees**	**No. of Vacancies**	**Vacancy rate (%)**
4-6	11	17	17	0	0%
7-9	12	12	12	0	0%
10-18	5	6	3	3	50%
Total	26	35	29	6	17%

3.14. POLICE

The Community Safety deduces its mandate from Section 152 (d) of the Constitutional Act of the Republic of South Africa where it is prescribed that municipalities are to ensure a safe and healthy environment for its citizens. Further, the municipality has developed a Safety Plan which eloquently ventilates the roles that various stakeholders along other internal municipal divisions need to play in ensuring that the area of Greater Kokstad Municipality maintains relatively safety and secure. The number of guarded sites has increased significantly due to infrastructure development throughout the wards in Kokstad.

The municipality has further embarked on taking a proactive approach towards Crime Prevention, By Law Enforcement and Traffic Management & Enforcement.

By Laws

The municipality has a comprehensive set of By Laws which envisage to ensure that there is law and order within the municipality. As a statutory body, the municipality through it's vision 2047 seeks to create a safe and educated society and the enforcement of adopted By Laws will have a critical role to play towards achieving that goal. The approach has been to implement an institution wide modus operandi which seeks to ensure that all departments play a role in the implementation of By Laws. The approach has seen the training of Peace Officers being rolled out and By Law Enforcement weeks receiving greater attention. This approach has yielded positive results in ensuring that the greater public is aware of the various By Laws.

Traffic Management & Enforcement

Our law enforcement officers have stopped in excess of 7000 vehicles throughout the financial year. The stopping of vehicles has ensured that an opportunity is created to ensure that vehicle fitness and driver fitness imperatives receive the necessary attention. We are further able to educate motorists on various matters pertaining to road safety.

We have continuously managed to reduce the number of fatalities within the Greater Kokstad Municipality through implementing what is referred to as goal directed law enforcement . The R617 route is an example of such intelligence driven operations. This route had become a death trap especially during the Easter & Festive periods which are synonymous with increased mobility which had led to a number of fatalities.

Through road awareness campaigns we continue to spread the gospel of ensuring voluntary compliance amongst road users.

Crime Prevention

The municipality has positioned itself as a convergence point where stakeholders come together to ensure that criminal elements are reduced. This has been evident through the platforms created by the municipality which seek to engage on casual factors and mitigating strategies around the prevention of crime. Furthermore, the notion of Crime Prevention through Environmental Design has been championed by the municipality through various programs that seek to ensure that streets are well lit in order to minimise opportunities of crime. Through the grass cutting program we are able to eradicate areas that could potentially be used to conceal criminals.

Positive strides have been made to enhance the visibility of law enforcement personnel , this is through the absorption of traffic officers through the EPWP and additional vehicles . We are now able to increase our time coverage as well conduct additional foot patrols.

Employees for 2022/23: Traffic Department					
Job Level	**2021/2022**	**2022/2023**			
	No. of Employees	**No. of Posts**	**No. of Employees**	**No. of Vacancies**	**Vacancy rate (%)**
4-6	11	17	17	0	0%
7-9	12	12	12	0	0%
10-18	5	6	3	3	50%
Total	26	35	29	6	17%

FINANCIAL PERFORMANCE FOR THE TRAFFIC DEPARTMENT					
DETAILS	**2020/2021**	**2021/2022**	**2022/2023**		
	ACTUAL	**ACTUAL**	**ACTUAL**		
TOTAL OPERATIONAL REVENUE	6 871 172.86	14 681 828.98	25 499 493,79		
TOTAL CAPITAL BUDGET	500 000	0	588 337.04		

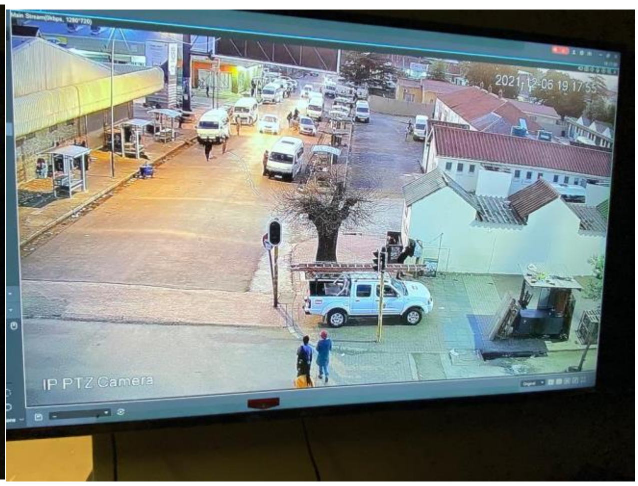
LAW ENFORCEMENT INITIATIVES

Easter Holidays Operation

Crime Prevention Drive

AWARENESS CAMPAIGNS

Law Enforcement Meets Technology



3.13. FIRE SERVICES AND DISASTER RISK MANAGEMENT

Section 43 of Disaster Management Act No. 57 of 2002 compels local municipalities to establish capacity for the development and co-ordination of a disaster management plan and the implementation of a disaster management function for the municipality which forms part of the disaster management plan as approved by the relevant municipal disaster management center.

Section 50 of the Disaster Management Act require disaster management Centre to submit a report annually to the municipal council on-

a. its activities during the year,

b. the results of the Centre's monitoring of prevention and mitigation initiatives,

c. disasters that occurred during the year in the area of the municipality,

d. the classification, magnitude, and severity of these disasters,

e. the effect they had,

f. problems that were experienced, how they were addressed and recommendations the Centre wishes to make in this regard.

A Policy Framework for Disaster Risk Management mandates municipality to provide appropriate mechanisms to allow the application of cooperative governance to facilitate both intergovernmental and municipal interdepartmental relations as well as community participation for the purpose of disaster risk management. The framework comprises of four key performance areas (KPAs) and three supportive enablers. The KPAs and enablers are informed by specified objectives and as required by the Act, key performance indicators (KPIs) to guide and monitor progress.

1. KPA 1: Integrated institutional capacity for disaster risk management

The Disaster Management Act gives explicit priority to the application of the principle of co-operative governance for the purpose of disaster risk management and emphasizes the involvement of all stakeholders in strengthening the capabilities of national, provincial, and municipal organs of state to reduce the likelihood and severity of disasters.

1. *Intergovernmental Committee*

As our responsibility to establish effective institutional arrangements for the development and approval of cooperation and integration the Head of Disaster Management Centre is the Coordinator of Operation Sukuma Sakhe Local Task Team (LTT). This is a flagship programme that promote continuous interaction between government, private sector, and the community. The committee sit on monthly basis with Mayor as the champion, Councilors, management from municipality, Ward Committees, representatives from government departments, NPOs, NGOs, CBOs, and private companies.

2. *Municipal Disaster Management Centre (MDMC)*

During the 2022-23 Financial Year the Greater Kokstad Municipality was able to provide direction for the implementation of disaster risk management policy and legislation and the integration and coordination of municipal disaster risk management activities and priorities in order to ensure that national and provincial objectives are achieved. The Centre was able to mobilise municipal infrastructure and all other available resources to support local disaster risk management resources.

3. *Infrastructure, equipment and tools of MDMC*

Disaster management, fire and rescue services are undertaken from a Temporal Disaster Management Centre at No. 11 St Johns Street. Request for funding to establish a fully-fledged DMC had been made to the Provincial Disaster Management Centre as the municipality had already identified and fenced the areas designated for a Disaster Management Centre. On equipment and tools the municipality has the following;

- 03 x Fire Engines
- 2 x Utility van

- 1 x Fire Fighting Van
- Disaster relief material in the form of blankets, sponges, Box B relief material and Fire Fighting equipment
- Old set Jaws of Life

The municipality have budgeted for a Rescue Vehicle and Jaws of life in 2022-23 Financial Year.

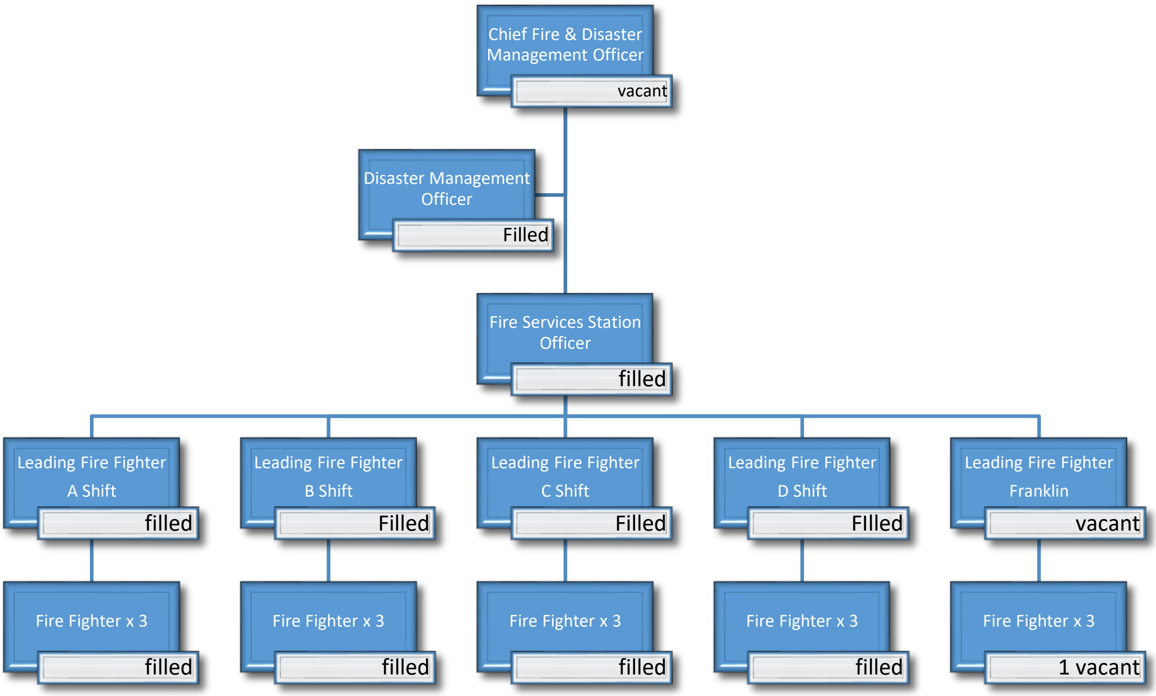
4. *Operational capacity of MDMC*

The Disaster Management Act No.57 of 2002 requires municipalities to establish functional Disaster Management Centre in their areas of jurisdiction. Greater Kokstad Municipality in compliance with the legal prescripts has established Disaster Management, Fire & Rescue Services Section within Community and Social Services Department. According to organogram the section is headed by sectional Manager: Community Services and Head of Disaster Management Centre.

The section is operating on four shifts system for the service to be available 24/7. The section has 18 qualified Fire Fighters, Fire Station Officer, and Disaster Management Officer who is often assisted by beneficiaries of EPWP doing learnership on Disaster Risk Management. The municipality is supplemented by a team of 26 Working on Fire Team brigades who assist in Wildfire and Urban wildfire interface.

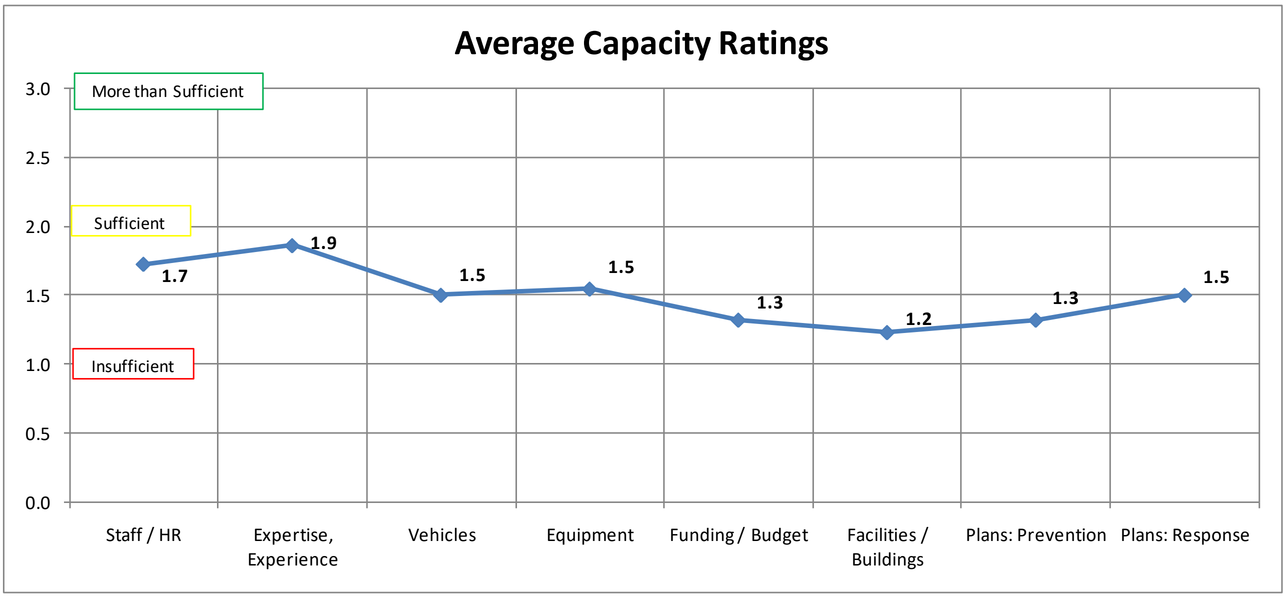
To be pro-actively and optimally perform all statutory responsibilities the municipality have established a satellite Fire Station at Franklin in order to cover the whole municipal area in terms of SANS 10090. However, the Satellite Station is not functioning due to the shortage of operational resources and personnel.

Organogram for the Disaster Management Centre



Employees for 2022/23: Fire Services					
Job Level	2021/22	2022/23			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
Chief Fire Officer & Deputy	1	01	1	0	0%
Other Fire Officers	0	0	0	0	0%
0-3		1	1	0	0%
4-6	1	1	1	0	0%
7-9	5	5	4	1	20%
10-12	15	16	14	02	13%
13-15					
16-18					
19-20					
Total	21	24	21	3	13%

Disaster Risk Management Capacity Assessment



Based on the above results, it can be stated that:

- The average Capacity Rating achieved for the entire municipality were calculated to be 1.5. This value relates to a classification of between insufficient and enough resources.
- The resources rated as being in greatest need were Facilities/buildings, followed by Funding/Budget and Prevention/Risk Reduction Plans.
- The highest rated available resources included the level of expertise/experience as well as human resource. Even though these resources were rated the highest, they were still classified below the 'sufficient' level.

Legislative compliance for the Municipal Disaster Management Centre.

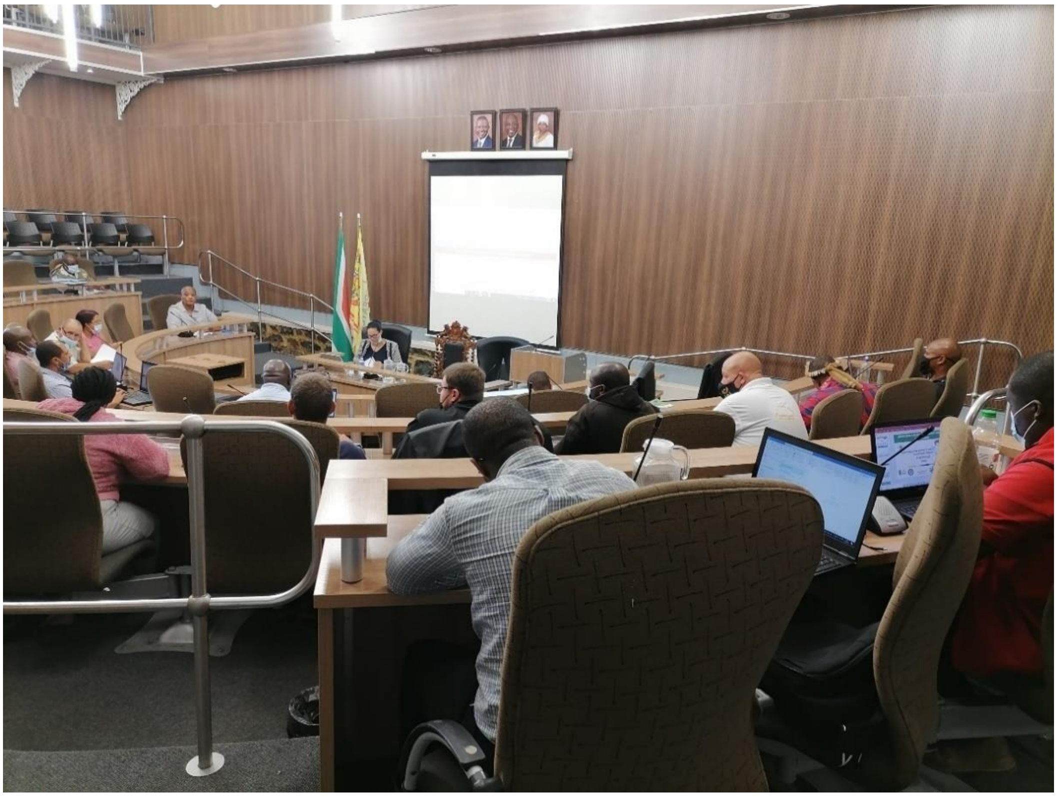
Disaster Management Framework (Section 42)		Disaster Management Plan (Section 53)		Advisory Forum (Section 51)		Disaster Management Centre (Section 43)		Head of Disaster Management Centre (Section 45)	
Priority	Status	Priority	Status	Priority	Status	Priority	Status	Priority	Status
May	No	Must	Yes	May	Yes	May	No	May	Yes

3.14.1.1. Municipal Disaster Management Advisory Forum

Greater Kokstad Municipality has launched Community Safety and Disaster Risk Management Advisory forum in July 2018 and seating on a quarterly basis or when need arise (when there is major incident which need formation Joint Operation Centre). The Advisory forum is fully functional as it sits once a quarter.

Schedule of meetings for 2022/23 Financial Year

No	Activity	Date	Venue
01	Community Safety & Disaster Management Forum	22 September 2022	Council Chamber
02	Community Safety & Disaster Management Forum	08 December 2022	Council Chamber
03	Community Safety & Disaster Management Forum	23 March 2023	Council Chamber
04	Community Safety & Disaster Management Forum	22 June 2023	Council Chamber



Community Safety and Disaster Management Forum underway at Council Chamber

3.14.1.2. Municipal Disaster Risk Management Committees

There is an interdepartmental disaster risk management committee called Joint Operation Committee (JOC). The committee has South African Police Services as the lead agent with GKM Disaster Management being a coordinating agent. Other members of the committee include RTI, GKM Law Enforcement, HGDM, CPF, Department of Health, Department of Social Development and Private Security Companies. During the last financial year, the committee was convened during the July 2021 social unrest, September 2021 snowfall, February 2022 torrential rains and April 2022 to device strategy to reduce crime and vagrants in town and communities. The committee is convened when there is a risk and disaster threatening to occur and when a hazard or disaster is ongoing.

3.14.1.3. Municipal Disaster Risk Management Planning

Planning for disasters and disaster risk management is a participative process involving a multitude of role players and stakeholders. During the financial year under review, we have clustered stakeholders into planning groups relevant to the various activities associated with disasters and disaster risk management. The following plans and contingency plans were in place and were implemented:

- Fire Prevention Bylaw has been promulgated and implemented.

- The municipality adopted Disaster Management Plan
- Disaster Management Volunteer Policy
- Winter season plan
- Summer season plan
- Disaster Management matters form part of Operation Sukuma Sakhe agenda items.

3.14.1.4. Community Participation

The community is at the coalface of disaster risk management. It is from the condition of risk that exist in communities that all other disaster risk management activities evolve, and communities are where all operational activities related to disaster risk management take place. During the period under review a sector for Disaster Management was introduced during the election of Ward Committees in February 2022. Now we have ward committees responsible for disaster management in all 10 wards. On monthly basis we conducted awareness campaigns targeting schools and public gatherings where we created awareness about disaster risk management and the use of indigenous knowledge in management of risks.

3.14.1.5. Disaster Management, Fire and Rescue SWOT Analysis

Herewith are strengths, weaknesses, opportunities, and threats encountered by the Municipal Disaster Management Center during 2022-23 Financial Year.

Strengths	Weaknesses
• Responsive organisational structure to implement Disaster Management, Fire & Rescue mandate. • Budget to perform Disaster Management, Fire & Rescue mandate. • Trained disaster management, fire & rescue operational staff • Fire Engines and Firefighting equipment procured • Dedicated disaster management site	• Vacancy on critical posts (Chief Fire & Disaster Management Officer and Leading Fire Fighter for Franklin). • Limited budget • No formal disaster management Centre • Slow implementation of risk reduction programs • No Ecosystem-based Disaster Risk Reduction (EcoDRR) program in place, as a
• Comprehensive integrated awareness campaigns • 24/7 Fire & Rescue shift system • Adopted bylaws and policies	means to minimize climate-related disasters.
Opportunities	Threats
• Informed community – due to intergraded awareness campaigns • Development of town and housing projects reduce vulnerability. • Ecosystem-based Disaster Risk Reduction (EcoDRR) is partial promoted to minimize climate-related disasters and more can be done in this regard.	• Climate change adaptation challenges i.e. late fire season which delay fire breaks program • Socio-economic challenges which lead to houses which does not comply with building code and exposed to hazards • Mushrooming of informal settlement which are exposed to fires and limited access by fire engines • Drug abuse

3.14.1.6. Challenges encountered and planned initiatives to address them

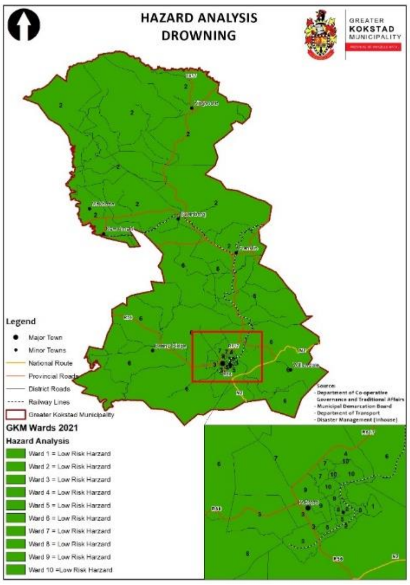
CHALLENGES	INITIATIVES
Vacancy on critical posts (Chief Fire & Disaster Management Officer and Leading Fire Fighter for Franklin).	Filling of Chief Fire & Disaster Management Officer by 2022/23 financial year. Filling Leading Fire Fighter (Franklin) by 2022/23 financial year.
Limited budget	Increase disaster risk reduction budget in 2022/23 financial year.
No formal disaster management center (fencing completed)	To make follow-up and put pressure in Provincial Disaster Management Centre to provide funding for the establishment of disaster management center by 2022/23 financial year.
Slow implementation of risk reduction programs	Recruitment of semi-skilled and skilled personnel from EPWP program to carry out risk reduction programs in 2022-23 Financial Year.
Climate change adaptation challenges i.e. late fire season which delay fire breaks program	Implementation of climate change adaptation strategy
Socio-economic challenges which lead to houses which does not comply with building code and exposed to hazards	Implementation of local economic development programs which improve economic development of the town to strengthen the enforcement of bylaws.
Drug abuse	Community safety awareness programs, reintegration of vagrants with their families, establishment of street committees and support of drug rehabilitation centres

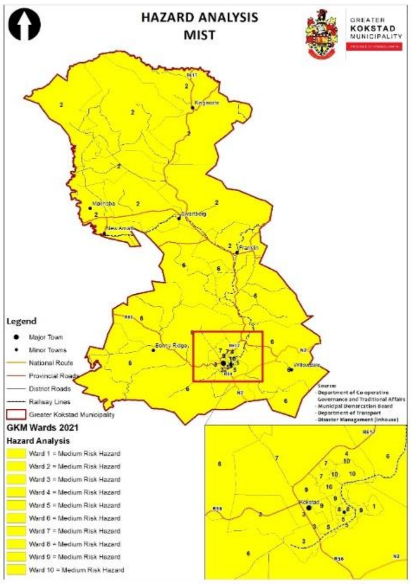
13.15.2. DISASTER RISK ASSESSMENT

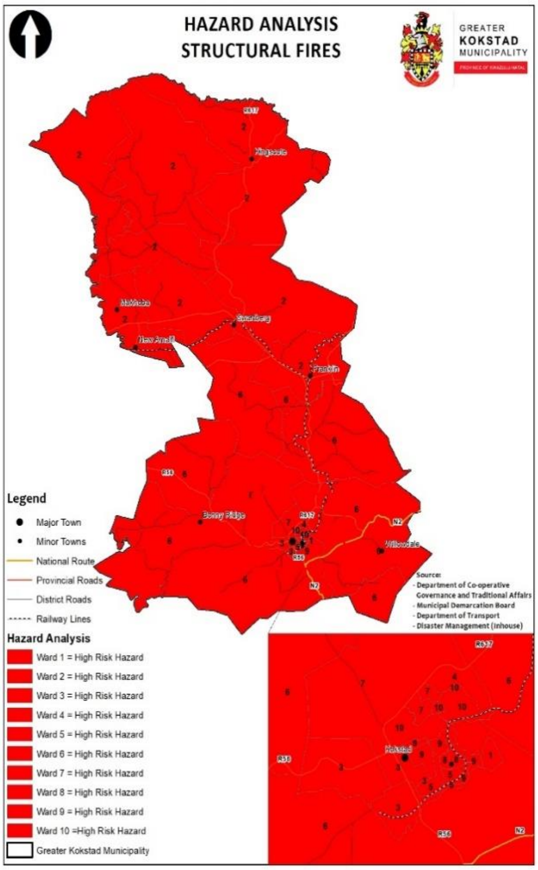
13.15.2.1. Disaster Risk Assessment and Risk Reduction Planning

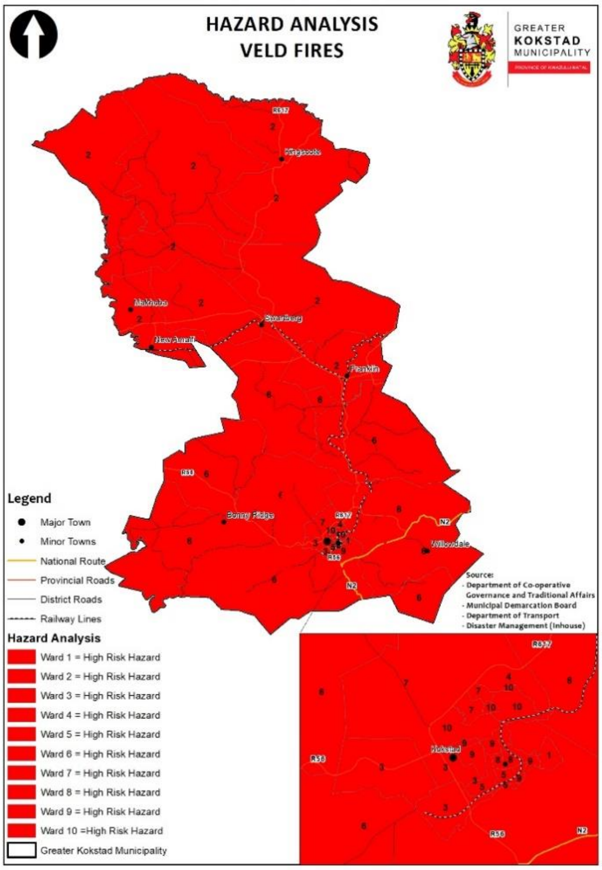
The Greater Kokstad Local Municipality just like any other municipality in the province of KwaZulu-Natal is prone to several natural and human induced hazards. The vulnerability varies, which mainly depends on socio-economic status as well as the exposure of a household or community to a specific hazard. During the period under review, we had examined the likelihood and outcomes of expected disaster events with related hazards and conditions of vulnerability that increases the chances of loss. We have used historical data from events that occurred from 2019 till June 2021 coupled with community-based assessment and analysis in line with guidelines set out in the National Disaster Management Framework of 2005. The data that was gathered was used to create hazard maps with assistance from GIS Unit within the municipality.

Herewith are the hazard maps generated for the period under review (2021-22 Financial Year:






HAZARD ANALYSIS
STRUCTURAL FIRES
GREATER KOKSTAD MUNICIPALITY
Legend
Major Town
Minor Towns
National Route
Provincial Roads
District Roads
Railway Lines
Hazard Analysis
Ward 1 = High Risk Hazard
Ward 2 = High Risk Hazard
Ward 3 = High Risk Hazard
Ward 4 = High Risk Hazard
Ward 5 = High Risk Hazard
Ward 6 = High Risk Hazard
Ward 7 = High Risk Hazard
Ward 8 = High Risk Hazard
Ward 9 = High Risk Hazard
Ward 10 =High Risk Hazard
Greater Kokstad Municipality
Source:
- Department of Co-operative Governance and Traditional Affairs
- Municipal Demarcation Board
- Department of Transport
- Disaster Management (Inhouse)


HAZARD ANALYSIS
VELD FIRES
GREATER KOKSTAD MUNICIPALITY
Legend
Major Town
Minor Towns
National Route
Provincial Roads
District Roads
Railway Lines
Hazard Analysis
Ward 1 = High Risk Hazard
Ward 2 = High Risk Hazard
Ward 3 = High Risk Hazard
Ward 4 = High Risk Hazard
Ward 5 = High Risk Hazard
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Ward 8 = High Risk Hazard
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Greater Kokstad Municipality
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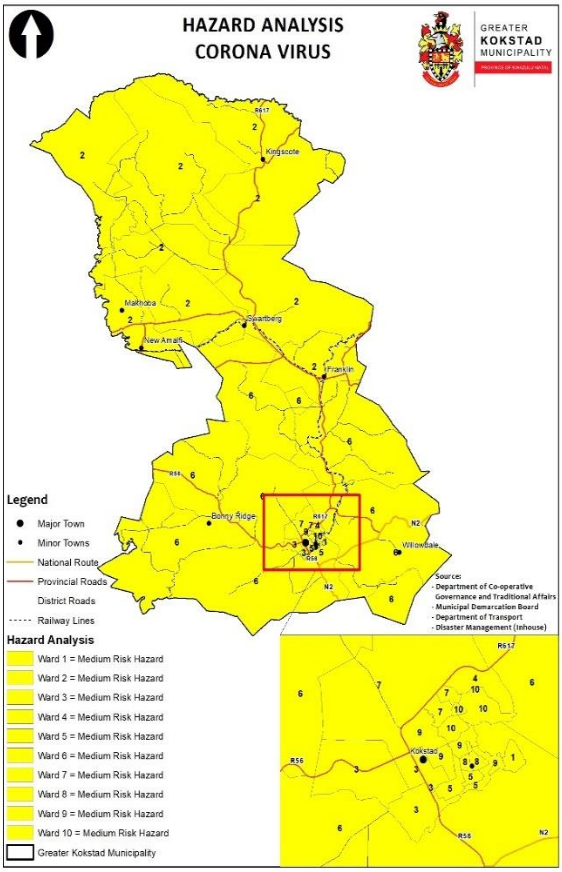
- Municipal Demarcation Board
- Department of Transport
- Disaster Management (Inhouse)


HAZARD ANALYSIS
CORONA VIRUS
GREATER KOKSTAD MUNICIPALITY
Kingscote
Makhoba
Swartberg
New Amalfi
Franklin
Bonny Ridge
Willowdale
Kokstad
Legend
Major Town
Minor Towns
National Route
Provincial Roads
District Roads
Railway Lines
Hazard Analysis
Ward 1 = Medium Risk Hazard
Ward 2 = Medium Risk Hazard
Ward 3 = Medium Risk Hazard
Ward 4 = Medium Risk Hazard
Ward 5 = Medium Risk Hazard
Ward 6 = Medium Risk Hazard
Ward 7 = Medium Risk Hazard
Ward 8 = Medium Risk Hazard
Ward 9 = Medium Risk Hazard
Ward 10 = Medium Risk Hazard
Greater Kokstad Municipality
Source:
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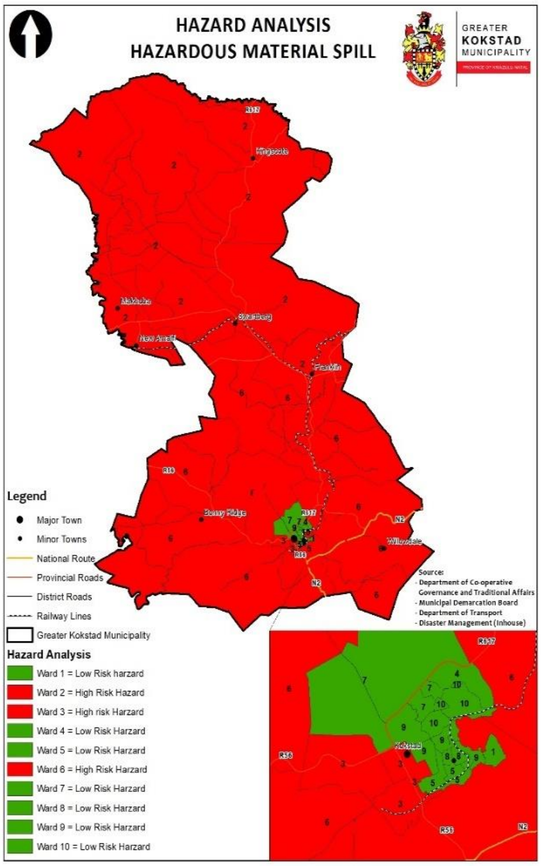
- Municipal Demarcation Board
- Department of Transport
- Disaster Management (Inhouse)


HAZARD ANALYSIS
HAZARDOUS MATERIAL SPILL
GREATER KOKSTAD MUNICIPALITY
Legend
Major Town
Minor Towns
National Route
Provincial Roads
District Roads
Railway Lines
Greater Kokstad Municipality
Hazard Analysis
Ward 1 = Low Risk harzard
Ward 2 = High Risk Harzard
Ward 3 = High risk Harzard
Ward 4 = Low Risk Harzard
Ward 5 = Low Risk Harzard
Ward 6 = High Risk Harzard
Ward 7 = Low Risk Harzard
Ward 8 = Low Risk Harzard
Ward 9 = Low Risk Harzard
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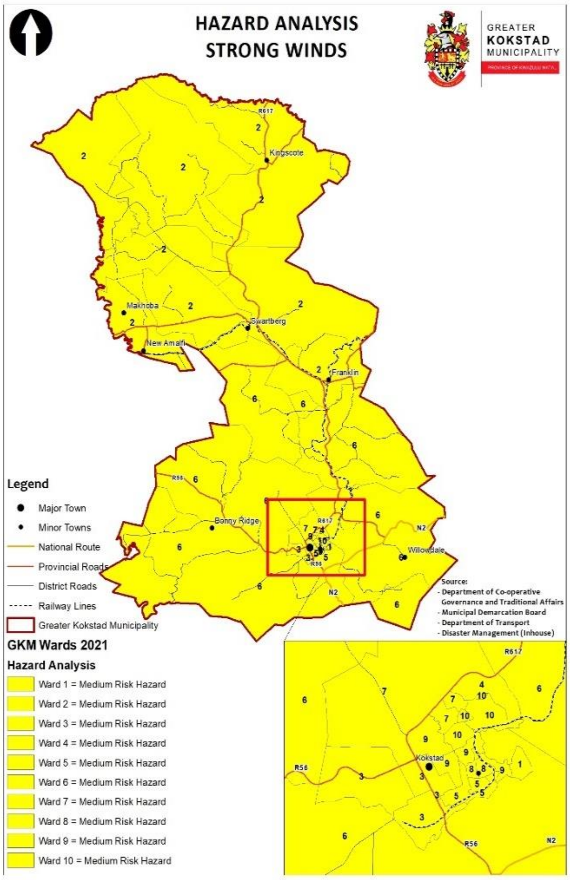
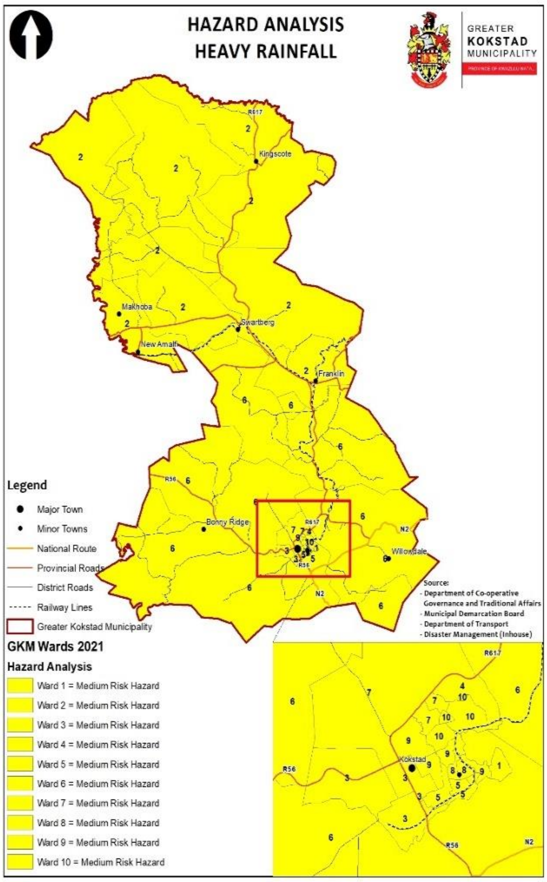
- Department of Transport
- Disaster Management (Inhouse)


HAZARD ANALYSIS
STRONG WINDS
GREATER KOKSTAD MUNICIPALITY
Kingscote
Makhoba
Swartberg
New Amalfi
Franklin
Bonny Ridge
Willowdale
Legend
Major Town
Minor Towns
National Route
Provincial Roads
District Roads
Railway Lines
Greater Kokstad Municipality
GKM Wards 2021
Hazard Analysis
Ward 1 = Medium Risk Hazard
Ward 2 = Medium Risk Hazard
Ward 3 = Medium Risk Hazard
Ward 4 = Medium Risk Hazard
Ward 5 = Medium Risk Hazard
Ward 6 = Medium Risk Hazard
Ward 7 = Medium Risk Hazard
Ward 8 = Medium Risk Hazard
Ward 9 = Medium Risk Hazard
Ward 10 = Medium Risk Hazard
Source:
- Department of Co-operative Governance and Traditional Affairs
- Municipal Demarcation Board
- Department of Transport
- Disaster Management (Inhouse)
Kokstad


HAZARD ANALYSIS
HEAVY RAINFALL
GREATER KOKSTAD MUNICIPALITY
Kingscote
Makhoba
Swartberg
New Amalfi
Franklin
Bonny Ridge
Willowdale
Legend
Major Town
Minor Towns
National Route
Provincial Roads
District Roads
Railway Lines
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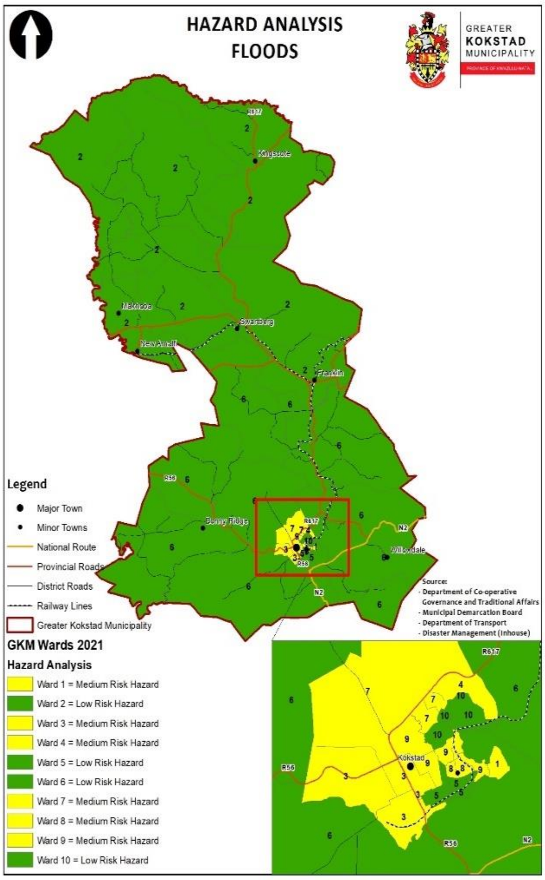
Kokstad


HAZARD ANALYSIS
FLOODS
GREATER KOKSTAD MUNICIPALITY
Legend
Major Town
Minor Towns
National Route
Provincial Roads
District Roads
Railway Lines
Greater Kokstad Municipality
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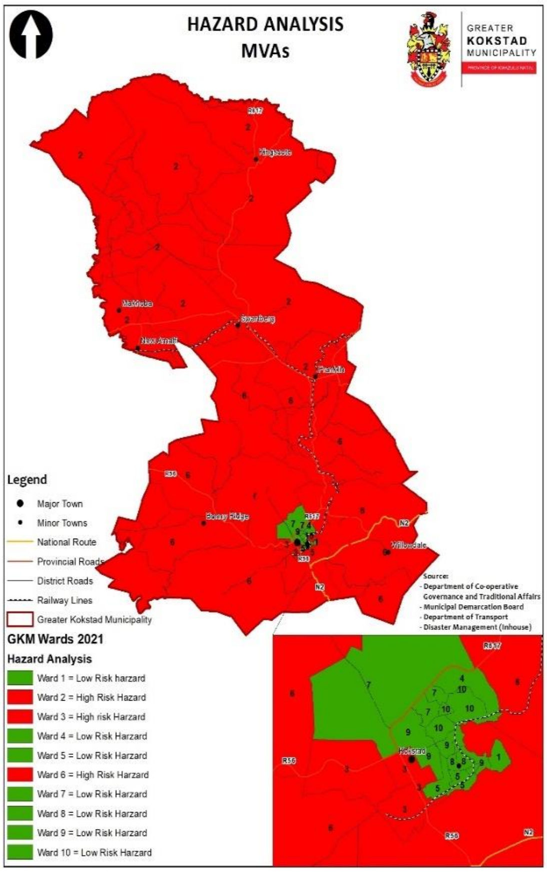
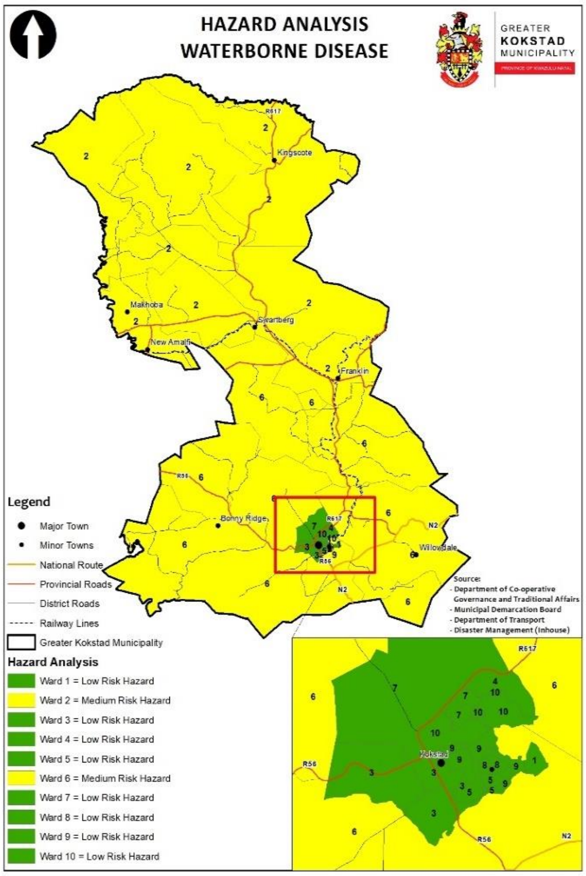
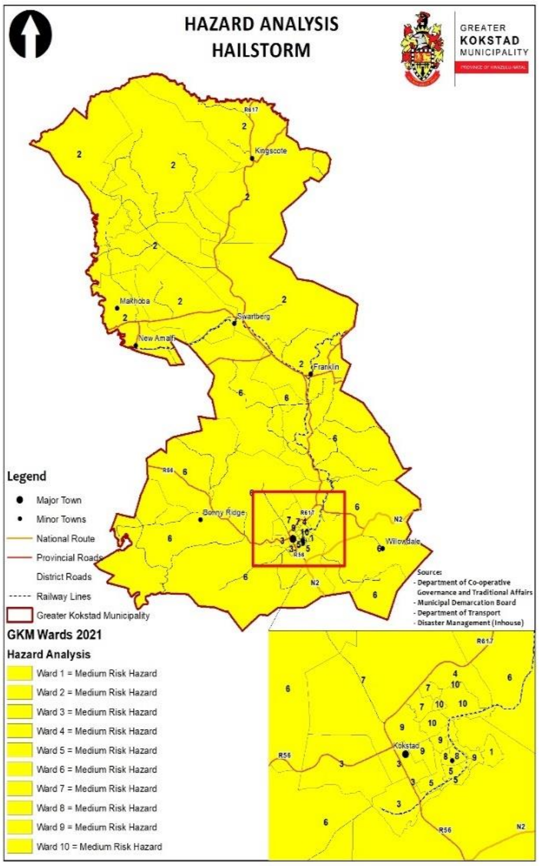
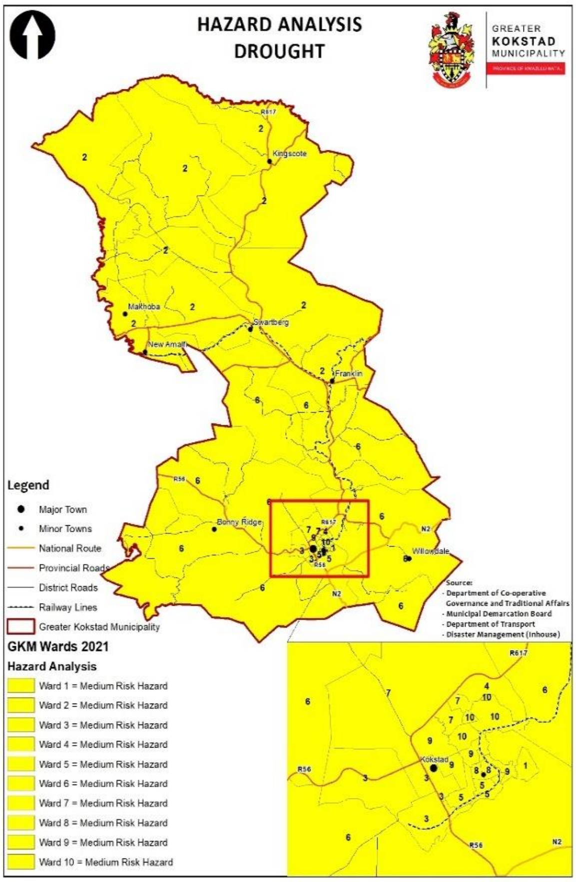
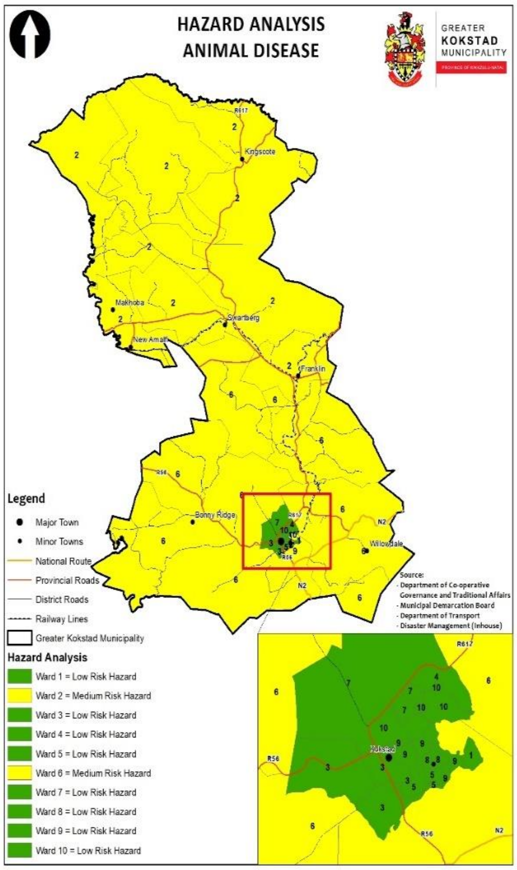
- Disaster Management (Inhouse)
Kokstad


HAZARD ANALYSIS
MVAs
GREATER KOKSTAD MUNICIPALITY
Legend
Major Town
Minor Towns
National Route
Provincial Roads
District Roads
Railway Lines
Greater Kokstad Municipality
GKM Wards 2021
Hazard Analysis
Ward 1 = Low Risk harzard
Ward 2 = High Risk Harzard
Ward 3 = High risk Harzard
Ward 4 = Low Risk Harzard
Ward 5 = Low Risk Harzard
Ward 6 = High Risk Harzard
Ward 7 = Low Risk Harzard
Ward 8 = Low Risk Harzard
Ward 9 = Low Risk Harzard
Ward 10 = Low Risk Harzard
Source:
- Department of Co-operative Governance and Traditional Affairs
- Municipal Demarcation Board
- Department of Transport
- Disaster Management (Inhouse)









13.15.2.2. List of Priority Risks (Hazards)

The table below outlines the list of priority hazards that are affecting the municipal area. The spatiotemporal characteristics of these hazards are well known since they have been observed and recorded continuously.

Greater Kokstad Local Municipality				
No.	Prevalent Hazards and Threats	Risk	Likelihood	Impact
		High Priority	Annual Recurrence Interval (ARI)	
1	Structural Fires		ARI 10 (100%)	Major Risk
2	Veld Fires		ARI 10 (100%)	Major Risk
3	Snow Strong winds		ARI 10 (100%)	Major Risk
4	MVAs		ARI 10 (100%)	Major Risk
5	Drought		ARI 10 (100%)	Moderate Risk
6	Floods (River, urban, dam failure)		ARI 10 (50%)	Moderate Risk
7	Heavy rainfall		ARI 5 (50%)	Moderate Risk
8	Mist		ARI 5 (50%)	Moderate Risk
9	Animal diseases		ARI 5 (50%)	Moderate Risk
10	Lightning	Low Priority	ARI 5 (50%)	Moderate Risk

13.15.2.3. Disaster risk assessment for specific known hazard or disaster

After the heavy rains in February to April 2022 a risk assessment was done at Mphela, Horseshoe and Chocolate City Informal Settlements. These were the areas that were most affected by the heavy rains. The assessment was done to determine coping capacity, livelihood and levels of vulnerability amongsts households.

Assessment being conducted at Mphela Informal Settlement

13.15.3. KPA 3: DISASTER RISK REDUCTION FOR GKM

The municipality is mandated to ensure all disaster risk management stakeholders develop and implement integrated disaster risk management plans and risk reduction programmes in accordance with approved frameworks. On disaster risk reduction, Greater Kokstad Municipality gives attention to the planning for and integration of the core disaster risk reduction principles of prevention and mitigation into ongoing programmes and initiatives.

13.15.3.1. Disaster Risk Management Plans

During the period under review, we have identified key role players in disaster risk management that should prepare disaster risk management plans and incorporate their plans with the plan of the municipality. A Level 1 Disaster Risk Management Plan was developed with focus on establishing foundation institutional arrangements for disaster risk management, putting in place contingency plans for responding to known priority threats as identified in the initial stage of disaster risk assessment. We identified key governmental stakeholders (DSD, Dept of Health, DCS, Dept of Home Affairs, SAPS, Child Welfere) and embarked on a process to develop capabilities to generate Level 2 Disaster Management Plan for 2022-23 Financial Year.

13.15.3.2. Strategic integrating role of disaster management Centres

During the period under review, we have convened bilateral meetings between Harry Gwala District Municipality Disaster Management Centre, Alfred Nzo District Municipality Disaster Management Centre and Greater Kokstad Municipality Disaster Management Centre. In our engagements we agreed on strengthening working relations. The Memorandum of Understanding was developed, presented, and now awaiting to be presented to Council in all three Municipality. The MoU is said to be in effect from the beginning of 2022-23 Financial Year.

13.15.3.3. Risk reduction initiatives conducted during the period under review

The following are the risk reduction activities undertaken by Greater Kokstad Municipality with intentions to prevent, mitigate and prepare for disasters.

PREVENTION INITIATIVES

DESCRIPTION	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Total**
Fire breaks program	08	05	00	00	00	00	00	00	00	00	04	08	25
Fire Patrols	14	16	14	17	23	17	23	18	10	10	12	15	189
Water Supply	07	08	09	11	11	00	02	00	00	04	08	04	62

Fire Fighters doing Fire belts and control burning for disaster risk reduction

Business Inspection being done in retail and grocery stores around town

Fire Drills and Awareness campaigns conducted in the Kokstad area of jurisdiction

13.15.4. KPA 4-RESPONSE & RECOVERY

was no declared disaster although the municipality has responded to a few incidences as per the following Disaster Management, Fire & Rescue Services activities.

Relief Material Issued

Heavy Rains in February 2022


Fire Fighters suppressing fire at Spargs Wholesalers

Disaster Management Team doing Awareness Campaign

13.15.5. Budget for Disaster Management, Fire and Rescue

Financial Performance for 2022/23: Fire Services					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	970 725	1 861 097	1 861 097	818 850.06	44%
Expenditure:					
Employees	3 563 291.66	8 408 644	8 050 771.61	8 049 698.96	100%
Repairs & Maintenance	87 360.8	15 545	18 945	18 802.60	99%
Total Operational Expenditure	3 650 652.53	8 424 189	8 069 716.61	8 068 501.56	100%

3.16. OTHER (DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCE AND OTHER)

The municipality has reviewed disaster Management, Disaster Management Volunteer Policy. Disaster Management Advisory Forum has been launched. The rest of the information is articulated under fire information.

COMPONENT F: SPORT AND RECREATION

3.17. SPORT AND RECREATION

Greater Kokstad Municipality in working relationship with Department of Sport and Recreation, District Sport Confederation, Greater Kokstad Local Sport Confederation and Federations are trying to maintain the sport through this Covid-19 pandemic by organising online games, yet the challenge is data to the participants.

Greater Kokstad Municipality has zero budget in unit of sport, arts and culture to assist community, meaning no activities to develop sport in our community. Our stakeholders (departments and Confed) assist by organizing events to keep community active, and municipality assist with facilities transport and doing administration requesting the stakeholders to assist local federations with equipment.

Level of community members living a healthy lifestyle is growing through the help of municipality interms of using facilities to train. The whole district use Greater Kokstad as place to play leagues eg. Netball, Soccer, Volley ball and Indigeniuos Games Federation.

Employees for 2022/23: Sports & Recreation					
Job Level	2021/22	2022/23			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
4-6	0	0	0	0	0
Total	0	0	0	0	0

On the 19th June 2021 Greater Kokstad Municipality, Department of Sport and Recreation, District Sport Confederation and Athletic Federation had an event (District Youth Run 10km) which was at Oval Cricket Field, where participants were coming from all 4 locals.

10km hg district youth run

Greater Kokstad/DSR EPWP community members

COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.18. FINANCE

All our financial policies were reviewed for the 2022/2023 financial year. The municipality initiated a data cleansing exercise of the billing information as one of the initiatives to ensure an improved revenue collection and also to curb abuse of the Indigent subsidy. The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

Employees for 2022/23: Finance Services				
Job Level	2022/23			
	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
0-3	1	1	0	0%
4-6	12	11	1	8.83%

7-9	4	4	0	0%
10-12	15	11	1	6.67%
Total	32	32	0	6.25%

Financial Performance for 2022/23: Finance Services				
Details	**2021/22**	**2022/23**		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**
Total Operational Revenue	**516 763 760**	**450 579 000**	**465 302 000**	**448 666 399**
Expenditure:				
Employees	147 508 231	151 358 000	146 975 000	145 902 652
Repairs & Maintenance	7 606 954	18 783 000	24 170 000	21 408 050
General expenses	156 765 281	133 438 000	139 091 000	140 832 726
Bulk Purchases	117 540 518	139 000 000	139 000 000	136 497 112
Total Operational Expenditure	**429 420 984**	**442 579 000**	**449 236 000**	**444 640 540**
Net Operational Expenditure	87 342 776	8 000 000	16 066 000	4 025 859

3.19. HUMAN RESOURCES SERVICES

The Human Resource Section supports the Municipality's six Departments. Working collaboratively with the Municipality's Council, Management Team and Employees, the Section coordinates the following:

KEY PERFORMANCE AREA 1: WORKFORCE PLANNING

Workforce planning is a core process of human resources management which is linked to business processes aimed at ensuring that human capital is in place to deliver short and long-term objectives.

KEY PERFORMANCE AREA 2: RECRUITMENT AND SELECTION

The recruitment and selection process are primarily aimed at procuring staff with the necessary competencies, thus enabling the organization to deliver on its strategic and operational priorities. The municipality, after having had a moratorium placed on recruitment, engaged in a recruitment drive in the 18/19 financial year. This allowed it to fill its executive management posts as well as other posts in the post establishment.

KEY PERFORMANCE AREA 3: EDUCATION, TRAINING AND DEVELOPMENT OF STAFF

Education Training and Development in the Greater Kokstad Municipality is focused on the enhancement of knowledge, skills and behavioural competencies of employees and Councillors so that they can deliver and exceed organizational requirements in line with the Organizational Strategy / Integrated Development Plan and legislative prescripts. In order to support this initiative, bursaries have been made available to staff for them to undertake further education and training. The leave policy also affords them the time to complete their qualifications.

Skill development also plays a crucial component of development of employees. To this end the Workplace Skills Plan (WSP) is the blueprint for skills development of employees. The Municipality provides a budget for employees to obtain critical skills and makes use of the mandatory grant as well as discretionary grants to ensure skills attainment for better service delivery.

KEY PERFORMANCE AREA 4: EMPLOYMENT EQUITY & DIVERSITY MANAGEMENT

As an employer designated in terms of the Employment Equity Act (Act 55 of 1998), the Greater Kokstad Municipality is under legal obligation, in terms of Section 20(1) of the Act, to draft an Employment Equity Plan, for a period between 1 and 5 years to address underrepresentation in employment. In this financial year the EE Plan was reviewed and approved by Council.

KEY PERFORMANCE AREA 5: OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety function is primarily focused on (i) Creating and maintaining a safe working environment and (ii) Preventing workplace accidents. This has been lacking in the municipality because of, amongst others, lack of expertise. An Occupational Health and Safety Officer was appointed, and great strides have been made in addressing OHS issues at a strategic as well as operational levels.

KEY PERFORMANCE AREA 6: LABOUR RELATIONS

Labour relations relates to the management of employer/employee relations, negotiating collective agreements/bargaining for better conditions of service, managing the grievance procedure, managing discipline, representing the Municipality during arbitration, educating management and employees on labour relations and keeping up to date on pertinent labour laws.

KEY PERFORMANCE AREA 7: EMPLOYEE WELLNESS

Employee wellness is based on the premise that “People who are well work well”. In this context, employee wellness entails all the strategies, action plans and methods used to promote physical, emotional and mental health of employees. A Wellness Officer was appointed, and the Wellness Centre is functioning. Employees are assisted and given skills to deal with life problems, social and work issues. Where required, they are referred to specialist for further assistance.

KEY PERFORMANCE AREA 8: PERSONNEL ADMINISTRATION

Personnel Administration relates to the administration of all employee contracts, benefits and conditions of service, leave administration, as well as all administration and procedures incidental to human resources information system, inclusive of employee appointments and terminations. All these services allow for employees and Councillors to receive correct salaries and benefits at the end of every month. This has been achieved in this financial year.

KEY PERFORMANCE AREA 9: HUMAN RESOURCES RELATED POLICIES AND PROCEDURES

Human Resources policies and procedures provide guidelines on employer-employee relationships which impart acceptable norms of behaviour and create a conducive working environment. Policies are reviewed every financial year in order to identify gaps and to decide on new policies. The process was undertaken for all policies with them being reviewed and adopted by Council on 29 June 2023.

Below is a table that illustrates the GKM staff compliment:

Employees for 2022/23					
Job Level	202 2022	2022/2023			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
0-6	74	92	88	10	10,87%
7-12	133	144	133	6	4,17%
13-16	31	35	28	0	0%
17-18	134	150	114	26	17,33%
Total	372	405	363	42	10,37%

Besides the payment of salaries, HR has invested in the internship programme with the budget having been made available for the recruitment of 5 interns per department.

The supply of protective clothing to employees also plays a crucial role in the effective supply of services. The municipality supplies protective clothing on an annual basis and this year was no different. A budget is allocation for this activity.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT has become the cornerstone of every organization, including the Municipality. This financial year meant that ICT had to focus on the implementation of effective projects after rising from a preceding financial year of firefighting. The projects were mainly related to ICT infrastructure and systems, such as the network infrastructure and the server environment. Investment in the infrastructure has yielded results as the internal network and systems are more stable thus enhancing communication, connectivity, and integration within the organization.

Employees for 2022/23: ICT Services					
Job Level	2021/2022	2022/2023			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
0-3	0	0	0	0	0%
4-6	3	3	2	1	33.33%
7-9	2	2	2	0	0%
Total	5	5	4	1	20%

Financial Performance for 2022/23: ICT Services				
Details	2022/23			
	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue				
Expenditure:				
Employees	1 485 925	1 876 912.97	1,554,067.00	17%
Repairs & Maintenance	200 000	131 400	107 676	19%
Other	2 300 000	1 800 000	790 000	57%

Net Operational Expenditure	3 985 925	3 808 312.97	2 451 743	36%

Financial Performance for 2022/23: ICT Services				
Details	**2022/23**			
	Original Budget	**Adjustment Budget**	**Actual**	**Variance to Budget (%)**
Total Operational Revenue				
Expenditure:				
Employees	1 485 925	1 876 912.97	1,554,067.00	17%
Repairs & Maintenance	200 000	131 400	107 676	19%
Other	2 300 000	1 800 000	790 000	57%
Net Operational Expenditure	3 985 925	3 808 312.97	2 451 743	36%

Two major capital projects which were budgeted for were the upgrading of the ICT infrastructure servers as well as the general upgrade of the ICT network infrastructure. The adjustment/budget was spent. The Municipality moved from using Brilliantel to Telkom services. After the movement an improvement has been registered in the availability of the internet, quality of calls as well as the monthly expenditure for telephone costs.

The ICT Security Policy and ICT Governance Framework, ICT Master Plan / Strategy and ICT Infrastructure policies were reviewed. This exercise ensured, amongst others, the safety of municipal data and the proper use of infrastructure and ICT equipment. The Business Continuity Policy was also formulated thus ensuring continuity in service delivery in instances of disaster.

3.20. LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

3.20.1. LEGAL SERVICES

The Legal Services Unit is located within the Office of the Municipal Manager and is responsible for:

- Managing the provision of a comprehensive, efficient and effective legal services to the Municipality,
- Safeguarding Municipality's interests in all legally related matters and to ensure that all the Municipality's operations are conducted within the parameters of the law.
- Strengthening the capacity of the Municipality to fulfil its mandate as stipulated in terms of Sections 152 and 153 of the Constitution of South Africa, 1996 and other applicable legislations.
- Providing a supportive and advisory role to the Municipality in order to fulfill its objectives

However, other legal services are outsourced as and when required, due to capacitation challenges in terms of warm bodies, which is currently run by an intern. The following table depicts all the legal matters together with the instructed law firms that are dealt with by the Legal Services Unit for the Financial Year of 2022/2023 (covering the period July 2022 to June 2023).

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
1.	**ANDIMAHLE TRADING ENTERPRISE CC** **VENNS ATTORNEYS**	On 12 September 2019, the Adjudicator delivered a Determination in terms of which the Municipality was ordered to pay Andimahle approximately R9.1 million.	Since serving our Statement of Defence on 4 August 2021 there has been no further movement or activity by Andimahle or their attorneys. We also understand that they have not paid the adjudicator's fees. It would appear that they have difficulty responding to our defences and have resource challenges. We are currently pending our file.
2.	**Thembeka Canzidence Zenze / The Greater Kokstad Municipality/ The Senior Superintendent** **Case Number: 438/2021** **HUGHES MADONDO INC ATTORNEYS**	Plaintiff issued summons against the Defendant (GKM) for compensation of general damages, loss of income and legal fees arising from the impounding of her motor vehicle.	The matter has been finalised. Payment made for the Tax Invoice GKM001/003
3.	**DELVIN MARK MASTROSS & WYK vs GKM** **Guardrisk General Insurance**	It is alleged that the storm water was left open, and water subsequently filled up and the child fell into the un-attended storm water therefore GKM sued for damages amounted to R200 000.00.	As far as stand there are no serious developments than pleadings stage so far.
4.	**Legality of the Makhoba Trust** **SM MBATHA INC.**	Establishment of the legality of the Makhoba Trust.	On 23rd of March the attorneys were furnished with the relevant documents by Mr. Madikizela. Pursuant to the meeting with GKM the attorneys were told that the municipality is currently engaging with Makhoba trustees and were told to further

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
			hold off any legalities pending the outcomes of the investigation.
5.	**GKM v Illegal Occupiers ERF 1** **VENNS ATTORNEYS**	Municipal Quarry was occupied illegal and occupiers when requested to vacate the land they refused; therefore, it led the GKM to institute application against the illegal occupiers which seek to evict and demolish the erected illegal structures on the sand land.	On the 26 October 2022, 28 days after notice was given the illegal occupiers, the Sheriff proceeded to remove the illegal occupiers and the structures. On 8 November 2022, SB Bavu Inc. withdrew as attorneys of record for the illegal occupiers. The attorneys are pending the file for further instructions from the Municipality.
6.	**GKM v Illegal Occupiers R56 Town Establishment Portion of ERF 1** **VENNS ATTORNEYS**	Portion of R56 of the Town Establishment portion of ERF 1 was legally occupied.	The application was set down on the unopposed roll for 23 may 2023. The attorneys have indexed and paginated the Court file and have prepared the draft order. The attorneys will be seeking an order against the illegal occupiers (second respondent) who have not opposed the application. The first respondent has however, opposed the application and this aspect of the application will be dealt with at a later stage on the opposed roll. If successful, this will allow the Municipality to clear out all illegal occupiers from the land except for Mr. Zwane who will be removed at a later stage once an order to this effect has been secured.
7.	**GKM // INGCETI PROJECTS** **SM MBATHA INCL.**	Ingcweti Projects were contracted to build residential units for GKM	After going through the agreements and reports that were furnished to them the attorneys proceeded to prepare a response and sent the same to GKM for perusal and further commentary, if necessary. Upon confirmation of the draft

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
			the same will be sent to Cox Yeats who are the attorneys that act on behalf of Ingcweti Project. The attorneys are currently awaiting GKM to give them comments on the proposed response for them to despatch the same.
8.	**GKM MUNICIPALITY // TAXI DEVELOPMENT AGREEMENT** **NOT ALLOCACTED**	Kokstad Taxi Association was approved by Council to enter into a lease agreement with GKM Municipality to develop a taxi rank and multipurpose centre. In-Touch Developers are their preferred developers	The agreement was signed by the three parties and various work streams have to commence with their activities and report to the task team on a quarterly basis. Due passing of the Attorney who was handling the matter nothing has been done.
9.	**GKM / Primrose T. Coetzee** **MATTHEW FRANCIS ATTORNEYS**	In this matter, Ms Coetzee was employed by the municipality as Manager: Administration and Customer Care of the GKLM. She was subsequently dismissed on the grounds of misconduct.	Judgement delivered; Mrs. Primrose T. Coetzee failed in bid
10.	**Kokstad Ratepayers Association & Another / GKM & Others**	In this matter, the Kokstad Ratepayers Association together with the Kokstad Chamber of Commerce launched a review application to set aside	The Applicants failed to set the matter down on the opposed roll within the timeframes. Accordingly, our Attorneys are in the process of setting the matter down for

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
	MHLANGA ATTORNEYS	the budget that was adopted for the year 2019/2020.	hearing themselves and will advise us of the date once they have obtained it.
11.	**Kokstad Rate Payers Association // Greater Kokstad Municipality**	The Kokstad Rate Payers Association are challenging the appointment of Khanyisa Properties to valuate properties.	Pursuant to the consultation of the attorneys with GKM on 20 April 2023 where certain information was furnished, and further instructions were given. The rate payers attorneys in their letter they had requested tender information of the GKM process leading to the appointment of the service provider. They further wanted GKM to confirm that appointment of Kanyisa Property Management will be reviewed and the set aside as they had other pending review applications against them. In line with the Access to Information policy of the municipality the attorneys wrote and requested the ratepayer's association to make their request in line with the Access to information policy. The attorneys are yet to receive any response from rate payers' attorneys as they have not made the request as per direction.
12.	**Asanda Dikiso // Greater Kokstad Municipality**	Asanda Dikiso is challenging the municipality after electricity supply was cut because of the nonpayment of rates. The matter was brought to court on urgent basis and the order was granted in favour of the Applicant. The Municipality was ordered to open the	Upon receipt of the instruction the attorneys then proceeded to place themselves on record and opposed the said application. On the 12th of May the attorneys received correspondence from the Applicant's attorneys where they were advising that they will bring an urgent contempt of court application since the GKM (respondent) was in direct violation of the court order and have not since connected the electricity supply for the Applicant house.

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
		supply of the electricity for the applicant. The matter was further a Rule Nisi of 17 June 2023 wherein the Respondents needed to show cause why the interim order should not be made final.	GKM was then advised to reopen the electricity supply to the applicants home but must keep the usage under a close watch for recovery at a later stage.
13.	**GKM/ Dolly Bihl** **MHLANGA ATTORNEYS**	In this matter, Ms Bhil was dismissed on various grounds of misconduct, and she referred the dispute to the Bargaining Council for arbitration. We successfully obtained an award in favour of the Municipality	Judgement was delivered
14.	**SIBIYA V GKM** **NDUMNDUM ATTORNEYS**	Municipality was sued damages for Motor Vehicle Collision for the sum of R151 154.00 for damages and R7 470.00 for hiring a replacement car. Attorneys were appointed to defend the matter	The matter was defended. On the 18th February 2022 the matter was heard at Port Shepstone Court. On deciding about judgment and how it was to be delivered. It was agreed that it was best to attend court because there were issues as between parties that needed to be addressed first before we get to judgment. The matter was then set for the 25th February 2022. On the 25th we attended court and the matter had to be adjourned because of load shedding to the 18th March. We again attended court on the 18th March 2022 and the rescission was dismissed in as far as GKM is concerned and costs left until

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
			finalisation of the case as between the Plaintiff and Second Defendant.
15.	**GKM / Whistle-blower** **HUGHES MADONDO INC ATTORNEYS**		Having our attorneys finalised their mandate on this matter, they submitted their invoice which remains unpaid to date. Accordingly, on or about the 6th of July 2021, they dispatched a Letter of Demand in terms of Section 3 of Act 40 of 2000 to compel the municipality to pay their outstanding invoice in the sum of R 1 765 250.00. Furthermore, on or about the 24th of June 2021, they wrote to the municipality advising that the Hawks and the SAPS intend on meeting with them to proceed with the criminal case herein. They still have not received the municipality's instruction herein. Accordingly, they will keep the file in abeyance until they receive further instructions from the municipality. They have dispatched summons at Pietermaritzburg in in respect of their outstanding invoice against the municipality.
16.	**Review And Drafting of All the Human Resources Policies** **HUGHES MADONDO INC ATTORNEYS**	Mhlanga Inc. instituted an application for summary judgement against GKM for outstanding legal costs. Mhlanga Inc. issued summons against GKM for outstanding legal costs	A pre-trial conference was held between the parties and Mhlanga Inc. offered a reduction of 10% on the interest amount. GKM settled the Debt, and the matter has been finalised

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
17.	**GKM/ Inkonjane Developments** **HUGHES MADONDO INC ATTORNEYS**	Agreement entered into between GKM and Inkonjane Developments	The negotiations between the parties have failed. Inkonjane Developments must refer the matter to Arbitration if they deem it necessary.
18.	**TORGOS (PTY) LTD** **Matthew Francis Attorneys**	Breach of contract.	Attorneys awaiting MM's further instructions regarding their recommendations on the way forward. The attorneys recommended that the matter should not be pursued further.
19.	**NTLOKWANA & MATHANDA** **Matthew Francis Attorneys**	Unfair dismissal.	Attorneys still awaiting judgment which was reserved in this matter
20.	**WISE TRAINING CENTRE** **Matthew Francis Attorneys**	Review of the Municipality's decision to award a tender to a security company.	The application has been overtaken by events and it will not serve the municipality's interests to pursue its opposition of the application which appears to have been abandoned. The attorneys have recommended to close this file/
21.	**ZUKO MANI** **Matthew Francis Attorneys**	Review of the Municipality's decision not to appoint Mr Mani as the SCM Manager.	The municipality successfully opposed this application. It appears that the Municipality's prospects of recovering costs from Mr. Mani are slim, given that he has been arrested. In the premises, the attorneys recommended closure of the file.
22.	**N Z KRAAI**	Labour Court Review Application	Pleadings in the condonation application have closed and Attorneys await notice of a set down date for the condonation

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
	Matthew Francis Attorneys		application to be heard by Court. They have filed their replying affidavit in the review application and accordingly, pleadings in the review application are also closed. They are regularly requesting for the Registrar to allocate the hearing date.
23.	**S MADLULELA** **Matthew Francis Attorneys**	Labour Court Review Application	The Applicant has served our Attorneys with his replying affidavit in the reinstatement application. They have filed a notice of objection objecting to the late delivery of the affidavit and requesting that the Applicant applies for condonation for the late delivery of the replying affidavit. The Applicant's attorneys have confirmed receipt of this notification. There have been no further processes in this matter. The attorneys await the Applicant's condonation application but given the delay in prosecuting the application, it is likely that the review has lapsed in terms of clause 16 of the Practice Manual.
22.	**Ndevu** **Matthew Francis Attorneys**	Claim of damages	The attorney's instruction was to institute legal action against Ms Ndevu claiming an amount of R128 222.00 consequent to embezzlement. A summon was prepared, however, all attempts to effect proper service to Ms Ndevu proved to be unsuccessful. A trace agent was appointed in attempts to allocate Ms Ndevu; however, the attorneys received no trace report, thereafter, their instruction was to pend their file subsequent to the settlement negotiations between the Municipality and Ms Ndevu.

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
			Their instructions are that the negotiations could not proceed as Ms Ndevu could not be contacted after her settlement proposal.
23.	**FEZ BUILDING AND CONSTRUCTION** **Matthew Francis Attorneys**	Claim for damages from contractual breach. We instituted action for damages sustained as a result of breach of a construction agreement and based on the subsequent termination of that agreement for breach and the costs of remedying the breach. While the claim was instituted in 2016, this was based on an estimate of loss. We have not been able to progress the matter any further without the final statement of account prepared by the implementing agent, and which records the actual loss incurred. The project was completed in 2018, but only an interim statement has, to date, been provided.	A meeting was held with the Municipality and the implementing agent in August 2021, during which it was advised that the statement provided had a number of discrepancies and was not the final statement of account required in order to pursue to the claim further. Attorneys accordingly requested the final statement from the implementing agent, who had advised that it would be couriered to the Municipality, for delivery to our offices. According to Mr Maka, he has checked with the Office of the Municipal Manager and the final statement still has not been delivered. The implementing agent confirmed that the final statement was provided to the municipality in October 2021. The attorneys have requested that it be provided to them as soon as possible, so as to determine whether to amend the particulars of claim. The tracing agent's report has also been received which confirmed that Fez Building is still operational. However, no asset trace was possible. They have since received the final statement from the agent that they are currently in the process of analysing the same wherein after they will request a meeting with GKM to discuss the prospects and the best way to move forward.

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
24.	**ESKOM DISPUTE** **Matthew Francis Attorneys**	Declaration of a dispute in terms of the Intergovernmental Relations Framework Act.	Attorneys sent the draft notice of dispute to the Municipality on 12 October 2021, and they are awaiting further instructions
25.	**EXPROPRIATION OPINION**	Attorneys were requested to advise the Municipality on matters relating to the expropriation of the farm Koppies Kraal No.248 and the farm Badfontein No. 241.	The attorneys provided their opinion on these matters to the Municipality and awit further developments on the part of the municipality before advising further on this, in particular, concerning whether the offers have been rejected by the landowners.
26.	**SERVITUDE DISPUTE AND SPOILATIONAPPLICATION AND DISPUTE- ERROL KHAN FAMILY TRUST**	The attorneys have provided the initial opinion and have been requested to supplement the same	Pursuant to providing the initial opinion, the attorneys have written to the attorneys representing the trust advising them of the municipality’s position. Pursuant thereto, an application to Court was threatened by the Trust, and the attorneys have responded to that threat on behalf of the municipality after consulting with the Municipality’s officials with knowledge of the matter.
27.	**GKM TRP (HORSESHOE TOWN SHIP)** PROPERTY DESCRIPTIONS: 7180’ 7393, 7444, 7451, 7516, 7554, 7559, 7581, 7680, 7725, 7736, 7791, 7817, 8016, 8127, 8143, 8165, 8165, 8291, 8334, 8342, 8355, 8378, 8385, 8392, 8411, 8418, 8455,	Conveyancing work and advisory services to the Title Deeds Restoration programme	Registration of Transfer conducted on 12 July 2023. The attorneys are awaiting to receive tittle deeds from the Deeds Office. They are intending to hand over the tittle deeds to the Municipality once received.

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
	8474, 8485, 8495, 8497, 8520, 8615, 8622.		
28.	**GKM TRP TOWNSHIPS: BHONGWENI EASTVIEW GELUSSDAL HORSESHOE SHAYAMOYA**	Sub-Committee and Main Committee Dispute interviews	**Sub-Committee Interviews:** Dispute interviews commenced in 2021. Since commencement, the following is recorded: 1. Six (06) interviews remain with respect to Bhongweni. 2. Two (02) with respect to Gelugsdal, further to the above, ninety-nine (99) properties were submitted for the missing beneficiaries advert with respect to Horseshoe, subcommittee interviews. Eastview sub-committees were completed in May 2023. Seven matters remain in respect of Shayamoya where occupants have been interviewed, however, the registered owners are deceased or otherwise unreachable. There are several matters where MFI has not been able to proceed due to the following: • Occupants being unreachable, or • Site verification showing incomplete structures, churches, vacant sites and or roads. **MAIN COMMITTEE MEETING:** A total of fifty-seven (57) matters have been presented before the main committee on 21 October 2021, 09 September 2022 and 13 October 2022.

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
			Forty-nine (49) of these matters have been resolved by the Main Committee, whereas eight (08) require further investigations and / or were pended. A total of twenty-four (24) files are ready to be presented before the Main Committee (11 in respect of Bhongweni, 2 in respect to Gelugsdal, 9 in respect to Horseshoe and 2 in respect to Shayamoya). CONFIRMATION BY COUNCIL: As at June 2023, thirty two (32) matters await confirmation by the Council. **Challenges:** The attorneys are unable to proceed with pre-1994 and post 1994 housing units where the beneficiaries are deceased, due to the Magistrate Court refusing to issue out letters of executorship To resolve this issue, a meeting was proposed to GKM with the various stakeholders. MFI to set up the meeting. The attorneys are also facilitating the Main Committee Meeting with GKM.
29.	**GREATER KOKSTAD MUNICIPALITY//BAYETHE BASIL MBANGI** **SM MBATHA ATTORNEYS**	On 10 November 2015 a collision occurred between a Ford Focus motor vehicle and Toyota Auris which caused a further collision between the Toyota and the Plaintiff's vehicle. Third Defendant is an employee of GKM who the Fourth Defendant	Currently, awaiting proof of settlement from the Department of Transport.

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
		and the Plaintiff is is alleging that GKM as the employer is vicariously liable for the damages to his car.	
30.	**GREATER KOKSTAD MUNICIPALITY//PHUMZA PRIMROSE MNGOMA** **SM MBATHA ATTORNEYS**	The Respondent was employed by the Applicant on the 1st of October 2015 on a fixed term contract for a period of two (2) years as an Executive Manager Corporate. The Respondent was employed by the Applicant on the 1st of October 2015 on a fixed term contract for a period of two (2) years as an Executive Manager Corporate Services. The contract of employment came to an end on the 30th of September 2017. During or around October 2017, the Respondent was requested to account for certain date when she was not at work	On the 10th of November 2021, the matter was in court for a rescission application and was argued where the court made the following order in our favour: 1)application for condonation 2)default judgement was rescinded 3)cost in cause

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
		and there was no leave form filled or register any form of documents suggesting that serve was away on official duty and that was the reason, she was not present in those days. Due to the failure of the Respondent to respond with indicative information and clarify for the days where she was absent from work without providing or indicate reasons. The Applicant then enforced its income employment Policy where monies were deducted from the final pay out of the Respondent. On or about 12th November 2018, the Respondent issued summons and they which were subsequently served on the Applicant.	

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
31.	**GREATER KOKSTAD MUNICIPALITY/S DONDO** **SM MBATHA ATTORNEYS**	Mr S Dondo was dismissed for misconducted and referred dispute to bargaining council for unfair dismissal.	Matter was heard before SALGBC and dismissal of Mr Dondo was confirmed and the matter was finalised.
32.	**GREATER KOKSTAD MUNICIPLITY/MS PS QWABE** **SM MBATHA ATTORNEYS**	Miss Qwabe Executive Manager of Community and Social Services is being charged with not carrying out her duties as Senior Managers properly as monies were stolen by a supervisor under her management. As well as lack of attendance at work.	Case was finalized
33.	**GREATER KOKSTAD MUNICIPALITY/ IKAMVA ARCHITECTS CC** **JULA MSHIKILANA ATTORNEYS**	On the 20th of May 2021, we received Notice of Attachment in which seven Municipality's vehicles being attached for order amount of R403 301.56, then we lodge application for rescission and condonation which granted in GKM favour directing the matter for review of Taxation.	As per our meeting between ourselves (CFO & Mkusane), Mr Jula, Mr. Magwaca (Jula Attorneys) and Advocate Jikela on 01 DECEMBER 2021, Jula attorneys undertook to prepare a full report on 10 DECEMBER 2021 then convene a meeting on 15 DECEMBER 2021 at 14h00 wherein they will be discussing their progress on their investigation regarding the Bill of Cost against the Municipality by Ikamva Architects. Parties in the aforesaid meeting, also agreed that, while Jula Attorney's office will be investigating the Bill of Costs in question, they will also engage the other party on settlement thereafter discuss if

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
			settlement will be an advantage to the Municipality or not. Municipality with the assistance of its Attorneys and Advocate involved in the matter agreed to settle the matter out of court, Municipality prepared settlement payment amount of R98 thousand and such payment to be made into Maurice Shadiack Attorneys' account on 07 April 2022. The Advocate, Ms Jikela representing the municipality recommended that an agreement be entered into between the parties. By signing the agreement, the matter would have been resolved and the Maurice Shadiack Attorneys would have consented to the amendment of the main relief then the attorneys would proceed to Court and seek the discharge of the Rule Nisis (Interim Order) and once discharged, then uplift the Writ (Order of Attachment of the Municipal Assets) and request the Court to discharge the attachment. Attorneys wrote numerous letters to the municipality requesting its confirmation that they draft the agreement and that it would pay their costs as well as Counsel's costs for moving the application, however, they never received any response from the Municipality. According to the attorneys as the matters stand, there is still an interim Order (Rule Nisi) against the municipality which has not been rescinded.

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
34.	**ZACHARIAS CHRISTIAAN PRETORIUS v GKM & ANDILE LAWRENCE GAYI** **NOT YET ALLOCACTED**	On or about 11 December 2019 and at or near R617, Kokstad a collision occurred between Pretorius's vehicle and Municipality's vehicle "NCW 24182. Pretorius's attorneys sued Municipality for payment of the sum of R153 779.39 for the aforesaid collision as the allege that is the Employee's fault for the accident.	Legal Service Officer: Intern consulted with MM and Fleet Management Manager, and it was decided that the need to defend the matter exist and therefore, request for an appointment of a Legal Service Provider is made to SCM on the 30th March 2022 and waiting appointment of a Service Provider from the SCM.
35.	**EG SCRAP AND STEEL CC v GKM** **SM MBATHA ATTORNEYS**	GKM received urgent application of High Court Pietermaritzburg which was set down on 1st April 2022. On the 30 March 2022 GKM instructed SM Mbatha Attorneys to oppose the Application.	On 1 April 2022, the matter was in court before her Ladyship Ms Sibiya and argued. The Court ruled the Order as follows: 1. That they will not interfere with the Municipality processes for the application of the business licence. 2. EG Scrap & Steel was aware that it needed the license in but did not make the necessary application timeously, but it was only made when they warned by the Municipality of their noncompliance when they had in the previous years applied for such business license before opening its business. There is nothing unlawful about closure of its business. 3. EG Scrap & Steel can approach court if it's of the view that GKM

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
			refuses its application unjustly and or without reasons. 4. No order as to costs.
36.	**ANDIMAHLE TRADING ENTERPRISE v GKM** **VENNS Attorneys**	On 20 February 2017, Andimahle Trading was appointed by GKM to undertake construction of a sports complex for the sum of R12 765 933.63 including Vat. Andimahle proceeded with the work as per appointed. On 1 march, Andimahle was handed over the site by GKM. Shortly thereafter, GKM informed Andimahle Cc that it had to stop all construction at the site and suspended all works as the EIA environmental authorisation had not been obtained. Then contractual dispute existence between GKM & Andimahle and the dispute was referred to Adjudication for hearing, which was heard, and determinations ruling was granted against Municipality and the Municipality lodged review application at High Court.	The matter is still before High Court for finalisation. GKM paid R9.1 million into Venns Trust Account as security as per Court's ruling.

#	Matters & REPRESENTATIVE & CONTACT DETAILS	Brief Background of The Matter	Status Quo of The Matter from the Attorney
37.	**Letter of Demand Lwanik Group // Greater Kokstad Municipality** **Not yet Allocated**	Lwanik Group entered into a contract with GKM to supply and deliver skip bins.	
38.	**Notice of intention to institute legal proceedings against Greater Kokstad Municipality Subsequent to the failure to Pay Qholo Projects (PTY) LTD** **Not yet allocateds**	On 2nd of May 2023 Qholo Projects (PTY) LTD entered into agreement with GKM to supply, deliver and erect swing bins.	The swing bins that were supplied did not meet the specification and the matter is to be defended.

3.20.2. RISK MANAGEMENT

Risk Management and Procurement are crucial aspects at Greater Kokstad Municipality to ensure an effective, efficient and transparent system of risk management and financial management.

3.20.3. PROCUREMENT SERVICES

Section 110 of the MFMA provides that municipality must act in accordance with the supply chain management policy when –procuring goods or services; disposing of goods no longer needed selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or(d) in the case of a municipality, selecting external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

The Council of the Municipality has approved the procurement plan which is in line with the SDBIP. The procurement plan was implemented during the 2019/2020 Financial Year however, there have been some delays which a result of Appeals and Objections was, Bids being re-advertised as result bids not meeting the bidding requirements. In fast-tracking service delivery and minimise the timeframe to acquire the services of different professions. A panel of Service Providers was successfully established in the fields of Civil Engineering Consultants, Electrical Engineering Consultants, Planning Consultants and Lawyers. Since the establishment of these panels, its has improved the procurement turnaround time.

The members of Bid Committee who were appointed at the start of the FY were trained twice in the year to ensure that members are aware of their duties with the assistance of Provincial Treasury and this trend is to continue with the newly appointed members to undergo training annually. A strong relationship has been established with Provincial Treasury who has continuously provided support and advice on SCM related matters include a periodic review of all SCM process.

To ensure that SCM plays a role in SMME development in collaboration with LED unit conducted Local SMME Training and identified challenges especially in the bidding process which was an attempt to increase their participation in the competitive bidding sphere because these Local SMME are dominant in the quotations sphere but have poor participation in bidding sphere. Local SMME have also been invited to enlist on the municipal database to that they can take advantages of the 30% compulsory subcontracting passed by Council on projects that are 5 Million and above. The has been numerous engagements with Local SMME to ensure their participation in the SCM process.

Challenges encountered during the course of the year includes amongst others.

a) A poor understanding of the procurement process by bidders in general but more especially the Assessment of Functionality where we identified numerous bidders who fail this critical step in the SCM process

COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD (ANNUAL PERFORMANCE REPORT)

ORGANISATIONALPERFORMANCE ANALYSIS- GKM - 2022/2023 FY					
		2022/2023		2021/2022	
Key		%	No of Targets	%	No of Targets
Number of Targets for the year		**58**			**42**
	Achieved	64%	**40**	64%	**27**
	Not Achieved	36%	**18**	36%	**15**
Total Number of KPIs		**100%**	**58**	**100%**	**42**

2022/23 ANNUAL PERFORMANCE REPORT																						
											PERFORMANCE TARGETS (2022/23)											
Code (Original)	Outcome 9	Back to Basics	Strategic Objective	Project Name	Ward Information /	Unit of Measure	Key Performance Indicator (KPI)	Baseline (2021/2022 FY)	2021/2022 Annual Target	Actual Performance 2021/2022	Annual Target (01-Jul-22 - 30-Jun-23)	Annual Actual Performance as at 30 June 2023	Achieved/Not Achieved	Reasons For Non-Achievement/ Varience/Deviation	Remidial Actions with clear timeframes	Annual Budget (R)	Adjustment Budget (R)	Actual Expenditure (R)	Means of Verification	Actual Means of Verification	Planned targets for 2023/2024	Responsible Unit
NKPA1: MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT																						
A 1	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**2023/24 WSP**	Institutional	Date	Date by which the 2023/24 WSP submitted to Council for noting	2021/22 WSP submitted to Council for noting on 31 May 2022	Submit 2022/23 WSP to Council for approval by 31 March 2022	2022/2023 WSP was submitted to Council for approval on 31 May 2022.	**Submit 2023/24 WSP to Council for noting by 30 April 2023**	**WSP was submitted to Council for noting on 26 April 2023**	**Achieved**	**N/A**	**None**	**R0,00**	**R0,00**	**R0,00**	**WSP & Council resolution**	**WSP & Council resolution**	**Submit 2024/25 WSP to Council for noting by 30 April 2024**	**Human Resources Management**

A 2	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	6.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Workplace Skills Plan**	Institutional	Percentage/Date	Percentage of municipality's budget actually spent on implementing its workplace skills plan through trainings by date	53% of municipality's budget actually spent on implementing its workplace skills plan through trainings in 2021/2022 FY	100% of municipality's budget actually spent on implementing its workplace skills plan through trainings by 30 June 2022	96.5% of the municipality budget spent on the implementation of the WSP by 30 June 2022	**100% of municipality's budget actually spent on implementing its Workplace Skills Plan through trainings by 30 June 2023**	**Only 58.31% was spent on implementing the Workplace Skills Plan through trainings by 30 June 2023**	**Not achieved**	**Post of Skills Development Facilitator was on hold. Post was advertised and had to be re-advertised.**	**Appoint an SDF by 30 September 2023**	**R400 000,00**	**R200 000,00**	**R116 633,47**	**Expenditure Report**	**Expenditure Report dated 27 June 2023**	**100% of municipality's budget actually spent on implementing its Workplace Skills Plan through trainings by 30 June 2024**	**Human Resources Management**
A 3	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	6.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational	**Staff Training**	Institutional	Number/Date	Number of Municipal Employees trained by date	New	New	New	**61 Municipal Employees trained by 30 June 2023**	**04 employees were trained by 30 June 2023**	**Not achieved**	**HR Manager position was vacant and there was no panel to conduct trainings. Post of Skills Development Facilitator was on hold. Post was advertised and had to be re-advertised.**	**HR Manager was appointed on 26 June 2023. To Appoint an SDF by 30 September 2023 To establish a panel of training providers by**	**R400 000,00**	**R200 000,00**	**R116 633,47**	**Attendance Registers**	**Attendance Registers**	**70 Municipal Employees trained by 30 June 2024**	**Human Resources Management**

			performance													31 December 2023							
A 4	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**2022/23 Performance Agreements**	Institutional	Date	Date by which the 2022/23 Performance Agreements for section 54A & 56 managers (Senior Managers reporting directly to the MM) are signed	All 2021/22 Performance Agreements for section 54 & 56 managers (Senior Managers reporting directly to the MM) were signed in 2021/22 FY	Coordinate signing of all 2021/22 Performance Agreements (section 54A - MM & 56 - managers Senior Managers reporting directly to the MM) by 31 July 2021	All Senior Managers (Section 54A - MM & 56) have signed their performance agreements on 2, 6, 7 & 8 July 2021 and submitted to COGTA on the 30th July 2021.	**Coordinate signing of all 2022/23 Performance Agreements (section 54A - MM & 56 - managers Senior Managers reporting directly to the MM) by 31 July 2022**	**All Sec 54A and 56 Perfomance Agreements for Senior Managers reporting directly to the MM were signed on 31 July 2022.**	**Achieved**	**N/A**	**N/A**	**R0,00**	**R0,00**	**R0,00**	**2022/23 Signed performance agreements**	**2022/2023 Signed performance agreements**	**Coordinate signing of all 2023/24 Performance Agreements (section 54A - MM & 56 - managers Senior Managers reporting directly to the MM) by 31 July 2023**	**Human Resources Management**

A5	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Employment Equity Target Groups**	Institutional	Number/Date	Number of females maintained in the Senior Management Positions by date	3 females maintained in the 2021/22 financial year in the Senior management position by 30 June 2022	3 females maintained in the Senior Management Positions in 2021/2022 Financial Year by 30 June 2022	3 Females maintained in the senior management by 30 June 2022	**2 females maintained in the Senior Management Positions by 30 June 2023**	**01 female in Senior Management position maintained by 30 June 2023**	**Not Achieved**	**Executive Manager CSS contract of employment was terminated on 09 December 2022 and Executive Manager CSD contract came to the end on 31 March 2023**	**Both positions were advertised and interviews were held on 22 June 2023. For each advertised posts for Senior Managers we will specify that the first prefence will be given to females.**	**R0,00**	**R0,00**	**R0,00**	**Hist Pay List as at 30 June 2023**	**Hist Pay List**	**2 females maintained in the Senior Management Positions by 30 June 2024**	**Human Resources Management**

	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance		Institutional	Percentage/Date	Percentage of advertised posts filled by People Living with Disabilities in the municipality by date	New	New	New	**2% of advertised posts in the Municipality filled by people with disabilities people by 30 June 2023**	**0% of advertised posts in the Municipality filled by people with disabilities people by 30 June 2023**	**Not achieved**	**The target was not met because people with disabilities do not apply for advertised posts**	**Special programs Unit to make Disabled persons aware of advertised posts. All municipal adverts to encourage people with disabilities to apply by 30 June 2024**	**R0.00**	**R0.00**	**R0,00**	**Advertisement and letters of appointment**	**Recruitment advert**	**2% of advertised posts in the Municipality filled by people with disabilities people by 30 June 2024**	**Human Resources Management**
A 6	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisation	**Human Resource Strategy**	Institutional	Date	Submit Human Resource Strategy 2023/2024 to Council for adoption by date	Submitted Human Resource Strategy 2022/2023 to Council for adoption by 30 April 2022	Submit Human Resource Strategy to Council for adoption by 31 March 2022	Human Resource Strategy was submitted to Council for adoption by 28 April 2022.	**Submit Human Resource Strategy 2023/2024 to Council for adoption by 31 March 2023**	**HR Strategy was submitted to Council for adoption on 30 April 2023**	**Achieved**	**HR Manager position was vacant .Post of Skills Development Facilitator was on hold. Post was advertised and had to be re-advertised.**	**HR Manager was appointed on 26 June 2023. To Appoint an SDF by 30 September 2023 .**	**R0,00**	**R0,00**	**R0,00**	**Human Resource Strategy 2023/2024 & Council Resolution**	**Human Resource Strategy 2023/2024 & Council Resolution**	**Submit Human Resource Strategy 2024/2025 to Council for adoption by 31 March 2024**	**Human Resources Management**

			al performance																			
A 7	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Laptops**	Institutional	Number/Date	Number of Laptops procured by date	New	New	New	**Procurement of 25 Laptops by 31 December 2022**	**25 Laptops were procured on 7 September 2022**	**Achieved**	**N/A**	**N/A**	**R800 000,00**	**R800 000,00**	**R790 648,00**	**Appointment Letter & Delivery Note**	**Appointment Letter & Delivery Note**	**To procure 18 desktops and Laptops by 31 December 2023**	ICT
A 8	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops	**ICT Upgrade - Automation of backup**	Institutional	Date	Date by which automated DR solution is procured	New	New	New	**Procurement of automated DR Solution by 31 March 2023**	**Procurement of automated DR Solution was done on 26 June 2023**	**Achieved**	**NA**	**NA**	**R1 000 000,00**	**R1 000 000,00**	**R0,00**	**Purchase Order & Delivery Note**	**Agreement for appointment & Project closure**	**None**	ICT

			best talent to enhance organisational performance																			
A 9	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Supervisor Vehicles**	Institutional	number /date	Number of CSS supervisor vehicles procured and delivered by date	One (01) motor vehicle purchased for supervisors by 2020/2021 Financial Year	NA	NA	**Procurement and delivery of 1 motor vehicle for CSS supervisors by 31 December 2022**	**1 motor vehicle for CSS supervisors was procured and delivered on 20 June 2023**	**Achieved**	**The vehicle was procured through transversal contract The order was placed in time,However , Nissan did not have stock which delayed the delivey of the vehicle.**	**The unavailability of stock is not within the control of the municipality. The procurement processes will start ealy to allow enough time for delivery.**	**R230 000,00**	**R176 705,00**	**R176 704,00**	**Invoice & Delivery Note**	**Invoice & Delivery Note**	**NA**	Administration

A10	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Motor Vehicle - Council**	Institutional	Number/Date	Number of motor vehicles for councillors procured and delivered by date	Three (03) motor vehicles purchased for council by 7 April 2017	NA	NA	**Procurement and delivery of 3 motor vehicles for councillors by 30 September 2022**	**3 motor vehicles for councillors were procured and delivered on 14 December 2022**	**Achieved**	**Toyota Plant closed down due to floods in April and officially opened its plan in 16 August 2022.**	**The external factors were beyond the control of the municipality due to floods**	**R2 300 000,00**	**R1 902 864,00**	**R1 902 864,00**	**Invoice & Delivery Note**	**Invoice & Delivery Note**	**None**	Administration
A11	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational	**Motor Vehicle - Loud Hailing (RURAL AREAS)**	Institutional	number /date	Number of Motor Vehicle for Loud Hailing (Rural Areas) procured an delivered by date	One (01) motor vehicle purchased for loudhailing in 2010	NA	NA	**Procurement and delivery of 1 twin cab bakkie for loud hailing (Rural Areas) procured by 31 December 2022**	**1 single cab bakkie for loud hailing (Rural Areas) was procured and delivered by on 14 December 2022.**	**Not Achieved**	**A single cab instead of twin cab was procured due to insufficient budget.**	**Do do market reseach prior to budget approval by 31 May 2024.**	**R500 000,00**	**R466 620,00**	**R466 619,00**	**Invoice & Delivery Note**	**Invoice & Delivery Note**	**None**	Administration

			performance																			
A12	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Municipal Policies**	Institutional	Date/Number	Number of Final Policies submitted to Council for approval by Date	101 Final Policies submitted to Council for approval by 30 June 2022	Submit 114 policies to Council for approval by 31 May 2022	15 BTO policies and 15 IPED Polices were submitted to Council for approval by 31 May 2022 & 101 policies were submitted to Council for approval on 30 June 2022.	**Submit 101 Final Policies to Council for approval by 30 June 2023**	**118 Policies were submitted and approved by Council on 29 June 2023**	**Achieved**	**The difference was caused by inclusion of 1 Delegations Framework, 2 New Policies, 4 Strategies, 6 Plans and 4 By-laws**	**N/A**	**R0,00**	**R0,00**	**R0,00**	**Council Resolution**	**Council Resolution**	**None**	**Administration**

NKPA2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

B1	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**Free Monthly Basic Services**	Institutional	Percentage/Date	Percentage of households provided with free monthly basic services by date	30% (4942) households provided with free monthly basic services by 30 June 2022 (Total Number of households (15477)	30% (4592) households provided with free monthly basic services by 30 June 2022	30.68 % (4592) households provided with free monthly basic services by 30 June 2022.	**33% (5421) households provided with free monthly basic services by 30 June 2023**	**32,83% (5303) households provided with free monthly basic services by 30 June 2023**	**Achieved**	**N/A**	**N/A**	**R27 745 734,30**	**R27 745 734,30**	**R26 780 002,19**	**Report from CIGICELL System & Cigicell Report**	**Report from CIGICELL System & Cigicell Report**	**30% (4894) households provided with free monthly basic services by 30 June 2024**	**Revenue Management**
B2	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**Bulk Infrastructure**	All Wards	Number/Date	Number of Switching room, Control room and Guntry Columns constructed by date	4 Guntry Structures completed by 30 June 2022	Construction of 1 complete Switching room by 30 June 2022	Switching room at window level as at 30 June 2022.	**Construction of 1 Switching room structure , 1 Control room Structure and 3 Guntry Columns by 30 June 2023**	**1 Switching room structure , 1 Control room Structure and 3 Guntry Columns were completed on 28 June 2023**	**Achieved**	**N/A**	**N/A**	**R17 391 308,00**	**R21 891 308,00**	**R21 891 308,00**	**Signed Progress Reports**	**Signed Progress Reports**	**Construction of a Oil dam and the intallation of Switchgear and Transformer by 30 June 2024**	**Electrical Services**

B3	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**Electrification of Farms (Informal settlements)**	1, 9 & 10	number /date	Number of informal settlements electrified by date	501 Informal Settlements electrified by 30 June 2022	Electrification of 500 households in Willowdale, surrounding farm houses and informal settlements (Kwakaki, Kwa Richard, Populus, Siquka, Hlani & Informal settlements - Marikana & Egoli) by 30 June 2022	503 Households electrified in (119 Egoli, 150 Marikana, 97 Bhambayi, 81 Willowdale, 36 Benlemon, 18 KwaHlani by 30 June 2022.	**Electrification of 549 informal settlements (Bambayi-113, Marikana - 251, Chocolate City-133 & Egoli-52) by 30 June 2023**	**The Contractor was appointed on 01 June 2023 and has started.**	**Not Achieved**	**There was a delay in the finalisation of designsby the Consultant due to corrections to be effected.This led to the late appointment .The Contractor was appointed late on the 01 June 2023.**	**The contractor is on site and has started with the project to be completed on the 30 September 2023**	**R8 695 648,00**	**R8 695 648,00**	**R5 595 879,13**	**Completion Certificate/Beneficiary List**	**Appointment Letter for the contractor.**	**Electrification of 728 Informal Settlements and Farmhouses (Pakkies 105, Inugi Mike farm 23, Gugulethu farm 100, Informal settlements (Marikana, Egoli, Bhambayi, Chocolate City 1 & Chocolate City 2) 500) by 30 June 2024**	**Electrical Services**

B4	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**Upgrading of substation switch gear Phase 3**	Ward 3	Number/Date	Appointment of electrical consultant for the designs, drawings and processes for the procurement of Switchgears by date	New	New	New	**Appointment of electrical consultant for the designs, drawings and processes for the procurement of 11 Switchgears by date 30 June 2023**	**The electrical consultant for the designs, drawings and processes for the procurement of 11 Switchgears was appointed on 25 October 2022**	**Achieved**	**N/A**	**N/A**	**R7 000 000,00**	**R3 500 000,00**	**R625 852,00**	**Purchase Order & Appointment letter**	**Appointment letter**	**Installation of 13 Switch gears from old to modern by 30 June 2024**	**Electrical Services**
B5	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**TID rollover of STS prepaid electricity meters**	All	Number/Date	Number of prepaid meters updated to comply with the token identification system by date	New	New	New	**Token identification update of 14280 prepaid meters by 30 June 2023**	**There were 11083 prepaid meters of token identification updated on 30 June 2023**	**Not Achieved**	**There are 2314 unsuccessful audit results due to refused access, meter faulty, prepaid meter faulty, no meter on site, no building on property, metre blocked and intimidation.**	**Replacement of faulty meters, investigation for possible straight connection by municipality, municipality to reconnect for cigicell to update by 30 Septe**	**R5 000 000,00**	**R5 000 000,00**	**R4 093 736,08**	**Closeout Report**	**Progress report**	**None**	**Electrical Services**

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B 6	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**Procurement of Mini Substation**	3	number /date	Number of Mini Substations procured and installed by date	New	New	New	**Procurement and installation of 4 X 500KVA 11/,415kv substations by 30 June 2023**	The project was cancelled at the BAC level due to insuffiecient budget	**Not Achieved**	**Due to the burnt of 2 mini-substations from load shedding an emergency procurement of 2 mini substations was done on 4 April 2023 2023 & 23 May 2023.**	**Project is budgeted for in the 30 June 2024**	**R3 000 000,00**	**R3 992 484,02**	**R1 727 428,89**	**Completion Certificate**	**Delivery Notes**	**Upgrade of 4 Mini Substations & Transformers Phase 6 from 315KVA to 500KVA (Mount Currie School, Grain Foods, Cnr St Johns & Dower, Cnr Mount Currie & Finch) 31**	**Electrical Services**

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B7	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**Energy Efficiency and demand side project**	1, 3, 9 & 10	Number/Date	Number of 60W, 100W LED Light Fittings & 200W LED Highmast Light Fittings installed by date	New	New	New	**Installation of 2332 x 60W LED Light Fittings, 244 X 100W LED Light Fittings and 12 X 200W LED highmast light fittings by 30 June 2023**	**918 (36 X 200W , 650 X 60W 100 X 100W) LED fittings installed and further 132 of 60w were funded by DMRE to make up a total of 918 on 30 June 2023**	**Not Achieved**	**On the 05th May 2023 the Municipality received a letter from the service provider dated 25 April 2023 requesting the reduction on the number of streetlights fittings to be retrofitted. After reviewing the letter and both quotations from the service provider, the Municipality is of the view that the request is legitimate and the Municipality forwarded their request of retrofitting 786 LED fittings for approval. The request was approved by DMRE.**	**There is additional funding from DMRE which will be utilised for installation of outstanding LED fittings by 30 June 2024**	**R4 347 824,00**	**R4 347 824,00**	**R4 294 589,46**	**Completion Certificate**	**Completion certificate**	**Installation and commissioning of (35kwp) solar PV on 1 X municipal building (Main Building) by 30 June 2024**	Electrical Services

B 8	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**Reconstruction of Hawthorne road Ph1**	3	Km's/Date	km's of G7 layer at Hawthorn Road completed by date	New	New	New	**0.5km of G7 layer at Hawthorn Street, from Barclay to Wylde completed by 30 June 2023**	**Completed 0.5km of G7 layer at Hawthorn Street from R56 to Coulter Street by 30 June 2023**	**Not Achieved**	**Portion from Barclays to Coulter had delays due to relocation of water main and the installation of subsoil drainage.Therefore the laying of 0.5 km of G7 Layer was done from R56 to Coulter.**	**Water has been relocated and the subsoil drainage installed.G7 to be layed from Barclays to Wylde on the 1st October 2023.**	**R9 740 000,00**	**R9 810 000,00**	**R7 085 964,25**	**Appointment letter, Signed Progess Report**	**Appointment Letter Signed Progress Reports**	**Complete Reconstruction of 0.7km of Hawthorn Street, from Avenue to Barclay by 31 December 2023**	**Project Management Unit & Civil Engineering**
B 9	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**Upgrade of Roads Ext 7 Phase 4**	7	Km's/Date	KMs of roads upgraded from gravel to asphalt by date	Completed construction of 0,74km of G2 base layer by 30 June 2022	Upgrade of 1,1km of Extension 7 Roads Phase 4 from gravel to asphalt (Tar Road) by 30 June 2022	Completed 1,1km of roadbed preparation Completed 1,1km of G7 selected layer Completed 1,1km of G5 subbase layer Completed 1,0km of kerb & channel Compl	**1,1 km of roads (Crane Close, Kingfisher, Heron Crescent, Falcon, Robin Close, Crow Close & Lark Close) upgraded from gravel to asphalt by 31 August 2022**	**1,1 km of roads (Crane Close, Kingfisher, Heron Crescent, Falcon, Robin Close, Crow Close & Lark Close) upgraded from gravel to asphalt by 12 July 2022**	**Achieved**	**N/A**	**N/A**	**R2 799 996,00**	**R2 777 302,00**	**R2 777 302,52**	**Practical completion certificate**	**Practical Completion Certificate**	**N/A**	**Project Management Unit & Civil Engineering**

										eted 0,375km of 30mm asphalt by 30 June 2022												
B10	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1. To ensure improved access to appropriate basic services and infrastructure	**Shayamoya Roads upgrade - Phase 3**	10	Km's/Date	km's of G7 layer at Shayamoya roads completed by Date	Completed construction of 1,45km in Shayamoya Roads phase 2 by 30 June 2022	Upgrade of 1,2km of Shayamoya Roads Phase 2 from gravel to asphalt (Tar Road) by 31 March 2022	1,2km of Shayamoya Roads Phase 2 upgraded from gravel to asphalt (Tar Road) on 19 April 2022.	**0.7km of G7 layer completed for Shayamoya Roads (Road 4, Road 6 & Road 7) by 30 June 2023**	**Contractor was appointed on 26 June 2023 and Completed site establishment by 30 June 2023**	**Not Achieved**	**Bid to appoint the contractor had to be re-advertised on 08 May 2023 due to tax non-compliance by the recommended bidder. There was only one responsive bidder.**	**Contractor was appointed on 26 June 2023. Project will be completed by 22 January 2024**	**R3 948 000,00**	**R1 658 045,00**	**R358 806,29**	**Appointment letter/Signed Progress Reports**	**Appointment Letter**	**Upgrading of 0.7km of Shayamoya Roads (Road 4, Road 6 & Road 7) from gravel to Asphalt by 31 March 2024**	**Project Management Unit & Civil Engineering**

B11	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Upgrade of Longhomes Roads**	5 & 8	Km's/Date	km's of Longhomes roads rehabilitated by Date	New	New	New	**Rehabilitation of 1,4km of Longhomes roads (Nkululeko, Miya, Mgugudo, Makalima, Mkhize, Mabasa, Booi, Bala, Gcelu, Mdani, Dlamini, Makaula & Mapena) by 30 June 2023**	**Rehabilitated 1,4km of Longhomes roads. (Nkululeko, Miya, Mgugudo, Makalima, Mkhize, Mabasa, Booi, Bala, Gcelu, Mdani, Dlamini, Makaula & Mapena) by 30 June 2023**	**Achieved**	**N/A**	**N/A**	**R0,00**	**R2 312 650,00**	**R2 198 187,40**	**Appointment letter /Signed Progress Reports**	**Appointment letter and signed progress report**	**Rehabilitation of 0,74km of Longhomes roads (Ntombeni, Moshoeshoe, Hams, Ngcongo, Ndlovu, Ndamse, Lamla, Mjuli, Mjajubana & Skills Centre) by 31 December 2023**	**Project Management Unit & Civil Engineering**

B12	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**CBD storm water upgrade Ph1**	3	Km's/Date	KMs of Stormwater pipe upgraded from surface to underground pipe in CBD Roads by date	New	New	New	**Complete Upgrading of 0.6km Stormwater pipe from surface to underground in CBD Roads (Avenue, Barker & Dower Streets) by 30 June 2023**	**The project was not achieved Contractor was appointed on 10 May 2023. The site establishment was completed by 30 June 2023**	**Not Achieved**	**There was a delay in the finalisation of designs by the Consultant due to corrections to be effected.This led to the late appointment .The Contractor was appointed late on the 01 June 2023.**	**The project will be implemented over two financial years and the contractor has submitted the programme of works with the commencement date being the 19 May 2023 and completion on 10 January 2024**	**R4 000 000,00**	**R3 553 000,00**	**R1 956 392,61**	**Appointment letter/ Signed Progress Reports**	**Appointment Letter & Signed Progress Report**	**Complete Upgrading of 0.7km Storm water pipe from surface to underground in CBD Roads (Avenue, Barker & Dower Streets) by 31 December 2023**	**Project Management Unit & Civil Engineering**
B13	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Rehabilitation of Wylde Road**	3	Km's/Date	KMs of Wylde Road rehabilitated by date	New	New	New	**0.27km of Wylde road (Hope Street to Hawthorn Street) rehabilitated by 30 June 2023**	**Rehabilitation 0.37km of Wyled road (Main Street to Hawthorn Street) by 30 June 2023**	**Achieved**	**There was a balance on the quantities of Asphalt which were used on the potion from hope to main street**	**N/A**	**R0,00**	**R1 000 000,00**	**R949 699,80**	**Appointment letter, Signed Progess Report, Completion cerfificate**	**Appointment Letter, Signed Progress Report and completion certificate**	**NA**	**Project Management Unit & Civil**

B14	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Rehabilitation of CBD Roads**	3	Km's/Date	KMs of CBD Roads rehabilitated by date	New	New	New	**1.5km of Base Layer for CBD roads (Railway, Coulter & Wyled Street) rehabilitated by 30 June 2023**	**Completed rehabilitation of 1.5km of base layer for CBD roads (Railway, Coulter & Wyled Street) by 30 June 2023**	**Achieved**	**N/A**	**N/A**	**R0,00**	**R3 600 000,00**	**R0,00**	**Appointment letter, Signed Progess Report, Completion cerfificate**	**Appointment Letter Signed Progress Report**	**Complete Rehabilitation of 1,5km of CBD roads (Railway, Coulter & Wylde Street) rehabilitated by 31 December 2023**	**Project Management Unit & Civil Engineering**
B15	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Access to basic level of electricity**	All 10 wards of GKM	Date/Percentage	Percentage of Households with access to basic level of electricity by date	16108 households with access to basic level of electricity by 30 June 2023	2% (485) households with access to basic level of electricity by 31 December 2021	376 (1.55%) households with access to basic level of electricity by 31 December 2021.	**3,4% (549) of GKM households with access to basic level of electricity by 30 June 2023**	**0% (549) of GKM households with access to basic level of electricity by 30 June 2023. The Contractor was appointed late on the 30 May 2023.**	**Not Achieved**	**There was a delay in the finalisation of designs by the consultant. The Contractor was appointed late on the 01 June 2023.**	**The contractor is on site and has started with the project to be completed on the 30 September 2023**	**R0,00**	**R0.00**	**R0,00**	**Cash Power Register as of 1 July 2022**	**Appointment Letter for the contractor.**	**NA**	**Electrical Services**

B 16	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Fire Rescue Van**	Institutional	number /date	Number of Fire Rescue van procured and delivered by date	1 dilabilitated rescue van by 2021/2022 Financial Year	NA	NA	**1 Fire Services Rescue Van Procured and delivered by 30 March 2023**	**1 Fire Services Van was procured on 21 April 2023**	**Achieved**	**The service provider ISUZU SA delivered the vehicle to the wrong address in Pretoria.Therefore they have to be shipped back after a month**	**The delay in the delivery of vehicles was beyond the control of the municipality.The order was issued in time.**	**R700 000,00**	**R646 017,60**	**R646 020,00**	**Invoice & Delivery Note**	**Invoice & Delivery Note**	**NA**	**Community Services**
B 17	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Jaws of Life**	Institutional	number /date	Number of Jaws of life procured by date	1 jaws of life for 2021/2022 FY	NA	N/A	**1 Jaws of Life procured and delivered by 30 June 2023**	**Bid was advertised and the bid was refered back to user department for corrections to include specific goals.**	**Not Achieved**	**Bidders were non-responsive and the project was sent back to the user department for re-advertisement.**	**Develop and submit bussiness plan to COGTA to source funding by 30 September 2023 Internal control and to be strenghtened and to ensure business continuity**	**R400 000,00**	**R300 000,00**	**R0,00**	**Appointment Letter & Delivery Note**	**NA**	**NA**	**Community Services**

B18	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Town Library Aircon**	Institutional	number /date	Number of aircons procured and installed at Kokstad Town Library by date	4 outdated aircons for 2021/2022 FY	NA	NA	**4 aircons procured and installed for Kokstad town library by 30 June 2023**	**12 Aircons were procured and installed on 25 November 2022**	**Achieved**	**Due to library norms and standards 10 aircons were required to meet the standards. Furthermore the department opted to add 2 more aircons to save costs for the office of Manager CSS and EXM IPED.**	**Prior consultation of relevant stakeholders (DSRAC)**	**R200 000,00**	**R200 000,00**	**R174 000,00**	**Delivery Note & completion certificate**	**Delivery note**	**NA**	Community Services
B19	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Franklin Library Equipment**	Institutional	number /date	Number of library equipment procured and delivered for Franklin Library by date	New	New	New	**3 equipment (1 refrigarator, 1 hot water Kettle, 1 micro wave) procured for Franklin Library by 30 December 2022**	**3 equipment (Refrigerator 2, project 3, 16 piece dinner set 4, Urn 1, Toaster 1, flooring carpet 1, kettle 1, dusbin 3, 10m extension cord 3, 16 piece of cultery 2, Microwave 1) on 12 October 2022**	**Achieved**	**Other equipment that were not on the target were broken and deemed necessary during the financial year after approval of the SDBIP.**	**To ensure that assessment of all equipment is done prior to SDBIP approval by 27 June 2024.**	**R40 000,00**	**R41 584,60**	**R41 584,60**	**Appointment Letter/Order Number & Delivery Note**	**Purchase order and delivery note**	**NA**	Community Services

B20	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Skip Loader Truck**	Institutional	Number/Date	Number of Skip Loader Truck procured and delivered by date	1 Skip Loader Truck for 2021/2022 FY	NA	NA	**1 Skip Loader Truck procured and delivered by 30 June 2023**	**1 Skip Loader Truck was procured and delivered on 27 April 2023**	**Achieved**	**NA**	**NA**	**R1 282 250,00**	**R1 282 250,00**	**R1 110 850,21**	**Invoice & Delivery Note**	**Invoice & Delivery Note**	**NA**	Community Services
B21	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Garden Refuse Truck- 4 Ton Truck**	Institutional	number /date	Number of garden refuse truck procured and delivered by date	New	New	New	**1 garden refuse truck procured and delivered by 31 March 2023**	**1 garden refuse truck procured and delivered by 12 December 2022**	**Achieved**	**NA**	**NA**	**R617 750,00**	**R537 172,82**	**R537 172,82**	**Invoice & Delivery Note**	**Invoice & Delivery Note**	**NA**	Community Services
B22	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Motor Vehicle - Traffic**	Institutional	Number/Date	Number of motor vehicles for law enforcement procured and delivered by date	New	New	New	**Procurement and delivery of 1 motor vehicle for Law Enforcement by 31 December 2022**	**Procurement and delivery of 1 motor vehicle for Law Enforcement by 21 April 2023**	**Achieved**	**The service provider ISUZU SA delivered the vehicle to the wrong address in Pretoria.Therefore they have to be shipped back after a month**	**The delay in the delivery of vehicles was beyond the control of the municipality.The order was issued in time.**	**R600 000,00**	**R588 345,00**	**R588 345,00**	**Invoice & Delivery Note**	**Invoice & Delivery Note**	**NA**	Law Enforcement

B 2 3	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**Solid Waste Removal**	2, 3, 5, 7, 8, 9, 10	Number	Number of Households with access to solid waste refuse removal on a weekly basis	10730 households with access to solid waste refuse removal on a weekly basis by 30 June 2021	10730 House holds with access to solid waste refuse removal on weekly a basis	8752 House holds with access to solid waste refuse removal on weekly a basis by 30 June 2022	**8752 Households with access to solid waste refuse removal on weekly a basis by 30 June 2023**	**Solid waste removed in 8752 Households by 30 June 2023**	**Achieved**	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**Weekly Plan and Signed attendance register**	**Weekly Plan and Signed attendance register**	**8752 House holds with access to solid waste refuse removal on weekly a basis by 30 June 2024**	**Waste Management**
B 2 4	Improved access to basic services	Pillar 2: Delivering Basic Services	4.1.To ensure improved access to appropriate basic services and infrastructure	**CRU Housing Project**	3	Number/Date	Number of CRU units constructed and completed by date	180 Number of CRU Units constructed to 2nd floor Roof Level by 30 June 2022	Construction of 250 CRU Units to 2nd floor Roof Level by 30 June 2022	252 CRU Units Built to 2nd Floor Roof Level by 30 June 2022.	**300 Units constructed and completed by 30 June 2023**	**228 CRU units constructed and Completed on 30 June 2023**	**Not Achieved**	**There was additional funding that was applied for which resulted in the delay and completion of the project. On receipt of approval for the funds. A new revised programme aligned to the approved budget and timeframes for the completion of the project was developed.**	**Project is to be completed on 31 May 2024**	**R34 021 736,00**	**R46 022 209,00**	**R20 155 893,74**	**Signed Progress Reports**	**Extension of Time application Rivised Program**	**48 Units constructed and completed by 31 December 2023**	**Human Settlements**

B 2 5	Improve Municipal Financial and Administrative capability	Pillar 4: Sound financial management and accounting	6.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Infrastructure, Planning & Economic Development (IPED) Capital Budget**	Institutional	Percentage/Date	Percentage of IPED Capital Budget actually spent on capital projects by date	100% of IPED Capital Budget Spent on capital projects by 2021/2022	100% of ITS Capital Budget actually spent on capital projects by 30 June 2022	91% of ITS Budget Spent on Capital Projects by 30 June 2022.	**100% of IPED Capital Budget actually spent on capital projects by 30 June 2023**	**59% of IPED Capital Budget actually spent on capital projects on 30 June 2023**	**Not Achieved**	**Late appointment of contractors and consultants which led to late implementation of projects**	**Project Managers to ensure the capital projects are implemented on the specified timeframe by 30 June 2024**	**R117 980 522,00**	**R122 063 085,09**	**R80 008 847,57**	**Expenditure report**	**Expenditure report**	**NA**	**EXM IPED**
NKPA3: LOCAL ECONOMIC DEVELOPMENT																						
C 1	Implementation of community works programme and supported cooperatives	N/A	1.1. Facilitate economic growth, development and creation of decent employment opportunities	**EPWP Revenue Met-Grant**	All 10 GKM Wards	Date/Number	Number of work opportunities created through municipality's local economic development initiatives (implementation of EPWP Phase 4 Principles) by date	443 Work opportunities created through the Municipality's Local Economic Development (EPWP programme) by 2021/22 FY	395 Work opportunities created through the Municipality's Local Economic Development initiatives (implementation of EPWP phase 4 principl	443 Work opportunities created through the Municipality's Local Economic Development initiatives (implementation of EPWP phase 4 principl	**718 Work opportunities created through the Municipality's Local Economic Development (EPWP programme) by 30 June 2023**	**556 Work Opportunities created as of 30 June 2023**	**Not Achieved**	**Implementation of some Capital projects were delayed which affected the number of work opportunities created.**	**Project Managers to ensure the capital projects are implemented on the specified timeframe by 30 June 2024**	**R4 266 000,00**	**R4 266 000,00**	**R5 662 655,04**	**EPWP contracts and reports from EPWP RS**	**EPWP contracts and reports from EPWP RS**	**718 Work opportunities created through the Municipality's Local Economic Development (EPWP programme) by 30 June 2024**	**Local Economic Development**

									es) by June 2022	es) by 30 June 2022.												
C 2	Implementation of community works programme and supported cooperatives	N/A	1.1. Facilitate economic growth, development and creation of decent employment opportunities	**Reviewed Final Local Growth and Development Strategy**	Institutional	Date	Date by which Local Growth and Development Strategy is submitted to Council for adoption	Submitted Final Local Growth and Development Strategy to Council for adoption by 31 May 2022	Submit Final Reviewed Local Growth and Development Strategy to Council for adoption by 31 May 2022	Submitted Final Reviewed Local Growth and Development Strategy to Council for adoption by 31 May 2022	**Submit Final Reviewed Local Growth and Development Strategy to Council for adoption by 31 May 2023**	**Submited Final Reviewed Local Growth and Development Strategy to Council for adoption on 26 May 2023**	**Achieved**	**N/A**	**N/A**	**R0,00**	**R0,00**	**R0,00**	**Final Local Growth and Development Strategy, Council resolution**	**Final Local Growth and Development Strategy, Council resolution**	**Submit Final Reviewed Local Growth and Development Strategy to Council for adoption by 31 May 2024**	**Local Economic Development**
C 3	Promotion of social and economic development	NA	1.1. Facilitate economic growth, development and creation of decent	**Implements for Maraiskop**	2	Number/Date	Number of Implements (Farming Equipment) for Maraiskop procured and delivered by Date	New	New	New	**Procurement and delivery of 6 Implements (Farming Equipment) for Maraiskop by 31 March 2023**	**Service Provider Appointed on 09 March 2023 and the intention to terminate was issued on 15**	**Not Achieved**	**Service Provider was terminated due to failure to deliver.**	**The project has been scraped and is not budgeted for in the 2023/2024 financial year**	**R300 000,00**	**R300 000,00**	**R0,00**	**Invoice & Delivery Note**	**Appointment letter, Intention to terminate and termination letter**	**N/A**	**Local Economic Development**

			employment opportunities									**May 2023,**										
C 4	Promotion of social and economic development	NA	1.1. Facilitate economic growth, development and creation of decent employment opportunities	**Plant Equipment and Fencing - Veterans (Military veterans business support)**	8 & 9	number /date	Number of businesses for military veterans supported through building equipment/machines and fencing by date	New	New	New	**Support 2 businesses for for military veterans through, building equipment/machines and fencing by 31 March 2023**	**Supported 2 businesses for for military veterans through, building equipment/machines and fencing by 10 November 2022**	**Achieved**	**N/A**	**N/A**	**R460 000,00**	**R800 000,00**	**R447 952,40**	**Delivery Note**	**Delivery Note**	**N/A**	**Local Economic Development**

C 5	Promotion of social and economic development	NA	1.1. Facilitate economic growth, development and creation of decent employment opportunities	**Solar Powered Pumping System**		2 & 6	Number of Solar Pumps procured and installed for Coop and Trust by date	New	New	New	**2 Solar Pumps for Thukani Ngele Coop & Kransdraai Trust procured and installed by 30 June 2023**	**Service provider was appointed on 20 July 2023**	**Not Achieved**	**Tender was non responsive and was readvertised**	**Intention to Award has been issued and closing on the 19 July 2023. Appointment on the 20th of July 2023. Completion in 30th September 2023**	**R0,00**	**R1 000 000,00**	**R0,00**	**Delivery Note & Completion Certificate**	**Appointment letter**	**NA**	**Local Economic Development**
NKPA4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT																						
D 1	Implement a differential approach to Municipal Financing, planning and support	Pillar 5: Building Capable Local Government Institutions	6.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational perfor	**2021/22 Financial Year Unqualified Audit Opinion with no matters**	Institutional	Date	Date by which the 2021/2022 Financial Year Unqualified Audit Opinion with reduced matters of emphasise obtained	Obtained Unqualified Audit Opinion for 2020/2021 FY	Obtain Unqualified Audit Opinion with no matters for 2020/2021 FY by 31 December 2021	The Municipality received the Audit report on 01 Dec 2021, the audit opinion was Unqualified audit opinion with matters.	**Obtain Unqualified Audit Opinion with reduced matters of emphasise 2021/2022 FY by 31 December 2022**	**Obtained Unqualified Audit Opinion with reduced matters of emphasise 2021/2022 FY by 31 December 2022**	**Achieved**	**NA**	**NA**	**R0.00**	**R0.00**	**R0,00**	**2021/2022 Auditor-General Report**	**2021/2022 Auditor-General Report**		**All EXM Managers**

			manc e																				
D 2	Improve Municipal Financial and Administrative capability	Pillar 5: Building Capable Local Government Institutions	6.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Financial Ratios Report**	Institutional	Date	Financial Ratio Report submitted to Council for noting by Date	Financial Ratio Report submitted to Council for noting by 31 January 2022	Submit Financial Ratio Report to Council for noting by 31 January 2022	Financial Ratio Report submitted to Council for noting by 27 January 2022.	**Submit Financial Ratio Report to Council for noting by 31 January 2023**	**Financial Ratio Report was submitted to Council for noting by 24 January 2023**	**Achieved**	**N/A**	**N/A**	**R0.00**	**R0.00**	**R0,00**	**Financial Ratios Report & Council Resolution**	**Financial Ratios Report & Council Resolution**	**Submit Financial Ratio Report to Council for noting by 31 January 2024**	**Financial Reporting and Asset Management**
D 3	Improve Municipal Financial and Administrative capability	Pillar 4: Sound financial management and accounting	6.1. Creating a conducive organisational environment that attracts, retains, and develops	**Draft 2023/24 Budget**	Institutional	date	Draft 2023/24 budget tabled to Council for adoption by date	Tabled Draft 2022/23 Budget to Council for adoption by 28 March 2022	Table Draft 2022/23 Budget to Council for adoption by 31-Mar-22	Draft 2022/23 Budget tabled to Council by 28 March 2022	**Table Draft 2023/24 Budget to Council for adoption by 31-Mar-23**	**Draft 2023/24 Budget was tabled to Council and adopted 30 Mar - 23**	**Achieved**	**N/A**	**N/A**	**R0,00**	**R0,00**	**R0,00**	**Draft Budget & Council Resolution**	**Draft Budget & Council Resolution**	**Submit Draft 2024/25 Budget to Council for adoption by 31-Mar-24**	**Budget & Reporting**

			best talent to enhance organisational performance																			
D4	Improve Municipal Financial and Administrative capability	Pillar 4: Sound financial management and accounting	6.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Final 2023/24 Budget**	Institutional	Date	Submit the Final 2023/24 Budget to Council for approval by date	Submitted final 2022/23 Budget to Council for approval by 31 May 2022	Submit Final 2022/23 Budget to Council for Approval by 31 May 2022	Final 2022/23 Budget was submitted to Council for approval by 31 May 2022	**Submit Final 2023/24 Budget to Council for Approval by 31 May 2023**	**Submitted Final 2023/24 Budget to Council and was approved on 26 May 2023**	**Achieved**	**N/A**	**N/A**	**R0,00**	**R0,00**	**R0,00**	**Final Adopted 2023/24 Budget and signed Council Resolution**	**Final Adopted 2023/24 Budget and signed Council Resolution**	**Submit Final 2024/25 Budget to Council for Approval by 31 May 2024**	**Budget & Reporting**

D5	Improve Municipal Financial and Administrative capability	Pillar 4: Sound financial management and accounting	6.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**2022/2023 Adjustment Budget**	Institutional	Date	2022/2023 Adjustment Budget submitted to Council for approval by date	2021/2022 Adjustment Budget submitted to Council for approval by 24 February 2022	Submit 2021/2022 Adjustment Budget to Council for approval by 28 February 2022	SUBMITTED 2021/2022 ADJUSTMENT BUDGET TO COUNCIL FOR APPROVAL BY 24 FEBRUARY 2022	**Submit 2022/2023 Adjustment Budget to Council for approval by 28 February 2023**	**2022/23 Adjusted budget was submitted and approved by the Council on the 27 February 2023.**	**Achieved**	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**2022/23 Adjustment Budget & Council Resolution**	**2022/23 Adjustment Budget & Council Resolution**	**Submit 2023/2024 Adjustment Budget to Council for approval by 28 February 2024**	**Budget & Reporting**
D6	Improve Municipal Financial and Administrative capability	Pillar 4: Sound financial management and accounting	6.1. Creating a conducive organisational	**Section 72 Report**	Institutional	Date	Section 72 report submitted to the Mayor; Provincial Treasury and National Treasury by date	SECTION 72 REPORT SUBMITTED TO THE MAYOR, PROVINCIAL TREASURY AND THE NATIONAL TREASURY BY 18 JANUARY 2022 to the	Submit Section 72 report to the Mayor, Provincial Treasury and National Treasury by 25 January 2022	SECTION 72 REPORT SUBMITTED TO THE MAYOR, PROVINCIAL TREASURY AND THE NATIONAL TREASURY BY 18 JANUARY 2022 to the	**Submit Section 72 report to the Mayor, Provincial Treasury and National Treasury by 25 January 2023**	**Submitted Section 72 report to the Mayor, Provincial Treasury and National Treasury by 24 January 2023**	**Achieved**	**N/A**	**N/A**	**R0,00**	**R0,00**	**R0,00**	**S72 Report; Council Resolution; Proof of submission to Mayor, PT, NT**	**S72 Report; Council Resolution; Proof of submission to Mayor, PT, NT**	**Submit Section 72 report to the Mayor, Provincial Treasury and National Treasury by 25 January 2024**	**Budget & Reporting**

			performance					Mayor and 25 January 2022 to National and Provincial Treasury.		Mayor and 25 January 2022 to National and Provincial Treasury.													
D7	Improve Municipal Financial and Administrative capability	Pillar 4: Sound financial management and accounting	6.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**2023/24 budget process plan / time schedule**	Institutional	By MFMA calendar date	Submit 2022/23 budget process plan / time schedule to Council for approval by date	Approved budget process plan / time schedule in 26 August 2022	Submit the 2022/23 Budget Process Plan/ Time Schedule to Council for approval by 31-Aug-21	Submitted IDP and Budget process to council for approval by 26 August 2021.	**Submit the 2023/24 Budget Process Plan/ Time Schedule to Council for approval by 31-Aug-22**	**Submitted the 2023/24 Budget Process Plan/ Time Schedule to Council for approval on 25-Aug-22**	Achieved	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**2023/24 Approved Budget process Plan & Council Resolution**	**2023/24 Approved Budget process Plan & Council Resolution**	**Submit the 2024/25 Budget Process Plan/ Time Schedule to Council for approval by 31-Aug-23**	**Budget & Reporting**

D8	Improve Municipal Financial and Administrative capability	Pillar 4: Sound financial management and accounting	6.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	**Office Equipment**	Institutional	number /date	Number of Assets procured by date	New	New	New	**36 Assets (8 office equipment, 22 Furniture equipment & 6 Computer Equipment) procured by 31 March 2023**	**38 Furniture and Office Equipment procured on 24 May 2023,3 Computer Equipment procured 28 June 2023**	**Achieved**	**N/A**	**N/A**	**R50 000,00**	**R300 000,00**	**R280 635,87**	**Purchase Order & Delivery Note**	**Purchase Order & Delivery Note**	**30 Office Equipment procured (15 Visitors Chairs, 7 Visitors Chairs Fabric, 5 Lever Arch Cabinets, 3 Folding Tables) by 31 March 2024**	Revenue Management
NKPA5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION																						
E1	Deepen Democracy through a refined ward Committee system	Pillar 1: Putting People First Pillar 3: Good Governance	7.1 To ensure strengthened participative, transparent and accountable governance in the municipality.	**2023/2024 Draft IDP**	Institutional	Date	2023/2024 Draft IDP submitted to Council for approval by date	2022/23 - 2026/27 (2022/2023) Draft IDP submitted to Council for approval by 28 March 2022	Submit 2022/27 (2022/2023) Draft IDP to Council for approval by 31-March-2022	2022/27 (2022/2023) Draft IDP submitted to Council for approval by 28 March 2022.	**Submit 2023/24 Draft IDP to Council for approval by 31-March-2023**	**Draft IDP 2023/2024 submitted to Council for approval on 30 March 2023**	**Achieved**	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**2023/24 Draft IDP & Council Resolution**	**2023/24 Draft IDP & Council Resolution**	**Submit 2024/25 Draft IDP to Council for approval by 31-March-2024**	IDP/OPMS

E 2	Deepen Democracy through a refined ward Committee system	Pillar 3: Good Governance	7.1 To ensure strengthened participative, transparent and accountable governance in the municipality.	2023/2024 Final IDP	Institutional	Date	2023/24 Final IDP submitted to Council for approval by date	2022/23 - 2026/27 (2022/2023) FINAL IDP submitted to Council for approval by 31 May 2022	Submit 2022/27 (2022/2023) Final IDP to Council for approval by 31-May-2022	2022/2027 (2022/2023) Final IDP submitted to Council for approval by 31 May 2022.	**Submit 2023/24 Final IDP to Council for approval by 31-May-2023**	**Final 2023/24 Final IDP was submitted to Council for approval on 26 May 2023**	**Achieved**	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**2023/24 Final IDP & Council Resolution**	**2023/24 Final IDP & Council Resolution**	**Submit 2024/25 Final IDP to Council for approval by 31-May-2024**	**IDP/OPMS**
E 3	Deepen Democracy through a refined ward Committee system	Pillar 3: Good Governance	7.1 To ensure strengthened participative, transparent and accountable governance in the municipality.	**2021/22 Annual Performance Report**	Institutional	Date	Date by which the 2021/22 Annual Performance Report is submitted to Council for approval	Submitted Draft 2020/21 Annual Performance Report to Council for approval in 2021/22 FY	Submit 2020/21 Annual Performance Report to Council for approval by 31 August 2021	Submitted Annual Performance Report for 2020/21 to Council for approval by 26 August 2021.	**Submit 2021/22 Annual Performance Report to Council for approval by 31 August 2022**	**Submitted 2021/2022 Annual Performance Report to Council for approval by 25 August 2022**	**Achieved**	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**2021/22 Annual Performance Report & Council Resolution**	**2021/22 Annual Performance Report & Council Resolution**	**Submit 2022/23 Annual Performance Report to Council for approval by 31 August 2023**	**IDP/OPMS**
E 4	Deepen Democracy through a refined ward	Pillar 1: Putting People First	7.1 To ensure strengthened partici	**Draft 2021/22 Annual Report**	Institutional	Date	Draft 2021/22 AR tabled to Council by date	Draft 2020/21AR tabled to Council in 26	Table 2020/21 Draft AR to Council by 31 January 2022	2020/21 Draft AR tabled to Council by 27 Januar	**Table 2021/22 Draft AR to Council by 31 January 2023**	**2021/22 Draft AR tabled to Council on 24 January 2023**	**Achieved**	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**2021/2022 Draft Annual Report & Council Resolution**	**2021/2022 Draft Annual Report & Council**	**Table 2022/23 Draft AR to Council by 31 January 2024**	**IDP/OPMS**

	Committee system	Pillar 3: Good Governance	pative, transparent and accountable governance in the municipality.					August 2021		y 2022.										Resolution		
E5	Deepen Democracy through a refined ward Committee system	Pillar 1: Putting People First Pillar 3: Good Governance	7.1 To ensure strengthened participative, transparent and accountable governance in the municipality.	**Final 2021/22 Annual Report**	Institutional	Date	Final 2021/22 Annual Report tabled to Council for Adoption by date	2020/21 Final Annual Report adopted by Council by 29 March 2022	Table Final 2020/21 Annual Report to council for adoption by 31 March 2022	Final 2020/21 Annual Report tabled to Council for adoption by 28 March 2022.	**Table Final 2021/22 Annual report to council for adoption by 31 March 2023**	**Final Annual Report 2021/2022 tabled to Council on 30 March 2023**	**Achieved**	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**2021/22 Final Annual Report & Council Resolution**	**2021/22 Final Annual Report & Council Resolution**	**Table Final 2021/23 Annual report to council for adoption by 31 March 2024**	IDP/OPMS
E6	Deepen Democracy through a refined ward Committee system	Pillar 1: Putting People First Pillar 3: Good Governance	7.1 To ensure strengthened participative, transparent and accountable governance in the munic	**Communication Strategy**	Institutional	Date	Council Adopted 2023/2024 Communication Strategy by date	Reviewed 2021/2022 Communication Strategy by 2021/2022 Financial Year	Submit 2022/2027 Communication Strategy to Council for adoption by 30 June 2022	2022/2027 Communication Strategy submitted to Council for adoption on 30 June 2022.	**Submit 2023/2024 Communication Strategy to Council for adoption by 30 June 2023**	**2023/2024 Communication strategy was submitted to council for adoption on 29 June 2023**	**Achieved**	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**2023/2024 Communication Strategy & Council Resolution**	**2023/2024 Communication Strategy & Council Resolution**	**Submit 2024/2025 Communication Strategy to Council for adoption by 30 June 2024**	Communications

			ipality .																			
NKPA6: CROSS CUTTING INTERVENTIONS																						
F 1	One window of co-ordination	N/A	8.1 Ensure an integrated and aligned development planning	**Disaster Management Annual Report**	Institutional	Date	Disaster Management Annual Report submitted to Council by date	Disaster Management Annual Report submitted to Council by 30 June 2022	Submit Disaster Management Annual Report to Council for approval by 30 June 2022	Disaster Management Annual Report was submitted to Council for approval on 26 August 2022.	**Submit Disaster Management Annual Report to Council for approval by 30 June 2023**	**Submitted a Rieveweed Disaster Management Plan to be approved by Council on 26 May 2023**	**Achieved**	**NA**	**NA**	**R0,00**	**R0,00**	**R0,00**	**Copy of disaster management annual report & council resolution**	**Reviewed Disaster Management Plan & Council Resolution.**	**Submit Disaster Management Plan to Council for approval by 30 June 2024**	**Community Services**

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

The Greater Kokstad Municipality has an organizational structure which is reviewed annually to ensure that the human capital respond to the municipal strategic objectives. The organizational structure was last adopted on 23 June 2022. The structure currently consists of five (5) departments, namely, Office of the Municipal Manager, Corporate Services, Budget and Treasury Department, Community and Social Services, Infrastructure, Planning and Economic Development. The organizational structure has 410 positions spread across all departments of which 362 of those positions are filled while 48 positions remain vacant. However, annually the Municipality develops a recruitment plan which is informed by the provisions of the budget to ensure that the vacancy rate is minimized.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1. EMPLOYEE TOTAL, TURNOVER AND VACANCIES

Description	2021/22	2022/23			
	No. of Employees	Approved posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
Electricity	31	37	31	6	16%
Waste Management	103	69	59	10	14%
Roads	52	57	49	7	12%
Transport	0	0	0	0	0
Planning	12	12	12	0	0%
Local Economic Development	2	3	3	0	0%
Community & Social Services	5	5	4	1	20%
Health	0	0	0	0	0
Safety & Security Traffic and Fire	47	58	56	2	3%
Sports & Recreation Youth Gender Disability	2	2	2	0	0%
Corporate	46	50	45	5	10%
Section 56	5	5	3	2	40%

Vacancy Rate: 2021/22				2022/2023			
Designation	No. of Approved Posts	No. of Vacant Posts	Vacancy Rate (%)	No of Employees	No of Vacant Post		Vacancy Rate %
Municipal Manager	1	0	0%	1	0	0	0%
CFO	1	0	0%	1	0	0	0%
Other s56 Managers	3	3	0%	1	2	0	33%
Middle Managers (Excluding Finance Services)	19	3	16.66%	19	19	0	0%
Middle Managers (Finance Services)	4	1	25%	4	4	0	0%
Supervisors (Excluding Finance Services)	4	0	0%	4	4	0	0%
Supervisors (Finance Services)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic Officers	6	0	0%	6	6	0	0%
Fire Fighters	14	1	7.14%	15	15	0	0%

Turn-over Rate			
Details	Total Appointments as of the beginning of Financial Year	Termination during the Financial Year	Turn-over Rate
2020/2021	19	25	76%
2021/2022	18	41	10.90%
2022/2023	34	51	14%

In terms of the Regulations for the Conditions of Employment and Appointment of Senior Managers, municipalities are required to ensure that every senior manager vacancy is filled within 70 days from the date of the closure of the advert.

COMPONENT B: MANAGING THE WORKFORCE

The Municipality has developed and adopted human resources policies, procedures and systems which allow for fair, efficient and transparent personnel administration. The Municipality ensures enforcement and compliance to the said policies. Furthermore, the Employment Equity Plan which provides information on numerical goals and target is in place. The focus will be on the employment of Whites, Indians and Coloured's as well as the disabled. Municipality is also striving to maintain the appointment of females particularly at senior management level which is currently at 50%.

4.2. POLICIES

HR Policies and Plans				
	Name of policy	**Completed %**	**Reviewed %**	**Date adopted by Council or comment on failure to adopt**
1	Recruitment of Senior Managers	**N/A**	**N/A**	**Utilise regulations gazetted by COGTA**
2	Sexual Harassment	**100%**	**100%**	**29 June 2023**
3	Acting Allowance Policy	**100%**	**100%**	**29 June 2023**
4	Bereavement Policy	**100%**	**100%**	**29 June 2023**
5	Induction Policy	**100%**	**100%**	**The Induction Policy has not been implemented in this financial year**
6	Probation policy	**100%**	**100%**	**29 June 2023**
7	Private Work & Declaration of interest policy	**100%**	**100%**	**29 June 2023**
8	Protective clothing policy	**100%**	**100%**	**29 June 2023**
9	Smoking Policy	**100%**	**N/A**	**29 June 2023**
10	Internship Policy	**100%**	**100%**	**29 June 2023**
11	Leave Policy	**100%**	**100%**	**29 June 2023**
12	Recruitment and selection Policy	**100%**	**100%**	**29 June 2023**
13	Exit Interview Policy	**N/A**	**N/A**	**Part of Employment Policy**
14	Termination of Services Policy	**N/A**	**N/A**	**Part of Employment Policy**
15	Disciplinary Code for Councillors	**0%**	**0%**	**29 June 2023**
16	Legal representation	**N/A**	**N/A**	**Legal representation in discipline is done in line with the Collective Agreement**
17	Dress Code	**100%**	**100%**	**29 June 2023**
18	HIV/Aids	**100%**	**100%**	**29 June 2023**
19	Promotion and Transfer/ Placement	**100%**	**100%**	**29 June 2023**
20	Benefits and allowances	**N/A**	**N/A**	**Part of the Collective agreement**
21	Employment Equity plan	**100%**	**100%**	**29 June 2023**
22	Human Resources plan	**100%**	**100%**	**29 June 2023**
23	Workplace Skills Plan	**100%**	**100%**	**29 June 2023**
24	Bursary Policy	**100%**	**100%**	**29 June 2023**
25	Employee relocation Policy	**100%**	**100%**	**29 June 2023**
26	Membership of Professional Body	**100%**	**100%**	**29 June 2023**
27	Housing Policy	**100%**	**100%**	**29 June 2023**
28	Overtime Policy	**100%**	**100%**	**29 June 2023**
29	Training and Development	**100%**	**100%**	**29 June 2023**
30	Student Trainees in Rare skills	**100%**	**100%**	**29 June 2023**
31	TASK Job Evaluation Policy	**100%**	**100%**	**29 June 2023**

4.3. INJURIES, SICKNESS AND SUSPENSIONS

For all the injuries that have been sustained by employees, necessary processes are followed to ensure that firstly, the employee receives assistance, following which, all necessary documentation required by Workmen Compensation is filled. After receiving the final report from the medical doctors, the Municipality then waits for the Department of Labour to process these injuries accordingly. Plans have however enfolded to ensure that these reports are obtained and that there is movement into finalizing the cases.

Below is the table which provides figures pertaining to the injuries on duty that were sustained by employees during the 2022/23 Financial Year.

Number and Cost of Injuries on Duty					
Type of injury	**Injury Leave Taken (Days)**	**Employees using injury leave (Number)**	**Proportion employees using injury leave (%)**	**Average Injury Leave per employee**	**Total Estimated Cost (R)**
Required basic medical attention	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatalities	0	0	0	0	0
Total	0	0	0	0	0

Below is the table with the number of sick leave taken and the cost thereof during the 2022/2023 Financial Year:

Number of days and cost of sick leave (excluding injuries on duty)						
Salary band	**Total sick leave (Days)**	**Proportion of sick leave without medical certificate (%)**	**Employees using sick leave (Number)**	**Total employees in post (Number)**	**Average sick leave per employee (Days)**	**Estimated cost (R)**
Unskilled (Levels 17-18)	905	30%	90	112	12	R 115 979.47
Semi-Skilled (Levels 13- 16)	110	16.2%	15	32	10	R 146 381.89
Junior Management (7- 12)	450	9.7%	105	131	8.5	R 326 433.01
Middle Management (levels 2-6)	200	7%	60	84	7.5	R 521 538.42
Senior management (Section 56)	85	1%	1	2	5	R 667 079.52
Top Management S54	0	0	1	1	0	R 0.00
Total	1750	10.62%	172	362	46	R 1 777 412.31

Below is a table that illustrates the number and period of suspensions during the 2022/23 financial year.

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken, or Status of Case and Reason why not Finalized**	**Date Finalized**
EXM CSS	**Misconduct**	**30 April 2021**	**Internal hearing**	Finalized settlement agreement

Below is the table which illustrates the disciplinary action taken as a result of financial misconduct during 2022/23 Financial Year.

Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date finalized
Document Management Assistant Gender Officer	Theft Theft	Internal Disciplinary—refer the matter to Bargaining Council- dismissed. Matter referred to labour court The labour court dismissed. Internal Disciplinary Hearing – Dismissed-refer the matter to Bargaining Council-dismissed. Matter referred to labour court The labour court dismissed	Matter finalised
Manager Adnin	Misconduct, Gross insubordination	The employee was dismissed in 03/06/2019. SALGBC dismissed on 01/12/2020. Labour court dismissed on 3/05/2023	Finalized
Customer Care clerk	Attempted Fraud	The employee was dismissed on 19/10/2022	Matter finalized
Vip Protector	Insubordination, dereliction of duty	The employee was dismissed on 11/07/2022. SALGBC is on the 27/09/2023	Matter not finalized
General Worker	Attempted Fraud	The employee was dismissed on the 08/06/22. SALGBC no date yet	Matter not finalized
Compactor Truck Driver	Misconduct Misuse of municipal vehicle	Leave without pay for 10 days The employee was dismissed on the 29/09/2022	Matter finalized
HR Admin	Dereliction of duty	The employee was dismissed on the 17/01/2023. SALGBC was on the 27/28 July 2023	Not finalized
General worker	misconduct	The employee was dismissed on 06/03/2023. SALGBC the reinstatement on the 05/07/2023	finalized

Below is a table that illustrates the number and period of suspensions during the 2022/23 financial year.

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken, or Status of Case and Reason why not Finalized**	**Date Finalized**
EXM: CSS	Financial Misconduct, Gross Absence, Gross Late coming and Gross Negligence	13 October 2021	The was settlement agreement on the 30 November 2022	FINALIZED
ASS Manager Waste and environment	Gross dishonesty and misconduct	10 July 2023	The employee resigned.	Finalized
SCM Officer	Error on bid documents	23 March 2022	Awaiting the Internal Audit report on the matter.	Suspension uplifted on 23 June 2022

4.4. PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	**Beneficiary Profile**				
	Gender	**Total Number of Employees in Group**	**Number of Beneficiaries**	**Expenditure on Rewards**	**Proportion of beneficiaries within group**
Lower skilled (Levels 1-2)	Male	N/A	N/A	N/A	N/A
	Female	N/A	N/A	N/A	N/A
Skilled (Levels 3-5)	Male	N/A	N/A	N/A	N/A
	Female	N/A	N/A	N/A	N/A
Highly skilled (Levels 6-8)	Male	N/A	N/A	N/A	N/A
	Female	N/A	N/A	N/A	N/A
Highly skilled supervisors (Levels 9-12)	Male	7	0	Nil	0%
	Female	4	0	Nil	0%
Middle Managers (Levels 13-15)	Male	8	0	Nil	0%
	Female	4	0	Nil	0%
MM and s56 Managers	Male	2	0	Nil	0%
	Female	3	0	Nil	0%
Total		28	0	Nil	0%

The Managers signed performance contract and are remunerated a performance bonus based on the percentage of what has been achieved in the financial year in question following assessment where presentation of portfolio of evidence is done. The calculation is in accordance with the Performance Management Policy adopted by the Council. There were no beneficiaries qualified for a performance bonus/ Performance rewards

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The Municipality conducts the skills audit which enables an employee and supervisor to discuss performance and identify possible gap. The information is then consolidated into a Workplace Skills Plan which has a budget allocation. The challenge is the financial constraints and lack of full participation by employees within the Municipality which then does not permit that all training intervention that have been proposed to be initiated. In 2023/24 the focus will be to make interventions in ensuring that at last 40% of employees who do not meet minimum requirements as set out in JDS are met.

4.5. SKILLS DEVELOPMENT AND TRAINING

The Greater Kokstad Municipality's focus is to improve knowledge, ability, skills and other talents for employees. This is achieved through training and development. The training and development initiatives aim to improve the performance and focuses on three main areas, namely, human resources management, quality improvement and career development. While training focuses on providing the knowledge and skills required for doing a job, it also increases an employee's capabilities. Furthermore, the Municipality is committed to a continuous process of individual progression. Such progression focuses on mainly two areas, namely, career planning which involves activities to be performed by the employee as well as career management which generally focuses on the steps that the Municipality is taking to foster career development. This career development is forged through a bursary scheme and this financial year 21 beneficiaries (Municipal Employees) were offered study grants and 1 University student received a Municipal bursary.

A total of 48 employees were trained during 2022/23 financial year and 4 unemployed youth were granted apprenticeships by the Greater Kokstad Municipality in conjunction with the Artisan Training Institute.

Below is the table which illustrates the skills development interventions during 2022/23 financial year.

Financial Competency Development: Progress Report						
Description	A. Total number officials employed by municipality [(Reg. 14(4)(a) and (c)]	B. Total number officials employed by municipal entities [(Reg. 14(4)(a) and (c)]	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B [(Reg. 14(4)(f)]	Consolidated: Total number officials whose performance agreements comply with Regulation 16 [(Reg. 14(4)(f)]	Consolidated: Total number officials that meet prescribed competency levels [(Reg. 14(4)(f)]
Financial Officials						
Accounting Officer	1	1	1	1	1	1
Chief Financial Officer	1	1	1	1	1	1
Middle Managers	10	10	10	10	10	10
Any other financial officials	N/A	N/A	N/A	N/A	N/A	N/A
Supply Chain Management Officials						
Heads of Supply Chain Management unit	0	N/A	N/A	N/A	N/A	N/A
Manager: Supply Chain Management	1	7	8	1	1	1
Total	13	19	20	13	13	13
Note: This is a statutory report under the National Treasury, Local Government: MFMA Competency Regulations (2007)						

Number of Skilled employees required and actual as at 30 June 2022									
Gender	No. of Employees in post as at 30 June Year 2019	Learnerships			Skills programs & other short Courses			Other forms of trainings	
		Actual: End of 2020/21	Actual: End of 2021/22	2021/22 Target	Actual: End of 2020/21	Actual: End of 2021/22	2021/22 Target	Actual: End of 2020/21	Actual: End of 2021/22
Female	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Male	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Female	5	3	3	3	N/A	N/A	N/A	N/A	N/A
Male	15	3	3	3	N/A	N/A	N/A	N/A	N/A
Female	18	3	3	3	2	N/A	N/A	N/A	N/A
Male	15	N/A	N/A	N/A	N/A	2	2	2	2
Female	65	3	3	2	2	2	2	N/A	N/A
Male	40	3	3	2	2	2	2	N/A	N/A
Female	135	3	3	2	2	2	2	N/A	N/A
Male	101	3	3	2	2	2	2	N/A	N/A
Total	400	21	21	17	10	8	8	2	2

The Municipality had budgeted an amount of R200 000.00 which was aimed at funding training interventions. The said funding was 100% utilized and further to that the Municipality tapped on stakeholders to benefit from trainings that they provided at no charge. To meet the competency levels as prescribed by National Treasury, the Municipality had received funding through LGSETA to assist in funding the program. The Municipality endeavours to explore all avenues made available to secure further funding for skills and development of its employees.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

The Municipality has placed strict controls in ensuring that workforce expenditure is in accordance with the budgetary provisions, amongst others, the positions that are filled are those that are budgeted for; the overtime is strictly monitored and kept at 40 hours per months as per BCEA unless when there are emergencies. Leave is monitored closely, and controls are in place to ensure proper usage.

4.6. EMPLOYEE EXPENDITURE

Number of Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded		
Beneficiaries	**Gender**	**Total**
Lower Skilled (Levels 1-2)	Female	N/A
	Male	N/A
Skilled (Levels 3-5)	Female	3
	Male	3
Highly Skilled (Levels 6-8)	Female	N/A
	Male	4
Highly Skilled supervision (Levels 9-11)	Female	N/A
	Male	1
Management (Levels 13-16)	Female	N/A
	Male	3
MM and s56 Managers	Female	N/A
	Male	N/A
Total		N/A

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
M Occupation	**Number of employees**	**Job Evaluation Level**	**Remuneration Level**	**Reason for Deviation**
NONE	NONE	NONE	NONE	NONE

Job evaluation has been completed for Managers below S56 Managers and Assistant Managers. The drafting of job descriptions has been finalized for all positions below assistant managers. The Municipality has approached SALGA to evaluate its jobs in the Region 2 Job Evaluation Committee.

The Municipality ensures that declarations of interest by employees and Councillors are conducted at the end/beginning of each financial year. For 2022/23 FY this process was undertaken in July 2022. In instances where it has come to the Municipality's attention that the declaration was not made by the employee, disciplinary measures will take place.

CHAPTER 5 – FINANCIAL PERFORMANCE

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:
Component A: Statement of Financial Performance
Component B: Spending Against Capital Budget
Component C: Cash flow Management and Investment
Component D: Other Financial Matter

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1. STATEMENT OF FINANCIAL PERFORMANCE

Refer to the 2022/2023 Annual Financial Statements (Volume 2)

5.2. GRANTS

Grant Performance			R'000			
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating transfers and grants						
National government:						
Equitable share	68 350 000	75 091 000	75 091 000	75 091 000	100%	100%
Housing	35 000 000	39 125 000	51 125 000	23 172 744	100%	90%
FMG	1,750 000	1 750 000	1,750 000	1,750 000	100%	100%
MIG	18 073 000	19 214 000	19 214 000	19 214 000	100%	100%
Sports and recreation	0		0		0	0
Arts and Culture	3 037 000	4 305 000	4 305 000	4 305 000	100%	100%
EPWP	4 628 000	4 266 000	4 266 000	4 266 000	100%	100%
SETA	0	4 187 000	0		0	0
Shayamoya Eco-Park	0		0		0	0
Industrial Park	0		0		0	0

Grant Performance				R'000		
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Furniture World	0		0		0	0
INEP	360 000.00	30 000 000	30 000 000	33 500 000	100%	100%
Small Town Rehabilitation	28 560.00	0	0		0	0%

5.3. ASSET MANAGEMENT

Asset management ensures the safeguarding, effective and optimal use of assets and that they are properly accounted for. Internal controls have been developed and communicated to all management and staff through clear and comprehensive written documentation.

LIST OF ASSETS ACQUIRED YEAR 2022/2023	
Asset 1	
Name	Energy Efficiency and demand side project
Description	Energy Efficiency and demand side project
Asset type	ELECTRIFICATION
Key staff involved	ELECTRICAL
Staff responsibilities	Maintenance
Assets value	**4 294 589.46**
Asset 2	
Name	TID rollover of STS prepaid electricity meters
Description	TID rollover of STS prepaid electricity meters
Assets type	ELECTRICAL
Key staff involved	ELECTRICAL
Staff responsibilities	Maintenance
assets value	(Expensed) 0.00
Asset 3	
Name	Electrification of 728 informal settlements
Description	Electrification of 728 informal settlements
Asset type	ELECTRICAL

Key staff involved	ELECTRICAL
Assets value	**5 595 879.13**
Asset 2	
Name	Upgrading of substation switch gear Phase 3
Description	Upgrading of substation switch gear Phase 3
Assets type	ELECTRICAL
Key staff involved	ELECTRICAL
Staff responsibilities	Maintenance
assets value	**625 852.02**
Asset 2	
Name	Procurement of mini substation
Description	Procurement of mini substation
Assets type	ELECTRICAL
Key staff involved	ELECTRICAL
Staff responsibilities	Maintenance
assets value	**1 727 428.89**
Asset 2	
Name	Bulk infrastructure
Description	Bulk infrastructure
Assets type	ELECTRIFICATION
Key staff involved	ELECTRICAL
Staff responsibilities	Maintenance
assets value	**21 891 308.63**
Asset 2	
Name	Laptops
Description	Laptops
Assets type	COMPUTER EQUIPMENT
Key staff involved	ICT
Staff responsibilities	Maintenance
assets value	**858,648.01**
Asset 2	
Name	MOTOR VEHICLES
Description	MOTOR VEHICLES
Assets type	MOTOR VEHICLES
Key staff involved	CORPORATE SERVICES
Staff responsibilities	Maintenance

assets value	**4 208 186.00**
Asset 2	
Name	ELECTRIFICATION OF WILLOWDALE
Description	ELECTRIFICATION OF WILLOWDALE
Assets type	ELECTRICAL
Key staff involved	ELECTRICAL
Staff responsibilities	Maintenance
assets value	**1 001 631.22**
Asset 1	
Name	FURNITURE & FITTINGS
Description	FURNITURE & FITTINGS
Asset type	OFFICE EQUIPMENT
Key staff involved	BTO
Staff responsibilities	Maintenance
Assets value	**383,130.98**
Asset 2	
Name	Plant & Machinery
Description	Plant & Machinery
Assets type	Plant & Machinery
Key staff involved	ITC
Staff responsibilities	Maintenance
assets value	**2,539,142.13**
Asset 2	
Name	Plant Equipment and Fencing - Veterans
Description	Plant Equipment and Fencing - Veterans
Assets type	COMMUNITY
Key staff involved	LED
Staff responsibilities	Maintenance
assets value	**447 952.40**
Asset 2	
Name	CRU Housing project and Willowdale

Description	CRU Housing project and Willowdale
Assets type	HOUSING
Key staff involved	EDSP
Staff responsibilities	Maintenance
assets value	**20 155 893.74**
Asset 2	
Name	Reconstruction of Hawthorne Road Ph1
Description	Reconstruction of Hawthorne Road Ph1
Assets type	ROADS INFRASTRUCTURE
Key staff involved	ITS
Staff responsibilities	Maintenance
assets value	**7 085 964.25**
Asset 3	
Name	Shayamoya roads upgrade -Phase 3
Description	Shayamoya roads upgrade -Phase 3
Asset type	Roads Infrastructure
Key staff involved	ITS
Assets value	**937 162.5**
Asset 2	
Name	Upgrade of Roads Ext 7 phase 4
Description	Upgrade of Roads Ext 7 phase 4
Assets type	ROAD Infrastructure
Key staff involved	ITS
Staff responsibilities	Maintenance
assets value	**3,189,414.82**
Asset 2	
Name	Upgrade LongHomes Roads
Description	Upgrade LongHomes Roads
Assets type	Roads Infrastructure
Key staff involved	ITS
Staff responsibilities	Maintenance
assets value	**2 198 187.40**
Asset 2	

Name	Stormwater upgrade St Johns Streets
Description	Roads
Assets type	Roads Infrastructure
Key staff involved	ITS
Staff responsibilities	Maintenance
assets value	**1,055,089.54**
Asset 2	
Name	CBD stormwater upgrade Ph1
Description	ROADS INFRASTRUCTURE
Assets type	Stormwater
Key staff involved	ITS
Staff responsibilities	Maintenance
assets value	**1 956 392.61**
Asset 2	
Name	Strategic Projects Fund
Description	Strategic Projects Fund
Assets type	Solar Panels
Key staff involved	LED
Staff responsibilities	Maintenance
assets value	

Repair and Maintenance Expenditure: 2022/23			R'000	
	Original Budget	Adjustment Budget	Actual	Budget variances
Repairs and maintenance expenditure	18 783 000	24 170 000	7 044 974	71%

5.4. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

All data used is from SA8 of MBRR.

i. **Liquidity Ratios = 1.9 (Current Assets 212 259 456; Current Liabilities 113 254 303)**
Measure the Municipality's ability to pay its bill and is calculated by dividing the monetary assets (due within 1 yr.) by the municipality's current liabilities. (Higher ratio Is better)

ii. **Cost Coverage = 3 MONTHS**

It explains how many months the expenditure can be covered by the cash and other liquid assets available to the municipality excluding utilization of grants.

iii. **Total outstanding service debtors = 22%**
Measures how much is still owed by the municipality for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. Calculated by dividing the outstanding debtors by the total revenue. (Lower score is better)

iv. **Debt coverage = N/A**
The number of times debt payments can be accommodated within operating revenue (excludes grants). This in turn represents the ease with which debt payment can be accommodated by the municipality.

v. **Creditor's system efficiency = 25DAYS**
The proportion of creditors paid within terms (i.e., 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases.

vi. **Capital charges to Operating expenditure = N/A**
Ratio is calculated by dividing the sum capital interest and principle paid by the total operating expenditure

vii. **Employee costs = 34%**
Measures what portion of the revenue was spent on paying employee costs. Calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

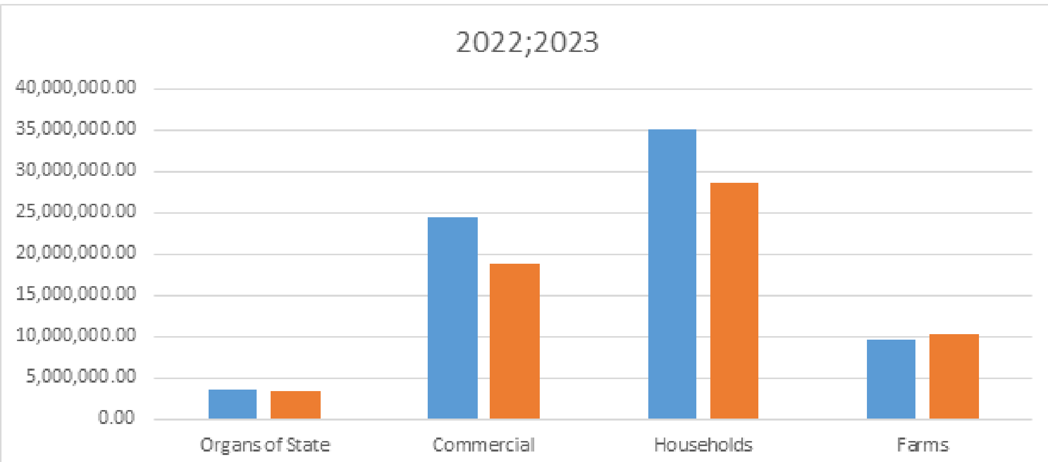
viii. **Repairs & maintenance = 5%**
This represents the portion of operating expenditure spent

5.5. DEBTORS

Net outstanding consumer debtors amounted to R 42 933 939 million as at 30 June 2023 [2022: 37 265 116 million], Service charges debtors account for 22% of the total net consumers debtors balance. The municipality granted incentives of 15% and 10% to ratepayers for annual rates paid before August 2023 and September 2023 respectively. The municipality has implemented debt collection processes including both legal process and electricity cut-offs to debtors with the account balances outstanding for more than 30 days.

Debtors per category

Categories	2023	2022
Organs of State	2 810 048	2 038 226
Commercial	28 202 889	16 926 546
Households	25 832 964	21 526 826
Total by Customer Group	**56 845 900**	**40 491 598**



The table below illustrates the debt which is categorized by nature and compared to the prior year. The de bt below is reflected after considering for Debt Impairment.

	2023	2022
Rates	30 059 063	31 286 423
Electricity	24 792 673	19 329 219
Refuse	18 314 193	17 105 243
Fire levy	7 625 389	8 268 855
Other Sundry Debtors	3 357 281	5 820 308
Less Provision for bad debts	-24 489 796	-28 934 148
Total	**59 658 803**	**52 875 900**

5.6. ASSESSMENT BY THE ACCOUNTING OFFICER ON ANY ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES

The municipality levies rates to all properties that are reflected in the municipal valuation roll. A supplementary valuation rolls were submitted to council and implemented in July 2023. The rates policy was reviewed and adopted by the municipality in this regard. The municipality further ensured that a gazette is promulgated for the levying of property rates. A tariff policy was also adopted by the council and further gazette for the levying of property rates. Properties are charged a tariff based on the tariffs as approved by the council.

The municipality has developed and implemented debt recovery strategies and revenue enhancement strategy in order to reduce the debtor's book and enhance revenue collection.

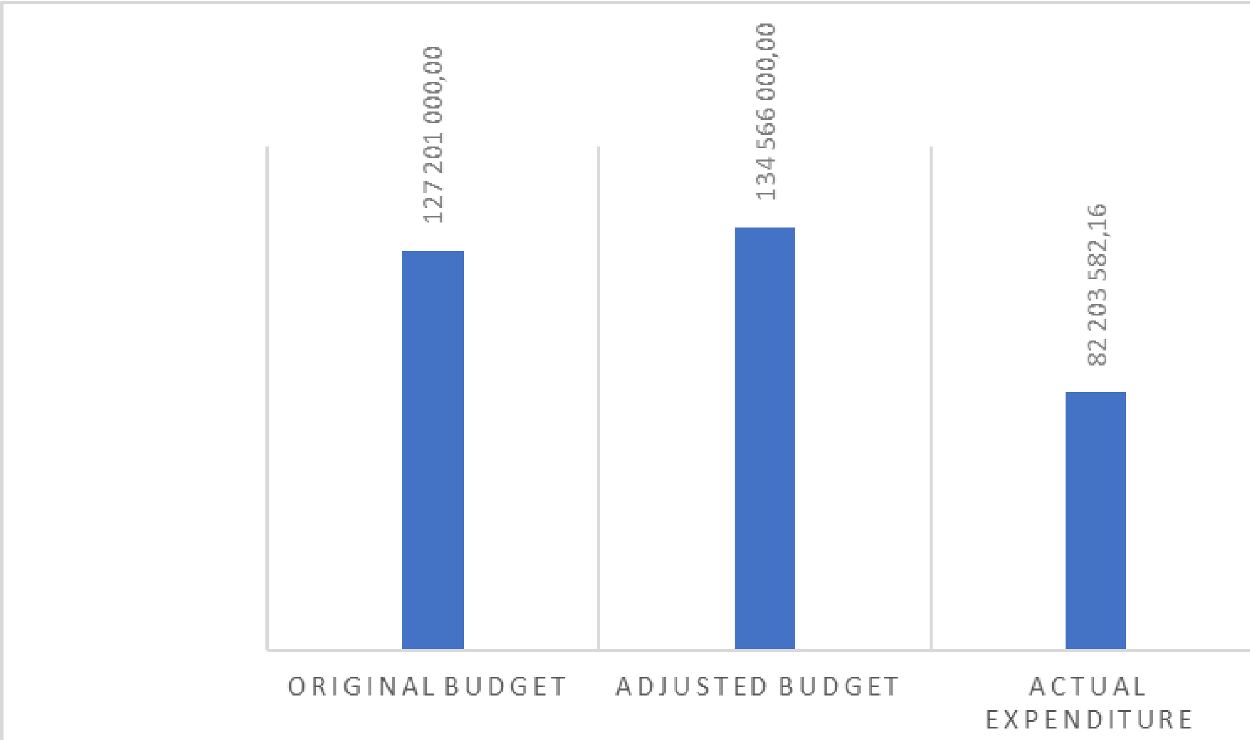
The municipality has employed and is utilizing the services of the Debt Collector in order to eliminate long outstanding debts. More than 40% of the outstanding debtors are more than 180 days in age. We have continued to encourage customers experiencing cash flow challenges to enter into alternative payment arrangements in order to improve the collection rate.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7. CAPITAL EXPENDITURE

The 2022/2023 financial year capital budget marked a significant milestone once again with an approved adjusted capital budget of R134.566 million. Capital expenditure, as expressed by the additions capitalised in the current year amounted to R82 million and work in progress amounting to R269 m (61% of approved capital budget).

This Graph representing the percentage of capital expenditure and operating expenditure.



5.8. CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 Largest Projects					
Name of Project	**Current: 2022/23**			**Variance: 2022/23**	
	Original Budget	**Adjustment Budget**	**Actual Expenditure**	**Original Variance (%)**	**Adjustment Variance (%)**
Bulk infrastructure	17 391 308	21 891 308	21 891 308,63	125%	100%
CRU Willowdale housing projects	34 021 736	46 022 209	20 155 893,74	59%	44%
Hawthorne phase 1	9 740 000	9 810 000	7 085 964	73%	72%
Shayamoya Phase 3	3 948 000	3 948 000	937 162,47	100%	100%

Upgrading of substation switch gear Phase 3	7 000 000	3 500 000	625 852,02	8%	18%
**Projects with the highest capital expenditure*					

5.9. BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Greater Kokstad Municipality has achieved universal access to electricity for its residents and has also electrified the informal settlements to reduce illegal connections. The only backlog is upgrading the gravel roads to asphalt paving using the MIG grant. As for Water Services the HGDM is addressing these backlogs which are basically to concert most of the high-density residential areas from Pit Latrines to water borne sanitation. Greater Kokstad Municipality used part of the MIG grant for upgrading of gravel roads to asphalt paving during the 2020/2021 financial year. Otherwise, there is no backlogs to talk about in the Municipal area of Kokstad.

Municipal Infrastructure Grant (MIG) Expenditure on Service Backlogs: 2020/21						**R'000**
Details	**Budget**	**Adjustment Budget**	**Actual**	**Variance**		**Major conditions applied by donor**
				Budget	**Adjustment Budget**	
Infrastructure – Road Transport	N/A	N/A	N/A	%	%	N/A
Roads, Pavements & Bridges	N/A	N/A	N/A	0%	0%	N/A
Storm water	N/A	N/A	N/A	%	%	N/A
Infrastructure – Electricity	N/A	N/A	N/A	%	%	N/A
Generation	N/A	N/A	N/A	%	%	N/A
Transmission & Reticulation	N/A	N/A	N/A	%	%	N/A
Street Lighting	N/A	N/A	N/A	%	%	N/A
Infrastructure – Water	N/A	N/A	N/A	%	%	N/A
Dams & Reservoirs	N/A	N/A	N/A	%	%	N/A
Water purification	N/A	N/A	N/A	%	%	N/A
Reticulation	N/A	N/A	N/A	%	%	N/A
Infrastructure – Sanitation	N/A	N/A	N/A	%	%	N/A
Reticulation	N/A	N/A	N/A	%	%	N/A
Sewerage purification	N/A	N/A	N/A	%	%	N/A
Infrastructure – Other	N/A	N/A	N/A	%	%	N/A
Waste Management	N/A	N/A	N/A	%	%	N/A

Transportation	N/A	N/A	N/A	%	%	N/A
Gas	N/A	N/A	N/A	%	%	N/A
Other – Specify:	N/A	N/A	N/A	%	%	N/A
Total	N/A	N/A	N/A	%	%	N/A

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.10. CASH FLOW

Refer to 2022/2023 Annual Financial Statements (Volume 2)

5.11. BORROWING AND INVESTMENTS

Actual Borrowings: year 2021/22 – 2022/2023		
Instrument	2021/22	2022/23
Municipality		
Long- term loans (annuity/reducing balance)	0	0
Financial Leases	0	0
Municipal Total	0	0

CHAPTER 6 – AUDITOR GENERAL FINDINGS AND ACTION PLAN

COMPONENT B: ACTION PLAN 2022/2023

During 2022/2023 action plan has been implemented fully, and all issue addressed by the AG were addressed. However, during the 2022/2023 financial year, the new issue emerged during the audit processes, the following action plan seeks to address that:

Greater Kokstad Local Municipality
Audit report for the year ended 30 June 2023

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Greater Kokstad Local Municipality set out on pages 285 to 352, which comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Greater Kokstad local Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2022 (Act No. 5 of 2022) (Dora).

Basis for opinion

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

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

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Material impairments – Receivable from non-exchange transaction

8. As disclosed in note 4 to the financial statements, the municipality recognised an impairment of R13,33 million (2021-22: R15,68 million) as the recoverability of these amounts was doubtful.

Material impairments – consumer debtors

9. As disclosed in note 6 to the financial statements, the municipality recognised an allowance for impairment of R11,16 million (2021-22: R13,26 million) as the recoverability of these amounts was doubtful.

Material losses – electricity

10. As disclosed in note 43 to the financial statements, material electricity losses of R13,38 million (2021-22: R7,64 million) were incurred, which represents 12,00% (2021-22: 6,00%) of total electricity purchased. These losses were due to ageing electricity infrastructure and illegal connections.

Other matter

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

Unaudited disclosure note

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

Responsibilities of the accounting officer for the financial statements

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

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

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

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

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 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 2023 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Basic service delivery and infrastructure development	196 - 206	To promote basic service delivery and infrastructure development in the municipality.

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
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for measures taken to improve performance

21. I performed the procedures to report 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 matter 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.

Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Annual Financial statements

29. 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, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

30. Reasonable steps were not taken to prevent irregular expenditure amounting to R9,91 million as disclosed in note 39 to the annual financial statements, as required by section 62(1)(d) of the MFMA.The majority of the irregular expenditure was caused by non-compliance with supply chain management regulations.

Other information in the annual report

31. 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.

32. 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.

33. 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.

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

Internal control deficiencies

35. 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.

36. 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.

37. Management has not instituted adequate measures to ensure that financial statements are supported by adequate underlying records as well as adherence to the accounting framework.

38. The accounting officer did not implement adequate procedures to prevent the occurrence of irregular expenditure.

Pietermaritzburg

30 November 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor’s report

The annexure includes the following:

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

Auditor-general’s responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance 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	Section 1 - Paragraphs (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a) & (b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
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), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 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: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(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), Regulations 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)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

No	Paragraph No	Nature of Audit Query	Audit Finding	Root Cause / Internal Control Deficiency	Planned Action	Action Date	Task owner	Progress	POE	Status	Internal Audit Review	Review by the Audit Committee
1		SCM: The points for price were incorrectly calculated (Inputs amount and percentage used)	**During the testing of supply chain and procurement process. The auditor identified that the municipality used percentage of 9.5% of R 10 000 000.00 for the price calculation for the winning bidder**	The management did not review and monitor compliance with applicable laws and regulations	(a)The Municipality will ensure that the specification or terms of reference is clear on whether bidders are required to submit offers based on percentage or based on price. The Municipality will adhere to the bid specification when evaluating a bid with regards to price calculations in order to have a uniform evaluation creteria. (b) Manager Internal Audit will perfom a Qaurtely review on supply chain management and include the reviews of TOR's	(a) 11/30/2023 (b) 31 March 2023/on going	Manager SCM, Manager Internal audit	On Going	**Specification/TOR's (sample)**			

					on the internal audit Reviews.								
3		Cash Flow Statements discrepancies	**Cash Flow Statements discrepancies**	Management and the internal audit function did not adequately review the annual financial statements submitted for auditing.	Management will make use of the CFS format recommended by AG on the future compilation of the CFS to confirm its accuracy and adherence to the GRAP standards. (b) Manager Internal Audit will perfom a Qaurtely review on the cash flow statement format/formulas used to prepare the CFS.	(a) 11/30/2023 (b) 31 March 2023/on going	Manager Internal Audit, Manager Asset & Finanacial Reporting	In progress	**CFS**				

3		High Level Review of AFS: Inconsistencies and discrepancies identified	**High Level Review of AFS: Inconsistencies and discrepancies identified**	Management and internal auditors did not perform an adequate review of the annual financial statements to ensure that the financial statements submitted for audit is fairly presented.	(a) Management will prepare interim financial statements (b) Management will develop AFS preperation plan (c) Management will adhere to the timeframes of the AFS preperation plan for submission to Internal audit and au committee.	(a) 31 March 2024 (b) 30 June 2024 (c) 09 August 2024	Manager Internal Audit, CFO	In progress	**Communication of Internal Audit Finding Report**			
4		Inappropriate valuation of investment property	**The method used by the property valuator is inappropriate and in-contradiction with GRAP 16 requirements.**	Management did not diligently review the annual financial statement prior to submission to auditors to ensure that amounts disclosed are accurate and complete.	Management will appoint a Professional Property valuer of investment properties which complies with the requirements of GRAP 16. Develop TOR's to appoint property valuator Appoint Property Valuator of Investment property	31 January 2024 30 June 2024	Manager Asset & Financial Reporting	In progress	**Appointment letter**			

5		Fixed Asset Register reviews	**Useful life and remaining lifes remain unchanged**	Management and the internal audit function did not adequately review the annual financial statements submitted for auditing	Management will perfom re assessment of remaining useful lives of the enteire poppulation of assets and update the FAR to clearly indicate the remaining useful lives of assets.	31-Jul-24	Manager Asset & Financial Reporting	In progress	**FAR**			
6		Inaccuracies in the retention listing	**Projects with negative retention balances were identified**	Lack of review by management on disclosures to ensure that correct and complete disclosures are made in the Financial statements.	Management will prepare montly retention register which will be part of the asset management report presented to MANCO on a montly basis.	Monthly/on going	Manager Asset & Financial Reporting	On-going	**Monthly Asset Management report**			

7		Incorrect accounting treatment for INEP grant	**The following electrification projects done by the municipality under Eskom area of supply were recognised by the municipality in terms of GRAP 17. The accounting treatment applied by the municipality contradicts GRAP 17 requirements as infrastructure projects constructed are handed over to Eskom at completion date and Eskom meters are used in these infrastructure assets resulting in Eskom enjoying the future economic benefits associated with the infrastructure asset.**	Management did not adequately review financial statements to confirm that all amounts disclosed are compliant with GRAP requirements	Management will perform the following: •Revisit the entire population of PPE relating to electrification projects and confirm that all Eskom owned in infrastructure assets are removed from the FAR • Management will submit a report to council for Item of Donation of Shedule 5b projects to Eskom.	31-Jan-24	Manager Electrical, Manager Asset & Financial Reporting	In progress	**Council Resolution for Donation of Schedule 5b projects to Eskom.**			

APPENDICES

APPENDIX A: AUDIT COMMITTEE REPORT

ANNUAL REPORT OF THE PERFORMANCE AND RISK AUDIT COMMITTEE

for the year ended 30 June 2023

Report of the Audit Committee

For the period ended 30 June 2023

Contents

1. LEGISLATIVE MANDATE

Section 165(1) of the municipal finance management act (No 56 of 2003), hereafter referred to as the MFMA, requires that each municipality have an internal audit unit. Section 166(1) of the MFMA requires that each municipality have an audit committee. The audit committee is a committee of the Council and performs the statutory responsibilities assigned to it by the MFMA (sections 165 and 166), and other relevant responsibilities delegated to it under its charter by the Council.

2. PURPOSE OF THE REPORT

This report is submitted in terms of the requirements of the paragraph titled "Reporting Responsibilities" of the audit committee charter as well Municipal Circular No 65. This report is to apprise Council on the outcome of the work done by the audit committee for the period.

3. AUDIT COMMITTEE MEMBERS AND MEETINGS HELD

The audit committee served the Municipality from 01 July 2022 to 30 June 2023:
The audit committee consisted of the following members listed hereunder and held meetings as per its approved terms of reference:

Name of member	Number of meetings attended
Ms. C. Jugnarayan (Chairperson)	7/7
Mr. D. Mpanza	5/7
Mr. S. Ngidi	7/7
Ms. N. Shabalala	6/7
Mr. Z. Zwile	6/7

The audit committee held seven (7) meetings during the period:

No.	Meeting Held	Date of Meeting
1	Ordinary audit committee meeting Q4 of 2021/22	22 July 2022
2	Special audit committee meeting	22 August 2022
3	Ordinary audit committee meeting Q1 of 2022/23	26 October 2022
4	Special audit committee meeting	20 January 2023
5	Ordinary audit committee meeting Q2 of 2022/23	21 February 2023
6	Ordinary audit committee meeting Q3 of 2022/23	19 May 2023
7	Special audit committee meeting	21 June 2023

The audit committee will meet on 18 August 2023 to review the annual financial statements & annual performance report before it is submitted to the Auditor General on 31 August 2023.

Each member has sufficient qualifications and experience in the areas of financial management and financial reporting, internal and external auditing, risk management, performance management, legal and compliance.

Members of the audit committee also attended AGSA audit steering committees to engage on matters relating to the external statutory audit of the fiscal year ended 30 June 2022. The AGSA, CoGTA and KZN Provincial Treasury have standing invitations to all audit committee meetings. No conflicts of interest were reported by members of the audit committee during the afore-mentioned meetings.

4. AUDIT COMMITTEE RESPONSIBILITY

Section 166 of the MFMA, Act No. 56 of 2003, requires every municipality to establish an independent audit committee, which must advise the Municipal Council, political office-bearers, Accounting Officer and management staff of the municipality on matters relating to internal financial controls and internal audits, risk management, accounting policies, adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA and any other applicable legislation and any other issues referred to it by the municipality. The municipal planning and performance management regulations, section 14(2)(c) makes provision for the establishment of a performance audit committee (the role of which can be fulfilled by the audit committee) that must include at least one person who has expertise in performance management. The performance audit committee is required to review the quarterly reports submitted by the internal audit function on performance management, review the municipality's performance management system, and make recommendations in this regard to Council. The performance and risk audit committee presented its quarterly reports to Council.

The audit committee reports that it has complied with its responsibilities arising from section 166 of the MFMA. The audit committee also reports that it has adopted formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

5. THE EFFECTIVENESS OF INTERNAL CONTROLS

In line with the MFMA, the internal audit function provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the in-year reports received from internal audit and AGSA audit report it was noted that there was significant improvement with respect to the internal controls over financial reporting. The audit committee is pleased to report that the internal controls over budgeting and reporting is adequate and operating effectively. The audit committee recommends that management continue to ensure that preventative internal controls over year-end financial reporting is implemented at a standard that will ensure that the annual financial statements submitted to the AGSA are free of material misstatements.

Management is encouraged to implement continual focus on the recoverability of outstanding statutory and trade receivables to avoid the potential burden on future cashflows from operating activities. Management must guard against individuals that may purport their indigent status to exploit the Municipality and for this purpose the effectiveness of internal controls must be improved in terms of the recommendations of internal audit.

Management is encouraged to implement adequate and proper oversight over the effective implementation of preventative controls with respect to supply chain management to prevent unauthorized, irregular, and wasteful expenditure. It is further recommended that management continue to place acute focus on the preventative controls to ensure that the performance management in-year reporting is credible. Consequence management must continually be implemented to ensure that internal controls remain effective throughout the year.

5.1. Internal audit

The audit committee executed the following functions in respect of the internal audit function:

- reviewed and approved the internal audit charter and the risk based annual internal audit plan,
- evaluated the independence and effectiveness and performance of the internal audit function, and
- Reviewed the work performed by internal audit on a quarterly basis and the implementation of internal audit recommendations.

The internal audit function was co-sourced during the year and the audit committee is satisfied that the internal audit function continues to maintain its independence and objectivity.

The audit committee is satisfied that the internal audit function is operating effectively and that it has endeavoured to assist management to address some of the risks pertinent to the Municipality. The audit committee continues to monitor the internal audit plan.

The following management disciplines were reviewed by internal audit during the year:

No.	Description
1.	Year-end reporting: annual financial statements and annual performance report
2.	Performance management – quarterly reporting
3.	Supply chain management – quarterly reporting
4.	Year-end reporting: annual report
5.	Internal audits follow up reviews of prior reported findings – quarterly reporting
6.	Internal audits follow up reviews of prior reported findings by the AGSA – quarterly reporting
7.	Investigations on unauthorized, irregular, fruitless and wasteful expenditure
8.	Revenue management
9.	Quality assurance review
10.	Value for Money audits
11.	Information security
12.	Local Economic Development

Internal audit is also responsible for monitoring the incoming incidents through the whistleblowing hotline. No incidents were dealt with by the audit committee during the reporting period.

The audit committee is satisfied that the internal audit function continues to maintain its independence and objectivity.

5.2. Risk management

Quarterly reports from the chairperson of the risk management committee were presented to the audit committee. Detailed strategic and operational risk registers were also submitted by internal audit to the audit committee. The audit committee noted the improvements with regards to risk management and expressed concern on the slow progress on the implementation of the risk mitigation plans in some departments. As required by the audit committee charter, the audit committee must continue to exercise its advisory and oversight function with respect to risk management.

5.3. Performance management

The audit committee reviewed the in-year performance reports and performance results reported by management. Considerable improvements were noted in the effectiveness of the processes and the quality of information reported however room for improvement exists. The Accounting Officer must ensure that senior managers submit in-year reports and supporting portfolios of evidence to the performance management unit within the prescribed time frames by implementing consequence management actions against those officials that consistently do not comply with the policy timeframes.

The audit committee is scheduled to meet on 18 August 2023 to review and discuss the annual performance report for the year ended 30 June 2023 prior to submission to the AGSA on 31 August 2023.

5.4. External audit

The audit committee reviewed, and discussed the audit report, management letter and engaged the AGSA on the audit report and management letter for the period ended 30 June 2022.

The audit committee will engage with the AGSA regarding the engagement letter and audit strategy documents prior to the AGSA commencing the external audit for the period ended 30 June 2023. The audit committee is satisfied with the independence of the Auditor General (South Africa).

5.5. Evaluation of the annual financial statements

The audit committee:

- reviewed and discussed the audited financial statements for the year ended 30 June 2022 included in the annual report, with the AGSA,
- reviewed the AGSA's management report and managements responses thereto,
- reviewed the Municipality's compliance with legal and regulatory provisions, and
- reviewed significant adjustments resulting from the audit.

The audit committee concurred with and accepted the AGSA's audit report on the annual financial statements for the year ended 30 June 2022 and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the AGSA.

The audit committee is scheduled to meet on 18 August 2023 to review and discuss the annual financial statements for the year ended 30 June 2023 prior to submission to the AGSA on 31 August 2023.

6. Overall Position

The audit committee was pleased with the improvements but was of the view that there is room for further improvements, controls are in place however the existing systems and procedures require enhancement and continued monitoring.

7. CONCLUSION

The audit committee thanks Council, the mayor, the chairperson of MPAC, the chairperson of the Risk Management Committee, the Municipal Manager, the Chief financial officer, senior management and the administrative staff for their commitment and cooperation with the audit committee. The audit committee relies extensively on the work of internal audit. The audit committee expresses its gratitude to the Manager: Internal Audit and her team for their assistance and cooperation.

____
Chairperson: Audit Committee
Mrs. Charmaine Jugnarayan
07 August 2023

APPENDIX B: FIRST TO THIRD TIER ADMINISTRATIVE STRUCTURE

TIER 1
MUNICIPAL MANAGER
Mr. S.R. Zwane

FUNCTIONS
Communications
Integrated Development Plan
Internal Audit and Risk
Organizational Performance Management System
Special Programme, Youth, Sports and Arts & Culture
Local Economic Development
Offices of the Mayor & Speaker

Tier 2

Executive Manager: Budget and Treasury Office
Mr. S Khoza

TIER 3
Manager: Revenue & Expenditure
Mr. W Dotye

Manager: Financial Reporting & Assets
Ms. S. Mbhele

Manager: Budget & Reporting
Ms. O Mbele

FUNCTIONS
Budget & Financial Control
Expenditure Management and Financial Control
Revenue Management
Supply Chain Management
Treasury and Financial Support

Tier 2

Executive Manager: Corporate Services
Dr P N Makoba

TIER 3
Manager Administration & Customer Care Services –
Mr. N. Mthimkhulu

Manager Human Resources –
Vacant

FUNCTIONS
Recruitment and Selection
Staff establishment
HR Support Services
Benefits Administration
Employee Relations
Occupational Health, Safety and Wellness
Skills Development
Organizational Development
individual Performance Management
Secretariat and Auxiliary
ICT
Registry

Tier 2

Executive Manager: Infrastructure, Planning & Economic Development
Mrs.
CD Vezi

TIER 3
Manager: Civil Engineering
Mr. T Zondi

Manager: Electrical Services
Mr. G Gwagwa

Manager: Spatial Planning, Building Control & Human Settlements
Mr. S. Madikizela

Manager Local Economic Development–
Mr M. Zulu

FUNCTIONS
Electricity Distribution,
Technical Services,
Roads, Stormwater
Drainage System
Infrastructure
Building control
PMU
GIS
Town Planning
Economic Growth and Development Incl:
Research and Development
SMME and Enterprise Development
Business Licensing and Regulation
Investment Attraction
Business Retention and Expansion
EPWP and Skills Development
Informal Economy
Advancement of Catalytic Projects incl sub-programmes per economic sector

Tier 2

Executive Manager: Community & Social Services
Ms. P Qwabe

TIER 3
Manager Community Services:
Mr. A Mandlana

FUNCTIONS
Environmental Health
Parks
Facilities
Libraries
Disaster Management
Fire and Emergency Services
Traffic and Security Services
Waste Management

PMU: WARD INFORMATION

Ward Title:				
Capital Projects: **Three Largest R'000**				
Ward No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
3	Construction of Kokstad Sports Complex to include soccer pitch, swimming pool, ablution block and parking Phase 1	TBC	TBC	R13,900,000.00

Top 10 Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During**
1.	Upgrading of Extension 7 Roads: Phase 2	Practical Completion
2.	Upgrading of Bhongweni Area 5&6 Roads	Practical Completion
3.	Upgrading of Mid-Block Roads & Street Lights	Completed
4.	Energy Master Plan	Completed and Adopted
5.	Upgrading of Mini Sub-Stations & Transformers	Completed
6.	Electrification of Informal Settlements	Ongoing
7.	High Mast Lights-Horseshoe, Marikana & Shayamoya	Completed
8.	Cultural Village at Franklin	Fencing completed. Working on Phase 1
9.	Roads & Stormwater Master Plan	Ongoing
10.	Development of Kranzfontein Landfill Site	Phase 1 of fencing completed. Phase 2 of cell, leachate pond and stormwater pond.

APPENDIX D: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX D (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote				R'000		
Vote Description	2020/21	2021/22			2022/23	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Vote 1 - EXECUTIVE & COUNCIL	-	21 648 000	-			4 251 000
Vote 2 - Vote 2 - Finance and administration	212 669 000	101 844 000	202 136 330	215 096 527	219 224 000	233 283000
Vote 3 - Vote 3 - Community and public safety	28 253 000	20 416 000	6 012 615	39 812 943	50 869 000	64 236 000
Vote 4 - Vote 4 - Economic and environmental services	35 962 000	91 426 000	4 628 000	53 933 762	25 269 000	27 131 000
Vote 5 - Vote 5 - Trading services	152 635 000	173 600 000	249 732 891	213 260 365	248 556 000	247 995 000
Total Revenue By Vote	429 670 000	408 995 000	462 509 836	523 010 917	543 918 000	57 645 000

APPENDIX D (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source					R'000	
Description	2020/21	2021/22			2022/23	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Property rates	124 301 000	127 188 000	127 188 000	129 591 304	133 216 000	133 040 000
Service Charges – electricity revenue		143 521 000	154 021 000	170 943 799	192 197 000	192 674 000
Service Charges – refuse revenue		18 850 000	1 8 892 000	22 141 883	21 334 000	22 273 000
Service Charges – other revenue			-	2 795 588		
Rentals of facilities	1 893 000	1 846 000	2 966 000	4 449 904	2 959 000	2 259 000
Interest earned – external investments	3 948 000	4 200 000	4 200 000	3 611 356	3 000 000	4 521 000
Interest earned – outstanding debtors	5 235 431	4 500 000	4 500 000	6 191 098	4 500 000	5 501 000
Fines	2 373 175	269 000	269 000	1 543 920	125 000	216 000
License and permits	4 557 646	2 113 000	2 113 000	5 307 608	4 005 000	4 921 000
Transfers recognized – operational	84 858 564	77 765 000	79 435 000	78 486 167	85 294 000	86 412 000
Other revenue	666 573	5 645 000	5 866 00	1 476 931	3 949 000	15 510 000
Total Revenue (excluding capital	296 266 163	385 899 000	401 450 000	426 539 558	450 579 000	465 302 000

transfers and contributions)						
Variances are calculated by dividing the difference between actual and original/ adjustments budget by the actual. This table is aligned to MBRR table A4						

APPENDIX E - FUNCTIONS OF MUNICIPALITY

Municipal Functions	
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes /No)***
Constitution Scheduled 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law.	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto.	No
Storm water management systems in the built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to portable water supply system and domestic waste-water and sewage disposal systems	No
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	No
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	No
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public.	No
Facilities for the accommodation, care and burial of animals.	No
Fencing and fences	No
Licensing of dogs	No

Municipal Functions	
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes /No)***
Licensing and control of undertakings that sell food to the public.	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	No
Refuse removal, refuse dumps and solid waste disposal.	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

APPENDIX F – LONG-TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

NO.	COMPANY NAME	ACTIVITIES	TIMEFRAME
1	GOODWILL INSTITUTE OF TECHNOLOGY	Training Service Provider-seta accredited for the provision of IT agric and artisans	2022/2023-2025/2026
2	MOSES KOTANA INSTITUTE	Provision of skills-robotics artifitial intelligence soft and hardware computer trainings	2022/2023-2024/2027
3	SOMITOMO(DUNLOP)TYRE AND FITMENT	For the provision tyre and fitment centres in township economy	2024/2025
4	MZANSI CONNECTION/BBZ(DATA)	For the provision of gigabite mash internet covering the whole of Kokstad	2023/2024
5	SIMAMA	For the Provision of Youth Development,Tertiary Funding for Kokstad Community	2023/2024
6	AGRIBIOTEC	Agro processing, Funding assistance	2023/2024
7	BHONGWENI LIVING LAB	Incubation Centre for innovative ideas	2023/2024
8	RULANI HOLDINGS	Solar farm investments	2023/2024

APPENDIX H – CAPITAL EXPENDITURE AS PER AUDITED AFS

Segment Description	Total Budget	Total Actual	Remaining Budget
Franklin substation	1,00	-	1,00
Franklin library equipment: R40?000	41 585,00	35 350,50	6 234,50
Town Library aircon: R200?000	200 000,00	354 808,00	-154 808,00
Office equipment	300 000,00	210 988,39	89 011,61
Implements for Maraiskop	300 000,00	-	300 000,00
Jaws of life: R400 000	300 000,00	-	300 000,00
Kokstad CBD Phase 3	308 000,00	-	308 000,00
Shayamoya roads upgrade -Phase 2	335 000,00	-	335 000,00
St johns stormwater	446 446,34	446 446,34	-
Motor Vehicle - Loud hailing (RURAL AREAS)	466 620,00	466 619,00	1,00
Electrification of willowdale	527 061,00	1 001 631,22	1,15
Garden Refuse truck- 4 ton truck	537 175,00	537 172,82	2,18
Motor Vehicle - Traffic	588 345,00	676 587,60	- 88 242,60
Fire Rescue Van:	646 020,00	695 877,22	- 49 857,22
Concrete Cutter	700 000,00	457 266,61	242 733,39
Upgrade of Longhomes Roads	700 000,00	-	700 000,00
Laptops	800 000,00	790 648,00	9 352,00
Plant Equipment and Fencing - Veterans	800 000,00	447 953,40	352 046,60
ICT Cyber security solution	1 000 000,00	-	1 000 000,00
Solar powered water pumping system for hypotronic tunnels	1 000 000,00	-	1 000 000,00
Wylde road	1 000 000,00	970 844,66	117 413,95
Stormwater upgrade St Johns Streets	1 027 000,00	576 912,52	450 087,48
Shayamoya roads upgrade -Phase 3	1 245 933,18	1 387 751,45	308 770,71
Kokstad CBD Roads Phase 3	1 873 961,04	2 061 357,14	-
Motor Vehicle - Council	1 902 865,00	2 188 293,60	- 285 428,60

Upgrade of Roads Ext 7	2 289 968,00	-	2 289 968,00
Upgade longHomes Roads	2 312 650,00	2 418 006,14	114 462,60
Upgrade of Roads Ext 7 phase 4	3 189 414,82	3 189 414,82	-
Upgrading of substation switch gear Phase 3	3 500 000,00	1 251 704,04	2 874 147,98
CBD stormwater upgrade Ph1	3 553 000,00	2 152 031,87	1 596 607,39
Kokstad CBD roads	3 600 000,00	-	3 600 000,00
Procurement of mini substation	3 992 480,00	1 727 428,89	2 265 051,11
Energy Efficiency and demand side project	4 347 824,00	4 294 589,46	- 8 367,46
Bulk Infrastructure (own fund)	4 500 000,00	-	4 500 000,00
TID rollover of STS prepaid electricity meters	5 000 000,00	-	5 000 000,00
Reconstruction of Hawthorne road Ph1	7 489 592,62	7 794 560,68	403 628,37
Electrification of 728 informal settlements	8 695 648,00	6 155 467,04	3 099 768,87
Singisi Bulk Infrastructure	17 391 308,00	22 948 285,20	- 4 500 000,63
CRU Housing project and Willowdale	46 021 736,00	22 171 483,11	25 865 842,26
HAWKER STALLS - TURN KEY		465 120,00	-
Customer Care		-	-
Fencing of Bhongweni site for Veterans		306 326,14	-
Cemetery Development		142 658,47	-
Jim Payne sport complex		809 904,93	-
Upgrade of 4 x 500KVA Mini substation phase 6		-	-
Supply; Delivery and Installation of High Masts and 100xLed Street lights		-	-
supply and installation of retrofits of main units		-	-
supply and installation of retrofits of main units		-	-
Vacuum cleaner		-	-
Cost:Acquisitions		-	-
Office Equipment BTO		1 267,65	- 1 267,65
Acquisition of 25 aircons		535 510,00	- 535 510,00

Thuthukani Ngele Hall		181 296,00	-
Upgrading of substation switch gear Phase 2		226 100,00	-
Shayamoya Internal Roads Phase 2		626 067,85	-
Cost:Acquisitions		-3 573,77	-
Cost:Acquisitions		-	-
Water Bottling Plant - Franklin (includes bottle washing and		-	-
Aquaculture		-	-
Borehole		-	-
two establishment of tyre and fitment		-	-
Backup generator for franklin library		-	-
Back up generator for main substation		-	-
Rehabilitation of CBD roads Phase 4		-	-
Upgrade /Wedening of horseshoe road		-	-
Upgrading of horseshoe road phase 2		-	-
Upgrading of Wylde road		-	-
shayamoya internal roads upgrade phase 2		-	-
Horseshoe internal road upgrade phase 1		-	-
	132 929 634,00	**90 700 157,00**	**51 504 649,99**

APPENDIX I – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Institution	Sector	Phase	OwnerLand	Roads Infrastructure	Electricity Infrastructure
CARL MALCOMESS HIGH SCHOOL	PUBLIC	SECONDARY SCHOOL	PUBLIC	Serviced	Serviced
CHARLTON PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL,INTERMEDIATE AND SENIOR	BOUNERPARTES	Serviced	Serviced
FOLESHILL PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
FRANKLIN SECONDARY SCHOOL	PUBLIC	SECONDARY SCHOOL	RSA	Serviced	Serviced
GLEN EDWARD PRIMARY SCHOOL	PUBLIC	SECONDARY SCHOOL	PUBLIC	Serviced	Serviced
HUNTLEY PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
INGELI PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
INUNGI PRIMARY SCHOOL	PUBLIC	INTERMEDIATE SCHOOL	PUBLIC	Serviced	Serviced
KOKSTAD COLLEGE	PUBLIC	SECONDARY SCHOOL	PUBLIC	Serviced	Serviced
KOKSTAD JUNIOR SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
KOKSTAD PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
KOSTAD PUBLIC	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
KRAANSDRAAI PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
LUIPAARDSKOP JP	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
MARAISKOP PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
MOUNT CURRIE S	PUBLIC	SECONDARY SCHOOL	PUBLIC	Serviced	Serviced
NEW MARKET PRIMARY SCHOOL	PUBLIC	INTERMEDIATE SCHOOL	PUBLIC	Serviced	Serviced
NTAMBANANE JP	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
NTSIMBINI PRIMARY SCHOOL	PUBLIC	INTERMEDIATE SCHOOL	PUBLIC	Serviced	Serviced
RUSTFONTEIN PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced

Institution	Sector	Phase	OwnerLand	Roads Infrastructure	Electricity Infrastructure
SEVEN FOUNTAINS PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
ST MICHAEL'S (KOKSTAD)	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
ST PATRICK'S COLLEGE	INDEPENDENT	COMBINED SCHOOL	PRIVATE	Serviced	Serviced
ST PAUL'S PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
STAFFORD PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
TAFENI PRIMARY SCHOOL	PUBLIC	INTERMEDIATE SCHOOL	PUBLIC	Serviced	Serviced
THIBANE C (KOKSTAD)	PUBLIC	COMBINED SCHOOL	PUBLIC	Serviced	Serviced
TROUTWATERS PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
VOGELVLEI PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
WANSBECK PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
WESTLANDS PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
XOLOXOLO SP	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
NOMZAMO PRIMARY SCHOOL	PUBLIC	PRIMARY-INTERMIDIATE	PUBLIC	Serviced	Serviced
SHAYAMOYA AREA SECONDARY SCHOOL	PUBLIC	SECONDARY SCHOOL	PROVINCIAL GOVERNMENT	Serviced	Serviced
NONKQUBELA PRIMARY SCHOOL	PUBLIC	PRIMARY-INTERMEDIATE	GREATER KOKSTAD	Serviced	Serviced
WILLOWDALE PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PRIVATE	Serviced	Serviced
COOPERDALE PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PRIVATE	Serviced	Serviced
SAILORS GIFT	PUBLIC	PRIMARY SCHOOL	PRIVATE	Serviced	Serviced
TAFELKOP	PUBLIC	FOUNDATION AND INTERMEDIATE	PRIVATE	Serviced	Serviced
SHALOM PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PRIVATE	Serviced	Serviced
THEMBALETHU SENIOR SECONDARY SCHOOL	PUBLIC	SECONDARY SCHOOL	PUBLIC	Serviced	Serviced

Institution	Sector	Phase	OwnerLand	Roads Infrastructure	Electricity Infrastructure
ST. ELIZABETH	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
ST. MARYS CATHOLIC SCHOOL	INDEPENDENT	PRIMARY SCHOOL	PRIVATE	Serviced	Serviced
TERRIE ANN BRIDGING SCHOOL	INDEPENDENT	PRIMARY SCHOOL	PRIVATE	Serviced	Serviced
PALMIET PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
TIGERVLEI PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced
CURRAGH PRIMARY SCHOOL	PUBLIC	PRIMARY SCHOOL	PUBLIC	Serviced	Serviced

CLINICS

Institution	Sector	Roads Infrastructure	Electricity Infrastructure
Usher Memorial Hospital	PUBLIC	Serviced	Serviced
Kokstad Medical Centre	Private	Serviced	Serviced
Kokstad Municipal Clinic	PUBLIC	Serviced	Serviced
Franklin Clinic	PUBLIC	Road with potholes	Serviced
Shatamoya Clinic	PUBLIC	Serviced	Serviced
Khanyiselani Clinic	PUBLIC	Serviced	Serviced
Truck Stop Wellness Clinic	PUBLIC	Serviced	Serviced

ATTACHMENTS

VOLUME II (AUDITED 2022/2023 ANNUAL FINANCIAL STATEMENTS)

GREATER
KOKSTAD
MUNICIPALITY

PROVINCE OF KWAZULU-NATAL

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

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

General Information

LEGAL FORM OF ENTITY	Local Municipality	
MEMBERS OF THE COUNCIL	Cllr M N L Madikizela	**Mayor**
	Cllr B Nozaza	**Speaker**
	Cllr K J Walker	**Deputy Mayor**
	Cllr R Ramatlapeng	**Member of Executive Committee**
	Cllr P Nocanda	**Chief Whip**
	Cllr L M Hlakanyana	**MPAC Chair**
	Cllr K Norsworthy	Member
	Cllr S Njisane	Member
	Cllr N Mfukuli	Member
	Cllr M Mjoli	Member
	Cllr A Jikazi	Member
	Cllr Z R Tshazi	Member
	Cllr N Mda	Member
	Cllr K Putuma	Member
	Cllr S Silwane	Member
	Cllr B Gugwana	Member
	Cllr S Mbabala	Member
	Cllr Z Tshangase	Member
	Cllr M Nkita	Member
GRADING OF LOCAL AUTHORITY	Grade 3	
MUNICIPAL MANAGER	Mr S R Zwane	
CHIEF FINANCE OFFICER (CFO)	Mr S.C Khoza	
REGISTERED OFFICE	75 Hope Street Kokstad 4700	
POSTAL ADDRESS	P O Box 8 Kokstad 4700	
BANKERS	First National Bank	
PHONE NUMBER	039 797 6601	
E-MAIL ADDRESS	imelda.adkins@kokstad.gov.za	
AUDITORS	Auditor General South Africa (AGSA)	

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

Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts

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 was given unrestricted access to all financial records and related data.

I am responsible for the preparation of these annual financial statements, which are set out on page 4, in terms of section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality.

I certify that the salaries, benefits and allowances as disclosed in note 27 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the constitution, read with the Remuneration of Public Officers Bearers Act and the Minister of Provincial and Local Government's 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 placed considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The annual financial statements set out on pages 4 to 60, are prepared on the basis that the municipality is a going concern and has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Accounting Officer
Mr S R Zwane

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

Statement of Financial Position as at 30 June 2023

	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Inventories	3	883 782	677 330
Receivables from non-exchange transactions	4&4.1	35 344 213	32 081 739
Prepayments	5	787 028	1 708 370
Receivables from exchange transactions	6	42 933 939	37 265 116
Cash and cash equivalents	7	132 310 494	71 006 591
		212 259 456	**142 739 146**
Non-Current Assets			
Investment property	8	108 993 753	105 352 657
Property, plant and equipment	9	794 826 505	745 271 832
Intangible assets	10	1 052 656	1 333 745
Heritage assets	11	2 066 400	2 066 400
		906 939 314	**854 024 634**
Total Assets		**1 119 198 770**	**996 763 780**
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	67 119 138	44 559 377
VAT payable	13	11 640 971	8 302 734
Consumer deposits	14	5 510 934	4 429 702
Employee benefit obligation	15	1 959 000	1 737 000
Unspent conditional grants and receipts	16	23 233 561	7 472 128
Provisions	17	569 563	1 761 153
Deferred income	18	3 221 136	3 352 522
		113 254 303	**71 614 616**
Non-Current Liabilities			
Employee benefit obligation	15	25 607 999	29 622 999
Provisions	17	15 048 542	15 273 578
		40 656 541	**44 896 577**
Total Liabilities		**153 910 844**	**116 511 193**
Net Assets		**965 287 926**	**880 252 587**
Accumulated surplus		965 287 931	880 252 526

* See Note 49

Statement of Financial Performance

	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	194 295 045	195 881 270
Rental of facilities and equipment	20	3 090 164	4 449 404
Licences and permits	21	4 582 292	5 307 608
Other income	22	1 710 922	702 263
Interest earned - external investments	23	7 437 441	3 611 356
Total revenue from exchange transactions		**211 115 864**	**209 951 901**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	24	132 158 114	129 591 304
Interest earned - outstanding receivables	24	4 916 111	6 191 098
Transfer revenue			
Government grants and subsidies	25	162 751 994	168 710 369
Donation	9	-	775 168
Fines, Penalties and Forfeits	26	3 319 320	1 543 920
Total revenue from non-exchange transactions		**303 145 539**	**306 811 859**
Total revenue		**514 261 403**	**516 763 760**
Expenditure			
Employee costs	27	(147 802 643)	(147 508 231)
Remuneration of councillors	28	(8 107 401)	(7 606 954)
Repairs and maintenance	29	(7 044 974)	(4 693 154)
Depreciation and amortisation	30	(40 278 534)	(44 492 672)
Finance costs	17	(1 475 702)	(1 231 706)
Debt written off	31	(10 783 741)	(17 889 881)
Bulk purchases	32	(136 497 112)	(117 540 518)
Provision of impairment of debtors expense	4	(915 609)	(351 412)
Contracted services	33	(28 212 855)	(28 422 055)
General expenses	34	(66 112 221)	(60 365 290)
Total expenditure		**(447 230 792)**	**(430 101 873)**
Operating surplus		**67 030 611**	**86 661 887**
Gain on landfill site	17	1 700 738	2 391 673
Gain / (loss) on actuarial	15	7 765 000	1 894 000
Fair value adjustments	8	4 434 528	3 068 524
Profit / (Loss) on Disposal of Assets	9	(330 980)	(9 603 734)
Impairment loss		(59 774)	-
Recovery for provision debtors	4&6	4 444 352	4 164 762
Provision for performance recovery of bonuses	17	1 761 153	2 082 395
		19 715 017	**3 997 620**
Surplus for the year		**86 745 628**	**90 659 507**

* See Note 49

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Balance at 01 July 2021	**789 593 021**	**789 593 021**
Changes in net assets		
Correction of error prior year	(680 891)	(680 891)
Net income recognised directly in net assets	(680 891)	(680 891)
Surplus for the year	91 340 396	91 340 396
Total recognised income and expenses for the year	90 659 505	90 659 505
Total changes	90 659 505	90 659 505
Restated* Balance at 01 July 2022	**878 542 303**	**878 542 303**
Changes in net assets		
Surplus for the year	86 745 628	86 745 628
Total changes	86 745 628	86 745 628
Balance at 30 June 2023	**965 287 931**	**965 287 931**

Note(s)

* See Note 49

Cash Flow Statement

	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Taxation		142 496 208	135 606 438
Sale of goods and services		185 148 520	201 207 856
Grants		184 471 802	165 979 652
Interest income		8 564 158	1 631 364
Other receipts		5 268 292	7 010 236
		525 948 980	511 435 546
Payments			
Employee costs		(159 471 442)	(149 839 003)
Suppliers		(239 722 443)	(230 594 841)
Finance costs		-	-
		(399 193 885)	(380 433 844)
Net cash flows from operating activities	35	**126 755 095**	**131 001 702**
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(66 166 735)	(108 589 761)
Proceeds from sale of property, plant and equipment	9	715 543	-
Net cash flows from investing activities		**(65 451 192)**	**(108 589 761)**
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		**61 303 903**	**22 411 941**
Cash and cash equivalents at the beginning of the year		71 006 591	48 594 650
Cash and cash equivalents at the end of the year	7	**132 310 494**	**71 006 591**

The accounting policies on pages 10 to 29 and the notes on pages 30 to 62 form an integral part of the annual financial statements.

* See Note 49

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of electricity	192 196 727	477 332	**192 674 059**	172 667 066	**(20 006 993)**	46
Removal of refuse	21 334 000	(1 086 000)	**20 248 000**	18 824 218	**(1 423 782)**	
Other revenue	3 949 000	11 561 000	**15 510 000**	2 803 761	**(12 706 239)**	
Rental of facilities and equipment	2 958 767	(700 000)	**2 258 767**	3 090 164	**831 397**	
Licences and permits	4 005 000	916 302	**4 921 302**	4 582 292	**(339 010)**	46
Other income	25 282 573	8 475 000	**33 757 573**	1 710 922	**(32 046 651)**	46
Investment revenue	3 000 000	1 521 000	**4 521 000**	7 437 441	**2 916 441**	46
Total revenue from exchange transactions	**252 726 067**	**21 164 634**	**273 890 701**	**211 115 864**	**(62 774 837)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	133 216 946	(176 000)	**133 040 946**	132 158 114	**(882 832)**	46
Interest earned - outstanding receivables	4 500 000	1 001 000	**5 501 000**	4 916 111	**(584 889)**	46
Transfer revenue						
Transfer recognised - Operational & Capital	178 633 000	15 118 000	**193 751 000**	162 751 994	**(30 999 006)**	46
Rates Impairment Recovery	-	2 000 000	**2 000 000**	-	**(2 000 000)**	46
Fines, Penalties and Forfeits	125 000	91 000	**216 000**	3 319 320	**3 103 320**	46
Total revenue from non-exchange transactions	**316 474 946**	**18 034 000**	**334 508 946**	**303 145 539**	**(31 363 407)**	
Total revenue	**569 201 013**	**39 198 634**	**608 399 647**	**514 261 403**	**(94 138 244)**	
Expenditure						
Employee costs	(151 358 000)	4 383 000	**(146 975 000)**	(147 802 643)	**(827 643)**	
Remuneration of councillors	(8 041 000)	(348 000)	**(8 389 000)**	(8 107 401)	**281 599**	
Repairs and maintainance	(18 783 000)	(5 387 000)	**(24 170 000)**	(7 044 974)	**17 125 026**	46
Depreciation and asset impairment	(37 651 000)	3 302 000	**(34 349 000)**	(40 278 534)	**(5 929 534)**	46
Impairment loss/ Reversal of impairments	-	-	-	(59 774)	**(59 774)**	
Finance charges	-	-	-	(1 475 702)	**(1 475 702)**	
Debt impairment	(15 000 000)	-	**(15 000 000)**	(10 783 741)	**4 216 259**	46
Collection costs	-	-	-	(915 609)	**(915 609)**	
Material & bulk purchases	(139 000 000)	-	**(139 000 000)**	(136 497 112)	**2 502 888**	46
Contracted Services	(26 548 000)	(5 792 000)	**(32 340 000)**	(28 212 855)	**4 127 145**	46
General expenses	(46 198 000)	(2 815 000)	**(49 013 000)**	(66 112 221)	**(17 099 221)**	46
Total expenditure	**(442 579 000)**	**(6 657 000)**	**(449 236 000)**	**(447 290 566)**	**1 945 434**	
Surplus/(Deficit)	**126 622 013**	**32 541 634**	**159 163 647**	**66 970 837**	**(92 192 810)**	
Gain on landfill site	-	-	-	1 700 738	**1 700 738**	
Gain / (loss) on actuarial	-	-	-	7 765 000	**7 765 000**	

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Fair value adjustments	-	-	-	4 434 528	4 434 528	
Loss on Disposal of Assets	-	-	-	(330 980)	(330 980)	
Surplus on distribution of non-cash assets to owners	-	-	-	4 444 352	4 444 352	
Gains from transfer of functions between entities not under common control	-	-	-	1 761 153	1 761 153	
	-	-	-	19 774 791	19 774 791	
Surplus	**126 622 013**	**32 541 634**	**159 163 647**	**86 745 628**	**(72 418 019)**	
Surplus for the year from continuing operations	**126 622 013**	**32 541 634**	**159 163 647**	**86 745 628**	**(72 418 019)**	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(93 339 000)	(14 000 000)	(107 339 000)	-	107 339 000	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**33 283 013**	**18 541 634**	**51 824 647**	**86 745 628**	**34 920 981**	

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Critical judgements, estimates and assumptions

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

Fair value estimation

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

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

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

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. In addition, goodwill is tested on an annual basis for impairment. 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 goodwill and tangible assets are inherently uncertain and could materially change over time.

Provisions

Accounting Policies

1.3 Critical judgements, estimates and assumptions (continued)

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 17 - Provisions.

Useful life assessment of PPE and intangible assets

The municipality's management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and other assets. This estimate involves a matter of industry norms and on the pattern in which an asset's future economic benefit or service potential is expected to be consumed by the municipality. Management will increase the depreciation and amortisation charges where useful lives are less than previously estimated useful lives and decrease the depreciation and amortisation charges where useful lives are more than previously estimated useful lives.

Allowance for doubtful debts

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

Pension and other post – employment benefits

The cost of defined-benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Cash-generating assets

The Municipality is not a profit-oriented entity as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of the tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets, and that the GRAP standard for the impairment of non-cash-generating assets will apply to all assets of the Municipality.

Impairment of receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. The Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

Impairment of property, plant and equipment

The calculation in respect of the impairment of property, plant and equipment is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This was performed across all classes of property, plant and equipment.

Residual value of property, plant and equipment

Management has determined that none of its infrastructure assets have an active market value, and the value of the amount at the end of their useful lives would therefore be insignificant.

Useful lives of property, plant and equipment and investment property.

The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets are also based on management judgments on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

Significant delays in assets under construction

1.3 Critical judgements, estimates and assumptions (continued)

The Municipality regards delays in assets under construction of more than three years as significant. Further disclosures are made in notes 2 to 5 in the financial statements.

Provisions, contingent liabilities and contingent assets

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities and assets.Provisions are discounted, where the effect of discounting is material, using cost of capital.

Traffic 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.

Budget information

A difference of 5% or more between budget and actual amounts is regarded as material. All material differences are explained in the notes of the annual financial statements.

Material losses

Material losses are losses that occur due to factors other than normal production and utilisation, and are regarded as material if their omission or misstatement will affect the decisions made by users of the information. The losses disclosed include that of technical losses and non-technical losses related to electricity. Losses that occur due to normal production and utilisation are classified as production costs and factored into the Municipality's tariffs. They, therefore,do not constitute material losses. If actual production and utilisation losses exceed the normal budgeted production and utilisation losses factored into the tariff, this difference is considered material losses.

Service charges

Service charges relating to electricity, are based on consumption.Skip bin waste removal is based on the number of times it is collected. Meters are read and billed on a monthly basis and revenue is recognised when invoiced. Estimates of consumption are made monthly when meter readings have not been performed. The estimates of consumption are recognised as revenue when invoiced. Adjustments to estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period. Waste removal services are billed on a monthly basis.

Services provided on a prepaid basis

Various services are provided on a prepaid basis in which case no formal billing takes place and revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets is the current bid price.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:
- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction cost once it meets the definition of investment property. Investment Property is initially recognised when future economic benefits or service potential are probable and the cost or fair value can be determined reliably.

The cost of self-constructed investment property is the cost at date of completion.

Subsequent measurement - Fair value model

Accounting Policies

1.4 Investment property (continued)

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

Derecognition

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 the statement of financial performance in the period of retirement or disposal.

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.

All transfers will be as per GRAP 16.

1.5 Property, plant and equipment

Initial recognition

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

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

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

Initial measurement

Items of property plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site in which it is located.

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

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

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

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent measurement - Cost Model

1.5 Property, plant and equipment (continued)

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

Depreciation and impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have useful lives that are depreciated separately.

Land is not depreciated as it is deemed to have indefinite useful life.

Capital work in progress is not depreciable until it is transferred to the applicable property, plant and equipment category once it is ready and available for its intended use.

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimates in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset maybe 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 property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount) and an impairment amount is charged to the Statement of Financial Performance.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	80 years
Motor vehicles	Straight line	5-7 years
Infrastructure	Straight line	
• Roads and pavings		12 years
• Bridges		30 years
• Storm water		15 years
• Gravel		20 years
• Substation and Transformers		30 years
• Poles, Cables and Lights		15-25 years
• Robots		10 years
Community	Straight line	
• Buildings		80 years
• Recreational facilities		5 years
• Security system		5 years
• Dams		1-15 years
• Libraries		15-20 years
• Parks and Gardens		15 years
• Cemeteries		15-20 years
• Community centres		5-20 years
• Sports fercilities		30 years
Other property, plant and equipment	Straight line	
• Emergency equipment		5 years
• Landfill sites		15 years
• Office equipment		5 years
• Furniture and fittings		5 years
• Bins and containers		5 years
• Computers equipment		5-8 years

Accounting Policies

1.6 Heritage assets

Initial Recognition

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. A heritage asset shall be recognised as an asset if, and only if:
(a) it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
(b) the cost or fair value of the asset can be measured reliably.

Initial Measurement

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost if such an asset has been acquired through an exchange transaction.

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

Subsequent Measurement

Heritage assets are not depreciated based on their nature however the municipality assesses at each reporting date whether there is a need for impairment.

The class of heritage assets are carried at its cost less any accumulated impairment losses.

Derecognition

The carrying amount of a heritage asset is derecognised:
(a) on disposal, or
(b) when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.7 Intangible Assets

Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only 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. Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research/feasibility expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential;
- the municipality has the ability to measure reliably the expenditure during development."

Initial measurement

Intangible assets are initially recognised at cost.
Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Accounting Policies

1.7 Intangible Assets (continued)

Subsequent measurement

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Residual value of intangible assets is estimated to be zero. Fully depreciated assets which are still in use are not written off.

Amortisation

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software	3 - 8 years

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 test 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 an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Intangible assets are derecognised when the assets 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 on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8 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.

Classification

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

Class	Category
Recievables from non-exchange transactions	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

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

Class	Category
Consumer deposits	Financial liability measured at amortised cost
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Deffered Income	Financial liability measured at amortised cost
Unspent conditional grant	Financial liability measured at amortised cost
Employee benefit obligation	Financial liability measured at amortised cost

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

Accounting Policies

1.8 Financial instruments (continued)

Initial recognition

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

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

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

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

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

1.9 Trade and other receivables

Consumer Debtors per impairment category

Category A

- Regular payers and Government Accounts - 0%
- Consumers with accounts not older than 60 days, and;
- Government.

Category B

- Regular payers (50% less than 180 days and 100% on rest); and
- Amounts owing but do pay.

Category C

- Doubtful 100% all amounts;
- Consumers with no payment history;
- Owing longer than 60 days with no payments for 6 months; and
- Inactive accounts.

The municipality individually asseses the debtors.

1.10 Leases

The Municipality as lessee

Recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and 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.

Accounting Policies

1.10 Leases (continued)

The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payment due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payment, the municipality uses the interest rate that exactly discounts the lease payments and unguarenteed residual value to the fair value of the asset plus any direct costs incurred.

Measurement

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies application to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayments using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies related to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful lives or the lease term.

Derecognition

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

Operating leases - lessee

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

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

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

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

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

The Municipality as Lessor

For those leases that meet the definition of a finance lease, where the entity is the lessor, the entity derecognises the asset subject to the lease at the inception of the lease. Along with the derecognition of the asset the entity recognises a finance lease receivable. Finance lease income is allocated between the finance lease receivable and finance income using the effective interest rate method and the resulting finance income is recognised in the Statement of Financial Performance as it accrues.

For those leases classified as operating leases the asset subject to the lease is not derecognised and no lease receivable is recognised at the inception of the lease. Lease payments received under an operating lease are recognised as income, in the Statement of Financial Performance, in the period that the income accrues.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Measurement

Finance lease receivables are recognised at an amount equal to the entity's net investment in the lease. This net investment in the lease is calculated as the sum of the minimum future lease payments and unguaranteed residual value discounted over the lease term at the rate implicit in the lease.

1.10 Leases (continued)

Rental Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined lease payments and the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

Derecognition

Finance lease receivables are derecognised when the entity's right to the underlying cash flows expire or when the entity no longer expects economic benefits to flow from the finance lease receivable.

Operating lease liabilities are derecognised when the entity's obligation to provide economic benefits or service potential under the lease agreement expires. Operating lease assets are derecognised when the entity's right to the underlying cash flows expire or the entity no longer expects economic benefits to flow from the operating lease asset.

1.11 Inventories

Initial recogition and measurement

Inventories comprise current assets not held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

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.

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

The basis of determining the cost of an inventory is (FIFO) First In First Out.

1.12 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.

1.12 Impairment of cash-generating assets (continued)

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.

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follows: as the municipality is a district municipality, it does not hold assets which are specifically used to generate revenue (e.g. infrastructure relating to utilities), other than the farm used to hold biological assets. Other revenue generated by the municipality is in exchange for services provided, for which the related assets (furniture, office equipment, etc.) are interchangeable with the assets used for non-cash generating activities.

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 test 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.

1.13 Impairment of non-cash-generating assets

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

Non-cash-generating assets are assets other than cash-generating assets.

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

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

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

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

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

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

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

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

Criteria developed by the municipality to distinguish non-cash-generating assets from cash-generating assets are as follow: as the municipality is a district municipality, it does not hold assets which are specifically used to generate revenue (e.g. infrastructure relating to utilities), other than the farm used to hold biological assets. Revenue generated by the municipality is in exchange for services provided, for which the related assets (furniture, office equipment, etc.) are interchangeable with the assets used for non-cash generating activities; all such interchangeable assets are deemed to be non-cash generating assets.

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

Identification

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

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Accounting Policies

1.14 Employee benefits (continued)

Medical Aid

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actual valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the value projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised acturial gains and losses and unrecognised past service cost, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

1.15 Provisions

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.

Accounting Policies

1.15 Provisions (continued)

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

1.16 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Accounting Policies

1.16 Revenue from exchange transactions (continued)

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service Charges

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being 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. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

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 number of refuse containers on each property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

Pre-paid Electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards made in the last month of the financial year is recognised based on an estimate of the prepaid electricity consumed as at the reporting date with reference to the consumption patterns of the individual users.

Rentals

Revenue from the rental of facilities and equipment classified as operating leases is recognised on a straight-line basis over the term of the lease agreement where material, where such lease periods span over more than one financial year.

1.17 Revenue from non-exchange transactions

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.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

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.

Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Deferred Income

Amounts received before the related work is performed are included in the statement of financial position as a liability, Deferred Income

Rates and Taxes

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

Fines

Fines constitute both spot fines and summonses.

Revenue from traffic fines is initially measured on the value stipulated on the notice, summons or equivalent document. The revenue from traffic fines is subject to further judicial process which is outside the municipality's control. These reductions are not considered in measuring the revenue and receivable on initial recognition. This is because of the high degree of uncertainty in estimating the likely outcome of this process. Once this separated process has been concluded, any reductions are accounted for as a change in estimated revenue and in accordance with iGRAP1.

Public contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Revenue is recognised at the fair value of the consideration received. Where public contributions have been received and the municipality has not met the condition, a liability is recognised.

Tariff Charges

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

1.18 Value Added Taxation

The Municipality accounts for Value Added Tax on the accrual basis.

The municipality is registered with the South African Revenue Services (SARS) for VAT on the invoice basis, in accordance with Section 15(1) of the VAT Act No.89 of 1991.

1.19 Comparative figures

No comparative figures have been reclassified to conform to changes in presentation in the current year.

Accounting Policies

1.20 Unauthorised expenditure

Unauthorised expenditure is an expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). 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.

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

1.21 Fruitless and wasteful expenditure

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

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

1.22 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.23 Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

Accounting Policies

1.24 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.

1.25 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.26 Statutory receivables

Statutory receivables are receivables that:

(a) arise from legislation, supporting regulations, or similar means; and
(b) require settlement by another entity in cash or another financial asset.

Recognition

An entity shall recognise statutory receivables as follows:

(a) if the transaction is an exchange transaction, using GRAP 9;
(b) if the transaction is a non-exchange transaction, using GRAP 23; or
(c) if the transaction is not within the scope of the Standards of GRAP listed in (a) or (b) 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.

An entity shall derecognise a statutory receivable, or a part thereof, when:

Accounting Policies

1.26 Statutory receivables (continued)

(a) the rights to the cash flows from the receivable are settled, expire or are waived;
(b) the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
(c) the entity, 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 shall:
(d) derecognise the receivable; and
(e) recognise separately any rights and obligations created or retained in the transfer

Initial measurement

The muncipality initially measures statutory receivables at their transaction amount.

Subsequent Measurement

The municipality measures statutory receivables after initial recognition using the cost model. Under the cost method the initial measurement of the receivables is changed subsequent to initial recognition to reflect any :
(1)Interest or other charges that may accrued on receivables (where applicable)
(2)Impairement losses and
(3)Amount derecognised.

Derecognition

The carrying amount of a living resource is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

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

1.27 Contracted services

The municipality accounts using nature of expenditure.

Contracted services are services that are contracted fully to service providers and do not include any procurement of similar goods which are separately disclosed. In terms of GRAP standards the municipality has elected to classify based on nature of expense which provides information that is reliable and more relevant. This is presented on the face of the statement of financial performance.

1.28 Segment Information

A segment is an activity of an entity:

That generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);

Whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

For which separate financial information is available.

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

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities those amounts are allocated on a reasonable basis.

Accounting Policies

1.28 Segment Information (continued)

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.

2. New standards and interpretations

GRAP 104 Financial Instrument

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board amended its existing Standards to deal with these issues. The ASB issued Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to Financial Instruments: Presentation and the IFRS Standard on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities

The most significant changes to the Standard affect

Financial guarantee contracts issued
Loan commitments issued
Classification of financial assets
Amortised cost of financial assets
Impairment of financial assets
Disclosures

The effective date of the revisions is not yet set by the Minister of Finance.

GRAP 25 Employee Benefits

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits were more appropriate. Specifically.

The liminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise. Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested

Since 2009, the International Accounting Standards Board has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

Key Amendment of GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

Notes to the Annual Financial Statements

	2023	2022

3. Inventories

Stores and materials	883 782	677 330

4. Receivables from non-exchange transactions

4.1 Statutory receivables from non-exchange transaction

Fines	18 607 724	16 470 955
Consumer debtors - rates	16 724 863	15 610 784
	35 332 587	**32 081 739**

Fines Reconciliation		
Opening balance fines	24 102 425	22 721 675
Opening impairment of fines	(7 631 470)	(7 280 058)
Current year fines	3 052 378	1 380 750
Current year on impairment fines	(915 609)	(351 412)
	18 607 724	**16 470 955**

Statutory receivables - Rates

Gross		
Rates	30 059 063	31 286 423
Impairment	(13 334 199)	(15 675 639)
	16 724 864	**15 610 784**

Rates		
Current	5 727 519	5 333 561
31 - 60 days	2 267 894	2 391 259
61 - 90 days	890 017	958 412
91 - 120 days	778 296	760 547
121 - 150 days	530 680	657 075
> 151 days	19 864 657	21 185 569
	30 059 063	**31 286 423**

5. Prepayments

The year of renewal overlaps to the Municipality's new financial year.The municipality pre-paid for the following licenses :

Notes to the Annual Financial Statements

5. Prepayments (continued)

	2023	2022
Microsoft	384 874	-
Anti-virus	-	13 425
Exclaimer cloud	7 790	38 248
Firewall licence	-	10 167
Papercut MF print - tenable management tool to scan	6 851	45 150
Resillio sync	-	206 748
Sage licence	-	90 020
Solar winds	44 704	344 231
Cibecs perpetual	18 029	153 210
Lensweeper	5 753	43 560
Softline VIP	98 122	-
SMS Portal	505	-
Time & Attendance	-	109 995
Sophos	88 605	412 448
Managed engine audit	13 113	117 335
Turnable	-	90 936
PMS system	100 000	18 000
Total computer services system	-	14 898
Adobe Sign	18 682	-
	787 028	**1 708 371**

6. Consumer debtors

	2023	2022
Gross balances		
Electricity	24 792 673	19 329 219
Refuse	18 314 193	17 105 243
Fire levy and other	7 625 389	8 268 855
Other - Sundry debtors	3 357 281	5 820 308
	54 089 536	**50 523 625**
Less: Allowance for impairment		
Electricity	(9 647 918)	(9 603 036)
Refuse	(986 947)	(1 459 549)
Fire levy and other	(520 732)	(2 195 924)
	(11 155 597)	**(13 258 509)**
Net balance		
Electricity	15 144 755	9 726 183
Refuse	17 327 246	15 645 694
Fire levy and other	7 104 657	6 072 931
Other - Sundry debtors	3 357 281	5 820 308
	42 933 939	**37 265 116**
Electricity		
Current (0 -30 days)	15 004 978	12 453 090
31 - 60 days	7 862 299	4 422 371
61 - 90 days	241 422	263 597
91 - 120 days	136 844	143 197
121 - 365 days	145 827	122 254
> 365 days	1 401 303	1 924 710
	24 792 673	**19 329 219**

Notes to the Annual Financial Statements

	2023	2022

6. Consumer debtors (continued)

Refuse		
Current (0 -30 days)	1 750 741	1 742 793
31 - 60 days	1 135 652	1 161 231
61 - 90 days	825 307	875 674
91 - 120 days	693 873	739 379
121 - 365 days	582 874	641 583
> 365 days	13 325 746	11 944 583
	18 314 193	**17 105 243**

Fire levy and other		
Current (0 -30 days)	40 906	115 333
31 - 60 days	29 315	89 761
61 - 90 days	22 321	77 323
91 - 120 days	18 480	68 102
121 - 365 days	16 023	62 164
> 365 days	780 447	3 283 012
	907 492	**3 695 695**

Other- Sundry Debtors		
Current (0 -30 days)	199 580	460 901
31 - 60 days	342 890	290 164
61 - 90 days	274 444	391 162
91 - 120 days	234 399	450 253
121 - 365 days	68 365	345 241
> 365 days	2 237 603	3 882 521
	3 357 281	**5 820 242**

Reconciliation of allowance for impairment		
Balance at beginning of the year	(13 258 509)	(18 331 233)
Contributions to allowance	2 102 912	5 072 724
	(11 155 597)	**(13 258 509)**

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	25 295	25 295
Bank balances	56 396 188	8 805 951
Short-term deposits	75 889 011	62 175 345
	132 310 494	**71 006 591**

7. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances 30 June 2023	Bank statement balances 30 June 2022	Cash book balances 30 June 2023	Cash book balances 30 June 2022
FNB 527 2002 4258	56 277 335	8 939 036	56 396 188	8 805 951
FNB 620 4994 7825	174 334	165 944	174 334	165 944
FNB 622 9521 8947	2 000	1 129	1 999	1 129
FNB 620 6810 2682	24 836	24 176	24 836	24 176
FNB 620 8937 2868	7 314 154	27 897	7 314 154	27 897
FNB 620 8992 7663	270 753	257 845	270 753	257 845
FNB 621 9170 1476	1 380	1 661	1 380	1 661
FNB 621 0368 9230	1 017 740	990 614	1 017 741	990 614
FNB 621 9024 8221	3 238 009	3 101 263	3 238 009	3 101 263
STD BANK 308 644 085 001	120 727	113 273	120 727	113 273
NED BANK 0371 6501 3687	1 118 668	92 559	1 118 668	92 559
FNB 623 0064 1611	2 237	2 237	2 237	2 237
NED 0371 6501 3660	46 540	8 149	46 540	8 149
NED 0371 6501 4276	131 453	123 125	131 453	123 125
ABSA BANK 20-8012-4654	8 344 471	7 592 205	8 344 471	7 592 205
NED BANK 037165022295	5 209 574	15 875 111	5 209 574	15 875 111
NED BANK 0371 6502 1256	7 873 046	7 374 223	7 873 046	7 374 223
STD BANK 638 516 196-18	18 372 980	17 126 472	18 372 980	17 126 472
STD BANK 638 515 580 DOE	12 584 935	14 868 513	12 584 935	7 929 606
STD BANK 638 516 196-17	8 557 061	-	8 557 061	-
FNB 628 6690 0337	1 440 335	1 368 005	1 440 335	1 368 005
Total	**132 122 568**	**78 053 437**	**132 241 421**	**70 981 445**

The following Financial assets was held as collateral R60 000.

The bank statement balances for cash and cash equivalents is made up of main bank account and call deposits, while the cash book balances also include cash on hand. There are also reconciling items between cash book and the main account bank statement balance. Reconciling items are made up of transactions recorded in cash book not in the bank and transactions on the bank statement but not yet in the cash book as at 30 June 2023.

	2023	2022

8. Investment property

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land & Buildings	108 993 753	-	108 993 753	105 352 657	-	105 352 657

Reconciliation of investment property - 2023

	Opening balance	Disposals	Fair value adjustments	Total
Land & Buildings	105 352 657	(793 432)	4 434 528	108 993 753

Reconciliation of investment property - 2022

	Opening balance	Fair value adjustments	Total
Land & Buildings	102 284 133	3 068 524	105 352 657

Pledged as security

No assets pledged as security

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

The disposal relate to the investment property sold in 2022 financial year.The ownership was actualy transfered in 2023 in terms of the deeds office.

Details of valuation

The effective date of the revaluations was 1 July 2017. Revaluations were performed by an independent valuer, Mr Boateng [SACPVP, IAAO &GIS], of Khanyisa Property valuations. Mr Boateng is not connected to the entity and has recent experience in location and category of the investment property being valued. The valuation was based on open market value for existing use

For investment property, where there was a lack of comparable market data, the valuation was based on discounted cash flows. The following assumptions were used :

Rental revenue and interest rate increases and prevailing interest rates , Discount rate used is 4.25%.

These assumptions are based on current market conditions.

The last valuation came into effect on 1 July 2017. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations. Valuations are performed every 5 years.

Annual fair value adjustments on investment properties were performed by Minatlou Consultants.

Amounts recognised in surplus and deficit for the year.

	2023	2022
Rental revenue from investment property	3 090 164	4 250 144
Direct operating expenses from rental generating property	1 616 009	1 638 641

9. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	125 416 873	(94 922 675)	30 494 198	124 893 488	(93 909 984)	30 983 504
Motor vehicles	22 342 280	(16 238 854)	6 103 426	19 274 109	(14 814 054)	4 460 055
Infrastructure	750 969 110	(420 363 540)	330 605 570	728 086 930	(394 614 078)	333 472 852
Community	264 703 758	(118 746 814)	145 956 944	256 560 136	(113 760 521)	142 799 615
Other property, plant and equipment	53 183 890	(41 253 738)	11 930 152	51 666 073	(37 853 155)	13 812 918
Capital work in progress infrastructure	177 208 815	-	177 208 815	119 071 865	-	119 071 865
Capital work in progress community	92 527 400	-	92 527 400	100 671 023	-	100 671 023
Total	**1 486 352 126**	**(691 525 621)**	**794 826 505**	**1 400 223 624**	**(654 951 792)**	**745 271 832**

9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Reclassification	Other changes, movements	Depreciation	Impairment loss	Total
Land and Buildings	30 983 504	-	-	523 385	-	-	(1 012 691)	-	30 494 198
Motor vehicles	4 460 055	4 208 186	(108 842)	-	-	-	(2 455 973)	-	6 103 426
Infrastructure	333 472 852	-	-	22 882 181	-	-	(25 749 462)	-	330 605 570
Community	142 799 615	-	-	8 143 623	-	-	(4 986 293)	-	145 956 944
Other property, plant and equipment	13 812 918	3 780 921	(527 206)	-	716 318	-	(5 793 026)	(59 774)	11 930 152
Capital work in progress infrastructure	119 071 865	82 711 050	-	(23 405 566)	(716 318)	(452 216)	-	-	177 208 815
Capital work in progress community	100 671 023	-	-	(8 143 623)	-	-	-	-	92 527 400
	745 271 832	**90 700 157**	**(636 048)**	**-**	**-**	**(452 216)**	**(39 997 445)**	**(59 774)**	**794 826 505**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Transfers received	Transfers	Other changes, movements	Depreciation	Total
Land and Buildings	32 001 177	-	-	-	-	(1 017 673)	30 983 504
Motor vehicles	7 061 826	320 285	-	-	-	(2 922 056)	4 460 055
Infrastructure	317 828 758	-	51 173 823	-	(9 603 724)	(25 926 005)	333 472 852
Community	140 401 653	-	7 828 087	-	-	(5 430 125)	142 799 615
Other property, plant and equipment	21 823 835	129 152	-	775 168	-	(8 915 237)	13 812 918
Capital work in progess infrastructure	75 771 983	94 473 705	(51 173 823)	-	-	-	119 071 865
Capital work in progess community	95 941 371	12 557 739	(7 828 087)	-	-	-	100 671 023
	690 830 603	**107 480 881**	**-**	**775 168**	**(9 603 724)**	**(44 211 096)**	**745 271 832**

Notes to the Annual Financial Statements

	2023	2022

9. Property, plant and equipment (continued)

Pledged as security

Assets were not pledged as security.

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.

Actual cash received from the sale of PPE is R715 543 on disposal of assets, remaining balance is still receivable.

Reconciliation of Work-in-Progress 2023

	Included within Infrastructure	Included within Community	Buildings	Total
Opening balance	119 071 865	100 671 023	-	219 742 888
Additions/capital expenditure	60 649 852	22 061 199	-	82 711 051
Other movements-Expensed or Re classified costs	-	(1 168 534)	-	(1 168 534)
Transferred to completed items	(22 882 181)	(8 143 623)	(523 385)	(31 549 189)
	156 839 536	**113 420 065**	**(523 385)**	**269 736 216**

Reconciliation of Work-in-Progress 2022

	Included within Infrastructure	Included within Community	Total
Opening balance	75 771 983	95 941 371	171 713 354
Additions/capital expenditure	94 473 705	12 557 739	107 031 444
Transferred to completed items	(51 173 823)	(7 828 087)	(59 001 910)
	119 071 865	**100 671 023**	**219 742 888**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Employee related costs	-	7 254 878
Contracted services	18 491 238	12 664 266
	18 491 238	**19 919 144**

10. Intangible Assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3 495 781	(2 443 125)	1 052 656	3 495 781	(2 162 036)	1 333 745

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software	1 333 745	(281 089)	1 052 656

10. Intangible Assets (continued)

Reconciliation of intangible assets - 2022

	Opening balance	Other changes, movements	Amortisation	Total
Computer software	1 615 332	(10)	(281 577)	1 333 745

Pledged as security

None of intangible assets pledged as security.

The register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

11. Heritage assets

	2023			2022		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Statue	954 000	-	954 000	954 000	-	954 000
Museum	1 112 400	-	1 112 400	1 112 400	-	1 112 400
Total	**2 066 400**	-	**2 066 400**	**2 066 400**	-	**2 066 400**

Reconciliation of heritage assets 2023

	Opening balance	Total
Statue	954 000	954 000
Museum	1 112 400	1 112 400
	2 066 400	**2 066 400**

Reconciliation of heritage assets 2022

	Opening balance	Total
Statue	954 000	954 000
Museum	1 112 400	1 112 400
	2 066 400	**2 066 400**

No impairment loss that is recognised during the current financial year.

Notes to the Annual Financial Statements

	2023	2022

12. Payables from exchange transactions

Trade payables	9 581 499	2 975 825
Unallocated deposits	15 320 417	15 154 130
Accrued leave pay	9 954 822	9 498 184
Other payables	23 146	23 146
Debtors with credit balances non- exhange and exchange services	7 508 965	6 560 538
Retentions	13 724 981	5 040 573
Creditor accruals	11 005 308	5 306 981
	67 119 138	**44 559 377**

13. VAT payable

Vat payable	11 640 971	8 302 734

14. Consumer deposits

Electricity	5 510 934	4 429 702

15. Retirement benefits and long term service awards

Defined benefit plan

The plan is a post employment medical benefit plan.

The amounts recognised in the statement of financial position are as follows:

Non-current liabilities	25 607 999	29 622 999
Current liabilities	1 959 000	1 737 000
	27 566 999	**31 360 000**

Post employment health care benefits

Opening balance	(23 565 000)	(22 325 000)
Net actuarial gains pr (losses) recognised	7 374 000	1 726 000
Current service costs	(1 299 000)	(1 278 000)
Interest cost	(2 760 999)	(2 264 000)
Contributions by employer	547 000	576 000
	(19 703 999)	**(23 565 000)**

Long service awards

Opening balance	(7 795 000)	(7 471 005)
Net actuarial gains or (losses) recognised	391 000	168 000
Current service costs	(844 000)	(843 000)
Interest cost	(805 000)	(657 000)
Contributions by employer	1 190 000	1 008 005
	(7 863 000)	**(7 795 000)**

15. Retirement benefits and long term service awards (continued)

PeHCL report

Assumptions used at the reporting date:

Post-Employment Medical Aid subsidy liability

Key Financial Assumptions

Table 5.1 summarises the key financial assumptions used for the liabilities at the Valuation Date and the expense figures for the ensuing year. The next contribution rate increase was assumed to occur at 1 January 2024. The next increase to the maximum subsidy was assumed to occur with effect from 1 July 2024.

Table 5.1: Key financial assumptions

Assumption	Value p.a.
Discount rate	12.57%
Health care cost inflation rate	8.1%
Net-of-health-care-cost-inflation discount rate	4.07%
Maximum subsidy inflation rate	5.75%
Net-of-maximum-subsidy-inflation discount rate	6.45%

Key Demographic Assumptions

Table 5.2 summarises the key demographic assumptions used.

Key demographic assumptions

Assumption	Value
Average retirement age	62
Continuation of membership at retirement	75%
Proportion with a spouse dependant at retirement	60%
Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy thereafter	25%
Mortality during employment	SA 85-90
Mortality post-employment	PA(90) -1 with a 1% mortality improvement p.a. from 2010
Withdrawal from service (sample annual rates)	See Table A4.2

Accrued Liability (R millions)

Category	2023/06/30	2022/06/30
In-service members	10.587	12.505
In-service non-members	4.597	5.172
Total in-service	15.184	17.677
Continuation members	4.520	5.888
Total accrued liability	19.704	23.565
Value of assets	0.000	0.000
Total unfunded accrued liability	19.704	23.565
Expected current portion of liability (payable within 12 months)	0.464	0.547
Expected non-current portion of liability (payable thereafter)	19.240	23.018

	2023	2022

15. Retirement benefits and long term service awards (continued)

Comparison of assumptions

Assumption	30/06/2023	30/06/2022
Discount rate	12.57%	11.85%
Health care cost inflation rate	8.17%	8.46%
Net-of-health-care-cost-inflation discount rate	4.07%	3.13%
Maximum subsidy inflation rate	5.75%	5.97%
Net-of-maximum-subsidy-inflation discount rate	6.45%	5.55%
Average retirement age	62	
Mortality during employment	SA 85-90	
Mortality post-employment	PA(90) -1 with a 1% mortality improvement p.a from 2010	
Withdrawal rates	Updated per Table A4.2	
Proportion with a spouse dependant at retirement	60%	
Continuation of membership at retirement	75%	
Proportion of eligible in-service non-members joining a scheme by retirement and continuing with the subsidy at and after retirement ("take-up rate")	25%	

Table 7.1: Sensitivity Analysis on the Accrued Liability (R Millions)

Assumption	Change	Eligible Employees	Continuation members	Total	Change
Central assumptions		15.184	4.520	19.704	
Health care inflation rate	+1%	16.671	4.688	21.359	8%
	-1%	13.362	4.313	17.675	-10%
Discount rate	+1%	12.958	4.208	17.166	-13%
	-1%	17.992	4.876	22.868	16%
Post-employment Mortality	+1 yr	14.848	4.383	19.231	-2%
	-1 yr	15.510	4.656	20.166	2%
Average retirement age	+1 yr	16.691	4.520	21.211	7%
Continuation of membership at retirement	-10%	13.208	4.520	17.728	-10%

Table A4.2: Withdrawal rates

This Valuation		
Age	Females	Males
20	9%	9%
25	8%	8%
30	6%	6%
35	5%	5%
40	5%	5%
45	4%	4%
50	3%	3%
55	0%	0%
> 55	0%	0%

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Amounts for the current and previous four years are as follows:

	2023	2022

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

	2023	2022
Unspent conditional grants and receipts		
Furniture world	226 413	226 413
Horseshoe Township	1 591 217	1 591 217
IDP Community Participation	69 019	69 019
Industrial Park	177 382	177 382
Peoples Housing Project 12 and 13	26 702	26 702
Shayamoya Eco- Complex	1 031 743	1 031 743
Small Town Rehabilitation	95 508	95 508
Building plans	1 193	1 193
Cultural Village	858 549	858 549
Sports & Recreation	20 806	20 806
Massification	41 352	41 352
Greenest Municipality	178 710	178 710
SETA	416 756	111 223
Smart city development strategy	896 813	349 063
Housing Account	2 226 398	2 693 248
DOT - Department of Transport Grant	15 375 000	-
	23 233 561	**7 472 128**

17. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Reversed during the year	Total
Landfill site	15 273 578	1 475 702	(1 700 738)	15 048 542
Provision for performance bonus	1 761 153	569 563	(1 761 153)	569 563
	17 034 731	**2 045 265**	**(3 461 891)**	**15 618 105**

Reconciliation of provisions - 2022

	Opening Balance	Additions	Reversed during the year	Total
Landfill site	16 433 545	1 231 706	(2 391 673)	15 273 578
Provision for performance bonus	2 082 395	1 761 153	(2 082 395)	1 761 153
	18 515 940	**2 992 859**	**(4 474 068)**	**17 034 731**

	2023	2022
Non-current liabilities	15 048 542	15 273 578
Current liabilities	569 563	1 761 153
	15 618 105	**17 034 731**

Performance bonuses are paid one year in arrear as the assessment of eligible employees had not taken place at the reporting date.

	2023	2022

18. Deferred income

Electricity Units purchases unused	1 890 506	923 393
Sale of land	1 330 630	2 429 130
	3 221 136	**3 352 523**

Deferred Income relates to unused electricity credits .
Income was received for the sale of land which the risks and rewards are still with the municipality.This refers to:
-Erf 2291
-Erf 4684

19. Service charges

Sale of electricity	172 667 066	170 943 799
Refuse removal	18 824 218	22 141 883
Other services charges	2 803 761	2 795 588
	194 295 045	**195 881 270**

20. Rental of facilities and equipment

Premises		
Rental of facilities	3 090 164	4 449 404

21. Licences and permits

Testing ground and licensing	4 582 292	5 307 608

22. Other income

Other income	1 703 642	702 263

23. Investment revenue

Interest revenue		
Interest earned - external investments	7 437 441	3 611 356

24. Property rates

Actual

Residential	51 192 924	43 866 672
Commercial	39 271 966	35 720 633
Public benefit organisations	1 235 363	-
Government	60 556 016	58 447 884
Industrial	12 199 437	13 541 237
Agriculture	12 991 286	12 271 747
Sectional titles	1 509 160	2 701 207
Less: Income forgone	(46 798 038)	(36 958 076)
	132 158 114	129 591 304
Interest received - outstanding receivables	4 916 111	6 191 098
	137 074 225	**135 782 402**

Notes to the Annual Financial Statements

	2023	2022

24. Property rates (continued)

Valuations

	2023	2022
Residential	3 106 165 400	3 046 512 900
Commercial	1 183 950 500	1 176 897 500
Public benefit organisation	73 342 500	73 342 500
Municipal Properties	569 784 000	551 011 500
Government	1 478 504 500	1 489 265 500
Industrial	357 751 000	409 086 500
Agricultural	3 498 105 039	3 527 186 539
Public service infrastructure	27 680 450	24 198 950
Place of worship	121 468 500	117 707 000
	10 416 751 889	**10 415 208 889**

Category Of Owner	House hold Income from and to	Age from and to	Percentage Rebate
Indigent persons	Nil	Amount Equal to 2 state pensions	100%
Child headed households	Nil	Amount Equal to 2 state pensions	100%
Pensioner or Retiree or Disabled person or Medically boarded	60 – 65 years	60 – 65 years	55%
Pensioner or Retiree or Disabled person	66 – 70 years	66 – 70 years	75%
Pensioner or Retiree or Disabled person	71 years and above	71 years and above	100%

25. Government grants and subsidies

	2023	2022
Operating grants		
Equitable share	75 091 000	68 350 000
Financial Management Grant	1 750 000	1 749 517
SETA	-	124 441
Municipal Award Excellence	1 000 000	-
Expanded Public Works Programme	4 266 000	4 628 000
Smart City Development Strategy Grant	452 250	120 750
Arts and Culture	4 305 000	3 037 000
Transport	-	597 209
	86 864 250	**78 606 917**
Capital grants		
Intergrated National Electrification Programme	33 500 000	23 538 000
Municipal Infrastructure Grant	19 214 000	18 073 000
Informal economic trader stalls	-	4 483 795
Housing account	23 173 744	43 779 667
Greenest city	-	196 290
Cultural village	-	32 700
	75 887 744	**90 103 452**
	162 751 994	**168 710 369**

Equitable Share

In terms of the Constitution this grant is used to subsidise the provision of basic services to indigent community members:

	2023	2022
Conditional grants received	75 091 000	68 350 000
Unconditional grant spent	(75 091 000)	(68 350 000)

	2023	2022

25. Government grants and subsidies (continued)

	-	-

Financial Management Grant

Current-year receipts	1 750 000	1 750 000
Conditions met - transferred to revenue	(1 750 000)	(1 750 000)
	-	-

Conditions still to be met - remain liabilities (see note 16).

This grant is used for upgrading and maintenance of Sport field.

SETA Grant

Balance unspent at beginning of year	111 223	235 665
Current-year receipts	305 533	(124 442)
	416 756	**111 223**

Conditions still to be met - remain liabilities (see note 16).

Municipal Award Excellence

Current-year receipts	1 000 000	-
Conditions met - transferred to revenue	(1 000 000)	-
	-	-

EPWP Grant is used to expand job creation efforts in specific focus areas where labour intensive delivery methods can be measured

Expanded Public Works Programme

Current-year receipts	4 266 000	4 628 000
Conditions met - transferred to revenue	(4 266 000)	(4 628 000)
	-	-

This grant is used for implementation of MFMA, finance reforms and payment of intern's salaries.

Smart City Development Strategy

Balance unspent at beginning of year	349 062	469 812
Current-year receipts	1 000 000	-
Conditions met - transferred to revenue	(452 250)	(120 750)
	896 812	**349 062**

Conditions still to be met - remain liabilities (see note 16).

Notes to the Annual Financial Statements

	2023	2022

25. Government grants and subsidies (continued)

Arts and Culture

Current-year receipts	4 305 000	3 037 000
Conditions met - transferred to revenue	(4 305 000)	(3 037 000)
	-	-

Conditions still to be met - remain liabilities (see note 16).

KZN Transport

Current-year receipts	-	597 209
Conditions met - transferred to revenue	-	(597 209)
	-	-

Conditions still to be met - remain liabilities (see note 16).

Intergrated National Electrification programme

Current-year receipts	33 500 000	23 538 000
Conditions met - transferred to revenue	(33 500 000)	(23 538 000)
	-	-

Conditions still to be met - remain liabilities (see note 16).

The Grant is used to provided on the job training for the youth , capacitating them for job readiness .

Municipali infrastructure grant

Current-year receipts	19 214 000	18 073 000
Conditions met - transferred to revenue	(19 214 000)	(18 073 000)
	-	-

Conditions still to be met - remain liabilities (see note 16).

Provide explanations of conditions still to be met and other relevant information.

Informal economic trade stalls

Balance unspent at beginning of year	-	4 483 795
Conditions met - transferred to revenue	-	(4 483 795)
	-	-

Housing Account

Balance unspent at beginning of year	2 693 248	2 693 248
Current-year receipts	22 706 894	-
Conditions met - transferred to revenue	(23 173 744)	-
	2 226 398	**2 693 248**

Conditions still to be met - remain liabilities (see note 16).

Provide explanations of conditions still to be met and other relevant information.

	2023	2022

25. Government grants and subsidies (continued)

Greenest City

Balance unspent at beginning of year	178 710	375 000
Conditions met - transferred to revenue	-	(196 290)
	178 710	**178 710**

Conditions still to be met - remain liabilities (see note 16).

Cultural village

Balance unspent at beginning of year	858 549	891 248
Conditions met - transferred to revenue	-	(32 699)
	858 549	**858 549**

Conditions still to be met - remain liabilities (see note 16).

Grant is used to boost local economic tourism and environment.

Intergrated Development Plan

	69 019	69 019

Conditions still to be met - remain liabilities (see note 16).

The Grant is used to provided on the job training for the youth , capacitating them for job readiness

Furniture world

Balance unspent at beginning of year	226 413	-
Current-year receipts	-	226 413
	226 413	**226 413**

This grant is used for for road infrastructure as part of upgrading of infrastructure projects.

Horseshoe Township

Balance unspent at beginning of year	1 591 217	1 591 217

This grant is used for development in town like upgrading sidewalks, parkings and storm water drainage.

Light Industrial Park

Balance unspent at beginning of year	177 382	177 382

Conditions still to be met - remain liabilities (see note 16).

People Housing Project 12 and 13

Balance unspent at beginning of year	26 702	26 702

Conditions still to be met - remain liabilities (see note 16).

This grant is used for the provision of staffing costs for Library services within the Municipality.

Notes to the Annual Financial Statements

	2023	2022

25. Government grants and subsidies (continued)

Shayamoya Eco-Complex

Balance unspent at beginning of year	1 031 743	31 743
Current-year receipts	-	1 000 000
	1 031 743	**1 031 743**

Conditions still to be met - remain liabilities (see note 16).

This grant is for IDP compilation and processes.

Small Town Rehabilitation

Balance unspent at beginning of year	95 508	95 508

Conditions still to be met - remain liabilities (see note 16).

Building plans and management systems

Balance unspent at beginning of year	1 193	1 193

Conditions still to be met - remain liabilities (see note 16).

Provide explanations of conditions still to be met and other relevant information.

Massification Grant

Balance unspent at beginning of year	41 352	41 352

Conditions still to be met - remain liabilities (see note 16).

This grant is used to boost the local tourism sector.

Sport and Recreation

Balance unspent at beginning of year	20 806	20 806

Conditions still to be met - remain liabilities (see note 16).

Provide explanations of conditions still to be met and other relevant information.

DOT- Department of Transport Grant

Current-year receipts	15 375 000	-

Conditions still to be met - remain liabilities (see note 16).

26. Fines, Penalties and Forfeits

Fines	3 186 850	1 455 500
Illegal Connections Fines	120 430	88 420
Overdue Books Fines	12 040	-
	3 319 320	**1 543 920**

Notes to the Annual Financial Statements

	2023	2022

27. Employee related costs

Basic	91 348 400	92 991 788
Bonus	6 851 712	6 963 484
Medical aid - company contributions	6 898 911	6 140 952
UIF	729 318	760 277
SDL	1 262 457	1 224 568
Leave pay provision	4 323 218	2 968 501
Pension fund	16 833 886	15 806 427
Travel, motor car, accommodation, subsistence and other allowances	5 356 622	6 031 768
Overtime payments	6 792 005	6 307 480
Housing benefits and allowances	1 127 551	1 509 833
Performance bonus Provision	569 563	1 761 153
Interest on post employment benefits	3 566 000	2 921 000
Current Service Cost	2 143 000	2 121 000
	147 802 643	**147 508 231**

Remuneration of Municipal Manager

Annual Remuneration	715 887	922 637
Car Allowance	288 391	290 000
Performance Bonuses	58 000	54 000
Contributions to UIF, Medical and Pension Funds	120 000	120 000
Other	99 122	79 465
Back pay	26 612	-
	1 308 012	**1 466 102**

Remuneration of Chief Financial Officer

Annual Remuneration	550 664	509 155
Car Allowance	122 993	216 818
Performance Bonuses	-	46 210
Contributions to UIF, Medical and Pension Funds	67 353	112 642
Other	129 364	133 439
Back pay	5 378	-
Leave paid/Lumpsum	426 818	-
	1 302 570	**1 018 264**

Remuneration of Community Services Executive Manager 01/07/2022-30/11/2022

Annual Remuneration	353 721	859 828
Car Allowance	71 077	158 435
Performance Bonuses	16 000	48 000
Contributions to UIF, Medical and Pension Funds	34 602	67 200
Other	38 120	63 339
Back pay	24 086	-
Leave paid	189 531	-
	727 137	**1 196 802**

Remuneration of Infrastructure Planning and Development Executive Manager

Annual Remuneration	-	91 926
Car Allowance	-	15 410
Other	-	177 735
	-	**285 071**

	2023	2022

27. Employee related costs (continued)

Remuneration of Corporate Services Executive Manager : 01/07/2022-02/04/2023

	2023	2022
Annual Remuneration	622 404	680 078
Car Allowance	107 735	196 551
Performance Bonuses	32 000	-
Contributions to UIF, Medical and Pension Funds	60 124	136 834
Other	93 041	183 339
Back pay	24 086	-
Leave paid/Lumpsum	495 409	-
	1 434 799	**1 196 802**

Remuneration of Economic Development & Spatial Planning Executive Manager

	2023	2022
Annual Remuneration	699 075	772 617
Car Allowance	158 275	139 138
Contributions to UIF, Medical and Pension Funds	173 417	191 709
Other	146 737	93 339
Back pay	24 087	-
	1 201 591	**1 196 803**

28. Remuneration of councillors

	2023	2022
Mayor	744 575	891 679
Deputy Mayor	574 553	721 415
Speaker	624 249	635 539
Councillors	4 203 884	3 742 560
Councillors' allowances	1 084 102	1 054 377
Councillors' pension and medical contributions	876 038	561 384
	8 107 401	**7 606 954**

29. Repairs and maintenance

	2023	2022
Repairs and maintenance	7 044 974	4 693 154

30. Depreciation and amortisation

	2023	2022
Property, plant and equipment	39 997 445	44 211 095
Intangible assets	281 089	281 577
	40 278 534	**44 492 672**

31. Debt impairment

	2023	2022
Debt written off	10 783 741	17 889 881

32. Bulk purchases

	2023	2022
Electricity - Eskom	136 497 112	117 540 518

Notes to the Annual Financial Statements

	2023	2022

33. Contracted services

Financial Management Systems	6 489 062	5 726 237
Legal Advice and Litigation	3 902 483	6 956 391
Professional Services	4 880 617	2 912 994
Valuation services	-	244 496
Security services	11 987 348	11 400 034
Burial services	-	373 065
Research and Advisory	953 345	808 838
	28 212 855	**28 422 055**

34. General expenses

Advertising	1 734 429	1 652 981
Auditors remuneration	3 025 494	1 904 788
Bank charges	587 806	569 043
Third party Commision	1 574 515	1 487 103
Materials maintenance	16 961 200	12 715 969
Departmental electricity consumption	535 569	398 063
Collection costs	7 702 368	9 397 280
Bursaries	100 000	6 912
Stocks and materials	4 799 502	5 049 763
Staff wellness	315 294	306 558
Insurance	1 988 091	1 563 245
Conferences and seminars	1 119 400	1 988 820
Pound management fees	286 000	280 000
ICT services	4 425 903	3 930 591
Rentals buildings and vehicles	325 481	716 159
Subscription & memberships	2 374 267	2 285 606
Fuel and oil	5 498 703	3 788 310
Postage and courier	294 904	453 397
Telephone and fax	3 350 216	2 041 209
Training	477 200	318 334
Travel and accommodation	1 303 321	999 945
Uniforms	2 836 017	2 331 657
Licence fees	467 123	484 412
Other expenses	4 029 418	5 695 145
	66 112 221	**60 365 290**

Notes to the Annual Financial Statements

35. Cash generated from operations

	2023	2022
Surplus	86 745 628	92 186 394
Adjustments for:		
Depreciation and amortisation	40 278 534	42 965 785
Donation	-	775 168
Recovery on provision for debtors	(4 444 352)	351 412
Impairment of debtors provision	915 609	-
Fair value adjustments	(4 434 528)	(3 068 524)
Impairment loss	59 774	-
Debts written off	10 783 741	17 889 881
Movements in retirement benefit assets and liabilities	3 793 000	1 563 995
Movements in provisions	1 416 626	1 481 209
Gain on actuarial	(7 765 000)	(4 285 673)
loss on sale	330 980	9 603 724
Current service costs	2 143 000	2 121 000
Recovery for provision debtors	-	(4 164 762)
Gain on landfill site	(1 700 738)	(2 391 673)
Performance bonus addition non cash	569 563	1 761 153
Recognition deferred revenue	-	923 393
Interest on post employment benefits	(3 566 000)	2 921 000
Leave accrual adjustment	(4 323 218)	2 979 750
Provision recovery	(1 761 153)	(2 082 395)
Changes in Working Capital		
Inventory	(206 452)	392 492
Trade and other receivables	(5 668 823)	493 873
Fines recovery	-	(108 941)
Prepayments	921 342	(1 732 162)
Payables from exchange transactions	2 737 603	(15 893 859)
Receivables Non-Exch Rates	-	(13 232 467)
Unspent conditional grants and receipts	15 761 433	(2 730 718)
Consumer deposits	637 850	(73 809)
VAT payable	(3 338 237)	5 260 150
Deferred income	131 386	-
Receivables from Non-Exchange	(3 262 473)	58 723
	126 755 095	**131 001 702**

Notes to the Annual Financial Statements

	2023	2022

36. Commitments

Already contracted for but not provided for		
• Infrastructure	60 626 486	33 096 574
• Community	50 564 554	61 998 200
	111 191 040	**95 094 774**

Total capital commitments		
Already contracted for but not provided for	111 191 040	95 094 774

Total commitments

Total commitments		
Authorised capital expenditure	111 191 040	95 094 774

This committed expenditure relates to plant and equipment and infrastructure projects and will be financed by available bank facilities, accumulated surpluses, existing cash resources, funds internally generated, etc.

Funding

Expenditure will be financed from

Government Grants	85 884 153	91 887 137
Own revenue	25 306 887	3 207 637
	111 191 040	**95 094 774**

Commitments		
Operational	18 499 233	7 748 853
Capital	92 691 807	87 345 921
	111 191 040	**95 094 774**

	2023	2022

37. Contingencies

CONTINGENT LIABILITY

EG SCRAP VS GREATER KOKSTAD MUNICIPALITY

This matter is a damages claim arising from unlawful closure of the Applicants business (EG Scrap). Management estimate of financial exposure as at 30 June 2023. Contingent liability (Claimed against GKM) is R700 000.00

LWANIK VS GREATER KOKSTAD MUNICIPALITY

The matter stems from an alleged breach of contract by the Municipality has unilaterally cancelled the contract between the parties without giving Lwanik Group appropriate notice. The applicant has issued a letter of demand. Management estimate of financial exposure as at 30 June 2023. Contingent liability (Claimed against GKM) is R168 000.00

QHOLO VS GREATER KOKSTAD MUNICIPALITY

A letter of demand was received by the municipality. It is alleged that the municipality failed to pay Qholo Projects after they have affected delivery of the swing bins as per their contracts. Management estimate of financial exposure as at 30 June 2023. Contingent liability (Claimed against GKM) is R150 000.00

GREATER KOKSTAD MUNICIPALITY VS ANDIMAHLE TRADING

Andimahle was appointed for the construction of Jim Payne sports complex, They are claiming for work done which we disagree with the amount and the matter was referred to the adjudication. The adjudicator delivered a determination in terms of which the Municipality was ordered to pay Andimahle approximately R9.1 million. Municipality was dissatisfied with the order and ought to procced to arbitration. Andimahle have accepted the Municipalities statement of Defence tender. The parties are now disputing the issue of costs and interest. Management estimate of financial exposure as at 30 June 2023. Contingent liability (Claimed against GKM) is R1 500 000.00

KOKSTAD PRIVATE HOSPITAL VS GREATER KOKSTAD MUNICIPALITY

Kokstad private hospital has sued GKM for an amount of R1 349 401.29 with regards to the payment of property rates for F274. Management estimate of financial exposure as at 30 June 2023. Contingent liability (Claimed against GKM) is R1 349 401.29

SIBIYA VS GREATER KOKSTAD MUNICIPALITY

Sibiya is suing Municipality for damages under vicarious liability. Management estimate of financial exposure as at 30 June 2023. Contingent liability (Claimed against GKM) is R100 000.00

UYABONWA SECURITY SERVICES VS GREATER KOKSTAD MUNICIPALITY

In this matter taxation was part heard as the reserved of 25th June 2019 were not dealt with by the judgement. We are still communicating with the applicants attorneys in order to address the issue of whether an application should be brought or whether the application should be bought or whether they agree that the costs be taxed. Amount claimable R349 511.08

KRAAI VS GREATER KOKSTAD MUNICIPALITY

Kraai was dismissed and he is seeking reinstatement. Labour review application 122 403.50.

MBOMBO VS GREATER KOKSTAD MUNICIPALITY

Miss T. Mbombo was dismissed, and she took the Municipality to CCMA for unfair labour practice. The arbitration set on 22 and 23 November 2021 at CCMA and finalised. The municipality was ordered to pay her out and she declined and referred the matter to the Labour court. An award was issued on 13 December 2021 in her favour. The municipality was instructed to pay her an amount of R71 666.64 with 14 days of receiving or becoming aware of the award. Miss Mbombo rejected the award and took the matter for review in the Labour Court. She wanted the municipality to employ her.

RATE PAYER ASSOCIATION VS GREATER KOKSTAD MUNICIPALITY

37. Contingencies (continued)

The municipality embarked on a court case instituted by the rate payers association, in dispute was rates increases for 2019/2020. The judgement was handed down on the 3 March 2023. The Judge had directed to file a supplementary affidavit in the form of report to the Honourable Court on a date not less three months after date of the order. The report was to also detail if there are any monies due to rate payers. The municipality had embarked to calculate the above and is of the view no monies are due rate payers. This is also supported by the fact that rate payers were invited in the budget roadshows for the 2023/2024 and no objections were from stakeholders. As matter of principal the municipality has filed a leave to appeal at Supreme Court of Appeal were Cogta is also a respondent in support of the municipality.

CONTINGENCY ASSETS

KIBO LODGE VS GREATER KOKSTAD MUNICIPALITY

GKM suing Kibo Lodge CC an amount proximately R104 698.00 for Municipality Rates. Management estimate of financial exposure as at 30 June 2023. Contingent asset (GKM claiming) is R104 698.00

FEZ VS GREATER KOKSTAD MUNICIPALITY

The matter is breach of a construction contract , summons has been issued and served , and the matter is defended. Management estimate of financial exposure as at 30 June 2023. Contingent asset (GKM claiming) is R1 000 000.00

NDEVU VS GREATER KOKSTAD MUNICIPALITY

GKM instituted legal action against Ms.Ndevu claiming an amount consequent to embezzlement. Management estimate of financial exposure as at 30 June 2023. Contingent asset (GKM claiming) is R128 222.00.

38. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by it. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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.

At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	67 119 139	-	-	-

	2023	2022

38. Risk management (continued)

Maximum credit risk exposure

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.

Market risk

Interest rate risk

As the municipality has interest-bearing assets such as investments , the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

39. Irregular expenditure

	2023	2022
Opening balance as previously reported	61 788 741	71 380 942
Irregular expenditure current year	9 912 707	21 906 889
Subtotal	**71 701 448**	**93 287 831**
Less: Amount written off - current	-	(31 499 090)
Irregular expenditure awaiting for condonment	**71 701 448**	**61 788 741**

Expenditure identified in the current year include those listed below:

	2023	2022
BAC Improperly Constituted	4 771 081	10 178 785
Local content	2 027 438	1 977 408
Non compliance with SCM regulations	3 114 188	9 750 695
	9 912 707	**21 906 888**

40. Fruitless and wasteful expenditure

	2023	2022
Opening balance as previously reported	823 200	450 768
Add: Fruitless and wasteful expenditure - current year	-	372 432
	-	-
Closing balance	**823 200**	**823 200**

41. Deviation from supply chain management regulations

	2023	2022
Original dealer	1 974 432	443 082
Emergency	1 080 015	1 070 581
Impossible to follow the SCM process	1 338 887	1 932 434
Total Section 36 deviations for the financial year	**4 393 334**	**3 446 097**

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements. The majority of items mentioned had to be addressed in short notice and the response times did not allow for the complete procurement process.

	2023	2022

41. Deviation from supply chain management regulations (continued)

Approval of ratification of minor breach of procoment prosesses.

42. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	1 582 595	1 541 339
Amount paid - current year	(1 582 595)	(1 541 339)
	-	-

Audit fees

Current year subscription / fee	3 025 494	1 917 788
Amount paid - current year	(3 025 494)	(1 917 788)
	-	-

PAYE, UIF & SDL

Current year subscription / fee	21 719 121	22 666 486
Amount paid - current year	(21 719 121)	(22 666 486)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	33 577 135	34 234 991
Amount paid - current year	(33 577 135)	(34 234 991)
	-	-

Councillors' arrear consumer accounts

No Councillors had arrear accounts outstanding at 30 June 2023.

43. Electricity losses

The Municipality's electricity losses are due to the following technical and non-technical reasons:

- Old electrical infrastructure.

- Small electrical cables as compared to the amount of load being carried.

- Too many joints on the cables.

- Electricity tempering/by passing.

- Faulty daylight switchess that keeps lights on 24/7.

2023

The municipality has identified electricity losses in units 8 683 631.37 with an estimated value of R 13 378 436.67 that equates to 12%. The drastic increase in elecricity losses for the current is as a result of the following issues:

2022

43. Electricity losses (continued)

The municipality has identified electricity losses in units 5 330 588.31 with an estimated value of R 7 641 931.40 that equates to 6%.

44. In Kind assistance

The municipality received in kind assistance from Provincial Treasury

- SCM compliance assessment

- SCM bid committee training

45. Events after the reporting date

There were no material non-adjusting events that came to the attention of management after the reporting date.

46. Budget Variance Explanation

1. **Service Charges:**Variance is due to new developments such a reginal Mall and electrification of informal and formal settlements in Kokstad resulting in a increase in electricity consumption.

2. **Service Charges elecricity** : The decrease is due to load shedding resulting in low consumption of prepaid electricity.

3. **Removal of Refuse**: The decrease is due special additional special applications for indigent that were approved after the adjustment budget has been adopted. There were inactive accounts during the year under review

4. **Service Charges Other revenue** : Unrealised proceeds on disposal of assets through auction.

5. **Rental of Facilities**: Renewal of contracts for tenants who had expired contracts for longer period.

6. **Interest on investments**: There was a repo rate hike on investment that automatically affected interest income.

7. **Interest on debtors**: Its due to write offs on debtors outstanding balances, such as indigent.

8. **Transfers and Subsidies**: Human settlement grant is allocated on accrual basis on actual expenditure while the budgeting is done on allocation.

9. **Employee costs**: The employee cost is below the budget due to number of vacancies that are not filled.

10. **Remuneration of councillors**: Annual expenditure is as per Upper Limit gazzette approved by the MEC. Which at the time of approval of budget is not available.

11. **Debt Impairment**: Additional indigent beneficial were added after the original was approved in addiction council has undertaken debts cleansing exercise that has resulted in a decrease in number of residential customers that owe the municipality.

12. **Bulk purchases**: The decrease is due to load shedding which has resulted to decrease on consumption and purchase.

13. **General Expenditure**: The expenditure is below the budget due to implementation of cost containment measures instituted by the Greater Kokstad Municipality.

14. **Staff Training:** The expenditure is less due to cost containment measures instituted by GKM, the municipality prioritise inhouse trainings.

47. Financial instruments disclosure

Categories of financial instruments

2023

	2023	2022

47. Financial instruments disclosure (continued)

Financial assets

	At cost	Total
Receivables from non-exchange transactions	38 701 494	38 701 494
Receivables from exchange transactions	39 576 658	39 576 658
Cash and cash equivalents	132 310 494	132 310 494
	210 588 646	**210 588 646**

Financial liabilities

	At amortised cost	Total
Consumer deposits	5 510 934	5 510 934
Unspent conditional grants	23 233 561	23 233 561
Trade and other payables from exchange transactions	67 119 139	67 119 139
	95 863 634	**95 863 634**

2022

Financial assets

	At cost	Total
Receivables from non-exchange transactions	37 901 986	37 901 986
Receivables from exchange transactions	31 444 806	31 444 806
Cash and cash equivalents	71 006 591	71 006 591
	140 353 383	**140 353 383**

Financial liabilities

	At amortised cost	Total
Compound instruments	4 429 702	4 429 702
Loans from economic entities	7 472 128	7 472 128
Loans from shareholders	44 559 377	44 559 377
	56 461 207	**56 461 207**

48. Related parties

Accounting Officer	Refer to accounting officers' report note

Key Management Information

Class	Description
Municipal Manager	Accounting Officer
Chief Financial Officer	Senior Management
Community Services Executive Manager	Senior Management
Infrastructure Planning and Development	Senior Management
Corporate Services Executive Manager	Senior Management
EDPS Executive Manager	Senior Management

Remuneration of Management

Councillors

Refer to general information page for full list of councillors.

Executive Management

Refer to note "Employee Related Costs"

Payment of remuneration of senior managers and councillors - details of payments are set out in notes 27&28.

Award to close family member

The related party disclosure was made by Liana Consulting Director who declared that he is related to Samora Madikizela (Brother). (MBD 4 attached to the bidding document).

49. Prior period errors

Noted below are the prior period errors discription and the related adjustments that were effected in the comparative year (2022).

1. Cash Flow Statement

During the year, discrepencies were identified with regards to classification of revenue and expenses, calculation errors and networking capital balance movements not accounted in line with GRAP 2.

2. Community Assets back log depreciation

The correction of error related to the issue of back log depreciation relating to 2022 financial statements that was not accounted for correctly in Community Assets.

The correction of the error(s) results in adjustments as follows:

49. Prior period errors (continued)

Cash Flow Statement 2022 Restatements	2022 Adjusted	2022	Adjustment
Taxation	135 606 438	98 824 326	(36 782 112)
Sale of goods and services	201 207 856	205 059 318	3 851 462
Grants	165 979 652	165 979 652	-
Interest Income	1 631 364	3 611 352	1 979 988
Other reciepts	7 010 236	13 506 175	6 495 939
	511 435 546	**486 980 823**	**(24 454 723)**

Payments	2022 Adjusted	2022	Adjustment
Employee Costs	149 839 003	151 573 891	(1 734 888)
Suppliers	230 594 841	216 633 690	13 961 151
Finance Costs	-	1 231 706	-
	380 433 844	**369 439 287**	**12 226 263**

Investing Activities	2022 Adjusted	2022	Adjustment
Purchase of property, plant and equipment	108 589 761	107 480 881	1 108 880

The following correction of error relates to the Community Assets back log depreciation,

Statement of financial position	2023	2022
Property, plant and equipment	-	(680 891)

Statement of financial performance		
Depreciation expense	-	680 891

* See Note 49

Supplementary Information

Objective

Row Labels	BTO	COMMUNITY SOCIAL SERVICES	CORPORATE SERVICES	EDSP	ITS	MUNICIPAL MANAGER	Grand Total
Revenue	- 225 274 284,89	- 39 812 790,42	- 997 320,40	- 53 833 912,92	- 197 759 853,12	-	- 514 241 403,86
Revenue Default							
Revenue Exchange Revenue Interest; Dividend and Rent on Land Interest Current and Non-current Assets Short Term Investments and Call Accounts	- 3 611 355,78						- 3 611 355,78
Revenue Exchange Revenue Interest; Dividend and Rent on Land Interest Receivables Service Charges	- 6 191 097,67						- 6 191 097,67
Revenue Exchange Revenue Operational Revenue Bad Debts Recovered	- 6 247 156,76						- 6 247 156,76
Revenue Exchange Revenue Operational Revenue Discounts and Early Settlements	-						-
Revenue Exchange Revenue Operational Revenue Incidental Cash Surpluses	47 716,58						47 716,58
Revenue Exchange Revenue Operational Revenue Insurance Refund	- 177 225,75						- 177 225,75
Revenue Exchange Revenue Operational Revenue Request for Information Plan Printing and Duplicates				- 150,14			- 150,14
Revenue Exchange Revenue Rental from Fixed Assets Market Related Investment Property Straight-lined Operating		- 240 049,56					- 240 049,56
Revenue Exchange Revenue Rental from Fixed Assets Non-market Related Investment Property Ad-hoc rentals		- 5 446 832,90					- 5 446 832,90
Revenue Exchange Revenue Rental from Fixed Assets Non-market Related Property Plant and Equipment Ad-hoc rentals Community Assets		- 161 203,85					- 161 203,85
Revenue Exchange Revenue Rental from Fixed Assets Non-market Related Property Plant and Equipment Ad-hoc rentals Other Assets	- 37 994,80						- 37 994,80
Revenue Exchange Revenue Sales of Goods and Rendering of Services Advertisements				- 21 434,43			- 21 434,43
Revenue Exchange Revenue Sales of Goods and Rendering of Services Building Plan Approval				- 518 489,09			- 518 489,09
Revenue Exchange Revenue Sales of Goods and Rendering of Services Building Plan Clause Levy				- 25 553,68			- 25 553,68
Revenue Exchange Revenue Sales of Goods and Rendering of Services Cemetery and Burial		- 231 774,22					- 231 774,22
Revenue Exchange Revenue Sales of Goods and Rendering of Services Clearance Certificates	- 76 125,24						- 76 125,24
Revenue Exchange Revenue Sales of Goods and Rendering of Services Encroachment Fees				- 34 417,27			- 34 417,27
Revenue Exchange Revenue Sales of Goods and Rendering of Services Entrance Fees					-		-
Revenue Exchange Revenue Sales of Goods and Rendering of Services Fire Services		- 1 065 211,06					- 1 065 211,06
Revenue Exchange Revenue Sales of Goods and Rendering of Services Housing (Boarding Services) Staff	- 691 377,48						- 691 377,48
Revenue Exchange Revenue Sales of Goods and Rendering of Services Occupation Certificates		- 13 093,39					- 13 093,39
Revenue Exchange Revenue Sales of Goods and Rendering of Services Parking Fees		- 22,61					- 22,61
Revenue Exchange Revenue Sales of Goods and Rendering of Services Photocopies, Faxes and Telephone charges				- 442,62			- 442,62
Revenue Exchange Revenue Sales of Goods and Rendering of Services Removal of Restrictions				- 51 353,64			- 51 353,64
Revenue Exchange Revenue Sales of Goods and Rendering of Services Sale of Goods Materials and Equipment	200 010,00						200 010,00
Revenue Exchange Revenue Sales of Goods and Rendering of Services Sale of Goods Publications Tender Documents	-						-
Revenue Exchange Revenue Sales of Goods and Rendering of Services Sale of Goods Subdivision and Consolidation Fees				- 73 569,68			- 73 569,68
Revenue Exchange Revenue Sales of Goods and Rendering of Services Street/Street Markets (Informal Traders)	- 57 835,00	- 1 326,20					- 59 161,20
Revenue Exchange Revenue Service Charges Electricity Availability Charges					- 97 548 793,13		- 97 548 793,13
Revenue Exchange Revenue Service Charges Electricity Connection/Reconnection Connections New Non-government Housing					- 154 978,75		- 154 978,75
Revenue Exchange Revenue Service Charges Electricity Connection/Reconnection Disconnection/Reconnection Fees					- 479 470,56		- 479 470,56
Revenue Exchange Revenue Service Charges Electricity Electricity Sales Domestic Low Prepaid					- 57 904 492,71		- 57 904 492,71
Revenue Exchange Revenue Service Charges Waste Management Disposal Facilities		- 121 731,10					- 121 731,10
Revenue Exchange Revenue Service Charges Waste Management Refuse Removal		- 22 141 662,87					- 22 141 662,87
Revenue Non-exchange Revenue Fines; Penalties and Forfeits Fines Illegal Connections					- 88 420,00		- 88 420,00
Revenue Non-exchange Revenue Fines; Penalties and Forfeits Fines Traffic Municipal		- 1 455 500,00					- 1 455 500,00
Revenue Non-exchange Revenue Licences or Permits Road and Transport Motor Vehicle Licence		- 5 299 896,87					- 5 299 896,87
Revenue Non-exchange Revenue Licences or Permits Trading			- 7 711,31				- 7 711,31
Revenue Non-exchange Revenue Property Rates Agricultural Property	- 12 271 747,04						- 12 271 747,04
Revenue Non-exchange Revenue Property Rates Business and Commercial Properties	- 35 720 632,63						- 35 720 632,63
Revenue Non-exchange Revenue Property Rates Formal and Informal Settlements	153 228,73						153 228,73
Revenue Non-exchange Revenue Property Rates Industrial Properties	- 13 541 237,25						- 13 541 237,25
Revenue Non-exchange Revenue Property Rates Other Categories	- 1 609 984,78						- 1 609 984,78
Revenue Non-exchange Revenue Property Rates Residential Properties Developed	- 7 061 825,47						- 7 061 825,47
Revenue Non-exchange Revenue Property Rates Special Rating Area	- 1 091 222,17						- 1 091 222,17
Revenue Non-exchange Revenue Property Rates State-owned Properties	- 58 447 853,86						- 58 447 853,86
Revenue Non-exchange Revenue:Transfers and Subsidies Capital Monetary Allocations Departmental Agencies and Accounts Provincial Departmental Agencies KwaZulu-Na	-			-			-
Revenue Non-exchange Revenue:Transfers and Subsidies Capital Monetary Allocations National Government Integrated National Electrification Programme Grant	-				- 23 534 000,00		- 23 534 000,00
Revenue Non-exchange Revenue:Transfers and Subsidies Capital Monetary Allocations National Government Municipal Infrastructure Grant	-				- 18 073 000,00		- 18 073 000,00
Revenue Non-exchange Revenue:Transfers and Subsidies Capital Monetary Allocations Provincial Governments KwaZulu-Natal Capacity Building and Other Greenest Munic	-	-					-
Revenue Non-exchange Revenue:Transfers and Subsidies Capital Monetary Allocations Provincial Governments KwaZulu-Natal Infrastructure Housing Grant	-			- 43 779 667,10			- 43 779 667,10
Revenue Non-exchange Revenue:Transfers and Subsidies Capital Monetary Allocations Provincial Governments KwaZulu-Natal Infrastructure Specify (Add grant description	-			- 4 483 795,00	- 32 699,97		- 4 516 494,97
Revenue Non-exchange Revenue:Transfers and Subsidies Operational Monetary Allocations National Governments Expanded Public Works Programme Integrated Grant	-			- 4 628 000,00			- 4 628 000,00
Revenue Non-exchange Revenue:Transfers and Subsidies Operational Monetary Allocations National Governments Local Government Financial Management Grant	- 1 749 517,44						- 1 749 517,44
Revenue Non-exchange Revenue:Transfers and Subsidies Operational Monetary Allocations National Revenue Fund Equitable Share	- 75 091 000,00				-		- 75 091 000,00
Revenue Non-exchange Revenue:Transfers and Subsidies Operational Monetary Allocations Non-profit Institutions Unspecified Non Profit Institutions			- 775 168,33				- 775 168,33
Revenue Non-exchange Revenue:Transfers and Subsidies Operational Monetary Allocations Provincial Government KwaZulu-Natal Capacity Building and Other:Arts and cul	-	- 3 037 000,00					- 3 037 000,00
Revenue Non-exchange Revenue:Transfers and Subsidies Operational Monetary Allocations Provincial Government KwaZulu-Natal Capacity Building and Other:Department	-	- 597 208,70					- 597 208,70
Revenue Non-exchange Revenue:Transfers and Subsidies Operational Monetary Allocations Provincial Government KwaZulu-Natal Capacity Building and Other:Economic C	-	-	-	- 317 040,07			- 317 040,07
Revenue Non-exchange Revenue:Transfers and Subsidies Operational Monetary Allocations Provincial Government KwaZulu-Natal Capacity Building and Other:Specify (Ad	-	-	- 124 440,70	-			- 124 440,76
Costed Totals	- 225 274 284,89	- 39 812 790,42	- 997 329,40	- 53 833 912,92	- 197 759 853,12	-	- 514 241 403,86
Difference between the recalculated amounts and what is presented	-	-	-	-	-	-	-
Revenue as per the statement of financial performance	-	-	-	-	-	-	- 514 241 403,60
Difference	- 225 274 284,89	- 39 812 790,42	- 997 329,40	- 53 833 912,92	- 197 759 853,12	-	[illegible]
Expenditure	126 215 600,50	92 549 777,00	58 554 107,40	14 640 481,00	140 651 365,90	13 382 581,09	447 230 792,89
Expenditure Bulk Purchases Electricity ESKOM	18 958 594,40				117 543 517,60		136 497 112,00
Expenditure Contracted Services Consultants and Professional Services Business and Advisory Accounting and Auditing	178 203,65						178 203,65
Expenditure Contracted Services Consultants and Professional Services Business and Advisory Audit Committee	-					443 002,64	443 002,64
Expenditure Contracted Services Consultants and Professional Services Business and Advisory Business and Financial Management	665 958,70						665 958,70
Expenditure Contracted Services Consultants and Professional Services Business and Advisory Medical Examinations			350 000,00				350 000,00
Expenditure Contracted Services Consultants and Professional Services Business and Advisory Occupational Health and Safety	-		-				-
Expenditure Contracted Services Consultants and Professional Services Business and Advisory Organisational	-			184 998,32		64 527,00	249 525,32
Expenditure Contracted Services Consultants and Professional Services Business and Advisory Research and Advisory	-	51 794,78		572 045,02			623 839,80
Expenditure Contracted Services Consultants and Professional Services Legal Cost Collection	9 266 844,61						9 266 844,61
Expenditure Contracted Services Consultants and Professional Services Legal Cost Legal Advice and Litigation	-		6 956 390,90			130 434,78	7 086 825,68
Expenditure Contracted Services Contractors Catering Services			4 451,12			1 765,70	6 216,82
Expenditure Contracted Services Contractors Maintenance of Buildings and Facilities	-	39 042,61			1 020 439,28		1 059 481,89
Expenditure Contracted Services Contractors Maintenance of Equipment		107 988,50	1 992 375,70		-		2 100 364,20
Expenditure Contracted Services Contractors Maintenance of Unspecified Assets	-	6 249 337,05			7 126 427,10		13 375 764,15
Expenditure Contracted Services Contractors Safeguard and Security		11 400 034,44					11 400 034,44

* See Note 49

Supplementary Information

Expenditure:Contracted Services:Outsourced Services:Administrative and Support Staff	-			216 063,62			216 063,62
Expenditure:Contracted Services:Outsourced Services:Burial Services		373 065,00					373 065,00
Expenditure:Contracted Services:Outsourced Services:Business and Advisory:Valuer	244 495,65						244 495,65
Expenditure:Contracted Services:Outsourced Services:Call Centre						22 500,00	22 500,00
Expenditure:Contracted Services:Outsourced Services:Internal Auditors						1 454 032,23	1 454 032,23
Expenditure:Contracted Services:Outsourced Services:Personnel and Labour		124 440,75					124 440,75
Expenditure:Default	-	-	-	-	-	-	-
Expenditure:Depreciation and Amortisation:Amortisation:Intangible Assets:Licences and Rights:Computer Software and Applications	-		281 577,00				281 577,00
Expenditure:Depreciation and Amortisation:Depreciation:Community Assets:Community Facilities:Halls	-		-				-
Expenditure:Depreciation and Amortisation:Depreciation:Electrical Infrastructure:MV Networks	35 803 737,20						35 803 737,20
Expenditure:Depreciation and Amortisation:Depreciation:Furniture and Office Equipment	-						-
Expenditure:Depreciation and Amortisation:Depreciation:Machinery and Equipment	-						-
Expenditure:Depreciation and Amortisation:Depreciation:Other Assets:Operational Buildings:Municipal Offices	-				1 017 673,00		1 017 673,00
Expenditure:Depreciation and Amortisation:Depreciation:Roads Infrastructure:Roads	1 016 906,60				-		1 016 906,60
Expenditure:Depreciation and Amortisation:Depreciation:Transport Assets	2 158 613,00						2 158 613,00
Expenditure:Employee Related Cost:Municipal Staff:Post-retirement Benefit:Other Benefits:Leave Gratuity	-			48 308,48			48 308,48
Expenditure:Employee Related Cost:Municipal Staff:Post-retirement Benefit:Pension:Current Service Cost	2 121 000,00						2 121 000,00
Expenditure:Employee Related Cost:Municipal Staff:Post-retirement Benefit:Pension:Interest Cost	2 921 000,00						2 921 000,00
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Cellular and Telephone	59 715,91	72 881,82	139 169,37	78 200,00	116 400,00	30 000,00	496 784,10
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Housing Benefits	222 083,69	464 530,08	282 263,85	56 006,05	326 521,81		1 351 395,30
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Rental Subsidy	-	38 542,20					38 542,20
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Acting and Post Related Allowances	30 966,34	134 017,93	93 178,93		56 394,09		322 577,29
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Bonus	675 711,62	874 382,54	3 033 350,18	542 945,83	576 917,45	211 716,73	6 715 024,33
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Leave Pay	375 142,74	1 015 696,92	696 377,91	119 256,35	401 307,51	39 924,64	2 649 706,07
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Overtime:Non Structured	-	4 484 144,70	11 050,44		1 580 811,94		6 076 007,08
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Overtime:Shift Additional Remuneration	-	225 086,54					225 086,54
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Overtime:Structured	-				6 385,42		6 385,42
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Standby Allowance	-	1 468 688,71			1 230 792,60		2 699 481,31
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Travel or Motor Vehicle	223 483,04	152 835,46		204 379,92	413 818,64	384 000,00	1 378 325,28
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages	9 550 124,23	47 301 142,24	27 940 948,40	9 127 437,06		7 609 271,63	101 528 923,56
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Bonuses	13 863,12						13 863,12
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Bargaining Council	3 167,00	21 821,00		1 656,40		431,80	27 106,20
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Medical	832 989,80	1 571 344,92		479 491,56		181 330,40	3 175 156,68
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Pension	1 461 569,75	6 334 837,20		939 708,15		174 142,24	8 909 257,34
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Unemployment Insurance	60 225,03	331 108,54		31 470,54		11 683,92	433 492,09
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Allowance:Cellular and Telephone	13 772,73						13 772,73
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Allowance:Travel or Motor Vehicle	201 771,05						201 771,05
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Basic Salary	543 845,81						543 845,81
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Service Related Benefits:Leave Pay	96 748,66						96 748,66
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Social Contributions:Unemployment Insurance	1 594,08						1 594,08
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Allowance:Cellular and Telephone	-		35 000,00	18 000,00	1 704,55		55 704,55
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Allowance:Housing Benefits	-		120 000,00	45 336,52			165 336,52
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Allowance:Travel or Motor Vehicle	-		354 985,92	120 000,00	15 409,75		490 395,67
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Basic Salary	-			934 395,51	96 219,18		1 030 614,69
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Bonuses	-		48 000,00				48 000,00
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Service Related Benefits:Leave Pay	-				171 736,80		171 736,80
Expenditure:Employee Related Cost:Senior Management:Designation:Social Contributions:Medical	-		97 200,00	90 000,00			187 200,00
Expenditure:Employee Related Cost:Senior Management:Designation:Social Contributions:Unemployment Insurance	-		4 250,88	2 125,44	354,24		6 730,56
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Allowance:Cellular and Telephone	-					24 000,00	24 000,00
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Allowance:Travel or Motor Vehicle	-					290 000,04	290 000,04
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Basic Salary	-					1 038 102,48	1 038 102,48
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Bonuses	-	1 515 330,19			680 258,56	40 000,00	2 235 648,75
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Social Contributions:Medical	-					60 000,00	60 000,00
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Social Contributions:Unemployment Insurance	-					2 125,44	2 125,44
Expenditure:Interest, Dividends and Rent on Land:Interest Paid:Finance Leases	-	1 231 706,00					1 231 706,00
Expenditure:Inventory Consumed:Consumables:Standard Rated	-	1 352 530,12	842 601,87				2 195 131,99
Expenditure:Inventory Consumed:Materials and Supplies	216 421,29	2 062 209,44	4 287 223,89	40 971,67	34 444,18	1 872,00	6 642 942,46
Expenditure:Irrecoverable Debts Written Off	17 207 178,42						17 207 178,42
Expenditure:Operating Leases:Furniture and Office Equipment	-		936 642,94				936 642,94
Expenditure:Operating Leases:Machinery and Equipment	-				-		-
Expenditure:Operating Leases:Transport Assets	-		716 159,40				716 159,40
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Customer/Client Information	-		521 824,86				521 824,86
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts and Promotional Items	-	103 349,57	219 663,07				323 012,64
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Municipal Newsletters	-					599 773,85	599 773,85
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Signs	-			-		208 568,88	208 568,88
Expenditure:Operational Cost:Bank Charges, Facility and Card Fees:Bank Accounts	620 502,63						620 502,63
Expenditure:Operational Cost:Bank Charges, Facility and Card Fees:Fleet and Other Credit/Debit Cards	-	-	51 450,97			-	51 450,97
Expenditure:Operational Cost:Bursaries (Employees)			6 912,35				6 912,35
Expenditure:Operational Cost:Commission:Third Party Vendors	1 487 103,36						1 487 103,36
Expenditure:Operational Cost:Communication:Cellular Expenditure			74 150,38				74 150,38
Expenditure:Operational Cost:Communication:Postage/Stamps/Franking Machines	453 397,05						453 397,05
Expenditure:Operational Cost:Communication:Telephone, Fax, Telegraph and Telex	-		1 967 059,03				1 967 059,03
Expenditure:Operational Cost:External Audit Fees	1 917 787,78						1 917 787,78
Expenditure:Operational Cost:External Computer Service:Software Licences	5 726 237,00	58 077,46	3 774 864,14				9 559 178,60
Expenditure:Operational Cost:External Computer Service:Specialised Computer Service	-		97 450,00				97 450,00
Expenditure:Operational Cost:Hire Charges			306 558,36				306 558,36
Expenditure:Operational Cost:Indigent Relief	2 874 384,16						2 874 384,16
Expenditure:Operational Cost:Insurance Underwriting:Excess Payments	98 370,80						98 370,80
Expenditure:Operational Cost:Insurance Underwriting:Premiums	6 696 751,74						6 696 751,74
Expenditure:Operational Cost:Learnerships and Internships	484 655,95	104 882,19	231 763,10	105 518,55	158 277,79	44 410,15	1 129 737,73
Expenditure:Operational Cost:Licences:Motor Vehicle Licence and Registrations			484 411,50				484 411,50
Expenditure:Operational Cost:Management Fee			280 000,00				280 000,00
Expenditure:Operational Cost:Municipal Services		399 062,90					399 062,90
Expenditure:Operational Cost:Personnel Agency Fees (Personnel Recruitment Costs)			58 459,57				58 459,57
Expenditure:Operational Cost:Professional Bodies, Membership and Subscription		3 131,69	738 134,82		1 546 339,00		2 285 605,51
Expenditure:Operational Cost:Registration Fees:Seminars, Conferences, Workshops and Events:National	252 943,78	1 280 231,40	284 486,65		318 334,35	171 157,21	2 307 153,89

* See Note 49

Supplementary Information

Expenditure:Operational Cost:Skills Development Fund Levy		125 617.15	407 278.50	244 665.57	90 460.24	264 645.90	43 568.74	1 178 036.10
Expenditure:Operational Cost:Transport Provided as Part of Departmental Activities Events				98 112.62				98 112.62
Expenditure:Operational Cost:Travel and Subsistence:Domestic Accommodation		51 955.14	2 026.48	90 132.86	9 311.62	200 849.72	53 424.97	369 700.79
Expenditure:Operational Cost:Travel and Subsistence:Domestic Transport with Operator Public Transport Air Transport							18 757.53	18 757.53
Expenditure:Operational Cost:Travel and Subsistence:Domestic Transport without Operator Car Rental						-		-
Expenditure:Operational Cost:Travel and Subsistence:Domestic Transport without Operator:Own Transport		31 548.37	274 455.55	113 452.81	63 010.61	115 772.40	15 249.50	611 467.30
Expenditure:Operational Cost:Uniform and Protective Clothing		-	939 663.48	7 350.00	701 431.50	643 211.56		2 331 656.64
Expenditure:Operational Cost:Vehicle Tracking		-	-	-	-			-
Expenditure:Operational Cost:Ward Committees		-	-	-	-	922 500.00		922 500.00
Expenditure:Remuneration of Councillors:Deputy Executive Mayor:Allowances and Service Related Benefits:Basic Salary		-	-	-	-	721 415.35		721 415.35
Expenditure:Remuneration of Councillors:Deputy Executive Mayor:Allowances and Service Related Benefits:Cell phone Allowance		-	-	-	-	40 800.00		40 800.00
Expenditure:Remuneration of Councillors:Deputy Executive Mayor:Allowances and Service Related Benefits:Housing Allowance		-	-	-	-	48 186.60		48 186.60
Expenditure:Remuneration of Councillors:Deputy Executive Mayor:Social Contributions:Medical Aid Benefits		-	-	-	-	31 952.04		31 952.04
Expenditure:Remuneration of Councillors:Deputy Executive Mayor:Social Contributions:Pension Fund Contributions		-	-	-	-	79 375.98		79 375.98
Expenditure:Remuneration of Councillors:Executive Committee:Allowances and Service Related Benefits:Cell phone Allowance		-	-	-	-	40 954.54		40 954.54
Expenditure:Remuneration of Councillors:Executive Committee:Social Contributions:Pension Fund Contributions		-	-	-	-	45 626.52		45 626.52
Expenditure:Remuneration of Councillors:Executive Mayor:Allowances and Service Related Benefits:Basic Salary		-	-	-	-	891 678.62		891 678.62
Expenditure:Remuneration of Councillors:Executive Mayor:Allowances and Service Related Benefits:Cell phone Allowance		-	-	-	-	40 800.00		40 800.00
Expenditure:Remuneration of Councillors:Executive Mayor:Allowances and Service Related Benefits:Housing Allowance		-	-	-	-	70 090.32		70 090.32
Expenditure:Remuneration of Councillors:Executive Mayor:Social Contributions:Pension Fund Contributions		-	-	-	-	103 143.72		103 143.72
Expenditure:Remuneration of Councillors:Speaker:Allowances and Service Related Benefits:Basic Salary		-	-	-	-	635 538.95		635 538.95
Expenditure:Remuneration of Councillors:Speaker:Allowances and Service Related Benefits:Cell phone Allowance		-	-	-	-	42 345.45		42 345.45
Expenditure:Remuneration of Councillors:Speaker:Allowances and Service Related Benefits:Motor Vehicle Allowance		-	-	-	-	32 124.40		32 124.40
Expenditure:Remuneration of Councillors:Speaker:Social Contributions:Medical Aid Benefits		-	-	-	-	51 151.99		51 151.99
Expenditure:Remuneration of Councillors:Speaker:Social Contributions:Pension Fund Contributions		-	-	-	-	79 935.94		79 935.94
Expenditure:Remuneration of Councillors:Total for All Other Councillors:Allowances and Service Related Benefits:Basic Salary		-	-	-	-			-
Expenditure:Remuneration of Councillors:Total for All Other Councillors:Allowances and Service Related Benefits:Cell phone Allowance		-	-	-	-	433 508.12		433 508.12
Expenditure:Remuneration of Councillors:Total for All Other Councillors:Allowances and Service Related Benefits:Housing Allowance		-	-	-	-	305 567.29		305 567.29
Expenditure:Remuneration of Councillors:Total for All Other Councillors:Allowances and Service Related Benefits:Traveling Allowance		-	-	-	-	37 389.14		37 389.14
Expenditure:Remuneration of Councillors:Total for All Other Councillors:Social Contributions:Medical Aid Benefits		-	-	-	-	62 714.65		62 714.65
Expenditure:Remuneration of Councillors:Total for All Other Councillors:Social Contributions:Pension Fund Contributions		-	-	-	-	253 302.02		253 302.02
Expenditure:Surplus / Deficit:Transfer to Accumulated Surplus		-	-	-	-	-	-	-
Casted Totals		**107 255 906.20**	**93 589 777.00**	**59 554 107.40**	**14 840 461.00**	**33 110 747.40**	**13 343 541.00**	**447 230 792.00**
Difference between the recalculated amounts and what is presented								110 001.00
Expenditure as per the statement of financial performance								447 120 791.00
Difference								110 001.00
Gains and Losses:Impairment Loss:Property, Plant and Equipment:Other Assets	-	1 700 738.00					-	1 700 738.00
Gains and Losses:Fair Value Adjustment:Actuarial Assessments:Pension Funds:Gains	-	7 765 000.00					-	7 765 000.00
Gains and Losses:Fair Value Adjustment:Investment Property:Gains	-	4 434 528.00					-	4 434 528.00
Gains and Losses:Loss on Disposal of Assets:Property, Plant and Equipment:Other Assets		330 980.00						330 980.00
Gains and Losses:Impairment Loss:Property, Plant and Equipment:Other Assets		59 774.00						59 774.00
Revenue:Exchange Revenue:Operational Revenue:Recovery of provision on debtors	-	4 444 352.00					-	4 444 352.00
Revenue:Exchange Revenue:Operational Revenue:Recovery of provision of bonuses	-	1 761 153.00					-	1 761 153.00
Casted Totals	-	**19 715 017.00**					-	**19 715 017.00**
Difference between the recalculated amounts and what is presented								-
Expenditure as per the statement of financial performance								**19 715 017.00**
Difference								-
Surplus for the year							-	**46 745 528.68**

* See Note 49

GREATER KOKSTAD MUNICIPALITY

PROVINCE OF KWAZULU-NATAL

2022/2023

OVERSIGHT REPORT

CONTENTS

1. INTRODUCTION

In terms of Section 129 of the MFMA no.56 of 2003, it is required that,

"The Council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

(a) has approved the annual report with or without reservations.

(b) has rejected the annual report; or

(c) has referred the annual report back for revision of those components that can be revised.

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council with regard to the Annual Report and the preparation of an Oversight Report. Given the processes required by Council to effectively undertake its oversight role, the establishment of Municipal Public Accounts Committee (MPAC) of Council provides the appropriate mechanism through which Council fulfils its oversight responsibilities. MPAC's primary role in this regard is to consider the Annual Report, receive inputs from the various stakeholders and prepare an Oversight Report for consideration by Council.

In light of the above, the audited draft Annual Report for 2022/2023 financial year was tabled to Council on 25 January 2024 for consideration. Council subsequently referred the draft Annual Report to the Municipal Public Accounts Committee for scrutiny and public consultation in order to compile its Oversight Report.

The draft Annual Report was submitted to the Auditor-General, the KZN Provincial Treasury, National Treasury and the Department of Co-operative Governance and Traditional Affairs after tabling to Council.

2. BACKGROUND

The Municipal Public Accounts Committee (MPAC) is a committee of the municipal council, appointed in accordance with section 79 of the Structures Act. The role of MPAC is mainly to provide oversight over the functioning of the municipality in various aspects, including but not limited to the functions of Council, service delivery, financial performance and management and compliance. As a Section 79 committee, the following principles will apply:

- The municipal council must determine the functions of the committee and agree on the terms of reference for the committee;
- The municipal council must delegate functions to the MPAC in accordance with the terms of reference of the committee;
- The municipal council appoints the members of the MPAC from amongst the councillors;
- Section 160(8) of the Constitution applies to the committee and therefore its composition must be such that it allows parties and interests reflected within the Council to be fairly represented in the MPAC;
- The municipal council appoints the chairperson of the MPAC;
- The municipal council may dissolve the MPAC at any time;
- Meetings of the MPAC should be provided for and included in the annual calendar of the council; and
- The MPAC reports directly to the municipal council and the chairperson of the MPAC liaise directly with the Speaker on the inclusion of reports of the MPAC in the council agenda.

3. FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The main purpose of the MPAC is to exercise oversight role over the executive functionaries of council and to ensure good governance in the municipality. This will include oversight over municipal entities. In order 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. MPAC must interrogate the following financial aspects addressed in the Municipal Finance Management Act:

- Unforeseen and unavoidable expenditure
- Unauthorized, Irregular or Fruitless and Wasteful Expenditure

- The quarterly report of the mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP (Section 52(d))
- Monthly budget statements (Section 71)
- Mid-year budget and performance assessment
- Disclosures concerning councillors, directors and officials.
- Submission and auditing of annual financial statements
- Submission of the annual report
- Issues raised by the Auditor-General in audit reports.

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 Exco Committee.

The MPAC of Greater Kokstad Municipality in performing its oversight role for the reporting period under review has through its scheduled meetings considered the following areas of the municipality's functioning:

- The municipality's reporting on financial matters.
- The functionality of Council and its structures.
- The response of management to findings and recommendations of the Auditor General's report.
- The achievement of municipal goals through performance management, (service delivery targets)
- Investigations into Unauthorized, Irregular, Fruitless and Wasteful expenditure.

4. PREPARATION OF THE OVERSIGHT REPORT

Section 127 (5) (a) (i); (ii) and (b) of the MFMA no. 56 of 2003 states that -

(5) Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must—

(a) in accordance with section 21A of the Municipal Systems Act—

(i) make public the annual report; and

(ii) invite the local community to submit representations in connection with the annual report; and

(b) Submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

MPAC confirmed compliance by the Accounting Officer with the Sections referred to above and made public the annual report on the 26 January 2024 and issued a public notice on the Municipal website and Pondo newspaper on the 26th January 2024, inviting the public and stakeholders to make submission on the annual report and submitted the annual report to the AGSA, the KZN Provincial Treasury and KZN Department of Co-operative Governance & Traditional Affairs on the 26 January 2024.

MPAC as part of its process of consultation on the Annual Report, performed the following:'

1. Conducted Infrastructure projects sites visits on the 09th February 2024
2. Held a public hearing as follows:

DATE : 29th February 2024

TIME : 11h00

VENUE : Extension 7 Hall

The following stakeholders were in attendance:

- GKM Business Forum
- Kokstad Rates Payers Association
- Ward Committees
- Women's Forum

Below are comments received in relation to the draft Annual Report.

INSTITUTION	COMMENTS/COMPLAINTS
Department of Education.	Ward 6 & 7 1. Mr Gusha Appreciated the achievement by the municipality for the community, however the Department is facing challenges of not having lights in some areas of our community which results in high level of crime, and it is also unsafe for leaners since they attend early morning classes. The Deputy mayor responded that the issue of lights is taken into consideration. 2. Mr Gusha further stated that the issue of the non-functional library at Shayamoya poses a challenge for the learners as it becomes difficult for them to research, and furthermore, some learners face difficulty of not being able to study for tests and exams in their homes. ➢ The municipality confirmed completion as the installation of computers was done however the Department of Arts and Culture is to provide the official opening date. 3. In addition, Mr Gusha mentioned the issue of infrastructure and that there are roads and bridges that are not accessible in the event of rainy days. ➢ The municipal manager responded that stage 4 upgrading of roads is to commence in the 23/24 financial year. 4. Mr Gusha raised the issues of parks, massive stones in schools that may ham learners, unavailability of sports grounds in schools, high electricity bills for public schools and water cut offs in public schools. ➢ The municipal manager appreciated the comment as the intention of parks is to beautify our community however it because fruitless as they are vandalized. ➢ With regards to sports grounds, the municipal manager responded that is the Department of Arts and Culture's responsibility however the municipality will relay the message to the department.

INSTITUTION	COMMENTS/COMPLAINTS
Ward Committee Member	Ward 7 Nkosinathi Ntuli emphasised on the issue of the lack of water in schools, in that even the tanks are not filled for three to four days, and the water would be available at 12 midnight when people are asleep. Mr Ntuli pleaded that the municipality to approach Sisonke on behalf of the community. ➢ Harry Gwala official responded that the procedure is similar to that of electricity, the water bill has to be paid in-order to have access to water. She further indicated that the procedure for negotiating the issue of water, is for the school to inform the department of education, the department then contacts the finance department of Harry Gwala. She explained that the reason water is available at 12 midnight is because the demand is low at that time. The Harry Gwala official stated that under the Project Deviation and Demand management prepaid meters will be installed in schools and households. With regards to the Franklin sewer line that collapsed is on the business plan and is to be attended in a week, and the main collector has been improved.
	Mr Gusha pleaded with the municipality and harry gwala that schools should be prioritized with regards to water as these water containers are a risk.

4.1 MPAC SITE VISITS

On the 08th and 09th of February 2024, the MPAC conducted a two days site visit as part of their duties and responsibilities to enable them to compile a comprehensive oversight report on 2022/2023 annual report. MPAC visited the following projects that were constructed during the year under review and were reported in the Annual Report. Below are findings comments and recommendations made by MPAC:

PROJECT NAME	WARD	COMMENTS	MPAC RESOLUTIONS
SHAYAMOYA ROADS UPGRADE PHASE3	10	The project was to be completed on the 18th of December 2023 however there were issues with the previous Service Provider. The biggest challenge project owners are faced with is the lack of finance from service providers thus resulting in delays. Stormwater pipes have been installed and were completed by the end of 2023.The Contractor is now compacting the G7 Layer and after wards there are to layer the asphalt. Due to the challenges of weather that resulted in slow progress the contractor applied for a revised program of works that has a completion date of 31 March 2024.	That constructed Kilometres on the road be measured manually as to avoid variance as raised by the AG.
PROJECT NAME			
ELECTRIFICATION OF FARMS (INFORMAL SETTLEMENTS)	1,9 & 10	The total budget was R9.7m and the total expenditure to date is R8.5m, the project had a total of 21 local labourers for development of the community. The project was completed, and all households have electricity. There was a challenge with several faulty meters, however those meters were changed. The project owners were facing challenges of meter tempering and	There was no resolution.

		cable theft, which now is being dealt with as copper cables are changed to aluminium. • The committee verified the functionality of the electricity on one of the houses that is owned by Mr Mananga. The meter was active, and the owner certified that there are no complications.	
PROJECT NAME			
PROCUREMENT OF MINI SUDSTATION	3	Four substations were procured, three installed and one is yet to be installed.	There was no resolution.
PROJECT NAME			
CRU HOUSING PROJECT	3	The main contractor, Mr Colin Naidoo was onsite and took us through the project. • The project consists of 200-2-bedroom units and 100-1-bedroom unit. • 252 units are complete. • 48 units are under construction. • Estimated completion date is 3rd of June 2024. • 2 blocks have been painted with primer,	The project owner is to sit with the committee to take them through the scope of the project as the committee needed some clarification regarding some issues.

		second coat and the final coat is yet to be done. It has been challenging for the main contractor to continue with work as the Implementing agent has denied him payment for the work done, as a result the matter is an ongoing case, however the main contractor is onsite again and has given assurance of completion.	
PROJECT NAME			
SINGISI SUDSTATION.		• The fencing is complete. • Eskom has already started with the connections on the substation	The committee resolved that it must visit this project again after the transformer has been installed, and guntry lifted up.
PROJECT NAME			
SUPERVISOR VEHICLE 3 MOTOR VEHICLE COUNCIL JAWS OF LIFE MOTOR VEHICLE TRAFFIC SKIP LOADER TRUCK GARDEN REFUSE TRUCK	Institutional	• Roads are complete and are of good quality. The vehicles were assembled at the municipal works-yard except for the fire rescue van that is at the panel beater for repairs. The vehicles were in good condition. A question was raised as to why these vehicles are procured externally and how do local businesses benefit. The response was that purchasing directly from	There were no resolutions.

		manufacturers is inexpensive however local businesses benefit through servicing these vehicles.	
PROJECT NAME			
FIRE RESCUE VAN	Institutional	The committee went to the panel beaters as to verify whether the Fire Rescue Van was there as per the discussion that that Van was for repairs since it was involved in an accident	There were no resolutions.
PROJECT NAME			
SOLAR POWERED PUMPING SYSTEM.	2 & 6	The project is for the benefit of people in these 2 areas. The project is funded by EATEA, the fund amount is R1m and the total expenditure to date is R9,35m. The project promotes green energy. A training was provided to 23 young people with grade12, to operate the solar system and plant production. The project entails a solar system, tanks and 4 tunnels for plantation. The project is 95% complete. • **Thuthukane** – the project is run by a coop of 50 members. The system is not operational as the pipe from the borehole to the tanks is not connected. A cage over the operating system is to be installed so to keep it locked. Flood lights are to	There were no resolutions.

		be installed to mitigate issues of security and to give light. Solar pumps are yet to be installed as the contractor ordered them from Germany, this resulted in the contractor requesting for an extension of three (3) months. Two tunnels have been planted. **Kransdraai –** this is run by a trust, however due to non-activeness of the trustees, the active trustees have decided to transform to a coop. The system was functioning however it was struck by lightning, so it no longer supplies water thus posing a challenge of getting water and resulting in plants dying. Cage is to be installed, flood lights and CSS will cut grass the following week. The municipality will assist with supplying sore dust. The maintenance and operation of the project lies with the trust.	

5. COMPOSITION OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

5.1 MEMBERSHIP

The Municipal Public Accounts Committee is a committee of Council established under section 79 of the Municipal Structures Act, 1998. Section 79 allows for the co-option of advisory members to a Committee of Council, who are not members of the Council.

Due to the separation of roles and responsibilities, between Council and the Executive (Mayor and Executive Committee) it is not appropriate that members of the Executive Committee be members of the MPAC.

After the Local Government Municipal Elections the Municipal Council has appointed the following MPAC which came into effect in November 2021.

The following Members constitute the MPAC Members:

NAME OF COUNCILORE	DESIGNATION	POLITICAL PARTY
CLLR M HLAKANYANA	CHAIRPERSON	ANC
CLLR S NJISANE	MEMBER	ANC
CLLR N MFUKULI	MEMBER	ANC
CLLR K NORSWORTHY	MEMBER	DA
CLLR S MBABALA	MEMBER	EFF

5.2 AUTHORITY & POWER

5.2.1 In terms of section 79 of the Municipal Structure Act No117 of 1998, the MPAC will assist Council to effectively and efficiently exercise its functions and powers;

5.2.2 MPAC functions as a sub-committee of Council, and therefore adhered to the Council's Rules of Order;

5.2.3 MPAC makes recommendations to management via Council, resulting from activities carried out by the Committee in terms of its delegated authority;

5.2.4 MPAC is delegated the responsibility to conduct meetings and to hold public hearings to receive and hear public submissions on the Annual Report, on behalf of Council.

5.3 DUTIES PERFORMED BY MPAC

The MPAC of Greater Kokstad Municipality in performing its oversight role for the reporting period under review has through its scheduled meetings considered the following areas of the municipality's functioning:

- The municipality's reporting on financial matters.

- The functionality of Council and its structures.
- The achievement of municipal goals through performance management.

5.4 ON – GOING OVERSIGHT ACTIVITY

The MPAC of GKM had during the 2022/2023 financial year developed its annual workplan through which it performed its oversight duties. MPAC conducted projects sites visits, scheduled meetings in order to consider reports prepared by management and performed observations over Council and its structures.

6. AUDITOR GENERAL OUTCOME

Greater Kokstad Local Municipality has not regressed as it has maintained and unqualified audit outcome for the 2022/2023 financial year.

7. PROVINCIAL COGTA’S CHECKLIST ON THE 2021/2022 ANNUAL REPORT

The Municipality received a checklist from the provincial cogta in line with the Annual Report which the municipality did not fully comply with the components outlined on the checklist.

COGTA’S FINDINGS

The Following were not included in the Annual Report :

- Long Term contracts and Public Partnerships as an appendix.
- Service Provider Performance scheduled as an appendix.
- Disclosure of Financial Interest as an appendix.
- Conditional grants received: excluding Municipal Infrastructure Grant as an appendix.
- Capital Expenditure- New/ Upgrade/ Renewal Programme: Including Municipal Infrastructure grants as an appendix.
- Capital Programme by project current year as an appendix.
- Services connection backlogs at schools and clinics as appendix and
- Declaration of returns made in due time under MFMA s71

7. AUDIT COMMITTEE

The Annual report was tabled to the Audit committee on the 24 January 2024, together with the internal Audits review of the Annual reports. The findings from both the Audit committee and the Internal Audit Unit have been resolved.

8. CONCLUSION AND RECOMMENDATIONS

Having performed the following tasks:

- Reviewed and analysed the Annual Report.
- Invited, received, and considered inputs from Councillors and Portfolio Committees, on the Annual Report.
- Considered the written and verbal comments received on the Annual Report from the public consultation process.
- Conducted Public Hearing to allow the local community or any organs of state to make representations on the Annual Report;
- Received and considered Council's Audit Committee views and comments on the annual financial statements and the performance report; and
- Prepared the Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, Council's Audit Committee,

MPAC has pleasure in presenting the Oversight Report to Council for consideration and approval.

8.1 COMMITTEE RECOMMENDS

1. That Council having fully considered the Annual Report of the Greater Kokstad Municipality for the 2022/2023
Financial Year adopts the Oversight Report for the 2022/2023 Financial Year.
2. That Council approves the Annual Report of the Greater Kokstad Municipality for the 2022/2023 Financial Year without reservations.
3. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.

……………………………	………………..
CLLR M. HLAKANYANA	DATE
MPAC CHAIRPERSON	