



**DRAFT**  
**ANNUAL REPORT**

**AR**  
**2021/22**



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CLLR. CORNELIA NTOMBIKAYISE NKALITSHANA

EXECUTIVE MAYOR

The current administration was ushered in November 2021 with a clear electoral mandate to build a better Emalahleni community working together with all the motive forces of democratic change of a society. However, the 2021 local government elections were characterized by the poor voter turnout leaving the incoming administration with no option but to focus on service excellence, putting people first and getting the basics right.

Accordingly, I am pleased to table the annual report for the financial year ending 30 June 2022 to give an account of the progress made, challenges encountered, and mitigation measures adopted to advance and consolidate the electoral commitment anchored on the legislative mandate of local government.

To this end, for the year under review the organisational strategic priorities covered in this Report are inter-alia the following:

- The local economic development Strategy’s response to the Provincial Economic Reconstruction and Recovery Trajectory embedded within the Inter-Governmental Relations Framework through the District Development Model. In this regard, critical milestones are highlighted on the projects listed in the District One Plan Catalytic projects. Furthermore, the process of establishing Emalahleni Growth and Development Agency is at an advanced stage with the key mandate to drive Investment promotion, Public Private Partnerships, Comprehensive support to the small, micro, medium, enterprises including township economy. The report shows that we continue to explore municipal competitive edge on potential growth sectors such as the Green Economy, Tourism and Information Communication Technology.

- Notwithstanding the budgetary constraints, this report gives a detailed account of the Legislative mandate to ensure provision of basic services such as water, sanitation, electricity, refuse removal in a sustainable manner that unlocks more economic and employment opportunities, enhance connectivity, promote integrated human settlements to neutralize the apartheid legacy of separate development.
- The unwavering collective efforts to build a financially viable municipality underpinned by a social contract to fight corruption with the last iota of energy. Furthermore, the report also takes note that Clean and Good governance facilitates the delivery of essential services to residents, and is vital for socio-economic welfare and development.
- It is important to note that the overall electoral and legislative mandates find expression in a wide range of programmes and projects covering global and national injunction on social cohesion, clean and safe environment for sustainable development, Climate change adaptation and response strategy.
- Lastly, the historical call “the people shall govern” is firmly expressed in the constitution of the Republic of South Africa which enjoins us to encourage communities and their organisations to become involved in local government matters. The municipal IDP has been declared credible by the relevant oversight organs of government, and this is important because IDP and budget consultations are the function of Public participation as indicated in the annual report.

I do wish to remind you that, for the financial year under review, we were still grappling with various covid-19 risks adjusted levels hence we had to adopt innovative consultation processes which included municipal website chat box, councillors distributing comment forms, social media page, WhatsApp (079 456 4803) and suggestion boxes placed at the entrance of municipal buildings.

Acknowledging that much still needs to be done, we have embarked on the Mayoral special service delivery monitoring programmes namely Operation Khokha kuzobancono, (pay your municipal account to improve service delivery), Emalahleni Hlanzeka (keep Emalahleni clean) and Operation Ziveze (all those qualifying for indigent subsidy let them come forward).

Once again, we remain indebted to the municipal workforce for the commitment to serve even under extremely adverse conditions. We also want to say, bravo! To all governance committees for the sterling efforts of ensuring that the institution regains full public trust and confidence in the not too distant future.

Emalahleni Local Municipality remains the mega energy hub of Southern Africa and it is our collective responsibility to ensure that Emalahleni retains its status as an investment destination of choice.

Finally, it is my pleasure to honour the public pledge on accountability by presenting this annual report to council, Emalahleni community, relevant departments in all three (3) spheres of government and to all our social partners. We thank you for taking time to read this annual report, your constructive views and criticisms are always appreciated.

**“LET’S BUILD A BETTER EMALAHLENI COMMUNITY TOGETHER”.**

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**Cllr C.N Nkalitshana**  
**Executive Mayor**

## COMPONENT B: EXECUTIVE SUMMARY

### 1. MUNICIPAL MANAGER'S OVERVIEW



**MR. H.S. MAYISELA**

**MUNICIPAL MANAGER**

This annual report is prepared to promote transparency & accountability and also serves to inform the community of Emalahleni of the performance of the municipality in 2021/22 financial year and promote accountability to the community.

Emalahleni Municipality is the biggest municipality in Nkangala District Municipality, Mpumalanga Province in terms of economy and population. The municipality has 34 Ward Councillors and 34 Proportional Representation Councillors. The contents of the annual report are informed by the Integrated Development Plan (IDP), budget and Service Delivery and Budget Implementation Plan of the 2021/22 financial year. The 2021/22 Emalahleni IDP was developed following the adopted Process Plan and all relevant legislation to the IDP; informed by applicable legislation, the National Development Plan and Mpumalanga Vision 2030 amongst others. The IDP covered all functions and powers given to the municipality in terms of the Constitution of the Republic of South Africa and Local Government: Municipal Structures Act. The IDP is the strategic plan through which services are rendered to the community. The municipality have successfully delivered basic services to the community in order to improve the quality of life of the community of Emalahleni municipality. Access to basic services in 2021/22 was as follows:

- 72.9 % of households have access to electricity;
- 90.8% have access to piped water;
- 72,4% of households have access to sanitation;
- 67. 2% have access to refuse removal

Outreach meetings were held with the community to report to the community and solicit views from the community as part of accounting to the community and promoting good governance and transparency.

During public meetings the following were raised as community needs that informed planning and budgeting for 2021/22 financial year:

- Housing needs
- Street-lights and High-mast lights
- Roads (pothole patching) and speed humps
- Water quality and water disruptions
- Recreational facilities
- Electricity blackouts
- Employment opportunities
- Clinics
- Refuse removal
- Sewer
- Education, and
- Corruption

Operating and capital expenditure in 2021/22 financial year were R4, 3 billion and R294,3million respectively. The municipality experienced challenges with regard to revenue collection due to illegal connections, water and electricity losses due to aged infrastructure. The challenge of revenue collection affects our ability to meet our financial obligations, particularly the payment of Eskom account. The municipality obtained two qualified audit opinions in the past two previous which were an improvement from disclaimers we got previously.

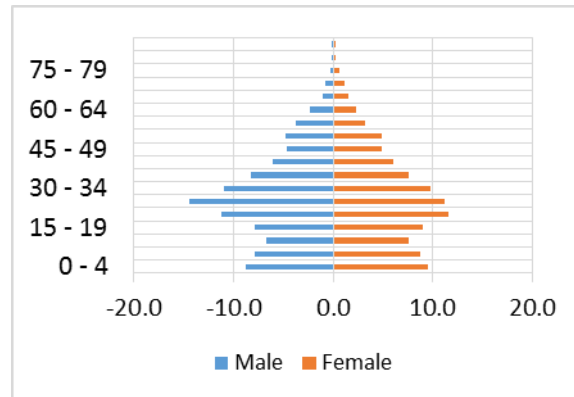
Major challenges faced by the municipality are aging infrastructure, development of sector plans, improvement of audit outcomes and revenue collection. Another challenge the municipality is facing is the increase in the number of informal settlements. Population increased from 395 466 in 2011 to 455 228 in terms of 2016 census survey and it is estimated that the population will be 707 530 by 2030.

### **1.1 Municipal functions, population and environmental overview**

Emalahleni Local Municipality derives its powers and functions from local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution of the Republic of South Africa.

According 2011 census Emalahleni Municipality had a population of **395 466** people. The 2016 population survey tells us that Emalahleni Municipality population has increased to **455 228**. Amazing thing in our statistics is that males (52.9%) are more than females (47.1%). It is projected that by 2030 Emalahleni Municipality will have a population of 707 530 people. This is a growth of 3.6 percent. 65.6 percent of the population is younger than 35 years.





The Population grew by 59 762 in the relevant period and recorded a population growth rate of 3.2% per annum between 2011 & 2016 – economic growth rate per annum lower than the population growth rate which is not a recipe for success. The Covid-19 pandemic have affected economic growth negatively. The population number for 2030 is estimated at more than 700 000 people (2nd largest population) given the historic population growth per annum – will put pressure on the infrastructure, service delivery and job/economic opportunities.

### Green Flags for Emalahleni Local Municipality

- Good location – also in terms of the N4 and N12, Gauteng markets and Maputo Corridor.
- Opportunities in terms of mining beneficiation.
- Establishment of Mining and Metals Technology Park.
- Good education base.
- Second highest human development level in MP.

### Red Flags for Emalahleni Local Municipality

- Increasing unemployment and poverty.
- Population growth higher than economic growth.
- High dependence on the mining (coal) industry and lack of diversification.
- Limited revenue base of the Municipality & high Eskom debt.
- Lack of trust between Municipality and Business.

<b>ECONOMIC ACTIVITY BY SECTOR</b>			
<b>Sector</b>	<b>Year 17/18</b>	<b>Year 18/19</b>	<b>Year 2020</b>
Agric, forestry and fishing	12.4%	12.4%	7.6 %
Mining and quarrying	58.5%	58.5%	-6,7%
Manufacturing	30.1%	30.1%	-13,6%
Wholesale and retail trade	40.2%	40.2%	
Finance, property, etc	35.6%	35.6%	-0,1%
Govt, community and social services	36.3%	36.3%	-3,5%
Transport	38.2%	38.2%	-16,7%
Utilities	55.5%	55.5%	-8,3%
Construction	39.3%	39.3%	-20,7%
<b>Total</b>	<b>48,0%</b>	<b>48,0%</b>	

Mining dominant in the Emalahleni economy with a contribution of more or less 50%. Other important industries/sectors include trade (including industries such as tourism), community/government services, finance, manufacturing and electricity.

Contribution to the Mpumalanga economy more or less 17% and the second largest economy in the province after the City of Mbombela.

Contribution 45% to the Nkangala economy and dominant in all the industries/sectors, except for agriculture and manufacturing where Steve Tshwete's share is much higher.

## **1.2 Audit Outcome for 2021/22**

<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/22</b>
Qualified opinion	Qualified opinion	Qualified opinion	Qualified opinion	Qualified opinion

As at 30th of June 2022, none of the above noted paragraphs of the AGSA Audit Report were cleared and verified by the internal audit unit. The following paragraphs are still to be cleared during the preparation and finalisation of the Annual Financial Statements for the year ended 30th of June 2022:

- Consumer debtors- Impairments
- Service chargers
- Sundry income
- Cash flow statements
- Irregular expenditure;
- Prior period errors.

A follow up was performed by the internal audit unit on the AGSA action plan to verify if the above noted issues were corrected. It was noted that only 29 out of the 49 audit findings raised by the AGSA were resolved. No doubt, there are a number of good lessons that we can take from this experience as we begin the process, all over again, to plan the 2022/23 financial year.

### 1.3 Institutional Capacity

The Total staff compliment as at 30 June 2022 is 1406.

Vacancy Rate: Year 2019/20			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S56 Managers (excluding Finance Posts)	5	0	0%
Other S56 Managers (Finance posts)	0	0	0%
Law Enforcement Officers	74	5	6%
Fire fighters	47	0	0%
Senior management: Levels 0-3 (excluding Finance Posts)	56	16	22%
Senior management: Levels 0-3 (Finance posts)	16	5	24%
Highly skilled supervision: levels 4-7 (excluding Finance posts)	335	36	10%
Highly skilled supervision: levels 4-7 (Finance posts)	75	15	17%
<b>Total</b>	<b>610</b>	<b>77</b>	<b>11%</b>

As of June 2022, the 5 Section 54 & 56 positions were filled with 2 Females and 2 Males including the Accounting Officer.

### 1.4 Risk Management

The Municipality has established Risk Management structures to assist with the specialist expertise in providing a comprehensive support service to ensure systematic, uniform and effective enterprise risk management. The Risk Management, Anti-Fraud and Anti-Corruption Committee is an oversight committee responsible to the Accounting Authority (AO) for the monitoring of risk management activities which includes assisting in designing, implementing and coordinating the institution's risk management initiatives. Its constitution is made up of both independent members appointed by the Municipal Council and members of Executive Senior Management. It assists the AO in addressing its oversight requirements of managing,

evaluating and monitoring the organizational performance with regards to risk management. The Audit Committee Provides an independent and objective view of the Institution's Risk Management's effectiveness and ensures that the Internal Audit plans are aligned to the risk profile of the Municipality. The Strategic Risk Assessment session was facilitated and the following 6 top risks were identified:

**The TOP 5 risks of Emalahleni Local Municipality:**

- Unsustainable financial viability within the Municipality
- Inadequate compliance to legislative prescripts and systems.
- Unsustainable and unaffordable provision of basic services
- Unsustainable economic development and unsafe environment
- Uncontrollable and uncondusive environment for development
- Unfunded budget.

**1.5 Fraud & Corruption**

The Municipality has adopted Anti-Corruption Policy, Fraud Prevention and Anti-Corruption Strategy, Fraud Prevention Plan as well as the Whistle Blowing Policy. Nkangala District Municipality has established fraud hotline for all its local municipalities including ELM where members of community are reporting all allegations of fraud and corruption and a panel of forensic Auditors was appointed to assist with investigations. The Municipality has also conducted the Fraud risk Assessment and the following anti-fraud controls are being implemented to mitigate fraud risks

- Segregation of duties;
- Conducting background checks/screening and vetting
- Testing of effectiveness of policies and procedures during internal audits;
- Disciplinary measures are taken against employees who are alleged to be in contravention of the Code of Conduct for Municipal Staff Members as per the Disciplinary Procedure and Labour Relations Act & Schedule 2 of MSA;
- Presentations to employees in order to ensure that they have a more detailed understanding of the fraud and corruption risks facing ELM;
- Operating the established fraud hot line;
- Implementing Ethics Management framework;
- Discussing and resolving the reported allegations of fraud and corruption; etc.

The overall organizational performance on Pre-determined Objectives as contained in the 2021/22 Annual Performance Report is 79% after the Audit conducted by Auditor General South Africa and this was based on the targets that Council set per Key Performance Area and in 2020/21, overall performance was 75%, there has been a slight improvement of 4% as the overall performance in 2019/20 was 80%. The municipality established an Audit, Risk and Performance Audit committees which exercise oversight of financial and non-financial matters as well determine the adequacy of controls implemented to mitigate strategic and operational risks as well as the progress made in implementing the municipal performance management system. These committees are functional and report regularly to Council.

Kindly find herewith, the Annual Report accompanied by audited financial statements for 2021/22. The Final Audited Annual Report was tabled to Council on 26 January 2023 together with Audited financial statements which Council recommended that it be forwarded to the Municipal Public Accounts Committee (MPAC) as an Oversight Committee for further probing of the contents of the Report. The Oversight Committee (MPAC) then conducted two sessions to interrogate the contents of the report on 16 and 23 March respectively and tabled an Oversight Report on the Annual Report where the Committee recommended that Council accept the 2021/22 Annual Report without reservation at Council Meeting held on 30 March 2023.

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**Mr. H.S. MAYISELA**  
**MUNICIPAL MANAGER**

# CHAPTER 2

## INTRODUCTION TO GOVERNANCE

Emalahleni Local Municipality is a Category B municipality and is a municipality with a mayoral executive system combined with a ward participatory system. The highest decision-making structure of the municipality is Council consisting of 68 councillors. The municipality through its Council participates in intergovernmental relations structures like MUNMEC, Premiers Coordinating Forum and Municipal Managers Forum.

### COMPONENT A: GOVERNANCE

The municipality has mechanisms to encourage public participation like the hosting of the Annual Ward Committee Summit, IDP and Budget Indaba, Community Outreach meetings and Ward Based Planning for IDP. In terms of Corporate Governance, the municipality has an Internal Audit Unit and the External Audit Committee whose responsibilities are to advise the municipality on internal financial control and internal audits. The Audit Committee also reviews the annual financial statements of the municipality. Council also has a Section 79 Committee that plays an oversight role and advises Council on its findings.

#### 2.1. POLITICAL GOVERNANCE

Emalahleni is governed by a Council that is constituted by elected Councillors. The Municipal Council consists of 68 Councillors i.e. 34 Ward Councillors and 34 Proportional Representative Councillors. The ruling party is the African National Congress (ANC) with a majority of 49 Councillors, the official opposition is the Democratic Alliance with 18 Councillors and then there is also the Freedom Front plus with a single representative.

##### 2.1.1 Introduction to Political Governance

The position of Speaker is a full-time post, and the incumbent takes responsibility for the running of council meetings in accordance with the approved rules of order. The Speaker is the Chairperson of the Council. The Office of the Chief-Whip is established to create synergy and to maintain discipline among councillors from various Political Parties. The Chief Whip deals with the well-being and attendance of meetings by all councillors.

Council has an executive mayoral system with Section 80 Committees. Section 80 committees of the Council have been established, in accordance with the terms of reference of such committees determined by Council. These committees assist and report to the Executive Mayor. The section 80 Committees are chaired by the members of the mayoral committee.

The Municipality has an Audit Committee established by the Municipality and is not shared within the district.

The Audit Committee meets a minimum of four times per year and is an independent advisory body that advises Council, political office-bearers, the Accounting Officer and the management

of the municipality on matters related to internal control, internal audit, risk management, accounting policies, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the Division of Revenue Act and provides comments to the Municipal Public Accounts Committee (MPAC) and Council on the Annual Report.

MPAC is a section 79 oversight committee which comprises of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good financial governance in the municipality. MPAC also makes comments and recommendations on the Annual Report separately to Council via the mayoral committee. The Committees of Council in 2021/22 were as follows:

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Section 80 Committee: Development Planning	Deals with issues pertaining to land, housing, town planning and local economic development
Section 80 Committee: Financial Services	Handles all financial matters of Council
Section 80 Committee: Community Services	Traffic control, enforcement of By-Laws. Community facilities and security matters
Section 80 Committee: Technical Services	Deals with the provision of basic services to the community: electricity, water sanitation, sewer, roads and storm water
Section 80 Committee: Corporate Services	Handles issues of human resources, ICT services and records management
Section 79 Committee: Audit Committee	Advices Management and Council on financial, performance and risk controls measure and compliance to municipal legislation.
Section 79 Committee: Performance Audit Committee	Advices Management & Council on the effectiveness of the performance management system and risk control measures and compliance to municipal legislation.
Section 79 Committee: Land Use	Land use management and application in terms of the Land Use Management Scheme
Section 80 Committee: Municipal Public Account Committee	Renders an oversight function and reports directly to Council
Land Use Appeal Committee	Handles appeals emanating from the Land Use Committee resolutions
Ethics Committee	Handles issues of misconduct by Councillors and how Councillors ought to behave
Local Labour Forum	Labour relations matters

## TOP STRUCTURE RESPONSIBLE FOR OVERSIGHT ON THE COMPILATION OF THE 2021/22 ANNUAL REPORT



**Cllr. M.S. Nkosi**  
Speaker



**Cllr. C.N Nkalitshana**  
Executive Mayor



**Cllr. C.P Maseko**  
Chief Whip

### 2.2 POLITICAL DECISION-MAKING

Council is chaired by the Speaker. Policy decisions and resolution are taken by the Council per recommendation from the Executive Mayor.

The Executive Mayor with the assistance of six mayoral committee members is required to make recommendations to council for final resolutions. The seats in Council are divided as follows:

	ANC	DA	EFF	VF+	ACDP	APC	IFP	BRA
MPUMALANGA PROVINCE	70.81%	12.9%	9.35%	0.97%	0.32%	0.74%	0.26%	2.27%
<b>MP312 - Emalahleni</b>	59.56%	25.44%	12.02%	1.48%	0.54%			
<b>SEATS</b>	41	17	8	1	1			
<b>ALLOCATED VOTES</b>	114,365	48,838	23,081	2,851	1,028			



MEMBERS OF THE MAYORAL COMMITTEE: 2021/2022



Cllr. N.M Mokwana  
MMC: Corporate Services



Cllr. M.B Hlumbane  
MMC: Technical Services



Cllr. S.F Msibi  
MMC: Finance



Cllr. K.B Maphosa  
MMC: Environmental &  
Waste Management



Cllr. V.J Nhlapho  
MMC: Development Planning



Cllr. H.B Maseko  
MMC: Community Services

## 2.3 ADMINISTRATIVE GOVERNANCE

An administration headed by the Municipal Manager and six Executive Directors are responsible for the implementation of Council and Mayoral Committee resolutions.

Reports regarding policy matters and non-delegated administrative matters are prepared by the administration and submitted to the Mayoral Committee together with recommendations from the Municipal Manager. At the Mayoral Committee such reports are considered and recommendations or resolutions formulated by the Executive Mayor for subsequent submission to the Council.

Municipality develops rapidly, the demand for municipal services also grows, which poses a challenges with the available Human Resources. This necessitates the annual review of the Municipal Organogram to ensure that it is aligned to the Municipal Key priorities.

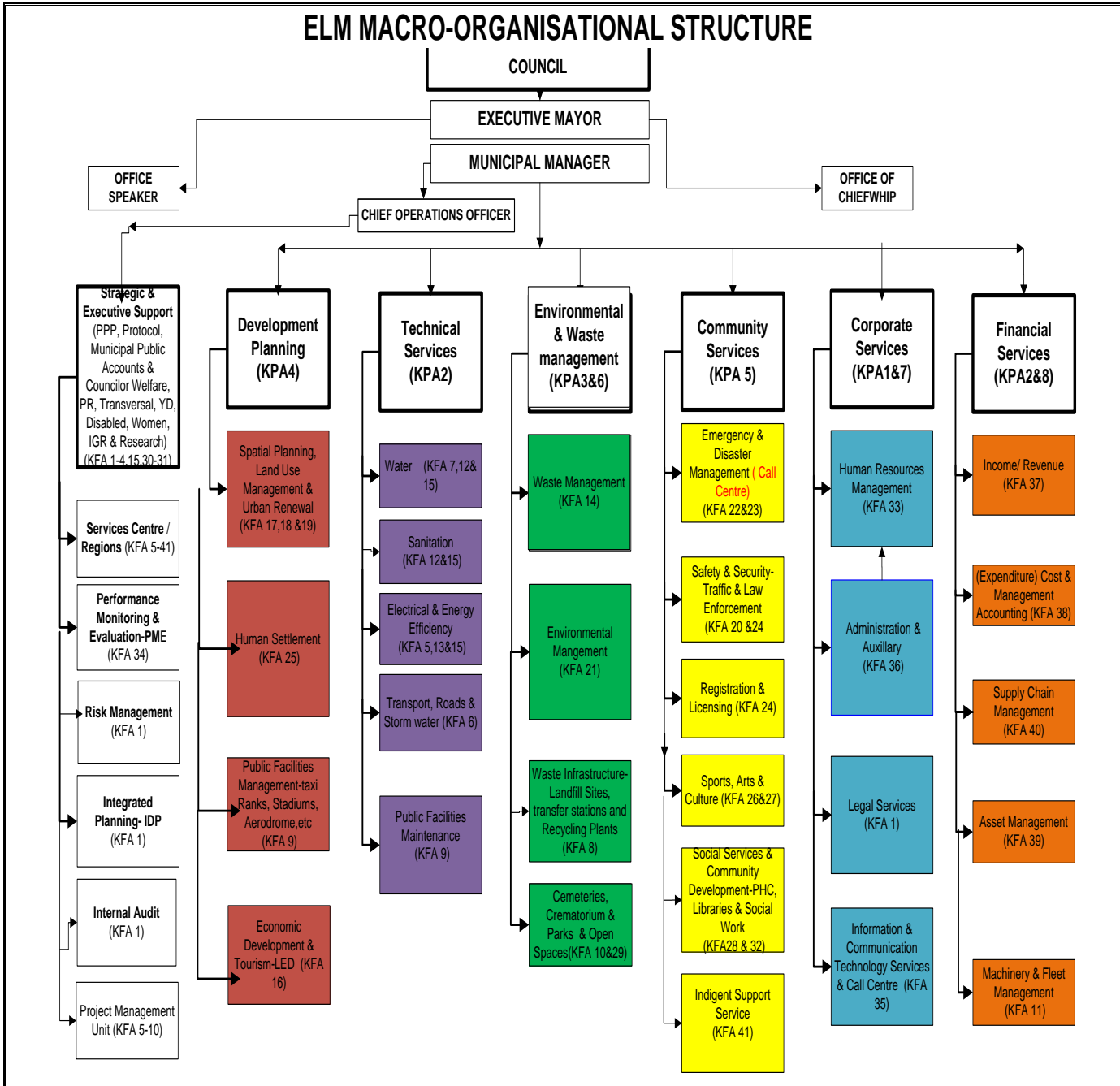
The Macro-structure indicates how the KPAs and KFA has been clustered together to bring about better focus. The KPAs and KFAs are aligned to National Priorities and Outcomes 9. They address the local challenges which the municipality is facing. The structure has six (6) directorates which are, Development Planning, Technical Services, Environmental and Waste Management, Corporate Services, Financial Services and Community Services, as per the below structure.

The number of employees as at end of June 2022 was as follows:

DIRECTORATE	NUMBER OF POSITIONS	ACTUAL FILLED	VACANT
Strategic and Executive Support	82	44	38
Corporate Services	100	49	51
Development Planning	181	75	106
Environmental & Waste Management	717	211	506
Community services	819	276	543
Financial services	318	201	117
Technical Services	1421	474	947
<b>TOTAL</b>	<b>3638</b>	<b>1330</b>	<b>2308</b>

\*\*\*TOTAL (HOW MANY FUNDED (= 1552) HOW MANY VACANT (= 222))

# ELM MACRO-ORGANISATIONAL STRUCTURE



There are six (6) directorates in the municipality. The gender is as follows

DIRECTORATE	FEMALE	MALE	TOTAL
Strategic and Executive Support	24	20	44
Corporate Services	34	15	49
Development Planning	40	35	75
Environmental & Waste Management	35	176	211
Community services	132	144	276
Financial services	105	96	201
Technical Services	146	328	474
<b>TOTAL</b>	<b>516</b>	<b>814</b>	<b>1330</b>

There are 77 employees in management positions and the gender distribution as per directorate is as the table below:

DIRECTORATE	MALE	FEMALE	TOTAL
Strategic and Executive Support	7	7	14
Corporate Services	5	3	8
Development Planning	3	4	7
Environmental & Waste Management	4	1	5
Community services	7	2	9
Financial services	13	4	17
Technical Services	9	8	17
<b>TOTAL</b>	<b>48</b>	<b>29</b>	<b>77</b>

The below table is the breakdown as per designation:

DIRECTORATE	MALE	FEMALE	TOTAL
Municipal Manager	1	0	1
Executive Directors	1	0	1
Deputy Directors/Directors	2	0	2
Managers	17	8	25
Assistant Managers	27	21	48
<b>TOTAL</b>	<b>48</b>	<b>29</b>	<b>77</b>

Emalahleni Local Municipality recognises the value of investing in its workforce through the implementation of a carefully planned training and development initiative and activities. A Workplace Skills Plan (WSP) has been compiled based on the departmental needs as identified by the relevant directorates and implemented.

The success of the municipal strategies depends on the effectiveness of governance structure and processes. This is also realised through the existing cordial and productive relationship between the administration, political structures and political office bearers of Council.

Planning and development in the Emalahleni Local Municipality occurs within the international, national and provincial policy framework, and provides for the implementation of the priorities as outlined in these documents. The Municipal Integrated Development Plan (IDP), presents a long-term development strategy for the Municipality and gives effect to the development strategies and priorities of International, National and Provincial Government while also responding directly to the development challenges and opportunities that characterises the Emalahleni Local Municipality.

## TOP ADMINISTRATIVE MANAGEMENT IN 2021/22



Mr. H.S. Mayisela:

Municipal Manager



Mr. G. Swan: Acting Executive  
Director: Corporate Services



Mr. L.M. Africa: Acting Chief  
Financial Officer



Mrs. N.E. Makua: Acting Executive  
Director: Environmental & Waste  
Management



Mr. T. Buthelezi: Acting Executive  
Director: Development Planning



Mr. T.M. Lelaka: Executive Director  
Technical Services



Mr. S. Matleboane: Executive  
Director: Community Services

There were 3 vacancies in Corporate Services, Community Services and Environment & Waste Management as at 30 June 2022 in all critical Senior Management Positions (MSA Section 54 & 56 employees).

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **2.4. Intergovernmental Relations**

The municipality have established forums that deal with matters relating to intergovernmental relations matters. The municipality have established Local Economic Development (LED) Forum which mainly discusses issues relating to economic development and growth. Provincial government, District Municipality, Emalahleni Chamber of Commerce, community businesses like co-operatives and mining companies participate in the LED Forum. The function of the LED Forum is to implement Emalahleni Local Municipality Local Economic Development Strategy. The LED Forum held meetings quarterly. The municipality also participate in District LED Forum

The municipality have established IDP Representative Forum. The IDP Representative Forum consists of structures mentioned in the LED Forum including ward committees and other community structures. The main function of the IDP Representative Forum is to give inputs and advice with regard to formulation, review and implementation of the IDP. On yearly basis IDP/Budget indaba is held just before adoption of IDP and budget as part of promotion of intergovernmental relations. The municipality also participate in provincial and district municipality planning forums and other structures promoting intergovernmental relation to comply with Chapter three of the Constitution of the Republic of South Africa. Various external stakeholders both public and private support the municipality in delivering basic services to the community.

National Disaster restrictions on Covid-19 forced the municipality to hold intergovernmental engagements through radio slots and virtually. Therefore, all consultations and communications to communities and stakeholders was done using the established communication channels such as WhatsApp Communication, municipal Facebook Page, Local Radio Slots, Manual Distribution of Flyers, Municipal Website, Hailing and Local Newspapers.

The alternative ways posed both positive and negative challenges in participation by stakeholders. Radio slots and virtual engagements can reach many stakeholders, particularly community members but limit participation because of time limits, skills and money to buy data and airtime to participate in the engagements.

The following are some of the projects implemented through Intergovernmental Relations in 2021/22:

**Public Sector:**

***Nkangala District***

DESCRIPTION	DRAFT BUDGET 2021/22
Aids day	R10 000
VIP Toilets and Septic Tanks	R1 080 070,00
Blue and Green Drop Assistance	R200 000
Awareness Campaign Disaster Management	R10 000
Refurbishment of Bulk Water Valves	R 5, 246,858.00
Refurbishment of street Town Roads	R5,770,260.00
Empumelelweni Bus and Taxi Road	R 5,937,000.00
<b>TOTAL</b>	<b>R 27, 274,889.00</b>

**Department of Human Settlement**

Project Number (HSS)	Location	Planned target	Progress	Expenditure
TSSN Carriers E16090002	Empumelelweni	1000 units	809 completed	Budget: R123 956 506  Expenditure R104 986 460
TSS Carriers E17100033	Siyanqoba	1000 units	700 completed	Budget: R129 682 744  Expenditure: R83 504 344
Balethayha E19070004	Thubelihle	495 units	405 completed	Budget:



				R64 331 685 Expenditure: R52 592 355
T & Z Construction	Siyanqoba	232 units	232 completed	Budget: R30 700 276 Expenditure: R30 169 841
Rosswika Civils E20030002	Siyanqoba	100 units	100 completed	Budget: R13 232 878 Expenditure: R13 194 064
Balethayha E20030001	Siyanqoba	100 units	100 completed	Budget: R13 232 878 Expenditure: R12 531 614
Rospa Trading E20030003	Siyanqoba	300 units	250 completed	Budget: R39 698 634 Expenditure R32 290 418
Vuka(Baforegile)	Duvha Park x 1	130 units	42 completed	Budget: R28 332 452 Expenditure R12 262 275
Moteko	Siyanqoba	668 units	570 completed	Budget: R82 009 798 Expenditure: R73 246 509
Amaphikankani	Emsagweni/Thushanang	03 units	03 completed	Budget: R348 629 Expenditure R342 980
<b>SUMMARY</b>	<b>5 AREAS</b>	<b>4028</b>	<b>3211</b>	

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.5. Public Meetings

Due to the COVID-19 pandemic and the regulations pertaining gatherings, large contact meetings were not held as normal. The municipality had to increase the use of other means of communication and sharing of information such as radio stations, streaming mediums, social media, website and print media. When possible, the meetings were held in smaller portions within the Lockdown regulations. The municipality remains committed to utilise all platforms both formal and informal to continuously engage with the communities on service delivery matters.

### 2.6. Ward Committees

The election of Ward Committees as per the applicable legislation has ensured that Ward Councillors have support for undertaking public participation programmes. Ward Operational Plans have been developed to formalise and guide the implementation of community-based programmes for community development.

The ward committees are elected to represent various interest groups existing in the community within the ward and report on service delivery matters. The main objectives of ward committees are as follows *inter alia*:

- To encourage the community to pay for services rendered to them by the municipality
  - To create formal unbiased communication channels and co-operative partnerships between the municipality and community within a ward;
  - To facilitate public participation in the process of review and development;
  - To serve in officially recognised participatory structures in the municipality;
  - To monitor the implementation of approved municipal projects;
  - To make recommendations on matters affecting the Ward to the Ward Councillor, Emalahleni
- Ward Committees have discussed the issues of payment of services, illegal land use, illegal connections and other service delivery issues.

Even under the COVID-19 pandemic and the regulations, the ward committees were operational and operated within the regulations to perform their key functions as outlined above.

On a monthly basis, feedback reports on service delivery matters are provided for the ward councillors to communicate with the community members through all available ward-based communication channels.

**Schedule of Meetings Held in 2021/22**

PUBLIC MEETINGS					
Date	Ward no	Community Meeting	Number of participating municipal councillors	Number of community members attending	IDP Budget Imbizo Meeting
1 <sup>st</sup> Quarter July – Sept 2021	Ward 1	0	0	0	
	Ward 2	0	0	0	
	Ward 3	0	0	0	
	Ward 4	0	0	0	
	Ward 5	0	0	0	
	Ward 6	0	0	0	
	Ward 7	0	0	0	
	Ward 8	0	0	0	
	Ward 9	0	0	0	
	Ward 10	0	0	0	
	Ward 11	0	0	0	
	Ward 12	0	0	0	
	Ward 13	0	0	0	
	Ward 14	0	0	0	
	Ward 15	0	0	0	
	Ward 16	0	0	0	
	Ward 17	0	0	0	
	Ward 18	0	0	0	
	Ward 19	0	0	0	
	Ward 20	0	0	0	
	Ward 21	0	0	0	
	Ward 22	0	0	0	
	Ward 23	0	0	0	
	Ward 24	0	0	0	
	Ward 25	0	0	0	
	Ward 26	0	0	0	
	Ward 27	0	0	0	
	Ward 28	0	0	0	
	Ward 29	0	0	0	
	Ward 30	0	0	0	
	Ward 31	0	0	0	
	Ward 32	0	0	0	
	Ward 33	0	0	0	
	Ward 34	0	0	0	
Date	Ward no	Community Meeting	Number of participating municipal councillors		IDP review consultation was held live on community radio stations on the 12,13 & 15 October 2020.
2 <sup>nd</sup> quarter October – December 2021	Ward 1	0	0	0	
	Ward 2	0	0	0	
	Ward 3	0	0	0	
	Ward 4	0	0	0	
	Ward 5	0	0	0	
	Ward 6	0	0	0	
	Ward 7	0	0	0	
	Ward 8	0	0	0	
	Ward 9	0	0	0	
	Ward 10	0	0	0	
	Ward 11	0	0	0	
	Ward 12	0	0	0	
	Ward 13	0	0	0	

	Ward 14	0	0	0	
	Ward 15	0	0	0	
	Ward 16	0	0	0	
	Ward 17	0	0	0	
	Ward 18	0	0	0	
	Ward 19	19/11/2021	1	163	
	Ward 20	0	0	0	
	Ward 21	0	0	0	
	Ward 22	0	0	0	
	Ward 23	0	0	0	
	Ward 24	17/12/2020	03	45	
	Ward 25	0	0	0	
	Ward 26	0	0	0	
	Ward 27	0	0	0	
	Ward 28	0	0	0	
	Ward 29	0	0	0	
	Ward 30	07/11/2020	1	84	
		18/11/2020	1	46	
		29/11/2020	1	33	
	Ward 31	0	0	0	
	Ward 32	0	0	0	
	Ward 33	0	0	0	
	Ward 34	0	0	0	

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Date	Ward no	Community Meeting	Number of participating municipal councillors	Number of community members attending	IDP Budget Imbizo Meeting
3 <sup>rd</sup> quarter January – March 2022	Ward 1	0	0	0	
	Ward 2	0	0	0	
	Ward 3	0	0	0	
	Ward 4	0	0	0	
	Ward 5	0	0	0	
	Ward 6	0	0	0	
	Ward 7	0	0	0	
	Ward 8	0	0	0	
	Ward 9	0	0	0	
	Ward 10	0	0	0	
	Ward 11	0	0	0	
	Ward 12	0	0	0	
	Ward 13	08/03/2021	1	75	
		10/03/2021	1	50	
	Ward 14	0	0	0	
	Ward 15	0	0	0	
	Ward 16	0	0	0	
	Ward 17	0	0	0	
	Ward 18	0	0	0	
	Ward 19	0	0	0	
	Ward 20	0	0	0	
	Ward 21	0	0	0	
	Ward 22	0	0	0	
Ward 23	12/01/2021	1	45		
	12/01/2021	1	45		
	12/01/2021	1	34		
	09/02/2021	1	70		
	09/02/2021	1	76		
	09/03/2021	1	85		
	09/03/2021	1	80		

	Ward 24	0	0	0	
	Ward 25	0	0	0	
	Ward 26	0	0	0	
	Ward 27	0	0	0	
	Ward 28	0	0	0	
	Ward 29	13/03/2021	1	70	
	Ward 30				
	Ward 31	0	0	0	
	Ward 32				
	Ward 33	0	0	0	
	Ward 34	0	0	0	
Date	Ward no	Community Meeting	Number of participating municipal councillors	Number of community members attending	IDP Budget Izimbo Meeting
4 <sup>th</sup> quarter April – June 2022	Ward 1	0	0	0	IDP/Budget was presented live on community radio stations on the 20, 21 & 22 April 2021.
	Ward 2	0	0	0	
	Ward 3	0	0	0	
	Ward 4	0	0	0	
	Ward 5	0	0	0	
	Ward 6	0	0	0	
	Ward 7	0	0	0	
	Ward 8	0	0	0	
	Ward 9	0	0	0	
	Ward 10	0	0	0	
	Ward 11	0	0	0	
	Ward 12	12/03/2021	1	197	
	Ward 13	0	0	0	
	Ward 14	0	0	0	
	Ward 15	0	0	0	
	Ward 16	0	0	0	
	Ward 17	0	0	0	
	Ward 18	0	0	0	
	Ward 19	/05/2021	1	40	
	Ward 20	0	0	0	
	Ward 21	0	0	0	
	Ward 22	0	0	0	
	Ward 23	06/04/2021 06/04/2021 06/05/2021 06/05/2021 08/06/2021 08/06/2021 08/06/2021	1 1 1 1 1 1 1	107 100 90 12 77 100 55	
	Ward 24	0	0	0	
	Ward 25	0	0	0	
	Ward 26	0	0	0	
	Ward 27	0	0	0	
	Ward 28	0	0	0	
	Ward 29	29/04/2021 14/05/2021 01/06/2021	1 1 1	105 40 200	

		11/06/2021	1	100	
		12/06/2021	1	130	
	Ward 30	20 May 2021	1	40	
	Ward 31	0	0	0	
	Ward 32	0	0	0	
	Ward 33	0	0	0	
	Ward 34	0	0	0	

In the 2021/22 FY, the public meetings created a dialogue between Council and Communities and assisted in ensuring that there is direct communication with the public to obtain priorities and areas that require immediate attention by the municipality.

### **Challenges:**

Public apathy limits full participation of community members as the municipal perception is not favourable. The poor image of unreliability in rendering services i.e. power and water supply and lack of timeous feedback leads to different community groups and individuals to view community meetings as pointless and the participation of the youth sector in municipal processes is not a true reflection of the race and location of youth community groups in the ward.

### **Successes:**

The municipality was able to consult the public on the IDP/Budget processes within the Lockdown Regulations and through various platforms and the response was positive.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **2.7. IDP participation and alignment**

In compliance with Chapter four of Local Government: Municipal Systems Act the municipality have established structures that promote public participation. The IDP Representative Forum was established with the sole purpose of promoting public participation in IDP processes.

Beside IDP Representative Forum there are also ward committees and other community structures that participate in IDP formulation, review and implementation.

Mayoral outreach meetings are held twice a year with the community to give feedback with regard to implementation of IDP. And also, to get inputs from the community with regard to formulation and review of IDP.

Alignment of IDP to national and provincial governments' plans is a legislative requirement. The municipality's IDP is aligned to National Development Plan and Mpumalanga Vision 2030 and other national development plans and strategies.

The alignment is done so that the municipality also contribute towards attainment of national plans and improve the quality of life of Emalahleni municipality residents. Alignment of key national and provincial policies, strategies and plans is also encapsulated in the Process Plan.

The Emalahleni IDP is compiled in terms of the requirements of chapter 5 of the Municipal Systems Act (Act 32 of 2000).

Section 25 of the Municipal Systems Act (Act 32 of 2000) stipulates that-

“Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which,

- Links, integrates and co-ordinates plans and considers proposals for the development of the municipality;
- aligns the resources and capacity of the municipality with the implementation of the plan;
- forms the policy framework and general basis on which annual budgets must be based;
- complies with the provisions of this Chapter; and
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.”

As far as the status of an integrated development plan is concerned, section 35 states that an integrated development plan (IDP) adopted by the council of a municipality,

“(a) is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;

(b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality’s integrated development plan and national or provincial legislation, in which case such legislation prevails; and

(c) Binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law.”

Section 36 furthermore stipulates that; a municipality must give effect to its integrated development plan and conduct its affairs in a manner which is consistent with its integrated development plan.

IDP Participation & Alignment Criteria	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per 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

**Issues raised by the community in these meetings cover the follows:**

- Housing needs
- Street-lights and High-mast lights
- Roads (pothole patching) and speed humps
- Water quality and water disruptions
- Recreational facilities
- Electricity blackouts
- Employment opportunities
- Clinics
- Refuse removal
- Sewer
- Education, and
- Corruption



## COMPONENT D: CORPORATE GOVERNANCE

### 2.8. Risk Management

The municipality established an Audit, Risk and Performance Audit committees which exercise oversight of financial and non-financial matters as well determine the adequacy of controls 3. implemented to mitigate strategic and operational risks as well as the progress made in implementing the municipal performance management system. These committees are functional and report regularly to Council.

The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure, amongst other things that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

The Municipality has established Risk Management structures to assist with the specialist expertise in providing a comprehensive support service to ensure systematic, uniform and effective enterprise risk management. The Risk Management, Anti-Fraud and Anti-Corruption Committee is an oversight committee responsible to the Accounting Authority (AO) for the monitoring of risk management which includes assisting in designing, implementing and coordinating the institution's risk management initiatives. Its constitution is made up of both independent members appointed by the Municipal Council and members of Executive Senior Management. It assists the AO in addressing its oversight requirements of managing, evaluating and monitoring the organizational performance with regards to risk management. The Audit Committee Provides an independent and objective view of the Institution's Risk Management's effectiveness and ensures that the Internal Audit plans are aligned to the risk profile of the Municipality. The Strategic Risk Assessment session was facilitated and the following 5 top risks were identified:

#### **The TOP 5 risks of Emalahleni Local Municipality:**

- Unsustainable financial management.
- Inadequate compliance to legislative prescripts and systems.
- Unsustainable and unaffordable provision of basic services.
- Unsustainable economic development and unsafe environment.
- Uncontrolled and uncondusive environment for development.

## REPORT OF THE PROJECT MANAGER: BUSINESS CONTINUITY PLAN

This serves to give progress with the development of Business Continuity Plan (BCP) for eMalahleni Local Municipality has come to close.

In the previous report it was indicated that the project was at 90% completion. Furthermore, the project coordinators sought the compilation of **Contingency Plans** to support this plan from the various directorates providing **Basic Services** (electricity, Water, Sanitation and Waste Management). In addition, Directorate Community Services was requested to provide **Disaster Management Plan** to accompany this Business Continuity Plan.

The consultant has submitted the Final BCP Plan attached hereto as **ANNEXURE "A"** which indicates that 100% of the deliverables have been achieved. A test of the plan supposed to be done at Lynville Municipal Office, however, due to lack of connectivity there, the testing was moved to Ga-Nala and it was successfully. This means that in the immediate should some disaster strike at the main office or Ogies/Phola, critical office-based staff can be moved to some offices at Ga-Nala. Another testing is being arranged for Ogies/Phola offices to make the office ready to accommodate critical staff from other areas who shall have suffered a disastrous event.

The Contingency Plan were not necessarily part of the scope of the project. However, management felt that a test of a municipality to provide sustainable services lies in its ability to provide alternative methods continuing to provide the services even during difficult circumstances. The Draft Contingency Plan indicate current capacities, shortages and way forward to put the municipality in the in a state of readiness to provide sustainable services. It is this area which management must provide budget in the coming financial years to address the shortcomings. There is urgent sustainable need to **ring-feed the services** to ensure that no area may stay without services because its bulk infrastructure is damaged.

On the Disaster Management Plan, the consultant has advised that the municipality must seek the services of a specialist in this matter. Serious flaws in the current draft have been pointed out. Attempts were made to seek the expertise of the consultant to revise the Disaster Plan but the municipality was not successful as the consultant pointed out that it was not part of the scope of the BCP.

*N.B. The Municipal Manager is once again reminded that the lack of participation of Directorate Finance could have future implications in the implementation of this plan.*

## RECOMMENDATIONS

1. That notice be taken of the Final Business Continuity Plan for Emalahleni Local Municipality.
2. That the municipality seek the services of a professional to compile Disaster Plan.
3. That notice be taken that a workshop will be held to discuss the Contingency Plan and Disaster Plan.
4. That going forward the municipality include the budgets to address the shortcomings identified in the Contingency Plans.
5. That the Municipal Manager approve the Contingency Plan and refer it to Disaster Centre for safe keeping and activation in the future.

## SUMMARY ON IMPLEMENTATION OF ACTION PLANS TO MITIGATE STRATEGIC RISKS AS AT 30 JUNE 2022.

DIRECTORATES/ DEPARTMENT	No. of treatment plans to mitigate risks	No. of treatment plans implemented	Performance per Directorate	No. of treatment plans not yet implemented 4 <sup>th</sup> quarter
Office of the MM	8	5	63%	3
Corporate Services	7	6	86%	1
DDP	13	7	54%	6
Technical Services	17	10	59%	7
Financial Services	9	3	33%	6
Environmental & Waste Management	5	4	80%	1
IT	3	2	67%	1
<b>TOTAL</b>	<b>62</b>	<b>37</b>		<b>25</b>
<b>Percentage</b>	<b>100%</b>	<b>60%</b>		<b>40%</b>

All mitigation measures which were not achieved as at 30 June 2021 were carried over to the 2021/2022 financial year.

CHALLENGES	REMEDIAL ACTIONS
✓ Inadequate cooperation by directorates.	✓ Municipal Manager continues to intervene in the processes of Risk Management.
✓ Shortage of staff.	✓ Appoint additional staff for Risk Management Unit.

## **2.9. ANTI-CORRUPTION AND FRAUD**

The Municipality has adopted Anti-Corruption Policy, Fraud Prevention and Anti-Corruption Strategy, Fraud Prevention Plan as well as the Whistle Blowing Policy. The Municipality has also conducted the Fraud risk Assessment and the following anti-fraud controls are being implemented to mitigate fraud risks

- Segregation of duties;
- Conducting background checks/screening and vetting
- Testing of effectiveness of policies and procedures during internal audits;
- Disciplinary measures are taken against employees who are alleged to be in contravention of the Code of Conduct for Municipal Staff Members as per the Disciplinary Procedure and Labour Relations Act & Schedule 2 of MSA;
- Presentations to employees in order to ensure that they have a more detailed understanding of the fraud and corruption risks facing ELM;
- Operating the established fraud hot line; etc.

The Audit Committee as well as the Risk Management, Anti-Fraud and Anti-Corruption Committee reviews the progress made to mitigate fraud risks and provide independent assurance regarding the effectiveness of the fraud risk mitigation controls.

## **2.10. Supply Chain Management**

The municipality's Supply Chain Management unit is a support function for all business units within the Municipality to ensure provision of efficient, transparent, fair, equitable and cost-effective procurement services hence assisting them to implement their service delivery priorities.

The Supply Chain Management of Emalahleni Local Municipality has been implemented in terms of Chapter 11 of Municipal Finance Management Act No.56 of 2003; SCM Regulations of 2005. Furthermore, the review was also intended to accommodate the new Preferential Procurement Regulation, 2011 with effect from 7 December 2011 were incorporated into the policy and adopted. The SCM Policy incorporating the above- mentioned regulations as well as all other relevant pieces of legislation, regulations and circulars are annually reviewed during the budget process.

The supply chain management policy for the year 2017/2018 was reviewed and adopted by Council in terms of SCM Regulation 3 (1) (a). The municipality has established the three (3) bid committee system; no councillors are members of any committee of the committees handling supply chain processes.

There have been several improvement initiatives undertaken within the procurement function to ensure value-for money, greater efficiency and effectiveness, and reduce fraud and corruption.

## **Challenges Supply Chain Management.**

- SCM processes and procedures, has been one of the key challenges faced, thus resulting in set targets to either not be met or they are met after the set timeframe, impacting on performance and service delivery holistically. Shortage of Staff and the office is working under pressure as the result.
- Poor Service Provided by Service Providers One of the challenges that the units face with regards to the poor services obtained from service providers who are not being reliable, they do not deliver according to the set date and specifications, most importantly service providers will have to be followed to complete their work on site, in this regard a performance and evaluation of service provider is implemented;
- Goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by Supply Chain Management (SCM) regulation 19(a).

## **Key Activities within Supply Chain Management Unit**

Supply Chain Management officials have been trained on various supply chain processes. In June 2019, seven SCM officials were trained on Bid Committees – Local Content and all other relevant legislative matters. In August 2018, eleven SCM officials attended a workshop on MFMA Bid Committees. Other Bid Committees were also part of the same training which was provided by Provincial Treasury

12 Monthly SCM reports were submitted to Provincial Treasury as per legislative reporting requirements. Supply Chain Management unit received six Procurement Plans from various departments. The Contract Register was developed and updated as per each project award made during specific period.

The Municipal Website is used to inform the public about tender or quotation advertisements as well as final tender awards. This also include notices and any other SCM information as per legislative requirement.

Municipal Stores had stocktaking in February, May and in June 2022. In February 2022 the stocktaking that was performed was classified as progress / regular activity which needed to be done to address all material losses or surpluses in order to update the inventory list. In May 2022, stocktaking was done as a preliminary and the Final Stocktaking was done in June 2022 as per legislative requirement.

## 2.11. By-Laws

The Municipality has 12 promulgated by-laws in operation, on the website and eight 8 daft by law waiting finality.

No.	BY-LAW	STATUS	PROMULGATION	RESPONSIBLE DEPARTMENT
1.	Water and Sanitation By –Law	It went to public participation on 5 March 2021	No	Technical Services
2.	Electricity By –laws	Gazette Notice No.3269/2021	Yes	Technical Services
3.	Street Trading By laws	Draft Format	No	Community Services
4.	Street Parking By laws	Gazette Notice No.3149/2020	Yes	Technical Services, Environmental
5.	Outdoor Advertising By Laws	Awaiting feedback from User Department	No	Development and Planning
6.	Liquor By –Law	Awaiting feedback from user	No	Development and Planning
7.	Prevention of Public Nuisances By – law	Gazetted Provincial Gazette Notice No.3265/2021	Yes	Waste and environmental management
8.	Smoking in Theatres and Public Halls By law.	In draft form	No.	Community services
9.	Witbank Recreational Resort By –law.	Awaiting approval of draft by Council	No	Environmental Management, Technical Services By-Law Enforcement
10.	Cemetery and crematorium By-law.	Gazette Provincial Notice No.3149/2020	Yes	Community Services
11.	Library By-law	Gazette Notice	Yes	Community Services
12.	Tuck shop By law	Draft Form	No.	Community Services
13.	Dogs By –law	Draft Form	No.	Community Services
14.	Business Trading Control By law.	Gazette Provincial Gazette Notice No.3265/2021	Yes	Waste and Environmental Management.
15.	Food Handling	Gazette Notice 1791	Yes	Waste and Enviromental management
16.	SPLUMA By law	Gazette Notice 2653	Yes	Development and Planning
17.	Credit Control and Debt Collection	Gazette Notice 174	yes	Finance
18.	Fire Brigade Services	Gazette Notice 1867	Yes	Community Services
19.	Inflammable Liquids and Substances	Gazette Notice 527	Yes	Community Services
20.	Municipal Rates By law	Gazette Notice 174	Yes	Community Services

## 2.12. WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	30-June-18
All current budget-related policies	Yes	as and when approved by council
The previous annual report (Year -1)	Yes	28 January 2019
The annual report (Year 0) published/to be published	Yes	29 January 2020
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	30-Augus 2019
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	Yes	30-June-20
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1		as and when appointments are made
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	Quarterly

## 2.13. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFCATION LEVELS

The customer satisfaction survey was undertaken on behalf of Emalahleni Local Municipality by Nkangala District Municipality in the financial year 2019/20. The areas of strength for Emalahleni Local Municipality were: 58% satisfaction on water provision, 61% satisfaction on waste removal, 71% satisfaction on sanitation, 56% satisfaction on fire protection services, 84% satisfaction having electricity supply. The areas in need of improvement for Emalahleni Local Municipality were: The civic halls maintenance, storm water maintenance, roads maintenance, library services, historical building maintenance, environmental protection, recreation facilities and unclean water supply. A full report is available on our website [www.emalahleni.gov.za](http://www.emalahleni.gov.za)

SATISFACTION SURVEYS UNDERTAKEN DURING: 2020/21				
SUBJECT MATTER OF SURVEY	SURVEY METHOD	SURVEY DATE	NO. OF PEOPLE INCLUDED IN SURVEY	SURVEY RESULTS INDICATING SATISFACTION OR BETTER (%)*
Overall Satisfaction With:				
(a) Municipality	A cross-sectional survey based on a representative sample of Emalahleni Local Municipality population was conducted. The survey questionnaire gathered demographic information, household infrastructure information, and preservation of environment conservation, library services, community halls usage, historical building preservations, and civic protection and fire and rescue services. Data analysis was performed and given as frequency counts and percentages.	February – May 2019	A total n=1450 participants were included in the study.	<ul style="list-style-type: none"> <li>On the overall satisfaction of the municipality, 32.9% responded as satisfied.</li> <li>On the improvement of the municipality over the past 2 – 3 years, 31.5% responded improved.</li> <li>58.2% of the participants responded they found the staff being competent.</li> <li>52.6% of the participants responded they found the staff being courteous.</li> <li>60.0% of the participants responded they found the staff being punctual.</li> <li>47.8% of the participants responded they have found help with minimum referrals.</li> <li>44.9% of the participants responded as yes: they found correspondence being answered promptly.</li> <li>51.1% of the participants responded queries are</li> </ul>
(b) Municipal Service Delivery				
(c) Mayor				



				<p>resolved to their satisfaction.</p> <ul style="list-style-type: none"> <li>• 43.0% of the participants responded they have found that queries are resolved in time.</li> <li>• 49.9% of the participants responded the municipality facilities are clean and neat.</li> <li>• 49.7% of the participants responded they found that the municipality working hours acceptable.</li> <li>• 32.1% of the participants responded they found that parking facilities adequate.</li> <li>• 36.0% participants responded they found that the queues are short.</li> <li>• 54.9% of the participants responded as yes: they found that the security around the municipality being adequate.</li> <li>• 55.9% of the participants responded they found that the municipality facilities are accessible.</li> </ul>
Satisfaction With:				
Refuse Collection	A cross-sectional survey based on a representative sample of	February – May 2019	A total n=1450 participants	<ul style="list-style-type: none"> <li>• The community rated 61% satisfaction on waste collection and 42% satisfaction on refuse removal with no</li> </ul>

	Emalahleni Local Municipality population was conducted. The		were included in the study.	incidence of none collection within 2 weeks without complaints.
Road Maintenance	survey questionnaire gathered demographic information, household infrastructure information, preservation of environment			<ul style="list-style-type: none"> <li>22.0% of the participants responded as; roads are in good conditions in their areas. And 16.5% participants responded the municipality does repair damaged roads in time.</li> </ul>
Storm water system	conservation, library services, community halls usage, historical building preservations, civic protection and fire and rescue services. Data analysis was performed and given as frequency counts and percentages.			<ul style="list-style-type: none"> <li>60.6% participants responded they experience flooding in their streets. And 48.6% participants rated the provision and maintenance of the storm water drain system as inadequate.</li> </ul>
Electricity Supply				<ul style="list-style-type: none"> <li>84% of households have electricity. The majority, 91% of these electricity supply come from the municipality. 37.4% participants responded they are satisfied regarding the electricity services provided by the municipality.</li> </ul>
Water Supply				<ul style="list-style-type: none"> <li>The community rated 58% satisfaction on clean water provision. And rated 32.1% satisfaction regarding water supply.</li> </ul>
Sanitation				<ul style="list-style-type: none"> <li>The community is satisfied with the sanitation services provided by the municipality. 71% satisfaction rate with no sewerage blockage or overflows in the streets complaints lodged in</li> </ul>

				<p>the past 2 months. 42% satisfaction rate on provision of sanitation and rating having 96% with flush toilets, and the remaining rated for pit latrines, chemicals, bucket system and none toilets.</p>
Billing				<ul style="list-style-type: none"> <li>• 36.1% of the participants responded they are satisfied with water billing. And 24.0% of the participants responded they are satisfied with the electricity billing.</li> </ul>
Information supplied by municipality to the public				<ul style="list-style-type: none"> <li>• 27.1% of the participants responded the municipality communicates in advance about the interruption of services.</li> <li>• 18.2% responded the municipality communicates adequately and 27.1% responded as; good.</li> </ul>
Opportunities for consultation on municipal affairs				<ul style="list-style-type: none"> <li>• 38.8% know quite a lot about the municipality.</li> <li>• 26.5% participants responded they heard about the municipality's publications.</li> </ul>
<p>* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory.</p>				

## **SATISFACTION LEVELS:**

Recommendations to improve service delivery in Emalahleni Local Municipality are as follows:

- ✓ Establish awareness programmes on community waste and environmental management, to improve a clean and healthy environment for Emalahleni communities.
- ✓ Strengthen the implement waste management by-laws and strategies within the municipality to minimise the rise of illegal dumping activities.
- ✓ Consider regular maintenance of street lights and high mass lights to minimise the risk of house breaking and robbery activities.
- ✓ Regular maintenance and upgrading of sewer systems to minimise the increase in sewer blockages, which has resulted in communities having to wait long hours/days to be serviced.
- ✓ Improved access to municipal buildings, especially for the disable in the satellite offices.
- ✓ Improved communication in indigenous languages, through local radio stations and newspapers. (Notices to be published in African languages as well).

Although the financial situation and the bulk infrastructure has not been upgraded many service delivery complaints continue. Although throughout the 2018/2019 financial year, monthly complaint reports are submitted and responded to for the Ward Councillors to take back to the community. Facebook updates are done continuously on a daily basis to keep residents updated on service delivery issues. Most Ward Councillors have community WhatsApp groups to gather complaints and responses regarding service delivery day to day. Also a 24 hour call centre is operational.

# CHAPTER 3

## COMPONENT A: BASIC SERVICES

### 3.1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

The mandate of Water Services Act is derived from Section 27 of the Constitutional Bill of Rights, which indicates that everyone has the right to have access to sufficient food and water and that of the National Water Act is derived from a constitutional Bill of Rights which says everyone has the right to an environment that is not harmful to health or well-being. Water Services Act (Act no. 108 of 1997) and National Water Act (Act no. 36 of 1998) provide the legislative framework within which water and sanitation services are to be conducted and rendered. Water Services Act legislates the municipal function of providing water supply and sanitation services. It provides institutional arrangement for water services provision by the municipality. National Water Act legislates the way water resource (surface and underground) is protected, developed, used, conserved, managed and controlled.

EMalahleni Local Municipality (ELM) is a Water Service Provider (WSP) according to Water Services Act number 108 of 1997 and appointed as Water Services Authority (WSA) by provincial Department of Water and Sanitation (DWAS). The function of WSP is to provide water services to the local municipality that is sustainable, efficient, good quality, and support local economic growth in terms of the Constitution Section 152 "Objects of Local Government". WSA is responsible for the following:

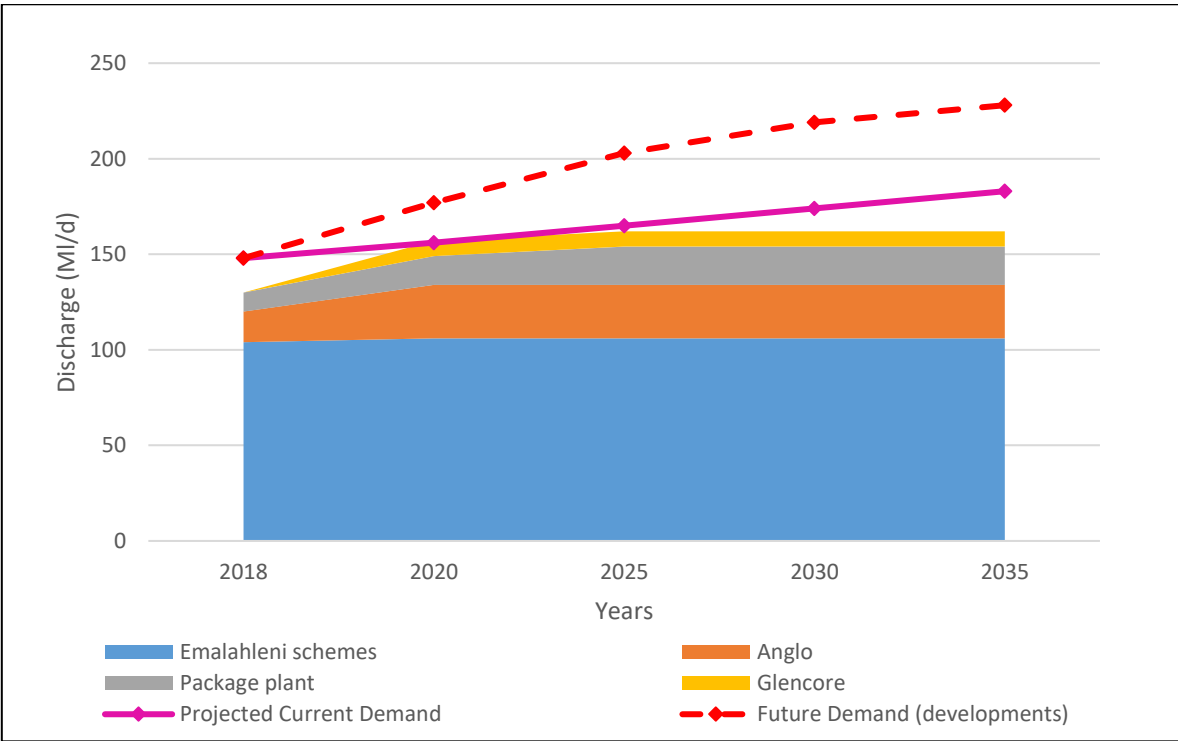
- Ensure access to efficient, affordable, economical and sustainable access to water services to all consumers.
- Prepare water services development plan (WSDP)
- Develops and implements bylaws
- Decide on mechanisms for water services provision.

Water and Sanitation Department manages provision of water and sanitation services from raw water retaining structures (municipal dams), bulk raw water abstraction, potable water treatment, potable water and distribution reservoirs, water reticulation system, water meters, sewer reticulation and waste water treatment plant. The department provides water services authority functions, such as: improving water security, water quality monitoring, develop bylaw, develop WSDP and other statutory sector plans, and ensure compliance.

ELM is located along the Upper Olifants River catchment and it has a catchment of approximately 3540km<sup>2</sup>. The catchment land-use activities are inundated with coal mining, energy generation and agricultural activities which have adverse effects on the resource through deposition of contaminants (acid mine drainage) which deteriorates the resource water quality. As a result, during rainy seasons, the resource has a high concentration of manganese which has adverse aesthetic and potential health risk when consumed on high concentration.

The effects of climate change present unpredicted floods which worsens the resource water quality to more than 2000% of the normal quality. The municipality has however significantly improved water quality through risk-based process flow analysis, proactive process operation optimization, design water treatment chemicals that are suitable for specific condition, and improved operational efficiency.

ELM is a water stressed mining region and has a challenge of an exponentially-growing water demand which threaten water security. The municipality has limited alternative water source as there is low abstraction yield for underground water exploitation and the minimal water that is available is contaminated with coal mining operations and alters the geohydrological flow. The municipality is also unable to consider inter-catchment transfer as there no nearby water endowed sources. Rainwater harvesting can be exploited to a very limited extent as the region has low rainfall precipitation. The Olifants River is the main source of surface water supply to the municipality supplying more than 80% of municipal potable water provision. The municipality has high water demand when compared with available supply due to reasons such as population growth and water consumption/utilization patterns. The current water demand is approximately 150MI/d while the installed capacity is 130MI/d (excluding 35% water losses). ELM is projected to have a future water demand of 260MI/d by year 2035 according to the high growth scenario (refer to the figure below for future projections).



The municipality has 3 municipal water supply schemes in operation namely: Witbank, Ga-Nala and Rietspruit providing potable water to communities, social and business institutions within the municipality. There are currently 4 external schemes, namely: Glencore, Anglo, Package Plant and Eskom which are utilized to augment potable water supply in different areas of the municipality which come at a premium rate. The capacity of the municipal schemes can be summarized as follows with their respective design and operational capacities:

Source	Scheme name	Design capacity (MI/d)	Operational Capacity (MI/d)	Status	2021/2022 Progress
Witbank Dam	Witbank water treatment plant	75	90	Over capacity.	Application for increasing the Water Use Licence is at 80% complete, funding for the upgrade stalled due to municipal commitment on MIG.
Rietspruit Dam	Rietspruit water treatment plant	4	3.5	Being upgraded to 4MI/d.	Project is 100% completed
Usuthu scheme (DWS)	Ga-Nala water treatment plant	15	6.7	Below design capacity.	Business plan and funding request submitted to DWS awaiting the department to finalise appointment of term contractors.
Witbank Dam	Modular package Plant (NuWater)	20	15	Operating at contracted capacity.	Contract has been extended for further 12 month expiring end of September 2022. New service provider has been appointed and project is at initiation stage
Mine water effluent	Anglo mine water	28	16	To be upgraded to 28MI/d.	Contract has been extended and operating within

	reclamation plant				contractual agreement
Usuthu scheme (DWS)	Eskom-Kendal Power Station	2	2	To be terminated upon commissioning of the bulk water line between Phola and Wilge and sustainable supply and improved capacity from the mine.	Bulk line from Phola reservoirs to Wilge reservoir installed and complete. Additional water supply required to meet the demand.
Mine water effluent	Glencore mine water reclamation plant	15	8MI/d	Operating at contracted capacity.	Operating at contracted capacity
Improve water security by introducing the following schemes	30MI/d modular package plants 20MI/d at Benfluer 10MI/d at Point E	30	30	Appoint service provider for augmentation of bulk water provision	Service provider appointed for 30 MLD, commissioned 10 MLD at Ben fleur incremental to 20MLD, Finalising contractual process  Point E awaiting (10MLD) finalization of Agreement with Highveld and funding from DHS
Develop a new scheme Doornpoort	10MI/d Doornpoort scheme	10	10	Augment water supply for the community of Siyanqoba/ Klarinet	Installation of bulk pipe line in progress to be completed in 2023. Service provider appointed for the package plant and procurement for the pump station and rising main in progress.
Reuse of treated sewer effluent for	Reduce water demand and improve sustainability	10	10	Construct new bulk supply infrastructure to the industrial areas	Municipality and DBSA engaging on the private Sector Participation Plan to sought legal and



industrial supply	of water provision			around Ferrobank WWTP	financial implications
Improve water quality	Improve water quality monitoring	n/a	n/a	Appointed external service provider to conduct accredited water quality monitoring	Extended contract for service provider for a further 3 months (June 2022-August 2022)  Procurement process is underway for appointment of service provider to conduct water and effluent quality monitoring

In order to augment water supply and improve water security the municipality has however considered integrated water supply management which comprise of: water supply through mine water reclamation systems, optimization of available resource through modular package plants, water conservation and water demand management (WCWDM), and water recycling/reuse through industrial water supply and surface water recharge.

The municipality has high water distribution losses due to aged infrastructure, illegal connections, theft and lack of water pressure monitoring and regulating devices and lack of requisite tools of trade. The situation results in high water interruptions, intermittent water supply, extended water outages, loss of revenue and discontent consumers. The municipality has then conducted and adopted a water conservation and water demand management (WCWDM) study, which is aimed at identifying solutions of reducing water losses, water wastage and consumer awareness. The following are some of the initiatives embarked upon to available funding: process of installing water meters (domestic, bulk and businesses) for volumetric quantification and accurate billing, implemented pressure control management through installation of bulk smart meters and pressure reducing valves at strategic points within the infrastructure networks. In addressing infrastructure backlogs and ensuring future demands are catered for, the municipality is embarking on an aggressive drive of exploration of ideas for solicitation of municipal services provision mechanisms including partnerships, funding (grant, donor) and acquisition of facilities. Replacement and refurbishment of old infrastructure is at the core of attaining reduced water distribution losses which unfortunately comes at high capital costs, time consuming and resulting in short term disruption of water supply.

Municipal water services challenges can be summarized as follows:

- Water security (demand high than supply);
- High water interruption resulting to water distribution losses;
- Intermittent water supply due to shortage of water supply;
- Deteriorating raw water quality
- Aged infrastructure
- Vandalism and theft
- Poor customer satisfaction leading to low revenue collection

The municipality is currently servicing a total of 150 420 households with piped water and the backlog is 18 648 which is serviced through communal stand pipes, installed jojo tanks and water tankers. The table below provides for water utilization per sector within the municipality:

Total Use of Water By Sector			
Financial Year	Industrial	Domestic	Unaccountable water
2019/20	3 385 529 kl	22 974 453 kl	17 298 495 kl
2020/21	3 519 249 kl	23 073 379 kl	15 439 727 kl
2021/22	3 186 784kl	22 469 839kl	18 217 509

The follow are main water services provision priorities and initiatives intended for implementation as per challenges outlined above:

- Improve water security by introducing the following schemes:
  - 30MI/d modular package plants
  - 20MI/d at Benfluer
  - 10MI/d at Point E
  - 10MI/d Doornpoort scheme
- Reuse of treated sewer effluent for industrial supply
- Reduction of water losses by implementing Water Conservation and Water Demand Management strategy:
  - Replacement of old pipes
  - Installation of pressure reducing valves
  - Installation of meters, telemetry and SCADA

- Improve water quality
- Improve water quality monitoring
- Refurbishment of Witbank Water Treatment Plant

The above-mentioned initiatives will come to fruition with long lasting impact should requisite resources, regulatory requirements and delivery mechanisms be sought as per plan described above. The community ownership needs to be reemphasized and concretized as most of the initiatives are disturbed during implementation and post implementation through vandalism.

Water Service Delivery Levels:

<b>Description</b>	<b>Households 2018/2019</b>	<b>Households 2019/2020</b>	<b>Households 2020/2021</b>	<b>Households 2021/2022</b>
Piped water inside dwelling	68315	80766	84 291	94 344
Piped water inside yard	30422	30676	36 535	26 190
Communal stand pipes within 200m	10455	10658	3709	23946
Beyond 200m and below minimum service level	28519	29675	18 793	13 506

A total of 384.149 Mega litres has been transported to about one hundred and fifty one (151) informal settlements and areas without bulk infrastructure to an amount of R51.25 million. The municipality together with the Provincial Department of Human Settlement are embarking on an Upgrading of Informal Settlement Strategy which results in formalization of distribution and reticulation networks of about 25 000 households. The program will also include development of bulk infrastructure supplies which are meant to support the very development.

## WATER SERVICE POLICY OBJECTIVES

<b>Additional HH provided with minimum water supply</b>	<b>Target</b>	<b>2018/2019</b>	<b>Remaining HH</b>	<b>2019/2020</b>	<b>2020/2021</b>
Number of Households	29 675	461	29 214	1 500	10 053
Improvement in turnaround time during water interruption	4 hours	4-8hours	N/A	4-12 hours	4-12 hours
Reduction in water loses	12%	40%	N/A	20%	35%

The achievement of these policy objectives is hindered by some of the following: supply chain processes, inadequate funding, prolonged implementation period (community stoppages, concerned groupings, sub-contracting), inclement weather, developed areas and substandard performance. A total of 671 water infrastructure faults had been attended within eight hours however there is still challenges such as need for machinery, equipment, funding and skilled staff required to adequately address water supply outages.

The funding of capital projects within the municipality are mainly funded from grant funding and are implemented and reported on according to the conditions as contained in the grant funding agreement. The following are some of the projects implemented by the municipality in addressing the backlogs and unlocking both residential and economic development:

## Empumelelweni and Kwaguqa water distribution network

The work entails the installation of 40km of water pipes, sizes varying from 75mm to 500mm in diameter and includes reticulation and bulk lines, with 3500 water meters and house connections. Phase 2 also includes the construction of three steel reservoirs (3 x 3.3ML) and an 870 KL steel elevated tank. An amount of R 12,330,352.44 was spent during the financial year 2021/2022 in lieu of 67% overall progress and 40 % of the Construction of the Reactor outer walls and the Reactor floor slabs. The project has yielded a total of 17 local work opportunities and one main sub-contractor is been appointed for the works together with 23 local business opportunities.



## Construction of Engineering services: Klarinet and Siyanqoba Phase 2 Link and Bulk water supply lines



The Klarinet bulk water augmentation is an initiative of Emalahleni Local Municipality to address the water requirements for the current and future developments of the Klarinet region. To this end, the municipality has commissioned and concluded the updating of its Water Services Masterplan which indicated infrastructure upgrades to address current and future water demand within the municipal boundary.

The Klarinet augmentation scheme project is a response to the recommendation of the Water Services Masterplan and aims to execute certain upgrades and addition to the current water supply scheme in the region.

The Klarinet bulk water scheme is required to augment the existing bulk water supply to the Klarinet area. As part of the augmentation of the bulk water system towards the Klarinet region ELM intends implementing a new service storage (Point F) and additional supply scheme to the Klarinet area to consolidate the water scheme into a defined water supply district due to further developments north of Klarinet.

The distribution pipelines identified to accommodate the proposed supply district under instantaneous peak flows and fire flow conditions are summarised below:

Construction of a 2175m long bulk water pipeline which will traverse from the reservoir, across the railway line toward Zaaihoek and terminate where it interconnects with the existing bulk pipeline supplying Klarinet Phase 1 to accommodate Klarinet Phase 1&2, Siyanqoba, Klarinet Phase 3, existing Klarinet and Pine Ridge. The project is implemented in three phases phase is at 88% and R25,937,395,97 has been spent creating 12 work opportunities and nine (9) sub-contracting



## The Water Emergency Infrastructure Rehabilitation COVID19 in ELM

Emalahleni Local Municipality has been experiencing a large number of problems with regards to water supply. There are many factors contributing to the shortage and distribution in water supply with the municipal area. Some of the factors are increased water demands, poor state of the water system (aging infrastructure) and complexity of the water system.

A large number (80%) of ELM's water reticulation is made up of asbestos cement and steel pipes. Much of the infrastructure in Emalahleni is more than 50 years old and has reached the end of its useful life. There are as much as 42% of unaccounted-for-water due to the old infrastructure. These AC pipes should be replaced with plastic pipelines and it was proposed that the ELM embark on a phased replacement programme over an extended period to ensure that all AC pipes are eventually decommissioned.

It is estimated that more than 950 km of AC pipework (diameter < 300mm) may require replacement in the medium to long-term at a replacement value in excess of R 1 billion.

Emergency Water Infrastructure Rehabilitation for COVID19 was a short-term emergency intervention by Emalahleni Local Municipality to preserve and supply water to areas with no or little water. Emergency Water Infrastructure Rehabilitation for COVID19 urgency was exacerbated by the Governments initiative to fight the COVID19 pandemic by supplying water for hygiene purposes.

The work entailed the of Pipe laying (1500m), Water meter connections (540), Installation of isolation valves (x10), Communal Standpipe Installation 31, Storage Tank Installation 30,5 Pressure Reducing Valves an amount of R4 223 838,52 was spent.

## **3.2 WASTE WATER (SANITATION) PROVISION**

### **Introduction to Sanitation Provision**

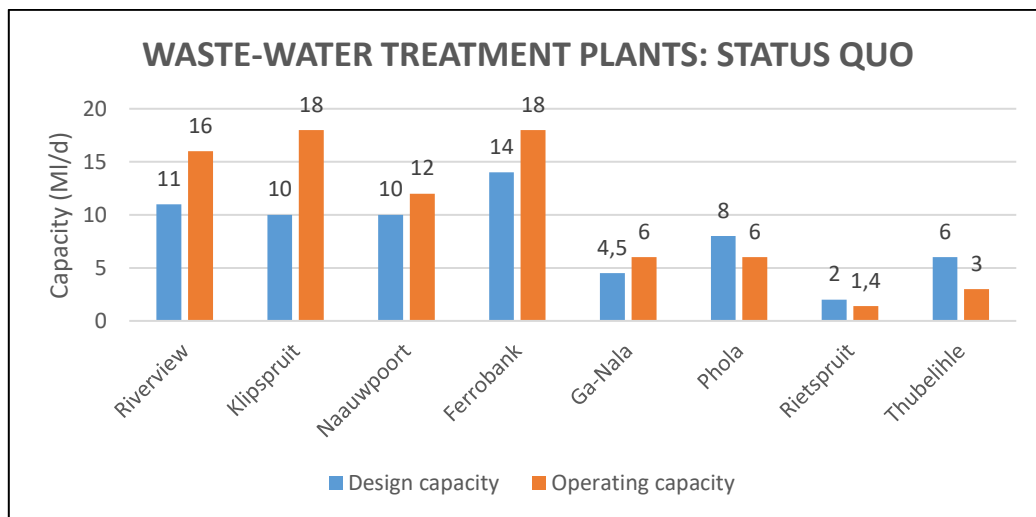
ELM has eight Waste Water Treatment Plants (WWTP). Municipal WWTPs are design to treat domestic waste such that it meets the Water Use Licenses (WUL) or River Water Quality Objectives (RWQO) requirements. Five out of eight WWTPs are required to treat sewer effluent such that it meets special limits (almost potable water standard) outlined in the Water Use License. The municipality is treating sewer effluent using the following technologies:

- Activated Sludge System
- Pond System, and
- Tinkling (Bio-filter) system

ELM is current faced with the following challenges for effective provision of sanitation services:

- Rapid population growth resulting in overloading of systems,
- Aged infrastructure
- Outdated (obsolete) technology
- Lack of proper maintenance teams (civil and mechanical)
- Theft and vandalism of infrastructure
- Lack of bay-law enforcement
- Lack of Protection and safeguarding of municipal assets
- Mushrooming of informal settlements
- Emptying and maintenance of long drop and VIP toilets.

The design and operating capacities of municipal WWTPs can be summarized as follows:



As it can be seen from above illustrative diagram, five waste water treatment plants are operating above their design capacities which could mean that the development in those areas will be hamstring, possible environmental impact thus chances for directives and litigations and need for funding.



The main priority for sanitation services are as follows:

- Upgrade bulk infrastructure and waste-water treatment plants
- Upgrade Klipspruit from 10 to 24MI/d
- Upgrade Ferrobank from 10 to 32MI/d
- Upgrade Naauwpoort from 10 to 30MI/d
- Refurbish sewer pump station
- Replacement of old sewer pipes
- The current projects for providing bulk infrastructure and reduction of sanitation services backlog are:
- Upgrading of Sewer outfall sewer line from the CBD to the Ferrobank STW.
- Upgrading and refurbishment of the Klipspruit Waste Water treatment Works.

The implementation of high capital-intensive projects like the upgrade and refurbishment of waste water treatment works is hampered by the manner in which approved funds are disbursed for implementation. As the municipality is faced with many competing needs, high backlogs and own revenue constraints, the approved grant funding can only allow for a prolonged phased approach method which is beneficial to project implementation and life-cycle. This results in the works undertaken in the initial phase to be absolute when reaching further phases and high escalating costs which may be equivalent to initial project value. The municipality has a backlog of 51103 households without formal sanitation and it is impacted negatively by the mushrooming of informal settlements which poses a challenge of sewer spillages unhygienic living conditions. Construction and occupation of RDP houses prior the upgrading of bulk infrastructure remains a huge problem as it put strain on the existing infrastructure and results on unnecessary community protests. A total of 3265 households (constituting about 6.4%) were connected to the municipal sewer system during the financial year of 2019/2020 with total faults attended being 6563 despite challenges faced.

#### Sanitation Service Delivery Levels

Description	Households 2017/2018	Households 2018/2019	Households 2019/2020	Households 2020/2021
Flush Toilets	83474	103 552	106 817	111 207
Septic tank	2390	2398	2408	2415
Chemical Toilets	40	60	25	35
Pit Toilets (ventilated)	5553	5432	0	33 598
Below minimum service level	19051	28567	47838	13 181

## WASTE WATER (SANITATION) SERVICE POLICY OBJECTIVES

Additional HH provided with minimum sanitation	Target	2018/2019	Remaining HH	2019/2020	2020/2021
Number of Households	28567	120	28 447	150	28297

The funding of capital projects within the municipality are grant funded, implemented and reported in accordance with grant specific conditions. The main grant used by the municipality is the: Municipal Infrastructure Grant which the municipality spent one hundred percent (100%) of the allocated amount of R117, 684,000.00. The implementation of these projects yielded ninety (90) job opportunities for the local communities.

### 1. Internal Sewers for Empumelelweni Extensions

This project entailed the Completion of construction works for Phase 1 which included 300 sewer connections. The project was implemented at a cost of R 3 240 274.53 and yielding a total number of 12 work opportunities.



Fig 1: Damaged 75mm existing water line



Fig 2: Partially backfilled trench for compaction



Fig 3: Surveyor giving levels on the trench



Fig 4: Excavation of MHD line

## 2. Upgrading of Klipspruit Waste Water Treatment Works

The project is a multiyear program implemented in phases intended for Construction of 20MI Waste Water Treatment Works. An amount of R 12,330,352.44 was spent during the financial year 2021/2022 in lieu of 67% overall progress and 40 % of the Construction of the Reactor outer walls and the Reactor floor slabs. The project has yielded a total of 17 local work opportunities and one main sub-contractor is been appointed for the works together with 23 local business opportunities.







Pic: Upgrading of Klipspruit Waste Water Treatment Works Earthworks for Reactor

### 3.3 ELECTRICITY

The Municipality is an authorized electrical energy distributor as licenced by NERSA and for identified distribution regions contained in the licence conditions. The electricity distribution is facilitated by means of electrical components and equipment from command substations to distribution substation within the demarcated distribution areas. The electrical infrastructure networks are in a dilapidating and decay state due to a number of reasons such as age, unauthorized connections and uncontrolled development. The nominal maximum demand (NMD) collectively for the municipal intake points from ESKOM total 250MVA and the Municipality utilizes 300MVA which clearly indicates that the demand is higher than the supply. This is the resultant of exceptional municipal growth, illegal connections, ageing and outdated technology, ageing infrastructure, vandalism and theft of infrastructure. This situation has a ripple effect on energy management, network management, consumption management and cost implications.

The main objectives of the electrical department are as follows:

- Upgrading of the bulk infrastructure by increasing the nominal maximum demand at Eskom intake points and establishing of new intake points to cater for expansions and new establishments
- Upgrading and refurbishment of the electrical reticulation infrastructure network equipment such as substation switchgear, transformers, ring feed cables and kiosks
- Implementation of revenue generating programmes such as the roll out of smart meters, installation of protective kiosks and roll out of smart meters to customers

- Refurbishment and upgrading of the public lighting network and implementing of energy saving initiatives such as solar lighting
- Reduction of energy losses through implementing and roll out of programmes to address the scourge such as – removal of illegal connections, addressing zero sales and installation of meters

The electricity distribution losses are a major challenge to the municipality and to establish where they mainly occur, the municipality embarked on an electricity meter audit function to see where there no meter, no or low electricity sales, by-passed/bridged meters in the system. In order to curb by-passing or bridging of electricity meters, the Municipality has since rolled out the installation of the newly developed Split Pre-Paid meters which are not prone to tampering and rid illegal connections as well as to provide a management report.

The municipality has a huge challenge emanating from a tide of electricity meter tampering, theft of electricity, infrastructure vandalism resulting in electrical distribution losses. In terms of the Auditor General's report, the municipality has recorded a twenty-eight (28) percent in electricity distribution losses which equates to R287 million which negatively affects municipal revenue collection, service delivery, loss of lives and damage to properties. Tampering is an activity that includes altering, cutting, disturbing, interfering with, interrupting, manipulating, removing or uprooting by any means, method or devise an essential infrastructure or component of the essential infrastructure which provides basic municipal services. The municipality therefore urges residents and consumers to desist from the illegal behaviour as it is viewed as committing an essential infrastructure offence.

The municipality has also invested capital in a program of rolling out protective structures which ensure unauthorized activities are eliminated. Further on conduction of operations to remove illegal connections and impose fines to perpetrators as indicated by the Credit Control and Debt Collection Policy. These interventions will raise the Municipality revenue whilst at the same time will relieve the overload on the existing electrical network should the required resources such as funding be available. Of concern is also the misdirected efforts to break open these structures by some of the communities in undoing and rendering useless the efforts by the municipality to provide safe and reliable electrical supply.

Emalahleni Local Municipality consists of the Greater Witbank, Ogies, Phola, Ga-Nala, Thubelihle and Rietspruit. The services infrastructure is in all cases approximately fifty years old and has reached the end of its designed life. The infrastructure is composed of different technologies, as technology changed in the past fifty years so has the materials and equipment installed, which have become outdated and redundant. The vandalism and theft of electrical infrastructure in search of copper bearing components has surged in the year resulting in interruption of supply, exposing the public and municipal staff to danger and compromising the integrity of electricity supply networks. It is on these basis that were humbly request for the communities ownership and care of municipal infrastructure and the law enforcement agencies to reinforce the security measures.

The nominal maximum demand (NDM) collectively for the Municipal intake points from Eskom total 250 MVA and the municipality utilizes 300 MVA. In order to resolve this situation, all the intake points where they are operating at Nominal Maximum Demand higher than the contracted the municipality has submitted request to upgrade. The challenge faced was the funding from the municipality, slow implementation by Eskom due to the fact the municipality has a high debt. To this extent, Eskom has declined municipal applications for the increment of nominal Maximum Demand at the Leewpoort substation to supply areas of Siyanqoba (Strategic Development Area). The overloading and exceeding of the NMD will continue and the Eskom debt will increase astronomically and both residential and economic development will be hamstrung. The municipality is exploring different sources of energy in compliance with the energy mix requirement such as waste to energy and solar.

The following table provides for intake points submitted to Eskom for upgrading of the NMD's and progress:

<b>Number</b>	<b>Name (Intake point)</b>	<b>Capacity Requirement</b>	<b>Progress</b>
1.	Doornpoort Substation:	from 60 to 80 MVA	(Eskom exploring alternative feeder point Project on hold)
2.	Phola Substation:	from 16 to 20 MVA	NMD approved to 20 MVA.
3.	Clewer Substation:	from 2, 25 to 5 MVA	(the project is currently at implementation stage 95%)
4.	Leeuwoort Substation – New:	40 MVA	Project at planning stage. Application declined.
5.	KwaGuqa 132kV Substation:	from 30 MVA to 60 MVA	(Project is currently at implementation stage 95%)
6.	Ga Nala Substation	from 20 MVA to 30 MVA	(Budget Quotation submitted to municipality and is at budgeting stage)
7.	Duvha Park Extension 2	20 MVA	(Proposal submitted to Eskom for preparation of a Budget Quotation of R5.16m received)

The Municipality with assistance of funding from the Department of Mineral Resources and Energy is currently undertaking upgrading of Nominal Maximum Demand on the following intake points to allow for growth and development of those identified areas:

1. Leeuwpoot Substation – New Intake Point (Declined by Eskom)
2. Clewer substation: declined

The implementation of capital projects within the municipality is grant dependent due to financial position of the municipality and for the rolling out of electrification projects, the Department allocated funding through the Integrated National Electrification Program. In the 2020/21 financial year the Department Mineral Resource and Energy allocated Emalahleni Local Municipality an amount of R30,000,000.00 to implement both electrification and bulk supply projects: The implementation of these projects has yielded eighty-one (81) job opportunities for the local communities.

- a) Empumelelweni Extensions - 389 connections
- b) Siyanqoba Bulk Phase 3: planning and design stage
- c) Siyanqoba Electrification – 411 connections
- d) Thubelihle Extension 5 – 500 connections.
- e) Hlalanikahle Extension 2- 150 connections
- f) Phola (Makause) -250 connections
- g) Installation and commissioning of new three passenger lifts

The highlight in addressing the electrification backlog is that a total of one thousand seven hundred (1700) new households have been connected into the municipal electricity grid. This further calls for communities and consumers to honor their municipal accounts so that the electricity services can be extended and properly maintained. The implementation of these projects has been delayed to an extent that the funding agreement conditions pertaining to time factor and financial performance are not met and notices of intention to invoke Division of Revenue Act, Section 18 and 19 to withheld or stop funds are sent to the municipality. The main causes of implementation delays are: supply chain processes, concerned groupings (Construction mafias), business forums, project stoppages by communities, disputes with local labour and subcontracting, sub-standard performance and COVID 19

Description	2016/17	2017/18	2019/20	2019/20	2020/21
	Actual No.:	Actual No.:	Actual No.:	Actual No.:	Actual No.
<b>Energy:</b> (Above minimum level)					
Electricity (at least min. service level)	1905	2118	1740	463	1700
Electricity – prepaid (min. service level)	1700	345	340	0	0
Minimum Service Level and Above sub-total	100%	100%	100%	100%	100%
Minimum Service Level and Above Percentage					



Pic: Electrification of 1176 stands in Siyanqoba



Pic: Electrification of 1000 stands in Empumelweni





Pic: Electrification of 274 stands in Siyanqoba

### **3.4. ENVIRONMENTAL AND WASTE MANAGEMENT**

The Department derives its mandate from the Constitution of the Republic of South Africa, in terms of **Part B, Schedule 4 and 5** of the Constitution, municipalities have a constitutional mandate as stewards of the natural environment to perform the following environmental management functions:

- (a) Control of Air and noise pollution.
- (b) Control of public nuisances.
- (c) Street trading.
- (d) Licensing and control of undertakings that sell food to the public.
- (e) Cemeteries, funeral parlours and crematoria.
- (f) Municipal parks and recreation.
- (g) Street Cleansing.
- (h) Waste management services (refuse removal, refuse dumps, and solid waste disposal).

**The department comprises of the following units;**

- Waste Management,
- Environmental Management and Compliance and
- Parks, Public Open Spaces and Cemeteries.

**3.4.1. Waste Management Unit**

The Waste Management Department is responsible for ensuring that the city is clean, waste is collected from households and businesses and ultimately disposed of at an appropriate waste disposal facility. The waste management section comprises of the following sub-units; waste collection, street & city cleansing, recycling, and landfill management.

It is responsible for ensuring that waste is managed as per requirement of the National Environmental Management; Waste Act, Act No 59 of 2008; and prescriptions of Section 24 of the Constitution of South Africa with a key focus on sustainability and implementation of the waste management hierarchy.

Strategic documents that guides the performance of the waste management unit are; amongst others;

- Section 78 Study report on Integrated Waste Management
- Draft Integrated Waste Management Plan;
- Waste Management By-Law and Policies
- Standards for Waste Management Collection
- Standard Operating Procedures on waste collection
- Landfill licences operating conditions
- Other legislation from National Government

The Department had also started investigating alternative ways for waste management and has embarked on an exercise to explore the feasibility of a waste to energy technology plant in one of its largest landfill sites, Leeuwoort Landfill Site.

### **3.4.1.1. Functions**

#### **(a) Waste Collection**

The waste collection Section within the Department is responsible for kerbside side collection of waste once per week at all formal residential and business premises in the municipality. Refuse collection in informal areas is done by way of 6m<sup>3</sup> mass container collection, which are placed in strategic areas, and collected once a week.

With the availability of additional resources, newly developed areas are constantly incorporated in the refuse collection schedule.

Categories of waste collected are as follows;

<b>Waste Category</b>	<b>Description</b>
COMMERCIAL INDUSTRIAL	Commercial and industrial waste (non-hazardous) that is collected by ELM, including subcontractors
GARDEN	Discarded plant/tree trimmings, grass cuttings, tree branches and trunks
INERT	Discarded non-hazardous material that originated from building or demolishing projects. Includes fragmented concrete, broken bricks and blocks
MUNICIPAL	Domestic waste collected by ELM

The waste management unit uses a fleet of approximately 18 refuse collection vehicles also known as Rear End Loaders (REL) that are full functional. Unfortunately, these RELs are sometimes not all available at the same time due to breakdowns or other downtime reasons, thus creating disruption in services delivery. The unit has an asset base that includes over 50 x 6m<sup>3</sup> skips which are rented out and some used as part of the mass container removal schedule, 4 x load luggers and 3 landfill sites.

Seven additional new waste collection trucks were acquired during the current financial year, and this has created leverage for an improved waste collection service since May 2022. Some of seven new trucks that were delivered in May 2022 are shown in the picture below.



The availability of additional RELs ensured that refuse collection backlogs are minimised as well as extension of the service to additional households which did not receive the service before was made possible.

According to statistics SA, only 68, 1% of households receive a regular waste management service in the municipality. Many areas have been experiencing refuse collection backlogs and some formal areas, especially newly developed townships, which are not receiving kerbside refuse collection services because of a myriad of challenges pertaining to, amongst others, the following:

- (a) Majority of the fleet is old and dilapidated
- (b) Shortage of personnel
- (c) Budget limitations in implementing alternative waste management methods.

Some of the areas which do not receive consistent waste collection include the following:

<b>AREA</b>	<b>STANDS (Residential service points)</b>
Thubelihle x 5	633 stands
Kwa Guqa x 12	3 068 stands
Empumelelweni & kwaGuqa Ext 16	8 905 stands
Marikana	8010 stands
Masakhane	3300 stands
Old Coronation & Lekazi	2500 stands
Spring Valley	4 078 stands
Siyanqoba	9 600 stands
Duvha Park x 1	505 stands
Dhuva informal	2933 stands
Mbheki	200 stands



Tsietsi	180 stands
Thala informal settlement	630 stands
Sizanani	495 stands
Mpondozankomo	500 stands
Iraq	1 638 stands
MNS	1 573 stands
<b>Total</b>	<b>47110 stands</b>

The abovementioned areas are currently serviced through the mass container collection schedule.

The Department is in the process of diversifying its waste collection methods through the introduction of the 240 litre wheelie bin system to promote recycling projects at source and the composting of organic waste. Over 3600 x 240L bins have already been distributed in Ga-Nala and Rietspruit areas. The wheelie bin project as depicted in the picture below was funded by a local mining company and it was launched at Ga-Nala in 2021 by the former Executive Mayor of Emalahleni Local Municipality.



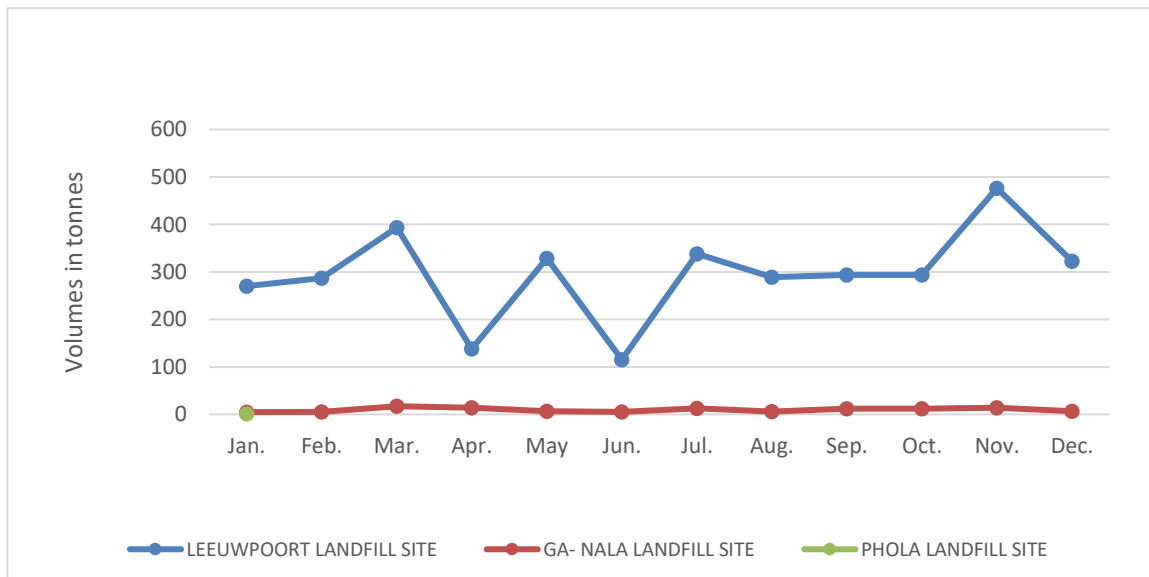
**(b) The Recycling and Landfill Management**

This section within the Department is responsible for the management of 3 landfill sites which are operated by a service provider. The landfill sites are all licensed and fully operational. Plans are in place to upgrade the landfill sites so to improve compliance from 40% to 80% within the next 2 years.

All collected waste is disposed of at these landfill sites by both the municipality, businesses and the community. The volumes of waste received at the three municipal landfills during the financial year are as follows;

MONTHS	LEE UWPOORT LANDFILL SITE	GA- NALA LANDFILL LANDFILL SITE	PHOLA LANDFILL SITE	
Jan.	5652,3	772,8	1320,8	
Feb.	8542,45	900,05	900,05	
Mar.	9608,7	1288,75	851,2	
Apr.	8697,15	894,1	588,55	
May	6706,9	1173,1	492,45	
Jun.	6015	989,6	557,85	
Jul.	6736,75	1032,45	341	
Aug.	5093,05	942,25	308,95	
Sep.	9270,6	1215,8	480,5	
Oct.	6826,1	955,5	419,65	
Nov.	6914,65	1231,55	480,15	
Dec.	4279,65	580,2	463,9	
<b>TOTAL:</b>	<b>84 343,3</b>	<b>11 976,15</b>	<b>7 205,05</b>	<b>103 524,50</b>

The graph below shows that Leeuwpoort landfill is the busiest site of all because of the large volumes of waste.



In terms of hazardous waste, NEMWA defines hazardous waste as waste that contains organic or inorganic elements or compounds that can have detrimental impacts on health and the environment. Hazardous waste includes health care waste, e-waste, fluorescent lamps, batteries, waste that contains polychlorinated biphenyls (PCBS), pesticide waste, oil, asbestos, and sewage sludge. At a domestic level hazardous waste can include discarded detergent containers and household pesticides etc. Commercial, industrial and mining sector hazardous waste is handled by private sector waste management companies in the ELM. Most of the hazardous waste generated in the ELM is disposed of at Rietfontein Springs Hazardous Landfill by private waste contractors.

Due to inadequate access control at all landfills within ELM, it is possible that hazardous waste has been disposed of at the three ELM landfills. Examples of hazardous wastes illegally ending up in general waste landfills are healthcare waste from local clinics, small quantities of paints, solvents, batteries and other household hazardous wastes.

It is crucial that all landfills improve access control in order to prevent the disposal of hazardous waste into these landfills. The municipality has by-laws regulating access to the landfill sites and tariffs set on the cost of disposal of waste. The municipality has placed spotters and access control personnel only at the Leeuwpoot landfill to guard against the ingress of hazardous waste. The Phola and Ga-Nala landfills currently do not have such control measures due to lack of personnel.

All the landfill sites are licensed for recycling and recycling is being done informally. The Section is working on a method to formalise recycling at the landfill sites, and has prepared a request for proposal document that invite private companies to take over waste reclamation at all municipal landfills. Externalising waste reclamation at all landfills will assist the Department in managing and controlling the various informal waste pickers on site and the designation of recycling areas in the landfills. There is also a plan to diversify waste handling in terms of exploring opportunities to implement a waste to energy plant.

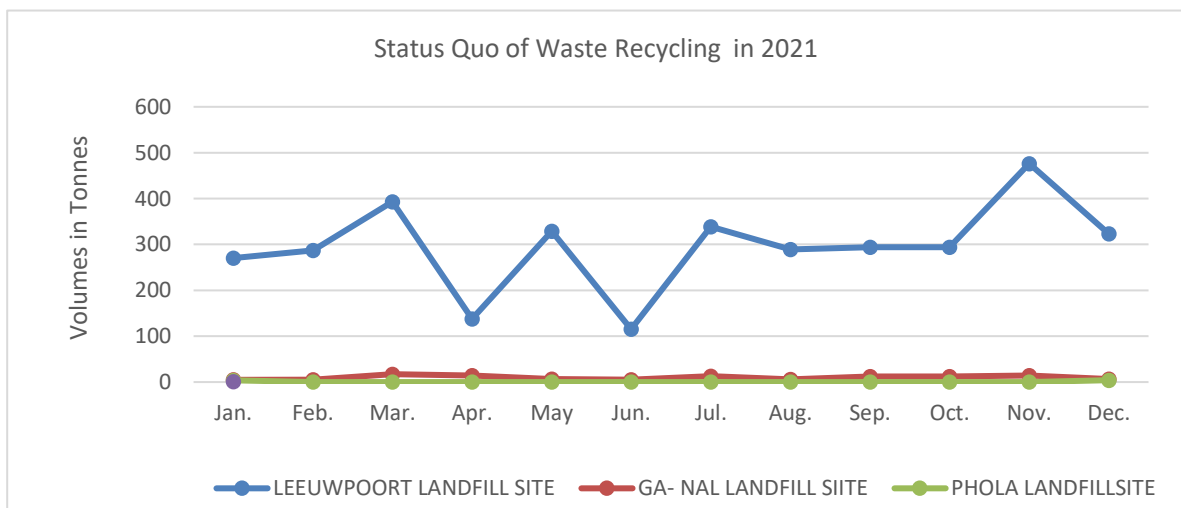
The municipality is currently not doing well in terms of promoting recycling and a recycling circular economy. Recycling within the ELM is primarily undertaken by private organisations. There are eighteen (18) recycling facilities in Emalahleni Local Municipality, of which only nine are registered within the waste information system of the municipality.

These organisations collect recyclable waste from commercial and mining companies. Reclaiming of recyclable material at all of ELM's landfills is a daily occurrence. The recyclable material that is extracted from the landfill by waste reclaimers is sold to private recycling companies. In most cases these individuals earn a living from selling recyclable material to private companies.

Items that are recycled are paper, plastic, cardboard and metal. Quantities of waste recycled during the period under review are as follows;

<b>MONTHS</b>	<b>LEEUPPOORT LANDFILL SITE (Tonnes)</b>	<b>GA- NAL LANDFILL SIITE (Tonnes)</b>	<b>PHOLA LANDFILLSITE (Tonnes)</b>	
Jan.	270,4	4,9	3,59	
Feb.	287,2	5,5	0	
Mar.	393,31	17,2	0	
Apr.	137,77	14,2	0	
May	328,8	6,7	0	
Jun.	115,3	5,4	0	
Jul.	338,34	12,7	0	
Aug.	289,07	6,18	0	
Sep.	293,98	12,4	0	
Oct.	293,98	12,4	0	
Nov.	476,3	14,41	0	
Dec.	322,97	6,8	4,15	
<b>TOTAL:</b>	<b>3547,42</b>	<b>118,79</b>	<b>7,74</b>	<b>3673,95</b>

The graph below shows that the most reclaimed waste happened at Leeuwpoot landfill during the period under review.





**(c) Street Cleansing and Clean City Program**

Street Cleansing is conducted according to a street cleansing program mainly covering the Central Business District and main entrance routes. Cleansing, also includes the cleansing of the city in terms of eradication of illegal dumping spots. The Department has initiated projects with communities through the Adopt-a-Spot program that looks into managing these illegal dumping spots in a more sustainable manner.

The clean city team under leadership of Clean City Coordinators is responsible for eradication of illegal dumping areas and assisting communities in adopting illegal dumping spots.

Examples of different areas that were cleaned during the period under review:





Street cleansing and clean city programs are hampered by shortage of resources to an extent that regular cleansing of all streets is not done and there is a huge backlog on cleaning of illegal dumping areas. The unit relies heavily on the EPWP program to attend to some of the far flung streets and pavements to be cleaned up.

**3.4.1.2. Key Achievements of the waste management unit during the financial year under Review:**

1. 2 x new transfer station under construction and currently at 90% completion
2. Roll out of bins to communities in Ga-Nala and Rietspruit.
3. Seven new waste collection vehicles were acquired.
4. A mass container waste collection schedule for un-serviced areas was developed and implemented in specific areas which do not receive kerbside refuse collection.
5. A refuse collection schedule for kerbside refuse collection which included over 10 000 new additional households was approved by Council and implemented.

### **3.4.2. Environmental Management and Compliance Unit**

This unit is responsible for a number of activities, key amongst those activities is the enforcement of National and Provincial legislation including municipal by-laws. These include, amongst others, the following;

- # Compliance monitoring (air, water and land),
- # Investigation of complaints,
- # Enforcement of environmental legislation and municipal By-laws,
- # Environmental education and awareness,
- # Licensing of businesses that sell food to the public,
- # Implementation of the Adopt a Spot policy,
- # Issuing of waste transportation and disposal permits,
- # Review and monitoring of land use developments.

In terms of statistical information, the unit was able to achieve the following targets for period under review;

Notices issued for non-compliance	Fines issued for non-compliance	Number of inspections conducted	Land use development applications reviewed	Environmental Impact Assessment applications reviewed	Vehicle emission testing conducted	Vehicle emission repair notices issued	Business Trade Licenses issued	Waste Permits issued
15	10	171	190	29	10	1	27	8
Adopt a Spot permits issued	Education and awareness campaigns conducted		Intergovernmental / Stakeholder meetings held to share and discuss environmental management issues		Directives/ Criminal cases opened			
32	16		29		2			

As part of the education and awareness campaigns, the unit is also continuously issuing permits for adopting of illegally dumping areas. The Adopt-a-Spot programme is aimed at ensuring that communities take care of their environment in a sustainable manner by adopting these areas and turning them into mini-parks, vegetable gardens and car wash spots.



**Key achievements of the unit during the Financial Year under review:**

1. Development of a vehicle emission control and testing strategy and the implementation thereof,
2. Acquisition of a vehicle emission testing equipment
3. Quarterly compliance auditing of all municipal landfills
4. Business Control Trading By-laws and Prevention of Public Nuisances By-laws were developed and promulgated.
5. An Environmental Management Legal Compliance Register was developed and approved by Council

**3.4.3. Parks, Cemeteries and Public Open Spaces unit**

The unit is responsible for greening, landscaping and cemetery management functions.

In terms of statistical information, the unit managed to achieve the following targets

Number of trees planted	Number of areas landscaped	Number of parks developed	Number of trees distributed to members of the public	Number of graves allocated	Number of cemeteries cleaned	Ha of overgrown grass cut	Number of trees cut
1019	1	3	193	1950	14	7541.43	638

**Key achievements of the unit during the Financial Year under review:**

- 1) Alien invasive Species Control Plan was developed and approved by Council
- 2) Heritage By-law was developed and to be approved by Council
- 3) Blesboklaagte cemetery was launched and opened for burials
- 4) A memorial garden was developed at PRMP cemetery
- 5) New Parks developed in Ga-Nala and Clewer

**3.5 HOUSING**

**Introduction to Human Settlement**

The Department of Human Settlements is a section located in the Development Planning Directorate. In terms of housing, the municipality was granted Level 1 Accreditation functions by the Province to carry out such functions as Beneficiary Administration and Project Planning. The Municipality aims to provide sustainable human settlements and improved quality of household life closer to employment opportunities, through accelerated delivery of housing and access to basic services. In this regard, the municipality is guided by National Human Settlements Principles for Human Settlements Development to provide housing to communities under its jurisdiction.

These human settlements principles are:

- Integration from fully subsidized housing (“RDP”) through affordable to middle / upper cost.
- Integration from upper cost through middle to affordable housing.
- Integration from lower middle through affordable to fully subsidized housing and in-situ upgrading of informal settlements.

**Objectives of the Section:**

- To create Sustainable Human Settlements in which a range of housing opportunities are created.
- To promote in-fill development.
- To ensure that the current conditions of housing for the vulnerable are improved.

**Challenges**

- Increasing incidents of land invasions / increase protests for land for residential purposes.
- Slow contractor progress
- Abandoned houses by Siyanqoba beneficiaries due to insufficient provision of services such as water, sanitation and electricity
- Lack of serviced land for non-qualifying beneficiaries (Gap Market)
- Non- availability of land for uninhabitable informal settlements which need to be relocated
- Unavailability of occupants of stands during formalisation, pegging, and re-blocking/re-settling processes.
- Dilapidated hostel buildings
- None payments of rental units by tenants

**Housing Backlog Summary:**

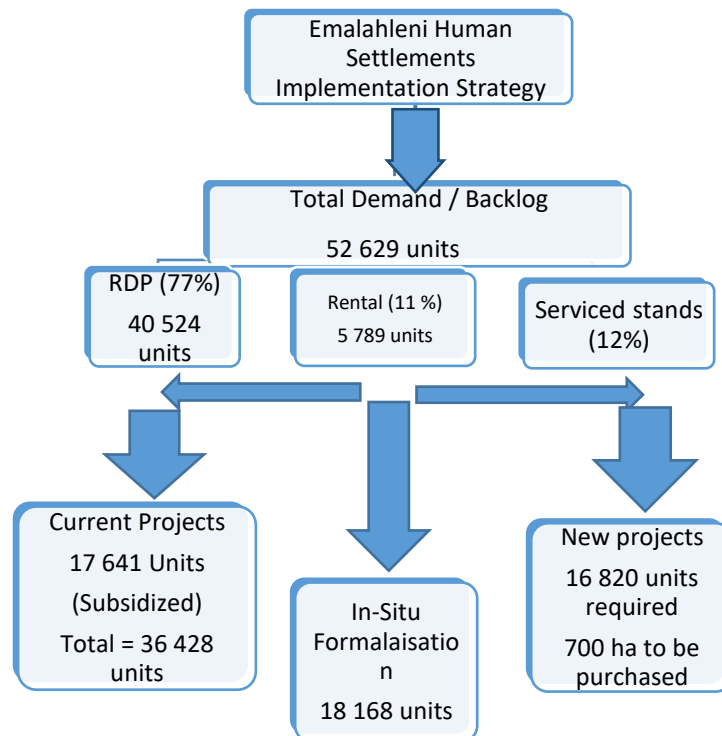
Demand/ Backlog Type	Number of units Required	%
Informal Settlements (approximately 72)	34 097	
Housing Needs Register (Waiting List) not informal Settlements	18 532	
<b>Total demand</b>	<b>52 629</b>	<b>100%</b>
Multiple Families	6 984	13%
Backyard dwellers	9 575	18%
Informal Settlements	34 097	65%
Other	1 973	4%

## Implementation Strategy:

The Municipality aims to deal with the housing backlog/demand through the implementation of the following human settlements programs:

- Integrated Residential Development Program (IRDP);
- Upgrading of Informal Settlements Program (UISP); and
- Social Housing/Community Residential Units (CRU)

Based on a community survey conducted, the profile of the housing demand is summarized in the Emalahleni Human Settlements Strategy Diagram below:



## Projects undertaken to respond to the housing backlog:

1. **IRDP:** Siyanqoba, Duvha and Thubelihle/Hlalanikahle Extensions Housing Projects
2. **UISP:** Empumelelweni Extensions, Hlalanikahle Extensions, Kwa-Guqa Extensions, and Phola
3. **Re-settling/allocation of stands:** Iraq and Empumelelweni Ext 7 and 9, (8700 stands) according to the approved layout plan
4. **Allocation of stands** in Thubelihle Extension 7 and 8
1. **Issuing of Title Deeds:** Klarinet Extensions, Kwa-Guqa Extensions, Siyanqoba, Hlalanikahle Extensions, Thushanang, Phola and Thubelihle

## **Achievements**

- 401 Houses completed and occupied under the Siyanqoba, Duvha Park and Thubelihle/Hlalanikahle Extensions Integrated Residential Development Project.
- 3 034 households resettled and allocated stands after formalization of informal settlements
- 1 020 Title Deeds issued to owners of RDP houses in Klarinet Extensions, Kwa-Guqa Extensions, Siyanqoba, Hlalanikahle Extensions, Thushanag, Phola and Thubelihle
- 3 030 vacant residential stands allocated in Thubelihle Extension 7 and 8

## **ROLL OVER/ CURRENT PROJECTS 2022/2023**

1. Completion of incomplete Housing Projects:
  - Duvha Park Ext 1: 30 units
  - Thubelihle Extension 5/Hlalanikahle Extensions: 34 units
  - Moteko (Siyanqoba): 50 units
  - TSSN (Siyanqoba): 474 units
2. Re-settlement/allocation of stands of **(1500)** households after formalization of informal settlements (Iraq/Phola and Empumelelweni Extensions) according to the approved layout plan.
3. Allocation of residential stands: Thubelihle Ext 8
4. Issuing of Title Deeds to owners of RDP houses in Klarinet Extensions, Kwa-Guqa Extensions, Siyanqoba, Hlalanikahle Extensions, Thushanag, Phola and Thubelihle
5. Conducting feasibility Studies for development of unconverted hostels
6. Reviewing of the Housing Development Plan to meet the current developments

## CONCLUSION

In conclusion, and from the Human Settlements Strategy diagram above, assuming that the current backlogs do not grow further:

- The Upgrading Plans that the Municipality currently has can yield up to 18 168 units.
- The running and planned projects (Siyanqoba, Klarinet, Masakhane-Naauwpoort) are envisaged to yield another 17 641 units.
- This leaves the municipality with a shortfall of 16 820 units which could be accommodated on approximately 700ha.

Therefore, the Municipality needs to plan ahead to identify and purchase more land for human settlements development, and to accommodate the shortfall and the ever-increasing population that is as a result of people seeking job opportunities. Furthermore, opportunities such as brought by the status of being a Mining Town in Distress should be optimally used to the municipal advantage to obtain funding for upgrading and increasing bulk infrastructure capacity, in order to carry all new human settlements developments that will be undertaken in future. This in turn would attract investments into Emalahleni and would boost the town's economy.

### IRDP- DUVHA PARK EXT1/SIYANQOBA





UPGRADING OF INFORMAL SETTLEMENT (UISP) EMPUMELEWENI/HLALANIKHAHLE



A RDP House handed over to Gogo Matshomane.







Re-Blocking/Re-settling: Iraq



Thubelihle allocation of Stands.



### 3.6 FREE BASIC SERVICES

The Municipality provides the following FBS:

Water (6KL):	R 56, 73
Basic Sewer:	R 31, 90
Electricity:	R 64, 61
Refuse Removal:	R 77, 70

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Subtotal	R 321, 03
Plus 14% VAT	R 34, 65

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○ **R 265, 68**

- 8 059 indigent households receive the services in 2021/22
- The households in informal settlements do not get subsidies but receive the communal basic services.
- Electricity is not provided for informal settlement.
- The households in informal settlements do not get subsidies but receive the communal basic services.
- Electricity is not provided for informal settlement.
  
- When the economic status of the household changes, the households do not update the information;
- The physical verification is sometimes compromised by the availability of vehicles;
- The equitable share is reliant on the number of indigents per municipality therefore not covering all areas may compromise the allocation.

### COMPONENT B: ROAD TRANSPORT

Economic growth and development require a road network that support an effective and efficient public, private and freight transport system. A functional mobility road network, effectively managed, improves capacity and traffic flow thus reducing travel time and travel cost to the road user. A safe and efficient road network is an essential enabler for sustainable development in both urban and rural areas.

The principal objective of road management is to ensure that a network of roads is provided primarily for the movement of persons and goods as part of an integrated transport system and that road reserves are available for other appropriate uses.



### 3.7 ROADS AND STORM WATER

Economic growth and development require a road network that support an effective and efficient public, private and freight transport system. A functional mobility road network, effectively managed, improves capacity and traffic flow thus reducing travel time and travel cost to the road user. A safe and efficient road network is an essential enabler for sustainable development in both urban and rural areas. The principal objective of road management is to ensure that a network of roads is provided primarily for the movement of persons and goods as part of an integrated transport system and that road reserves are available for other appropriate uses.

The management of the roads and stormwater infrastructure is part of the Technical Services Department and is the primary function of the Roads and Stormwater Section. The department serves as the custodian for municipal roads and storm water assets to ensure the following:

- Improve road safety
- Roads classification and access management
- Integrated transport planning
- Traffic impact assessment
- Pavement management system
- Storm water management system
- Effective road maintenance
- Non-motorised traffic

ELM has a roads infrastructure network of approximately 1400km and they are made of surface, paved (brick paving), concrete and gravel roads. The majority of roads and stormwater infrastructure has reached the end of its designed life span. The dilapidation of infrastructure network has emerged as a result of the following challenges:

- Ineffective pavement management system
- Ineffective stormwater management system'
- Shortage of staff/skills
- Shortage of working resources (plant, equipment and material)
- Ineffective infrastructure management plans to accommodate development growth and population growth and
- Poor drainage system

The municipality has conducted and developed road maintenance plans with guidance and benchmarking from leading institutions in the industry as well as standard specifications. The roads and stormwater maintenance philosophy and maintenance prioritization were derived from the Council Resolution which resolved that; main roads or streets which serves as taxi routes and roads leading to schools, clinics and hospitals should be given first priority. Further that gravel roads be prioritized as they are the only form of connection for certain communities with main economic nodes, institutions of learning, place of worship and emergency facilities. Planning and appropriate budgeting requires that sector plans be developed and adopted for the production of credible IDP and means of sourcing funds.

Through the municipal maintenance and operational budget, the following are some of the highlight achievement for the year 202/2022:

- Patching of potholes throughout the municipality to a total of 81 715.33 square meters,
- Maintenance / re-gravelling of gravel roads to a total of 213.11 kilometres and
- Clearing and cleaning of Kalkspruit from Thwala Bridge to Botha street bridge.

The above was in response to the continued complaints of bad and decaying municipal roads which tends to characterize emalahleni and the flooding of private and public properties during rainy seasons and will assist in reducing the damages claims lodged with the municipality.

Cost of Construction / Maintenance						
	Gravel Road			Tarred Road		Maintained
	New	Gravel - Tar	Maintained	New	Re-Worked	
2017/18	0.0km	R10 298 000.00	R6 379 448.00	R10 298 000.00		R20 207 362.00
2018/20	3.44km	R18 000 000.00	R 6 217 559.00	R18 000 000.00	R6 400 000.00	R19 306 894.00
2019/20	4.054km	R25 250 538.06	R 7 796 318.89	R25 250 538.06		R22 972 481.09
2020/21	4.30km	R26 288 000.00	R5 050 000	R26 288 000.00		R5 050 000.00

Cost of Construction of Stormwater / Maintained			
	New	Upgraded	Maintained
2016/17	R800 000	R30 000 000	R950 000
2018/20		R14 000 000	R1 000 350.00
2019/20			R3 050 000.00
2020/21			R3 050 000.00

Road Service Policy Objectives Taken From IDP						
Services Objectives	Outline Service Targets	2021/22		2020/21		
		Target	Actual	Targets		Actual
Services Indicator		*Previous Year		*Previous Year	*Current Year	

To Improve reliability of roads infrastructure network	Number of square metres on surface roads Patched/Maintained	Maintain 80000m <sup>2</sup> of surfaced roads	90 398,85m <sup>2</sup> of potholes were patched /maintained	Maintain 80000m <sup>2</sup> of surfaced roads	Maintain 80000m <sup>2</sup> of surfaced roads	81715.33m <sup>2</sup> of potholes were patched /maintained
To Improve reliability of roads infrastructure network	Number of storm water drainage systems maintained	Maintain 120 systems of stormwater drainage	199 Systems of stormwater drainage were maintained	Maintain 120 systems of stormwater drainage	Maintain 120 systems of stormwater drainage	122 Systems of storm water drainage were maintained
To Improve reliability of roads infrastructure network	Kilometres of gravel roads maintained (Kilometres of gravel road remaining)	160 km gravel roads maintained	426.45 km gravel roads maintained	160 km gravel roads maintained	200 km gravel roads maintained	213.11 km gravel roads maintained.
To Improve reliability of roads infrastructure network	Number of square metres on surface roads Resealed / Rehabilitated	1600 m <sup>2</sup> of surfaced road was maintained through Rehabilitation / Resealing	1600 m <sup>2</sup> of surfaced road was maintained through Rehabilitation / Resealing	1600 m <sup>2</sup> of surfaced road was maintained through Rehabilitation / Resealing	1600 m <sup>2</sup> of surfaced road was maintained through Rehabilitation / Resealing	1840.6 m <sup>2</sup> of surfaced road was maintained through Rehabilitation / Resealing

The following projects were implemented with utilization of MIG funding

1. Construction of Paved Roads and Stormwater in Thubelihle Extension 5: The total scope of works consisted of upgrading of roads and stormwater in Thubelihle Extension 5. The total length of roads was 4,3km with associated stormwater drainage. The project yielded 6 work opportunities and an amount of R 26 288 000.00 spent.



The main objectives of the roads and storm water department are as follows:

- Alleviation of traffic congestion through implementation of the recommendations of the Roads master Plan as approved by council,
- Upgrading and rehabilitation of roads and intersections within Emalahleni as per the recommendations of the Pavement Management Systems.
- Upgrading of storm water drainage network as per recommendations of the storm water master plan which has been approved by council
- Implementation of the pavement management systems which identified the resurfacing and rehabilitation of roads as a major project to improve the conditions of roads

### **3.8. TRANSPORT & LICENSING**

The Traffic Section is mainly focusing to promote road safety and education. The section managed to conduct 24 major roadblocks in conjunction with the SAPS and Mpumalanga provincial Traffic Control.

#### **THE OBJECTIVE:**

Is to provide visible patrol within Emalahleni Local Municipality.  
To render 24 hours – 7-day service delivery to the community.  
To have proper management system of parking in the CBD.

#### **Functions and Achievements**

- Managed to appoint a service provider to assist with speed cameras that will reduce road accidents caused by over speeding;
- Managed to train 3 traffic wardens and they have qualified as traffic officers
- Appointed a service provider that will provide us with a system that will help us manage the parking at the Emalahleni CBD

#### **Challenges**

- The section has insufficient fleet, broken vehicles and other vehicles are old
- Lack of personnel to cover the whole jurisdiction of Emalahleni
- Sick leave bookings from personnel
- Traffic congestion in our main roads



## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.9. DEVELOPMENT PLANNING

The objectives of the Planning Section in the municipality are as follows:

- To identify and stimulate development opportunities through spatial framework planning;
- To monitor and regulate land uses;
- To ensure integrated human settlement in line with the spatial development framework and integrated development plan.
- To facilitate the disposal and management of Council owned land

The Spatial Planning Department is responsible for the management of land use, processing all development applications, guide and advice developers who are interested to invest within the municipality. The Department also administers the alienation and disposal of temporary and permanent municipal land through the disposal and acquisition of immovable municipal property policy. Furthermore, the department is responsible for the management and control of outdoor advertising, as well as building control activities within the Emalahleni jurisdiction.

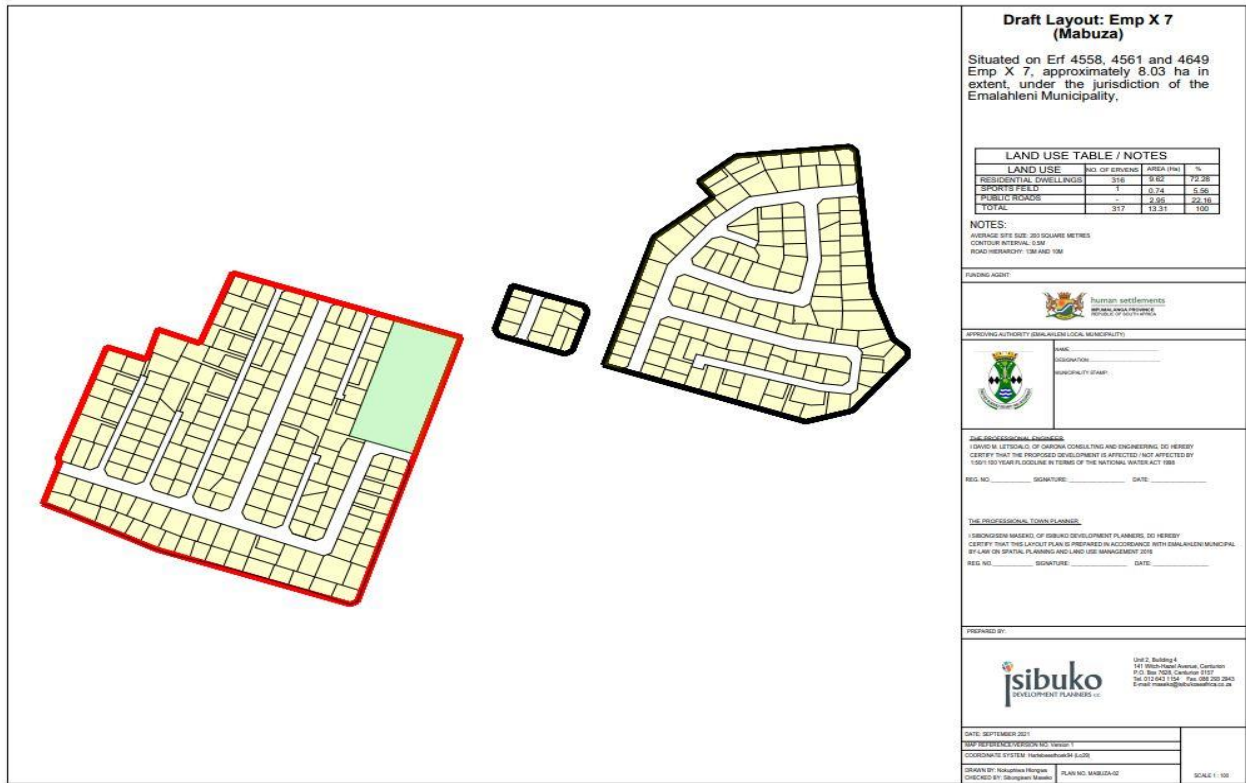
The Planning Department engages with various stakeholders who are interested in housing development, commercial development, industrial development and public institutions. It is a function of the department to identify suitable land for the various uses and to ensure also that the principle of integrated human settlements is achieved. The department through the assistance of DBSA is in the process of reviewing the Spatial Development Framework with which the municipality is using to identify and stimulate development and management of land use within its area of jurisdiction. The review of the Land Use Management Scheme was completed and gazetted in March 2020. The Department has started with the implementation of SPLUMA, the by-law is developed and gazetted and the process of establishing a new Municipal Planning Tribunal is currently underway. Pegging and Survey of all the previously approved townships has been completed.

The department consists of the following sub-units:

- Spatial Planning
- Land Use Administration
- Building Control
- Property Management



## Empumelelweni Extension 07



Applications for Land Use Development						
Detail	Township Establishments		Rezoning, Special and Written Consents and Subdivision and Consolidation		Building Plans	
	2020//2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
	Number of application received	8	9	116	143	1286
Number of applications Assessed	7	13	119	158	1163	1532
Number of Applications Approved	6	11	104	143	1053	1253
Number of Applications Withdrawn	0	0	1	2	0	0
Number of Notices Issued	0	0	210	422	199	424
Number of Inspections Conducted	7	13	119	158	197	689

### CHALLENGES

- Land invasion by squatters
- Decline in potential key growth points due to illegal mining activities
- Poor communication between Provincial and Local Government
- Construction of Illegal buildings

- High rise of illegal land uses
- Non-operational Geographic Information Systems (GIS)
- Lack of investors due to unavailability of municipal bulk infrastructure
- Budgetary Constraints

## CURRENT PROJECTS

The municipality through the assistance of Mpumalanga Human Settlement Department is currently categorizing informal settlements under the National Informal Settlement Upgrade Program (NUSP) for formalization of informal settlements under the following areas:

No.	PROJECT NAME	PROPERTY DESCRIPTIONS
1	Empumeleweni X13	The Remainder of Portion 5, Remainder of Portion 16, and Portions 68 - 74 of the farm Nooitgedacht 300-JS
2	Phola Extension 19	A Portion of the Remainder of Portion 37 Wilderbeestfontein 327-JS
3	Thabo Mbeki and Tsiesti	A portion of the Remainder of the Farm Kwa-Guqa 313-JS
5	Enkanini	Erf 2597 and Portion 1 of Erf 2596 Phola Extension 1
6	Santa Village	Portion 26 and 29 Driefontein 297-JS and a Portion of the Remainder Kwa-Guqa 313-JS
7	Spring Valley Proper	Portion 4 and 5 Spring Valley 321- JS
8	Emsagweni	Portion 393 of Erf 11254, Kwa-Guqa Extension 1
9	Empumeleweni X14	Portions 89, 90 and 91 of the farm Nooitgedacht 300-JS
12	Mthimunye	Erf 4134 Hlalanikahle Extension 4
13	Sizanani and Wells	Portion 122 of the farm Witbank 307-JS and Erf 793 Tushanang Extension 4
15	Emthofi	Erf 8117 Kwa-Guqa Extension 17
16	Erf 12 Kwa-Guqa X2	Erf 12 Kwa-Guqa Extension 2
18	Erf 6655 Kwa-Guqa	Erf 6655 Kwa-Guqa Extension 10
19	Power Mall	Remainder of Erf 1521 Hlalanikahle Extension 2

Upon conclusion of the categorization process, the appointed service provider will then start the process of formalizing areas that were found to be suitable for development.

### **3.10 LOCAL ECONOMIC DEVELOPMENT**

The Department Economic Development and Tourism is located in the Directorate Development Planning of the Municipality. It is situated on the Nelson Mandela Drive at Emalahleni Civic Centre (main building) 3<sup>rd</sup> floor.

The Economic Development and Tourism Unit coordinate all key Local Economic Development (LED) stakeholders and role players to unlock economic opportunities and encourages private sector driven investment with the aim to create decent employment opportunities for local residents. The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation.

The stakeholders' engagement platform is encouraged through the Local Economic Development forum where ideas on socio-economic development are shared. The local Economic Development strategic framework was developed through stakeholder consultation workshops, upon presentation of perspective.

The practice of local economic development can be undertaken at different geographic scales. At local government LED strategies are pursued for the benefit of its entire jurisdiction, but individual communities and areas within a local government's jurisdiction can also pursue LED strategies to improve their economic competitiveness. Such approaches are most successful if pursued in partnership with local government strategies. LED is about communities, continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. The LED Strategy of Emalahleni Local Municipality has been approved by Council for 2018-2023 and will be reviewed in the financial 2022/2023. The Tourism Strategy for the period 2020-2025 has been developed and approved by Council. The SMME's and Cooperatives strategy 2020-2025 is in place and approved by Council.

#### **Objectives of the Emalahleni Economic Development and Tourism Unit**

- Assess the local economy in the context of sectoral growth and challenges
- Identification of LED opportunities and development initiatives to be implemented by key stakeholders and role players.
- Identification of LED programmes and projects to uplift local communities.
- Implementation of the LED strategy
- Promotion of SMMEs and cooperatives development
- Tourism growth and development
- Increase the in key strategic areas (i.e. coal mining, manufacturing and agriculture)

With all the objectives stated above, as is the case with all other South African Municipalities, Emalahleni is confronted with challenges of poverty, inequality and unemployment, with youth unemployment sitting at 45.9% in 2020. Over and above the challenges mentioned, the municipality is also faced with the following:

- Tourism not fully exploited,
- Inadequate support of SMMEs leading to ineffective growth and sustainability,
- Insufficient support for emerging farmers leading to underutilization of available agricultural land,
- Poor business relationships and lack of common vision amongst business and other institutions,
- Insufficient marketing drive to attract huge investments,
- Inadequate institutional structures/arrangements that plan, implement, monitor and evaluate LED programmes and projects (e.g. LED unit structure and LED Forum).

#### Green Flags for Emalahleni Local Municipality

- Potential in developing key industries – Mining Museum & the establishment of Mining and Metals Industrial Technology park,
- Good location in terms of the N4 and Maputo Corridor,
- Close to Gauteng markets,
- Mining as anchor industry, and
- Importance of power generation.

#### Red Flags for Emalahleni Local Municipality

- Very high population growth rate –pressure on basic services & infrastructure,
- High unemployment & poverty rate,
- General deterioration in household services,
- Inadequate youth development strategies to respond to the high youth unemployment, and
- Low historic economic growth rate and further economic contraction forecasted.

### CONTRIBUTION TO THE ECONOMY

- Contribution to the Mpumalanga economy in 2020 was 17.8% – 2<sup>nd</sup> largest economy in the province. Contribution to the Nkangala economy was 45.8%.
- Leading contributor to Nkangala's industries, except for agriculture and manufacturing.
- Average annual economic growth rate for Emalahleni was relatively low at 1.4% over the period 1996 to 2020. Between 2015 & 2020 the economy contracted by 1.0% p.a.



- Estimated contraction in 2020 of between 8% and 9% due to the COVID-19 lockdown. Construction, transport, manufacturing and trade (including tourism) most negatively affected industries.
- Estimated growth of more than 5% in 2021 from a low base.
- The estimated average annual GDP growth for Emalahleni between 2020 and 2025 is more than 3% p.a.
- The size of the economy in 2020 was estimated at R71.7 billion in current prices.
- In 2020, mining, community services, finance, trade (including tourism) and manufacturing were the largest industries in the economy of Emalahleni. Mining contributed around 40% and the top four industries contributed more than 80% to the economy of Emalahleni.
- Emalahleni holds a comparative advantage in mining and utilities/electricity (power stations).
- In 2015, tourism spend totaled R1.6 billion or equal to 3% of the local GDP. It decreased to only R600 million in 2020, which was equal to less than 1% of the local GDP.

**Responses to the challenges outlined above should centre around:**

Economy, Investment and Unemployment Cluster:

Economic development and Tourism

Agriculture, rural development, Land and environmental affairs

Public Works, roads and transport

<b>ECONOMIC ACTIVITY BY SECTOR</b>			
	18/19	19/20	20/21
Agric, forestry and fishing	12.4%	0.5%	15.4%
Mining and quarrying	58.5%	52.1%	61.8%
Manufacturing	30.1%	7.1%	32.8%
Wholesale and retail trade	40.2%	8.6%	43.3%
Finance, property, etc	35.6%	7.7%	36.7%
Govt, community and social services	36.3%	8.4%	39.3%
Transport	38.2%	3.8%	42.1%
Utilities	55.5%	9.9%	56.0%
Construction	39.3%	2.0%	43.1%

Economic Employment by sector			Job
Sector	Year 1 No. 18/19	Year 2 No. 19/20	Year 3 No. 20/21
Agric, forestry and fishing	2.5%	2.3%	2.5%
Mining and quarrying	18.6%	22.6%	24.3%
Manufacturing	8.5%	7.9%	7.5%
Wholesale and retail trade	16.7%	16.5%	17.5%
Finance, property, etc	11.9 %	10.7%	11.5%
Govt, community and social services	16.0%	13.3%	13.5%
Infrastructure services/ construction	9.7 %	8.7%	7.2%
Utilities	3.2%	5.5%	3.5%
Transport	4.9%	4.4%	4.5%
Private households	8.0%	8.3%	7.7%

**Comment on local labour market/local Job opportunities:**

- The expanded unemployment rate of Emalahleni was 33.3% in 2020, which was in the lower half of rates in the province, but relatively high in comparison with the 6% target by 2030.
- In 2020, the expanded unemployment rate for females was 41.2% and that of males 28.0%.
- In 2020, the youth (15-34 yr) expanded unemployment rate was 45.9%, which is high for Emalahleni.
- There is concern about the high share of unemployed youth & especially females – there appears to be a mismatch between their offering of education and skills (or lack thereof) and the demand of the labour market, but also a lack of investment to create jobs.
- Importance of quality and relevant education and training in line with the economic needs of the province to improve their employability but also a need to retain businesses and attract new investment. Importance and relevance of the UMP and TVETs.
- In 2020, Emalahleni contributed 15.3% to total employment in the province.
- Increase in employment level between 2016 & 2020 of 0.6% p.a. The average annual employment growth deteriorated when compared with the 2011 to 2015 increase of 3.3% p.a.
- The job losses in 2020 due to the COVID-19 lockdown, was estimated at 14 705.
- In the 4-year period between 2016 and 2020, Emalahleni gained only 3 710 jobs. The negative impact of Covid-19 very much visible.
- In 2020, the largest employing industries in Emalahleni were mining, trade (including tourism), community services and finance.



<b>Jobs created during year 0 by LED Initiatives (Excluding EPWP projects)</b>				
<b>Total jobs created / Top 3 initiatives</b>	<b>Jobs created</b>	<b>Job lost / displaced by other initiatives</b>	<b>Net total jobs created in year</b>	<b>Method of validating jobs created/ lost</b>
<b>Jobs created during the implementation of SLP projects.</b>				
Total ( all initiatives)				
Year - 2019/2020	586		586	Temporary jobs created through SLP and Capital projects.
Year -2020/2021	407		537	Temporary jobs created through SLP and Capital projects
Year -2021/2022	663		633	
Initiatives A (Year 0)	663		663	Temporary jobs created through SLP and Capital projects.
Initiatives B (Year 0)	407		537	Temporary jobs created through SLP and Capital projects
Initiatives C (Year 0)	586		586	Temporary jobs created through SLP and Capital projects

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### 3.11 LIBRARIES, COMMUNITY FACILITIES & THEATRES

Emalahleni Local Municipality jointly with the Provincial Department of Culture Sport and Recreation has provided library services in terms of the National Library of South Africa Act 92 of 1998 and Council By-Laws. Libraries are a role player in the upliftment of the educational level in the community. Recently libraries became part of the information section. Computers are now familiar systems in the libraries. Libraries are one of the only services that render a free internet service to the community. Reading is important to all in the community and the Mpumalanga Government: Department of Culture, Sport and Recreation introduced the Library for the Blind Services so that all levels of the community are targeted. Even if you are only using a computer, there was once a time that communities were reading a book that were available in physical form only, now the same communities are able to access that book through the new technology electronically e.g. through internet.

Emalahleni Libraries consists of Emalahleni Main Library that is situated on the corner of Hofmeyer & Elizabeth Street and 7 other Branch Libraries:

- Klipfontein Branch Library
- Kwa-Guqa Branch Library
- Lynnville Branch Library
- Ga-Nala Branch Library
- Ogies Branch Library
- Phola Branch Library
- Klarinet Ext 6 Branch Library

#### TOP SERVICE DELIVERY PRIORITIES

- **Promote reading to all people in Emalahleni.** Library staff went to schools to market the libraries in their areas. It was realized that certain communities, e.g. Klarinet and Thubelihle are in need of a library. Mpumalanga Government: Department of Culture, Sport and Recreation have built a library in Klarinet X6 and are busy to build a library in Thubelihle that will be completed in 2020, but there is also a need for a library in Klarinet x3 at the multipurpose centre, as well as libraries in other areas of Emalahleni.
- **Address Reference and Information requests at all libraries.** Scholars and students got relevant and up to date information to complete their projects.
- **Internet Services.** Internet service is now available for anybody in the community at all the libraries. Staff members help the public to use and adapt to the new technology.
- **Library for the Blind.** The Library for the Blind service for Emalahleni Public Library was introduced in the 2016/2017 financial year. Emalahleni Main Library has 25 registered members for the blind. Emalahleni Main Library also have a Library for the Blind Champion to help the blind users on the Jaws Computer System.

## **CAPITAL PROJECTS**

- Mpumalanga Government: Department of Culture, Sport and Recreation is busy building a new library in Thubelihle and problems were experienced with contractors. The progress on Thubelihle Library is standing on 92% and the completion date is on 16 December 2020.
- Mpumalanga Government: Department of Culture, Sport and Recreation must revisit the snag list for the completion of Klarinet Library.
- Mpumalanga Government: Department of Culture, Sport and Recreation was supposed to start with the upgrade of Emalahleni Main Library in 2020, but was postponed because of the COVID-19 pandemic.
- Mpumalanga Government: Department of Culture, Sport and Recreation want to build a new library in Kwa-Guqa extension 11. ERF 7898 was identified by Emalahleni Local Municipality and surveying was supposed to start in 2020, but was postponed because of the COVID-19 pandemic.  
Mpumalanga Government: Department of Culture, Sport and Recreation is providing free internet access and the public must only pay for printouts made.

## **CHALLENGES**

- All Emalahleni Libraries are experiencing a staff shortage and vacant positions needs to be filled.
- Emalahleni Local Municipality is renting a shop in Highland Square for the use of Klipfontein Library. An alternative Municipality building need to be looked at in that area so that Klipfontein Library can be moved into that building or a stand need to be identified, so that the Mpumalanga Government: Department of Culture, Sport and Recreation can build a new library if a Municipality building is not available.
- Maintenance and repairs of all damaged items, e.g. toilets that are broken, lights that needs to be replaced and broken doors in libraries. Proper channels are followed concerning the reporting of problems and the fixing of damaged items of the libraries but nothing is being done. Memos were written and internal work orders are handed in, but nothing is done about the repair of damaged items in libraries.
- Buildings are old and need to be refurbished or new buildings must be built.
- Alarm systems in all libraries are not working.
- Maintenance of the gardens of libraries needs to be look at because it is not cleaned regularly. It needs to be cleaned every second week and it's not done.
- All Emalahleni Libraries needs a water tank when the water is off, because it creates problems when staff and public want to use the toilets.
- Working hours and safety of staff members of Libraries needs to be addressed.
- All Emalahleni Libraries needs a generator when electricity is off because it creates problems when the electricity is off, then the public can't be helped with photocopies, internet, etc.
- Libraries have no budget for attending team buildings, meetings and LIASA Conferences.

## SERVICE STATISTICS FOR LIBRARIES

The municipality has eight libraries and for the 2021/22 financial year 144 594 users were recorded to have used the library services.

Service Objections/ Service Indicators	Outline Service Targets	2020/21		2021/22	
		Target	Actual	Target	Actual
Promote reading to all people in Emalahleni	Marketing and Promoting of all 8 Libraries in Emalahleni	10 Reports	15 Reports was done on marketing campaigns	10 Reports	20 Reports was done on marketing campaigns
Address Reference and Information request at all Libraries	Provide up to date Reference and Information Request in all 8 Libraries in Emalahleni	10 000	14 219	10 000	15 757
Internet Services	Provide Internet Services in all 8 Libraries in Emalahleni	15 000	17 652	15 000	18 184
Library for the Blind	To expand the Library for the Blind Services membership to all 8 Libraries in Emalahleni	15	17	15	25

Employees: Libraries					
Job Level	2020/21		2021/22		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	1	
4 - 6	2	3	2	0	
7 - 9	15	27	15	12	
10 - 12	4	14	4	10	
13 - 15	4	10	4	6	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	26	55	39	29	

Capital Expenditure 2021/22 Libraries					
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original Budget	Total Project Value
Total All					
Building of a new Library in Thubelihle by the Mpumalanga Government: Department of Culture, Sport and Recreation	R10 000 000,00	R6 000 000,00	R1600 000 ,00	R600 000 .00	R1600 000 ,00
Upgrade of Emalahleni Main Library by the Mpumalanga Government: Department of Culture, Sport and Recreation	R6 000 000,00	R4.400 000,00	10 400 000 ,00	R4 400 000,00	PROJECT STILL IN PROGRESS
Building of a Lynnville Library by the Mpumalanga Government: Department of Culture, Sport and Recreation	R586 054,00	NIL	R586 054,00	NIL	R586 054,00
Renovation of a Lynnville Library by the Mpumalanga Government: Department of Culture, Sport and Recreation	R497 849,00	NIL	R497 849,00	NIL	R497 849,00

Projects are being implemented by the Mpumalanga Government: Department of Culture, Sport and Recreation and the budget for these projects are being controlled by the Mpumalanga Government: Department of Culture, Sport and Recreation.

## COMMENT ON THE PERFORMANCE OF LIBRARIES

The Capital Projects are being implemented by the Mpumalanga Government: Department of Culture, Sport and Recreation and the budget for these projects are being controlled by the Mpumalanga Government: Department of Culture, Sport and Recreation.

### 3.12 WELFARE SECTION

#### INTRODUCTION

As a Municipality, we ensure access to basic services for all indigent households in terms of the South African Constitution, Constitution of the Republic of South Africa of 1996

Since the introduction of Free Basic Services (FBS) in 2000/01, the role of municipalities has understandably tended to focus on the extension of basic services to previously marginalised and under-served communities and the eradication of backlogs.

Section 74(2)(c) of the Municipal Systems Act, Act 32 of 2000 stipulates that poor households must have access to at least basic services among other things through consumptions of services for basic levels of service

As the municipality we also have an Indigent Policy, policy A.022/19 that directs us on who, why and how long an indigent applicant benefits on indigent subsidy

Over and above the realities of Free Basic Services and Indigency is a Human Rights, Dignity and Financial Sustainability issue.

#### CHALLENGES

- Shortage of personnel.
- Vandalised venues for registrations.
- Poor network system for registration in all Emalahleni jurisdictions.
- Low turn up of the applicants.
- Verification system contract terminations in 30 September 2020 and reconnected in May 2021.

Employees: Libraries					
Job Level	2020/21		2021/22		
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	1	
4 - 6	2	5	2	3	
7 - 9	0	0	0	0	
10 - 12	1	12	1	11	
13 - 15	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	4	18	4	15	

### 3.13. ARTS & CULTURE

#### INTRODUCTION TO ARTS & CULTURE

##### Top Service Deliver Priorities:

The Cultural centre is one of the largest resources owned by the Emalahleni Municipal Council. It is the largest Cultural Centre in the Mpumalanga Province; it is the well-resourced Theatre facility in Mpumalanga. The Cultural Centre core Strategic imperatives are to eloquently outline an implementation of Arts, Drama and Music programme that will have a sound impetus on the Provincial Growth Development Strategy (PGDS) framework of Mpumalanga Province.

##### Achievements /Programmes

- Heritage Women's celebration- in partnership with Time Is Here For Youth.
- Run of the Arts Week eMalahleni Local Arts Festival – partnered with SM Pro Studio for the festival that included Drama, Dance, music, film and poetry.
- Promotion of Local Disc Jockeys- Emalahleni Arts & Culture presented the event.
- Arts Workshop on arts administration, stage management and theatre-partnered with the legendary director, producer and actor Mr. Jerry Mofokeng who conducted the workshop.

##### Challenges

1. Burglary and theft
2. Shortage of staff
3. Insufficient funding

### **3.14. PARKS, CEMETRIES AND OPEN SPACES**

#### **BACKGROUND**

The Parks, cemeteries and open spaces Department, is the Department responsible for the beautification of the city. It is the Department responsible for creating a strategy on parks and open spaces and cemetery management. This is the face of the municipality as it assist in creating the identity of the Municipality, through the enhancement of main entrances, incorporating culture into the parks and recreational areas and in maintaining the dignity of the last resting place of the community members of the municipality.

#### **FUNCTIONS**

##### **CEMETERIES SECTION:**

The Department is responsible for the management and operations of seven (7) active cemeteries with a total size of 36.7ha and six (6) non active cemeteries with a total size of 81.1ha. All these cemeteries are maintained on a regular basis in terms of grass cutting and weed control. These cemeteries cater for the communities of Ga-Nala, Ogies and eMalahleni service centres. All the cemeteries have been fenced with palisade fencing.

The Cemeteries Section conducts over 1000 burials per year, and has a Crematorium which is licensed and is operated by a service provider, located at the PRMP Cemetery. The PRMP Cemetery is one of the oldest cemeteries within eMalahleni, which could potentially have some graves that can be registered as part of the heritage of the city; it also has a Heroes Acre, where war and other heroes recognised by Council are buried. There is a plan in place to investigate the potential expansion of this cemetery as it has been very popular with the community.

The municipality also receives requests for re-burials, the burial of paupers and also relocation of graves from the mining houses. In this past year over 300 graves have been relocated from various mining houses to the Kromdraai cemetery.

The services rendered by the Cemetery Section also includes:

- Digging of graves
- Reopening and closing of graves
- Exhumations and reburials
- Maintenance of burial register
- Allocation of graves
- Maintenance of fence and cutting of grass
- Filling of sunken graves
- Provision of burial space for paupers



Each cemetery has a team of personnel who does the digging of graves and shaping according to the requirements. A back actor machine is also used to dig graves which are then shaped by personnel. In the year under review, all cemeteries were fairly maintained. This improvement was brought about by through the employment of EPWP workers, which is in line with a job creation initiative of the municipality and the appointment of a Manager for the overall Department.

The Department is also responsible for the diversification of burial space. A crematorium was constructed and is operated by a private entity since the year 2016. This has assisted in elevating the strain on burial space currently experienced within the municipality. The Department is in a process of completing a new cemetery which will be operated in line with a new operational strategy that will assist in ensuring graves are easily identifiable and the cemeteries are easily maintained. Phase two (2) of the Blesboklaagte Cemetery has been completed but due to additional scope of work, the cemetery is still not operational.

The Department is also investigating the expansion of existing cemeteries, the Kromdraai and the PRMP Cemeteries.

Budget allocation and limited staff compliment, has resulted in serious challenge within the Department, causing challenges in implementing action plans. The status qou of the active cemeteries, and the projected plan for expansion of the graveyards is stated below:

FORMAL CEMETERIES	SETTLEMENT/TOWNSHIP LOCATED	CEMETERY CAPACITY/No. OF GRAVES	USED CAPACITY TO DATE (% OF GRAVES)	REMAINING CAPACITY	ADDITIONAL NUMBER OF GRAVES REQUIRED	ADDITIONAL LAND REQUIRED	BUDGET REQUIRED
<b>ACTIVE CEMETERIES</b>							
Kroomdraai	Empumelelweni	15.2 ha	70% used	5 000 graves	45 000	15 ha	~4 mil
Pretoria Road Memorial Park	Lynville/Eric Libery	24.8 ha	95% used	~3000 Reserved graves by families & funeral undertakers  ~1000 Heroes Acre	45 000	15 ha	~4 mil

Pine Ridge Cemetery	Pine Ridge	Not known	60% used 40% not used due to geological aspects	0	30 000	10 ha	~3 mil
Thubelihle Cemetery	Thubelihle	10.8 ha	30%	20 000	30 000	10 ha	~3 mil
Kriel (Ga-Nala) Cemetery	Kriel	5 ha	40%	6 000	30 000	10 ha	~3 mil
Donna Cemetery	Phola	20.3 ha	49%	15 000	30 000	10 ha	~3 mil
<b>NEW CEMETERY UNDER DEVELOPMENT</b>							
Blesboklaagte	Klarinet	+/- 5 ha	0	11 850 Adult graves 3 616 Children's grave	0	0	~2 mil

#### **PARKS AND OPEN SPACES SECTION:**

The parks and open spaces section is responsible for the maintenance of over 50 developed parks and about 36 undeveloped parks, and maintenance of over 8000 ha of open spaces, pruning, cutting, planting of trees and the enhancement of entrances. It is also responsible for integrating art and heritage into the open spaces to encourage cultural activities and health living. The Section is planning on the development of its key heritage site, the Kinf Goerge Park, to bring back the dignity of the park and make it a beacon of education and awareness on the importance of history and heritage.

The team in previous years was able to partner with private sector for the installation of sculptures and some games at Lynville Park, which enhanced the look and feel of the park. This project also included the installation of a fence around the cenotaph. In this financial year, there was no budget allocated for the enhancement of parks, however; the team is looking forward to more collaborative initiatives on the development of parks and on the enhancement of entrances.

### 3.15. TRANSVERSAL UNIT

Emalahleni Local Municipality has established the Transversal Unit under the office of the Executive Mayor in order to address the needs of Vulnerable Groups in the Local Municipality.

#### 3.15.1 Background and Problem Statement

Women, persons with disabilities, orphans and older persons are considered vulnerable as they tend to be at higher risk of social exclusion and marginalisation. These groups often face higher rates of victimisation and abuse and tend to be over-represented among the poor, with the experience being more discriminating. Addressing poverty and inequality demands that there is a specific consideration of these vulnerable people and their livelihood strategies namely: The National Strategic Plan (NPS), National Disability Strategy (NDS) and The South African National Strategic Plan on HIV, TB and STIs.

#### 3.15.2 Vulnerable Women and Gender

- Women have been identified as a vulnerable group as they face discrimination based on entrenched patriarchal and discriminatory gender norms which manifest in a number of ways. Poverty patterns are inherently influenced by gender. Women, particularly Female-headed households are generally much poorer. Inequality is further, intensified by additional race-based discrimination and inequality.
- Furthermore, women are overrepresented in low-skilled, low-paying jobs and the wage gap in earnings persists, particularly in low and semi-skilled occupations.
- The Local Municipality faces challenges in implementing the Gender Development programmes because of Budget constrain, ELM collaborate with different stakeholders in order to mitigate the social ills in our community.
- The private sector also plays a vital role in women development projects in our local municipality.

#### Economic Development

The municipality has rendered programmes of donating equipment's for economic development projects, such as sawing machines, garden tools, Economic development Training that includes young women through NYDA and a Space to showcase their business through LED department in the Municipality.

#### Issues on GBV

South Africa's President Cyril Ramaphosa has signed three gender-based violence (GBV) bills into legislation, meaning the country has just stepped up its protection for women and children, and survivors have a better chance of receiving justice.

The bills, signed into law on Friday, were first introduced into the country's parliament in 2020 following a public outcry for the government to take GBV cases seriously, particularly after the rape and murder of University of Cape Town student, Uyinene Mrwetyana in August 2019.

The municipality takes GBV cases seriously as the country condemn such behaviour therefore it has partnered with different stakeholders who supports victims of GBV. It has given them a space to restructure their lives through legal and social partners in order to allow victims to heal and start a new life that revolves around their personal and economic development.

### **3.15.3 Disability**

The Disability Framework for Local Government was developed with the aim of supporting and enabling local government to implement the Integrated National Disability Strategy (INDS) and other government policies on disability as an integral part of the local government mandate.

In order to effectively address the needs of people living with disabilities, and particularly women, youth, the elderly and children with disabilities, and provide development opportunities for them, local government should, among other things, undertake to do the following:

- Integrate disability components into budgets, programmes, policies, legislation and/or strategies.
- Implement programmes of benefit to people with disabilities, and particularly women, the elderly children and youth with disabilities.
- Establish disability directorates/units/focal points, with built-in appraisal and reporting systems.
- Local Government is the sphere of government that is closest to communities. The services that are provided by municipalities to communities can make a significant change in not only the condition, but also the position of persons with disabilities, as well as play a dynamic role in redressing past imbalances in communities.
- It is Local Government's legal responsibility to engage in an approach in all its policies, programmes and projects in order to ensure fairness in the treatment of persons with disabilities and their access to services
- The South African Human Rights Commission flagged the lack of tolerance and acceptance towards South Africans living with disabilities. They noted that there is: "Lack of an adequate human rights culture of tolerance and acceptance and; that intolerance is aggravated by a general lack of awareness and knowledge about the different types of disability, and the causes and ways of ensuring acceptance of persons with disabilities within communities; that there is still a presence of negative stigmas within communities associated with disability...[in addition] there is an invisibility of persons with disabilities in communities resulting in their specific and special needs not being adequately addressed".

## Emalahleni Local Municipality Disability Programmes

The municipality has donated equipment's through collaborations with stakeholders to the disability centres in eMalahleni, Phola and Kriel. The equipment's keep the people with disability active and focus in their personal and Economic Development.

The Solar training and Driver's licence training has allowed the people with disability to be confident and discovered their talents and abilities they never believed they have, until the opportunities came and unlock them.

The Gabisile and Nkosikhona Foundation was established in order to service meet the needs of people with Albinism. They now have a platform to embark on programmes that are fully focused on Albinism.

### 3.15.4 Older Persons

- Older persons have been identified as a vulnerable group as many older persons living in the Emalahleni Local Municipality have been deprived of adequate education, employment and socio-economic opportunities. Without the means to break free from the bondage of poverty, many older people were unable to provide for their old age through secure retirement benefits or by ensuring that their children would flourish.
- In addition, older persons are often more vulnerable to disease, and their health may be affected by poor nutrition, quality access to medical care and poverty.

The Municipality has rendered Programmes for elderly in order to keep their mind, body and spirit active, through collaborations with other Social Partners and Private Sector. The exercise equipment's, knitting wools and needles were donated to elderly centres.

### 3.15.5 Children

Children have also been identified as a vulnerable group as many continue to live in poverty and are faced with considerable inequalities that continue to inhibit their access to better life opportunities, enhanced educational levels and improved health outcomes. The number of children who have never been in school, or who have dropped out remains a problem.

Many children within the Emalahleni Local Municipality are subject to acts of violence and abuse, often with fatal consequences and often by people known to them. The drivers and contributing factors to this are many, varied and sometimes mutually reinforcing. This poses a serious threat to children's health, development and survival. The Municipal duty is to play a leading role in creating an environment where there is no place for, or tolerance of the abuse and exploitation of children.

The percentage of child-headed households in the ELM is constantly increasing and that becomes a huge burden to the Municipality and other Social Stakeholders.

The Municipality has established ECD forums in order to uniform the treatment of children in ECD Centres.

The social partners also donate Food Parcel to child-headed families and school uniform to ease the difficult life of being an adult in their childhood.

### **3.15.6 HVI/AIDS**

While valuing the progress made in prevention, the National Strategic Plan for HIV/AIDS (NSP) aims to reduce new HIV infections by more than 60% – from an estimated 270 000 in 2016 to below 100 000 by 2022, including elimination of mother-to-child HIV transmission and a reduction in new infections among adolescent girls and young women from 2000 a week to less than 800; to cut TB incidence by at least 30% (from 450 000 to 315 000) and to reduce new gonorrhoea and syphilis infections.

Therefore, the office of the Executive Mayor Champions the HIV/AIDS programmes that will reduce the spread of HIV/AIDS and TB through Campaigns and Awareness's. The HIV/AIDS desk coordinates the below activities through the Office of the Executive Mayor by

- Coordinating a quarterly LAC meeting
- Chairing of LAC meetings by the Executive Mayor
- Chairing of WAC meetings by the Councilors
- Establish Ward AIDS Councils/Committees
- Ring-fence the budget for HIV Coordination
- (Allocate the HIV coordination budget)
- Establish the resource mobilization Team/unit

### **3.15.7 Substance Abuse**

The National Drug Master Plan (NDMP) 2013-2017 was drafted in accordance with the stipulations of the Prevention of and Treatment for Substance Abuse Act (No 70 of 2008). It reflects the country's responses to the substance abuse problem as set out by the United Nations Conventions and other international bodies. The administrative unit of the NDMP is the Central Drug Authority (CDA) whose secretariat is located in the Department of Social Development (DSD). The NDMP enables cooperation between government and stakeholders in the field of substance use and abuse prevention.

The Transversal Unit through the Office of the Executive Mayor has established support Groups in our Emalahleni wards in order to keep the recovered addicts from embarking in substance Abuse Behaviour.

The Local Drug Action Committee (LDAC) members conducts Campaigns and awareness's in Schools and in our communities on Prevention and after care programmes.

## **Moral Regeneration Movement:**

**Moral Regeneration Movement (MRM) and its structure:** The Transversal Unit through the Office of the Executive Mayor enables the community to participate in reviving the morals of our community members through different sector groups, the Religious, traditional, cultural and all other groups that affects the morals of our community. The Civil Society also plays an important role in our communities. Civil society organizations play multiple roles. They are an important source of information for both citizens and government. They monitor government policies and actions and hold government accountable. They engage in advocacy and offer alternative policies for government, the private sector, and other institutions.

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **ENVIRONMENTAL PROTECTION:**

The Directorate: Environmental and Waste Management is a new directorate established in 2014 in terms of a Council resolution ADMIN. 344/14. The Department: Environmental and Waste Management is a new directorate established in 2014 in terms of a Council resolution ADMIN. 344/14. The Department: Environmental and Waste Management was originally part of the Directorate: Development Planning before it was changed to be a standalone Directorate. Subsequently a new environmental management and compliance unit was established to take care of environmental management and compliance matters. The unit derives its mandate from s.24 of the Constitution of the RSA (Act 108 of 1996) as amended as well as Part B, Schedule 4 and 5 of the Constitution.

### **3.16 POLLUTION CONTROL:**

Amongst other functions the Department Environmental Management and Compliance is also responsible for Licensing and control of business that are regulated in terms of the Mpumalanga Business Act, 1996, investigation of complaints relating environmental management violation including Noise and Air pollution, Facilitate the adoption of illegal dumping spots to ensure a clean and health environment through community participation, Control of public nuisances in conjunction with the district municipal health services department, granting permission to businesses that transport waste for gain, conducting inspection at big industries to monitor compliance, review all applications for new development from an environmental management perspective.

To achieve the objectives of the department, a number of policies and By-laws were developed. These regulatory instruments were meant to address our main delivery priorities which are; addressing complaints on illegal dumping, noise pollution from taverns and churches and environmental degradation.

### 3.16.1 SERVICE STATISTICS FOR POLLUTION CONTROL:

FUNCTION	STATISTICS
Issuing of trade licences	15
Issuing of waste transportation permits	12
Review of applications for land use and new development	167
Review of application for Environmental Impact Assessment	24
Compliance inspections for industrial operations	10
Compliance inspections for businesses and smaller operations	63
Processing of applications for Adopt-a-Spot	60 applications received - Approved 32 - Not approved 28
Compliance notices issued	26

### 3.17. BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES)

#### INTRODUCTION BIODIVERSITY AND LANDSCAPE:

Biodiversity protection is monitored during routine inspections. New developments which might have a negative impact on biodiversity are screened through the review process for land use applications and conditions are in most cases imposed before the commencement of such development such as minimizing the impact on indigenous species and replacement of species that could have been removed during development.

The municipality has a nature reserve which is under the management and supervision of the Local Economic Development and Tourism unit, therefore, activities relating to the protection of biodiversity in the nature reserve shall be contained in the report from LED & T report.

#### SERVICE STATISTICS FOR BIODIVERSITY AND LANDSCAPE:

The Parks department is responsible for landscape management and maintenance which includes the development of parks, planting of trees and flowers and cutting of grass. Statistics in terms of areas that have been cut and trees that have been planted are contained in the Parks department's report.



### SUMMARY OF TREE PLANTING FOR 2019/20

Area	JU LY 20 19	AU G 201 9	SE P 201 9	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB. 2020	MA 2020	AP R 202 0	MAY 2020	JUN E 2020	SUB TOTAL
	0	0	90	0	80	119	0	0	0	0	0	25	314
Watermeyer Street			82		60	96							238
Duvha Park Ext 2						4							4
Okapi Street						19							19
Die Heuwel												15	15
KwaGuqa Primary			2										
Lynville			1										
Hlalanikahle 2&3					20								
Eric Liberty			5									10	15
<b>TOTAL TREES PLANTED</b>													<b>605</b>

### SUMMARY OF GRASS CUTTING FOR 2020/2021

Area	JUL Y 2019	AU G 201 9	SE P 201 9	OC T 201 9	NO V 201 9	DE C 201 9	JA N 202 0	FE B. 202 0	MA 202 0	AP R 202 0	MA Y 202 0	JUN E 2020	TOTA L
Total parks cut and maintained	2	0	1	7	3	2	3	11	10	0	0	4	41
Total municipal areas cut and maintained	0	2	6	6	11	5	10	18	13	2	13	2	83
Total open spaces cut and maintained	2	1	2	1	2	7	2	7	2	0	0	1	20
Total sidewalks cut and maintained	0	3	0	3	3	4	7	24	14	0	5	1	60
Total cemeteries cut and maintained	2	3	3	4	3	3	2	2	3	2	2	3	29
Total sport fields cut and maintained	0	0	0	0	0	0	0	0	0	0	0	0	0

## **Total number of Parks Developed- 4**

Klarinet ext. 8  
Vosman  
Die Heiwele  
GaNala

The department environmental management and compliance does not have an officials that deals with biodiversity neither does it have coastal areas.

## **COMPONENT F: HEALTH**

### **3.18 CLINICS & AMBULANCES**

The Environmental Health Services and Primary Health Care functions were transferred to the Nkangala District Municipality and the Provincial Department of Health respectively in 2013 and 2014.

## **COMPONENT G: TRAFFIC, PUBLIC TRANSPORT, BY-LAW ENFORCEMENT AND SECURITY**

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

### **3.19. Traffic, Public Transport, By-Law Enforcement and Security**

The department of Traffic, Public Transport, By-Law Enforcement and Security has four sections which are Traffic Section, Public Transport Section, By-Law-Enforcement Section and Security. The sections are under the Directorate: Community Services.

#### **By-Enforcement**

Emalahleni Local Municipality has established By-Law-Enforcement Section with the intention to protect and safe guard Municipal assets and property. The officers were appointed as peace officers under section 334 of Criminal Procedure Act, Act 51 of 1977.

By-Law enforcement is responsible to enforce council by-laws and control, registering, issuing permits to street vendors and observing traffic violation in the CBD.

## Functions and Achievements

The section is responsible to enforce Municipal by-laws e.g. illegal dumping illegal structures on the council land and protect Council assets, Councillors and employees.

- Two By-Law Enforcement officers were selected to attend a Traffic Course at the Nelspruit Traffic College
- Minimized the illegal street traders
- Managed to reduce parking offenses in the CBD
- Minimized illegal dumping
- Conducted a number of awareness campaigns
- Managed to register 44 new street vendors
- Managed to reduce illegal advertisement on municipal facilities
- Assisting Technical services with illegal electricity outage
- Procured 5 two-way radios for internal communication
- Removed container tuck-shops at the Siyanqoba Township
- Half of Law Enforcement officers attended the Crowd Control Training Course
- Law Enforcement officers attended a Fire Arm Shooting practice

## Objectives

- To reduce illegal dumping spots in all wards.
- To minimize unauthorized street vendors in all wards.
- To promote municipal by-laws awareness in all wards
- To minimize illegal street mechanics in the CBD
- To control and allocate authorized street vendors in all wards

## Challenges

- Lack of personnel
- The section has insufficient fleet and most vehicles are old.
- Lack of street traders' spaces – We need the establishment of the multi-modal system
- Non-South African illegal street vendors are increasing daily in the CBD.
- Non-availability of towing vehicles
- Street mechanics are increasing due to motor spares at the eMalahleni CBD
- Health hazards due to public indecency around the bottle stores at the eMalahleni CBD
- The municipality does not have a cold room for storage of the confiscated perishable items
- The municipality does not have an animal pounding area
- There is no vehicle pounding area
- Lack of Amor vehicles to assist with public unrest and land invasion
- Drugs and drug lords at the bus rank in eMalahleni CBD

## **Traffic and Public Transport Section**

The Traffic Section is mainly focusing to promote road safety and education. The section managed to conduct 24 major roadblocks in conjunction with the SAPS and Mpumalanga provincial Traffic Control.

### **The Objective: -**

Is to provide visible patrol within Emalahleni Local Municipality.

To render 24 hours – 7-day service delivery to the community.

To have proper management system of parking in the CBD

### **Functions and Achievements**

- Managed to appoint a service provider to assist with speed cameras that will reduce road accidents caused by over speeding. As a result of there is a reduction of road accidents caused by over speeding and an improvement in revenue.
- Managed to appoint the additional of 6 traffic wardens
- Received one kombi and two patrol vehicles
- Managed to renew the speed cameras application with the National Public Prosecution for the continuation of speed camera operation for the next 24 months.
- Managed to train 19 learners for a Traffic Learnership programme at the Mpumalanga Traffic Training College

### **Challenges**

- The section has insufficient fleet, broken vehicles and other vehicles are old
- Lack of personnel to cover the whole jurisdiction of Emalahleni
- Traffic congestion on our main roads

## **PUBLIC TRANSPORT**

### **The Objective: -**

The purpose of the component is to implement public transport enforcement initiatives

### **Functions and Achievements**

- Monitor and report on the impact of public transport enforcement initiatives
- Verify and inspect vehicles before an operating license may be issued by the Registrar or by CBRT (Cross Border Road Transport Agency)
- Mediate during conflicts
- Participation in the District Transport Forum and Local Transport Forums
- Conducted inspections on public transport vehicles for roadworthiness
- Conducted road site check points on daily basis

### **Challenges**

- The component was able to assist on the long outstanding conflict between LOTA and WTA Association
- Establishment of the Local Transport Forum

### **Future Plans**

- Establishment of the Municipal Regulatory Entity as per National Land Transport Act 5/2009
- Appointment of the enough peace officers
- Purchase enough patrol vehicles and towing vehicles
- Construction of a pounding facility as per National Land Transport Act 5/2009
- Suitable office space for all personnel

### **Fire**

Emalahleni Municipality was formed after the amalgamation of the former Kriel, Ogies and Witbank. This Municipality faces some varied risks as a result of some major industries, coal mines, mist, sinkholes, railway lines and the two freeways that split in this Municipality. Fire, Rescue and Disaster Management sections are therefore tasked to focus on such priorities.

Emalahleni Local Municipality is currently responsible for fire and rescue operations for the whole Emalahleni Municipality. This Municipality has currently a fire station at Ga-Nala which is operational and one in Phola- Ogies which is also operational.

Major developments were brought in at the western part of eMalahleni by the building of a new Mall which has attracted heavy traffic congestion which delays our response time in the event of emergency. The Fire chief at the main Fire station is responsible for the all the fire stations.

**The priorities of Fire Services are:**

- Protection of life
- Protection of property
- Protection of environment
- Public awareness
- Building inspections
- Issuing of flammable liquid certificates

**Prevention and mitigation strategies**

- The Nkangala District has budgeted R1. m for Disaster Management temporary relief items to provide temporary accommodation and to provide other relief items displaced people affected either by sinkholes, shack fire or other disastrous incidents.
- Furthermore the Nkangala District has also budgeted for R4,5m for fire engines deal with veld fires and road accidents.
- The municipality also does awareness campaigns

**Challenges**

- Shortage of personnel
- Shortage of vehicles and fire engines
- Old and malfunction of fire engines and equipment
- Shortage of fire stations around Emalahleni
- Unreliable radio communication and telephone system.

**Future plans**

- To increase the number of personnel
- To build the fire stations at Kwa-Guqa ext, Klarinet and Rietspruit
- Appointing specialized service provider to deal with maintenance and repairs of fire engines
- To have fire learnership programme in the fire department
- To Improve Radio communication and telephone system within fire station

• To have Toll free number for emergency services					
Fire Service Data					
	Details	2017/18	2019/20		2020/21
		Actual No.	Estimate no.	Actual	Estimate no.
1	Total Fires attended in the year	378	220	284	220
2	Total of other incidents attended in the year	192	80	236	80
3	Average turnout time – urban areas	6min	5min	5min	4min
4	Average turnout time – rural areas	8min	7min	8min	7min
5	Fire fighters in post at year end	47	86	47	86
6	Total fire appliances at the year end	3	7	3	7
7	Average number of appliances off the road during the year	4	1	4	0

Fire							
Service Objections/ Service Indicators	Outline Service Targets	2017/18		2018/2019		2019/20	
		Target	Actual	Target	Actual	Target	Actual
		Previous					
Response time to building plans	3 days turnaround tie	3 days	3 days	3 days	3 days	2 days	
Fire Awareness campaigns	4 x Fire Awareness campaigns	4	4	4	5	5	
Number of fire safety inspections	100	100	268	200	680	200	
Vehicle and premises Inspections checklist	48	48	48	48	82	48	

<b>Employees: Fire &amp; Rescue</b>					
<b>Job Level</b>	<b>2017/18</b>	<b>2019/20</b>			
	<b>Employees No.</b>	<b>Posts No.</b>	<b>Employees No.</b>	<b>Vacancies (full time equivalents) No.</b>	<b>Vacancies (as a % of total posts) %</b>
0 - 3	1	1	1	0	0%
4 - 6	20	20	20	4	
7 - 9	15	25	15	10	
10 - 12	10	24	10	14	

### **3.20. Other (Disaster Management, Animal Licencing and Control, Control of Public Nuisances and Other)**

#### **INTRODUCTION TO DISASTER MANAGEMENT**

Emalahleni Local Municipality provides the disaster management service and Fire and Rescue services to prevent, protect loss of life and property. The municipality has Disaster Management Plan which was adopted in 2012.

The priorities of Disaster Management Services are:

- Identification of disaster threats or hazards
- Development of Contingency/Preparedness Plan
- Development of Disaster Risk reduction plan by prioritizing of the hazards
- Establishment of Disaster Management Coordinating Forum
- Emalahleni Local Municipality has identified the following hazards:
  - Road accidents caused by mist, poor infrastructure (faulty traffic lights)
  - Potholes, lowliness and unlawful motor racing
  - Air pollution
  - Sinkholes
  - Strong winds
  - Floods
  - Epidemics caused by poor sanitation and unlawful refuse removals
  - Unplanned fire breaks and runaway fires



- Dumping
- Spillages of flammable gas leaks
- Shark fires
- Bomb threats
- Civil unrest
- Strikes of taxi violence
- Building structural collapse
- Uncontrollable veld fires
- Fireworks

**Challenges:**

Emergency Communication System

Location of the call Centre and the structure

Skills gap

**Future Plans:**

Procuring an effective emergency communication system

Relocate the call center to the third floor so it is run distinctly

Create a toll-free number and popularize it to the community

DISASTER MANAGEMENT							
Service Objections/ Service Indicators	Outline Service Targets	2017/18		2018/2019		2019/20	
		Target	Actual	Target	Actual	Target	Actual
		Previous					
Disaster Risk and Vulnerability assessment	16 X Disaster Risk and Vulnerability assessment	18	16	18	20	16	12
Awareness campaigns	12 x Awareness campaigns	17	16	16	8	16	3
Advisory Forum	4 x Advisory Forum	4	0	4	2	4	20 x joc meetings

## COMPONENT H: SPORTS & RECREATION

### 3.21. SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

#### SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION Emalahleni Local Municipality provides sport and recreation services to the community of Emalahleni in terms of the South African Sport and Recreation Act 110 of 1998 and Council by Laws.

#### No of sport and recreation facilities

The section is responsible for maintenance and upkeep of 21 Sport and Recreation Facilities in eMalahleni.

Sport and Recreation Programmes Presented in 2019/20

- Rammetjie Rugby in September 2018
- Hosted and participated in Nkangala District Mayoral Games
- Presented interschool athletics
- Facilitated training the trainees rugby course

#### Challenges

- 1.1 Shortage of staff
- 1.2 Budget constraints
- 1.3 Lack of equipment and machinery

### INTRODUCTION TO ORGANISATIONAL DEVELOPMENT PERFORMANCE

The effective provision of predictable good quality and sustainable public services hinges on the capacity and effective functioning of the structures or institutional arrangements adopted by the government institution under consideration. In line with the notion touted in the statement above, the Emalahleni Local Municipality recognises the importance of human resource management and development in the quest to meet the service delivery demands and the growth and development objectives in Emalahleni. The municipality acknowledges that without an effective institutional form, well developed and relevant skills, knowledge, and experience public services cannot be delivered effectively.

In recognition of the above, the Municipality focused on organisational development initiatives which include ensuring that the most relevant policies, strategies and frameworks are in place and developing the capacity of the workforce.

The Municipality's commitments in the year under review included the promotion of employment equity, capacity development through training and skills development, developing and implementing relevant workforce policies, improve the overall management practices in support of workplace effectiveness, driving effective recruitment and retention of skills to consistently reduce the vacancy rate to acceptable levels and employee wellness.

Good strides were achieved despite many challenges encountered. While there is a need to focus attention and resources to address the many challenges that derailed the achievement of the set objectives, these challenges cannot overshadow the gains which have been made. The Municipality is consistently seeking ways through which its organisational development performance can be improved. In this regard, as part of lessons learnt and the implementation of improvement plans, tailored solutions to the presenting challenges are implemented to buffer the Municipality from dire consequences

### INTRODUCTION TO MUNICIPAL PERSONNEL

The municipality ensures compliance with its policies and relevant legislation with regard to:

- Recruitment and selection;
- Human resource development;
- Human capital management;
- Labour relations management;
- Organisational efficiency improvement; and
- Occupational health and safety

## Human Resources Policies

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	0	0	Policy to be compiled
2	Staff Retention	100		July 2017
3	Code of Conduct for employees	100		September 2019
4	Delegations, Authorisation & Responsibility	100%	100%	28 March 2019
5	Disciplinary Code and Procedures			Form part of Disciplinary Procedure and Code Collective Agreement February 2018
6	Essential Services	0	0	
7	Employee Assistance / Wellness	100		March 2017
8	Employment Equity		100	March 2017
9	Exit Management	100	0	Part of Notice of Termination of Service
10	Grievance Procedures			Form part of Main Collective Agreement effected from September 2015
11	HIV/Aids	100	0	August 2006
12	Education, Training and Development Policy		100	June 2018
13	Information Technology	100	100	September 2018
14	Job Evaluation	0	0	November 2017
15	Leave	100		March 2017
16	Occupational Health and Safety	100		March 2017
17	Official Housing	0	0	No official housing
18	Official Journeys	100	0	June 2001
19	Official transport to attend Funerals	100		August 2007
20	Official Working Hours and Overtime		100	November 2016
21	Organisational Rights	0	0	
22	Payroll Deductions	0	0	
23	Performance Management and Development	100		May 2003
24	Recruitment, Selection and Appointments	100		October 2019
25	Remuneration Scales and Allowances	0	0	
26	Resettlement	100		December 2012

27	Sexual Harassment		100	July 2015
28	Skills Development	0	0	Covered on the Education, Training and Development Policy.
29	Smoking	100		December 2014
30	Special Skills	0	0	
31	Work Organisation	100	November 2014	November 2014
32	Uniforms and Protective Clothing (Dress Code)	100		June 2016

## **EMPLOYMENT EQUITY**

### **SECTION 56 EMPLOYEES**

<b>TOTAL NUMBER OF SECTION 56 POSTS</b>	<b>FILLED</b>	<b>VACANT</b>
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Section 56 employees include those that are contractually bound for five years and report directly to the Municipality Manager. As indicated above, the Municipality has 6 Top Management positions.

### **EMPLOYEES WITH DISABILITIES**

The municipality endeavours to provide fair opportunities to people with disability. It is committed in ensuring that departments consider people with disabilities in their recruitment processes. The provision of internship opportunities is also expanded to provide learning and experiential opportunities for students with disabilities. Of the total number of permanent officials (1406), 15 are physically disabled.

### **VACANCY RATE**

The Emalahleni Local municipality's employment process is in line with its Human Resources Policy and relevant legislation. The recruitment is conducted internally and externally. The vacancy rate provided in this report is based on permanent employees only and excludes councillors, and EPWP workers. The vacancy rate was at 58% at the end of the 2019/20 financial year. It has shown decline with 1 % as compared to the previous financial year which was at 57% of 1421 employees as at June 2019.

The following table presents the employee vacancy rate against the approved organisational structure.

Table 3: Employee vacancy rate as per the approved organisational structure

TOTAL POSITIONS ON APPROVED STRUCTURE	TOTAL PERSONNEL	VACANT POSITIONS	VACANCY RATE
3638	1330	2308	63.4%

The following table presents the employee vacancy rate against the approved organisational structure as per the directorates.<sup>7</sup>

Table 4: Employee vacancy rate as per the directorates

DIRECTORATE	NUMBER OF POSITIONS	BUDGETED POSITIONS	ACTUAL FILLED	VACANT POSITIONS BUDGETED	VACANT POSITIONS UNBUDGTED
Strategic and Executive Support	82	53	44	9	29
Corporate Services	100	57	49	8	43
Development Planning	181	87	75	12	94
Environmental & Waste Management	717	248	211	37	469
Community services	819	313	276	37	506
Financial services	318	238	201	41	80
Technical Services	1421	543	474	69	878
<b>TOTAL</b>	<b>3638</b>	<b>1543</b>	<b>1330</b>	<b>213</b>	<b>2095</b>

**EMPLOYEE TURNOVER RATE**

The section below provides the statistics of the employees who vacated their positions during the 2019/20 financial year. This information also denotes the number of vacant positions to be filled in the next financial year 2020/21. The following table presents statistical information related to the employee turnover rate for the 2019/20 in comparison to the previous financial year:

Table 5: Employee turnover rate at an organisational level

<b>FINANCIAL YEAR</b>	<b>TURNOVER DURING THE FINANCIAL YEAR</b>
2020/2021	43
2021/2022	21

**SICK LEAVE**

In the 2019/2020 financial year, the municipality has piloted the employee self-service system (the electronic leave administration system) to two directorate. However, the system will be cascaded to other directorate. This enabled employees to move from the manual leave system to an electronic self-service system. To date, many employees process their leave through e leave system. This system has improved the management and functioning of the leave system, though we are still at the norming stage of the project. The following table presents statistical information pertaining to the total number of employees who took sick leave during the 2019/20 Financial Year:

**Table 6: Sick Leave Records at an Organisational Level Description**

<b>Designation</b>	<b>Total sick leave</b>	<b>Proportion sick leave without medical certification</b>	<b>Employees using sick leave</b>	<b>Total employees in post</b>
	<b>Days</b>	<b>%</b>	<b>No.</b>	<b>No.</b>
MM and S56	0	0%	0	2
Managers(1-3)	195.31	38.5%	13	75
Highly skilled Supervision (4-6)	1310	33.7%	59	302
Highly skilled production (7-9)	1099.83	15.7%	67	459
Skilled (10-12)	1395.24	13.7%	61	221
Lower skilled (13 -15)	1248	7.6%	71	271
<b>TOTAL</b>	5249.11	15.13%	271	1330

## **CAPACITATING THE MUNICIPAL WORKFORCE**

The capacitation of the municipal workforce is an essential element of service delivery, innovation and improving efficiencies. Capacitation of the workforce is done through training, skills development, and Internships.

## **SKILLS DEVELOPMENT AND TRAINING**

Emalahleni Local Municipality recognises the value of investing in its workforce through the implementation of a carefully planned training and development initiative and activities. A Workplace Skills Plan (WSP) has been compiled based on the departmental needs as identified by the relevant directorates and implemented. The Work Place Skills Plan describes the skills needs and the range of skills development interventions that an organization will use to address these needs. A WSP is developed annually – May to April and is submitted to Local Government Sector Education Training Authority (LGSETA) on the 30 April every year. The WSP facilitates access to the LGSETA mandatory grant for skills training. The municipality is required to provide Annually Training Report (ATR) as to how needs are addressed as defined in the WSP. The WSP also provides sector information to the LGSETA specifically.



This information in turn informs the development of the LGSETA sector skills plan (SSP). The SSPs then further make contribution to the national skills development agenda defined in National Skills Development Strategy, now in third generation (NDS III). Priorities are considered to determine the most critical skills development needs before training can be arranged within the limits of budgetary provisions. The training needs are received from all directorate and incorporated to the WSP, it has to be indicated that needs are aligned to the strategic plan of the municipality, IDP, SDBIP and other relevant document. The training intervention outcome is to enhance employee's performance in their respective work.

Priorities are considered to determine the most critical skills development needs before training can be arranged within the limits of budgetary provisions. The training needs are received from all directorate and incorporated to the WSP, it has to be indicated that needs are aligned to the strategic plan of the municipality, IDP and SDBIP.

The training budget allocated for 2019/2020 was **R1, 545, 000.00**. LGSETA paid the 20% of the mandatory grant of an amount of **R1, 339,056.80** in quarters to the Council vote for 2019/2020.

The training provided by the municipality was based on the requirements to address the priorities determined in accordance with the Workplace Skills Plan and relevant legislation. For the year under review, the municipality has shown improvement on human resource development. It has achieved 557 as compared to the previous financial year (2018/19) which was 395 achievement on training and learning programmes.

The following table presents the total number of Emalahleni Local municipality employees trained during the 2019/20 financial year.

<b>FINANCIAL YEAR</b>	<b>TOTAL TRAINING BENEFICIARIES</b>
2019/2020	557
2020/2021	318

## **LABOUR RELATIONS**

Management of Emalahleni Local Municipality is trained annually to capacitate them on effectively implementing consequence management. The Municipal Council has adopted and approved the Labour Relations Policy together with the Municipal Code of Conduct for staff members.

This assists in facilitating tribunals swiftly and consistently under the auspices of Schedule 8: Code of Good Practice in the Labour Relations Act.

<b>Number of Active Cases</b>	17
<b>Number of Suspensions</b>	2
<b>Number of SALGBC Cases</b>	6
<b>Number of Completed Cases</b>	49

## ADMINISTRATION AAND AUXILLIARIES

All portfolio mayoral committee and council meetings were held as scheduled whether face to face or virtual. The admin section could manage to have the reports finalized and meetings arranged well in time.

The records section was also well equipped to complete their tasks as expected although they had to work from home during the lockdown.

The section was really not too much affected during the pandemic and could therefore still perform all their duties.

## FINANCIAL COMPETENCY DEVELOPMENT

The progress on Financial Competency Development for the 2019/20 financial year is shown below, as required by the MFMA Competency Regulations of 2007 as amended

Table 8: Financial Competency Development

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
<i>Accounting officer</i>	1	0	1	0	0	1
<i>Chief financial officer</i>	1	0	1	0	0	1
<i>Senior managers</i>	15	0	15	0	0	11

<i>Any other financial officials</i>	129	0	129	0	0	28
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	3	0	3	0	0	1
<b>TOTAL</b>	<b>149</b>	<b>0</b>	<b>149</b>	<b>0</b>	<b>0</b>	<b>44</b>

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The objective of information technology is to ensure that services are delivered timeously through technology mediums and ensuring that service delivery objectives of each department and the Council are met. The continuous system evaluation will be done to recommend usage of new technology innovations, implementation of less costly technology and ensuring the optimal usage of IT resources. The Municipality invests in the development and training of staff to provide a workforce capable of obtaining the best results from the technological investment.

The municipality has a dependency on ICT for day-to-day operations and is affected by innovations, aka, disruptive technologies, therefore the ICT Department has to create an environment that will:

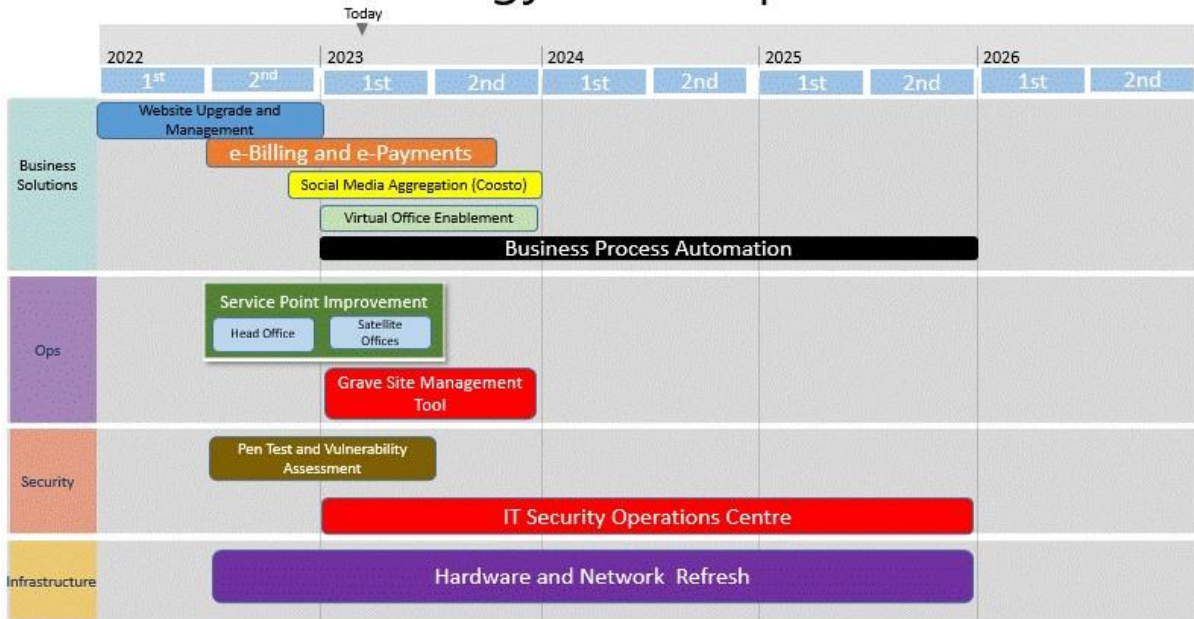
- Improve government efficiency and effectiveness by an order of magnitude;
- Provide citizens and businesses with easier and effective means of dealing with the municipality and thus improve service delivery;
- Facilitate the attainment of the municipality's economic objectives through the application and utilization of information technology;
- Use of technology to break down barriers or hindrances to integrated service delivery in order to achieve equity of access to government services;
- Address current and prospective skills shortage occasioned by IT Strategy and implementation plan;
- Transfer global best practices and standards to the municipality;
- Ensure participation by citizens in service delivery processes by providing self-service functionalities and facilities;
- Enhance good governance, public accountability and transparency; and
- Achieve data integrity, confidentiality and accessibility through the use appropriate data models, security applications and relevant network security architecture

## ICT KEY DRIVERS AND FOCUS AREAS

As a Strategic Partner, the ICT Department understands the basis of municipality's Key Business Drivers and Focus Areas and, based on this understanding the key drivers and focus areas for ICT are:

Key ICT Drivers Focus Areas	
1.	<b>Digital Transformation and modernisation</b> - Digitisation of business process, big data and Business Intelligence driving predictive analytics and blurring any distinction between ICT and the business
2.	<b>Business-ICT Alignment</b> – ensuring that the ICT vision, mission, goals, objectives, and capability (strategy, process, organization, and infrastructure) are properly matched with business vision, mission, goals, objectives, and capability (strategy, process, organization, and infrastructure) through improved ICT Governance practices.
3.	<b>Business-Outcome focused ICT</b> – understanding the part ICT plays in creating value for the municipality and its contribution to improved performance of the municipality.
4.	<b>Intelligent Integration</b> – leveraging legacy systems to build systems of innovation that valuable insight, improved business outcomes, an enhanced customer experience, and business value to the municipality
5.	<b>ICT as a Service Integrator</b> - management of supplier performance, facilitating the delivery of services and products whilst also having the overall responsibility for the technology platforms
6.	<b>ICT Service Management</b> – implementation of best practice and standards based ICT service management practices in order to manage ICT operations and monitor and evaluate ICT performance so as to enable a continuous improvement culture within the ICT Department.

# Technology Roadmap



### **PROGRESS ON THE IMPLEMENTATION OF THE FINANCIAL RECOVERY PLAN (FRP)**

The municipality was faced with numerous financial, governance, service delivery and institutional challenges. Many of these challenges have been recurring over a period of time and repeatedly reported in the annual reports of the municipality, Provincial and National Treasury oversight reports and the audit reports of the Office of the Auditor General of South Africa.

The municipality was taken to the High Court by concerned groupings in the municipality and to this extent the provincial Government was instructed to develop and implement the Financial Recovery Plan to resuscitate the municipal finances.

The Executive Council of Mpumalanga Provincial Government subsequently intervened and resolved on a mandatory intervention as provided for in terms of Section 139(5) (a) of the Constitution of the Republic of South Africa, 1996.

Given the above and urgency to ensure service delivery to the community as well as securing the municipality's ability to honour its financial commitments, the development of a Financial Recovery Plan ("Plan") was seen as a critical way forward for the municipality.

The approach adopted in the development of the Financial Recovery Plan was a consultative approach which involved a detailed analysis of relevant documentations including engagements between the Municipal Manager, Section 57 Managers and other municipal officials.

The Plan sets out the outcomes of the analysis and engagements and provides a selection of key strategies to be considered in securing the municipality's ability to meet its financial commitments and obligations to provide sustainable basic services. Ultimately, the Plan will form the basis of the stabilisation and turnaround of Emalahleni Local Municipality.

The municipality is under Section 139 of the Constitution of the Republic of South Africa and Section 139 of Municipal Finance Management Act, Act 56 of 2003 (as amended) and this has warranted an introduction and implementation of the Financial Recovery Plan by the Provincial Government.

## **THE FINANCIAL RECOVERY PLAN HAS THE FOLLOWING SEVEN STRATEGIES:**

- Strategy One: Strengthening Governance;
- Strategy Two: Organisational Structuring;
- Strategy Three: Human Resource Management;
- Strategy Four: Service Delivery;
- Strategy Five: Improve Financial Sustainability, Administration and Control;
- Strategy Six: Restructuring of the Budget
- Strategy Seven: Improve Cash Flow Management.

## **IMPLEMENTATION OF THE FINANCIAL RECOVERY PLAN:**

The Financial Recovery Plan is monitored by Council, the Executive Mayor and the Municipal Manager to ensure successful implementation. The Financial Recovery Plan places significant implementation and responsibility on the Municipal Manager, Chief Financial Officer and Executive Directors. The strategies set out in the Financial Recovery Plan are related to operational activities which are institutionalised and performed by various municipal officials, as part of their routine duties and tasks.

The key focus areas and activities outlined in the Financial Recovery Plan have been cascaded to all relevant municipal officials and included in the IDP and SDBIP and Performance Agreements. A “portfolio of evidence” is retained throughout the implementation of the Financial Recovery Plan by the Chief Financial Officer and Executive Directors to enable the assessment of the results and to ensure accountability and ownership.

## **MONTHLY REPORTING:**

To ensure that the municipality complies with the reporting requirements, the Accounting Officer has appointed a Financial Recovery Plan Champion (FRPC) to update the progress on the implementation of the Financial Recovery Plan with the information obtained from Section 57 Managers.

On a monthly basis the Section 57 Managers provide a progress report made on the implementation of the Financial Recovery Plan to the Financial Recovery Plan Champion, who consolidates the progress reported into one report and submits the report to the Municipal Manager for scrutiny and approval for submission to the Mayoral Committee. The progress report is then submitted thereafter to Council.

The municipality reports monthly to the MEC for Finance including the Provincial Executive, National and Provincial Treasury, DCoG and Mpumalanga CoGTA, with regards to the progress made with the implementation of the Financial Recovery Plan, after it has been tabled to Council in terms of Section 146(1) (c).

Monthly reporting under the strategies is as per the template for reporting and monitoring developed by National Treasury in accordance with the guiding prescripts of the law to aid implementation.

#### **CHALLENGES ON THE IMPLEMENTATION OF THE FINANCIAL RECOVERY PLAN:**

- The implementation of the Financial Recovery Plan constraints is lack of resources in the main funding to start-up capital projects intended to inject or catalyse activities aimed at revenue enhancement.
- The municipality is unable to comply with MFMA prescripts regarding timeous payment of creditors due to lack of funds.
- Verify hostels occupants and bill accordingly.
- Budget constraints for renovations, consistent and sustainable maintenance for illegal electricity connections.
- Due to lack of resources the municipality has only been able to issue letters of final demand for payment to defaulters, but it has not been able to take any further steps to enforce these final demands for payment.

#### **SERVICE DELIVERY INITIATIVES UNDER STRATEGY FOUR: SERVICE DELIVERY:**

- To improve infrastructure challenges, the municipality plans to explore different service delivery mechanisms and investigating additional water schemes, developed and approved master plans, solicitation of funding and building electrical main intake point.
- To address aging infrastructure and better maintenance of the infrastructure, the municipality has done refurbishment and replacement of bulk water supply lines, refurbishment of electrical substations, constructed ring feed lines and upgraded sewer pump stations.
- To address high distribution loss, a project was implemented in the Highveld Park area for the replacement of asbestos cement pipes. Meter audits undertaken, installation, repair and replacement of meters. Water pipe breakages were attended to. Engaged Eskom on NMD contracts upgrading. However, there is resistance by communities (refusing installation of meters).
- To increase the operational efficiency of the municipality infrastructure service delivery units the municipality has reviewed the By-Laws and drafted maintenance plans.



## PLANS IN TERMS OF ILLEGAL CONNECTIONS AND TAMPERING OF ELECTRICITY METERS:





- Revenue Enhancement Committee has been revived and is functional;
- Implementing cut off action;
- Meter audit undertaken;
- Implementing credit control and debt collection; and
- Meter installation, repair and replacement.





## IMPROVED FINANCIAL PLANNING/BUDGETING AND MANAGEMENT:

The municipality is currently implementing revenue strategies but there are still challenges which are as follows:

- The municipality must replace more than 1000 mini-substations with electronic protective structures (reduce distribution loss on electricity).
- The municipality has a huge challenge with illegal connections as the community reconnect themselves.
- The municipality requested guidance from NERSA and from NT and is waiting feedback.
- The municipality does not have the manpower or expertise to do such investigation without outside assistance and has no funds to outsource such investigation, until same has been budgeted for.
- The audits have been performed and the challenge is the illegal connections. The municipality is in the process of getting assistance from the South African Police Services and the justice system.
- The municipality will not be in a position to re-instate the Council amnesty because of COVID-19.
- Audit the zero and low sales pre-paid meters and if tampered, disconnect, charge reconnection fees and impose fines.

**COMPLETION PROGRESS IN NUMBERS PER STRATEGY:**

Task completed: 100%:  Task almost completed: 51% - 99%:   
 Task commenced: 1%-50%:  Task not yet started: 0% 

STRATEGY AND KEY FOCUS AREA	TOTAL				
STRATEGY ONE: STRENGTHENING GOVERNANCE	<b>30</b>	21	8	1	0
STRATEGY TWO: ORGANISATIONAL STRUCTURING	<b>6</b>	4	1	1	0
STRATEGY THREE: HUMAN RESOURCE MANAGEMENT	<b>47</b>	26	13	8	0
STRATEGY FOUR: SERVICE DELIVERY	<b>81</b>	28	35	11	7
STRATEGY FIVE: IMPROVE FINANCIAL SUSTAINABILITY, ADMINISTRATION AND CONTROL	<b>130</b>	90	29	10	1
STRATEGY SIX: RESTRUCTURING OF THE BUDGET	<b>35</b>	34	1	0	0
STRATEGY SEVEN: IMPROVE CASH FLOW MANAGEMENT	<b>16</b>	6	9	1	0

## **MUNICIPAL FINANCE MANAGEMENT ACT IMPLEMENTATION UNIT COMMENT ON THE IMPLEMENTATION OF THE FRP :**

### **Monitoring from National Treasury**

Below are the Observations and Recommendations:

It is evident from the unaudited 2019/20 Annual Financial Statements that the FRP is not yielding the desired financial results. The municipality's cash flow position is deteriorating further, operating losses on trading services is continuing and outstanding creditors are increasing rapidly (from R3,6bn in 2018/19 to R4,9bn in 2019/20). Poor FRP reporting quality is pointing towards lacking commitment to implement key FRP activities. An online session with the municipality is proposed to go through each pillar and to allow the municipality to give an update live on the progress.

The comments of the municipality are beginning to regress in terms of quality of reporting despite previous improvements observed consequent to the on-site technical support visit by national Treasury in 2020 and other government structures and will vitiate the progressive implementation of the approved financial recovery plan. There are little positive indications of improvement in the municipal responses, while some other activities still reflect repetitive responses.

Many progress comments of the municipality are not helpful and will not assist the municipality to successfully implement the approved financial recovery plan. The comments from the municipality are in certain instances below standard and not in terms of context and purposive narrative of the approved financial recovery plan that informed the detailed implementation plan. The way they are reporting will make it impossible to assess if the municipality is on its road to financial recovery.

There is a need for the Municipal Manager to provide financial implications on the outcomes of implementation of the activities pertaining to revenue collection and expenditure reduction. This will assist to scientifically determine financial recovery progress. The comments are to a certain extent not characterised by strategic input and direction. Management is advised to consider the slow progress report in their responses as there are still matters raised by NT in the report that have not been answered/responded.

The standard of reporting demonstrates a casual and a lazy approach to the implementation of the financial recovery plan and there is therefore a need to elevate this deteriorating situation to the Executive of the municipality for appropriate intervention. The Municipal manager must submit a complete portfolio of evidence to enable National Treasury to conduct an audit of portfolio of evidence for claimed performance by the municipality where-after a virtual engagement be organised. It would be helpful to have an online session with the municipality to go through each pillar and to allow the municipality to give an update live on the progress.

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

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

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

The overall operating results achieved for the 2021/2022 financial year closed off with a deficit of R1,1billion. The budgeted deficit after the adjustment budget was R138,4 million. The actual operating revenue excluding grants for the year 2021/2022 was R3,6 billion, there is a negative deviation of R195,1 million when compared with the adjusted budget revenue of R3,7 billion. The negative deviation can be attributed to the following:

- Property rates – Less revenue was realised on property rates than initially anticipated. Not all findings from the land audit were resolved, as the budgeted revenue was based on the findings from the land audit.
- Service charges on electricity – Illegal connections on electricity and zero sales have a negative impact on the revenue that should have been realised by the municipality. The municipality will continue with enforcing the removal of illegal connections in the 2022/2023 financial year.
- Service charges on water and sanitation – During the financial year the municipality experience water supply challenges. This was as a result of a mechanical faults on water infrastructure. the strategy and impact on replacing of non-functional meters has not yet come to fruition. The auditing and replacement of meter will be monitored to ensure that it is implemented.
- Service charges on refuse – Less revenue billed as some of the revenue enhancement strategies adopted have not materialized. This line item would have improved if all land audit resolutions were implemented.
- Other revenue – Less revenue realised due to low revenue on insurance refunds (the budget on this line item was based on the previous year income trend) and there was also less revenue realised on jobbing and contracts (these are jobs such as connection on municipal service charges on private property and also removing of rubble or cleaning of private property by the municipality)
- Transfers and subsidies for capital in-kind – The projects from NDM are work in progress and will not be acknowledged in the current year.

The actual operating expenditure for the 2021/2022 financial year amounts to R4,8 billion and the budget adjusted expenditure was R4,1 billion. There is a positive deviation of R732,5 million when the actual expenditure is compared with the adjustment budget. The positive deviation of expenditure suggests that there was an over expenditure on the budget (Unauthorized expenditure) The deviation is as a result of the following:

- Employee related cost - Overspending on this line item is mainly caused by overtime and standby. All departments that had high overtime and standby allowance will be requested to submit an item to council indicating the cause of high expenditure on this line items.
- Depreciation – there were additional donated assets brought into the asset register hence the depreciation expenditure is more than the budget.
- Debt impairment - The overspending is due to a low payment rate of municipal services by consumers and traffic offenders not paying their fines. Included are bad debts written off on traffic fines and municipal services. More traffic fines written off and most of this traffic fines written off are linked to speed cameras. There were traffic fines that were over a validity period on 18 months, the traffic fines system automatically classified them as irrecoverable. There were also more indigent debts written off in 2021/2022 financial year than the previous financial year. It must be noted that the budget for 2021/2022 financial year was informed by the expenditure on bad debts written off in the 2020/2021 financial year.
- Finance Charges - Spending on finance charges includes interest paid to loans and interest on Eskom accounts. The overspending on this line item is as a result of the Eskom account that is increase. This makes it difficult for the municipality to budget correct on the interest charge on Eskom account.
- Bulk purchases – There was a high demand of electricity and water in the current financial year. The budget that was provided was not adequate and the budgeted expenditure on this line item could not be increase due to low revenue.
- Transfers and subsidies – The bulk of the expenditure on this line item relates to free basic services offered to indigent consumers. The budget for free basic services has been off-set against the revenue. Hence there is overspending on the line item.
- Contracted services – The municipal infrastructure is old and need regular maintenance. The municipality has used the services of contractors.

The total capital expenditure capitalized for the year in respect of property, plant and equipment amounted to R177,5 million which is more by R0,8 million when compared with the previous financial year (2020/2021) capital expenditure of R176,7 million. And there is a negative deviation of R45,8 million when the capital expenditure of R177,5 million is compared with the adjusted budget of R223,4million. The deviation was due to the following:

- Unspent grant on Provincial treasury for R5,0 million.
- Nkangala District projects which not been completed as at the end of 30 June 2022

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

a) **The actual operating revenue** for the year is R3,6 billion (2021: R3,3 billion), Included in the above figure are **operating government grants and donations** to an amount of R462,9 million (2021: R443,0 million) which constitute 13% of total revenue. More operational revenue was realized in 2021/2022 financial year when compared with revenue for 2020/2021 financial year. This was due to the following reasons:

- More revenue realised on service charges and property rates due to annual increase on tariffs as well as implementation of revenue enhancement.
- Additional grant funding as gazetted in the Division of Revenue for 2021/2022 financial year.

**Property rate revenue** realised in 2021/2022 financial year amounts to R683,4 million and reflects an increase of R41,4 million when compared with R642,1 million for 2021. The increase can be attributed to the following:

- Annual increase on property rate tariff charge which was 4.1%
- Implementation of the supplementary valuation roll
- A continuous process of reconciling the valuation roll and the financial system on an ongoing basis to ensure that all properties within Emalahleni municipality are billed for property rates and,
- Some of the Implemented land audit resolution.

**Service charges** amounting to R1, 7 billion (2021: R1, 6 billion) and there's an increase of R108,9 million when compared with 2020/2021 financial year service charges revenue. The increase can be attributed the following:

- Electricity revenue- Annual increase was 14,59%.
- Water revenue- Annual increase was 4.1%.
- Sanitation revenue- Annual increase was 4.1%.
- Refuse revenue- Annual increase was 8.1%.
- Additional revenue as a result of new development and properties brought into the billing net.
- However, is must also be noted that service charges did not increase as anticipated in the budget for 2021/2022 financial year.

**Interest earned on outstanding debtors** has decreased from R360,8 million in 2020/2021 financial year to R274,1 million in 2021/2022 financial year. During the 2021/2022 financial year an amount of R188,0 million were written off on debtors, hence there is a decrease on the interest earned on outstanding debtors. As at the end of June 2022 the debtor's book was R5,5 billion.

**Rental of facilities** revenue decrease due to municipal properties that are rented out but were not charged.

**Revenue fines** increased with R144,5 million from R159,4 million to R303,9 million. Revenue realised from speed cameras planted on the municipal roads to curb speeding by motorist.

**Licenses and permits and Agency fees** increased as lockdown restrictions were removed, most motorist renewed their licenses and permits. Hence more revenue was realised on this line items.

**Operational transfers and subsidies** reflect an increase of R19,9 million. The increase can be attributed to additional allocation from National Treasury through the Division of Revenue.

b) **The operating expenditure** for the year amounts to R4,8 billion (2021: R4,6 billion). The main components of expenditures are as follow:

- **Employee related costs** at R1,0 billion (2021: R999,4 million) the increase on remuneration is as a result of an increase on overtime, standby allowance and an annual increase of 5% in 2021/2022 financial year. The expenditure will reduce as the reclassification on the line item is being finalised.
- **Expenditure on remuneration of councillors** of R29,5 million is within the budgeted amount of R32,5 million. There is a reduction of R0,9 million when 2020/2021 expenditure of R30,4 million is compared with the expenditure for 2021/2022 of R29,5 million. The decrease can be attributed to councillors that passed on during the 2021/2022 financial year.
- **Depreciation expenditure** for 2021/2022 financial year amounted to R276,9 million and **debt impairment** is at R769,3 million. These are non-cash item expenditure.
- **Finance charges** amounts to R276,6 million (2021: R161,1 million), Spending on finance charges includes interest paid to loans and interest on Eskom accounts. As at the end of June 2022 the debt was R6,5 billion, the bulk of the finance charges related to Eskom.

- **Bulk purchases expenditure** for 2021/2022 financial year amounts to R1,6 billion (2021: R1,3 billion). The bulk purchases amount includes electricity and water. Increase in bulk purchases is due to Eskom and water tariff annual increase as well as the increase in consumption of these services by the municipal consumers.
  - **Contracted services** as at the end of 30 June 2022 was R455,7 million and reflects an decrease of R10,0 million, when compared with the expenditure for 2020/2021 R465,7 million. Contractors were used to do repairs and maintenance on municipal infrastructure and most of the expenditure from contracted services were moved to capital expenditure as the nature of the transaction is asset related.
  - **Other expenditure** for 2021/2022 financial year amounts to R305,1 million and shows an increase of R179,8 million when compared with 2020/2021 other expenditure of R125,3 million. There is increase can be attributed to most discount given to consumers that settled their overdue accounts as well as the software licenses.
- c) The total capital expenditure capitalized for the 2021/2022 financial year in respect of property, plant and equipment amounted to R177,5 million which is less by R0,8 million when compared with the previous financial year (2020/2021) capital expenditure of R176,7 million.
- d) The unauthorized expenditure realized in the 2021/2022 financial year were on capital and operational expenditure. This expenditure consists of cash and non-cash items. The below table shows the unauthorized as per distinction.

<b>Description</b>	<b>Amounts</b>
Cash items (capital expenditure)	-R44 858 197 (Overspending)
Cash items (Operating Expenditure)	-R465 227 390 (Overspending)
Non-cash items (Operating Expenditure)	-R399 774 461 (Overspending)
<b>Total</b>	<b>-R909 860 048 (Overspending)</b>



<b><u>Expenditure By Type</u></b>	Amount
Employee related costs	-R60 645 500
Debt impairment	-R171 869 559
Depreciation & asset impairment	-R159 344 038
Finance charges	-R62 638 534
Bulk purchases Electricity	-R281 236 631
Bulk purchases Water	-R25 298 136
Other materials	-R38 680 328
Transfers and grants	-R20 002 022
Other expenditure	-R9 629 239
Loss on disposal of PPE	-R35 657 864
Capital (Electrical and Water spares)	-R44 858 197
<b>Total Expenditure</b>	<b>-R909 860 048</b>

The below tables reflect the municipality financial performance by service and by votes.

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

### Reconciliation of Table A1 Budget Summary

Description	Year 2021/2022										Year 2020/2021			
											000			
	Original Budget	Budget Adjustments (i.to. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.to. s31 of the MFMA)	Virement (i.to. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Financial Performance</b>														
Property rates	763,804	(6,789)	757,016			757,016	683,480		(73,536)	90	-10			642,076
Service charges	2,096,680	(60,412)	2,036,268			2,036,268	1,731,606		(304,662)	85	-15			1,622,658
Investment revenue	3,274	(2,155)	1,119			1,119	2,889		1,770	258	54			677
Transfers recognised - operational	435,219	27,689	462,908			462,908	462,908		-	100	-			443,039
Other own revenue	502,069	(1,419)	500,650			500,650	681,924		181,274	136	36			633,472
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3,801,047</b>		<b>3,757,962</b>			<b>3,757,962</b>	<b>3,562,808</b>		<b>(195,154)</b>					<b>3,341,923</b>
Employee costs	908,839	53,153	961,992			961,992	1,028,494		66,502	107	7			999,428
Remuneration of councillors	32,499	-	32,499			32,499	29,546		(2,953)	91	-9			30,423
Debt impairment	784,782	(101,000)	683,782			683,782	769,261		85,479	113	11			1,080,063
Depreciation & asset impairment	335,236	(88,500)	246,736			246,736	276,939		30,203	112	9			275,908
Finance charges	218,615	(5,330)	213,285			213,285	276,607		63,322	130	29			161,158
Materials and bulk purchases	1,308,589	19,503	1,328,092			1,328,092	1,711,185		383,093	129	29			1,403,577
Contractors Services	307,746	115,740	423,486			423,486	395,545		(27,941)	93	-9			465,680
Transfers and grants	4,150	-	4,150			4,150	24,152		20,002	582	482			29,098
Other expenditure	186,146	4,188	190,334			190,334	305,136		114,802	160	62			125,270
<b>Total Expenditure</b>	<b>4,086,602</b>		<b>4,084,356</b>			<b>4,084,356</b>	<b>4,816,864</b>		<b>732,508</b>					<b>4,570,604</b>
<b>Surplus/(Deficit)</b>	<b>(285,555)</b>		<b>(326,394)</b>			<b>(326,394)</b>	<b>(1,254,057)</b>							<b>(1,228,681)</b>
Transfers recognised - capital	174,532	-	173,079			173,079	173,079		(0)	100	-0			161,319
Contributions recognised - capital & contributed as	14,600	-	14,600			14,600	19,294		4,695	-	-			8,484
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(96,423)</b>		<b>(138,716)</b>			<b>(138,716)</b>	<b>(1,061,684)</b>							<b>(1,058,878)</b>
Share of surplus/ (deficit) of associate														
<b>Surplus/(Deficit) for the year</b>	<b>(96,423)</b>		<b>(138,716)</b>			<b>(138,716)</b>	<b>(1,061,684)</b>							<b>(1,058,878)</b>
<b>Capital expenditure &amp; funds sources</b>														
<b>Capital expenditure</b>														
Transfers recognised - capital	183,780	652	184,432			184,432	151,264		(33,168)	82	-18			35,758
Public contributions & donations	-	-	-			-	-		-	-	-			-
Borrowing	-	-	-			-	-		-	-	-			-
Internally generated funds	-	38,933	38,933			38,933	26,278		(12,655)	67	-			1,599
<b>Total sources of capital funds</b>	<b>183,780</b>	<b>39,584</b>	<b>223,365</b>			<b>223,365</b>	<b>177,542</b>							<b>37,357</b>
<b>Cash flows</b>														
Net cash from (used) operating	128,010	83,418	211,428			211,428	173,778		(37,650)	82	-29			289,906
Net cash from (used) investing	(183,780)	(50,585)	(234,365)			(234,365)	(187,291)		47,074	80	-26			(284,604)
Net cash from (used) financing	(21,468)	5,237	(16,231)			(16,231)	(12,880)		3,350	79	-16			(21,468)
<b>Cash/cash equivalents at the year end</b>	<b>18,508</b>	<b>(17,500)</b>	<b>1,008</b>			<b>1,008</b>	<b>13,782</b>		<b>12,774</b>					<b>40,175</b>

T 5.1.1

Revenue Collection Performance by Source							R '000
Description	Year 2020/2021	Year 2021/2022			Year 2021/2022 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	648,002	757,016	757,016	683,480	-11%	-11%	
Property rates - penalties & collection charges	-	-	-	-	0%	0%	
Service Charges - electricity revenue	932,765	1,212,694	1,212,694	948,449	-28%	-28%	
Service Charges - water revenue	428,649	523,857	523,857	503,102	-4%	-4%	
Service Charges - sanitation revenue	138,821	156,991	156,991	143,032	-10%	-10%	
Service Charges - refuse revenue	122,423	142,725	142,725	137,023	-4%	-4%	
Rentals of facilities and equipment	3,039	15,941	15,941	9,482	-68%	-68%	
Interest earned - external investments	3,690	1,119	1,119	2,889	61%	61%	
Interest earned - outstanding debtors	360,768	335,316	335,316	274,170	-22%	-22%	
Dividends received	-	-	-	-	0%	0%	
Fines	159,894	36,923	36,923	304,017	88%	88%	
Licences and permits	265	398	398	405	2%	2%	
Agency services	2,778	45,320	45,320	2,727	-1562%	-1562%	
Transfers recognised - operational and capital	631,549	650,586	650,586	655,281	1%	1%	
Other revenue	79,106	36,484	67,011	89,021	59%	25%	
Gains on disposal of PPE	-	-	-	2,102	0%	0%	
Environmental Protection	-	-	-	-	0%	0%	
<b>Total Revenue</b>	<b>3,511,748</b>	<b>3,915,372</b>	<b>3,945,898</b>	<b>3,755,180</b>	<b>-4.27%</b>	<b>-5.08%</b>	

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.*

T K.2

Financial Performance of Operational Services							R '000
Description	Year 2020/2021	Year 2021/2022			Year 2021/2022 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Water	660,611	497,440	497,440	518,225	(20,785)	(20,785)	
Waste Water (Sanitation)	260,145	191,401	191,401	489,321	(297,921)	(297,921)	
Electricity	1,860,628	1,951,123	1,951,123	2,091,081	(139,958)	(139,958)	
Waste Management	270,514	235,669	235,669	206,472	29,197	29,197	
Housing	12,411	19,686	19,686	17,568	2,118	2,118	
<b>Component A: sub-total</b>	<b>3,064,308</b>	<b>2,895,318</b>	<b>2,895,318</b>	<b>3,322,667</b>	<b>(427,349)</b>	<b>(427,349)</b>	
Waste Water (Stormwater Drainage)					-	-	
Roads	151,279	167,514	167,514	70,815	96,699	96,699	
Transport	69,522	51,800	51,800	43,173	8,627	8,627	
<b>Component B: sub-total</b>	<b>220,801</b>	<b>219,314</b>	<b>219,314</b>	<b>113,988</b>	<b>105,325</b>	<b>105,325</b>	
Planning	26,441	68,420	68,420	23,659	44,761	44,761	
Local Economic Development							
<b>Component B: sub-total</b>	<b>26,441</b>	<b>68,420</b>	<b>68,420</b>	<b>23,659</b>	<b>44,761</b>	<b>44,761</b>	
Planning (Strategic & Regulatory)					-	-	
Local Economic Development	20,513	23,605	23,605	23,625	(21)	(21)	
Component C: sub-total	6,040	6,075	6,075	5,200	875	875	
Community & Social Services	516,037	107,304	107,304	504,797	(397,493)	(397,493)	
Environmental Protection	7,099	8,417	8,417	7,877	540	540	
Health					-	-	
Security and Safety	278,144	122,765	122,765	364,157	(241,392)	(241,392)	
Sport and Recreation	24,995	25,616	25,616	26,792	(1,177)	(1,177)	
Corporate Policy Offices and Other	54,833	65,682	65,682	58,760	6,921	6,921	
<b>Component D: sub-total</b>	<b>907,661</b>	<b>359,463</b>	<b>359,463</b>	<b>991,209</b>	<b>(631,746)</b>	<b>(631,746)</b>	
<b>OTHER</b>	<b>345,353</b>	<b>547,293</b>	<b>535,765</b>	<b>360,141</b>	<b>187,153</b>	<b>175,625</b>	
<b>Total Expenditure</b>	<b>4,570,604</b>	<b>4,095,884</b>	<b>4,084,356</b>	<b>4,816,864</b>	<b>(720,980)</b>	<b>(732,508)</b>	

*In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

T 5.1.2

## 5.2 GRANTS

### a) Operational Grants

An amount of R426,8 million was received in the 2021/2022 financial year for Equitable share. The equitable share is an unconditional grant which is gazette on DORA (Division of Revenue). There was an unspent amount of R27,3 million from Equitable Share from 2020/2021 financial year, and was fully spent in 2021/2022 financial year.

An amount of R3,0 million from Financial Management Grant was utilized for the finance internship programme, implementation of mSCOA and for consultants to assist with compilation of asset register and the annual financial statements.

Extended Public Works Programme incentive grant is utilized for job creation projects. During the year an amount of R6,0 million was received and spend on temporary workers for street cleaning and cleaning of overgrown Main Street.

According to the Municipal Infrastructure Grant, a maximum of 5% of its allocation can be used for operational activities. An amount of R5,3 million was spent on operational MIG.

### b) Capital Grants

According to the Division of Revenue for 2021/2022 financial year the municipality was allocated an amount of R47,5 million, but was reduced by R10,0 million due to poor performance on the implementation of the grant. However, an amount of R37,5 million was received from National Treasury and was fully spent by June 2022.

During 2020/2021 financial year an unspent of R8,7 million on the Department of Energy grant was approved by National Treasury to be implemented in the 2021/2022 financial year. The funds were fully spent in the current.

For Municipal Infrastructure Grant an amount of R127,0 million was received and fully spent on operational and capital.

The below tables reflects the expenditure on capital grants:

Grant Performance							R' 000
Description	Year 2020/2021	Year 2021/2022			Year 2022 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>469,728</b>	<b>440,571</b>	<b>440,571</b>	<b>439,503</b>	0%	0%	
Equitable share	456,925	426,204	426,204	426,204	0%	0%	
MIG Operational	5,957	6,352	6,352	5,284	17%	17%	
Financial Management Grant	2,000	2,000	2,000	2,000	0%	0%	
Extended Public Works Programme	4,846	6,015	6,015	6,015	0%	0%	
<b>Total Operating Transfers and Grants</b>	<b>469,728</b>	<b>440,571</b>	<b>440,571</b>	<b>439,503</b>	<b>0.24%</b>	<b>0.24%</b>	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes. Savings from the operational MIG was used on capital expenditure on MIG.</i>						T 5.2.1	
R' 000							
Details	Budget: 2021/2022	Adjustments: 2021/2022 Budget	Actual: 2021/2022	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
Department of Energy	47,500	37,500	37,500	-27%	0%	Submission of Monthly and Quartely Reports to National Treasury	
Financial Management Grant	1,000	1,000	1,000	0%	0%	Submission of Monthly and Quartely Reports to National Treasury	
<b>Total</b>	<b>48,500</b>	<b>38,500</b>	<b>38,500</b>	<b>-26%</b>	<b>0%</b>		
<i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i>							

Municipal Infrastructure Grant (MIG) * Expenditure Year 2021/2022 on Service backlogs							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
70044000258 Construction Work at SY Mthimunye Stadium Phase	2,000	500	481	75.97%	3.87%	Condition Met	
70006020115 Fencing of Infrastructure Municipal Offices Ogie	-	2,500	1,510	0.00%	39.60%	Condition Met	
70044000285 Renovation of Witbank Dam Quarantine Site	-	3,000	2,966	0.00%	1.15%	Condition Met	
70027102131 Installation of Community Lighting Ward 29	800	700	529	33.93%	24.49%	Condition Met	
70027003000 Furniture and Equipment	-	100	133	0.00%	-33.50%	Condition Met	
70006109911 Construction of Roads and Stormwater in Thubelihle Extension	15,000	26,300	25,798	-71.99%	1.91%	Condition Met	
70006100322 Construction of Internal Roads in Empumelweni	5,200	250	241	95.37%	3.65%	Condition Met	
70001000382 Upgrading of Ferrobank Sewer Treatment Works	10,000	4,899	3,218	67.82%	34.31%	Condition Met	
70004100605 Empumelweni extensions Internal Sewers Ward 23	1,500	2,940	2,640	-75.99%	10.21%	Condition Met	
70004100605 Empumelweni extensions Internal Sewers Ward 29	1,500	857	857	42.88%	0.02%	Condition Met	
74304002100 Upgrading of Klipspruit Sewerage Purification Wo	42,680	15,780	14,604	65.78%	7.45%	Condition Met	
70047100109 Construction Work at Leeuwpoot Waste Disposal S	5,000	-	-	100.00%	0.00%	Condition Met	
70053007540 Construction of Engineering Services for Klarine Ward 12	2,500	13,182	12,471	-398.82%	5.40%	Condition Met	
70053007540 Construction of Engineering Services for Klarine Ward 15	2,500	9,818	9,861	-294.46%	-0.45%	Condition Met	
70053002635 Construction of Empumelweni Bulk Outfall Sewer	5,000	2,650	2,250	54.99%	15.08%	Condition Met	
70053002136 Empumelweni & KwaGuaqa Ext 10 Water Dis ward 6	2,000	22,500	22,418	-1020.92%	0.36%	Condition Met	
70053002631 Emalaheni Water Infrastructure Rehabilitation f	2,000	4,683	100	95.01%	97.87%	Condition Met	
70053002136 Empumelweni & KwaGuaqa Ext 10 Water Dis Ward 29	1,500	5,110	5,367	-257.82%	-5.04%	Condition Met	
70053002136 Empumelweni & KwaGuaqa Ext 10 Water Dis Ward 23	1,500	4,912	3,069	-104.59%	37.52%	Condition Met	
70034000025 Construction of Bleesboklaagte Cemetery	5,000	-	-	100.00%	0.00%	Condition Met	
70001000383 Upgrading of Naauppoort Waste Water Treatment Wo	10,000	-	-	100.00%	0.00%	Condition Met	
70053002634 Doornpoort Pump Station and Pumping Main	5,000	-	-	100.00%	0.00%	Condition Met	
Operational Expenditure on MIG	6,352	6,352	5,284	16.80%	16.80%	Condition Met	
<b>Total</b>	<b>127,032</b>	<b>127,032</b>	<b>113,797</b>	<b>10.42%</b>	<b>10.42%</b>		

\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. The actual expenditure exclude VAT and Retention. MIG grant was fully spent as the VAT is taken to consideration.

T 5.8.3

### **5.3 ASSET MANAGEMENT**

#### Overview of Asset Management

The Asset Management policy is developed to comply with all relevant legislative requirements and

Complies with the standards specified by the Accounting Standards Board. Asset management within the municipality is overseen by the Executive Director Financial Services.

#### Financial Asset Register

The chief financial officer established and maintained an asset register containing key financial data on each item of property, plant or equipment that satisfies the criterion for recognition.

#### Organizing Asset Management, Staff involved and delegations

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipality's assets is safeguarded and appropriately maintained. The Asset Manager as the Chief Financial Officer must ensure that appropriate physical management processes and control systems are established and maintained for all assets in the municipality. All directorates and employees in the municipality are therefore required to ensure that the processes in place are adhered to in ensuring that the assets and other municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. The asset champions must assist the asset manager in performing his/her functions and duties in terms of asset management.

The municipal asset base shown increase from the financial year end 2020/21 to 2021/22 on the preliminary cost bases as previous work in progress projects are completed and also that the municipality revival some assets through donation. The carrying value of the non-current assets as at 30 June 2022 was R6,5billion. The contributing factor being the high depreciation and writing-off of assets that became redundant.

### **5.4 CAPITAL EXPENDITURE**

#### **SPENDING AGAINST CAPITAL BUDGET**

Capital expenditure relates mainly to the construction of assets that will have value lasting over years. Capital expenditure is funded from grants and municipal own funds.

During the 2021/2022 financial year which is under review capital expenditure amounted to R177,5 million. The capital expenditure for the year has increased with an amount R0,8 million from to the previous year capital expenditure of R176,7 million. Unspent capital projects to an amount of R18,5 million has been rolled over to the 2022/2023 financial year.

There is a negative deviation of R51,8 when the capital expenditure of R177,5 million is compared with the adjusted budget of R229,4 million. The deviation was due to underspending on capital projects funded from own funds which was caused delay in finalization of procurement and NDM projects that have not yet been acknowledge as are not completed.

The capital expenditure realized on roads and storm water amounts of R26,7 million ,water and sanitation amounts to R77,0 million, electricity amounts to R47,4 million and other capital expenditure amounts to R26,4 million. Capital on core infrastructure services constitutes 88% of total capital expenditure. The capital budget was funded by internal cash reserves to the amount of R26,3 million national and provincial government grants to the amount R151,3 million.

Capital budget has overspent by an amount of R44,8 in the 2021/2022 financial year. The overspending on capital budget is as a result of repairs and maintenance expenditure that was original allocate to operational budget, but during the finalization of the Annual Financial Statements these expenditures were transferred to capital budget as they fit the definition of a capital expenditure. These expenditures were for maintaining and repairing electrical equipment like substations as well as water infrastructure e.g. pump stations.

The calculation for unauthorized expenditure is based on the overspending of the total amount appropriated or budgeted for a vote (department) in the approved budget. The total capital budget was not overspent; however, the overspending was on votes.

The below table reflects the capital expenditure by source and by vote.



Capital Expenditure - Funding Sources: Year 2021/2022						
R' 000						
Details	2020/2021	2021/2022				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Actual to OB Variance (%)	Actual to AB Variance (%)
<b>Source of finance</b>						
External loans		–				
Public contributions and donations	–	19,100	14,778	–	100.00%	100.00%
Grants and subsidies	141,711	164,680	169,654	151,264	8.15%	10.84%
Other	35,000	–	38,933	26,278	0.00%	32.50%
<b>Total</b>	<b>176,711</b>	<b>183,780</b>	<b>223,365</b>	<b>177,542</b>	<b>3.39%</b>	<b>20.51%</b>
<i>Percentage of finance</i>						
External loans	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%
donations	0.0%	10.4%	6.6%	0.0%	100.00%	100.00%
Grants and subsidies	80.2%	89.6%	76.0%	85.2%	4.92%	-12.17%
Other	19.8%	0.0%	17.4%	14.8%	0.00%	15.08%
<b>Capital expenditure</b>						
Water and sanitation	102,805	82,680	89,508	77,028	6.84%	13.94%
Electricity	41,557	48,500	61,727	47,432	2.20%	23.16%
Housing					0.00%	0.00%
Roads and storm water	10,701	29,600	37,757	26,677	9.87%	29.35%
Other	21,648	23,000	40,372	26,404	-14.80%	34.60%
<b>Total</b>	<b>176,711</b>	<b>183,780</b>	<b>229,365</b>	<b>177,542</b>	<b>3.39%</b>	<b>22.59%</b>
<i>Percentage of expenditure</i>						
Water and sanitation	58.2%	45.0%	39.0%	43.4%	3.56%	-11.18%
Electricity	23.5%	26.4%	26.9%	26.7%	-1.23%	0.73%
Housing	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%
Roads and storm water	6.1%	16.1%	16.5%	15.0%	6.71%	8.72%
Other	12.3%	12.5%	17.6%	14.9%	-18.84%	15.51%
						<i>T 5.6.1</i>

## **COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**

### **INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS**

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality financial position and health. Cash flow projections are done on a monthly basis and cash not immediately required are invested for a better return on the short term.

#### **5.6 CASH FLOW**

The cash flow from operating activities indicates a positive cash flow of R173,8 million. An amount of R187,3 million was utilized on investment activities mainly to purchase property, plant and equipment. The cash flow from financing activities indicates inflow of R12,9 million. Considering the above movements, the net cash position at financial year end is a favourable amount of R13,8 million.

Cash Flow Outcomes				
Description	2020/2021	Current: Year 2021/2022		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	1,379,602	2,517,813	2,068,357	1,588,337
Government - capital & operational	640,604	629,820	651,456	640,997
Interest	364,443	2,650	234,352	276,954
Dividends	22	–	181	105
<b>Payments</b>				
Suppliers and employees	(2,090,091)	(2,795,661)	(2,550,299)	(2,328,970)
Finance charges	(4,674)	(226,612)	(192,619)	(3,645)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>289,906</b>	<b>128,010</b>	<b>211,428</b>	<b>173,778</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE		–	–	
Decrease (increase) in non-current debtors		–	–	
Decrease (increase) other non-current receivables		–	–	
Decrease (increase) in sale of financial assets	–	–	–	–
<b>Payments</b>				
Capital assets	(284,604)	(183,780)	(234,365)	(187,291)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(284,604)</b>	<b>(183,780)</b>	<b>(234,365)</b>	<b>(187,291)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	344			1,670
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing	(21,812)	–	(16,231)	(14,550)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(21,468)</b>	<b>–</b>	<b>(16,231)</b>	<b>(12,880)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(16,167)</b>	<b>(55,770)</b>	<b>(39,167)</b>	<b>(26,393)</b>
Cash/cash equivalents at the year begin:	56,342	74,277	40,175	40,175
Cash/cash equivalents at the year end:	40,175	18,508	1,008	13,782
Source: MBRR A7				T 5.9.1

## 5.7 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

External borrowing are obtained to supplement the municipal capital programme. During the year under review no new external loan were taken up. The balance on external borrowings as 30 June 2022 amounts to R14,6 million. Standard bank loan was settled in the current year. Only two loans are remaining namely DBSA with an amount of R9,8 million and INCA with an amount of R4,8 million.

As per the municipal investment policy surplus funds not immediately required for operation are invested on a short term basis. The municipality holds long term investments were it earn interest. The municipal investment portfolio has a net value of R32,3 million as at the end of 30 June 2022 financial year.

The below table reflects the municipality's borrowings and investments

Actual Borrowings: Year 2020 to Year 2022			
			R' 000
Instrument	Year 2019/2020	Year 2020/2021	Year 2021/2022
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	50,970	29,158	14,608
Long-Term Loans (non-annuity)			
<b>Municipality Total</b>	<b>50,970</b>	<b>29,158</b>	<b>14,608</b>

Municipal and Entity Investments		
		R' 000
Investment* type	Year 2020/2021	Year 2021/2022
	Actual	Actual
<b>Municipality</b>		
Securities - National Government		
Guaranteed Endowment Policies (sinking)		
Repurchase Agreements - Banks		
Municipal Bonds		
Other	32,344	22,714
<b>Municipality total</b>	<b>32,344</b>	<b>22,714</b>
		<i>T 5.10.4</i>

## 5.8 GRAP AND MSCOA COMPLIANCE

The deadline for the implementation of the mSCOA was 1 July 2017 for all municipalities. The objective of mSCOA is to secure a sound and sustainable management of budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes.

The budget for 2021/2022 financial year was prepared on mSCOA basis which requires that all transactions reflect seven segment.

The municipality was able to transact on mSCOA from the 1 July 2020 as per the National Treasury requirement. The Annual Financial Statements for 2021/2022 financial year were prepared on mSCOA and also the opening balances were restated and reclassified to accommodate mSCOA.

Annual Financial Statement for 2021/2022 have been prepared in line with the GRAP standard.

### INTRODUCTION

Internal Audit is a multidimensional discipline that spans over all sectors that has evolved to a key position within the municipality. The internal auditor is often described as the organisation's critical friend – the independent advisor who can challenge current practices, champion best practice and be a catalyst for improvement with the objective of ensuring that the municipality as a whole can achieve its strategic objectives. As advisors to management, Internal Auditors act as the right hand of the Council through the Audit & Performance Committee by giving assurance on the municipality's ability to meet its objectives, its governance, risks and controls. Internal Auditors often have input into strategic planning, compliance, change management and the use of information technology.

Internal Auditors are responsible for the following:

#### **Evaluating controls and advising managers at all levels**

The Internal Auditor's work includes assessing the tone and risk management culture of the municipality as well as evaluating and reporting on the effectiveness and efficiency of the implementation of management policies.

#### **Evaluating risks**

Internal Auditors identify key activities and relevant risk factors and assess their significance. Changing trends and business/economic conditions impact the way the internal auditor assesses risk. The techniques of internal auditing have changed from a reactive and control-based form to a more proactive and risk-based approach. This enables the internal auditor to anticipate possible future concerns and opportunities as well as identifying current issues (emerging risks).

#### **Analysing operations and confirming information**

Internal Auditors work closely with line managers to review operations then report their findings. The internal auditor must be well versed in the strategic objectives of the municipality, so that they have a clear understanding of how the operations of any given part of the municipality fit into the bigger picture.

#### **Reviewing compliance**

Compliance review ensures that the municipality is adhering to rules, regulations, and laws, codes of practice, guidelines and principles as they apply individually and collectively to all parts of the municipality.

#### **Differences between Internal Auditors (IAs) and AGSA**

Although Internal Audit does have a degree of focus on the financial aspects of the municipality, it is essentially not a financial discipline - unlike its counterpart External Audit. Its multidimensional nature mandates a much broader scope in the municipality than that of Auditor-General of South Africa.

### **Location in terms of organizational structure**

The internal audit activity is located within the office of the Municipal Manager and reports functionally to the Audit & Performance Committee and administratively to the Municipal Manager.

### **Department Objectives**

- Ensure that the municipality has a sound controls environment;
- Ensuring that all risks are evaluated properly and classified accordingly by implementing mitigating strategies to reduce risks levels;
- Ensure that the municipality complies with its rules, policies, regulations, and laws, codes of practice, guidelines and principles;
- Analysing of operations and confirming information relating to the operations.

### **Staff composition**

The internal audit activity comprises of a manager of the unit known as the Chief Audit Executive, it also has two assistant managers, four internal auditors. Please refer below for the structure:

**Chief Audit Executive** (Mr RE Mhlanga)

**Assistant Manager: Internal Audit** (Ms Zinhle Nkosi)

**Assistant Manager: Internal Audit** (Mrs Elnah Ramphisa)

**Internal Auditor X 4** (Ms Rachel Makweng, Ms Anastasia Matodzi, Mr Blessing Nkosi & Ms Phumzile Sibanyoni)

### **Roll-over projects from previous years**

- None

### **Previous Audit Opinions**

<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/22</b>
Qualified opinion	Qualified opinion	Qualified opinion	Qualified opinion	Qualified opinion

The annual report serves to promote accountability. The contents of the annual report are informed by the Integrated Development Plan (IDP), budget, and Service and Budget Implementation Plan. The 2022/23 Emalahleni IDP was developed following the adopted Process Plan and all relevant legislation to the IDP, informed by the National Development Plan and Mpumalanga Vision 2030 amongst others. The IDP covered all functions and powers given to the municipality in terms of the Constitution of the Republic of South Africa and Local Government: Municipal Structures Act. The IDP is the strategic plan through which services are rendered to the community. The municipality has successfully delivered basic services to the community in order to better the life of the community of Emalahleni.

The Municipal Annual Report and Financial Statements were presented to the Auditor General on 31 August 2022 and the 2021/22 financial year audit has been finalised. The municipality received a qualified opinion for the 2021/2022 financial year. The Municipality is in the process of finalizing an Audit Action Plan as a corrective measure, based on all the root causes identified by the Auditor General. Progress on the Audit Action Plan (Implementation of Corrective Measures) will be monitored by the Audit Steering Committee monthly and supporting evidence of progress will be verified and audited by the Internal Audit Unit.

## SUMMARY OF 2021/22 AUDITOR-GENERAL AUDIT REPORT

No.	BASIS FOR QUALIFIED OPINION	DETAILS OF THE PARAGRAPH	REMEDIAL ACTION
1	CONSUMER DEBTORS	<p>The municipality did not properly account for consumer debtors in terms of GRAP 104, Financial instruments. The method of grouping consumer debtors in calculating the impairment provision was contrary to the standard. I was unable to quantify the full extent of the misstatements to the allowance for impairment stated at R3, 14 billion (2019-20: R2, 90 billion) and consumer debtors stated at R2, 63 billion (2019-20: R2, 18 billion) in note 13 to the financial statements as it was impracticable to do so. Furthermore, I was unable to determine the impact on the debt impairment expenditure stated at R678,23 million (2019-20: R406,32 million) in the statement of financial performance as well as in note 40 to the financial statements as it was impracticable to do so</p>	<p>Management will revisit the methodology for impairment of debtors and a test will be done on assumptions to that will be used in impairment of debtors.</p> <p>Data cleansing will be performed in order to ensure that the municipality has valid debtors.</p>
2	SERVICE CHARGES	<p>Included in service charges revenue, is revenue related to the sale of water as well as sewerage and sanitation charges disclosed in note 22 to the financial statements. The municipality did not account for these service charges in accordance with the requirements of GRAP 9, Revenue from exchange transactions. Service charges were not always recorded at the correct amounts. This resulted in revenue from the sale of water being understated by R1, 10 billion and sewerage and sanitation charges being understated by R62, 94 million. The related consumer debtors in note 13 to the financial statements were understated by the same amounts. This</p>	<p>Reconciliation of the tariffs approved by council and the tariffs used on the billing system will be done to ensure that correct tariffs are used to bill consumers.</p> <p>Monthly reconciliations of monthly billing for consumer accounts will be done to ensure completeness and accuracy of billing.</p>

No.	BASIS FOR QUALIFIED OPINION	DETAILS OF THE PARAGRAPH	REMEDIAL ACTION
		<p>also had an impact on the surplus for the period and on the accumulated surplus.</p> <p>I was also unable to obtain sufficient appropriate audit evidence for service charges due to the status of accounting records. I was unable to confirm these service charges by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue from the sale of water stated at R430, 11 million, sewerage and sanitation charges stated at R139, 23 million, and revenue from the sale of electricity for the prior year stated at R825, 70 million in note 22 to the financial statements.</p>	
3	CASH-FLOW STATEMENT	<p>Net cash flows from operating activities The municipality did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from operating activities. I was unable to determine the full extent of the errors in the net cash flows from operating activities stated at R348,09 million (2019-20: R210,75 million) in the cash flow statement, as it was impracticable to do so.</p> <p>Net cash flows from investing activities During 2020, the municipality did not correctly prepare and disclose the net cash flows from investing activities as required by GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from investing activities. I was unable to determine the full extent of the errors in the net cash flows from investing activities stated at negative R154, 86 million in the cash flow statement for the prior year as it was impracticable to do so. My audit opinion on the financial statements for the period ended 2020 was modified accordingly. My opinion on the current year financial statements was also modified because of the</p>	Cash flow will be recalculated and corrections will be made for the prior year and current year.



No.	BASIS FOR QUALIFIED OPINION	DETAILS OF THE PARAGRAPH	REMEDIAL ACTION
		possible effect of this matter on the comparability of the net cash flows from investing activities for the current period.	
4	IRREGULAR EXPENDITURE	The municipality did not have adequate systems to identify and disclose all irregular expenditure incurred during the year, as required by section 125(2) (d) of the MFMA. I was unable to quantify the understatement as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to irregular expenditure stated at R618,42 million (2019-20: R454,85 million), disclosed in note 60 to the financial statements as well as the adjustments made to irregular expenditure in the prior period errors disclosure in note 54 to the financial statements.	Management will revisit the entire population to check for similar findings for opening balance as well as the movement for the current year under review and coming financial year to be audited adjustments will be made thereof.
5	PRIOR YEAR ADJUSTMENT	I was unable to obtain sufficient appropriate audit evidence for the correction of prior period errors relating to consumer debtors disclosed in note 55 to the financial statements. Restatements were made to rectify prior year errors of consumer debtors, but these could not be substantiated by supporting audit evidence. I was unable to confirm the corrections and restatements by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corrections of consumer debtors stated at R1, 14 billion in note 55 to the financial statements.	Management will correct all misstatements raised on the audit report.

RESPONSIBLE UNIT	NUMBER OF AUDIT FINDINGS	RESOLVED	NOT RESSOLVED	PERCENTAGE RESOLVED
EXPENDITURE	3	3	0	100%
CFO	1	1	0	100%
SCM	14	8	6	57%
HUMAN RESOURCE	1	0	1	0%
REVENUE	22	14	8	64%
FINANCIAL REPORTING	3	2	1	67%
LEGAL	3	3	0	100%
VARIOUS LIMITATIONS	1	0	1	0%
<b>TOTAL</b>	<b>48</b>	<b>31</b>	<b>17</b>	<b>65%</b>
<i>Percentage</i>		<b>65%</b>	<b>35%</b>	

## Conclusion

For the 2020/21 financial year, a follow up was performed by the internal audit unit on the AGSA action plan to verify if the above noted issues were corrected. It was noted that only 31 out of the 48 audit findings raised by the AGSA were resolved.

The follow-up process will be continued to monitor the satisfactory implementation of the Auditor General recommendations for findings raised in the 2021/22 financial year. No doubt, there are a number of good lessons that we can take from this experience as we begin the process, all over again, to plan the 2022/23 financial year. The municipality will improve its internal control environment to ensure that the prior year's Audit Opinion is improved.

**ANNEXURES:**

ANNEXURE A: 2021/22 ANNUAL FINANCIAL STATEMENTS

ANNEXURE B: 2021/22 ANNUAL PERFORMANCE REPORT

ANNEXURE B: 2021/22 AUDIT COMMITTEE REPORT



## **Our Values**

**Accountability**

**Excellence**

**Accessibility**