

**2022**



# ANNUAL REPORT

# Contents

## CONTENTS

CONTENTS .....	
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY .....	
COMPONENT A: MAYOR’S FOREWORD .....	
COMPONENT B: EXECUTIVE SUMMARY .....	
1.1.    MUNICIPAL MANAGER’S OVERVIEW .....	
1.2.    MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	
1.3.    SERVICE DELIVERY OVERVIEW .....	
1.4.    FINANCIAL HEALTH OVERVIEW .....	
1.5.    ORGANISATIONAL DEVELOPMENT OVERVIEW .....	
1.6.    AUDITOR GENERAL REPORT-ANNEXURE1 .....	
1.7.    STATUTORY ANNUAL REPORT PROCESS.....	
CHAPTER 2 – GOVERNANCE .....	
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	
2.1    POLITICAL GOVERNANCE .....	
2.2    ADMINISTRATIVE GOVERNANCE .....	
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	
2.3    INTERGOVERNMENTAL RELATIONS .....	
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION .....	
2.4    PUBLIC MEETINGS.....	
2.5    IDP PARTICIPATION AND ALIGNMENT.....	
COMPONENT D: CORPORATE GOVERNANCE .....	
2.6    RISK MANAGEMENT.....	
2.7    ANTI-CORRUPTION AND FRAUD .....	
2.8    SUPPLY CHAIN MANAGEMENT .....	
2.9    BY-LAWS.....	
2.10   WEBSITES.....	
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I) .....	
COMPONENT A: BASIC SERVICES.....	

# Contents

3.1.	WATER PROVISION .....	
3.2	WASTE WATER (SANITATION) PROVISION.....	
3.3	ELECTRICITY.....	
3.4	WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING) .....	
	COMPONENT B: ROAD TRANSPORT .....	
3.7	ROADS.....	
3.9	WASTE WATER (STORMWATER DRAINAGE).....	
	COMPONENT C: PLANNING AND DEVELOPMENT .....	
3.10	PLANNING.....	
3.11	LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES).....	
	COMPONENT D: COMMUNITY & SOCIAL SERVICES .....	
3.52	LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC).....	
3.55	CEMETORIES AND CREMATORIUMS.....	
3.56	CHILD CARE; AGED CARE; SOCIAL PROGRAMMES.....	
	COMPONENT F: HEALTH.....	
3.64	HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC.....	
	COMPONENT G: SECURITY AND SAFETY .....	
3.66	FIRE .....	
	CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE .....	
	(PERFORMANCE REPORT PART II) .....	
	COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE .....	
4.2	POLICIES.....	
	COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE .....	
	CHAPTER 5 – FINANCIAL PERFORMANCE.....	
	COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE.....	
5.1	STATEMENTS OF FINANCIAL PERFORMANCE .....	
5.2	GRANTS.....	
5.3	ASSET MANAGEMENT.....	

# Contents

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS.....	
5.9 CASH FLOW .....	
5.10 BORROWING AND INVESTMENTS .....	
COMPONENT D: OTHER FINANCIAL MATTERS .....	
5.13 GRAP COMPLIANCE .....	
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS-ANNEXURE2 .....	
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year 0-ANNEXURE3 .....	
6.1 AUDITOR GENERAL REPORTS Year 0 (Previous year)4 .....	
APPENDICES.....	
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE.....	
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES.....	
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE.....	
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY.....	
APPENDIX E- WARD REPORTING.....	
APPENDIX F - WARD INFORMATION.....	
APPENDIX G– LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS.....	
APPENDIX H– SERVICE PROVIDER PERFORMANCE SCHEDULE.....	
APPENDIX I – DISCLOSURES OF FINANCIAL INTERESTS.....	
APPENDIX J(i): REVENUE COLLECTION PERFORMANCE BY VOTE .....	
APPENDIX J(ii): REVENUE COLLECTION PERFORMANCE BY SOURCE.....	
APPENDIX K: CONDITIONAL GRANTS RECEIVED.....	
APPENDIX L: CAPITAL EXPENDITURE NEW & UPGRADE / RENEWAL PROGRAMMES.....	
APPENDIX M– CAPITAL PROGRAMME BY PROJECT YEAR.....	
APPENDIX N – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2021/22	
ANNEXURE- ANNUAL PERFORMANCE REPORT	

# Contents

GLOSSARY .....

## **CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY**

### **COMPONENT A: MAYOR’S FOREWORD**

As the Mayor of Richtersveld Municipality, I am pleased to present the Annual Report, for the 2021/22 financial and performance year. This document echoes the performance of our municipality over the past financial and performance year in attaining the strategic objectives as embodied in our Integrated Development Plan (IDP).

#### **Vision**

We retained our Vision “We should continuously strive to develop all the resources of the Richtersveld, including its natural, cultural, and human resources, in a manner that is sustainable and benefits the people of the region so that our future will be secure”.

#### **Key Policy Developments**

In this reporting period, the Richtersveld Municipality continued to align our core service delivery strategy with the National Development Plan (NDP- 2030 vision).

#### **Economic Development**

Through the implementation of effective structures in partnership with the Namakwa District Municipality, The Department of Economic Development and Tourism, and The Northern Cape Economic Development Agency (NCEDA) we will prioritize economic development to create jobs in a committed effort to reduce poverty.

#### **Public Participation**

The ward committees and IDP unit are acknowledged as our official public participation structures. The nationwide lockdown due to the Covid-19 pandemic negatively impacted ward committees and our public participation meetings. Our scheduled 2021 public consultation meetings on the IDP review and Budget for 2021/22 had to be carried out under Covid 19 protocols.

## **Service delivery mandate**

We will not compromise on the basic service delivery mandate to our communities, Richtersveld Municipality is committed to delivering on our vision and mission. The performance and achievements stated in this annual report are testament of our commitment to sustained service delivery. We will also continue to apply sound financial management.

## **Key issues on cost savings:**

Engagement with Eskom regarding a tariff conversion and reduction.

## **Conclusion**

Thanks to Richtersveld Municipal Senior Management, our municipal officials, Namakwa District Municipality and provincial support structures, residents, communities, ward committees, and other stakeholders. Your participation and support during the 2021/22 financial and performance year are highly appreciated. It is only with the dedicated efforts of our municipal staff that we were able to satisfy our service delivery mandate enshrined in our constitution.

### **a. Key Service Delivery Improvements**

- Repairing of potholes
- Upgrading of oxidation ponds in Port Nolloth,
- Replacement of Asbestos pipeline
- Upgrading of Kuboes Water treatment Works
- Repairing of lighting in Port Nolloth

### **b. Public Participation**

Council strongly feels that a people-centered approach is the right way to go in achieving its goals. Strong partnerships with community- based organizations, churches, schools and sports clubs are encouraged to assist local government to educate, inform and uplift our

communities.

### **c. Future Actions**

The municipality is committed to implement the following projects, over the next few years, to improve service delivery to the public.

- The municipality is in the final stages of the amalgamation of Alexanderbay into the Richtersveld Municipality.
- Upgrading of the oxidation ponds in Port Nolloth.
- Upgrading of Solid waste disposal sites in all the towns in the Richtersveld Municipal Area.
- Paving of roads in all the towns in the Richtersveld Municipal Area.
- Extension of water reticulation network in Eksteenfontein.
- Construction of RDP houses.
- Upgrade of municipal office in Port Nolloth.
- Upgrading of cemeteries in all towns.
- Upgrade of Beach road and Mc Dougalls bay camp site.

### **d. Conclusion**

The Mayor and his Councilors together with the entire municipal management have gone all the way to ensure the best of what we can offer with the limited resources available. We believe that we would not have achieved this without the goodwill, understanding and active participation of all role-players and ratepayers.

(Signed by :) \_\_\_\_\_

**Mayor**



1.1. MUNICIPAL MANAGER'S OVERVIEW

**MUNICIPAL MANAGER'S OVERVIEW**



The Constitution of South Africa, 1996 determines that all citizens have a right to a basic level of services and that municipalities are expected to deliver these services within the limits of their resources. The Constitution furthermore mandates local government to provide democratic and accountable government for local communities, to ensure the provision of services to communities in a sustainable manner, to promote social and economic development, to promote a safe and healthy environment and to encourage the involvement of communities and community organisations in the matters of local government. It can be stated that the sphere of local government in South Africa is constitutionally and legislatively required to be developmental and it has to acknowledge that service provision is not an end in itself, but a means for socio-economic development.

An important legal instrument is the National Development Plan – 2030 (NDP) that was implemented during 2013. It is a plan for the country to eliminate poverty and reduce inequality by 2030 through uniting South Africans, growing an inclusive economy, building capacities, enhancing the capabilities of the state and leaders working together to solve complex problems (Key issues – National Development Plan 2012:1). The NDP identified certain challenges that should receive priority and the local government sphere must address these challenges as well. Therefore, the NDP highlights the need to strengthen the ability of local government to fulfil its developmental role. Municipal Integrated Development Plans (IDP's) should be used to focus on aspects of the NDP that fit within a municipality's core responsibilities. Through the IDP's municipalities must address the critical priorities identified in the NDP that relate to the mandate of local government (such as infrastructure and basic services).

## **Municipality | CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY 9**

Many local governments in South Africa are accused of poor financial administration and management, municipal councillors and officials are quite often accused of irresponsible financial decisions that lead to waste and unnecessary expenses. Some of the challenges facing municipalities throughout South Africa include poor service delivery, non-payment of services, as well as the ineffective management of resources in general. In these circumstances, the confidence of the majority of municipal citizens in the ability of their respective municipalities to deliver the necessary services in an effective and efficient manner is declining rapidly. Municipalities in South Africa urgently need to focus on the basic obligation to be a functional, responsive, accountable, effective, and efficient developmental local government.

Part of the aforementioned challenges result from the fact that political and executive institutions and their role players do not always abide by the different demarcated fields of their respective powers and functions. This directly contributes to ineffective and problematic relations; with poor service provision the negative reality. In this regard, the Local Government: Municipal Structures Act, 1998 (the Municipal Structures Act) clearly determines that municipal councillors may not interfere in the administration or management of a functional department of a municipality, unless they received a mandate from the council.

### **2. ACHIEVEMENTS OF RICHTERSVELD MUNICIPALITY ON POLITICAL MANAGEMENT OF GOVERNANCE**

Richtersveld Municipality achievements since the 2016 LGE has ranged from an improved service delivery on basic service to an attempt to stabilize the administration.

One of the biggest achievements was the accolade on the 17th best municipality nationally and 3rd best provincially on service delivery by Good Governance Africa in 2017.

The outreach by Council to community and especially the public participation since on Integrated Development Plans has improved.

To this end there is a remarkable interest from grassroots level and political awareness and a coordinated campaign management. The use of street sheets for purpose of service level gauges are pivotal in understanding the performance of the municipality in an ever changing environment. There is strong pressure from local communities for a greater say in decision-making, this also concerns how local government can develop a much more outreach and style of leadership.

The participation by the opposition party is evident of a more robust but effective and accountability.

### **3. CHALLENGES OF RICHTERSVELD MUNICIPALITY ON POLITICAL MANAGEMENT OF GOVERNANCE**

Municipalities are regarded as the custodian of public funds and consequently tasked with utilising scarce resources to address the basic needs of communities.

The challenges on political management of governance has for the past term revolve around service delivery protest and other protest actions which were fuelled by downscaling of mining operations, unemployment and inequality.

The cash flow challenges faced by Richtersveld due to a number of reasons are not helping the situation:

- Under collection of revenue as a result of high unemployment levels
- The challenge represented as a result of Eskom directly supplied areas, cannot practice adequate collection processes
- The raise in property rates, some community members not paying as a result of new valuation roll

## INTRODUCTION TO BACKGROUND DATA

### MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

#### Municipal Functions

The broad functions and powers of the Municipality in relation to Section 155/156 of the Constitution and Chapter 3 of the MSA are tabled in Appendix D.

In terms of basic service delivery, access to services such as potable water, basic sanitation, safe energy sources and refuse removal services ensures that households enjoy a decent standard of living. To satisfy these basic requirements, the municipality contributed as follows to the functions below:

**Water:** Access to potable water in all town except informal settlement in Sanddrift. This settlement has access via communal taps erected in settlement

**Sanitation:** All town have access to basic sanitation service. This includes reticulation system (water borne system), chemical toilets (UDF and VIP ). Bucket systems have been eradicated

**Energy:** All areas the municipality services has access to electricity, the areas covered by ESKOM are the 4 satellite towns and Sizamile -. The municipality did not receive any INEG funding for the 2021/22 financial year

**Refuse removal:** All households in municipal area have access to refuse removal

**Housing:** In 2021, 91.0% of households in Richtersveld had access to formal housing.

**Roads:** Road maintenance and construction is costly. Addressing inherited backlogs, coupled with funding constraints, remains a persistent challenge. The Richtersveld Municipality currently does not have an Infrastructure Master plan for bulk services. Maintenance currently covered by operational budget. New constructions will be funded by grants as the municipality does not have the capital available

**Storm water Drainage:** The storm water drainage remains a huge challenge especially in Port Nolloth and low laying residential areas in the municipality.

**Local Economic Development:** The largest contributing sectors to GDP within Richtersveld Municipality are mining and quarrying (34.2%), agriculture, forestry and fishing (17.8%), wholesale and retail trade, catering and accommodation (12.3%) and finance, insurance, real estate and business services (11.6%). The smallest contributing sector is manufacturing (0.3%).

### Population Profile

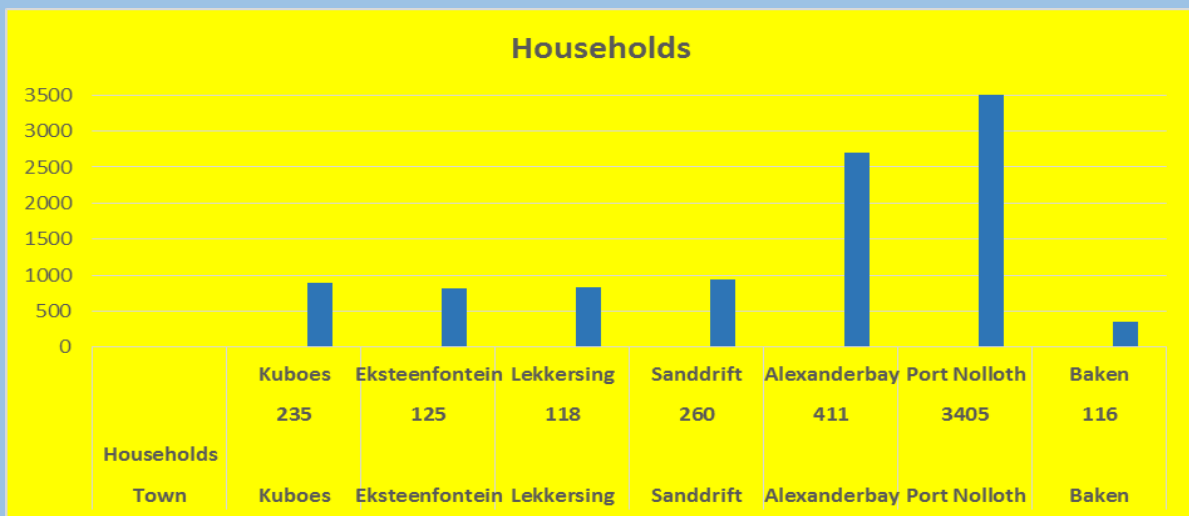
Port Nolloth is the main economic centre of the Municipality and is also the town where the head main office of the Richtersveld Municipality is situated. Richtersveld Municipality had a total population of 11982 in 2011 and grew to 12490 in 2019. Similar to other rural municipalities, Richtersveld Municipality has also experiences common challenges such as skew patterns of wealth distribution, relatively high levels of unemployment and crime.

Richtersveld Municipality consists of 4 wards. The wards include the following towns & settlements.

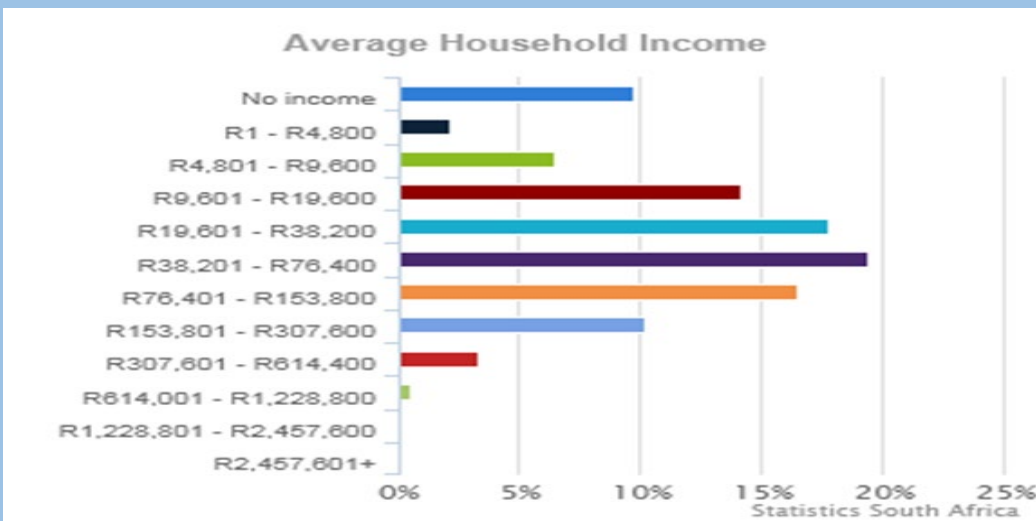
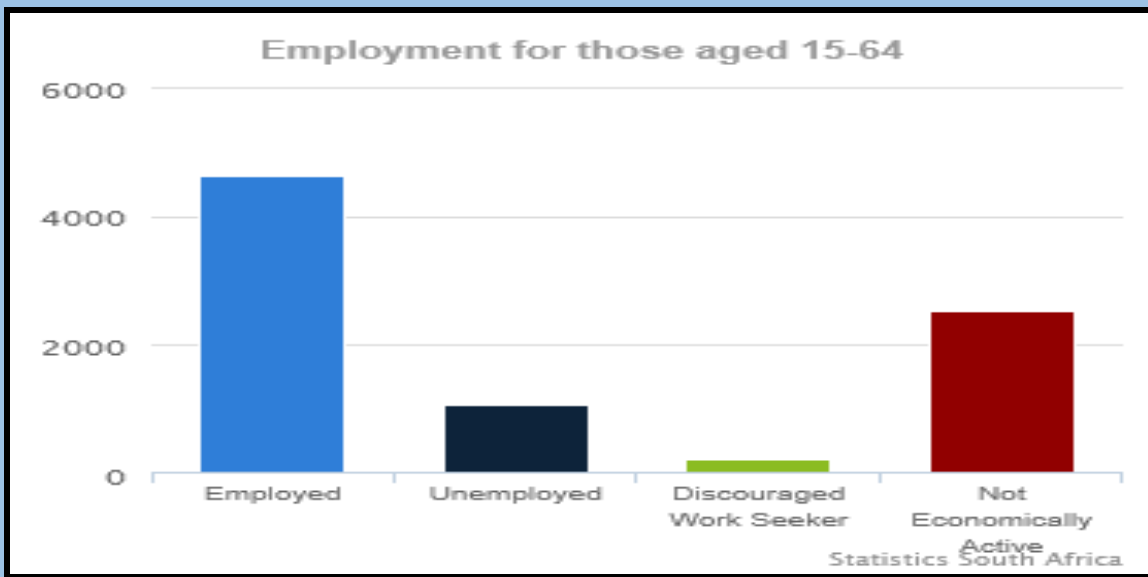
TOWN	HOUSEHOLDS	POPULATION
Kuboes	235	823
Eksteenfontein	125	719
Lekkersing	118	765
Sanddrift	260	858
Alexanderbaai	411	1760
Port Nolloth	3405	7562

Richtersveld Municipality consists of 6 wards. The wards include the following towns & settlements.

Ward	Area
1	Kuboes, Eksteenfontein
2	Sanddrift & Lekkersing
3	Sizamile & Port Nolloth Town
4	Parts of Nollothville and town including the central business section
5	Alexander Bay
4	Mcdougals Bay, Lydia Links etc.



T1.2.3



## NATURAL RESOURCES

Major Natural resource	Relevance to Community
<p><b>Bio-diversity</b></p>	<p>The Richtersveld Area is blessed with magnificent scenery and high biodiversity. It is therefore an ideal area for tourism. The areas with the greatest potential for tourism are the spectacular mountains in the north east, the Orange River Mouth, the lower Orange River and a number of coastal areas namely: McDougall's Bay, Holgat and Boegoeberg.</p> <p>Currently the world heritage site is the most popular tourism attraction in the area. This sector has not yet reached its full potential.</p>
<p><b>Minerals</b></p>	<p>The Richtersveld area is very rich in minerals particularly diamonds. Diamond mining takes place both offshore and along the coastline and the banks of the Orange River. In the interior there are good opportunities to mine quartzite and there are other smaller mineral deposits that may be able to be mined by the small miners. Two companies, Alexkor Ltd and Trans Hex, currently dominate the mining industry.</p> <p>These minerals provide the opportunity not only for job creation but also beneficiation.</p>
<p><b>Sea</b></p>	<p>The unpolluted nutrient rich Benguela current provides an ideal environment for fishing and mariculture opportunities. Access to the coastal area is highly limited by Alexkor Ltd. However, within the mining area there are a number of old mining areas that could provide ideal sites for mariculture operations. There is opportunity to empower fishing communities and to</p>



	allow for the construction of deep sea harbour and better processing facilities for fishing communities and tourism activities. Deep sea mining is already undertaken by Alexkor.
<b>Agriculture</b>	The lower Orange River valley has huge potential for irrigation especially the areas where no mining activities take place. However, most of the land in the lower Orange valley is controlled by Alexkor Ltd or by Trans Hex. The greater Richtersveld communal land is used for small-stock farming.

**COMMENT ON BACKGROUND DATA:**

All of the natural resources as identified have an impact on the community and are very relevant in our objective to ensure local economic development and the provision of improved service delivery.

As per the vision of the municipality it remains our objective to ensure that there is optimal beneficiation of the resources including natural and human. The municipality through Social and Labour Plans concluded with mining houses attempts to ensure that community and local economic development and backlogs on service are addressed. In the case of agriculture we have engaged sector departments and the Transhex to develop and explore irrigation opportunities whilst operating in the area before mining activities are closed.

### 1.3. SERVICE DELIVERY OVERVIEW

#### SERVICE DELIVERY INTRODUCTION

The delivery of basic services which is our primary mandate is done according to (a) available resources, (b) needs basis (the breakdown of ageing or dilapidated infrastructure) and (c) absence of an Infrastructure Master Plan. The following projects were done in accordance with the IDP which consist of -

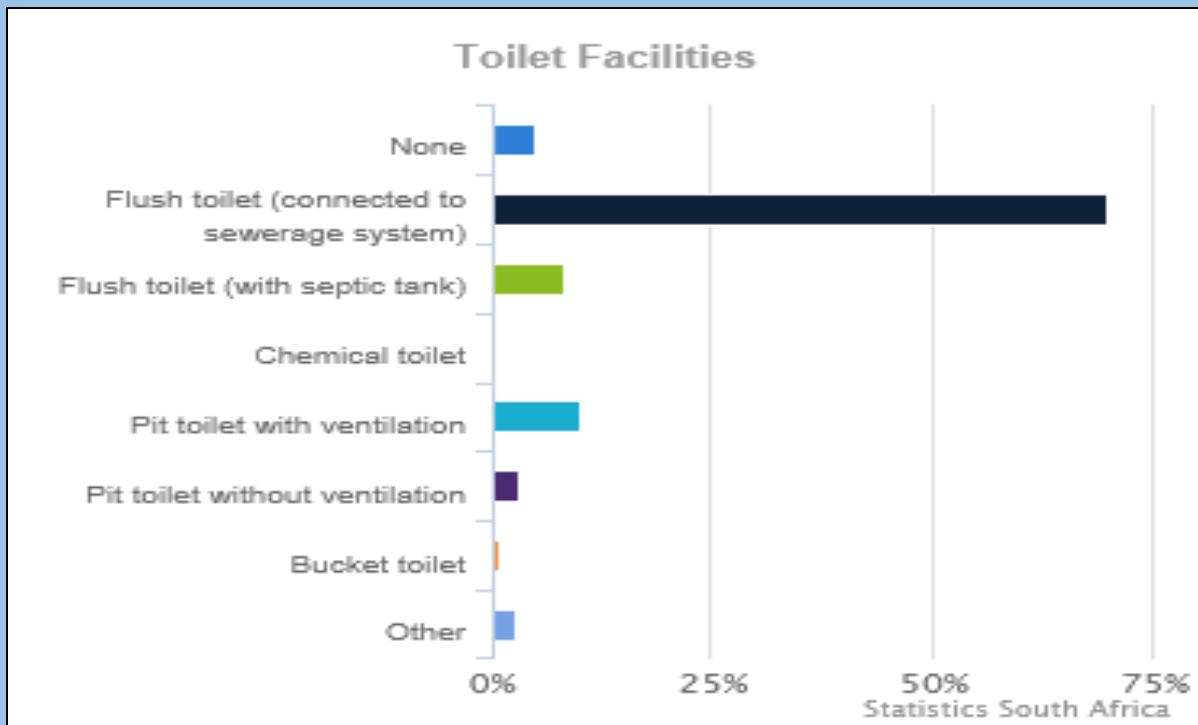
The following projects were implemented in the 2021/22 financial year

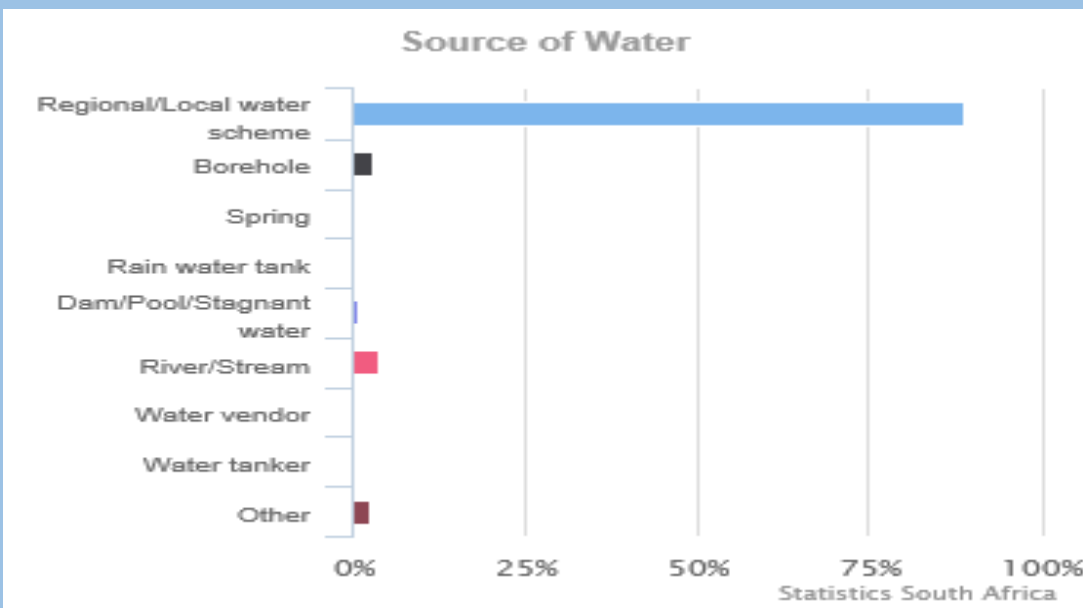
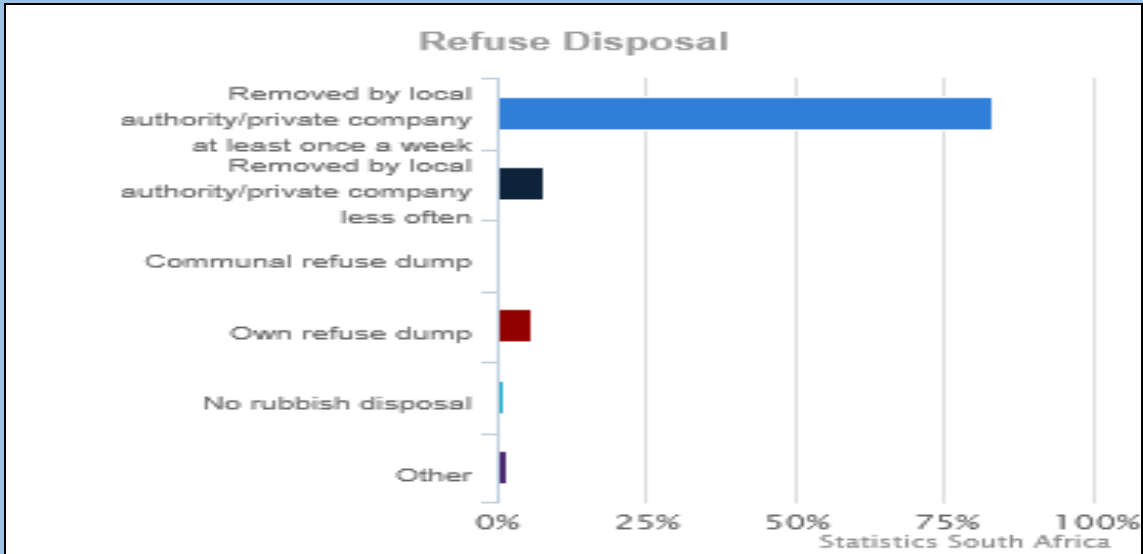
- Oxidation ponds phase 4- MIG
- Water treatment works phase 1- MIG
- Kuboes Bulk Water Supply -WSIG
- Replacement of Asbestos waterlines- WSIG
- Booster pump station-WSIG
- Paving of Cravenor Street- Public Works
- Pothole repairs- Own funding
- Streetlight repairs- Own funding
- Llibrary alterations- Dep. Sports , Arts and Culture
- Sizamile hall renovation- Own Funding



## 1. Free Basic Services (FBS)

The Richtersveld Municipality is currently rendering free basic services to more than 1164 poor households who are registered as Indigents. Free basic services equals 6 kl water, 50 kWh electricity and refuse removal.





**COMMENT ON ACCESS TO BASIC SERVICES:**

Access basic services is currently 97 % to all household in the entire municipal area

The shortfalls stems from historical disadvantages.

## FINANCIAL OVERVIEW

### FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss. Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavors to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last

resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilized by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

### **Liquidity Risk**

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines. The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The

amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

### **Financial Sustainability**

Management is of the opinion that the Municipality will continue to operate and continue with its primary mandate and perform its functions as set out in the Constitution.

<b>Employee Cost</b>	<b>29,67</b>
<b>Repairs &amp; Maintenance</b>	<b>7,76</b>
<b>Finance Charges</b>	<b>7,8</b>

### **COMMENT ON OPERATING RATIOS:**

Employee related Cost is at 29.6% , within the norm, this excludes Remuneration of Councillors

Repairs and Maintenance should have represent 7.76 of the total OPEX when being calculated as a % of Property, Plant and Equipment and Investment Property (Carrying Value) for Budget purposes. Insufficient provision for maintenance of assets may cause huge capital expenditure in future.

### **COMMENT ON CAPITAL EXPENDITURE:**

There has been an under expenditure of MIG projects of R328 519, to be paid back to DORA.. WSIG was spent 100% with an extra R10 000 000 received

The following Capital projects were implemented in the 2021/22 financial year

- Oxidation ponds phase 4- MIG
- Water treatment works phase 1- MIG
- Kuboes Bulk Water Supply -WSIG

- Replacement of Asbestos waterlines- WSIG
- Booster pump station-WSIG
- Paving of Cravenor Street- Public Works
- Library alterations- De. Sports, Arts and Culture
- Sizamile hall renovation- Own Funding



RICHTERSVELD MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022			
	Notes	2022 R	2021 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>82 893 937</b>	<b>64 602 430</b>
<b>Taxation Revenue</b>		<b>21 570 563</b>	<b>20 054 928</b>
Property Rates	18	21 570 563	20 054 928
<b>Transfer Revenue</b>		<b>50 366 760</b>	<b>37 370 337</b>
Government Grants and Subsidies	19	49 779 360	36 793 657
Public Contributions and Donations	20	587 400	576 680
Contributed Property, Plant and Equipment		-	-
<b>Other Revenue</b>		<b>10 956 613</b>	<b>7 177 165</b>
Actuarial Gains	11	5 531	83 715
Availability Charges	21	4 013 214	3 518 536
Fines, Penalties and Forfeits		37 957	27 300
Interest Earned - Non-exchange Transactions		3 207 064	2 085 219
Operational Revenue	29	3 692 848	1 462 395
<b>Revenue from Exchange Transactions</b>		<b>29 519 930</b>	<b>25 816 228</b>
Service Charges	23	23 017 148	21 130 644
Sales of Goods and Rendering of Services	24	947 631	630 423
Rent on Land	25	405 713	404 649
Rental from Fixed Assets	26	349 677	276 361
Interest Earned - External Investments	27	260 324	142 350
Interest Earned - Exchange Transactions	28	4 274 571	3 098 238
Licences and Permits	22	12 920	7 537
Agency Services		88 342	90 799
Operational Revenue	29	163 605	35 226
<b>Total Revenue</b>		<b>112 413 867</b>	<b>90 418 658</b>
<b>EXPENDITURE</b>			
Employee related costs	30	(31 470 273)	(30 110 202)
Remuneration of Councillors	31	(3 819 459)	(2 758 889)
Bad Debts Written Off	6.1 & 7.1	(1 484 918)	(916 791)
Contracted Services	32	(6 543 998)	(4 903 658)
Depreciation and Amortisation	33	(11 030 647)	(10 741 917)
Actuarial Losses	11	(5 531)	(17 055)
Finance Costs	34	(8 274 262)	(7 148 725)
Bulk Purchases	35	(19 232 895)	(16 152 227)
Inventory Consumed	5	(1 691 568)	(2 166 774)
Operating Leases		(1 106 344)	(1 607 202)
Operational Costs	36	(12 320 706)	(10 448 583)
<b>Total Expenditure</b>		<b>(96 980 603)</b>	<b>(86 972 023)</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>15 433 264</b>	<b>3 446 635</b>
Reversal of Impairment Loss/(Impairment Loss) on Receivables	37	(8 720 565)	(16 482 836)
Gains/(Loss) on Sale of Fixed Assets	38	(252 307)	(213 349)
Water Losses	39	(74 678)	(133 166)
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>6 385 714</b>	<b>(13 382 716)</b>

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

#### Introduction

The Richtersveld Municipality recognises the necessity in developing the skills of both councillors and personnel. The Workplace Skills plan (WSP) was compiled and approved by Council in order to respond to this need. The Municipality however, in terms of the Skills Development Act, do its utmost best to comply with this competency. Performance Managements Contracts was signed between the Municipal Manager / Mayor and the Senior Managers. The Municipality has a credible SDBIP as a measuring tool. The Task Job Evaluation Committee was established and the Job Evaluation process was completed and only awaits approval before implemented.

The Municipality is now in the process of developing a Health and Safety Committee, which will handle injury on duties as well as all the other health and safety issues. We have very little injury on duty complaints, and much more sick leave are being taken by employees. All injury on duty records are kept in the Human Resources Office. The sick leave forms are also captured and filed in the office of the Human Resources. We make use of Private Doctors for Injury on duty examinations and also for occupational health check-ups.

ORGANOGRAM 2021/2022				
DEPARTMENT	APPROVED POSTS	POSTS FILLED	VACANT POSTS	VACANCY %
MUNICIPAL MANAGER	3	2	1	33,33
ADMINISTRATION	16	16	0	0,00
LIBRARY	5	5	0	0,00
PROPERTIES	4	4	0	0,00
WORKSHOP-FLEET	3	2	1	33,33
CARAVAN PARK	6	6	0	0,00
INFRASTRUCTURE	4	4	0	0,00
REFUSE	6	6	0	0,00
WASTE WATER- SANITATION	9	7	2	22,22
TOURISM	1	1	0	0,00
SECURITIES-PROPERTIES	8	8	0	0,00
FINANCE	23	22	1	4,35
ROADS & STORMWATER	12	12	0	0,00
LED	2	1	1	50,00
ELECTRICITY	3	3	0	0,00
WATER	5	5	0	0,00

<b>SALARY BAND</b>	<b>TOTAL NO OF SICK DAYS TAKEN</b>	<b>PROPORTION OF SICK LEAVE WITHOUT MEDICAL CERTIFICATE</b>	<b>EMPLOYEES TAKING SICK LEAVE</b>	<b>TOTAL EMPLOYEES</b>	<b>AVERAGE SICK LEAVES PER BAND</b>
Lower Skill 1-2					
Skilled 3-5	264,00	20,83%	36	39	6,77
Highly skilled 6-8	341,00	14,66%	25	25	13,64
Highly skilled 9-12	21,00	42,85%	3	22	0,95
Senior Management 13-15	42,00	4,76%	2	3	14,00
Section 56 & 57	4,00	100%	2	3	1,33
<b>TOTAL</b>	<b>672,00</b>		<b>68</b>	<b>92,00</b>	<b>36,70</b>

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 1-ANNEXURE A

1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November

13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January

#### **COMMENT ON THE ANNUAL REPORT PROCESS:**

The Annual Report Process started at the commencement of the FY whereby the relevant data in terms of performance and activities within the municipality were accounted for. This is an inclusive process which consist of the activities and inputs from the departments.

The process is further enhanced by the Schedule of Key Deadlines, who served as a guiding document as adopted by Council and the Budget process as being laid down by the Office of the Mayor. The compilation and final adoption of the IDP and Budget was preceded by the public participation.

The IDP and Budget was aligned as per the legislative requirement thereafter the SDBIP was compiled. The alignment of the IDP and Budget is very crucial as it provide for accountability and a yardstick to measure the equal distribution of resources available for community development and the addressing of backlogs on service delivery. It is important to note that the Top layer and Departmental SDBIP was done inhouse

The Integrated development Plan (IDP) is a strategic document that clearly outlines the municipality's development objectives and provides a policy framework that guides management in decision making related to budgeting and planning.

In terms of the Richtersveld Municipality we have an eight-point plan within the IDP that is outcomes based:-

- Sustainable economic growth and job creation
- Fully serviced, well maintained, quality living environments
- Safe and secure environment
- Healthy and empowered citizens
- Embracing our cultural diversity
- Sustaining the natural built environment
- Democratising local government
- Financially viable and sustainable local government

Budgeting is a careful juggling/balancing act.

Input from all stakeholders have to be considered and prioritised.

In compliance with the Municipal Structures Act and MFMA the municipality's budget must be informed by and aligned to the IDP objectives.

The budgetary allocations for both capital and operating expenditure needs to be undertaken in a manner that will not only ensure that the IDP outcomes are achieved but also leads to the municipality's vision being realised.

This is an evolutionary process – capital easier than operating.

It is a process not an event and requires continuous improvement to the budget and IDP processes to ensure a seamless process eventually.

IDP derived from community needs:

IDP – 8 point plan of action which is aligned to budget via programs and action plans.

Need to achieve flexibility in budgeting in terms of output units/votes being able to be aligned more easily.

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution S151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community. The Richtersveld Municipality is governed by Council, Administration and the Richtersveld community in a democratic way. The establishment of ward committees strengthen the arms of council in enhancing service delivery through public participation processes.

The Municipality leans heavily on the intergovernmental relationship with other organs of state to provide funding and resources to enable the municipality to deliver on its mandate.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

##### 2.1

#### INTRODUCTION TO POLITICAL GOVERNANCE

In terms of the MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

The Richtersveld Municipal Council consists of eleven councillors, comprising of 6 ANC ,3 DA , 1 EFF and 1 NEF councillors. Council takes pride in the fact that they always strive to deliver services to all the people irrespective of colour, creed or political affiliation.



## POLITICAL STRUCTURE



**MAYOR**

**Councillor Cornell Knoph**



**SPEAKER**

**Councillor Marlene Fredericks**



**MPAC Chairperson**

**Councillor Rhyno Thomas**

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**COUNCILLORS OF RICHTERSVELD MUNICIPALITY 2021/22**



**Salga Representative**

**Councillor Funeka Mabala**



**Admin Committee Chairperson**

**Councillor Maria Obies**



**(DA) Proportional Councillor**

**Councillor Anna Bock**



**(DA) Proportional Councillor**

**Councillor Rolf Jonker**



**(DA) Proportional**

**Councillor Charlton Stuurman**



**(NEF) Proportional**

**Councillor Renthia Van Wyk**



**(EFF) Proportional**

**Councillor Natasha Mpambani**

## COUNCIL COMMITTEES

COMMITTEE	REPRESENTATIVE
Executive	C. Knoph, M. Obies, C. Stuurman
Municipal Finance	C. Knoph , R. Jonker, M Fredericks
Technical	C. Stuurman & N. Mpambani, F. Mabala
Administration	M. Obies, A. Bock
LLF	C. Sonamzi, C. Stuurman
MPAC	R. Thomas, R. Jonker & R. Van Wyk

### POLITICAL DECISION-TAKING

This section reports on how Richtersveld Municipality met the requirements of participation, rule of law, transparency, responsiveness, consensus, equity/inclusiveness, effectiveness/efficiency, accountability and sustainability with regard to handling its governance structures. Sustainability and Productivity: The municipality's political and administrative governance structures remained productive throughout 2021/2022 and complied well with legislative requirements. The following meetings were held:

- 01 July 2021- Special
- 30 August 2021-Special
- 21 October 2021- Special
- 22 November 2021- General
- 11 February 2022- General
- 28 February 2022- Special
- 28 March 2022- Special

- 03 May 2022- Special
- 31 May 2022- General
- 30 June 2022- Special

## INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

### **ADMINISTRATIVE GOVERNANCE**

The MFMA, Section 60 (b) states: “The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance and advice on compliance with this Act to political structures, political office-bearers and officials of the municipality and any entity under the sole or shared control of the municipality.”

All managerial posts have been filled at Richtersveld Municipality

Manager	Functions
 <p><b>SYDNEY ADAMS</b> <b>MUNICIPAL MANAGER</b></p>	<ul style="list-style-type: none"> <li>• Accounting officer of municipality</li> <li>• Strategic</li> <li>• Sound financial management</li> <li>• Improvement of communication and stakeholder management</li> </ul>
 <p><b>DINEO MOSHOBANE</b> <b>CFO</b></p>	<ul style="list-style-type: none"> <li>• Income &amp; Expenditure</li> <li>• Budget &amp; Support Services</li> <li>• Supply Chain Management</li> </ul>
 <p><b>BEULAH WILLIAMS-COMMUNITY MANAGER</b></p>	<ul style="list-style-type: none"> <li>• Sewerage Services</li> <li>• Properties</li> <li>• Refuse Removal</li> </ul>





**LORENDA CLOETE**  
**ADMINISTRATION MANAGER**

- Existing Housing
- General Administration
- Human Resources
- Labour Relations
- Property Administration
- Community Halls & Libraries
- Information Technology



**IVAN CLOETE**  
**INFRASTRUCTURE MANAGER**

- Electric Engineering Services
- Water & Sanitation
- Civil Engineering Services
- Solid Waste
- Town Planning
- Parks & Recreational Facilities



**LARA YOUNG**  
**MUNICIPAL SUPPORT & COMPLIANCE MANAGER**

- Legal Services
- IDP
- SDBIP
- Annual Report
- Disaster Services
- Library
- Tourism
- LED
- Municipal Compliance

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3 INTERGOVERNMENTAL RELATIONS

#### INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations Framework Act (IGRFA) of 2005 provides a framework for the cooperation among the three spheres of government as distinctive, interdependent and interrelated, and it defines the responsibilities and institutional structures to support closer cooperation monitored by the Department of Provincial and Local Government with the aim to encourage and enforce cooperative governance amongst the three spheres of government, National, Provincial and Local Government (Municipalities).

Richtersveld Municipality has been taking full part in all Intergovernmental Relations Meetings at both District and Provincial level on a regular basis.

#### **Intergovernmental Relations Meetings attended by the Municipality during the financial year**

- **10 November 2021**
- **21 April 2022**
- **14 June 2022**

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

#### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MSA S15 (b): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The Municipality encourages public participation and involvement of all stakeholders in her area of jurisdiction. Quarterly stakeholder meeting, ward meetings and council meets the people programmes ensures that communities are informed. Factors influencing the success

of meetings range from the weather, time of meeting, proximity of venue to the period of notices given and the topics under discussion. Meetings with stakeholders are usually fruitful although some members come unprepared at times.

#### 2.4 PUBLIC MEETINGS

#### IDP Community Input Meetings held in 21/22

DATE	WARD	VENUE
19 January 2022	1	Kuboes Raadsaal
19 January 2022	2	Sanddrift Community Hall
21 January 2022	5	Alexanderbay
26 January 2022	3	Sizamile Community Hall
20 January 2022	1	Eksteenfontein Hall
25 January 2022	4	TBC
26 January 2022	2	Lekkersing Council Hall
27 January 2022	6	Drop Inn Centre
IDP stakeholder engagement Forum 23 February 2022 23 Februarie 2022	<ul style="list-style-type: none"> <li>• Sector Departments</li> <li>• Progressive forums</li> <li>• Faith based</li> <li>• Ngo &amp; Npo's</li> </ul>	Richtersveld Town Hall/Aukutuwa Town hall

## **WARD COMMITTEES**

By virtue of the provisions of section 72(1) of the Structures Act, the establishment of Ward Committees were done in terms of Section 73 of the Structures Act. The Municipality consists of four wards.

### **The objective of the ward committees are:**

- To enhance participatory democracy in local government.
- To serve as an official specialised participatory structure in the municipality;
- To create formal unbiased communication channels as well as co-operative partnerships between the community and the council.

### **This was achieved as follows:**

- Advise and make recommendations to the ward councillor on matters and policy affecting the ward;
- Assist the ward councillor in identifying challenges and needs of residents;
- Disseminate information in the ward concerning municipal affairs such as the budget, integrated development planning, performance management system (PMS), service delivery options and municipal properties;
- Receive queries and complaints from residents concerning municipal service delivery, communicate it to council and provide feedback to the community on council's response;
- Ensure constructive and harmonious interaction between the municipality and community through the use and co-ordination of ward residents meetings and other community development forums; and Interact with other forums and organisations on matters affecting the ward.

### WARD 1- EKSTEENFONTEIN

Name of Representative
Katriena Jansen
Ryno Farmer
Jo-Ann Rooi
Sophia Strauss
Katrina Strauss

### WARD1- KUBOES

Name of Representative
Zuna Thomas
Desiree Cloete
Lara Swartbooi
Granville Obies
Ruben De Wet

#### WARD2- LEKKERSING

Name of Representative
Cheryl Nero
Christina Links
Leoni Adams
Linda Ruiters
Alfreda Adams

#### WARD2-SANDDRIFT

Name of Representative
Melandi De Waal
Berinice Cloete

#### WARD 5-ALEXANDERBAAI

Name of Representative
Percy Eiman
Desiree De Wet
Roeliena Joseph
Hendricka Obies
Nicoleun Gertse
Joshua De Wet

### WARD 3- PORT NOLLOTH/ SIZAMILE

Name of Representative
Shiela Mayau
Bulelani Mahlope
Tozama Mfihlo
Yoliswa Mase
Ann- Mary Milford
Esther Cloete

### WARD6-PORT NOLLOTH

Name of Representative
Magrieta Links
Mathilda vd Heever
Sue- Ann Similanie
Charmaine Cloete
Eva Cloete
Anna Van Wyk
Janice Augustus
Desiree Mackenzie
Maritza Konnegerry
Jorinda Whitlow

#### WARD 4-PORT NOLLOTH

Name of Representative
Jacobus Matthys
Iris Diergaardt
Charmain Louw
Valerie Oortman
Carel Viljoen
Anna Kriel
Charel De Beer

#### Major issues the ward committees dealt with:

- To assist with updating and managing the unemployment data base
- Mobilizing communities to attend community meetings
- Updating Indigent register

Ward Committee Meetings	Number of Meetings
Ward 2 – Lekkersing	12
Ward 1 – Eksteenfontein	12
Ward 1 – Kuboes	12
Ward 5 – Alexanderbay	12



Ward 2 – Sanddrift	12
Ward 3 – Port Nolloth / Sizamile	12
Ward 4 – Port Nolloth	12
Ward 6- Port Nolloth	12

**COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:**

Public participation is effective in the sense that people attends and express themselves in the meetings. Inputs from various stakeholders are being taken into account when planning on service delivery challenges.

Key benefits for the municipality and the public from the above mentioned meetings:

Increased understanding for each other’s viewpoints

- Increased support and better culture of payment for services
- Minimize conflict and complains
- Get the right info to the right people on the right time
- Keep residents informed of service delivery issues
- Save money and effort when there is greater support for government mandates

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	<b>Yes</b>
Does the IDP have priorities, objectives, KPIs, development strategies?	<b>Yes</b>
Does the IDP have multi-year targets?	<b>Yes</b>
Are the above aligned and can they calculate into a score?	<b>Yes</b>
Does the budget align directly to the KPIs in the strategic plan?	<b>Yes</b>
Do the IDP KPIs align to the Section 57 Managers	<b>Partially</b>
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	<b>Partially</b>
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	<b>Partially</b>
Were the indicators communicated to the public?	<b>Yes</b>

Were the four quarter aligned reports submitted within stipulated time frames?	<b>Partially</b>
* Section 26 Municipal Systems Act 2000	T2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

In terms of Section 51 of the Municipal Systems Act, a municipality must within its administrative and financial capacity establish and organize its administration in a manner that would enable the municipality to:

- Be responsive to the needs of the local community;
- facilitate a culture of public service and accountability amongst its staff;
- be performance orientated and focused on the objects of local government set

Out in section [52 of the Constitution and its developmental duties as required by section 153 of the Constitution;

- ensure that its political structures, political office bearers and managers and

Other staff members align their roles and responsibilities with the priorities

and objectives set out in the municipality's integrated development plan;

- establish clear relationships, and facilitate co-operation, co-ordination and communication, between its political structures and political office bearers and its administration; its political structures, political office bearers and administration and the local community;
- organize its political structures, political] office bearers and administration in a flexible way in order to respond to changing priorities and circumstances;
- perform its functions—through operationally effective and appropriate administrative units and mechanisms, including departments and other functional or business units; and when necessary, on a decentralized basis:
- assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms;

- hold the municipal manager accountable for the overall performance of the administration;
- maximize efficiency of communication and decision-making within the administration;
- Delegate responsibility to the most effective level within the administration:
- Involve staff in management decisions as far as is practicable: and
- provide an equitable, fair, open and non-discriminatory working environment

## 2.6 RISK MANAGEMENT

### **RISK MANAGEMENT**

The MFMA Section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management

By managing its risks, Richtersveld Municipality maximizes value by setting clear and realistic objectives, develop appropriate strategies, understands the intrinsic and associated risks of its actions and directs resources towards managing such risks on the basis of cost benefit principles.

Richtersveld Municipality bases its risk management on pre-identified and regularly reviewed operational risks. A Risk Register has been compiled, together with mitigating measures. An adopted Risk Management Policy regulated the implementation of risk management processes and procedures throughout.

## STRATEGIC RISK REGISTER

1	<b>Basic services and Infrastructure Development</b>	The absence of effective and efficient law enforcement	Loss of potential revenue reputation	Financial implications: non appointment of law enforcement officer/s	25	No controls	22.5	Municipal Manager	Appointment of the Protection Officer.
2	<b>Local Economic Development</b>	The non-functionality of the LED Agency	Third party	Lack of interest from community compromised levels of sensitization/awareness	15	No controls	13.5	LED Manager	Awareness and sensitization activities
3	<b>Basic services and Infrastructure: Human Settlements</b>	Delays in the processing of payments and other administrative responsibilities from COGHSTA	Third party	Miscommunication Different financial years - Local and Provincial Government	25	No controls	22.5	Municipal Manager	Improved communication channels by attending Housing monitoring meetings.
4	<b>Basic services and Infrastructure: Water and sanitation</b>	Water losses not accounted for	financial	Inadequate system to detect losses exceeded water consumption by Indigents not paid for	25	Installed water meters in Sizamile debt collection initiatives	17.5	Municipal Manager	Appointment of service provider for construction desalination plant.
5	<b>Basic services and Infrastructure: Electricity</b>	Electricity losses not accounted for	financial	Inadequate system to detect losses exceeded electricity consumption by Indigents not paid for	25	awareness initiatives Energy saving globes	12.5	Municipal Manager	
6	<b>Municipal financial viability and management</b>	ability of the institution to receive a clean audit	Reputational	No skills transfer from consultants Internal audit committee shared service at the district compromised contract management the absence of senior managers (vacancies)	25	OPCA initiatives Delegated functions System of delegations Audit finding action plans implemented and monitored.	17.5	Municipal Manager	Appointment of vacant

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

Richtersveld Municipality's anti-corruption and fraud preventative measures include:

- Continuous promotion of an ethical culture
- Ongoing staff training
- Implementation of a Policy on Fraud and Anti-corruption
- Provision of effective security measures at municipal buildings
  - Procedures of employee vetting before appointment
  - The exclusion of politicians from procurement processes,
  - Internal audit review of processes and adherence to process,
  - The establishment of a Disciplinary Board
  - The municipality displays a culture of zero-tolerance towards fraud and corruption and takes immediate action against fraudulent and corruptive actions.

- The Municipality forms part of the District Audit Committee ( Shared Service)

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

The MFMA, Section 110-119, the Supply Chain Management Regulations 2005 and relevant MFMA Circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Richtersveld Municipality adopted a Supply Chain Management Policy, based on the model prescribed by National Treasury. Implementation of the policy ensures that legal requirements are met. Certain areas of underperformance were highlighted as risks and remedial action were taken and implemented.

The municipality have Bid Specification, Bid Evaluation and Bid Adjudication Committees to ensure that fair and just supply chain processes and outcomes are achieved. Notwithstanding these committee there was a number of challenges on the functioning of these committees due to lack of skills transfers and absence of some senior management. The municipality made use of Senior Managers from NDM to assist in the Adjudication Committee.

#### Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

<u>30 June 2022</u>	<u>Type of Deviation</u>						
	<u>Amount</u>	<u>1/2 Quotes</u>	<u>Single Supplier</u>	<u>Impossible</u>	<u>Impractical</u>	<u>Emergency</u>	
July	115 000	5 583	76 262	-	33 154	-	-
August	83 945	21 517	-	35 976	26 452	-	-
September	60 686	11 904	-	8 400	40 382	-	-
October	453 987	54 655	31 649	11 945	-	355 737	-
November	162 807	57 108	73 104	11 870	3 500	17 225	-
December	274 065	101 000	90 916	19 200	-	62 949	-
January	179 246	104 417	-	30 286	44 543	-	-
February	115 337	30 698	38 390	8 400	37 849	-	-
March	106 236	21 980	61 038	16 433	6 785	-	-
April	205 511	59 816	80 357	59 824	5 514	-	-
May	163 795	44 627	20 352	32 403	-	66 413	-
June	145 953	40 834	40 311	54 808	10 000	-	-
	<b>2 066 568</b>	<b>554 140</b>	<b>512 380</b>	<b>289 545</b>	<b>208 179</b>	<b>502 324</b>	

## 2.9 BY-LAWS

No new by-laws were being introduced or adopted through the Financial Year.

COMMENT ON BY-LAWS: MSA 2000 S11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

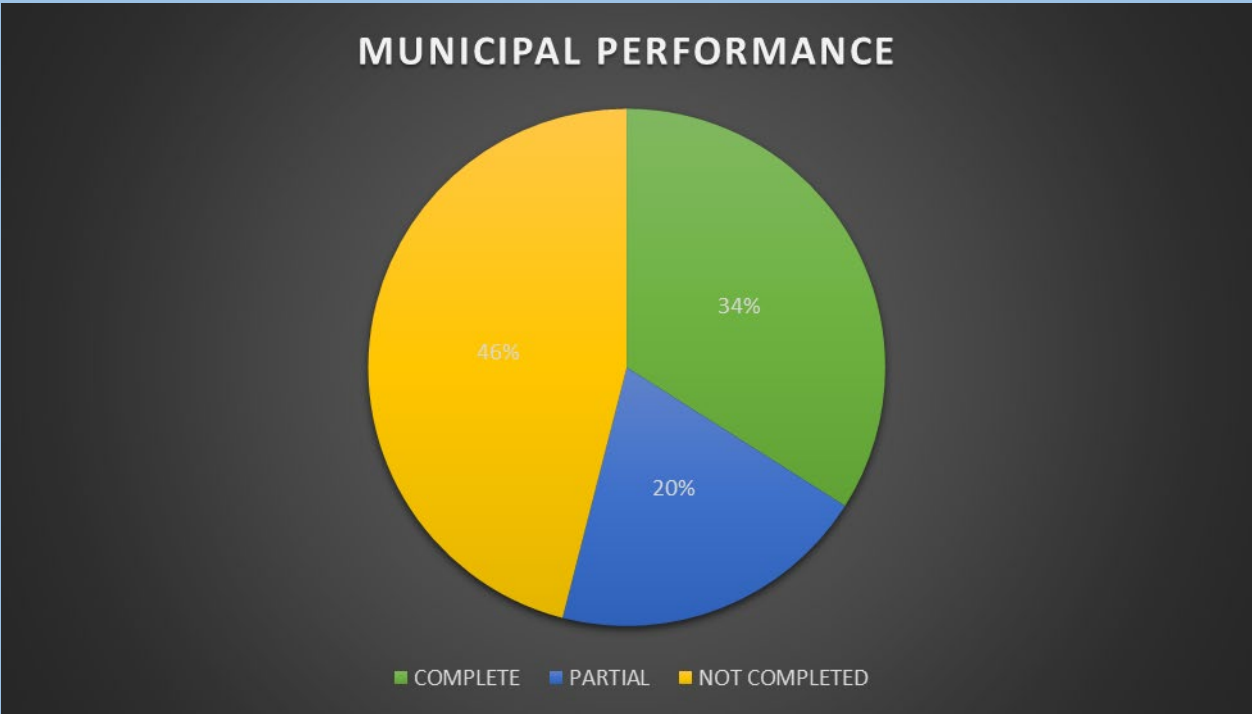
## 2.10 WEBSITES

Municipal Website : Content & Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes/No	Publishing Date
Annual and adjustment budgets and all budget related documents	Yes	
All budget related policies	Yes	
Annual report	Yes	
All performance agreements for employees appointed as per S57 of MSA	Yes	
All service delivery agreements	Yes	
All long-term borrowing contracts	No	
All supply chain management contracts above a prescribed value	Yes	
An information statement containing a list of assets over prescribed	No	



value, as indicated in the asset management policy of the municipality that was approved by council, that have been disposed of in terms of section 14(2) or (4) of the MFMA during the previous quarter		
Contracts to which section 33(1) and (3) apply	No	
Private-public partnership agreements referred to in section	N/A	
All quarterly reports tabled in the council in terms of section 52(d)	No	
Any other documentation that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed (see section 4 of the guidance document)	Yes	

SDBIP TOPLAYER GRAPH



## INTRODUCTION

The vision of Richtersveld Municipality is that the municipality will continuously strive to develop all the resources of the Richtersveld, including its natural, cultural and human resource, in a manner that is sustainable and benefits the people of the region so that their future will be secure. Our mission reads that Richtersveld Municipality will try to maintain optimal standards of professional practice leading to the highest possible quality of service delivery. To provide and render direct services, support and advocacy for customers, stakeholders and employees involved in service delivery and thus the objective of the municipality is to speed up effective and sustainable service delivery within our municipality. The key performance areas of is to ensure the delivery of basic services to the communities.

By addressing the backlog within the communities through the construction of new infrastructure, Richtersveld municipality also aims to create the maximum job opportunities for the unemployed based on the EPWP principles. Richtersveld municipality facilitate and implemented varies projects during the past financial year.

The municipality has been able to achieve its objectives of creating jobs on all its infrastructure projects over that past financial year.

The Municipality is currently using a complaints register and job card system to deals with complaints and on reporting for services. One of the biggest challenges has to do with the sewer system and the fact that not all septic tanks are being constructed to the Municipal standard. Another challenge in relation to sewer service is load shedding and or maintenance by Eskom due to the power failure or power cuts to pump stations, and this cause to drainage spillages and overflow of drains into streets.

The same happen to water provision as all the pumps are running on electrical supplies.

## COMPONENT A: BASIC SERVICES

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

### INTRODUCTION TO BASIC SERVICES

The provision of basic services within the municipal area is mainly informed by the public consultation to develop firstly the Five Year IDP and the annual review of the IDP. The annual review of the IDP focus on the continued relevance of identified community needs and applicable municipal strategies to address these needs. In the context of basic services the following strategies guide development planning and response. Richtersveld municipality liaise and collaborates with either the District Municipality ,neighbouring municipalities Provincial/National government to assist in funding its different programs its projects. The funding/support provided are either I the forms of supporting the development of sector plans and/or the provision of specific grants to fund projects whose competencies fall outside the direct mandate of municipalities. The provision of basic services covers two categories; enabled residents/households registered to pay for services as per municipality Promun system and residents/households registered on our Indigent Register whom requires a level of subsidiary support to access some level of basic service

### INTRODUCTION TO WATER PROVISION

#### Port Nolloth

Richtersveld Municipality still has the challenge in Port Nolloth where the demand for water is increasing and the municipality cannot deliver. The feasibility study and WCWDM plan for the Desalination plants are completed but the Department of Water Affairs still wants the municipality to either co-fund the project or find another funder to co-fund the project. The municipality is currently implementing water shedding during the night by cutting supply to the community and increasing dam levels.

#### Lekkersing and Eksteenfontein

In Lekkersing we are also experiencing a shortage of water as the water resources within the town are limited to only two (2) boreholes. The existing boreholes in Lekkersing are

exhausted and new water resources must be looked at, our IDP section has identified this in the reviewed IDP and thus the feasibility studies will commence when funding is acquired. A study must be done to investigate if any other resources in the area are available.

### **Sanddrift and Kuboes**

Maintenance is done as required. Maintenance is minimal due to the infrastructure being relatively new but after an investigation it was found that the old reservoir has structural problems in both towns. The water demand is however met by means of extracting water from the Orange River.

### **COMMENT ON WATER USE BY SECTOR:**

#### **Alexander Bay Pipeline**

A feasibility study was done to investigate the most feasible option for bulk water services in Port Nolloth. A total of six options were considered and council supported the 77km pipeline from Alexanderbay to Port Nolloth option. The Implementation Readiness Study still needs to be conducted.

#### **Water services**

Richtersveld Municipality is an accredited Water Services Authority in terms of the National Water Act (Act 36 of 1998) and provides potable water to Lekkersing, Eksteenfontein and Port Nolloth. LOR provides back up of fresh water for Sanddrift in the case where breakdowns occur. Alexkor RMC JV provides also fresh water for Alexanderbay and Port Nolloth. All towns do not have sufficient water sources except Alexanderbay and Sanddrift. In Port Nolloth where the water source is under ever increasing pressure due to numerous residential developments and holidaymakers, there is a process underway to build a 1,5mega litre desalination plant in conjunction with DWA & Sanitation.

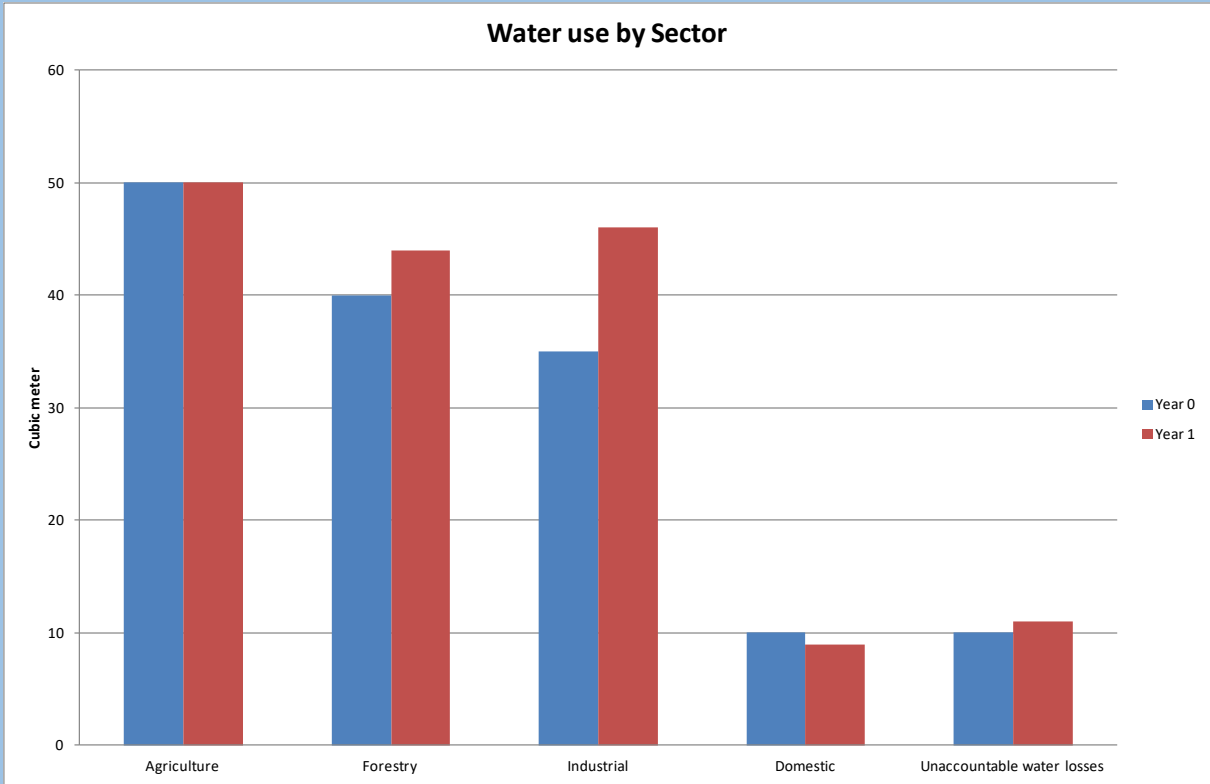
Richtersveld Municipality is working closely with DWA & Sanitation to improve the Blue & Green Drop Status. To qualify for a Blue Drop Status, the water quality management system has to be between 96% and 100%. All efforts will be put in place to ensure that there is improvement on the status and to restore the quality of water

High water losses still remain a challenge and council need to explore ways in which to improve this situation as it also leads to revenue losses. During the public participation of the

IDP process it became evident that the communities in Eksteenfontein, Kuboes and Lekkersing insisted that the municipality prioritised the supply of water to their respective towns.

Richtersveld Municipality has approved a Water Services Development Plan (WSDP) in 2010 which is one of the sector plans of this IDP. The WSDP describes the future plans to secure water sources and entails the development of more boreholes, recycling of waste water effluent, desalination of possibly groundwater and seawater as the last and most expensive option. Proper planning and the achievement of the goals and targets determined in the WSDP will allow Council to meet their strategic objectives of providing quality basic services. Sufficient water sources and proper infrastructure for water provision is a fundamental requirement for economic growth and development facilitation.

Diamond mining can be regarded as one of the largest industrial water users in the Richtersveld municipal area but the main water users still remain households for domestic purposes, schools and agricultural activities for irrigation purposes. Domestic household usage normally peaks in the December holidays in Port Nolloth which is becoming an increasing challenge for the municipality. All water infrastructure needs to accommodate this peak period. It has now become a norm over the last couple of years to institute and strictly enforce water restrictions especially in this coastal town.



**COMMENT ON WATER SERVICES PERFORMANCE OVERALL:**

1. We are currently still having the challenge where our water demand is more than what we as a municipality can provide. A feasibility study was done to investigate the most feasible option for bulk water services in Port Nolloth. A total of six options were considered and council supported the 77km pipeline from Alexanderbaai to Port Nolloth option. The Implementation Readiness Study still needs to be conducted.
2. The upgrading of the freshwater pipeline from Baken to Kuboes is currently under construction. This project will reduce the pipe bursts along the route, increase the treated water storage capacity and upgrade the treatment facility. Currently there are water restrictions in place to preserve the one and only usable borehole in Kuboes.
3. Sanddrift has a water treatment facility, but they are struggling with water pressure at the higher areas. The infrastructure to mitigate the problem has been installed, but the operation is still a challenge.

4. Lekkersing still has water restrictions. The community make use one strong borehole supported by a another which does not have a very high yield. Two other boreholes were equipped, but the water quality have a high salinity content which is not recommended for long duration human consumption. Desalination of these boreholes needs to be done or new boreholes needs to be drilled to supplement the current ones.

5. The water situation in Eksteenfontein is favourable. Eksteenfontein only makes use of boreholes, but currently the yield meets the demand. No water restrictions are in place.



### **INTRODUCTION TO SANITATION PROVISION**

Port Nolloth – Maintenance is done as and when required but our biggest challenge is the existing Waste Water Treatment Works that is not fully operational. Only 5 of the nine oxidation ponds are currently functional and during the holiday seasons it tends to overflow which is a health risk. The WWTW is currently not fenced as a result of vandalism. Was fenced via MIG, this is also a health and security risk but these challenges are addressed in the feasibility studies of the WWTW that was submitted to Department of Environmental Affairs. Our green drop scores will also improve when these challenges are met and the new Operation & Maintenance plan are in place.

Eksteenfontein, Kuboes, Lekkersing & Sanddrift – In these four towns there is no sewer bulk infrastructure only septic drains and V.I.P toilets. Septic tanks are emptied via our “honey suckers” and are dumped in a designated area. Our current challenge is the maintenance of the honey suckers which is done weekly and spare parts or tyres are not always available. We do not have any WWTW and this non-compliance of our O&M plan as well as the feasibility studies conducted. A more detailed description is given under capital project.

### **COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:**

The current upgrading of oxidation ponds are being funded by the MIG. Ongoing process as budget allows. Severe pressure exist in respect of emptying of septic tanks because of a shortage of operational ready honeysucker. The constant loadshedding and Eskom maintenace schedules resulks in the overflowing of pumpstations (electric driven)

### 3.3 ELECTRICITY

#### **INTRODUCTION TO ELECTRICITY**

##### Port Nolloth

The bulk infrastructure is in a very poor condition and maintenance is done a regular basis. We are currently experiencing problems with the infrastructure to the affect that households are without electricity two/three days. The main substation in Fifth Street needs urgent maintenance as it is the substation that provides electricity for the whole of Port Nolloth. Failed to upgrade the municipalities supply point. The municipality intends to start this projects as soon as we receive an allocation from department. No allocation for next financial year. The appointment of a qualified electrician remains a crucial matter for this department

Eksteenfontein, Kuboes, Lekkersing & Sanddrift, Sizamile

ESKOM provides electricity to these four towns, but the municipality do assist them if any assistance if needed

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation -Act 20

### **ELECTRICITY SERVICES PERFORMANCE OVERALL:**

The municipality is only providing electricity to Port Nolloth with the exception of Sizamile. The network is under extreme pressure, however with no funds to provide for this necessary upgrades. The municipality did also not receive any capital allocation from DORA for electrification for the year. The municipality will have to look at a refurbishment program for its

network as there is sections in the network that is very old and are critical although stable. The natural environment plays a crucial role in the longevity of infrastructure. Infrastructure more susceptible to erosion shortening lifespan.

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

**INTRODUCTION TO WASTE MANAGEMENT**

The municipality provides a weekly collection service to all its community by means of a rear end loader truck. The waste gets disposed of at the landfill site outside town. The municipality has a plan to upgrade the site to a recycling facility; the site is currently in a bad state and will need huge capital investment to achieve the plan of a recycling site.

Balance 1 July										33 727 820
Contribution for the year										3 604 792
Change in Provision for Rehabilitation Cost										(148 019)
<b>Total provision 30 June</b>										<b>37 184 593</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions										-
<b>Balance 30 June</b>										<b>37 184 593</b>

The satellite towns waste is collected by use of a flatbed truck fitted with a cage, the waste sites are small and not organised and the municipality plans to establish transfer sites as a means to increase the viability of a recycling site in Port Nolloth

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**WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:**

The municipality has had little break down hours, the only times the services interrupted was due to religious public holidays. Whenever mechanical breakdowns occurred, the service was rendered through alternative transport.

The landfill site when managed better has the capacity to serve the area for another ten years, this together with implementation of a recycling program will ensure that the municipality can use the site for longer than we planned.

## COMPONENT B: ROAD TRANSPORT

### 3.7 ROADS

#### **INTRODUCTION TO ROADS**

The Richtersveld Municipality has developed an Integrated Transport Plan (ITP) assisted by the Dept Transport, Safety & Liaison in the Province which was adopted by Council but cannot be rolled out due to funding.

#### **Port Nolloth**

Maintenance of gravel roads is a challenge due to that the municipality does not have a grader. The municipality needs to budget for the purchase of a grader. Storm water is a challenge in certain areas.

#### **Eksteenfontein**

Maintenance of gravel roads is a challenge because there is no grader in Eksteenfontein. The Department of Public Works and Roads are doing maintenance on these roads as requested.

#### **Kuboes**

Maintenance of gravel roads is a challenge because there is no grader in Kuboes. LOR mine sometimes assist with the grading of these roads.

#### **Lekkersing**

Maintenance of gravel roads is a challenge because there is no grader in Lekkersing. Numerous requests were done to The Department of Public Works and Roads to do maintenance on the roads in Lekkersing but assistance is minimal, no scheduled maintenance.

#### **Sanddrift**

Maintenance of gravel roads is a challenge because there is no grader in Sanddrift. LOR does sometimes assist with the grading of these roads. The infrastructure department has started with the process to upgrade the gravel roads – internal roads- funding from MIG

## **THE PERFORMANCE OF ROADS OVERALL:**

### **PAVING OF GRAVEL ROADS IN MUNICIPAL AREA**

The completion of the low water bridge in Lekkersing were completed in July 2017. This upgrading entailed following works:

1. Preparation of road surface including excavations, importing materials, compacting materials and finishing layer works.
2. Installation of interlocking pavers including 30mm sand bed.
3. Installation of storm water structures to channel water to existing storm water infrastructure.
4. Installation of kerbs.
5. Construction of speed humps
6. Installation of road signs

The design of the work was according to standards of maximum labour intensive construction methods (EPWP)

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

#### **INTRODUCTION TO STORMWATER DRAINAGE**

Due to the fact that the municipality is a low rain fall area the town planners did not concentrate on storm water management. The only places where there is some type of storm water management is on one section of Kus Weg. The town has localised ponding that occurs when it rains due to this fact. The municipality use the honey sucker to dry these areas after the rains has past

#### **PERFORMANCE OF STORMWATER DRAINAGE OVERALL:**

The storm water system had break downs in the system due to the fact that it's under designed and can't perform under the flash floods characterized with the climate of the area. The road integrity in the main road is compromised due to the effects of pooling caused by a lack of storm water infrastructure

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The planning of the town is not well thought off and is technically not sound. The town planning is synonymous with narrow streets and clustered residential areas. The new developments that where established after the year 2000 are well designed and planned. The lack of master plans remains a challenge

The challenges presented mainly results from antiquated infrastructure, lack of resources. The prevalence of numerous spaza shops are also presenting challenges. There is not sufficient infrastructure, unwanted loitering elements, non- registration, not abiding to health and safety requisites

#### 3.10 PLANNING

### INTRODUCTION TO PLANNING

#### THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The municipality is currently in the process of redesigning the town and implementing bylaws and policies to regulate the planning process. The municipality formed part of the planning tribunal of the district municipality due to the fact that the municipality does not have a qualified town planner or a fully-fledged planning department. The regulations applicable to guest houses are also being work shopped with the community to ensure compliance and the formulation of a policy that will cover the local conditions.



### INTRODUCTION TO ECONOMIC DEVELOPMENT

For the purpose of obtaining goods and services the Richtersveld Municipality is committed to procure locally insofar as possible to ensure that we contribute towards local economic development and to grow emerging business or entrants to the market.

Focus Area	KPI	Annual Targets	Responsible Department	Potential Risks	Updated comments
Enhanced Participation of entrepreneurs in the mainstream economy	Facilitate the development of SMME's	20	LED	<ul style="list-style-type: none"> <li>✓ Despondency from Entrepreneurs</li> <li>✓ Access to funding for entrepreneurs</li> </ul>	Lack of interest in establishing Forums.
	Establishment of co-operatives	20	Manager: IDP/LED	<ul style="list-style-type: none"> <li>✓ Securing the right mix of people to work together in co-operatives</li> <li>✓ Cumbersome processes to access the co-operative grant from DTI</li> <li>✓ Limited economic opportunities for co-operatives</li> </ul>	100%
Establishment of adequate capacity for LED	Establishment of a functional LED	100% Functionality of the department		<ul style="list-style-type: none"> <li>✓ Funding from IDC Financial administration &amp; logistical arrangements of a municipal entity</li> </ul>	LED Agency was established, but was not functional.

Explore alternative industries for fishing communities	Facilitate the implementation of aquaculture initiatives	1 project		<ul style="list-style-type: none"> <li>✓ Limited land available in coastal communities</li> <li>✓ Partnerships with developers that know the aquaculture industry</li> </ul>	
Facilitate transformation in the Tourism industry	Review of the RVM Tourism Development Framework & develop Strategy	Updated strategic plan for tourism in Richtersveld municipal area		<ul style="list-style-type: none"> <li>✓ Effective partnerships with tourism authorities and product owners</li> <li>✓ in the area</li> <li>✓ Seasonality of the tourism industry</li> <li>✓ Global recession</li> </ul>	Developed and finalise Provincial Tourism strategy
Facilitate transformation in the Agriculture Industry	Facilitate the distribution of commonage land to emerging farmers	3 emerging farming projects	Manager: IDP/LED	<ul style="list-style-type: none"> <li>✓ Partnerships with commercial farmers Declining agriculture industry</li> <li>✓ Access to funding and farms for emerging farmers</li> <li>✓ Access to sustainable markets</li> </ul>	Need for land audit

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.52 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

### **INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES**

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

There are community halls in all six towns in the Richtersveld area for weddings, meetings and other functions. There`s also libraries in every town for the use of scholars and for the general public with internet facilities. There is an existing museum in Port Nolloth as well as Alexander Bay, Eksteenfontein and the community is busy with the establishment of one in Kuboes.

### **INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES**

An amount of R2 020 000 was transferred by the Department of Sports, Arts and Culture for the development of libraries, but also to build the capacity of library staff.

### 3.55 CEMETORIES AND CREMATORIUMS

#### **INTRODUCTION TO CEMETORIES & CREMATORIUMS**

The municipality has four cemeteries in Port Nolloth and one in each of its four satellite towns.

A cemetery roving team was established during the year to improve service delivery to the community and providing an environment conducive for burial ceremonies.

### 3.56 CHILD CARE , AGED CARE & SOCIAL PROGRAMMES

The municipality has made available premises for a creche (Twinkle Star) at no cost. The municipality also rolls out back to school programmes annually in the Richtersveld Region

#### **COMPONENT F: HEALTH**

This component includes: clinics; ambulance services; and health inspections.

#### **INTRODUCTION TO HEALTH**

Health is not a function of the Municipality, but we try to support as far as possible the programs and try to intervene where ever possible. The CHC Port Nolloth has been opened and became operational. The clini and hospital have been relocated to CHC. Health services in the Municipality are provided by the Provincial Department of Health. The following health facilities are found in the Municipal Area:

Port Nolloth CHC

Provincial Community Health Care facilities are in Kuboes, Sanddrift, Lekkersing, Eksteenfontein and Port Nolloth. Manpower at Community Health Facilities is a source of concern as well as the lack of emergency services staff/paramedics. A new health care facility (hospital) is currently in use.

### **INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC**

Municipal Health services is a fundamental public health service, which focus and affects the wellbeing of the whole population. It applies preventative health practices to sustain healthy communities and reduce illnesses associated with environmental factors.

Door to door awareness is conducted on a regular basis across various communities in the Richtersveld, with the ultimate goal to eliminate and mitigate health related issues/challenges. This function is represented by the Namakwa District Municipality

#### Food premises

Regular monitoring of food premises is conducted to ensure compliance to relevant legislation and standards. Shortcomings are communicated to business owners and some of the residential businesses do not comply with regulations in most aspects. Evaluation of food premises is conducted on a regular basis; in order to enforce relevant legislation i.e. regulation 962 and Certificates of Acceptability are issued to complying business owners. Health and hygiene education is regularly conducted at the restaurants and shops to promote provisions of health standard.

### INTRODUCTION TO FIRE SERVICES

No formal fire services are available. The Municipality has trained staff who deal with fire services on an adhoc basis. Lack of Equipment is also a huge concern and we are mainly dependent on the District Municipality to assist with Disaster Management.

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

#### **Functional Disaster Management Centre**

Richtersveld Municipality does not have a functional disaster management centre. Disaster management, although very challenging, has improved and Richtersveld Municipality has implemented a computerized safety tracking system for all its fisher folk to assist in the event of distress whilst at sea.

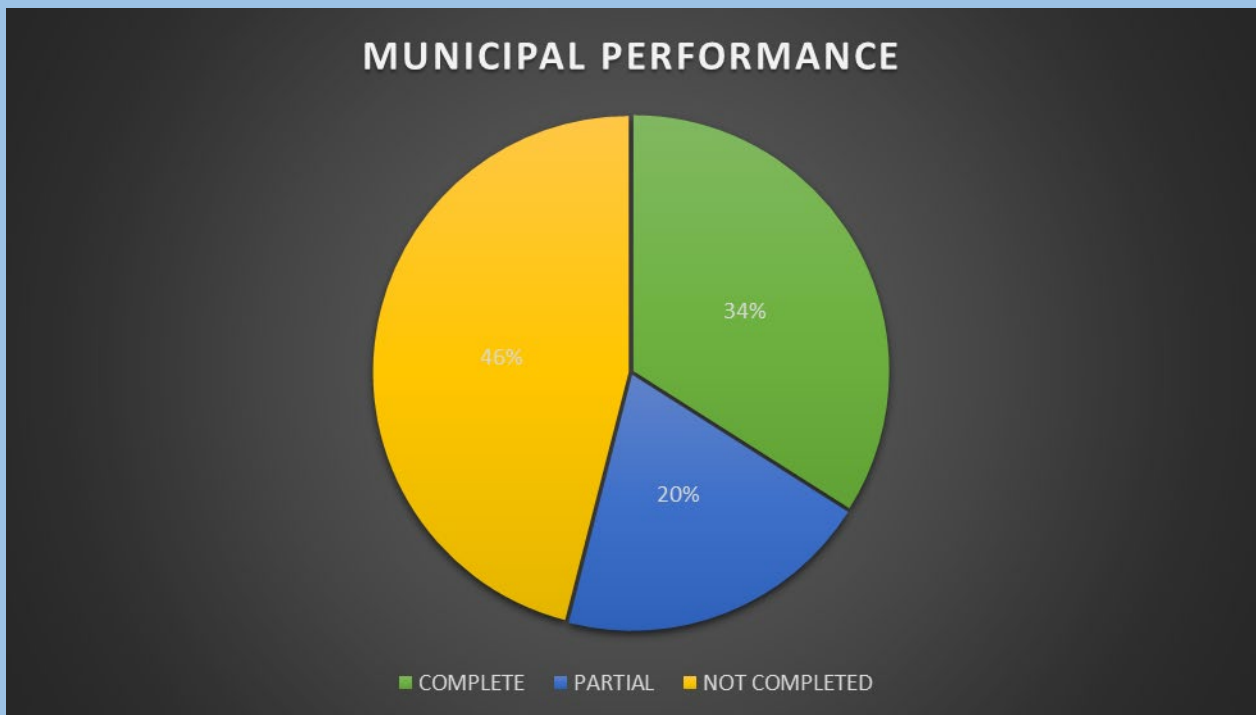
Currently the Richtersveld Municipality is supported by the Namakwa District municipality and a Disaster Management Forum is established at a district level.

Richtersveld Municipality have an adopted disaster management plan but lacks resources for implementation such as fire station, trained staff and other equipment to prompt response. The Disaster management center at a district level is functional. A disaster management framework is in place. Some of the disaster management plans are finalized, but needs to be reviewed as we are confronted by new challenges such as climate change resulting in tsunami's and natural disasters such as droughts.

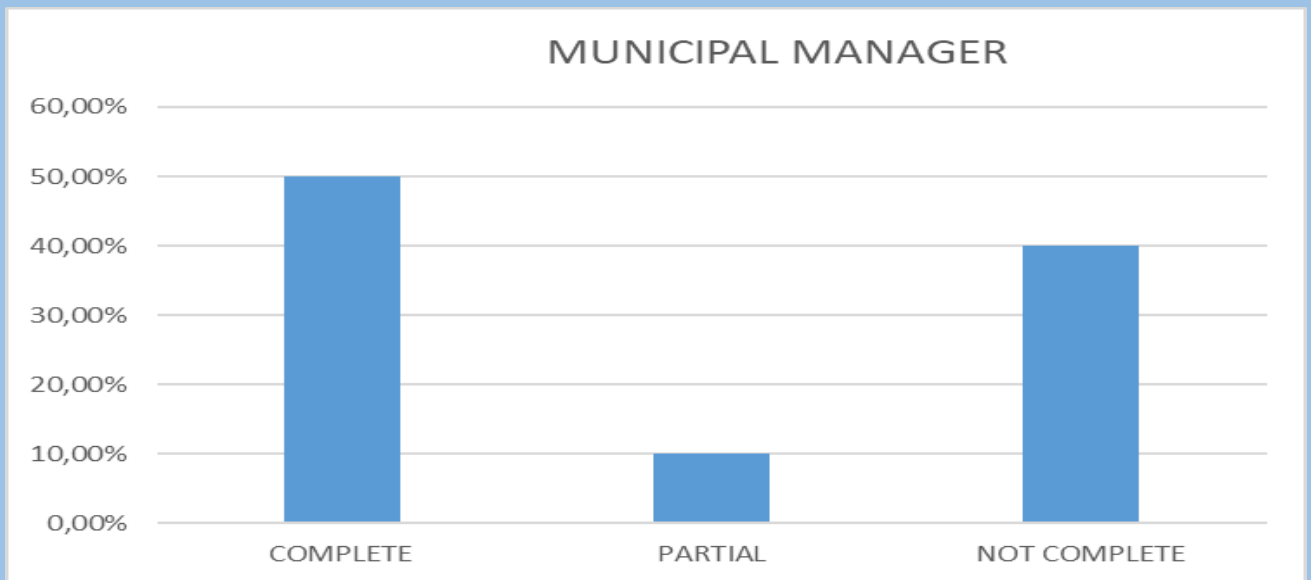
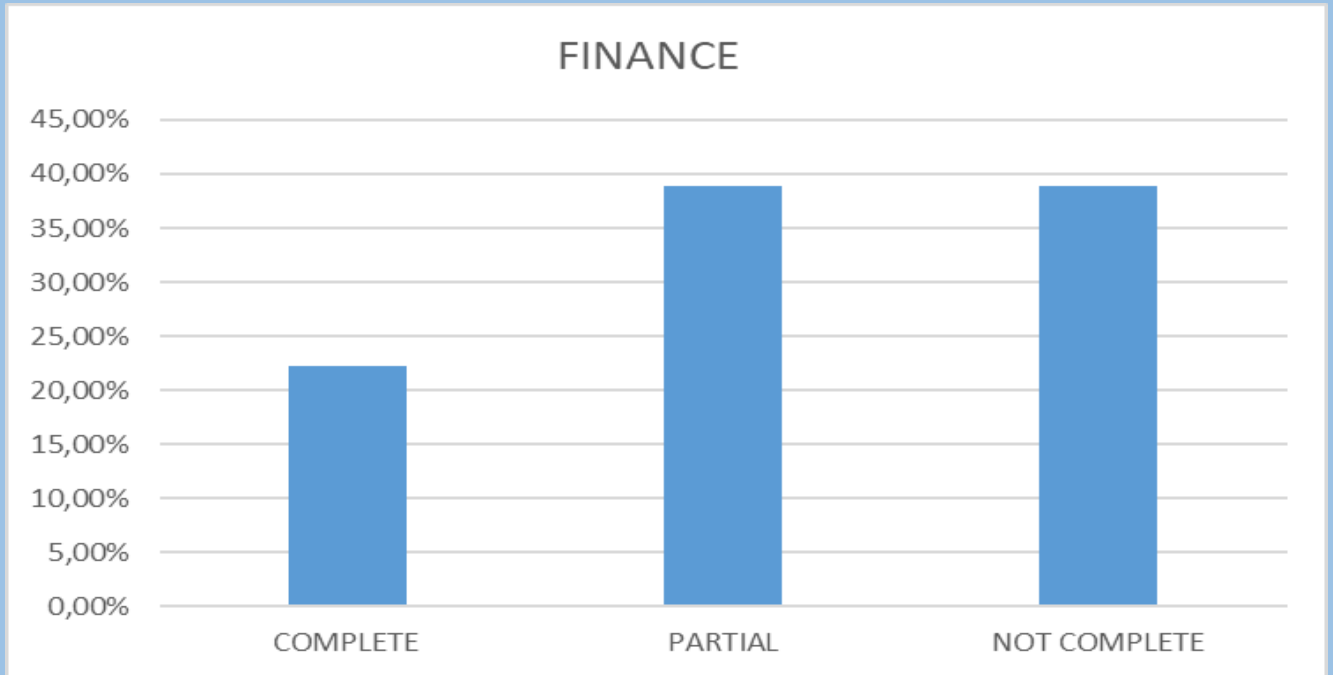
## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

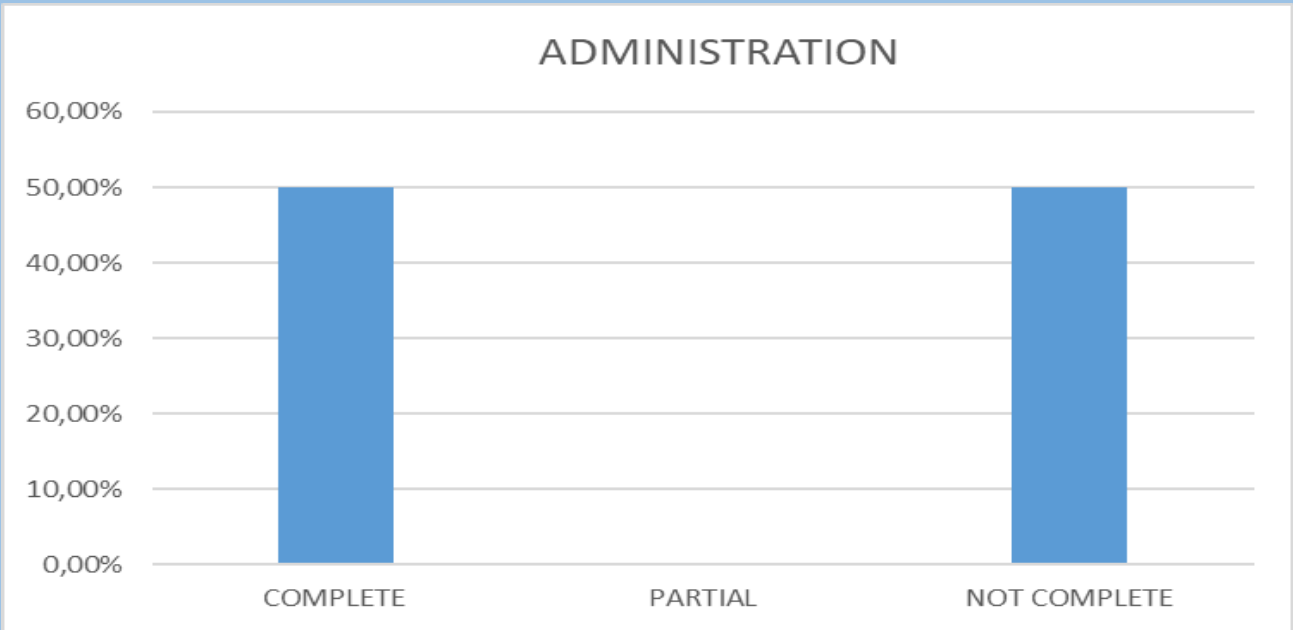
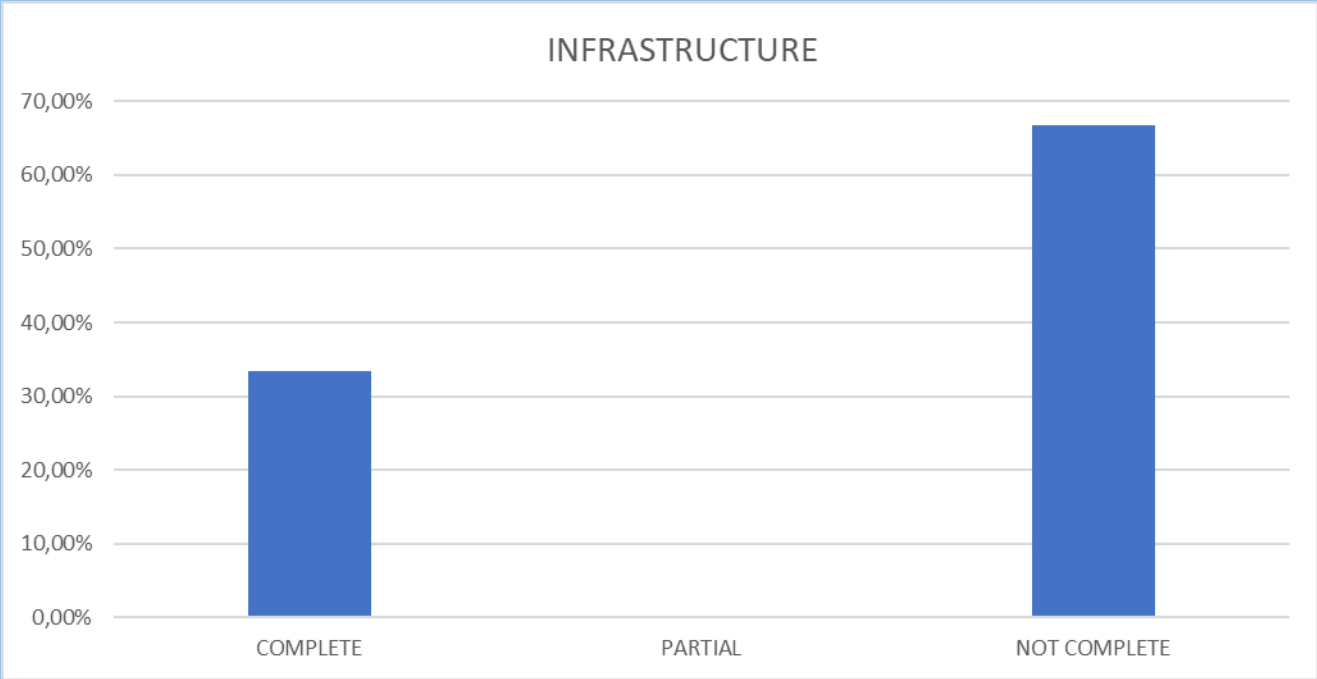
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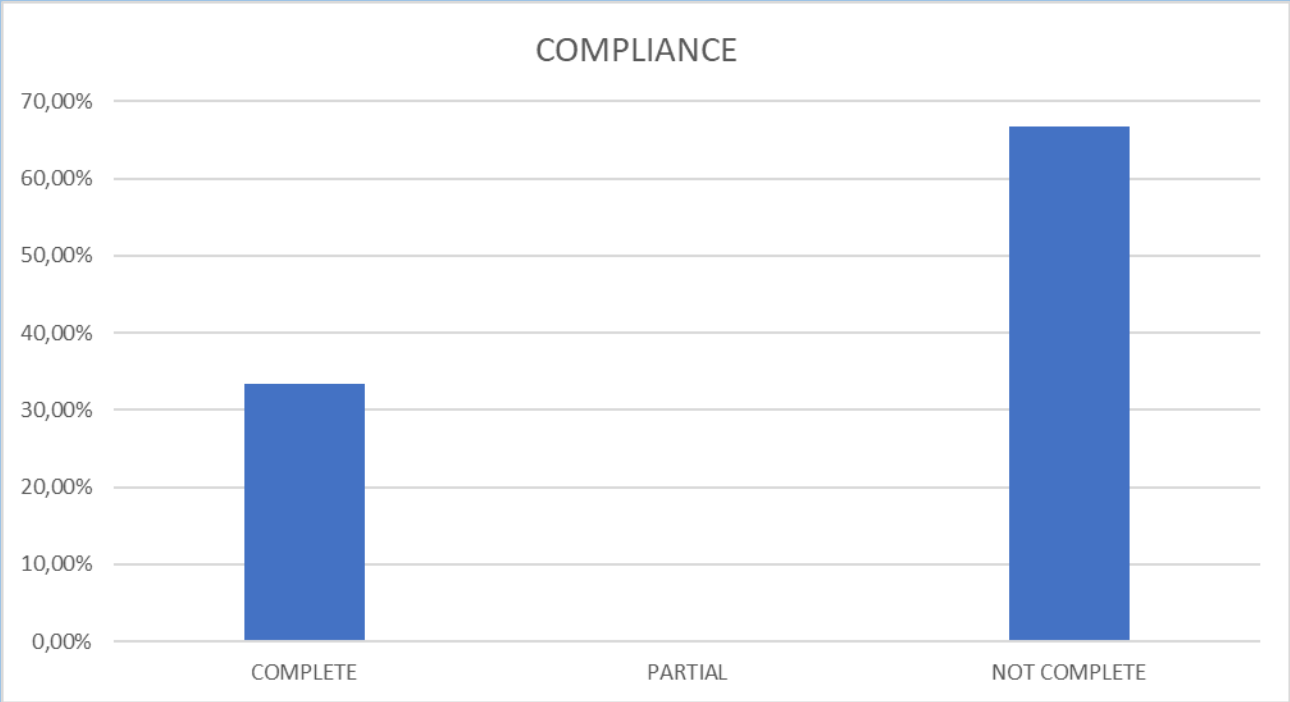


## DEPARTMENTAL KPI REPORTS









## COMPONENT A: MANAGING THE MUNICIPAL WORKFORCE

### **INTRODUCTION**

The Richtersveld Municipality recognises the necessity in developing the skills of both councillors and personnel. The Workplace Skills plan (WSP) was compiled and approved by Council in order to respond to this need. The Municipality however, in terms of the Skills Development Act, do its utmost best to comply with this competency. Performance Managements Contracts was signed between the Municipal Manager / Mayor and the Senior Managers. The Task Job Evaluation Committee was established and the Job Evaluation process was completed.

The Municipality is now in the process of developing a Health and Safety Committee, which will handle injury on duties as well as all the other health and safety issues. We have very little injury on duty complaints, and much more sick leave are being taken by employees. All injury on duty records are kept in the Human Resources Office. The sick leave forms are also captured and filed in the office of the Human Resources. We make use of Private Doctors for Injury on duty examinations and also for occupational health check-ups.

### EMPLOYMENT EQUITY

The employment equity plan was submitted to the Department of Labour. The Employment Equity Report that must be submitted on a two-year basis, was submitted to:

Employment Equity Registry

The Department of Labour

Private Bag X117

PRETORIA

0001

### SKILLS DEVELOPMENT

It is crucial that the Municipality should try to develop the skills of both councilors and personnel. The Workplace Skills Plan (WSP) was compiled and approved by Council. The

WSP was also submitted to LGSETA. The Municipality must however in terms of the Skills Development Act do its utmost best to comply with this competency.

## PERFORMANCE MANAGEMENT

Performance Management Contracts are being signed between the Managers and the Municipal Manager/ Mayor.

## COMPONENT B: INTRODUCTION TO THE MUNICIPAL PERSONNEL

ORGANOGRAM 2021/2022				
DEPARTMENT	APPROVED POSTS	POSTS FILLED	VACANT POSTS	VACANCY %
MUNICIPAL MANAGER	3	2	1	33,33
ADMINISTRATION	16	16	0	0,00
LIBRARY	5	5	0	0,00
PROPERTIES	4	4	0	0,00
WORKSHOP-FLEET	3	2	1	33,33
CARAVAN PARK	6	6	0	0,00
INFRASTRUCTURE	4	4	0	0,00
REFUSE	6	6	0	0,00
WASTE WATER- SANITATION	9	7	2	22,22
TOURISM	1	1	0	0,00
SECURITIES-PROPERTIES	8	8	0	0,00
FINANCE	23	22	1	4,35
ROADS & STORMWATER	12	12	0	0,00
LED	2	1	1	50,00
ELECTRICITY	3	3	0	0,00
WATER	5	5	0	0,00

<b>SALARY BAND</b>	<b>TOTAL NO OF SICK DAYS TAKEN</b>	<b>PROPORTION OF SICK LEAVE WITHOUT MEDICAL CERTIFICATE</b>	<b>EMPLOYEES TAKING SICK LEAVE</b>	<b>TOTAL EMPLOYEES</b>	<b>AVERAGE SICK LEAVES PER BAND</b>
Lower Skill 1-2					
Skilled 3-5	264,00	20,83%	36	39	6,77
Highly skilled 6-8	341,00	14,66%	25	25	13,64
Highly skilled 9-12	21,00	42,85%	3	22	0,95
Senior Management 13-15	42,00	4,76%	2	3	14,00
Section 56 & 57	4,00	100%	2	3	1,33
<b>TOTAL</b>	<b>672,00</b>		<b>68</b>	<b>92,00</b>	<b>36,70</b>

#### 4.2 POLICIES

### **INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

Maintenance of the network and software support is done on a daily basis. Training to end users is done as and when required. An outstanding challenge is the management of ICT assets that will be addressed before the end of the financial year.

The determination of IT requirements is also done regularly. The following IT policies had been reviewed and approved by council.

1. Information Technology
2. Risk Register Policy
3. Firewall Policy
4. Patch Management Policy
5. Database Policy
6. Environmental Policy

7. Network Operations Policy
8. Disaster Recovery Plan Policy
9. Systems Acquisition Policy
10. Physical Access to IT environment Policy

SALGA assisted us with the development of an IT Security policy.

#### COMPONENT C : CAPACITATING THE MUNICIPAL WORKFORCE

- The municipality enrolled 3 interns for the MFMA Programme
- The CFO was also enrolled for the outstanding units
- The municipality spent **R152 038** on training, during severe financial constraints

### 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 application of sound financial management principles in Richtersveld Municipality's is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities within the Richtersveld Municipal Jurisdiction.

The credit control and debt collection was neglected in the past. Stronger credit control and debt collection measures should be implemented. From the statement of Financial Performance in the annual Financial Statements it can be seen that most of the actual service charges were less than budgeted for. The municipality's officials and council must embark on implementing a range of revenue collection mechanisms to optimize the collection of debt owed by consumers.

The main challenges experienced during 2020/21 financial year can be summarized as follows:

- Ageing and poorly maintained water, roads and electricity infrastructure
- Unexpected expenditure as a result of breakdowns, maintenance etc has led to an overspending of budget
- As a result of insufficient credit control mechanisms there was an under collection in service charges and property rates i.e. **Taxation:** 72 % against billed ,Service Charges:82 %

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

RICHTERSVELD MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022			
	Notes	2022 R	2021 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>82 893 937</b>	<b>64 602 430</b>
<b>Taxation Revenue</b>		<b>21 570 563</b>	<b>20 054 928</b>
Property Rates	18	21 570 563	20 054 928
<b>Transfer Revenue</b>		<b>50 366 760</b>	<b>37 370 337</b>
Government Grants and Subsidies	19	49 779 360	36 793 657
Public Contributions and Donations	20	587 400	576 680
Contributed Property, Plant and Equipment		-	-
<b>Other Revenue</b>		<b>10 956 613</b>	<b>7 177 165</b>
Actuarial Gains	11	5 531	83 715
Availability Charges	21	4 013 214	3 518 536
Fines, Penalties and Forfeits		37 957	27 300
Interest Earned - Non-exchange Transactions		3 207 064	2 085 219
Operational Revenue	29	3 692 848	1 462 395
<b>Revenue from Exchange Transactions</b>		<b>29 519 930</b>	<b>25 816 228</b>
Service Charges	23	23 017 148	21 130 644
Sales of Goods and Rendering of Services	24	947 631	630 423
Rent on Land	25	405 713	404 649
Rental from Fixed Assets	26	349 677	276 361
Interest Earned - External Investments	27	260 324	142 350
Interest Earned - Exchange Transactions	28	4 274 571	3 098 238
Licences and Permits	22	12 920	7 537
Agency Services		88 342	90 799
Operational Revenue	29	163 605	35 226
<b>Total Revenue</b>		<b>112 413 867</b>	<b>90 418 658</b>
<b>EXPENDITURE</b>			
Employee related costs	30	(31 470 273)	(30 110 202)
Remuneration of Councillors	31	(3 819 459)	(2 758 889)
Bad Debts Written Off	6.1 & 7.1	(1 484 918)	(916 791)
Contracted Services	32	(6 543 998)	(4 903 658)
Depreciation and Amortisation	33	(11 030 647)	(10 741 917)
Actuarial Losses	11	(5 531)	(17 055)
Finance Costs	34	(8 274 262)	(7 148 725)
Bulk Purchases	35	(19 232 895)	(16 152 227)
Inventory Consumed	5	(1 691 568)	(2 166 774)
Operating Leases		(1 106 344)	(1 607 202)
Operational Costs	36	(12 320 706)	(10 448 583)
<b>Total Expenditure</b>		<b>(96 980 603)</b>	<b>(86 972 023)</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>15 433 264</b>	<b>3 446 635</b>
Reversal of Impairment Loss/(Impairment Loss) on Receivables	37	(8 720 565)	(16 482 836)
Gains/(Loss) on Sale of Fixed Assets	38	(252 307)	(213 349)
Water Losses	39	(74 678)	(133 166)
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>6 385 714</b>	<b>(13 382 716)</b>



5.2 GRANTS

**COMMENT ON OPERATING TRANSFERS AND GRANTS:**

Operational Grants:

- Received R21 349 404
- Expenditure R21 349 404

Capital Grants:

- Received R24 592 273
- Expenditure R 24 263 754

	CAPEX			
19/20	20/21	21/22		
R8 175 000,00	R17 321 000,00	R24 480 000,00	BUDGET	
R11 423 862,00	R19 296 000,00	R16 160 000,00	REVISED BUDGET	
R9 869 240,00	R10 862 018,00	R25 093 000,00	ACTUAL	

APPENDIX D RICHTERSVELD MUNICIPALITY DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003									
Grant Description	Balance 30 June 2021	Correction of Error	Restated Balance 30 June 2021	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2022
<b>National Government Grants</b>									
Equitable Share	-	-	-	19 151 857	-	-	(19 151 857)	-	-
Finance Management Grant	-	-	-	2 650 000	-	-	(2 650 000)	-	-
Municipal Infrastructure Grant	4 056 387	-	4 056 387	6 161 000	-	(4 056 387)	-	(5 832 481)	328 519
Municipal Disaster Relief Grant	86 309	-	86 309	-	-	-	-	-	86 309
Water Services Infrastructure Grant	435 563	-	435 563	20 000 000	-	(433 471)	-	(20 000 000)	2 093
<b>Total National Government Grants</b>	<b>4 578 259</b>	<b>-</b>	<b>4 578 259</b>	<b>47 962 857</b>	<b>-</b>	<b>(4 489 857)</b>	<b>(21 801 857)</b>	<b>(25 832 481)</b>	<b>416 921</b>
<b>Provincial Government Grants</b>									
Libraries, Archives and Museums	62 111	-	62 111	2 020 990	-	-	(514 374)	(1 568 727)	-
<b>Total Provincial Government Grants</b>	<b>62 111</b>	<b>-</b>	<b>62 111</b>	<b>2 020 990</b>	<b>-</b>	<b>-</b>	<b>(514 374)</b>	<b>(1 568 727)</b>	<b>-</b>
<b>Other Grant Providers</b>									
Alexkor	56 759	-	56 759	-	-	-	-	-	56 759
Construction, Education and Training SETA	-	-	-	61 921	-	-	(61 921)	-	-
<b>Total Other Grant Providers</b>	<b>56 759</b>	<b>-</b>	<b>56 759</b>	<b>61 921</b>	<b>-</b>	<b>-</b>	<b>(61 921)</b>	<b>-</b>	<b>56 759</b>
<b>Total Grants</b>	<b>4 697 129</b>	<b>-</b>	<b>4 697 129</b>	<b>50 045 769</b>	<b>-</b>	<b>(4 489 857)</b>	<b>(22 378 153)</b>	<b>(27 401 208)</b>	<b>473 680</b>

### INTRODUCTION TO ASSET MANAGEMENT

The utilization and management of Property, Plant and Equipment, Investment Property, Intangible Assets and Agricultural Assets is the prime mechanism by which the Municipality can fulfil its constitutional mandates for:

- Delivery of sustainable services
- Social and economic development
- Promoting safe and healthy environments and
- Fulfilling the basic needs to the community.

As trustees on behalf of the local community, the Municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future service provision invested in assets.

The policy for the management of Assets deals with the Municipal rules required to ensure the enforcement of appropriate stewardship of assets. Stewardship has two components being the:

- Financial administration by the Chief Financial Officer;
- Physical administration by relevant managers.

Statutory provisions are being implemented to protect public property against arbitrary and inappropriate management or disposal by local Government. Accounting standards have been approved by the Accounting Standards Board to ensure the appropriate financial treatment for Property, Plant and Equipment, Investment Property, Intangible Assets and Agricultural Assets.

The requirements of these accounting standards include:

- The compilation of asset registers covering all assets controlled by the Municipality.
- Accounting treatment for the acquisition, disposal, recording and depreciation/amortization of assets.

- The standard to which financial records must be maintained to comply with the new accounting standards.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

	Buildings	Land	Infrastructure	Community	Assets	Other	Total
	R	R	R	R	R	R	R
Carrying value at 1 July 2021	3 595 426	16 186 860	143 457 308	2 184 895	426 170	2 311 521	168 162 180
<b>Cost</b>	9 147 584	21 389 860	252 642 676	10 910 778	438 086	9 374 229	303 903 213
<b>Accumulated Depreciation and Impairment Losses</b>	(5 552 158)	(5 203 000)	(109 185 367)	(8 725 883)	(11 916)	(7 062 709)	(135 741 033)
Acquisitions	-	-	21 758 199	2 899 334	99 420	335 794	25 092 746
Change in Provision for Rehabilitation Cost - IGRAP 2 - Note 10.1	-	-	(148 019)	-	-	-	(148 019)
Depreciation	(289 142)	-	(9 123 504)	(738 560)	(61 264)	(654 731)	(10 867 200)
Carrying value of disposals / write-offs	-	-	(1 025)	(1 147)	-	(35 739)	(37 911)
Cost	-	-	(6 343 436)	(216 150)	-	(475 214)	(7 034 800)
Accumulated Depreciation	-	-	6 342 411	215 003	-	439 475	6 996 889
<b>Carrying value at 30 June 2022</b>	3 306 284	16 186 860	155 942 959	4 344 522	464 326	1 956 845	182 201 796
<b>Cost</b>	9 147 584	21 389 860	267 909 419	13 593 962	537 505	9 234 809	321 813 139
Original Cost	9 147 584	21 389 860	267 909 419	13 593 962	537 505	9 234 809	321 813 139
<b>Accumulated Depreciation and Impairment Losses</b>	(5 841 300)	(5 203 000)	(111 966 460)	(9 249 440)	(73 180)	(7 277 964)	(139 611 344)
Original Cost	(5 841 300)	(5 203 000)	(111 966 460)	(9 249 440)	(73 180)	(7 277 964)	(139 611 344)

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.9 CASH FLOW

RICHTERSVELD MUNICIPALITY			
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022			
	Notes	2022 R	2021 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Taxation		15 449 594	8 968 863
Service Charges		22 195 723	22 848 527
Other Revenue		7 477 245	3 386 194
Government - Operating		15 338 525	20 777 820
Government - Capital		30 217 387	19 126 751
Interest		260 324	142 350
Cash payments			
Suppliers and Employees		(61 940 878)	(57 092 068)
Finance Charges		(3 265 537)	(2 699 457)
<b>Net Cash from Operating Activities</b>	<b>41</b>	<b>25 732 383</b>	<b>15 458 980</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(24 993 326)	(10 494 717)
Proceeds on Disposal of Fixed Assets		214 396	-
<b>Net Cash from Investing Activities</b>		<b>(24 778 930)</b>	<b>(10 494 717)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowing		(147 680)	(39 805)
<b>Net Cash from Financing Activities</b>		<b>(147 680)</b>	<b>(39 805)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>805 773</b>	<b>4 924 459</b>
Cash and Cash Equivalents at the beginning of the year		5 212 491	288 032
Cash and Cash Equivalents at the end of the year	<b>42</b>	6 018 264	5 212 491
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>805 773</b>	<b>4 924 459</b>

5.10 BORROWING AND INVESTMENTS

**INTRODUCTION TO BORROWING AND INVESTMENTS**

The municipality entered into a finance lease for Copier Machines in 20/21

APPENDIX A							
RICHTERSVELD MUNICIPALITY							
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2022							
EXTERNAL LOANS	Rate	Redeemable	Balance at 30 June 2021	Correction of Error	Received during the period	Redemption during the period	Balance at 30 June 2022
<b>LEASE LIABILITY</b>							
Cell phones	prime +5%	01/12/2024	-	-	99 420	(14 531)	84 888
Photo Copiers	14.7%	31/01/2024	398 278	(10 182)	-	(133 148)	254 947
<b>Total Lease Liabilities</b>			398 278	(10 182)	99 420	(147 680)	339 835
<b>TOTAL EXTERNAL LOANS</b>			398 278	(10 182)	99 420	(147 680)	339 835

No Investments were made during the year

### 5.13 GRAP COMPLIANCE

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognized Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – April 2019) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

In terms of Directive 7: “The Application of Deemed Cost on the Adoption of Standards of GRAP” issued by the Accounting Standards Board, the Municipality applied deemed cost to Property, Plant and Equipment, Investment Property and Intangible Assets where the acquisition cost of an asset could not be determined.

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### Introduction

**Richtersveld Municipality received a Qualified opinion for the 20/21 Financial Year**

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

#### 6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

**AUDIT OUTCOME REPORT- See Annexure**



COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements

Signed (Chief financial Officer)..... Dated

# VOLUME II

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.

<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.

<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.

<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality’s delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

## APPENDIXES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

COUNCIL MEETINGS																				
NAME	DATE	P/A	DATE	P/A	DATE	P/A	DATE	P/A	DATE	P/A	DATE	P/A	DATE	P/A	DATE	P/A	DATE	P/A	DATE	P/A
MAYOR Cornell Knoph	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
SPEAKER Marlien Fredericks	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
Councillor Maria Obies	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
Councillor Rhyno Thomas	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
Councillor Funeka Mabala	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
Councillor Caretas Sonamzi	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
Councillor Rolf Jonker	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
Councillor Chariton Stuurman	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
Councillor Anna Bock	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
Councillor Renthia Van Wyk	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P
Councillor Natasha Mambabani	01/07/2021	P	30/08/2021	P	21/10/2021	P	22/11/2021	P	11/02/2022	P	28/02/2022	P	28/03/2022	P	03/05/2022	P	31/05/2022	P	30/06/2022	P

**APPENDIX B**

**COUNCIL COMMITTEES**

COMMITTEE	REPRESENTATIVE
Executive	C. Knoph, M. Obies, C. Stuurman
Municipal Finance	C. Knoph , R. Jonker, M Fredericks
Technical	C. Stuurman & N. Mpambani, F. Mabala
Administration	M. Obies, A. Bock
LLF	C. Sonamzi, C. Stuurman
MPAC	R. Thomas, R. Jonker & R. Van Wyk

## APPENDIX C

<b>THIRD TIER ADMINISTRATIVE FUNCTION</b>		
<b>MUNICIPAL MANAGER</b>		
ADAMS	SYDNEY CHARLES	MUNICIPAL MANAGER
WILLIAMS	BEULAH BEATRICE	COMMUNITY SERVICES MANAGER
CLOETE	FRANCOIS CEDRIC	EXECUTIVE SECRETARY
CLOETE	SULIZA	EXECUTIVE SECRETARY-MAYOR
MABALA	DEPHNEY MAPULE	SPECIAL PROGRAM OFFICER
NYANDA	SETHU	SERVICE DELIVERIES COMPLAINTS
DIERGAARDT	GRACE	PERSONAL ASSISTENT-SPEAKER
LIEBENBERG	GERHARDUS JANTJIES	DRIVER-SPEAKER
SIMILANIE	CHRISTOPHER BENJAMEN	DRIVER-MAYOR
<b>ADMINISTRATION</b>		
CLOETE	LORENDA SISTINE	ADMINISTRATION MANAGER
RAMAN	BRIAN-LEE	TESTING OFFICER
TALLIES	AVRIL ANN	LABOUR RELATIONS OFFICER
SEPTEMBER	ALEX-LEE	INFORMATION COMMUNICATION OFFICER
SEPTEMBER	SUSANNA MAGRIETA	LAND ADMINISTRATION OFFICER
ENGELBRECHT	MELVYN MORRIS BENJAMIN	REGISTRY OFFICER
KLIM	SELMA CECILIA	CAMPSITE CARETAKER
<b>MUNICIPAL SUPPORT &amp; COMPLIANCE</b>		
YOUNG	LARA	MUNICIPAL SUPPORT/COMPLIANCE MANA
KOTZE	ALTA MARY	TOURISM DEVELOPMENT CLERK
DE MOOI	KLAAS	SAFETY/DISASTER MANAGEMENT OFFICER
SKOTI	KHANYISA EMMANUEL	LIBRARIAN
HINANA	INNOCENT DERRING	LOCAL ECONOMIC DEVELOPMENT PRA
<b>FINANCE</b>		
MOSHOBANE	DINEO GLORIA	CHIEF FINANCIAL OFFICER
HANEKOM	ESMIEN ELIZABETH	REVENUE ASS. ACCOUNTANT
HEARNE	SONIA ALFREDA	PAYROLL OFFICER
DE KLERK	SUSANNA MAGDALENA	ACCOUNTS//INDIGENTS OFFICER
SIMPSON	KATY JUANITA	BILLING CLERK
WARNE	NERITA MELINA	SENIOR ACC CLERK (EXPENDITURE)
BONTZE	DELORIS DELONA	ASSET OFFICER
CHRISTIAAN	JUNINE FAEZA	COLLECTIONS OFFICER
CLOETE	CLINTON MARK	PRINCIPAL BILLING CLERK
MMODUPI	NWABISA	PAYROLL/PAYMENTS CLERK
VAN NIEL	SERAH-MARI	PURCHASING OFFICER/SUPPLY CHAIN
SLANDER	CATHRENE JOSEFENE	ASSET OFFICER
<b>TECHNICAL SERVICES</b>		
CLOETE	IVAN DESMOND	INFRASTRUCTURE MANAGER
ENGELBRECHT	ANTHONY MATTHEW	CHERRY PICKER OPERATOR
MOSESE	TSHOEY PETRUS	HANDYMAN
STEVENS	JOHN ARTHUR	ELECTRICAL FOREMAN
MOUTON	ALBRIE	WATER WORKS FOREMAN
OORTMAN	ANDRIES DESMOND	FACTOTUM-PORT NOLLOTH
JANTJIES	EDWARD ANTHONY	REFUSE REMOVAL FOREMAN
VAN DER POLL	MARIUS JEROME	ROADS TOWN CLEANING FOREMAN
JAYARAM	SANJITH	PROJECT MANAGEMENT OFFICER
CLOETE	HARRY CHARLES	MOTOR MECHANIC
CLOETE	DUANE ELWARDO	HANDYMAN
JULIE	MORNE DANIEL	MECHANICAL WORKS-HANDYMAN



## APPENDIX D

### **Committees (other than Mayoral / Executive Committee) and Purposes of Committees**

#### **Municipal Committees**

Financial & Corporate Services

#### **Purpose of Committee**

To take political responsibility for the performance of the following functions of the portfolio: Budget and Treasury matters, SCM and Stores, Information Technology, Asset Management, Expenditure\Income and Insurance.

To take political responsibility for the performance of the following functions of the portfolio: Customer Care Management, Corporate Administration, Human Resources, Legal Services, Records Management, Local Labour Forum, Occupational Health & Safety, Committee and Councillor Support, Capacity Building and Public Participation.

Community Services

To take political responsibility for the performance of the following functions of the portfolio: Disaster Management, Parks & Recreation (Public Amenities), Fire Services, Social Development (Early Childhood Development and HIV/AIDS), Libraries & Heritage, Sport, Arts & Culture, Waste Management, Law Enforcement, Traffic, Cemeteries, Community Safety, Neighbourhood Revitalisation, Horticulture, Youth, Gender, Disabled and Environmental / Public Health.

Technical Services Committee

To take political responsibility for the performance of the following functions of the portfolio: Development Projects, Water and Sanitation (Water Services), Public Works (Roads, Storm water etc.) and Electricity.

Planning & Development Services

To take political responsibility for the performance of the following functions for the portfolio: Municipal wide planning and urban design, Town planning, Land Use Management, Building development Management, Development Projects, Land Information, Planning Legislation and enforcement and Environmental Planning.

Integrated Human Settlements Services

To take political responsibility for the performance of the following functions of the portfolio: Development Projects, Land Information and Integrated Human Settlements.

**APPENDIX E -WARD REPORTING**

Ward Committee Meetings	Number of Reports submitted	Number of Meetings
Ward 2 – Lekkersing	12	12
Ward 1 – Eksteenfontein	12	12
Ward 1 – Kuboes	12	12
Ward 5 – Alexanderbay	12	12
Ward 2 – Sanddrift	12	12
Ward 3 – Port Nolloth / Sizamile	12	12
Ward 4 – Port Nolloth	12	12
Ward 6- Port Nolloth	12	12

## APPENDIX F- WARD INFORMATION

<b>WARD1</b>	
<b>Name&amp;Surname</b>	<b>Portfolios</b>
Katrina Jansen	Health/ Housing/Social development
Jo- ann Rooi	Youth
Ryno Renton Farmer	Projects/Business/NGO's / Indigents
Sophia Strauss	SAPS/ Sport
Katrina Strauss	Education
Granville Obies	Business/ NGO's/ Indigents
Desire Cloete	Housing
Lara Swartbooi	Education/ Youth
Ruben De wet	SAPS/Sport
Zuna Thomas	Projects

<b>WARD2</b>	
<b>Name&amp;Surname</b>	<b>Portfolios</b>
Cheryl Nero	Youth/ Education
Leonie Adams	Health/Social development
Linda Ruiters	SAPS/Sport/GPF
Christina Links	Projects
Alfreda Adams	Housing
Bernice Cloete	Health/ Social Development
Gerhardus Liebenberg	Projects
Melandy De Waal	Youth/ Education
Melinda Cloete	Housing
Thomas Swartz	SAPS/Sport/GPF

<b>WARD3</b>	
<b>Name&amp;Surname</b>	<b>Portfolios</b>
Ester Cloete	Projects/ Business
Sethu Nyanda	Social Development
Bulelani Mahlombe	Social Development
Sylvia de Mooi	Projects, Business
Ann Milford	Health
Yoliswa Mase	Education
Tozamu Dorris Mfilhlo	Housing, Indigent
Chwayito Kuzani	Safety, Policing
Sheila Mayau	Health
Justin Cloete	Sport & Youth

<b>WARD4</b>	
<b>Name&amp;Surname</b>	<b>Portfolios</b>
Rouzelle Cloete	Projects/ Business
Charl de Beer	Projects/ Business
Iris Joan Diergaardt	Youth, Women, Disabled
Charmain Louw	Housing, Indigent
Valerie Ortman	Social, Health
Anna Marie Kriel	Social, Health
Carel Viljoen	Safety, Policing
Cecilia Adonis	Education
Jacobus Matthys	Social, Health

<b>WARD5</b>	
<b>Name&amp;Surname</b>	<b>Portfolios</b>
Desiree De wet	Health,social
Cathleen kaswarie	Health,social
Johannes Gertse	Business
Roeline Joseph	Sport ,saps
Joshua De wet	Housing,sport
Hendricka Obies	Education
Percy Eyman	

<b>WARD 6</b>	
<b>Name&amp;Surname</b>	<b>Portfolios</b>
Jorinda Whitlow	Youth
Anna van Wyk	Housing
Maritza Konnegerie	Safety, Disabled
Mathilda van den Heever	Projects
Janice Augustus	Sport
Desirie Mackenzie	School
Charmaine C. Cloete	Health
Magrieta Links	Business
Sueann Similanie	Churches, indigent
Eva Cloete	Health

**APPENDIX G – LONG TERM CONTRACTS AND PUBLIC PRIVATE**

**PARTNERSHIPS**

**The municipality is currently not entered into any long term agreements**

**APPENDIX H – SERVICE PROVIDER PERFORMANCE SCHEDULE**

PHASE 2: KUBOES BULK WATER SUPPLY	LH UPINGTON KONSTRUKSIE	07-Oct-21		<b>Complete</b>
SUPPLY AND DELIVERY OF 5 LAPTOPS WITH ACCESSORIES TO BE DELIVERED IN PORT NOLLOTH	CJJ BUSINESS SOLUTIONS	14-Oct-21	ONCE-OFF	Complete
SUPPLY AND DELIVERY OF CLEANING MATERIALS FOR ONE YEAR	BRAINWAVE PROJECTS	27-Oct-20	27-Oct-21	Complete
SUPPLY AND DELIVERY OF TYRES FOR ONE YEAR	SPRINGBOK ONE HOUR LAB	08-Mar-21	08-Mar-22	Complete
SUPPLY AND DELIVERY OF CATRIDGES, IMAGING DRUMS AND TRANSFER KIT FOR ONE YEAR	MH OFFICE	09-Apr-21	09-Apr-22	Complete
VALUE ADDED TAX COMPLIANCE REVIEW AND RECOVERY PROPOSAL	MAXPROF	27-May-18	till date	Complete
SECURITY SERVICES	BRAKKENJAN	01-Jul-21	30-Jun-22	Ongoing
MAINTENANCE ON THE NETWORK AND PABX SYSTEM	urb	31-Jul-21	31-Jul-22	Complete
WEBSITE MAINTENANCE	BRANDTRIX	09-Nov-20	Continuous	Ongoing
PROFESSIONAL ENGINEERING	RIBICON CONSULTING ENGINEER	Aug-18	Nov-21	Ongoing
	BVI RAADGEWENDE INGENEURS			Ongoing
R-DATA	R-DATA	07-Jul-21	07-Jul-22	Ongoing
TGIS	TGIS	01-Jul-21	30-Jun-22	Ongoing
SUPPLY AND DELIVERY OF INJECTION TO MUNICIPAL WORKERS	B-SAFE AFRICA	01-Jul-19	01-Jul-22	Complete
SUPPLY, DEIVERY AND MAINENANCE OF OFFICE AUTOMATION FOR A PERIOD OF 36 MONTHS	CJJ BUSINESS SOLUTIONS	02-Feb-21	02-Feb-24	Ongoing
	SENTECH SOC LIMITED	01-Nov-17	01-Nov-22	Complete

**APPENDIX I- FINANCIAL INTEREST**

DISCLOSURES OF FINANCIAL INTEREST	FULL TIME / PART-TIME	WARD/PR	DICLOSURE OF FINANCIAL INTERST
NAME			
MAYOR Cornell Knoph	FULL	WARD	YES
SPEAKER Marlien Fredericks	FULL	WARD	YES
Councillor Maria Obies	PT	WARD	YES
Councillor Rhyno Thomas	PR	WARD	YES
Councillor Funeka Mabala	PT	WARD	YES
Councillor Caretas Sonamzi	PT	WARD	YES
Councillor Rolf Jonker	PT	PR	YES
Councillor Charlton Stuurman	PT	PR	YES
Councillor Anna Bock	PT	PR	YES
Councillor Renthia Van Wyk	PT	PR	YES
Councillor Natasha Mambabani	PT	PR	YES

## APPENDIX J (i): REVENUE COLLECTION PERFORMANCE BY VOTE

RICHTERSVELD - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)								
Vote Description	2021/22							
R thousand	Original Budget	Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	1	2	3	4	5	6	7	8
<b>Revenue by Vote</b>								
Vote 1 - Executive and council	(106)	-	(106)	62		-	0,0%	0,0%
Vote 2 - Administration: Corporate	98 023	(35 699)	62 324	32 993		-	0,0%	0,0%
Vote 3 - Administration: Sport & Recreation	1 425	-	1 425	-		-	-	-
Vote 4 - Administration: Community	3 607	-	3 607	890		-	0,0%	0,0%
Vote 5 - Financial Services	22 940	-	22 940	20 503		-	0,0%	0,0%
Vote 6 - Infrastructure	33 857	(8 314)	25 543	57 960		-	-	-
<b>Total Revenue by Vote</b>	<b>159 745</b>	<b>(44 013)</b>	<b>115 732</b>	<b>112 408</b>		<b>-</b>	<b>0,0%</b>	<b>0,0%</b>



APPENDIX J (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022			
	Notes	2022 R	2021 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>82 893 937</b>	<b>64 602 430</b>
<b>Taxation Revenue</b>		<b>21 570 563</b>	<b>20 054 928</b>
Property Rates	18	21 570 563	20 054 928
<b>Transfer Revenue</b>		<b>50 366 760</b>	<b>37 370 337</b>
Government Grants and Subsidies	19	49 779 360	36 793 657
Public Contributions and Donations	20	587 400	576 680
Contributed Property, Plant and Equipment		-	-
<b>Other Revenue</b>		<b>10 956 613</b>	<b>7 177 165</b>
Actuarial Gains	11	5 531	83 715
Availability Charges	21	4 013 214	3 518 536
Fines, Penalties and Forfeits		37 957	27 300
Interest Earned - Non-exchange Transactions		3 207 064	2 085 219
Operational Revenue	29	3 692 848	1 462 395
<b>Revenue from Exchange Transactions</b>		<b>29 519 930</b>	<b>25 816 228</b>
Service Charges	23	23 017 148	21 130 644
Sales of Goods and Rendering of Services	24	947 631	630 423
Rent on Land	25	405 713	404 649
Rental from Fixed Assets	26	349 677	276 361
Interest Earned - External Investments	27	260 324	142 350
Interest Earned - Exchange Transactions	28	4 274 571	3 098 238
Licences and Permits	22	12 920	7 537
Agency Services		88 342	90 799
Operational Revenue	29	163 605	35 226
<b>Total Revenue</b>		<b>112 413 867</b>	<b>90 418 658</b>

## APPENDIX K: CONDITIONAL GRANTS RECEIVED

APPENDIX D									
RICHTERSVELD MUNICIPALITY									
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003									
Grant Description	Balance 30 June 2021	Correction of Error	Restated Balance 30 June 2021	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2022
<b>National Government Grants</b>									
Equitable Share	-	-	-	19 151 857	-	-	(19 151 857)	-	-
Finance Management Grant	-	-	-	2 650 000	-	-	(2 650 000)	-	-
Municipal Infrastructure Grant	4 056 387	-	4 056 387	6 161 000	-	(4 056 387)	-	(5 832 481)	328 519
Municipal Disaster Relief Grant	86 309	-	86 309	-	-	-	-	-	86 309
Water Services Infrastructure Grant	435 563	-	435 563	20 000 000	-	(433 471)	-	(20 000 000)	2 093
<b>Total National Government Grants</b>	<b>4 578 259</b>	<b>-</b>	<b>4 578 259</b>	<b>47 962 857</b>	<b>-</b>	<b>(4 489 857)</b>	<b>(21 801 857)</b>	<b>(25 832 481)</b>	<b>416 921</b>
<b>Provincial Government Grants</b>									
Libraries, Archives and Museums	62 111	-	62 111	2 020 990	-	-	(514 374)	(1 568 727)	-
<b>Total Provincial Government Grants</b>	<b>62 111</b>	<b>-</b>	<b>62 111</b>	<b>2 020 990</b>	<b>-</b>	<b>-</b>	<b>(514 374)</b>	<b>(1 568 727)</b>	<b>-</b>
<b>Other Grant Providers</b>									
Alexkor	56 759	-	56 759	-	-	-	-	-	56 759
Construction, Education and Training SETA	-	-	-	61 921	-	-	(61 921)	-	-
<b>Total Other Grant Providers</b>	<b>56 759</b>	<b>-</b>	<b>56 759</b>	<b>61 921</b>	<b>-</b>	<b>-</b>	<b>(61 921)</b>	<b>-</b>	<b>56 759</b>
<b>Total Grants</b>	<b>4 697 129</b>	<b>-</b>	<b>4 697 129</b>	<b>50 045 769</b>	<b>-</b>	<b>(4 489 857)</b>	<b>(22 378 153)</b>	<b>(27 401 208)</b>	<b>473 680</b>

**APPENDIX L: CAPITAL EXPENDITURE NEW & UPGRADE / RENEWAL PROGRAMMES**

Reconciliation of Carrying Value	Buildings	Land	Infrastructure	Community	Lease Assets	Other	Total
	R	R	R	R	R	R	R
Carrying value at 1 July 2021	3 595 426	16 186 860	143 457 308	2 184 895	426 170	2 311 521	168 162 180
Cost	9 147 584	21 389 860	252 642 676	10 910 778	438 086	9 374 229	303 903 213
Accumulated Depreciation and Impairment Losses	(5 552 158)	(5 203 000)	(109 185 367)	(8 725 883)	(11 916)	(7 062 709)	(135 741 033)
Acquisitions	-	-	21 758 199	2 899 334	99 420	335 794	25 092 746

## APPENDIX M – CAPITAL PROGRAMME BY PROJECT YEAR 2021/22

- OXIDATION PONDS PHASE 4 - MIG
- WATER TREATMENT WORKS , PHASE 1-MIG
- KUBOES BULK WATER SUPPLY, PHASES 1,2 & 3- WSIG
- REPLACEMENT OF ASBESTOS WATERLINES- WSIG
- BOOSTERPUMP STATION- WSIG



# **ANNUAL AUDIT COMMITTEE** **REPORT**

**ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL OF  
RICHTERSVELD MUNICIPALITY FOR THE 2021/22 FINANCIAL YEAR.**

**Richtersveld  
Municipality**

Frank E van den Heever

**ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL OF RICHTERSVELD  
MUNICIPALITY FOR 2021/22**

The Audit Committee was established under the powers of section 166 of the Municipal Finance Management Act. The Audit Committee consist of three members on a shared service basis.

The Audit Committee conducted one meeting during 2021/22.

<b>Audit Committee Member</b>	<b>Number of meetings attended</b>	<b>Meetings held</b>	<b>Nature of meeting</b>
G Seas	1	2021/08/21	2020/21 AFS Review
FE van den Heever	2	2021/08/21 2022/06/29	2020/21 AFS Review Quarterly Review
F Rootman	2	2021/08/21 2022/06/29	2020/21 AFS Review Quarterly Review

Mr G Seas resigned as a member on May 17, 2022.

The Audit Committee are honoured to report that the Committee held its first Quarterly Review Meeting with the Municipality as well as a meeting for the purposes of the 2020/21 AFS Review.

**AUDIT COMMITTEE RESPONSIBILITY:**

In the execution of its responsibilities, the Audit Committee reports that it had attempted to perform its duties as per section 166 of the Municipal Finance Management Act 56 of 2003, section 79 of Municipal Structures Act 117 of 1998 and paragraph 14(2)(a) of the Local Government: Municipal Planning and Performance Management Regulations 2001 and the King IV Report on the Best Practices on Corporate Governance for South Africa.

**INTERNAL CONTROL**

The Audit Committee cannot express an express an opinion on the matter after one initial meeting, however the Committee did make the following requests:

- Depreciation issues and financial error findings are addressed before submission of the Annual Financial Statements (AFS).
- The AFS Preparation Plan must be submitted to the Committee.
- The Monthly and Quarterly Financial Reports must be submitted to the Committee.

## **PERFORMANCE MANAGEMENT**

The Audit Committee informs the Municipality on the following matters:

- The Municipality must appoint a Performance Management Committee.
- The High-level Service Delivery and Budget Implementation Plan (SDBIP) must be submitted quarterly to the Committee.
- The Municipality must develop an implementation plan for the implementation of the HR Regulations, inclusive of the cascading requirements.
- The Unions must be consulted on these matters.

## **RISK MANAGEMENT**

The Audit Committee informs the Municipality on the following matters:

- The Municipality must appoint an administrator for Risk Management.
- The Municipality must appoint a Risk Management Committee.

## **COMBINED ASSURANCE**

The Audit Committee request the Municipality to address the following matters:

- The Municipality must develop the Combined Assurance Framework and Policy and submit to Council for approval.

## **FRAUD PREVENTION**

The Audit Committee request the Municipality to address the following matters:

- The Municipality must develop the Fraud Prevention Plan and Strategy.

## **INFORMATION TECHNOLOGY**

The Audit Committee request the Municipality to address the following matters:

- The Municipality must develop a Disaster Recovery Plan, perform an ICT Assessment and provide an inventory of Policies and Systems to the Committee.

## **INTERNAL AUDIT**

The Audit Committee is encouraged by the formation of an Internal Audit Unit and that the Committee could revenue the AG Audit Action Plan, adopt the 2022/23 Risk-based Internal Audit Plan, 3-Year Rolling Plans, the Internal Audit and Audit Committee Charters.

The Audit Committee request the following:

- That reports from the Committee are submitted to the Municipal Public Accounts Committee (MPAC).

## **EVALUATION OF EXTERNAL AUDITOR**

The Audit Committee cannot express an opinion on this matter.

The Committee did perform a review of the 2020/21 AFS, however the Committee had no interaction with the external auditors.

## **AUDITOR GENERAL**

The Audit Committee is extremely concerned as to the statement by the Auditor General on the audit outcomes for the 2020/21 Financial Year as to whether Richtersveld can continue as a going concern

## **GOING CONCERN**

The statement of the Auditor General on the audit outcomes for 2020/21 raises major concerns.



Furthermore, the National Council of Provinces raise another concern in that the Municipality did not spend R14m of their infrastructure grant.

## **REPORTING**

The Audit Committee continued to compile the quarterly and annual reports for submission to Council however on the submission of the reports to Council the Audit Committee cannot report.

## **APPRECIATION**

The Audit Committee wishes to thank the new Council and Municipal Management for having made the first quarterly review meeting possible and want to encourage the Municipality to address the challenges and problems which led to the situation that the Audit Committee had experience problems in having these engagements.

Frank E van den Heever  
AUDIT COMMITTEE CHAIRPERSON