



2021/2022

MUNICIPAL CODE: EC 444

**FINAL AUDITED
ANNUAL
REPORT WITH
OVERSIGHT REPORT
NTABANKULU LOCAL
MUNICIPALITY**

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LIST OF ACRONYMS

ACRONYMS	DESCRIPTIONS
AIDS	Acquired Immune Deficiency Syndrome
AGSA	Auditor General of South Africa
LITP	Local Integrated Transport Plan
MIG	Municipal Infrastructure Grant
INEP	Integrated National Electrification Program
LCF	Local Communicators Forum
IWMP	Integrated Waste Management Program
RDP	Rural Development Program
SAWIS	South African Waste Information System
MFMA	Municipal Finance Management Act
ICT	Information Communication Technology
DLTC	Driving License Testing Centre
LED	Local Economic Development
EPWP	Expanded Public Works Program
SPLUMA	Spatial Planning and Land Use Management Act
DBSA	Development Bank of South Africa
PMS	Performance Management System
ASGISA	Accelerated Shared Growth Initiative of South Africa
LGCF	Local Government Communicators Forum
BSD	Basic Service Delivery
CFO	Chief Financial Officer
DBSA	Development Bank of Southern Africa
DEAT	Department of Environmental Affairs and Tourism
DFA	Development Facilitation Act
DFID	Department for International Development
COGTA	Department of Cooperative Governance & Traditional Affairs

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ANDM	Alfred Nzo District Municipality
DoHS	Department of Human Settlement
DoL	Department of Labour
DoM	Department of Minerals
DoE	Department of Energy
Doe	Department of Education
DSRAC	Department of Sport Recreation Arts and Culture
DoH	Department of Health
DoMR	Department of Minerals Resources
DTI	Department of Trade and Industry
DOS	Department of Social Development and Special Programs
DAFF	Department of Agriculture Forestry & Fisheries
DoLRD	Department of Land Reform & Rural Development
DoARD	Department of Agriculture and Rural Development
ECDC	Eastern Cape Development Corporation
EHO	Environmental Health Offices
EMP	Environmental Management Plan
EPWP	Expanded Public Works Programme
ES	Equitable Share
FBS	Free Basic Services
FET	Further Education and Training
FV & M	Financial Viability and Management
GG & PP	Good Governance and Public Participation
HH	Households
HIV	Human Immune-deficiency Virus
HR	Human Resources
IDP	Integrated Development Plan
ID & OT	Institutional Development and Organizational Transformation

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IDPRF	Integrated Development Plan Representative Forum
IGR	Inter-Governmental Relations
ISRDP	Integrated Sustainable Rural Development Programme
KPA	KPI: Key Performance Area
KPI	KPI: Key Performance Indicator
LED	Local Economic Development
LGSETA	Local Government SETA
NLM	Ntabankulu Local Municipality
LUMS	Land Use Management System
MDG	Millennium Development Goals
MIG	Municipal Improvement Grant
MM	Municipal Manager
MSIG	Municipal Systems Improvement Grant
MPAC	Municipal Public Accounts Committee
NSDP	National Spatial Development Perspective
OHS	Occupational Health and Safety
PGDS	Provincial Growth and Development Strategy
PMS	Performance Management System
PMTCT	Prevention of Mother to Child Transmission
SAPS	South African Police Services
SEA	Strategic Environmental Assessment
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SLA	Sustainable Livelihood Approach
SMME	Small Medium and Micro Enterprises
STATSSA	Statistics South Africa
ToR	Terms of Reference
WSA	Water Services Authority

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

I am honoured that I bring before you a report for this financial year ending of 2021/2022 on behalf of the executive committee. As the Council, we have delivered to our people despite that there came unforeseen financial developments which forced us to reconsider our plans thereby stalling some development commitments. In light of the above, we are glad that as the Council working with municipal administration, we worked hand in glove to ensure that the municipality is functional and floating under such circumstances. We therefore thank the patience of our people in this regard.

This Annual Report was compiled to fulfil our legislative obligation as enshrined in Section 46 of the Local Government: Municipal Systems Act (No: 32 of 2000) and Sections 121 and 127 (2) of the Local Government: Municipal Finance Management Act (No: 56 of 2003).

The municipality continues to prioritize the development of the people of Ntabankulu and delivery of much needed services in Infrastructure and Local Economic Development. We have since extended our reach in terms of prioritization of service delivery to our people by including social intervention programs to alleviate poverty. Guided by Vision 2030 of creating enabling environment that empowers and develops the community economically and socially to ensure sustainability, we have embarked on youth empowerment programs in various economic activities.

It is in the limelight that, much work has been done in the delivery of basic services, electrification in particular, because as the municipality we currently stand at just over 98%, and the remaining 2% is attributed largely to areas where there is currently no access to. We are working around the clock to resolve that as well so that we finally reach universal access.

Important to note, we have improved our systems to foster accountability, and capacity building.

It is important however to also note that, our annual performance is sitting at **88%** compared to 91% of the previous financial year. Under financial circumstances that as the Council we had to work under, it would not be tantamount to praising mediocre to state that work was done and this is reasonably satisfactory.

However, we shall continue to ensure that greater achievements are attained as there are basic service

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delivery aspects that need our attention such as water issues. We have observed petitions and correspondences of late from communities which their root cause is traceable from in-access to water, and we shall continue lobbying the District Municipality that is bestowed with this particular responsibility to respond as quickly as it can to this most basic need. Equally, the condition of our access roads is a cause for concern, and we acknowledge the backlog we have, however, as the council we are working around the clock to close this gap. As the executive, we have unanimously agreed to hold the management accountable in terms of their performance agreements and improve the efficiency of our Performance Management Systems.

In order to fulfil our obligation to deliver services to our people, we have adopted a revenue enhancement strategy to increase revenue collection. Part of this strategy is the appointment of a debt collector and encourage write offs while encouraging rate payers to commit to fulfilling their constitutional obligation to pay their rates. This we believe will enhance our capacity to service our people.

Furthermore, it is also important to note that, we are consistent in our commitment to support early childhood development in our space as we continue to handover infrastructure for early childhood development centres across the wards of Ntabankulu. This is to ensure that, as the municipality we play our role in promoting education from the tender age thereby fighting school dropping outs, fight poverty and underdevelopment.

We are committed to upholding the rule of law in all aspects including ranking (transport) related issues in our space which we have observed to be a thorny issue. In order to address such issues, we have since developed LITP and SDF as lodestar documents in this regard. We remain positive that, eventually we will have amicably solutions and a healthy environment for business. In this regard we wish to encourage land usage in a legal manner guided by all relevant laws and in cases of disputes relevant constitutional means be used to resolve any land occupational disputes. We condemn illegal occupations of any form and we reiterate our commitment to legal engagements on land use and occupation.

I am confident that moving forward we will move with speed to catch up with the lost time and deliver the services to our people and perform better.



Cllr P.T. Sobuthongo

Mayor

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

In September 2012, the National Treasury issued Circular 63, with an intension to strengthen transparency and accountability for the fiscal and financial affairs of municipalities through in-year and Annual Reporting. It is therefore pleasing to present 2021/2022 Annual report as part of legislative mandate that calls for a responsive, accountable, effective and efficient local government. While reflecting on the key milestones by the municipality, I will equally highlight municipality's challenges and plans to overcome those challenges. The 2021/2022 Annual Financial Statements and Annual Report have been prepared in accordance with the requirements of Section 55, Municipal Systems Act, 32 of 2000, Municipal Financial Management Act, 56 Of 2003 as well as Treasury Circular No. 63.

The municipality wishes to re-affirm its determination to take performance of the institution to excellency levels. The establishment and functionality of oversight committees such as Municipal Public Accounts Committee, Financial Misconduct Board, Risk Management Committee, and the Audit Committee steers the municipality towards much needed clean audit status and excellent performance. This can be witnessed by the fact that the municipality has maintained unqualified audit opinion in 2020/2021 financial year.

Having regard to the importance of community involvement in the implementation of the PMS as enshrined in chapter 4 of the Municipal Systems Act 32 of 2000, the municipality improved public accountability and responsiveness to community needs. This was done through Community Outreach Programs, IDP/PMS and Budget Representative Forums, and IDP/PMS & Budget Roadshows and Mayors Outreach Programs in the financial year under review.

On basic service delivery, utilizing MIG and INEP grant, the municipality provided basic services through construction of 22,6 km of access roads, Completion of Dumsi Community Hall in ward 2. Important to note is that 100% of MIG expenditure was realized.

On Local Economic Development the municipality continues to support SMME's, in the financial year under review seven SMME's were provided with needed equipment and machinery.



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The Spatial Development Framework has been reviewed in line with applicable legislative prescripts and adopted by Council on the 29th September 2020 and Land Use Management Plan has been reviewed, submitted to Council on the 30th June 2021.

On Institutional Development and Organizational Transformation, out of 07 positions which were prioritized 06 positions were filled at year end. Training of employees and councilors was a priority as such 20 training interventions were implemented during the financial year.

Personnel expenditure as of June 2022 was at 38% which is within the National Treasury Norm ranging from 25% - 40% and general expenses was allocated 24% of the total budget.

The total revenue of the Municipality decreased by 10% and the significant decrease is caused by the decrease in grants, particularly the equitable share in the current year. In the previous financial year, the Municipality received an additional amount of equitable share amounting to R22 000 000,00 (twenty-two million rand) to cover COVID-19 related shortfalls. In addition to that, the Municipality did not receive the Integrated National Electrification Grant in the current year.

The Municipality has implemented Municipal Standards Chartered of Accounts as a uniform tool for recording and classification of municipal budget and financial information at a transactional level.

It is worth noting that the institutional overall performance for the year under review 2021/2022 has regressed to 88% compared to previous financial year which was 91%, factors contributing to this was SAMWU lawsuit which resulted in the municipality to develop a financial recovery plan to ensure the smooth running of the Institution.

As indicated earlier on that some challenges facing the municipality towards clean audit and delivery of services are as follows:

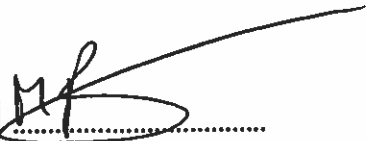
- Matters of emphasis that were raised by Auditor General in 2020/2021, irregular expenditure, fruitless & wasteful expenditure and restatement of corresponding figures.
- High poverty levels and roads, Housing infrastructure backlogs, noting much reduced electricity backlogs to 0.95 %.

The ability to reduce infrastructure service delivery backlogs, reduce poverty levels, and achieving clean audit is possible if the municipality could constantly improve and monitor the implementation of the following:

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- Establish and strengthen partnerships with private sector and sector departments, to solicit funding for local economic and or community-based initiatives, roads infrastructure programs,
- Enforce Credit and Debtors Collection By-laws towards financial viability and or revenue enhancement
- *IDP which is rated credible* to 5 KPAs by MEC COGTA and improve all areas raised by MEC through implementation of IDP Assessment action plan.
- review of assets and inventory towards the correction of the asset register
- avoidance of incurring unauthorized, irregular, fruitless and wasteful expenditure.
- preparation of quarterly Annual Financial Statements
- Implementation of the Audit Action Plan
- Filling of all critical positions budgeted for in the Organisational structure and approved recruitment plan.
- Implementation and monitoring of Performance Management Policy

I would like to thank senior management, middle management, staff and all stakeholders for the work we have done together against all the adversaries and hurdles that we encountered in pursuit of our work. The support provided by the political leadership of the institution cannot go unnoticed. Your continued determination to move the municipality and its community forward can never pass without applause.



M. Pinyana

Acting Municipal Manager

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND

Ntabankulu Local Municipality (NLM) is in the Alfred No District Municipality (ANDM) which historically formed part of the former Transkei homeland. As such the District is characterized by high levels of poverty, income inequality, high vulnerability, and low levels of development. It was against this backdrop that the ANDM was included as one of the presidential prioritised poverty nodes, identified in the Integrated Sustainable Rural Development Programme (ISRDP), resulting in the district being a subject of various social and economic development interventions over time. It is in this wider social, historical, and developmental context that the NLM is located.

The municipality has had two significant re-demarcations in recent history, which had resulted in the re-delineation of its municipal and ward boundaries since 2011. Initially, NLM, located off the N2 between Mt Frere and Mt Ayliff, was incorporated into ANDM in May 2011, from O.R. Tambo District Municipality. In 2020 the Municipality underwent another re-configuration of its internal ward boundaries, leading to an increase in the number of wards from 17 to 19 wards.¹ Towns in the Ntabankulu proximity are Mt. Ayliff, Kokstad and Mt Frere. Flagstaff is accessible through T19 gravel road to the south of Ntabankulu town. The municipality has a total surface area of approximately 1455 square kilometers which are spread throughout its 19 wards, most of which are predominantly rural.

Ntabankulu Local Municipality:

- Accounts for 13% of the geographical composition of ANDM, currently occupying an area of 1460.34 km².
- Is composed of only one former Transitional Local Council (TLC) or town, which is Ntabankulu town as the dominant urban center for the municipal area.
- Is 18km away from the N2 between Mount Frere and Mount Ayliff towns.
- Is bounded by the Umzimvubu Local Municipality to the north and north-east and Mbizana Local Municipality to the south-west (both falling within ANDM) and Ingquza Hill Municipality to the south-west and Mhlontlo and Nyandeni Municipalities to the south-east (both falling under the O. R. Tambo District Municipality (*see the map in Figure 1*))
- In a wider District context, Umzimvubu Local Municipality serves as the administrative capital for ANDM with its largest economic node in Mt Frere, and which is where the N2 traverses.

¹ National Demarcation Board

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Table 4.1: Geographical composition of ANDM

Municipality	Area Km²	% of DM Land Surface Area
Matatiele LM	4352	39%
Mbizana LM	2806	25%
Umzimvubu LM	2506	23%
EC	1455	13%
Alfred Nzo DM	11119	100%

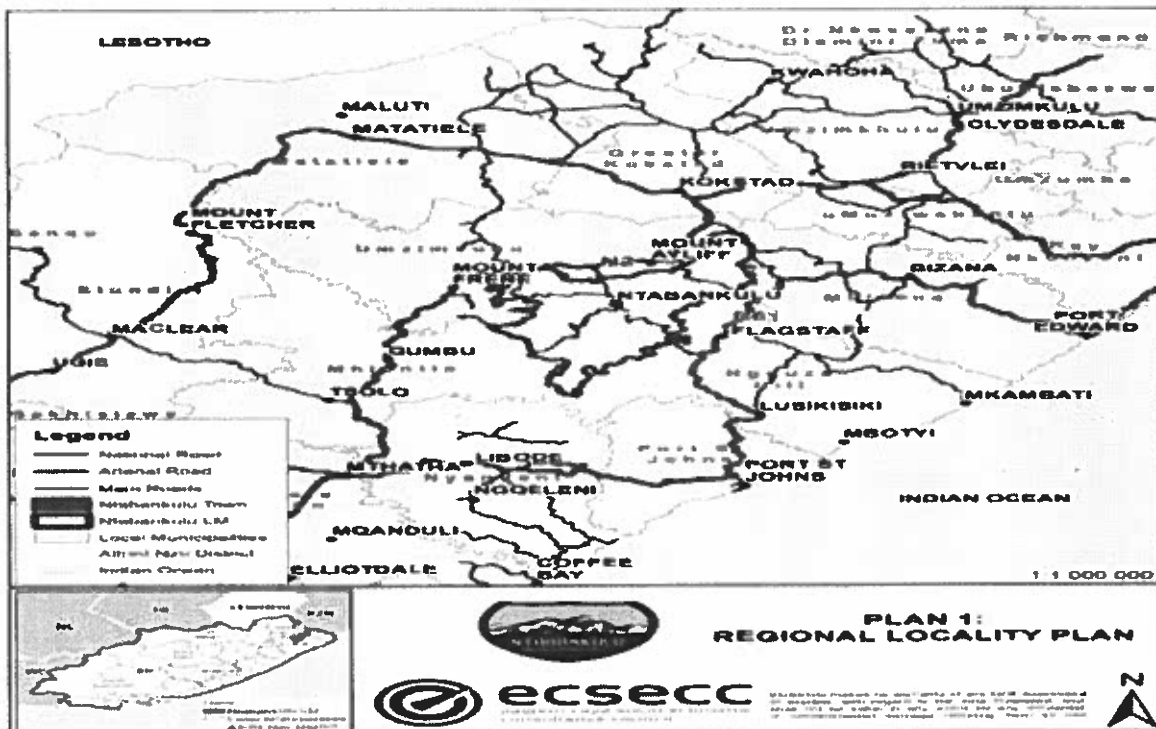
Source: NLM Spatial Development Framework (SDF) 2020-2025

The district generally is characterized by a high level of biodiversity, and natural resources include river systems, indigenous forests, and rich soils. Socially, settlement patterns are determined by the courses of rivers, valleys, and hills. The interaction between people and nature also means that the terrain either exacerbates or ameliorates human impacts on the environment.

NLM has a strong rural presence and is geographically defined by several mountain ranges, thus confirming once again the prominence of the terrain and topography on the Municipality.

Figure 4.1: Locational Map of NLM

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Source: NLM Spatial Development Framework (2020 – 2025)

In concluding this section on the geographical orientation of NLM and the wider ANDM, the terrain remains mountainous, and its landform is generally rugged, characterized by steep slopes and high elevations. The topography has implications on the district’s natural, social, and economic environment.

Demographics

Population dynamics are of paramount importance in addressing the developmental needs in societies, and in analysing the population dynamics, it is essential to look at factors such as urbanisation, migration, gender distribution, age structure and dependency, because these factors presents both important developmental challenges and opportunities that have direct and indirect implications for social, economic, and environmental development.

These factors further affect macro-economic factors such as consumption, production, employment, income distribution and poverty.

The factors therefore identified in this analysis should provide an indication regarding the estimated number of people who are dependent on government for transfers, as well as the number of people who are economically active, and they further play an essential role in the efficient allocation of resources at all spheres of government. This analysis is critical for decision-making not only to the public sector, but also in the private sector, as the population size and its characteristics can influence the location of businesses and services to satisfy the needs of the target population.

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The data used in this section include both the population estimates by Quantec Statistics SA, as well as the data and insights from the IHS Regional Explorer data with the analysis provided in the Rex Publisher. For this subsection on populations estimates and forecasts, the Stats SA Midyear Population Estimates for the Districts released in July 2020 have also been included.

According to the 2020 Midyear Population Estimates (Stats SA, P0302), the estimated population in the district in 2020 was 832 248, with the population in NLM estimated at 127 326. The findings further indicate that their population in NLM is likely to decline by 2025. The table below presents the population and the household distribution in NLM.

Table 4.2: Population/Households Distribution in SA, EC & ANDM (2020 – 2025)

Population / Household Projections EC							
Municipality	Population/ Households	2020	2021	2022	2023	2024	2025
South Africa (SA)	Population	59 622 350	60 305 416	61 132 711	61 952 870	62 772 848	63 595 453
	Households	17 958 932	18 407 787	18 903 221	19 409 493	19 939 808	20 484 097
Eastern Cape (EC)	Population	6 734 001	6 725 654	6 724 405	6 720 147	6 713 199	6 703 285
	Households	1 823 769	1 837 878	1 861 975	1 884 932	1 907 096	1 927 453
Alfred Nzo DM	Population	832 248	831 913	832 285	832 584	832 811	832 877
	Households	192 411	193 643	195 961	198 302	200 672	202 878
Matatiele	Population	200 836	199 849	199 127	198 350	197 509	196 574
	Households	53 695	53 816	54 273	54 721	55 154	55 519
Umzimvubu	Population	189 907	188 417	187 375	186 237	185 008	183 651
	Households	49 259	49 303	49 675	50 025	50 357	50 622
Mbizana	Population	314 180	316 792	319 306	321 908	324 592	327 343
	Households	62 110	63 061	64 312	65 614	66 969	68 313
Ntabankulu	Population	127 326	126 855	126 476	126 089	125 702	125 310
	Households	27 347	27 463	27 701	27 942	28 192	28 424

Source: Quantec Easy Data

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Proper planning for the population dynamics could therefore ensure that the wellbeing of both the current and the future generations of NLM is promoted with the motive of advancing sustainable development.

Gender and Age Distribution

Investigating the dynamics of a population is vital in attaining the precise viewpoint of those who are likely to be affected by any prospective policy, project, or planned development.

The table below shows that there are more females than males, with the NLM population dominated by females of approximately 57% and males comprise only about 43% of the population in 2020 (according to Quantec data in the table below). According to this data, it is forecasted that the gender split in the LM will remain largely static, as depicted in the projected population forecasts into 2021.

Table 4.4: Gender Distribution (2020 and 2025)

Gender	2020	%	2025	%
Male	55 286	43%	53 324	43%
Female	72 040	57%	71 985	57%
Total	127 326	100%	125 310	100%

Source: Quantec Easy Data

The age pyramid of NLM is a combination of both a "Triangular-Shaped Pyramid" at the bottom of the pyramid and a "Rectangular-Shaped Pyramid" in the middle of the pyramid. In general, a population with more young people, will grow more rapidly than a population with a larger percentage of older people. This is the case for NLM, a local municipality populated largely with very young population.

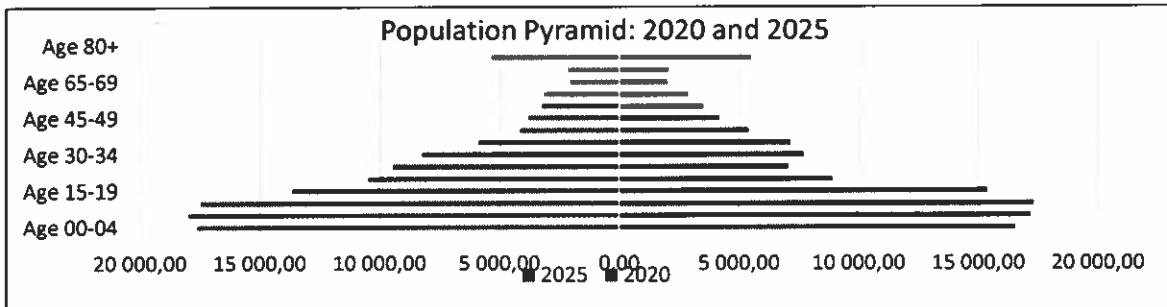
The figure below shows a triangular-shaped pyramid from the age of zero to the age of 34, a rapid transition from infant to child and from youth to young adult. Thereafter, the age pyramid shifts to a rectangular-shaped from the age of 35 to the age of 70. It changes again to a triangular-shaped at the age of 70 and beyond.

In terms of age distribution across the population in the NLM from the figure below indicates that a large percentage of the population was and is still projected to be dominated by children, with a potential to influence the need for development on education and health services, and the elderly people. This dynamic will further burden government to budget and provide social services and welfare assistance to both age groups, as they fall within the non-working age population.

About 6% falls within the pensioned group (over 56years), whilst 34% are in the working age group (20-64 years). The size of the working age population therefore has important consideration in analysing the size of the potential labour force.

Figure 4.3: Population Pyramids (2020 and 2025)

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Source: StatsSA's MYPE 2020 (LM Populations Projections – from Quantec Easy Data)

The implementation and roll-out of the current Census across all wards conducted in 2022 therefore, and across other municipalities in the country, will provide NLM and all other municipalities with the necessary credible and comprehensive data required to better track and monitor population and household data in the municipality, across all wards, and numerator areas.

Dependency ratio

The significance of Dependency Ratio and its importance in demographic analysis is that it measures

the ratio of the non-working age population (i.e., people between the ages of 0 and 14 years old, and those older than 65 years) to the working age population (15–64 years). The higher the ratio, the more pressure there is upon the working age population to provide for the non-working age individuals.

In the context of a municipality such as NLM, the dependency ratio is important and a significant indicator of projected future pressure on economically active cohort in the municipality.

The results in the figure below show that higher dependency ratios are associated with rural districts and districts with limited economic activity, and localities in which learners (particularly the girl child and young women) have less of a chance to stay in school, with the potential for post school education and meaningful employment. The opposite is also shown with lower dependency ratios being associated with urban districts and Metros. In this regard, the indicator does provide a useful indication of age-based dependency, both for households and for the state.

In reading the data below, it is important to note that where the ratios are higher, there is a greater burden placed on the state to assist households with the provision of child and social services and welfare assistance. This also places pressure on HHs disposable income, and pressures on the overall HH income, and savings. Thereby having a significant impact on society and HHs alike.

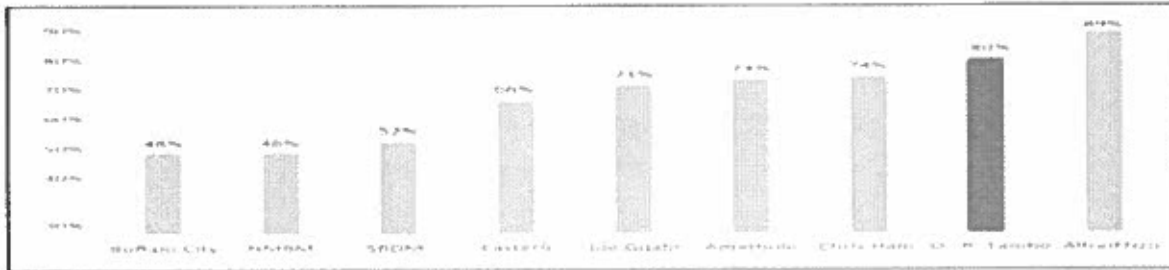
It is significant to the NLM that the ANDM has the highest dependency ratio in the province recorded in the DM – IDP at 88.8%, this was followed by the O.R. Tambo District Municipality at 80.3%. Conversely, the metros, and the centres of economic development and industry in the province, can be identified as having significantly lower dependency ratios (the lowest in the province), at 46% and 48% respectively.

Driven by migration, and the search for better employment opportunities and changes in the quality of life, the metros and larger towns can attract the working age population who migrate from rural areas to seek work

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opportunities. This often results in the very young and old populations remaining in rural and underdeveloped areas.

Figure 4.4: Dependency ratios for EC Province and DMs



Source: Alfred Nzo DM, Integrated Development Plan (IDP) 2017-2022

In terms of the current data for 2020 and the figures identified in the preceding tables below, NLM has the 2nd highest dependency ratio in the district, only surpassed by Mbizana LM, thereby placing a greater burden placed on the state to assist the NLM households with the provision of child and social services and welfare assistance.

Table 4.5: Age Dependency Ratios

Age Dependency Ratios - Alfred Nzo DM (DM and all LMs - 2020)					
	Alfred Nzo	Umzimvubu	Matatiele	Mbizana	Ntabankulu
Total Dependency Ratio (%)	93	85	87	101	97
Child Dependency Ratio (%)	79	71	71	88	83
Aged Dependency Ratio (%)	14	14	15	12	15
Total population (Number)	832 248	202 194	212 329	288 644	129 081
Child population (Number)	339 713	77 577	81 080	127 037	54 019
Working age population (Number)	431 999	109 129	113 697	143 768	65 405
Aged population (Number)	60 537	15 488	17 552	17 839	9 658

Source: Quantec Easy Date

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This analysis on the above and below tables of a high dependency ratio in NLM presents a consequential effect of a paralysing constraint on own revenue and municipal functions within NLM, as the municipality is largely dependent on grant funding and financial transfers from government to fund their operational and capital budgets, as indicated under the sub-chapter on Financial Viability, and Service Delivery in the fourth coming sections of this analysis.

Table 4.6: Age Dependency Ratios for NLM – 2000 to 2020

Age Dependency Ratios- NLM (2000-2020)					
Years	2000	2005	2010	2015	2020
Total Dependency Ratio (%)	116	94	93	94	97
Child Dependency Ratio (%)	101	81	79	80	83
Aged Dependency Ratio (%)	14	14	14	14	15
Total population (Number)	131 726	128 731	128 896	129 027	129 081
Child population (Number)	61 970	53 386	52 920	53 071	54 019
Working age population (Number)	61 103	66 262	66 844	66 391	65 405
Aged population (Number)	8 653	9 082	9 132	9 564	9 658

Source: Quantec Easy Data

Poverty Levels

Triangulating the data to be analysed below with the above data on HDI (and underlying indices for HDI) HH and GNI per capita income that has dropped significantly in recent years. However, whilst significant impact has been made in mitigating poverty and vulnerability through various social grants, and interventions by the state – such as the development of critical household and social infrastructure such as access to water, human settlements, sanitation, education and health care, the objective reality is that this has not been adequate in meeting the demand. The interventions implemented thus far have not been able to push back poverty in society to the point of eradication, or to sufficiently mitigate the impact thereof on the most vulnerable in society. This too remains the case in NLM, which has long been one of the poorest municipalities in the country.

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Table 4.8: Poverty Levels in SA, EC and Municipalities (1999 – 2019)

Geographical Area	UBPL			LBPL			FPL			IPL		
	1999	2009	2019	1999	2009	2019	1999	2009	2019	1999	2009	2019
South Africa	61,1	52,6	50,6	47,5	37,1	37,6	29,5	24,6	27,0	26,8	17,7	17,2
Eastern Cape	71,5	60,0	62,8	53,2	39,0	35,2	32,4	19,8	20,8	23,5	11,9	11,2
Cacadu	67,6	57,3	49,3	52,1	41,7	34,0	37,2	28,3	20,9	30,9	22,1	13,5
Amathole	72,8	56,8	44,5	49,8	31,2	28,1	25,4	11,1	15,6	15,6	4,7	8,0
Chris Hani	77,2	59,9	46,1	57,8	35,8	27,4	33,3	16,7	15,0	22,4	8,9	7,4
Joe Gqabi	75,8	60,5	46,8	56,3	31,8	27,2	32,3	13,8	14,3	22,4	8,0	6,7
G. B. Tamba	76,1	66,6	54,0	56,2	41,1	31,1	30,2	19,2	24,8	19,0	9,3	11,6
Alfred Nzo	77,2	64,1	54,2	54,1	36,0	33,4	25,7	12,5	18,7	16,2	5,5	11,2
Nelson Mandela Bay	62,1	54,3	49,2	50,6	42,6	35,6	41,9	30,2	22,7	35,8	21,0	10,3
Buffalo City	62,0	57,2	54,8	48,8	42,8	39,9	35,6	24,8	25,1	30,0	16,8	15,2

Source: Quantec Easy Data

In the data presented in the table above, it is evident that poverty levels have increased across all poverty lines in the ANDM between 2009-2019. The % of the population living below the Food Poverty Line (FPL) increased >100% (from 11.5% in 2009 to 24.7% in 2019).

Those in the International Poverty Line (IPL – denoting the most vulnerable) has seen a fourfold increase (4.3% to 16.8%) in the last decade.

Table 4.9: Households Per Poverty Line (1999 -2019)

Percentage (%) of Households per poverty line - NLM (by 2011 municipality/ward-based metro region [Annual])												
Poverty line	UBPL			LBPL			FPL			IPL		
Date	1999	2009	2019	1999	2009	2019	1999	2009	2019	1999	2009	2019
Alfred Nzo	77.2	64.1	54.2	54.1	36.0	33.4	25.7	12.5	18.7	16.2	5.5	11.2
Umzimvubu	73.2	57.7	52.5	45.9	29.8	31.7	20.6	9.6	16.5	12.1	3.4	9.1
Matatiele	77.7	65.6	50.9	59.0	37.6	27.1	27.6	12.0	12.4	16.9	5.1	5.0
Mbizana	77.6	67.4	57.0	53.9	40.2	37.1	26.1	15.6	22.2	17.6	8.0	14.8
Ntabankulu	82.0	64.5	55.9	59.6	34.2	37.9	29.6	11.5	24.7	19.1	4.3	16.8

Source: Quantec Easy Data

Table 4.10: Population living in Poverty (1994 -2019)

% of population living in poverty - per poverty line (Ntabankulu)

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Poverty Lines	1994	1999	2009	2019
UBPL	81.7	82.0	64.5	55.9
LBPL	60.9	59.6	34.2	37.9
FPL	35.6	29.6	11.5	24.7
IPL	30.6	19.1	4.3	16.8

Source: Quantec Easy Data

It is important to note that in terms of the prevailing levels of poverty in the Municipality, the data presented does not yet take into consideration the full impact and extent of the recent Covid 19 pandemic which has ravaged SA and the world, not least of all the wider EC and local municipalities such as NLM. The current Census being conducted by Statistics SA, and the data being collected, will be able to provide a more comprehensive picture of the impact of the Pandemic and its concomitant impact and affects upon the population and households residing in the Municipality.

However, what is well known is that NLM remains one of the poorest and most vulnerable municipalities in SA, and as such it is anticipated that it is highly unlikely that NLM would have remained unscathed by the social, economic, and health burden of Covid 19.

4.1.1. POVERTY AND FOOD SECURITY

Table 4.11: HH food security – HHs out of food money for 5+ days in past month (no. of HHs and % HHs – ANDM and LMs)

HHs out of food money for 5+ days in past 30 days											
Geographical Area	Total	Yes	%	No	%	Don't Know	%	Not Applicable	%	No Specified	%
EC	1 773 473	287 384	1 6	17 3925	1 0	3338	0, 2	1 307 899	7 4	926	0,0 5
Alfred Nzo (DC44)	195 975	38 165	1 9	20 286	1 0	168	0, 1	137 331	7 0	25	0,0 1
Matatiele (EC441)	56 868	13 200	2 3	5 338	9	106	0, 2	38 224	6 7	-	-
Umzimvubu (EC442)	51 530	9 416	1 8	5 680	1 1	30	0, 1	36 403	7 1	-	-

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Mbizana (EC443)	61 383	11 601	19	6 897	11	-	-	42 860	70	25	0,04
Ntabankulu (EC444)	26195	3948	15	2371	9	32	0,1	19 843	76	-	-

Source: Stats Sa, Community Survey 2016

Table 4.12: HH food security – HHs that skipped a meal for 5+ days in past month (no. of HHs and % HHs – ANDM and LMs)

HHs that skipped a meal for 5+ days in past 30 days											
Geographical Area	Total	Yes	%	No	%	Don't Know	%	Not Applicable	%	No Specified	%
EC	1773473	186407	11	122071	7	2593	0,15	1461954	82	447	0,03
Alfred Nzo (DC44)	195975	20377	10	13707	7	35	0,02	161856	83	-	-
Matatiele (EC441)	56868	5844	10	3872	7	19	0,03	47132	83	-	-
Umzimvubu (EC442)	51530	5212	10	4047	8	15	0,03	42255	82	-	-
Mbizana (EC443)	61383	7212	12	3743	6	-	-	50428	82	-	-
Ntabankulu (EC444)	26195	2108	8	2046	8	-	-	22040	84	-	-

Source: Stats Sa, Community Survey 2016

Table 13: HH food security – HHs that skipped a meal in the last 12 months (no. of HHs and % HHs – ANDM and LMs)

HHs that skipped a meal in the last 12 months											
Geographical Area	Total	Yes	%	No	%	Don't Know	%	Not Specified	%		
SA	16 924 739	2 247 576	13	14 618 048	86	55 255	0,3	3859	0,02		

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EC	1 773 473	311 264	18	1 458 044	82	3 910	0,2	255	0,01
Alfred Nzo (DC44)	195 975	34 119	17	161 487	82	369	0,2	-	-
Matatiele (EC441)	56 868	9 735	17	47 024	83	108	0,2	-	-
Umzimvubu (EC442)	51 530	9 275	18	42 110	82	145	0,3	-	-
Mbizana (EC443)	61 383	10 954	18	50 402	82	27	0,0	-	-
Ntabankulu (EC444)	26 195	4154	16	21951	84	89	0,3	-	-

Source: Stats Sa, Community Survey 2016

Access to social grants

As a result of the low level of education and high unemployment rates as will analyzed and reflected in below sections, it is evident from the above analysis that NLM experiences high levels of poverty, thus increasing dependency on government's social grants. The Department of Social Development (DSD) is servicing the all the 19 Wards of the municipality, and according to the February 2022 departmental statistical update, the total number of people who accessed the social grants across of the various forms of social grants was 56 656 qualifying residents. Furthermore, the department also renders eight (8) programmes which include: -

- Probation services
- Poverty alleviation
- HIV / AIDS
- Community development
- Victim empowerment
- Subsistence abuse.
- Disability
- Child, Youth, and Family

NATURAL RESOURCES

RESOURCES	RELEVANCY TO THE COMMUNITY
Land	Agriculture, grazing human settlements and forestry ventures
Water	Ntabankulu dam, 2 major rivers (Mzimvubu and Mzintlanva Rivers)
Flora and fauna	Medicinal and game
Mining	Sand and quarry (from Mzimvubu and Mzintlanva Rivers) and quarry. Nickel and Titanium
Forestry and Agriculture	Wards 15, 16 and 17 (both indigenous and plantations). Total forests coverage is estimated at about 29.41 km ² of which plantations account for 11.5 km ² .
Beautiful Scenery	Lalasse – horse shoe development, Cultural historical resources, Local Heritage sites. Mfundisweni Mission (Ward15), Mnceba Mission (Ward 12), Lwandlolumvu Great Palace at Matshona (Ward 6), Mowa heritage site (Ward 14), Diko Monument at Ludeke (Ward 7), Xhukula Caves and Koi-san grave sites (Ward 5) Amanci Adventure Tourism (Hiking Trails , Lodge in ward 14 Hlankomo village

COMMENT ON BACKGROUND DATA:

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Agriculture, Forestry and Mining:

The area is well endowed in natural resources which are not yet utilized to the maximum especially in agriculture and mining. Its economy is highly concentrated - dominated by the community services sector and not very much resource based despite its natural resource endowment.

Land

Land is making it possible for Agricultural production, grazing animal stock, plantation of indigenous forests and medicinal plants and provision of human settlements.

Water

Adequate rainfall and fertile soil make the Ntabankulu municipal economy well-endowed for agricultural (crop) production; rainfall which is over 800mm annually. Ntabankulu economy is endowed with natural resources which are an advantage to the municipality in terms of land accessibility and permit for various land uses.

Beautiful Scenery and Flora and Fauna

Ntabankulu has also remarkable cultural and historical sites to boost eco-tourism. The environmental sustainability, use of scarce natural resources efficiently, promote renewable sources of energy and leverage a green agenda for new jobs and income for the poor

T1.2.8

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Roads infrastructure in the municipality is classified as worse as most areas are inaccessible, more specially on rainy weather conditions. About 99.5% of our roads are gravel roads. Even the roads that are classified as district roads that link Ntabankulu to Flagstaff through DR08019 and Mt Frere through DR080125 are gravel roads which are now deteriorated. The municipality is in dire need for tarring of both major District Roads (DR08019 and DR 080125), notwithstanding those other district roads in the municipality that also need serious attention.

Part of DR080125 from the N2 had been surfaced through phase one of construction, Phase two is currently underway starting from Siphethu hospital towards the completed area. Phase three of surfacing that covers about 30km of the road from Ntabankulu town to Siphethu hospital is still on planning and design stage. During financial year 2016/17 the road was re-gravelled starting from Ntabankulu town towards Siphethu hospital. The road is still a priority for the municipality as it would improve accessibility to Ntabankulu town thus making it easy for the community members to prefer to access government services and do their shopping at Ntabankulu instead of Mt. Frere town. The issue of the non- traversable roads is also a big problem to the transport industry because 99% of the roads are gravel and they are not being maintained timeously as a result

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the mode of transport used to transport communities is the vans with canopy which are not safe for the people of Ntabankulu. Ntabankulu Local Municipality submitted an application to the MEC Department of Transport for construction of an Ncedo Taxi Rank; a feasibility study was conducted by the Department of Transport and the Municipality is waiting for the report of the feasibility study.

The Municipality has developed Local Integrated Transport Plan 2019/2020-2023/2024 which has been adopted by the council 26th June 2020. The Local Integrated Transport Plan seeks to address integrated transport modes and routes or roads and their facilities into one holistic and integrated transport plan. The following minor arterial district roads, DR 08019, DR080125, DR080109 are in a very poor condition compromising safety and accessibility and resulting in high user maintenance cost to motorists. The LITP is submitted to give the status quo of the roads and required intervention in terms of upgrading them into tarred roads so as to improve socio economic development of Ntabankulu area. The LITP further indicates the very poor conditions of the urban internal roads and public transport infrastructure i.e. Ranks.

Municipal Infrastructure Grant funding which does not only funds roads programme was R26 674 000 in the year under consideration. More funding is needed to better the status of roads infrastructure as the current backlog is about 502.5 km of access roads (municipal roads), and 280.99 km of District Roads.

Alfred Nzo District Municipality is a water services Authority as per the Water Services Act. The estimated backlog for water is +/-50%. A water service in the municipality is largely bad with most of water schemes not functional, with faults ranging from malfunctioning boreholes to water purification. The municipality is largely not having access to water that fall within RDP Standards. The status of sanitation is no exception, with about 70% backlog. Only about 8,000 households have access to sanitation facilities in the area.

The municipality has 26 195 households as per Community Survey conducted by Statistics South Africa in 2016, with about 26 561 households benefiting from grid electricity. Allocation for 2021/2022 financial year was R0 as per DORA bills. During the 2021/2022 financial year the municipality electrified & energised 741 extensions and infills.

Item Description	No of households	Quantity provided
Paraffin	766	5 litre monthly
Electricity	4504	50 kilo wats per household

The municipality reviews the indigent register and the policy on annual basis. The indigent register gets approved by the Council before the beginning of each financial year. The Municipality has employed two employees to execute the indigent services which are, Indigent Support Officer and One Indigent Administrator in the Community Services department under Social Intervention Section.

The Indigent Steering Committee has been established and is functional. The committee is constituted of the

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Ward Councilors, Ward Committees, Community Development Workers, Traditional Leaders and Religious leaders. The committee is chaired by Community Services Portfolio Head.

The District Municipality supports Ntabankulu Local Municipality through provision of indigent verification system however the final verification is done by the indigent steering committee for submission to the Council for approval.

Service Type	Base Line	Served/being served	Backlog	% backlog
Electricity (h/h)	26 195	25 390	805	3%
Roads (km)	783	256	528	67.3%
Sports Field	18	3	15	83%
Community Halls	22	26	5	29%
Pre-Schools	53	7	46	86.8%
LED	2	1	1	50%

COMMENT ON ACCESS TO BASIC SERVICES

The Municipality has managed to reduce community protests which were fuelled by the demand for electricity through the engagement of different stakeholders like Eskom, the Office of the Premier and CoGTA where in commitments were made to reach universal access by financial year 2021.

Electricity challenges within Ntabankulu jurisdiction were aggravated by the fact that there was no sub-station to provide energy capacity of which that has been sorted through the engagements, construction of the sub-station is complete.

The Municipality is still challenged by shortage of funding to provide other types of infrastructure like roads, community facilities (pre-schools, sporting facilities, community halls) and the LED infrastructure even though strides have been made to use the equitable share for the provision of the infrastructure. Huge backlogs are noticeable with pre-schools, roads, Sports fields. The community halls are in existence in many areas even though they require to be upgraded and the municipality has constructed Bulelani Pre-school and 3 community facilities rolled over to the financial year 2020/2021.

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1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Budget Planning, Formulation and Monitoring

The Municipality developed and reviewed the five years Integrated Development Plan. The plan is aligned with the priorities of the Community which are prioritized annually as per the available resources-budget. The IDP, MTREF Budget and Budget related Policies for financial year 2021 /2022, as required by the MFMA Act were submitted to the Council for adoption on the 28th of May 2021 this was done in compliance with section 21(1) (a) of the MFMA. The Municipality has put control measures in place to ensure that all the expenditure incurred is budgeted for in order to avoid the unauthorized expenditure. The budget is first verified before processing the transaction. Monthly reports in the form of section 71 reports, quarterly report in the form of MFMA section 52d and half year report in the form of MFMA section 72 were prepared and submitted to the Council and Treasury. Furthermore, the monthly cash flows are prepared timeously to ensure financial viability of the Municipality.

Revenue Management

The Municipality has a revenue management unit that is operational. The Municipal Revenue Management Policies and By-Laws were adopted by Council on the 28^h of May 2021. The revenue management unit is responsible for billing of clients for Rates and Refuse Removal and facilitates other revenue collection for all other services like traffic fines, pound fees, tender fees, hall hire fees, business license advertising fees and town planning related revenue. The unit is also responsible for grants management. The Municipality appointed a Municipal Valuer for compilation of the General Valuation Roll, General valuation roll was approved by Council on the 29th May 2020 for implementation from the 1st July 2020. Supplementary valuation roll no 2 (SV2) was implemented from the 1st July 2020 and the supplementary valuation roll (SV3) was adopted on the 28th May 2021 for implementation from the 1st July 2021.

During the year the Municipality implemented the revenue enhancement strategy together with the debt incentive program adopted by the Council. Furthermore, the Municipality has managed to reconcile the public works account that led to increase of properties from 99-130 properties.

Asset and Liability Management

Asset management policy was reviewed and adopted by Council in May 2021. The municipality is maintaining a GRAP compliant asset register which is updated on a monthly basis with all the assets movements for that particular month. Asset physical verification has been performed two times during the year under consideration. There is a lot of improvement on asset management accountability as a result there was no qualification raised by Auditor General from the section. Assets are bar-coded upon receipts and are therefore added on the asset register. The Municipal assets are insured with Lateral Unison. The Municipality consistently updates and maintains its asset

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Supply Chain Management

Supply Chain Management unit is operational, and the Supply Chain Policy has been reviewed and adopted by the Council in May 2021. The Municipality complies with the approved SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed and implemented for financial year 2021/22 and all bid committees are in place. The document management has improved and therefore improving the efficiency in the SCM unit. The reports on the implementation of the Supply Chain Policy were prepared and submitted to the Council and Treasury on quarterly basis for the financial year 2022. The data base is updated timeously on an electronic supplier data base system with information from central supplier database (CSD).

The total number of contracts with value above thirty thousand rand was 59 in total as of 30 June 2022, and long-term contracts above twelve months awarded during the current financial year were 48% of all contracts awarded this year are from Local Contractors. The Municipality is trading with suppliers that are registered on the Central Supplier Database. There are still minor challenges with regards to some service providers that are not registered but the Municipality is in a process of assisting them through the Local Economic Development Department by ensuring that their businesses are formally registered before they trade with the Municipality. There is an engagement with LED for a contractor development plan/strategy so that the municipality can work with potential emerging contractors on CIDB. The Standard infrastructure Procurement and delivery management policy has also been adopted as an annexure to the Municipal Supply Chain Management Policy in May 2021. There are still grey areas in terms of implementation of the SIPDM and the Provincial Treasury is continuously being engaged to give clarity.

Expenditure Management

The Municipality is committed to pay its creditors within thirty days. The budget availability is first verified by the budget and reporting office before transactions are processed so as to avoid unauthorized expenditure. Payroll and third party payments are done before the due dates to avoid interest charges. Cost containment measures were put in place to reduce excessive expenditure.

T1.4.1

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NTABANKULU LOCAL MUNICIPALITY					
STATEMENT OF BUDGET COMPARISON FOR FINANCIAL PERFORMANCE WITH ACTUAL AMOUNTS					
Description	2021/22 Approved Budget	2021/22 Final Budget	Actual Amounts	Difference between final and actual	Perce ntage Varianc e
Revenue					
Revenue from exchange transactions					
Service charges	326 973	642 384	642 384	0	0,00
Rental of facilities and equipment	651 730	651 730	617 665,55	34 064	5,23
Licences and permits	1 250 000	1 075 975	1 465 433	- 389 458	- 36,20
Sundry income - Pound, Building Plans, Tender fees, Advertising, Cemetry, Funeral fees	932 156	146 181	519 014	- 372 833	- 255,05
Transfer from internal reserves	63 000 000	60 976 191	0	60 976 191	100,00
Vat Recovery	10 700 000	15 500 000	11 622 583	3 877 417	25,02
Proceeds from disposal of assets	311 700	1 000 000	638180	828 054	36.18
Interest on trade & other receivables	207 800	607 800	2 793 470	- 2 185 670	- 359,60
Interest on investment	2 900 000	1 700 000	1 070 483	629 517	37,03

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Total Revenue from exchange transactions	80 280 359	82 300 261	18 902 977	63 397 284	77,03
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Revenue from non-exchange					
Taxation revenue					
Property rates	540 14 577	524 16 612	16 780 173	- 167 649	- 1,01
Bank Loan	000 6 000	-		-	
				-	
Transfer revenue					
Government grants and subsidies	000 178 864	000 198 728	740 812 175	987 188 22	11,57
Fines, Penalties and Forfeits	153 900	900 353	849 427	495 527	- 140,02
Human Settlements	16 700 000	222 13 922	784 689 11	137 533 2	15,35
Electrification	-	066 183	183 066	-	-
Total revenue from non-exchange transactions	216 295 440	712 229 799	205 338 166	24 461 546	10,64
TOTAL REVENUE	296 575 799	974 312 099	224 241 143	87 858 830	28,15

Expenditure 296 575 799

Personnel	85 199 681	753 85 486	81 828 327	3 658 426	4,28
Remuneration of councilors	13 438 808	601 11 778	11 776 220	2 380	0,02
Depreciation and amortisation	21 622 407	763 25 620	25 409 707	211 055	0,82
Finance costs	100 000	206 2 174	2 163 846	10 360	0,48

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Debt Impairment	2 642 355	946	4 830	4 830 946	-	
Bad debts written off	1 000 000	-	-	-	-	
Loss on disposal of assets	300 000	000	300	-	300 000	100,00
General expenses	68 258 098	843	55 060	49 357 821	5 703 022	10,36
Repairs and maintenance	4 949 385	428	1 682	1 725 970	43 542	2,59
Audit fees	4 000 000	000	3 500	3 494 991	5 009	0,14
Total Expenditure	201 510 735	539	190 434	180 587 828	9 846 711	5,17
Operating surplus	95 065 064	435	121 665	43 653 315	78 012 119	64,12
(Increase)/decrease landfill site provision	994 204	204	994	994 204	-	-
Fair value adjustment	-	745,79	1 384	1 384 745,79	-	-
Actuarial gains/losses	-	492,00	290	290 492,00	-	-
Assets Write-off	15 585 000	900	228	228 900	-	-
Impairment loss: Infrastructure Assets		650	2 018	2 018 650		-
Surplus before taxation	96 059 268	876	124 334	46 322 757	78 012 119	62,74
Surplus for the year from continuing operations	96 059 268	876	124 334	46 322 757	78 012 119	62,74
Capital Expenditure	53 308 190	081	68 817	42 517 163	26 299 919	38,22
Actual amount on comparable basis as presented in the Budget and	42 751 078	795	55 517	3 805 595	51 712 201	93,15

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actual comparative statement					
Actual amount on comparable basis as presented in the Budget and actual comparative statement Budget and Actual Comparative Statement					

EXPLANATION FOR VARIANCES

1. Licences and Permits

There was overbudgeting on licences and permits due to the anticipation that there may be increase on revenue collection as the COVID levels changed. The budget was reduced during the budget adjustment period however the collection became more than the budgeted amount.

2. Sundry Income

The sundry income includes Pound fees, Building Plan fees, Tender fees, Advertising fees, Funeral Commission and Cemetery. The is high revenue collected on tender fees, the budget was extremely reduced, and the revenue collection increased beyond the adjusted budget. There municipality received an amount of R200 000 as award/incentive for Cleaning and Greening that was not budgeted for.

3. Transfer from internal reserves

This line items will not realise actual revenue as it the non-cash item and it is utilised to fund the non-cash items.

4. Vat Recovery

The originally budgeted amount was increased during the adjustment budget as the trends of collection changed during the financial period, however the anticipated collection could not be collected.

5. Gains on disposal of assets

The budgeted amount increased during the adjustment budget due to the estimated assets to be disposed and the expectations of bidding prices of those assets. It turned-out that the municipality overestimated the adjustment budget.

6. Interest on trade and other receivables

The budget was not aligned to the billing, only the actuals were considered when budgeting, thus causing the huge difference as the interest cash received is far less that the actual billing.

Chapter 1

7. Interest on Investments

The budget was very at the beginning of the financial year. It was then reduced during budget adjustment however the collection was less due to the high expectations budgeting since we had a challenge of financial crisis before the budget adjustment.

8. Fines, penalties and forfeits

The traffic fines were budgeted less since the billing for fines was not considered when budgeting and only the cash collections were well-thought out. It then resulted in under budgeting for the fines.

9. Grants and subsidies

The grants revenue was budgeted according to the gazetted funds and promised funds, however the municipality did not receive as planned. The huge differences occurred on Small Town revitalisation and LGSETA whereby the promised funds were not transferred by the funder during the financial year.

10. Human Settlements

The Human Settlements amounts were planned in line with the signed Memorandum of agreement, however the transferrer only transferred less that the expected amounts.

11. Personnel Costs

The personnel costs were budgeted in line with the approved organogram, however some of the filled positions became vacant during the financial year. The difference of R3m is less than 10% which proves that the municipality's salaries were correctly budgeted.

12. Loss on disposal of assets

The Municipality did not incur the loss on disposal of assets. The net effect on disposal of assets is profit.

13. General Expenses

The budget was done according to planned projects. Some of the projects could not be implemented due to the SCM regulations that were withdrawn for further approval by the parliament.

14. Repairs & Maintenance

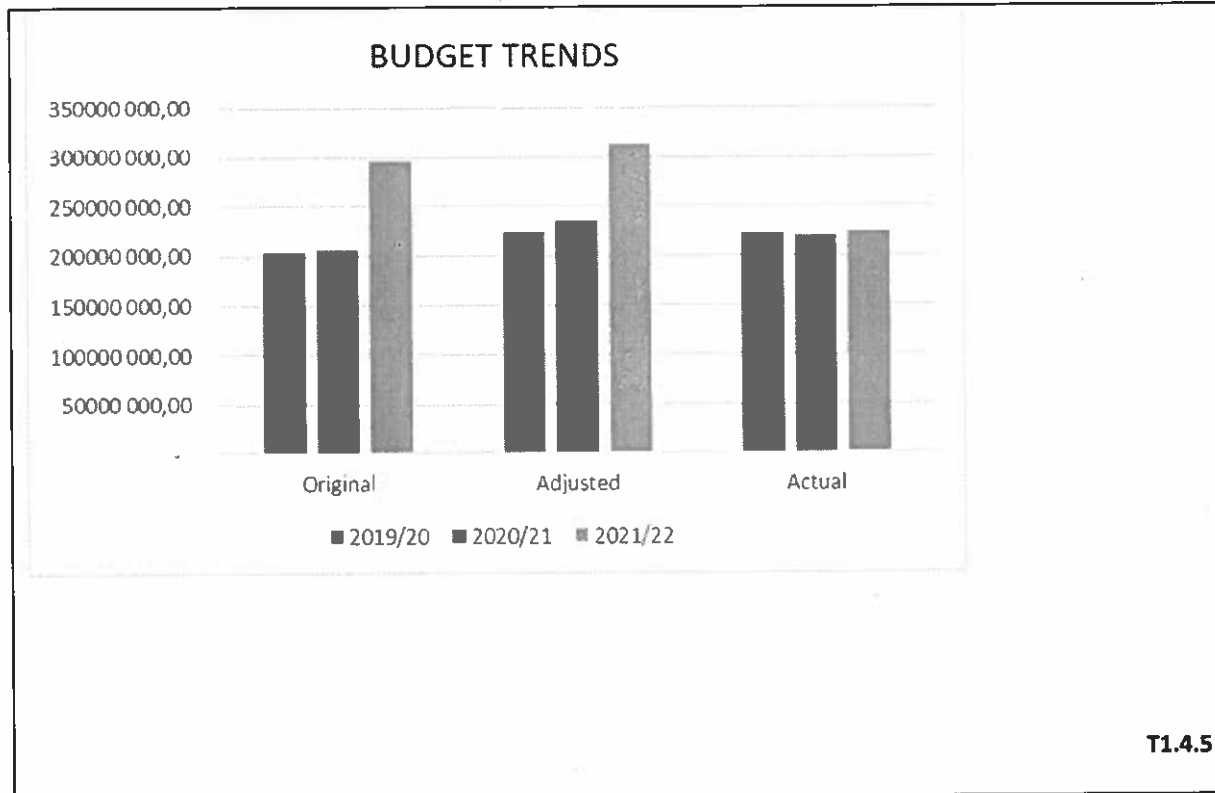
The budget for maintenance was reduced due to change of plans by the municipality. However, the expenditure has a significant variance from the budget, as some maintenance plans could not be performed due to financial constraints.

15. Capital Expenses

The municipality budgeted according to the approved 3-Year Capital Plan. During the financial year, the adjustments were also aligned accordingly. The huge difference is caused by two projects; Construction of Traffic Offices and Small-Town Revitalisation (Internal Streets) whereby the Construction of Traffic offices had to be halted due to financial legal matter that caused the finances to fall short of affordability to the project.

Chapter 1

The funder for Small Town Revitalisation did not transfer the amounts promised and therefore caused the municipality to spend what was only transferred for the financial year



COMMENT ON BUDGET PERFORMANCE DURING 2021/2022 FINANCIAL YEAR

The Municipality has budgeted for non-cash items for the financial year under review. The Municipal grants were fully spent at year-end.

The Municipality, performance on budget during the year was in line with budget regulations and the Municipality did not incur unauthorised expenditure during the year under review.

T 1.4.5.1

Chapter 1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

On Institutional Development and Organizational Transformation, the municipality has reviewed and adopted its Organizational Structure which covers a three-year cycle 2022/2023-2024/2025 that is commensurate to its resources to implement service delivery targets as outlined in the Integrated Development Plan.

The Organizational Structure is submitted to Council annually and it was last submitted on the 27th May 2022. The Organizational Structure is reviewed simultaneously with IDP to ensure that Human Resources capacity responds to the need for work.

Employment Equity Plan

The Municipality has developed an employment equity plan for a period of 3 years, namely 2021-2024. The municipality has set three-year objectives that are congruent with the duration of the plan. Specific objectives have been formulated based on the results gathered through employment equity survey results.

The municipality submits annual reports based on the numerical goals set and achieved in the plan. The Employment Equity Manager has been appointed. Employment Equity Committee has been established and sat quarterly for the financial year 2021/2022.

The EE Plan aimed at achieving 33.33% positions filled by males and the 66.7% to position filled by females in Senior Management level. In 2021/2022 financial year, 66.66% of positions in this level were filled by females whereas 33.33% by males. Secondly, the municipality aimed at employing 3% of disabled employees in the semi-skilled level. When advertising positions; the Ntabankulu Local Municipality encourages people with disabilities to apply for positions even though there is poor to 'no' response to this call.

Workplace Skills Plan 2022/2023

Workplace Skills Plan for the financial year 2022/2023 has been developed to contribute to the achievement of organizational goals contained in the IDP which refers to the interventions needed to ensure the sustainable service delivery. The annual training implementation plan has been developed which outlines the Institutional, Departmental and individual prioritized training interventions for the financial year 2022/2023

Workplace Skills Plan was submitted to and endorsed by the training committee and later submitted to LGSETA for approval and was approved. Training Committee has been established.

Critical and Scarce Skills

Ntabankulu Local Municipality is rural in nature and unable to attract critical and scarce skills. The Municipality has developed retention strategy which is not practically implemented due to insufficient funds.

Performance Management System

Performance Management System Framework was developed; it was implemented to Directors, The Municipality embarked on cascading the framework to the lower levels since the financial year 2014/2015 it

Chapter 1

was implemented to Directors and Managers and was further cascaded to Officers from the financial year 2016/2017 to date.

Ntabankulu Local Municipality has reviewed its Performance Management System Policy and approved by Council in May 2021. Institutional Score card adopted by Council in May 2021, to integrate municipality's strategic objectives into the performance management process.

The institutional score card has been adopted by council in May 2021 which includes Integrated Development Plan priorities, service delivery and budget implementation plan (SDBIP) and individual performance contracts and plans.

Departments develop their monthly plans and report monthly and submit to Executive Management meetings for review of performance. Quarterly performance reports and reviews have been done and submitted to Executive Management, Audit committee, Council Standing Committees, Executive Committee and Council. Mid- year performance reporting and reviews have been done and submitted to Executive Management, Audit Committee, Council Standing Committees, Executive Committee and Council. Annual reporting and review have been done and submitted to Executive Management, Audit Committee, Standing Committees, Executive Committee, Council and Municipal Public Accounts Committee, further submitted Auditor General for auditing. Performance agreements 2021/2022 have been signed by Directors, Managers and Officers. Section 54A & 56 Manager's performance contracts were submitted to COGTA.

The Municipality compiled draft annual report 2021/2022 was submitted to council on the 31st of August 2022 for noting and further submitted to Auditor General and MPAC on the 31st of August 2022. The Final Audited annual report with oversight will be submitted to Council for approval in December 2022.

Local Labour Forum

The Local Labour Forum is functioning composed of the 5 employer representatives and 5 employee representatives. The Local Labour Forum is guided by the Main Collective Agreement. The local Labour forum developed the annual schedule of sittings which is also inclusive in the Institutional Calendar of the Municipality. The Local Labour Forum is scheduled to sit twice a quarter.

T1.5.1

Chapter 1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT

2. Auditor General expressed an unqualified audit opinion for the 2020/2021 financial year with no material misstatements however the following matters of emphasis were raised:

- (1) Irregular expenditure
- (2) Contracts management that was not inadequately managed.
- (3) *Restatement of corresponding figures*

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2.1. 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
T1.7.1		

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

In terms of the MFMA 56 of 2003, Chapter 12 Section 121 “Every municipality must for each financial year prepare an annual report in accordance with this Chapter. The Council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality.

In terms of MFMA Circular 63 of the draft annual report must be submitted to internal audit, audit committee and council before submission to Auditor General on the 31st August.

One of the advantages of compiling an unaudited Annual Report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each Vote. It further provides an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention.

T1.7.1.1

Chapter 1

PMS COMPLIANCE CHECKLIST FOR NTABANKULU LOCAL MUNICIPALITY

Reference	Legislation	Section	Instruction	Deadline	Date Actioned	Reason for not achieved	Corrective Action	Compliance Status	Comments
19-A1785	Local Government: Municipal Finance Management Act - Municipal	121(1)	Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.	2022-03-30	17-12-2021	NA	NA	Complied	Draft unaudited Annual Report 2020/21 was tabled on the 31 August 2021 and Audited Annual Report was tabled to Council on the 17 December 2021
19-A1868	Local Government: Municipal Finance Management	127(2)	The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council	2022-01-31	31-08-2021	NA	NA	Complied	Draft unaudited Annual Report 2020/21 was tabled on the 31 August 2021 and Audited Annual Report was tabled to

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Act - Municipal			the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.		17-12-2021					Council on the 17 December 2021
19-A1900	Local Government: Municipal Finance Management Act - Municipal	127(5)(a)(i)	Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must make public the annual report; and	2021-09-10	03-09-2021 17-12-2021	NA	NA	Complied		Draft unaudited Annual Report 2020/21 was advertised on the 03 September 2021 and Audited Annual Report was advertised on the 17 December 2021
19-A1765	Local Government: Municipal Finance Management Act - Municipal	127(5)(a)(ii)	Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must invite the local community to submit representations in connection with the annual report; and	2021-09-10	03-09-2021 17-12-2021	NA	NA	Complied		Draft unaudited Annual Report 2020/21 was advertised on the 03 September 2021 and Audited Annual Report was advertised on the 17 December 2021
19-A1747	Local Government: Municipal Finance	127(5)(b)	Immediately after an annual report is tabled in the council in terms of	2021-08-31	31-08-2021	NA	NA	Complied		The Draft unaudited annual report 2020/2021 was submitted to Auditor General on the 31 August

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19-A1726	Management Act - Municipal		subsection (2), the accounting officer of the municipality must submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.	2021-03-31	17-12-2021	NA	NA	Complied	2021 & further was submitted to Provincial Treasury, Cogta and Provincial Legislature on the 03 September 2021
	Local Government: Municipal Finance Management Act - Municipal	129(1)	The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a						The Council adopted Audited Annual Report 2020/2021 with Oversight on the 17 December 2021

Chapter 1

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Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance within the Municipality has the following components:

Legislative and compliance matters

Performance Management

Risk Analysis & mitigation

Audit, Legal and Public Participation

The Municipality has an Executive Committee which is composed of 7 members of council inclusive of Mayor and has legislative authority with Speaker who chairs the Council meetings.

The Executive Committee which is constituted of seven members. Five members of the Executive committee are Portfolio heads who chair the standing committees.

The Municipality sits executive management meetings chaired by the Municipal Manager monthly, quarterly, half year and annually to evaluate performance of the Municipality in line with the approved Service Delivery and Budget Implementation Plan.

All performance reports are tabled to the governance structures quarterly for performance monitoring and oversight. All quarterly reports are tabled to the executive management, internal audit, Standing Committees, Executive Committee, Audit Committee, Council and MPAC.

In terms of compliance the Municipality has adopted the following documents in the beginning of the 2021/2022 financial year:

- 2022/2023 IDP, Budget & PMS Process Plan
- 2022/2023-2027 Integrated Development Plan
- 2022/2023-2025 MTREF Budget
- 2022/2023 Service Delivery and Budget Implementation Plan
- Sector Plans
- 2022/2023-Audit Committee Charter and internal Audit Charter
- 2022/2023- Strategic & Operational Risk Register
- 2022/2023- Institutional Calendar
- 2020/2021 Audit Action Plan to address AGSA findings
- Budget Policies
- PMS Policy Framework

Chapter 2

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The key element of governance is leadership which culminates into responsibility and accountability. The Ntabankulu Local Municipality upholds this element by ensuring that there is a strong leadership both politically and administratively to ensure that the Council is guided towards realisation of its vision, mission and overall strategic objectives.

The IDP identifies 5 values of accountability and thus political and administrative governance functions in line with 5 values such as:

Accountability

Transparency

Participatory Governance

Governance Education and

Social Responsibility

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: The MFMA Section 52(a) states that “the Mayor must provide general political guidance over the fiscal and financial affairs of the municipality”.

SECTION 79 & SECTION 80 COMMITTEES

The Municipality has an Executive Committee which is composed of 7 members of council, including the Mayor. There are three (3) Section 79 committees (Municipal Public Accounts Committee, Rules, Ethics and Members' Interests Committee and Petitions and Public Participation Committee). There are five (5) Section 80 Committees (Standing Committees) that have been established and they are as follows:

Chapter 2

Corporate Services

Technical Services

Development planning

Budget and Treasury

Community Services

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 79 Committees	
1. Rules, Ethics and Members' Interests	<p>To undertake review of the Rules of Order, procedures and regulations of council and its committees. It recommends changes to that effect to Council.</p> <p>To undertake a review and/or development of policies on councilors' welfare. It recommends changes to the Council by way of reporting through the Speaker of Council.</p> <p>To develop programmes and activities aimed to promote ethical practice and to combat corruption amongst councilors as public representatives.</p>
2. Petitions and Public Participation	<p>To monitor the process of receiving, addressing and responding to complaints from the community.</p> <p>To consider issues that may pose political risk pertaining to public participation.</p> <p>To monitor the update of the petitions register</p>
3. Municipal Public Accounts Committee	<p>To serve as an oversight committee and exercise oversight over the executive and administration on behalf of council.</p> <p>To assist the council and hold executive, administration and municipal entities to account.</p> <p>To serve as body to ensure the efficient and effective use of municipal resources.</p> <p>To increase council and public awareness on the financial and performance issues of the municipality and its entities including policy operation and implementation of local government.</p>

Chapter 2

Section 80 Committees	
1. Community Services Committee	<p>The committee has the responsibility to:</p> <ul style="list-style-type: none"> Support the provision of Library Services Consider Solid Waste collection and disposal Regulate Landfill site and Environmental Management programmes Assist in the maintenance and management of Public Amenities e.g. Community Halls, Cemeteries, Pound, Parks & Sport fields Assist in the enforcement of Roads Traffic-laws and Municipal Traffic by-laws Promote safeguarding of Municipal Assets and Properties Assist in the coordination of Public Participation programs and Council Support Assist in coordination and development of Community Sport, Arts and Culture
2. Technical Services Committee	<p>The committee assists the Council to promote service delivery within the municipality,</p> <ul style="list-style-type: none"> Monitor implementation of Human Settlement projects The Committee recommends the provision or approval of funds for unforeseen infrastructural development services, To report to the Council about the infrastructural projects that are planned for the development of the district municipality, To ensure that the municipality delivers the quality service delivery to the communities. <p>Monitor progress on planning and the use of land after transfer, Revitalisation of town.</p>
3. Development Planning Committee	<ul style="list-style-type: none"> To discuss and report about the programs of the local economic development, The committee works towards broadening advancement of Black Economic Empowerment, The committee develops strategies to promote tourism within the local municipality, Establishment of poverty alleviation initiatives, Acceleration of Radical Economic Transformation

Chapter 2

<p>4. Budget and Treasury Office Committee</p>	<p>To participate on the drafting of budget and adjusted budget, To participate on the formulation of the IDP and Budget, Assist the Council in the allocation if applicable, the distribution of grants made to the municipality, Assist the Council in the refuse removal, rental, trading tariffs and pound fees or related matters including the collection of revenue thereof</p>
<p>Corporate Services Committee</p>	<p>Receive reports and evaluate progress on Human Resources issues, Consider matters related to job evaluation and grading of staff, Consider performance management of the institutions, Make recommendations on Development of Human Resource Policy Manual and on continuous review of Human Resources policies, Deal with the Implementation of new Organisational structures and strategies, Consider labour relations matters and Human Resource and development,</p>

AUDIT COMMITTEE, INTERNAL AUDIT

The Municipality has a functioning Audit Committee appointed by Council as Section 79 committee and it is composed of four members. The Audit Committee has met the legislative requirements in terms of the number of sittings. There were Six audit committee meetings held for the 2021/2022 financial year, four ordinary and two special audit committee meetings. Furthermore, the audit committee has reported five times to the Council during the 2021/2022 financial year:-

- Ordinary Audit Committee Meetings were held on the following dates, 23 July 2021, 22 October 2021, 18 January 2022, 22 April 2022.
- Special Audit Committee Meetings were held on the following dates 20 August 2021, 24 June 2022.

The reports tabled to Council were the Audit Committee Charter, Audit Committee work plan , and reports presented to the Audit Committee by Internal Audit during the audit committee meetings convened in 2021/2022 financial year. An assessment for the functionality of the Internal Audit and the Audit Committee was conducted virtually on the 1st of April 2022 by COGTA with the assistance by the panelist, which was made up of MPAC Chairperson, Financial Management portfolio head, all municipal directors, and Municipal Manager. It was then found that the assessment was in agreement in all aspects of the assessment tool. The meeting unanimously agreed that based on these assessments both the Internal Audit and the Audit Committee were functional.

The municipality had co-sourced the internal audit unit with ARMS Audit for the period of two years, with effect from 10th August 2020 to 09 August 2022 in order to capacitate the unit. The municipality has appointed an Internal Audit Manager with effect from 08th June 2020, Performance and Risk Auditor on the 26 October 2020, and Internal Auditor on the 27th of September 2021.

Chapter 2

The Internal Audit Unit has undergone the external quality assurance assessment conducted by the provincial treasury during the 2021/2022 financial year however the municipality waits for the assessment outcomes.

T2.1.1

POLITICAL STRUCTURE 2020/2021



MAYOR: Cllr. P.T Sobuthongo

SPEAKER: Cllr V. Matwasa

CHIEF WHIP: Cllr. S. Menziwa

EXECUTIVE COMMITTEE MEMBERS

- Cllr Mziwothando Nqwazi . : Portfolio head Development Planning Department
- Cllr E. Zwelivumile Joyi: Portfolio head Community Services Department
- Cllr. Mlungisi K Dinwayo: Portfolio head Budget & Treasury Office
- Cllr. S. Menziwa: Portfolio head Technical Services Department
- Cllr. Nomvula Kinase: Portfolio head Corporate Services Department
- Cllr. Novuyela Pezisa

Chapter 2

COUNCILLORS

The Ntabankulu Local Municipality is comprised of 19 wards. The Municipal Council is composed of 39 members, including 38 councillors and 1 traditional leader. Councillors are constituted of 19 ward councillors and 19 councillors deployed as Party Representatives, inclusive of the Mayor and the Speaker.

Refer to **Appendix A** where a full list of Councillors can be found (including the attendance at each council meeting).

Refer to **Appendix B** which sets out list of both Sections 79 and 80 committees and their members. The purpose for each committee is listed at T2.1.1 above.

T2.1.2

POLITICAL DECISION-TAKING

The Municipal Council established the TROIKA (Political Management), which consists of the Mayor, Speaker and the Chief Whip. The Troika sits on a weekly basis and/or before the Council sittings in order to discuss the agenda items that would be tabled to the Council, including any pertinent institutional matters. The Municipal Managers attends to the TROIKA meetings to provide technical advice.

The Municipal Council is the highest decision-making body. It takes resolutions on matters of service delivery and community development. The Management has developed a Council resolution register, which is updated in each quarter after the Council meeting/s. The register is circulated monthly to all departments in order to invite comments on progress in implementation of council resolutions. The Office of the Municipal Manager is responsible for monitoring the implementation of Council resolutions. There were 241 resolutions taken by the Municipal Council during the 2020/2021 financial year under consideration. The municipality managed to fully implement at least 287 resolutions with 98% in terms of implementation of Council resolutions.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Chapter 2

Note: MFMA s60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance 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.

Ntabankulu local Municipality has 6 Senior Managers which includes the Municipal Manager. All 6 positions have been filled. The Executive Management sits every month for presentation of monthly plans and monthly reports in preparation of quarterly reports. The Executive management meetings are composed of Section 54A Manager, Section 56 Managers, Senior Operations Manager and the Strategic Services Manager.

MUNICIPAL MANAGER: MS. L. NONYONGO

To oversee the administration of and serve as Chief Executive and Accounting Officer of the Municipality

Functions

- Develop and lead an economical, effective, efficient and accountable municipal administration.
- Coordinate processes towards development of Municipal IDP
- Oversee the implementation of the municipality's IDP and Institutional PMS.
- Oversee the appointment of staff other than Section 57 appointees, subject to the Employment Equity Act (55) of 1998.
- Oversee the maintenance of discipline of municipal staff.
- Advise political structures and political office bearers of the municipality.
- Manage communications between the municipality's administration and its political structures and political office bearers.
- Account for the implementation of Council Resolutions.
- Oversee the administration and implementation of municipal by-laws, policies and other legislation.
- Account for municipal income, expenditure and assets; and
- Facilitate participation by the community in the affairs of the municipality

CORPORATE SERVICES DIRECTOR: MS. S.N. NTLAHLA

To render Human Resources, Administrative and ICT Support Services.

Functions

- Manage and lead the Human Resources function
- Render Information and Communication Technology (ICT) service and support
- Coordinate Municipal Employee Wellness

Chapter 2

- Coordinate records management and access to information in terms of the Promotion of Access to Information Act
- Coordination of Council Support
- Legal Services

CHIEF FINANCIAL OFFICER: MRS. X. VENN

To Manage Municipal Finances, Procurement and Assets

Functions

- Render Budget planning, Monitoring, Financial Statements and Reporting.
- Render Accounting functions relating to Expenditure
- Collect and manage income and revenue.
- Render provisioning, assets and fleet management services.
- Render and manage Financial Risk Management Services

DEVELOPMENT PLANNING DIRECTOR: MRS. N. NDLAKU

To coordinate and manage integrated sustainable economic development and planning

Functions

- To Stimulate local Economic Development
- To include PDI's into socio economy
- LED Agriculture, Crop Farming
- -LED Agriculture (AGRO HUB: Piggery and Moringa)
- -LED Agriculture/ SMME (Eyethu Youth, Aqua Culture, Zibambe Ziqine)
- -LED Business Support: LED Strategy
- -Tourism: (Arts and Culture)

COMMUNITY SERVICES DIRECTOR: MR. S. MATIWANE

To develop and provide sustainable, accessible and affordable services that meet the needs of the Community of Ntabankulu within the legal framework, standards and regulations

Functions

- Support the provision of Library Services
- Solid Waste collection and disposal
- Landfill site Management
- Environmental Management programmes
- Maintenance and Management of Public Amenities e.g., Community Halls, Cemeteries, Pound, Parks & Sport fields
- Public Safety Traffic-law enforcement, law enforcement and bylaws
- Safeguarding of Municipal Assets and Properties
- Provision of DLTC, MVL and eNatis Services

Chapter 2

- Social Intervention (Indigent, Poverty Alleviation and EPWP)
- Coordination of Public Participation programs
- Coordination and Development of Community Sport, Arts and Culture

TECHNICAL SERVICES DIRECTOR: MR. P.L. MPENDULO

To plan, develop, operate and maintain infrastructure

Functions

- Provide, facilitate and maintain the following infrastructural services:
 - Building and Civil Works Services
 - Roads and Storm water Services
 - Electricity
- Coordinate Formulation and implementation of Spatial Development Framework (SDF).

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Ntabankulu Local Municipality has established Intergovernmental Relations Forum in line with intergovernmental relations framework Act No 13 of 2005 and Regulations. Members of the IGR are members of the National, Provincial departments, Parastatals, District Municipality.

The Municipality has developed terms of reference for the intergovernmental relations forum. These procedures shall serve as Internal Procedures and processes of the Ntabankulu Local Municipality Intergovernmental Relations (IGR) Forum to ensure compliance with Section 33 of the Intergovernmental Relations Framework Act no 13 of 2005.

The objectives of the Intergovernmental Relations Forum are clearly outlined in the reviewed terms of reference adopted by Council. Objectives are as follows.

- Coherent Planning and development
- Coordination and alignment of the strategic and performance plans & priorities; objectives and strategies of the municipality
- Coordinating any matter of strategic importance which affects the interests of municipality's stakeholders

The Municipality sat four IGR meetings which were convened on the 28 September 2021, 30th November 2021, 3 March 2022 and 29 June 2022 for the financial year 2021/2022 but challenges were experienced in terms of representation of Sector Departments and 16 IGR clusters which were also convened on the 15th -22 September 2021, 24th -25th October 2021, 16th -17th February 2022, and 21-27 June 2022 . This has resulted on lack of

Chapter 2

information circulating between the Municipality and Sector Departments and between the government institutions and community.

Items included in the Agenda for the IGR Sessions:

- Matters submitted by members of Ntabankulu Local Municipality IGR Forum
- Reports by Ntabankulu Local Municipality on implementation of projects as per the IDP
- Reports by provincial, district sector departments on implementation of projects
- information sharing
- Matters raised on community outreach

The IGR terms of reference were further reviewed and adopted by Council in May 2019. The Municipality realised a need to include IGR Clusters, where all Sectors will engage on the issues of government and develop recommendations for the broader IGR Forum. The Clusters were constituted as follows:

Basic Service Delivery Cluster

The role of the cluster is planning, implementation, monitoring and evaluation of but not limited to co-ordination of electricity reticulation, eradication of infrastructure backlogs and ensuring existence of enabling infrastructure for economic growth and development.

Socio- Economic Development Cluster

The role of this cluster is to co-ordinate planning, implementation, monitoring and evaluation of socio-economic development initiatives within Ntabankulu Local Municipality jurisdiction.

Institutional Development and Organizational Transformation and Financial Viability and Management cluster

The Municipal Transformation, Institutional Development and Financial Viability Cluster deals with issues of organizational development; transformation and administration and as well as financial management

Good Governance and Public Participation cluster

This cluster deals with issues of Governance and Public Participation including the following areas: Special Programs, IDP Coordination, Performance Management System, Community Participation, Intergovernmental Relations, Communications, Marketing and Municipal Branding, Research and Policy Development, Internal Audit & Risk Management

The Members of the Executive Committee (Portfolio Heads) of Ntabankulu Local Municipality act as the Chairpersons of the Ntabankulu Clusters. The Chairperson presides at the Ntabankulu LM Cluster meetings and provides leadership to the Ntabankulu LM Clusters.

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2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

During the year under review the municipality has received funding of R1,987 000.00 through Expanded Public Works Program which has created 412 work opportunities

The following programs for the year 2021/2022 were implemented through EPWP:

- 23 beneficiaries for hall caretakers
- 20 EPWP Data Captures
- 01 Scanning
- 01 Plant Operator
- 01 beneficiary for landfill administration
- 96 Waste Management
- 01 Environmental Coordinator
- 06 Cemetery Maintenance
- 125 General Assistants
- 05 Back to School
- 03 Farm Coordinator

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

MUNIMEC Meetings:

The Municipality has participated in these meetings quarterly. In these meetings Municipalities are urged to improve expenditure on Capital budget and infrastructure grants,

District Mayors Forums:

The Municipality has participated in these meetings quarterly, where the Mayors of Alfred Nzo District Municipality share information on service delivery progress and challenges in implementing projects.

District Appraisal Committee:

The meetings are sitting monthly for approval of MIG projects plan to be implemented over the MTREF period in preparation for the Appraisal Committee.

DISTRICT INTERGOVERNMENTAL RELATIONS FORUM

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The Municipality has participated to the above structures for integration of programs and inclusion in the Integrated Development Plan. The Municipality has participated in these forums for reporting and information sharing within government and between government and communities.

SPATIAL PLANNING

The Spatial Planning and Land Use Management Act (SPLUMA) 16 of 2013 was enacted in the country has is the trusted tool to effect spatial transformation. Ntabankulu Local Municipality has participated in the provincial workshops that were coordinated by the provincial government. The municipality has developed a SPLUMA by-law as directed by the act. It has further established a partnership with the Alfred Nzo District Municipality towards implementation of the Act and land administration. Ntabankulu Local Municipal council resolved to adopt the SPLUMA by-law on 30 March 2017 and further resolved to join the Alfred Nzo District Municipal Planning Tribunal. This decision was due to limited financial resources on the implementation of SPLUMA on the part of the municipality. The Alfred Nzo Municipal Managers Forum resolved to establish a District Municipal Tribunal that includes all local municipalities within the Alfred Nzo District.

LOCAL ECONOMIC DEVELOPMENT

The Municipality has participated on the District Support Team (DST), District Economic Recovery plan, and on COGTA catalytic investment projects. These ensure the integrated approach on planning, implementation and monitoring of Local Economic Development Programs.

This structure has assisted the municipality in successful stimulation and strengthening of the local economic development programs of the area. The Municipality has benefited on programs that promote SMME start-up and expansion, to build sustainable and competitive tourism, Agro-processing and manufacturing including training of cooperatives which are drivers for economic activity in the areas. The municipality has also explored the utilization of the Local Economic Development Forum which has contributed positively on the development of LED strategy.

MUNICIPAL COMMUNICATION

The municipality participates in the Local Government Communicator's Forum (LGCF) and District Communicator's Forum (DCF), which is coordinated by the Eastern Cape Provincial government and District Municipality respectively. Ntabankulu Local Municipality further facilitates Local Communicator's Forum to coordinate government work in terms of communications. The above-mentioned programs have assisted the municipality to effectively implement the National and Provincial Communication Strategies and to use uniform approach in terms of marketing, branding and media relations. The Communications units update the information on the website quarterly and submits the information to the Information Technology unit for publishing in the Municipal website.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Alfred Nzo District Municipality has formalized intergovernmental structures such as but not limited:

-District Mayor's Forum

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- Speaker's Forum

-IDP/Budget and PMS Representative Forum

-District Communicators Forum

The municipality has participated in District communicators forum to coordinate planning of local events, local media platforms, Local Government Communicators forum: a platform that coordinates all communicators in the Eastern cape in order to report on the implementation of the Communication strategy and new innovations to be implemented in the entire province and Integrated Communicators Forum is called by Office of the Premier to plan the MEC Imbizo's and visits to Local Municipalities in order to have a uniform approach in terms of Branding, Marketing, Media Relations and Protocol. The Speaker, Councilor V. Mathwasa participates in the district's Speakers Forum to represent Ntabankulu Local Municipality. These structures assisted the Municipality in ensuring that there is integrated planning at national, provincial, district and local level.

T2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Ntabankulu Local Municipality inculcated a culture for accountability among its staff, councilors, and traditional leaders, participating in the council, for public accountability. In the staff establishment of the municipality, the Public Participation and Council Support Division is attached to the Office of the Speaker. Administratively, Public participation reports in the Community Services Department and Council Support unit reports in the Corporate Services Department.

The municipality has established the Executive Committee in terms of section 50 of the Municipal Structures Act, which is chaired by the Mayor, Councilor P.T. Sobuthongo. The Executive Committees sits quarterly to consider the institutional compliance and reporting. The Municipal Council also established five section 80 committees. The committees are chaired by portfolio heads and are composed of councilors, Senior Managers, and Traditional Leaders.

The Municipal Council has established three section 79 committees such as (1) Municipal Public Accounts Committee, which is chaired by Councilor B.Z. Ndamase, (2) Petitions and Public Participation Committee, which is chaired by Councilor N. Ncekana, (3) Rules, Ethics and Members 'Interests Committee, which is chaired by Councilor M. Nqwazi.

The Municipality has Strategic Services unit under the Office of the Municipal Manager. There is an IDP & Budget technical Committee which is chaired by the Municipal Managers and IDP/IGR & Budget representative forum which is chaired by the Mayor. The Municipality established clusters chaired by Portfolio heads and submit recommendations to the broader IDP/IGR & Budget Representative Forum.

These committees sit quarterly for municipal planning & reporting. The IDP/IGR & Budget representative forum is composed of Councilors, Senior Management, Ward committees, Sector Departments, NGO's, Parastatals, Religious leaders, Traditional Leaders, Alfred Nzo District Municipality. These forums share information within government and between government and community at large within the Municipality.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Marketing and Communications Division within the Development planning Department is responsible to communicate to the public all matters the municipality wishes and is compelled to communicate.

Four Bulletins of Kwakhanya Ntabankulu newsletter have been printed including articles that were sent to local newspaper. This is done through Local Newspapers, Formal Notices on Municipal buildings, Flyers,

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brochures, Municipal Website, social media (Facebook), local community radios and through our Local Newsletter “Kwakhanya Ntabankulu”.

The gap analysis was done and presented in the workshop where marketing and communication strategy were consolidated. The Communication Strategy Review Workshop was well attended by all stakeholders from the Sector Departments to the media houses. The communication strategy which incorporated the information from Sector Department was adopted by council for implementation.

- The LCF meetings were held quarterly to communicate the implementation of the strategy.
- Stakeholder engagements were held quarterly and were well attended by different people representing various structures.
- Council outreach to traditional councils, Council of churches, Rate payers and Business forum were conducted.
- The Municipal Facebook page and that of the Mayor were created and all events were publicised.
- Handing over of electrification projects, roads, community halls and pre-schools was done.
- Media briefings were done in a form of interviews in all events.
- Back to school campaign was done in April 2022.
- Talent search grand finale was held to celebrate the June 2020
- Support has been provided to all five traditional councils in the financial year 2021/2022.
- COVID-19 awareness campaigns and compliance enforcement as led by the Mayor were also conducted both in urban and rural areas.
- Awareness campaigns by the Mayor were done through the social media, radio and newspapers focusing on COVID-19 outbreak.

The Mayor as the person responsible for identification of the needs of the community also embarks on Mayoral outreach programs which are intended to reach out to communities to address their concerns on service delivery.

- For the financial year 2021/2022 the mayor had two mayoral outreach programs for all 19 wards from 07th – 10th December 2021. The second Outreach program was conducted on the 11th -16th May 2022 in all 19 wards for presentation of Service delivery report 2021/2022, Draft IDP 2022/2023-2027 & Budget for 2022/2023-2025 and proposed projects of the next financial year 2022/2023.
- The Mayor was providing progress on implementation of projects to the public, challenges and corrective measures to be put in place to complete those projects. The Municipality was also verifying ward-based plans/priorities for inclusion in the Integrated Development Plan.

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- The Mayor Champions the development of the Integrated Development Plan which requires involvement of communities.
- The IDP, Budget & PMS Representative forum chaired by the Mayor was convened four times for the financial year 2021/2022.

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WARD COMMITTEES

The Ntabankulu Local Municipality has established ward committees in all 19 wards with 190 ward committee members after the 2021 local government elections. The ward establishment process started in the third quarter and completed in the fourth quarter of 2021/2022 financial year. The ward committees were all inducted in the local government legislation including their roles and responsibilities. The Ward Committee Functioning Policy has been reviewed and approved by the Council. The primary role of ward committees is to link the municipal planning processes to the ward communities, their constituencies and / or wards.

The aim is to ensure that communities understand the purpose and key mechanisms of the IDP, Budget and Performance Management. Ward committees serve as structures that help to facilitate public consultation and participation for communities to be actively involved to government programs in their wards and they provide feedback to their communities on the IDP & Budget/Service Delivery programs.

Ward committees have played a vital role during the COVID 19 pandemic in our communities by conducting awareness programmes and monitoring compliance on the regulations regulated in Disaster Management Act: Declaration of a National State of Disaster: COVID -19.

T2.4.2

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
1. The Voter Education Program. The program was conducted to educate voters about their voting rights as enshrined in the Bill of Rights.	13-30 September 2021	38	05	700	Yes	The programme was conducted to ensure awareness on voting processes. The communities were also informed of the newly established voting stations, especially the newly demarcated

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						wards in preparation for 2021 Local Government Elections.
2. Moral Regeneration Movement (MRM) program	29 Nov-03 Dec 2021	05	05	600	Yes	The MRM was conducted in collaboration with sector departments, namely: Social Development, SAPS, Justice, Initiation forum and Community Based Organizations. The main objective of the programme was to instill the positive values and social cohesion.
Ward Committee establishment	20 th Jan-10 th Feb 2022.	21	05	338	Yes	The community members participated on the establishment of ward committees from ward 01 to ward 19. The communities elected their envisaged community representatives as ward committees.
Induction of newly established ward committees.	23 Feb 2022	19	06	190	Yes	All ward committees were inducted

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						on their roles and responsibilities , including the reporting format, legislations, and related policies.
Environmental Awareness Programme	16 February 2022	01	05	50	Yes	The communities were educated on the negative impact of poor environmental management to the climate change. This includes air pollution, wild fires, illegal dumping of waste, and water sources pollution.
IDP outreach for all wards in October 2020 to present progress to date on implementation of projects and confirmation of community ward priorities	07 -10 December 2021.	30	15	1900	Yes	07 -10 December 2021.
Intergovernmental Relation Forum to prepare for IDP/Budget outreach program and establishment of the IGR Forum	28 September 2021 30 th November 2021	30 25	7 7	80 80	Yes	28 September 2021 30 th November 2021
Intergovernmental Relation Forum	03 March 2022 29 June 2022	25 30	25 27	75 80	Yes	03 March 2022 29 June 2022
IDP & Budget Outreach for all wards for presentation progress on projects	11-16 May 2022	40	15	1300	Yes	11-16 May 2022

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implemented for the financial year 2021/2022, Draft IDP & Budget and planned projects for the next financial year 2022/2023						
State of the Municipal Address (Mayors Budget Speech)	09 June 2022	7	6		Yes	09 June 2022

T2.4.3

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COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

For Public Consultation on Voter Education: Awareness on voting processes and newly established voting stations improved the voter turnout.

For Moral Regeneration Movement, the MRM programme improved the social behaviour of the community, including the social cohesion. The typical example is the establishment of the Initiation Forums with our traditional authorities. The forums ensure the smooth running of the custom.

For Ward Committee, the establishment of the ward committees improved the citizenry participation in the affairs of governance.

For Induction of Newly Established Ward Committees. The newly stashed ward committees were inducted on their roles and responsibilities, including reporting format, legislations, and related policies. The program improved the functionality of the ward committees in their respective wards.

For Environmental Awareness Programme, the programme shared light to the communities on the negative impact of improper management of waste to climate change. The communities encouraged to plant trees, and food security gardens for greening. The other impact of the programme to create awareness for proper management of domestic waste in order to mitigate the negative effect on the environment and climate change.

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

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

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Were the four quarter aligned reports submitted within stipulated time frames?

Yes

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance within the Municipality resides in the Office of the Municipal Manager who has the responsibility to ensure adherence to municipal policies and by-laws. This function has been delegated to all directorates.

Municipal by Laws were last regazetted in 2010 and Municipal Policies were reviewed in 2020/2021. Municipal By-laws were reviewed; community consultations were last conducted in the financial year 2020/2021.

Delete Directive note once comment is complete - Please explain in brief the scope of corporate governance.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

The Municipality enhanced its risk management efforts in order to identify, respond and mitigate the risks that may impede its ability to achieve its objective. The municipality has performed its risk assessment on the 26 - 30 April 2021 for development of the 2021/2022 financial year risk registers and constant monitoring throughout the financial year.

In doing this, the municipality must actively monitor its efforts and actions through risk management. The In-year monitoring includes periodic monitoring of its actions that are designed to mitigate the impact of the risks that are in the risk register developed at the beginning of the financial year. The Municipality has established risk management committee which is constituted of risks champions from each department and is chaired by the Independent Member appointed by the Municipality.

Service Department Role:

- To identify threats that may prevent the departments to achieve its objectives
- To ensure the safeguarding of municipal assets and proper management of municipal funds.

Top five risks of the Municipality

- Outdated ICT Policies
- Failure to address the root causes of the findings
- Selection of unqualified service providers

Chapter 2

-Uncollected /un-transported and unprocessed waste in the urban Area.

-Reliability of the network.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality has reviewed its Fraud and corruption prevention policy and was submitted to Council on the 28th May 2021. The policy also entails processes to be followed in terms of reporting fraud and also incorporates the whistle blowing.

The policy is established to facilitate the development of controls that will aid in the prevention and detection of fraud against the Municipality. It is the intent of NLM to promote consistent Organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigation.

During financial year 2021/2022 the internal audit unit conducted internal audit reviews as per the approved risk based internal audit plan 2021/2022. The Internal Audit reports were presented to Audit and performance committee.

FINANCIAL MISCONDUCT BOARD

Council appointed financial misconduct board on the 29 June 2022-. The board is constituted of the following members: - Dr. Len Konar (audit and performance committee member) serves as a chairperson in the board, Gugulethu Madlanga (legal representative), Wesley Groom (Provincial Treasury), Sindiswa Ntshahla (Corporate Services Director and Busisiwe Diko (Internal Audit Manager).

The term of office for Ms. Bongeka Jojo had expired on the 30th May 2022 , who was later replaced by Dr. Len Konar effectively from the 1st of June 2022-28th June 2025.

The board was established as an independent board that assists Council to investigate allegations of financial misconduct as per Section 175 of the Municipal Finance Management Act. Its objective is to conduct independent preliminary or full investigation in terms of regulation Gazette 37699 proclaimed on 30 May 2014.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Supply Chain Management unit is operational, and the Supply Chain Policy has been reviewed and adopted by the Council in May 2021. The Municipality complies with the approved SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed and implemented for financial year 2021/22 and all bid documents are in place. The document management has improved manually. The reports on the

Chapter 2

implementation of the Supply Chain Policy were prepared and submitted to the Council and Treasury on quarterly basis for the financial year 2021/22. The data base is updated timeously on an electronic supplier data base system with information from central supplier database (CSD).

The total number of contracts with value above thirty thousand rand was 59 and 28 long-term contracts (above 12 months) were awarded in 2021/22 financial year. Out of 59 contracts that were awarded during the year, 40% were awarded to local contractors. The Municipality is trading with suppliers that are registered on the Central Supplier Database. There are still minor challenges with regards to some service providers that are not registered but the Municipality is in a process of assisting them through the Local Economic Development Department by ensuring that their businesses are formally registered before they trade with the Municipality. The Standard infrastructure Procurement and delivery management policy has also been adopted as an annexure to the Municipal Supply Chain Management Policy in May 2021.

The current total of irregular expenditure incurred during the year under review **R5 175 411.68**. The Municipality appointed Khwalo Business Accountants and Auditors as recommended by the Oversight committee (MPAC) to get an independent service provider to assist with the historical irregular expenditure in the previous financial year and in the current year, because of skills transferred by the service provider, the Municipality was able to write off an amount of **R30 702 898**. The final report with its findings and recommendations was tabled to Oversight and to Council with recommendations to write off irregular expenditure as irrecoverable. The remaining balance of Irregular expenditure at year end amounts to R555 286 as at 30 June and it is still under investigation by the Municipal Public Accounts Committee.

The Supply chain management unit is composed of the Supply Chain Manager, Supply Management Accountant, Contracts Management Officer, Fleet Management Officer, 2 Demand and Acquisitions Clerks and One Intern. All bid committees are functional (Specification committee, Evaluation Committee and Adjudication committee. Bid evaluation committee members are appointed for a specific bid and can be changed to include members that are relevant for that good or service that is being processed.

T2.8.1

2.9 BY-LAWS

No	List of By Laws: Gazetted in 2010
1.	Unsightly and Neglected Buildings and Premises By Law

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2.	Pound By Law
3.	Fencing By Law
4.	Cemeteries, Funeral Undertakers and Crematoria By Law
5.	National Buildings Regulations and Building Standards By Law
6.	Control of temporary advertisement By Law
7.	Storm water Management By Law
8.	Policy and Street Naming and Awarding of Council Orders By Law
9.	Dumping, littering and Waste Collection By Law
10.	Disposal of Contaminated and/or Health Care Risk Waste By Law
11.	Control of Refuse Disposal Sites By Law
12.	Liquor Trading Hours By Law
13.	Tariffs By Law
14.	Advertising By Law
15.	Sale of food By Law
16.	Street Trading By Law
17.	Credit Control and Debt Collection By Law
18.	Roads and Traffic By Law

COMMENT ON BY-LAWS:

The municipality has By-laws that are in line with the National and Provincial legal framework. The municipal Bylaws were gazetted on the 15th January 2010 in the Provincial Gazette. The municipality by-laws were reviewed in the financial year 2020/2021 for council adoption and re-gazetting. The Municipality did not submit the by-laws for re-gazetting due to financial constraints. The municipality is enforcing the by-laws as gazetted on the 15th January 2010. The municipality is also engaging with stakeholders in the process of by-law enforcement.

T2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date

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Current annual and adjustments budgets and all budget-related documents	Yes	Annual budget: June 2021
All current budget-related policies	Yes	July 2021
The previous annual report (Year -1)	Yes	December 2021
The annual report (Year 0) published/to be published	Yes	December 2021
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	July 2021
All service delivery agreements (Year 0)	Yes	July 2021
All long-term borrowing contracts (Year 0)	No	Not Applicable
All supply chain management contracts above a prescribed value (R30,000) for Year 0	Yes	Monthly (awards are published cumulative, the previous is replaced by the current)
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	Not Applicable
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	Not Applicable
Public-private partnership agreements referred to in section 120 made in Year 0	No	Not Applicable
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	Quarterly 2020/2021

T2.10.1.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Municipal website is used to Inform, educate, brand and Market the municipality to keep the public informed about Municipal Programmes. All Municipal compliance documents are available. There is content and there is free Wi-fi which is limited only around Headquarters of the Municipality, the website is publicised in all Municipal publications (Letterhead, newsletter and Municipal business cards etc). It is accessible to everyone who has means in terms of data or internet.

T2.10.1.1

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2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Ntabankulu Local Municipality has 17 Wards. 599 compliments were received; one complaint relating to water services was received and referred to the Alfred Nzo District Municipality.

The following systems are in place to deal with public relations:

- Communication strategy
- Customer services charter,
- Customer Care policy &
- Customer Care Unit to implement the Batho Pele principles.
- Petitions Management committee

T2.11.1

Satisfaction Surveys Undertaken during: Year -1 and Year 0				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality	Questionnaires & Complaints book	No surveys conducted for the financial year 2021/2022	NA	NA
(b) Municipal Service Delivery	Questionnaires	No surveys conducted for the financial year 2021/2022	NA	NA
(c) Mayor	Questionnaires	No surveys conducted for the financial year 2021/2022	NA	NA
Satisfaction with:				
	Environmental awareness campaigns were conducted at ward 04 (Isilindini Location) and at ward 08 (Ntabankulu Town area).	04 November 2021, 25-26 March, 28 April 2022	105 households	60%

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(a) Refuse Collection	House to house awareness campaign)	January 20202	432 households	60%
(b) Road Maintenance	Questionnaires	Same period	100	29%
(c) Electricity Supply	Questionnaires	Same period	50	14%
(d) Water Supply	Questionnaires	Same period	220	63%
(e) Information supplied by municipality to the public	Newsletter, Radio slots, Website			
	Local Newspapers	Same period	95	27%
(f) Opportunities for consultation on municipal affairs	Outreach			
	Public participation			
	Community meetings (Imbizo)			
	Walks-in	Quarterly	Community at large	80%

Ntabankulu Local Municipality has 17 Wards. 599 compliments were received; one complaint relating to water services was received and referred to the Alfred Nzo District Municipality.

T2.11.2.1

COMMENT ON SATISFACTION LEVELS:

The Community is satisfied with the Municipality customer care as the community always states that the Municipal Employees treat them with respect and courtesy as they apply the Batho Pele principles in dealing and attending community issues and rendering services to the community.

The municipality provided all the new households with wheelie bins to ensure that the residential area is free of illegal dumping areas.

T2.11.2.2

Chapter 3

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

INTRODUCTION

The Summary of the IDP objectives for the 5 years is as follows:

- Ensure a responsible, functional, accountable and responsive administration by adhering to policies and prescripts by 2022
- To provide cost effective, quality and sustainable infrastructure that promotes economic and social development whilst creating and maximizing job opportunities by June 2022
- Increasing number of employment opportunities in the Ntabankulu Local Municipality by creating enabling environment for sustainable growing diversifying economy and to increase standard of living by June 2022
- Ensure optimal use of resources effectively and efficiently by June 2022
- To promote the values of good governance and human rights by June 2022

The Municipality has three service delivery directorates which are as follows:

- Development Planning Department
- Community Services Department
- Technical Services Department

Technical Services Department

The Municipality has a three-year capital plan adopted by council and reviewed annually. During the financial year 2021/2022 the Municipality did not have INEP grant allocation. Eskom electrified 312 households through their infills and extensions program during the 2021/2022 financial year and Municipal Program (Schedule 5 and Schedule 6). On roads infrastructure the Municipality completed 22.6km of roads and 8.3km km have overlapped to the 2022/2023 financial year. On community facilities the municipality has completed the construction of the following community facilities; Dumsi Community Hall(Ward 02). The municipality is constructing Lwandl'olubomvu MPCC in ward 5 and completion will be released in the 2022/2023 Financial Year

Chapter 3

T3.0.

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

Roads infrastructure in the municipality is classified as worse as most areas are inaccessible, more specially on rainy weather conditions. About 99.5% of our roads are gravel roads. Even the roads that are classified as district roads that link Ntabankulu to Flagstaff through DR08019 and Mt Frere through DR080125 are gravel which have now deteriorated.

The municipality is in dire need for tarring of both major District Roads (DR08019 and DR 080125) notwithstanding those other district roads in the municipality are also in need of serious attention. Municipal Infrastructure Grant funding for the financial year 2021/2022 was R28 524 000 (current allocation and was reduced by R310 000.00 due to budget cut by COGTA to all municipalities). More funding is needed to better the status of roads infrastructure as the current backlog is about 413.3km of both Access Roads (Municipal) and District Roads.

The following projects were completed and maintained through equitable share funding in the financial year 2021/2022.

-The Municipality did not maintain any roads in the 2021/2022 financial year

The Municipality has constructed the following projects for the financial year 2021/2022 through MIG Funding:-

- Construction of 6.5km Manzana to Xhamisa via Jakuja access road in ward 18 with a total budget of R 3 736 155,72
- Construction of 12.1 km Tlade to Cedarville access road in ward 14 with a total budget of R 3 057 446,91
- Construction of 4km Ngqwashu to Mabhalani access road and bridge in ward 15 with a total budget of R 6 133 558,49
- Completion of 320m² Dumsi Community Hall in ward 2 with a total budget of R 1 701 543,00

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- Construction of 320m² Ward 04 community hall in ward 3 a total budget of R 4 747 958,14

The Municipality has constructed the following projects for the financial year 2021/2022 through Equitable share:

-The construction of Ntabankulu Traffic Offices in ward 8 & 13 for a total budget of R 6 643 324,20 has commenced and will be completed in the 2022/2023 financial year.

Construction of the following projects has overlapped to the 2022/2023 financial year as they were not completed in the financial year under review, 2021/2022.

- Construction of 2,7km Mafinyela Phase 2 Access Road and Bridge up to wearing course in ward 11 with a total budget of R 3 022 451,40

- Construction of 4,3km Ngozi access road in ward 5 with a total budget of R 4 045 402,83

- Construction of Lwandlolumvu MPCC in ward 5 with the total budget of R

- Construction of 32 Housing Units at Bomvini Village in ward 8 with the total budget of R

- Construction of Ntabankulu Traffic Offices in ward 8 & 13 with a total budget of R10 000 000,00

Alfred Nzo District Municipality is a water services Authority as per the Water Services Act. The estimated backlog for water is +/-50%. A water service in the municipality is largely bad with most of water schemes not functional, with faults ranging from malfunctioning boreholes to water purification. The municipality is largely not having access to water that fall within RDP Standards. The status of sanitation is no exception, with about 70% backlog. Only about 8,000 households have access to sanitation facilities in the area.

The municipality has 26 195 households as per Community Survey conducted by Statistics South Africa in 2016, with about 26 561 households benefiting from grid electricity. Allocation for 2020/2021 financial year was 26 695 000 as per DORA bills. During the 2020/2021 financial year the municipality electrified 1 091. 741 households were implemented by the municipality and 350 households were implemented by Eskom. During the financial year 2021/2022 the Municipality did not have INEP grant allocation. Eskom electrified 312 households through their infills and extensions program during the 2021/2022 financial year. Approximately 250 households remain as the municipal backlog due to lack of access.

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The Municipality had 4504 beneficiaries which were receiving free basic energy in the form of conventional electrification, 766 beneficiaries for paraffin.

The municipality embarked on review of registration for the benefit of free basic services before the start of every financial year. The municipality then consolidates the indigent register for the qualifying applicants. The indigent register gets approved by the Council before the beginning of each financial year. The Municipality has employed two employees to execute indigent services which are, Indigent Support Officer and Indigent Administrator in the Community Services Department under Social Intervention Section.

The Indigent Steering Committee has been established and is functional. The committee was constituted of the Ward Councilors, Ward Committees, Community Development Workers, Traditional Leaders and Religious leaders. The committee is chaired by Community Services Portfolio Head.

The District Municipality supports the Ntabankulu Local Municipality through provision of indigent verification system.

COMMENT ON ACCESS TO BASIC SERVICES

The Municipality has managed to reduce community protests which were fuelled by the demand for electricity through the engagement of different stakeholders like Eskom, the Office of the Premier and CoGTA where in commitments were made to electrify 10958 households from different wards in Ntabankulu.

The municipality had made a tremendous improvement on electricity rollout; currently the municipality is at 27 231 households benefiting from grid electricity, the achievement can be attributed from the following sector departments CoGTA, DBSA, Eskom Office of the Premier and National Treasury

The Municipality is still challenged by shortage of funding to provide other types of infrastructure like roads, community facilities (pre-schools, sporting facilities, community halls) and the LED infrastructure even though strides has been made to use the equitable share for the provision of the infrastructure. Huge backlogs are noticeable with pre-schools, roads, Sports fields. The community halls are in existence in many areas even though they require to be upgraded.

T3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Ntabankulu Local Municipality is not a water services authority. Alfred Nzo District Municipality is responsible for provision of water and sanitation.

Alfred Nzo is a water services Authority as per the Water Services Act. Through the section 78 process of the Municipal Systems Act, Alfred Nzo took a decision to do an internal provision. This therefore means that the municipality is an Authority and a Provider. The municipality has given a key focus on Water services, as part of its implementation of the municipal turnaround strategy. The estimated backlog for water is 67,48, 6%. It is worth noting that there are schemes that are running smoothly despite the predicament of the area with regards to delivery of water services. A water service in the municipality is largely bad with most of water schemes not functional, with faults ranging from malfunctioning boreholes to water purification. The municipality is largely not having access to water that fall within RDP Standards.

Chapter 3

Employees: Water Services					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Not applicable	No. Not Applicable	No. Not Applicable	No. Not Applicable	No. Not Applicable	% Not Applicable
<p><i>This is not applicable to Ntabankulu Local Municipality as the Municipality do not carry out these services.</i></p> <p>T3.1.7</p>					

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The status of sanitation is progressing well, with about 22,64% backlog. about 35 642 (73,02%) households have access to sanitation facilities in the area. There are projects that are under construction, and some have been recently completed. The facilities in town need upgrading to water borne system. Ablution facilities in the town are currently inadequate (Ntabankulu Taxi Rank). Two sets of ablution facilities had been constructed at ERF 286 (Next to Ntabankulu Municipal Offices) and Shoprite shopping complex but more is still needed. The water borne sewer system in the urban area is being upgraded by the Alfred Nzo District Municipality but the progress for construction has been very slow.

Completion of construction of the waste water treatment works system will finally reduce effluent volumes caused by septic tanks. Bulk Water and Sanitation is planned by the Alfred Nzo District Municipality as outlined by Chapter seven of the IDP. Alfred Nzo District Municipality anticipates to be completing the project by June 2021.

T3.2.1

Chapter 3

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<i>Ntabankulu Local Municipality does not carry out these services. T 3.2.7</i>					

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Electricity roll out within Ntabankulu jurisdiction has been improved tremendously to 99% at the end of the 2020/2021 financial year. During financial year 2020/2021 financial year 1091 households were planned to be electrified by both the municipality and Eskom, 2021/2022 During the financial year 2021/2022 the Municipality did not have INEP grant allocation. Eskom electrified 312 households through their infills and extensions program during the 2021/2022 financial year.

T3.3.

Households - Electricity Service Delivery Levels below the minimum						Households
Description	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households						
Households below minimum service level	113	244	131	550	312	312
Proportion of households below minimum service level						
Informal Settlements						
Total households	1143	2247	1091	0	0	0
Households below minimum service level						

Chapter 3

Proportion of households below minimum service level							
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Chapter 3

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets		Year -1		Year 0		Year 1	Year 3	
	Target	Actual	Target	Actual	Target	Actual	Target	Target	Target
Service Indicators (i)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	Actual (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
To increase the number of households with access to electricity to 27 481 household by June 2022	1168	1171	0	0	0	894	N/A	734	
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									

Chapter 3

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6		1		1	100%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	0	1	0	1	100%

This unit is only for in-house electricity maintenance for capital projects the Municipality outsources the function.
T 3.3.6

Capital Projects	Year 0				
	Budget	Adjustment Budget/ variation	Actual Expenditure	Variance from original budget	Total Project Value
MIG Grant					
LED Solar powered streetlights(close out)	9 399.54	9 399.54	9 399.54	0%	2 471 149.67
Construction of Mjelweni Access Road(close out)	27 660.66	27 660.66	27 660.66	0%	3 843 327.39
Construction of Manzana To Xhamisa via Jakuja Access Road	3 320 290.95	3 320 290.95	3 320 290.95	0%	3 320 290.95
Construction of Dumsi Community Hall	1 701 543.00	1 701 543.00	1 701 542.55	0%	3 328 192.97

Chapter 3

Tlali to cyderville Access Road	4 715 932.00	3 057 446.91	3 057 446.91	35.2%	3 915 003.00
Mafinyela Access Road	3 438 315.80	3 438 315.80	3 347 091.44	0%	5 392 670.20
Ward 4 Community Hall	3 742 566.00	4 747 958.14	4 747 958.13	21.18%	4 747 958.14
Ngqwashu to Mabhalane Access Road	5 100 000.00	6 133 558.49	5 823 258.36	16.9%	6 133 558.49
Ngozi Access Road	3 400 000.00	4 045 402.83	3 382 598.10	15.9%	4 045 402.83
Human Settlements Projects					
Lwandlel'ubomvu MPCC	8 200 000.00	8 200 000.00	4 252 587.50	0.0%	7 127 099.50
Bomvini 32 Housing Units	5 722 222.22	5 722 222.22	1 605 254.40	0.0%	5 061 120.00
Office Of The Premier					
Ntabankulu Internal Streets(Main road)	7 000 000.00	29 837 337.00	6 784 511.82	76.5%	47 000 000.00
Equitable Share					
Ntabankulu Traffic Offices in ward 8&13	10 000 000.00	7 841 554.17	4 163 949.70	21.5%	13 958 527.22
Maintenance of storm water	360 000.00	340 00.00	4 990.00	0%	4 990.00
INEP					
Extensions	0	0	INEP	0%	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
					T 3.7.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Ntabankulu Local Municipality did not have a budget allocation for the 2021/2022 financial year.

T3.3.9

Chapter 3

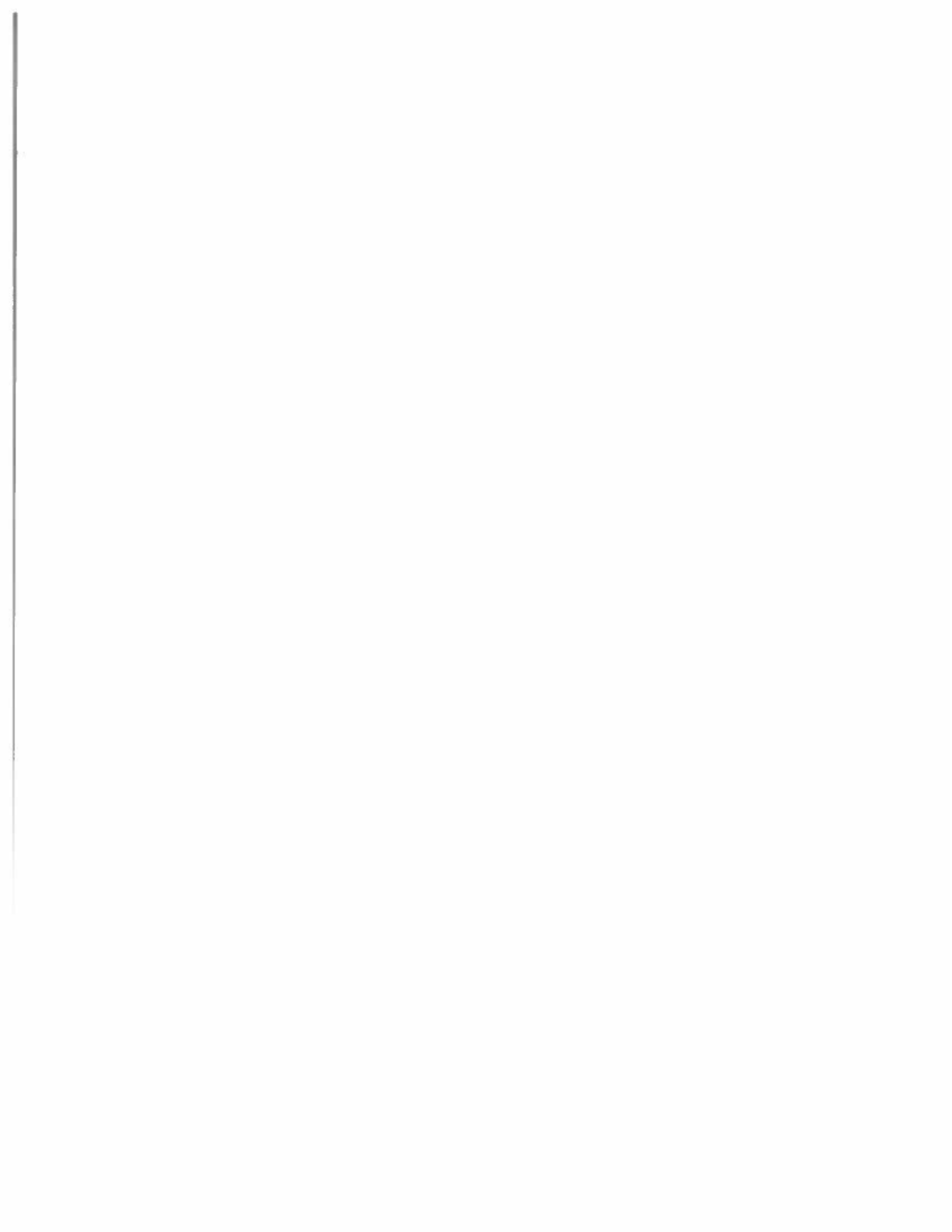
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

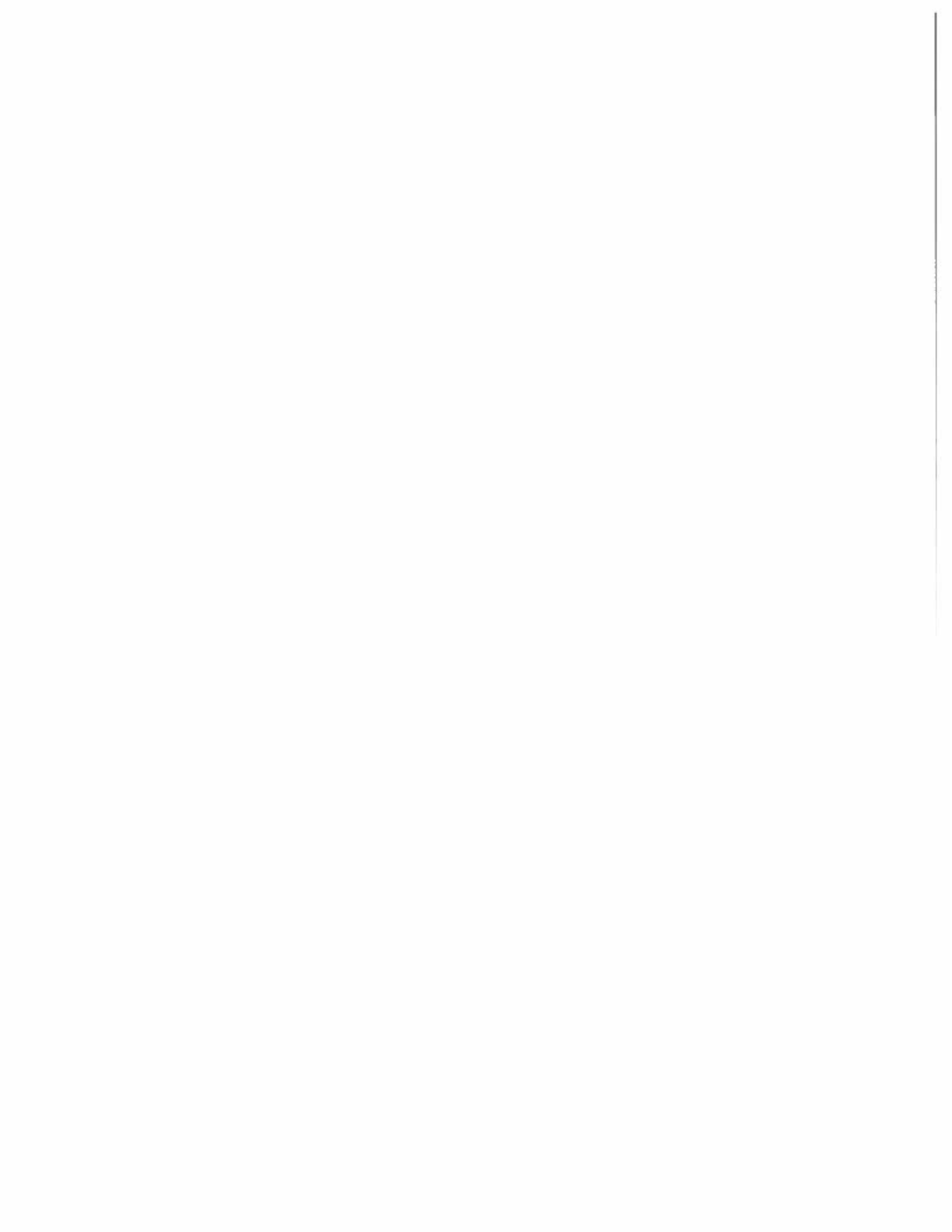
INTRODUCTION TO WASTE MANAGEMENT

The municipality delivers waste management services that include waste removal, waste recycling and waste disposal. The waste management is done in a manner that does not conflict with section 7 or 8 of the National Environmental Management: Waste Act No. 59 of 2008 and the Integrated Waste Management Plan (IWMP). The first generation of the IWMP was adopted by the council and was approved by the MEC in the Department of Economic Development, Environmental Affairs and Tourism on the 07th April 2016. The second generation is currently presented to the office of the MEC for the Department of Economic Development, Environmental Affairs and Tourism for endorsement and gazetting.

The services are rendered within the urban area, including business and residential areas. The municipality has extended waste management services to cover 471 RDP households.

T3.4.1





Chapter 3

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year		*Previous Year		*Current Year		*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure the implementation of the Integrated Waste Management Plan (IWMP) by 2024	Implemented IWMP by conducting cleaning services through waste collection, transport, disposal and spot checks in the urban area and acquisition of 3 waste receptacles by June 2022	Implemented IWMP (waste fleet management, receptacles) by June 2021	The IWMP implemented through the following programs: (1) Procurement of waste compactor truck and 12 receptacles and 09 steel cages(receptacles) were placed in	Implemented IWMP (waste fleet management, receptacles) by June 2021	Implemented by conducting cleaning services through waste collection, transport, disposal and spot checks in the urban area and acquisition of 3 waste receptacle	The cleaning services were conducted as per the cleaning schedule, and they included activities such as street sweeping, waste collection, litter picking, spot checks and collection of refuse skip bins. The refuse skip bins	Implemented IWMP through waste collection, transporting, recycling, disposing, spot checks in the urban area and acquisition of 5 waste receptacles by June 2023	NA	NA

Chapter 3

			public spaces. (2) Waste Collection and transportation were conducted. Street sweeping and litter picking and spot checks were conducted. (3) Recyclable material had been collected and sorted for reuse purposes.		s by June 2022	were collected weekly during 2021-2022 financial year. There were seven (07) receptacles (wheelie bins) purchased and distributed to newly developed households within the residential areas. Fourteen (14) receptacles in the form of steel waste cages were refurbished.			
Implemented Landfill Site Management Plan by recording waste data and recycling waste in line with IWMP by June 2022	Implemented Landfill Site Management Plan in line with IWMP by June 2021	For Q1, waste data recording at the landfill site has been done and reported to SAWIS at 128.6 tons.	Landfill site management plan has been implemented through the following programs:	Implement ed Landfill Site Management Plan in line with IWMP by June 2021	For Q1, waste data recording at the landfill site has been done and reported to SAWIS at 128.6 tons. For Q2, waste data recording	Implemented Landfill Site Management Plan by recording waste data and recycling waste in line with IWMP by June 2023	NA	NA	NA

Chapter 3

		<p>For Q2, waste data recording at the landfill site has been done and reported to SAWIS at 262.1 tons.</p> <p>For Q3, waste data recording at the landfill site has been done and reported to SAWIS at 234.8 tons.</p> <p>For Q4, waste data recording has been done and reported to SAWIS at 172.4 tons.</p> <p>Furthermore, the municipality appointed a service</p>	<p>(1) Waste data capturing- the incoming and outgoing waste has been recorded in the landfill site by using weighbridge scale.</p> <p>(2) Waste data reporting- the recorded waste data has been reported to SAWIS, and incoming waste tonnage of 332.46 tons and outgoing recyclable waste material of 20 tons has been recorded</p>	<p>at the landfill site has been done and reported to SAWIS at 262.1 tons.</p> <p>For Q3, waste data recording at the landfill site has been done and reported to SAWIS at 234.8 tons.</p> <p>For Q4, waste data recording has been done and reported to SAWIS at 172.4 tons.</p> <p>Furthermore, the municipality appointed a service provider by means of contractual agreement from the 12 August 2021 to 12 February 2022. The</p>				
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Chapter 3

		<p>provider by means of contractual agreement from the 12 August 2021 to 12 February 2022. The contract, upon expiry was extended from the 13 February 2022 to 12 June 2022. The cleaning services included compaction and soil covering at the disposal cell within the landfill site. For annual waste data records, the municipality reported 797.90 tons of waste and 95 tons of recyclable waste material that had been captured at the landfill site.</p>	<p>and reported. (3) Waste compaction- the disposed waste in the operational cell has been compacted using contracted service providers.</p>	<p>contract, upon expiry was extended from the 13 February 2022 to 12 June 2022. The cleaning services included compaction and soil covering at the disposal cell within the landfill site. For annual waste data records, the municipality reported 797.90 tons of waste and 95 tons of recyclable waste material that had been captured at the landfill site.</p>		
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Chapter 3

						waste material that had been captured at the landfill site.						
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>												T 3.4.4

Chapter 3

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12	3	3	3	0	0%
13 - 15					
16 - 18	11	11	11	0	0%
19 - 20					
Total	17	17	17	0	0%

Over and above the number of employees, the municipality has created 55 temporary job opportunities for EPWP personnel to our work force in the waste management unit. The project has assisted in alleviation of unemployment rate and added more cleanliness around town which also helped with the healthy environment of Ntabankulu community.

T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12	3	3	3	0	0%
13 - 15					
16 - 18	11	11	11	0	0%
19 - 20					
Total	17	17	17	0	0%

T3.4.6

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Details	Year -1	Year 0	Adjustment	Actual	Variance to Budget
	Actual	Original Budget	Budget		
Total Operational Revenue		326 973.00	642 384.00	642 384.00	
Expenditure:					
Employees		5 143 125.17	5 143 125.17	5 143 125.17	
Repairs and Maintenance				276 903.17	
Other Expenditure		1 650 000.00	2 199 000.00	2 060 802.00	
Total Operational Expenditure		5 943 125.17	6 092 125.17	7 439 630.34	

T.3.4

There were no material variances on solid waste between budgeted and actual amounts

Capital Expenditure Year 0: Waste Management Services

R' 000

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A(Waste truck)	0.00	0.00	0.00		0.00
Fencing of landfill site	0.00	0.00	0.00		0.00
Construction of landfill site	0.00	0.00	0.00		0.00
Project A(Waste truck)	0.00	0.00	0.00		0.00

T.3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Municipality has budgeted for the operations of the landfill site including electrification and cleaning services. This is one of the requirements that the municipality must comply with as stipulated in the National Environmental Waste Act, No. 59 of 2008. The municipality is also required to manage the Landfill Site as per the landfill standards and guidelines. Landfill site management plan has been implemented through the following programs:

Chapter 3

(1) Waste data capturing- the incoming and outgoing waste has been recorded in the landfill site by using weighbridge scale.

(2) (2) Waste data reporting- the-recorded waste data has been reported to SAWIS, and an incoming waste tonnage of 797.90 tons and outgoing recyclable waste material of 95 tons has been recorded and reported.

(3) Waste compaction- the disposed waste in the operational cell has been compacted using contracted service providers. The solid waste refuse truck is up and running with minor mechanical problems that are being attended to. The provision for rehabilitation of landfill site was also budgeted for which is a requirement for each and every financial year fluctuating considering the inflation rate.

The municipality renders waste management services within the urban area including the households of 471 RDP settlements in line with the Integrated Waste Management Plan. Refuse storage facilities in a form of wheelie bins have been distributed to new households.

Wheelie bins are collected every Tuesdays and Thursdays and refuse skips collection and disposal is rendered every Monday, Wednesday and Friday.

The municipal landfill site is classified as a general landfill site. The landfill site is constructed in line with the permit that was granted by the Department of Environmental Affairs and Tourism in March 2014. The Municipality has allocated funds for cleaning services and installation of electricity.

T3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

The current housing backlog in Ntabankulu Local Municipality stands at over twenty-one thousand two hundred and two (21 292) units with ninety percent (90%) of that being in the rural areas. The need for housing far exceeds the level of delivery of housing units by the Department of Human Settlements. The municipality has embarked on a symbiotic partnership with the Department of Human Settlements where a plan is being established on how best to meet the current backlog.

The municipality has resolved on finding ways of reducing this backlog by taking a council resolution that divides the current provision for housing by the Department of Human Settlements equally amongst wards that were initially not planned for.

The municipality signed two agreements with the Department of Human Settlements for the construction of the Matshona Community Facility and the construction of 32 houses in Bomvini. These projects will be constructed by the municipality through funds transferred by the Department of Human Settlements.

The number of informal settlements in the urban area of Ntabankulu is increasing exponentially. The municipality has plans to formalize the informal settlement of Silver City. This will afford the residents the dignity that comes with formal housing and services. The municipality is making efforts to address the 113 units that were not constructed due to lack of infrastructure services on the planned 471 settlements area. The construction of the remaining 113 units will commence when services have been installed, the municipality is currently engaging the District Municipality on to consider the projects in the planning for their Three Year Capital Plan. The municipality has availed 500 erven, Ext 7, which will accommodate low, middle income and social housing demand.

The housing sector plan has identified a significant rise in the population which falls in the missing middle gap. The missing middle that does not qualify for low-cost housing and are also not eligible for bond approvals. The municipality has engaged with the Department of Human Settlements on the possibility of Social Rental housing. The housing sector plan further clarifies the demand of housing in Ntabankulu and speaks to how the department plans to assist the municipality on solving the issue of housing in Ntabankulu. The Municipality conducted a social housing demand survey which then recommended that the municipality should apply with the department of human settlements to be a restructuring zone and implement social housing initiatives that will see the implementation of Community Residential Units programs for rental and finance linked individual subsidies for ownership.

The Department of Human Settlement is currently implementing six (6) housing projects across Ntabankulu on both urban and rural areas. A housing survey conducted by the Department of Human Settlements reveals that the estimated housing need for the municipality in 2016. The Ntabankulu Housing sector plan indicates 95% of the population resides in rural areas and less than 3% lives in the urban area.

According to the National Housing needs register, the estimated demand for housing units is over 40 000 units. 90% of the demand is from the rural areas.

Seven Human Settlements projects are currently being implemented in Ntabankulu Local Municipality. The projects are implemented in the following areas: Bomvini 300: 80 units were constructed and handed over, contractor is on site and project has been unlocked for 32 units. 145 units have been completed on the Ngqane 300 project, Ntabankulu 471 the remainder on 113 units is currently blocked, Sidakeni 43 has been completed, Phungulelweni/Lubala 500 has been completed, Ntabankulu destitute 604 has been completed, and Siliindini 500 has been completed. Bonxa 200, 40 units has been completed.

Chapter 3

There are 2236 foundations, 2159 Wall plates, 2076 roofs, 2019 complete structures and 2019 handed over to date. These projects are aimed at delivering 17040 units for rural and urban population. There are concerning delays with the progress of all Human settlements projects which are the Ngqane 300, Ntabankulu 471 and Bonxa 200

The municipality has embarked on the transfer of ownership for 115 sites that were donated to beneficiaries of the 471-housing project. The beneficiaries will receive their title deeds after completion of the rectification project and further transfers will concluded upon completion of the remaining 113 units.

Housing needs register

The Housing needs register is a national project that is designed to manage the waiting list on Housing Applications. The municipality has rolled out questionnaires to all wards to solicit data on housing needs. This assists the municipality to find out several households who are in need of RDP houses or Rental housing and other form of housing. There are two municipal officials registered on the system to do capturing of the questionnaires and capturing is an ongoing process. The municipality has managed to capture 35 968 beneficiaries so far.

T3.5

Chapter 3

Employees: Housing Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6					
7 - 9	1	1	1	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	2	2	0	0%

The Municipality still has to appoint the Housing officer; there is 50% vacancy rate due to budgetary constraints, the Municipality has requested dedicated funding from the Equitable share to employ EPWP personnel for data capturing, verifying applications and administration work.

T 3.5.4

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The indigent policy was reviewed and adopted by the Council in 29 May 2021; the policy is at implementation stage.

The Municipality has managed to reduce community protests, community members demanding electricity through the engagement of different stake holders like Eskom, the office of the premier and Cogta where in commitments were made to electrify 10958 households from different wards in Ntabankulu.

Electricity challenges within Ntabankulu jurisdiction were aggravated by the fact that there was no sub-station to provide energy capacity of which that has been sorted through the engagements, construction of the sub-station is complete.

T3.6.1

Item Description	No of households	Quantity provided
Paraffin	188	5 litre monthly

Chapter 3

Electricity	5082	50 kilo wats per household
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Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered

Services Delivered	Year -1	Year 0-current			Variance to Budget
	Actual	Budget	Adjustment Budget	Actual	
Electricity	901 931.16	900 000.00	500 000.00	586 000.00	314 000.00
Total	901 931.16				

Chapter 3

Free Basic Service Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1			Year 0			Year 1	Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Target	Target
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	*Current Year (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
<p>Service Indicators</p> <p>(i)</p>	(ii)									
<p>Service Objective xxx</p> <p>To subsidize indigent households in line with the approved indigent register by 2024</p>	<p>Subsidised approved indigent beneficiaries with alternative energy and grid electricity by June 2022.</p>	<p>Subsidised approved indigent beneficiaries with paraffin and grid electricity by June 2021.</p>	<p>Indigent beneficiaries were subsidised by providing 5litres of paraffin and it was delivered on the following dates: (Q1) 20-31 July, 24-31 August and 16-30 September 2020. (Q2) 14-30 October, 16-30 November and 09-17</p>	<p>Subsidised approved indigent beneficiaries with paraffin and grid electricity by June 2021.</p>	<p>Subsidised approved indigent beneficiaries with alternative energy and grid electricity by June 2022.</p>	<p>For Q1: An alternative energy (paraffin) was delivered on the following dates: 12-14 July 2021 to wards 01,02, 04, 06,07 and 15; 10 - 12 August 2021 delivery was done to wards 01,02, 04, 06 and 07; and 06-13 September 2021, the delivery was done to wards 01,02, 04, 06, and 07.</p>	<p>20 Subsidised approved indigent beneficiaries with alternative energy (Solar Panels) and 2110 beneficiaries for grid electricity by June 2023.</p>			

Chapter 3

December 2020 - (Q3) 11-18 January, 02-11 February and 24-31 March 2021. (Q4) 05-12 April, 10-17 May and 07-24 June 2021.

For Q2: An alternative energy (paraffin) was delivered on the following dates: 07-25 October 2021 to wards 01,02, 04, 06 and 07; 05-12 November 2021 delivery was done to wards 01,02, 04, 06 and 07; and 02-09 December 2021 delivery was done to wards 01,02, 04, 06, and 07. For Q3: An alternative energy (paraffin) was delivered on the following dates: 19-25 January 2022 to wards 01,04, 07 and 08; 02 - 04 February 2022 delivery was done to wards

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			Approved Indigent Register for 2021/2022 by June 2022.				Approved Indigent Register for 2021/2022 by June 2021.				Approved Indigent Register for 2021/2022 by June 2022.				Approved Indigent Register for 2021/2022 by June 2021.				Approved Indigent Register for 2021/2022 by June 2022.				Approved Indigent Register for 2021/2022 by June 2021.				Approved Indigent Register for 2021/2022 by June 2022.				Approved Indigent Register for 2021/2022 by June 2021.				Approved Indigent Register for 2021/2022 by June 2022.				Approved Indigent Register for 2021/2022 by June 2021.				Approved Indigent Register for 2021/2022 by June 2022.				Approved Indigent Register for 2021/2022 by June 2021.				Approved Indigent Register for 2021/2022 by June 2022.				Approved Indigent Register for 2021/2022 by June 2021.
01,04, 07, and 08; and 01-04 March 2022, the delivery was done to wards 01,04, 07, and 08. For Q4: An alternative energy (paraffin) was delivered on the following dates: 01-07 April 2022 to wards 01, 04, 07 and 08; 03-19 May 2022 delivery was done to wards 01, 04, 07 and 08; and 03-25 June 2022 delivery was done to wards 01,04, 07 and 08.																																																							

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<p>in 07 wards, namely 01,04,05,06, 07,10,11. The program was conducted on the 09 - 13 November 2020. The indigent verification program for the third quarter was conducted in 03 wards, namely 08,09 and 13. The verification program was undertaken on the 03 March 2021.</p>	<p>wards: 01,02,03,09, 10,11,12,13, 15 and 16. The verification for Q1 was conducted from the 23-31 August 2021. For Q2: Verification of indigent beneficiaries was done in the following 09 wards: 01,04,05,06, 07,08,11,14 and 17. The verification for Q2 was conducted from the 06 -29 October 2021. For Q3: Verification was conducted in the following 10 wards: 02, 03, 04, 06,</p>										
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Chapter 3

08, 09, 11,	16, 17, 18	and 19. The	verification	for Q3 was	conducted	from 22-31	March 2022.	For Q4:	Verification	of indigent	beneficiaries	was done in	the	following 09	wards:	01,05,06,07,	10,11,12,14,	15 and 16.	The	verification	for Q4 was	conducted	from 23 May	2022 to 06	June 2022.	For Q1:	Verification	of indigent	beneficiaries	was done in	the	following 10	wards:	01,02,03,09,	10,11,12,13,

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15 and 16.	The	verification	for Q1 was	conducted	from the 23-	31 August	2021.	For Q2:	Verification	of indigent	beneficiaries	was done in	the	following 09	wards:	01,04,05,06,	07,08,11,14	and 17. The	verification	for Q2 was	conducted	from the 06	-29 October	2021.	For Q3:	Verification	was	conducted in	the	following 10	wards: 02,	03, 04, 06,	08, 09, 11,	16, 17, 18	and 19. The
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<p>of new applicants was undertaken in all 17 wards. The verification of 2021/2022 Indigent Register was done from the 12-22 April 2021. The final Indigent Register for 2021/2022 was adopted by the Council on the 28 May 2021.</p>						<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p> <p style="text-align: right;">T 3.6.5</p>																																																			

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COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Municipality has adopted its indigent policy and set a threshold of (one state pensioner) for year one. There were 6001 applicants but due to budgetary constraints the Municipality had to prioritise the most needy applicants hence only 188 for paraffin and 5082 for electricity was approved for the support at amount of R1 450 000.00

T3.6.6

COMPONENT B: ROAD TRANSPORT

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

3.7 ROADS

INTRODUCTION TO ROADS

The Municipality utilises Municipal Infrastructure Grant for construction of capital projects. The Technical Services Directorate has a core responsibility of ensuring implementation of Capital projects and expenditure of Municipal Infrastructure Grant. The Municipality appoints Service providers such as consultants and contractors for implementation of capital projects. During the financial year 2021/2022 the Municipality constructed 22.6km. The Municipality continues to support communities living in poverty through employing local labour when constructing capital projects thereby implementing expanded public works program.

Roads maintenance plan was developed and projects that were to be maintained were prioritised and scope of work was developed as such.

T3.7.1

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	Year -2	543.6	38.5	5
Year -1	Year -1	4.3	0	0
Year 0	Year 0	22.6	0	0
				T 3.7.2

Chapter 3

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	0	0	0	0	0
Year -1	5.8	4.2	1.6	0	0
Year 0	0	0	0	0	0
					T 3.7.3

Cost of Construction/Maintenance						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	12 633 461.34	0	1 750 000.00	R2 411 993.46	R0	0
Year -1	14 021 941.84	0	3 300 000.00	R6 900.000.00	R0	0
Year 0	17 395 042.30	0	769641.00	R 3 335 977.71	R0	0
						T 3.7.4

						T3.7.5
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Chapter 3

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To improve accessibility and mobility of community members through Construction of 72 km new access roads with Stormwater and 2 bridge by June 2024	Completion of 18,6 km gravel access roads from 2020/2021 Financial year. construction of 11km new gravel access roads. Complete designs for 1 bridge Construction of 1.3km surfaced road by June 2022.	29 km of access roads constructed	20.4 kms of access roads constructed	29kms of access roads constructed	26.9kms Access Roads Constructed	22.6 km	23.2km	5km	27 km

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Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	4	4	0	0%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	4	5	4	1	20%

Ntabankulu Local Municipality does not have a fully established roads construction unit it outsources the function even though the Municipality has 3 Civil Engineers that are in contract (The Technical Services Director, PMU manager and Manager Operations & Maintenance)
)
T3.7.7

Financial Performance Year 0: Road Services					
Details	Year -1	Year 0			
	Actual	Original Budget		Actual	Original Budget
Total Operational Revenue	1 726 272.40	1 706 272.40	1 372 772.40		1 726 272.40
Expenditure:	1 366 272.40	1 366 272.40	1 366 272.40		1 366 272.40
Employees	1 366 272.40	1 366 272.40	1 366 272.40		1 366 272.40

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Repairs and maintenance	360 000.00	340 000.00	6 500.00		360 000.00
Total Operational Expenditure	1 726 272.40	1 706 272.40	1 372 772.40		1 726 272.40

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The Municipality has prioritised construction of 18.6km for gravel access roads and 1.3km for surfaced roads. We have used the funds from Municipal Infrastructure Grant at a total R 14 021 941.84 for the year. The projects were prioritised and approved by Council.

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Local Integrated Transport Plan (LITP) has been prepared for the Ntabankulu Local Municipality (NLM) for the 5-year period from 2020/21 to 2024/25; this is the Second LITP undertaken by the Ntabankulu Local Municipality and will form part of the future Ntabankulu Integrated Development Plan and Spatial Development Framework. It should be noted that this Local Integrated Transport Plan should be updated annually as per National Department of Transport guidelines. The transport elements were investigated as road network condition, local public transport, long distance public transport and non-motorised transport. The road network condition and public transport network were investigated to identify problems associated with travel demand and mitigation measures have been formulated to address these problems. A five-year implementation programme for the transportation projects identified was compiled. The programme includes planning, implementation and road maintenance projects.

T3.8.1

Chapter 3

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	3	2	1	33,3%
7 - 9	13	13	13	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	16	17	16	1	5,8 %

. This section has vacancies that need to be filled and it is fully functioning even though the DLTC is partially functioning awaiting licence and completion of internal street tarring and upgrading of main street.

T3.8.4

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Roads maintenance plan was developed and project were prioritised in line with the budget and identified scope of work.

T3.9.1

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Storm water Infrastructure				Kilometres
	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
Year -2	0.7	0	0	0.7
Year -1	0,7	0	0	0,7
Year 0	0,7	0	0	0,7
				T 3.9.2

Cost of Construction/Maintenance				R' 000
Year -2	Year -2	Year -2	Year -2	
Year -1	Year -1	Year -1	Year -1	
Year 0	Year 0	Year 0	Year 0	

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Storm water Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	Actual (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
To sustain accessibility and optimise the design life of roads and stormwater facilities through maintenance of 56km of access roads and 2100m of stormwater facilities by June 2025	Length of stormwater facilities maintained	Maintenance of 700m of stormwater control facilities within town by June 2021	Maintenance of 700m of stormwater control facilities have been done and completed in February 2020	Maintenance of 700m of stormwater control facilities within town by June 2021	Maintenance of 700m of stormwater control facilities in ward 8 & 13 by June 2021	3860m of stormwater control facilities maintained.	NA	NA	NA
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangements by municipalities in which IDPs play a key role.</p>									

T 3.9.5

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Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	1	0	1	100%
7 - 9	1	1	1	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	3	2	1	33,3%

This section is also assisted by the EPWP personnel and is now functioning and continuing with roads maintenance.
T 3.9.6

Financial Performance Year 0: Storm water Services					
R'000					
Details	Year-1	Year 0			
	Actual	Original Budget	Budget		
Total Operational Revenue	408 000	340 000	340 000	340 000	
Expenditure:					
Employees	408 000	340 000	340 000	340 000	
Repairs and maintenance	0	360 000.00	340 000.00	0	
Total Operational Expenditure	408 000	340 000	340 000	340 000	

Chapter 3

Financial Performance Year 0: Storm water Services					
R'000					
Details	Details	Details	Details	Details	Details
Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue
Expenditure:	Expenditure:	Expenditure:	Expenditure:	Expenditure:	Expenditure:
Employees	Employees	Employees	Employees	Employees	Employees
Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance
Other	Other	Other	Other	Other	Other
Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure
Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Opportunities

There is a large pool of unemployed semi-skilled workers to be employed or re-trained for employment (so called 'youth dividend')

The municipal area enjoys an array of natural resources that adequately contributes to its economy.

The area enjoys adequate rainfall to enable dry land farming

There is ample opportunity for value adding activities in grain, aloe and meat products.

Existing major forest activities surrounding the municipality – to tap into the regional knowledge in the cultivation of both forest and non-forest products and processing

Challenges

Chapter 3

Low density dispersed rural settlement pattern which affects the cost-of-service provision; this also can lead to the loss of high potential productive agricultural land

The prevailing land tenure system practices hampers investment in agricultural production

Unplanned and un-surveyed rural settlements

Economies of scale in agricultural production (small scale subsistence practices) does not encourage investment in equipment and infrastructure

Poor/inadequate infrastructure including roads linking rural areas and local heritage sites

Inadequate basic services including water and electricity (or other sources of energy)

Low educational levels coupled with low skills

Low manufacturing activities as catalyst to economic development

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

Housing is one of the basic human needs that have a profound impact on the health, welfare, social attitudes, and economic productivity of the individual. It is also one of the best indicators of a person's standard of living and of his or her place in society.

In achieving the Sustainable Development Goals, South African Government Policy is to ensure that its citizens live within good housing conditions. To achieve this goal, the government wants to eliminate all informal dwellings, and ensure that all citizens have access to electricity, and access to clean, safe water within reasonable distances.

In 2001 the Municipality resolved to upgrade the 471 informal settlements from informal shelter to decent housing. The Provincial Department of Human Settlement has commissioned a review of the Provincial Housing Sector Plan informed by individual municipal housing sector plans. The municipality had commissioned the development of a Social Housing Demand Survey to conduct research on the housing typologies and housing needs in Ntabankulu. The implementation of the recommendations of the survey will commence from the 2021/22 financial year.

The current 471 housing project has beneficiaries that exceed the available units hence the Municipality had to identify a portion of land to accommodate additional 500 units.

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The housing sector plan and housing demand survey have identified a significant rise in the population which falls in the missing middle gap. The housing sector plan further clarifies the demand of housing in Ntabankulu and speaks to how the department plans to assist the municipality on solving the issue of housing in Ntabankulu. The Municipality conducted a social housing demand survey which then recommended that the municipality should apply with the department of human settlements to be a restructuring zone and implement social housing initiatives that will see the implementation of Community Residential Units programs for rental and finance linked individual subsidies for ownership.

T3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	0.00	0.00	2.00	5.00	8.00	20.00
Determination made in year of receipt	0.00	0.00	2.00	2.00	8.00	20.00
Determination made in following year	0.00	0.00	0.00	0.00	0.00	0.00
Applications withdrawn	0.00	0.00	0.00	0.00	0.00	0.00
Applications outstanding at year end	0.00	0.00	0.00	02.00	0.00	0.00
						<i>T</i>
						3.10.2

LAND USE DEVELOPMENT APPLICATION

The municipality received and recommended for approval the rezoning and subdivision of portion 87 and the remainder of erf 1824. The municipality received and is processing the rezoning applications of Erf 1950, Erf 311 and the special consent application for erf 254.

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Planning & Development Objectives Taken From IDP										
Service Objectives	Outline Service Targets		Actual		Target		Actual		Target	
Service Indicators	*Previous Year	*Previous Year	*Previous Year	*Previous Year	*Current Year	*Current Year	*Current Year	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(x)
Service Objective xxx										
Develop mixed use settlements, Conduct Land use management and capturing of 40 000 beneficiaries in Housing needs register by June 2024	Council Adopted SDF, LUMS, SHDS by June 2022	Facilitate Subdivision of erf 87 for institutional use by June 2021	A memo requesting a procurement of service provider was submitted on the 17th of November 2020. However, due to unforeseen	Subdivision of erf 87 for institutional use by June 2022	On the 27th of July 2021 the Spatial Planning and Human Settlements Unit requested an acknowledgment letter of submission of 2 subdivision applications to Surveyor General Office. According to the Service Provider could not manage to obtain a letter from the SG		Review one precinct plan Erf 87 ward 10 and develop one precinct plan at Silindini in ward 04 by June 2023			NA

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			<p>challenges from SCM service provider was appointed on the 17th of February 2021 and the inception meeting and presentation for business processes on the 24th of February 2021. Motivation LUM</p>	<p>Offices merely because Tabankulu Stadium is still registered as Public Open Space, thus that the Municipality needs to apply for a closure of open space and need to be advertised on the Government Gazette. Progress Report has been requested from the service provider as corrective measure. On the 31st of March 2022, Mikhulu Spatial Solutions has submitted approvals and the site development to the Land</p>				
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			<p>Application Reports were submitted on the 26th of March 2021 for scrutiny and assessment by authorised Town Planning Officer . On the 26th of April 2021, Subdivision and Rezoning for PTN of Erf 87 and</p>	<p>Surveyor for final approval at Chief Surveyor General Office. However, there is still outstanding information which required by the Surveyor General Office include the following: 1. The subdivision plans do not have stamp that quotes SPLUMA and the Municipal Planning By-Law approval section 2. Approvals do not refer to Ntabankulu Local Municipality By-Laws. The above mentioned are the requirements to SG Office for</p>				
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			<p>Rem/1 824 applica tions were taken out for public comm ents/o bjectio ns for a period of 30 days. These two applica tions also circulat ed to interna l depart ments and presen ted to Senior Manag ement on the 11 of</p>	<p>approval of submitted site development plans. The Chief Surveyor General Office requested an outstanding information which includes an Approval Stamp specifically for Ntabankulu Municipal SPLUMA By- Law. Currently, the Spatial Planning and Human Settlements Unit does not have approval stamp for Land Use Management Applications. Therefore, the Chief Surveyor General Office cannot approve Site Development Plans without</p>				
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			<p>May 2021. No comments/objectives were received during the public participation. Therefore, applications were further recommended for approval on the 28th of May 2021.</p>		<p>the required approval. The Service Provider could not lodge to Deeds' Office due to the absence approved Surveyor General Diagrams by the Chief Surveyor General Office. On the 11th of June 2022, Mikhulu Spatial Solutions (Pty) Ltd advised the Development Planning Directorate (Spatial Planning and Human Settlements Unit) that the Chief Surveyor General Office requires that Plan No: 05/E1824Nta/NLM and Plan</p>			
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					No: 05/E87Nta/NL M to be stamped by the Municipality with the Municipal Planning By-Laws. The Chief Surveyor General Office did not approve the Site Development Plans due to the fact that the municipality has no stamp. The lodgement to Deeds Office will only be done after the approval from Surveyor General Office.					
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Spatial Planning and Humans settlements Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets		Actual		Target		Actual		Target	
Service Indicators			*Previous Year	*Current Year	*Previous Year	*Current Year			*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	
Service Objective xxx										
Develop mixed use settlements, Conduct Land use management and capturing of 40 000 beneficiaries in Housing needs register by June 2024	Council Adopted SDF, LUMS, SHDS by June 2022	Council Adopted SDF by June 2021	A procurement for advertising was made on the 9 of July 2020 and was published on the 24 of July 2020 for a period of 21 days. A meeting was held on the 29 of July 2020 in regards with the public participation and submission of comments. On the 9th of September 2020 the service	Council Adopted SDF, LUMS, SHDS by June 2022	On the 16th of August 2021, invitations were sent all PSC Members for the Final PCS Meeting that was scheduled for 18th of August 2021. The meeting was held via Microsoft Teams. A close out report for all projects was submitted	N/A	Amendment of Extension 1 general plan by June 2023	N/A	NA	

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			<p>provider presented the Final Draft 2020-2025 NLM SDF Report submitted to council and Final SDF adopted on 29 September 2020 with the resolution No:SCM/3/21/00 8.2.2. The SDF was further taken out for public participation for period of 60 Days and it was advertised on the Provincial Gazette on the 1st of March 2021 till the 30th of April 2021. The PSC Meeting was supposed to sit on the 4th Quarter 2020-2021 for finalisation and adoption of the documents</p> <p>A meeting was held on the 29 of</p>		to the municipality				
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Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6					
7 - 9	1	1	1	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	2	2	0	0%

Planning Department has 50% vacancy rate.
T 3.5.4

Financial Performance Year 0: Planning Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4 439 374.3	2 194 024.77	1 994 124.77	1 877 654.77	116740.00
Expenditure:					
Employees	4 086 689.09	1 347 154.77	1 347 154.77	1 347 154.77	
General expenses	352 685.21	846 870.00	646 970.00	530 500.00	
Total Operational Expenditure	4 439 374.3	2 194 024.77	1 994 124.77	1 877 654.77	

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3.11 LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

AGRICULTURE

Ntabankulu Farm has ten hectares for crop production comprised as follows DLTC cooperative has 3 hectares (ward 10). All these cooperatives were also supported with irrigation equipment and fencing material. Sondlilizwe cooperative (ward 11) with 3 hectares of land has been supported with fencing material and Irrigation Equipment, Emathunzini cooperative has been supporting with fencing of 5 hectares of land and irrigation equipment.

Ncama Egg Laying project was initially supported with 300 laying hens, feed, medication and 100 egg containers. Ncama was also supported with packaging and grading of products. Mowa farm has been supported by the Municipality with One Storage Container, Seeds, medication and ten thousand seedlings. Xhibeni Moringa Projects, two hectares of land were fenced, 300 seedlings were provided, there was a harvest of 70kg of moringa powder

QUARRYING and SAND MINING

The sand mining cooperatives have been established in ward 14 and registered as Mthonjeni Sand Mining, The following cooperatives are functioning in Manaleni village as Manaleni sand Mining (ward 02), Nyabeni Sand Cooperative (ward 03), Cacadu Sand Mining (ward 14) They are all active and regulating the mining of sand in their areas, The cooperatives are currently unlicensed, but the municipality is facilitating their licensing. In Gxwaleni Quarry mining in ward 18, there is a potential mining permit holder lobbying for investors to industrialize the area. However, there are outstanding licences such as water use licence.

Facilitation have been made to position the community of Bhonxa Village in ward 12 to take community land resolution towards quarry mining. The interested investors are in consultation with Traditional council of the area for the purpose of investing. The private person has been awarded with mining permit for Bhonxa quarry, is now consolidating other legislative requirements and funding for operations.

The department for Human Settlement had been engaged to persuade their service providers responsible for rural housing to utilize local resources such as sand and quarry.

FOREST

Water use license have been issued on behalf of Mazeni community in ward 19 to plant 182 hectares of land, the broad two group which are Genus :Eucalyptus or Genus : Pinus. The license is valid for a period of 40 years in which it reviewed at intervals of not more than five years.

To date no funding has been approved by the funding institutions such as DAFF and DTI and the estimated cost for an EIA is about R400 .000.

A Furniture production corporative project has been established in wards 02 where five young members have been identified as project beneficiaries. The tools have been provided for 5 members of Eyethu furniture and training on wood manufacturing products conducted in Furntech. The cooperative had been trained in Business management orientation conducted with incubation by Furntech SEDA UMzimbhulu center. The municipality is providing technical support to Eyethu wood cooperative for school furniture refurbishment and other services that may be determined when need arises. The municipality also supported the cooperative structure to operate their business and site to establish their light industrial business. The above said Co-operative

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successfully renovated 781 school desks and this was an initiative support by the Municipality. An air compressor, Ripsaw & Edge laminator, Multibore were purchased as support for the project.

WHOLESALE AND RETAIL

Business inspections were conducted to 103 formal businesses, 72 containers and 159 informal businesses. Awareness campaigns were conducted on alert level 5 COVID 19 regulations. The COVID 19 SMME operational policy was developed with the purpose to guide day to day operations of the business. Daily inspections were conducted to ensure compliance. There were 22 business licenses issued for the financial year 2020/2021.

T3.11.1

Economic Activity by Sector				
R '000				
Sector	Year 2018	Year -2019	Year 2020	Year 2021
Agric, forestry and fishing	8	7	10	11
Mining and quarrying	3	3	4	5
Manufacturing	28	45	50	55
Wholesale and retail trade	85	90	105	105
Finance, property, etc.	21	7	7	7
Govt, community and social services		15	15	15
Infrastructure services	0		745	745
Total	145	167	936	943
Economic Employment by Sector				
Sector	Jobs			
	Year 2018	Year 2019	Year 2020	Year 2021
	No.	No.	No.	No.
Agric, forestry and fishing	74	83	83	87
Mining and quarrying	10	12	16	20
Manufacturing	50	90	100	110
Wholesale and retail trade	300	330	340	350
Finance, property, etc.	2	19	19	19
Govt, community and social services	2	300	310	320
Infrastructure services	660	120	140	160
Total	1 098	954	1008	1066

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COMMENT ON LOCAL JOB OPPORTUNITIES:

The Municipality has 64 Agricultural enterprises and 42 arts and crafts enterprises registered in the database. These are social enterprises that have contributed substantially in the job creation opportunities as the member of cooperative are self-employed in the businesses. Agriculture is one of the sectors that offer a massive job creation and a revival of the rural economy, and it is being a sector for a catalyst for a job creation. This sector is able to exploit its linkages with the other sectors in the economy as facilitations are being made to move away from subsistence mode of production to large scale commercial agriculture to produce volumes to support for example agro- processing.

There are 13 job opportunities created for 5 farm coordinators, 5 back to school graduates and 3 town planning interns, in a form of EPWP.

The following agricultural are being identified as priority areas:

Ntabankulu Farm has ten hectors for crop production comprised as follows DLTC cooperative has three hectors (ward 10). All these cooperatives were also supported with irrigation equipment and fencing material. Sondlilizwe cooperative (ward 11) with three hectors of land has been supported with fencing material and irrigation equipment, Emathunzini cooperative has been supported with fencing of five hectors of land and irrigation equipment.

T3.11.4

Jobs Created during Year 2015 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 Initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -2	40	22	18	Database form
Year -1	72	49	21	Database form
Year 0	10	0	10	Database form
Initiative A (Year 0)	Arts and craft			
Initiative B (Year 0)	Livestock			
Initiative C (Year 0)	Crop Production			

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.

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Year -2	03	106
Year -1	09	106
Year 0	13	198
<i>* - Extended Public Works Programme</i>		T 3.11.6

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Local Economic Development Policy Objectives Taken From IDP						
Service Objectives	Target		Actual		Target	
	*Previous Year	*Current Year	*Previous Year	*Current Year	*Following Year	
A Service Indicators	Outline Service Targets					
(i) To provide support for production inputs and development of five (5) commercialized agri-businesses (Live-stock improvement, maize farming, 3 piggery farms, 2 cropping farms, and aquaculture) by June 2024	(ii) Facilitate four sittings of Project Steering Committee meetings for lobbying of funds for Agrohubs project and conduct Hydrological Studies by June 2022	(iii) Coordinate three sittings of steering committee for Agrohubs Project and conducted additional detailed environmental studies by June 2021.	(iv) Three sittings of Agro hub steering committee meetings have been coordinated and the first one set on the 14 September 2020 the second one set on the 18 November 2020 and the last one set on 31 May 2021 however the resolution that was taken on the second	(v) Facilitate four sittings of Project Steering Committee meetings for lobbying of funds for Agrohubs project and conduct Hydrological Studies by June 2022	(vi) The steering committee meeting sat on the 27 September 2021 where the service provider presented the report on the studies conducted which are Geo hydrological studies and hydrological studies with recommendations that full EIA must be conducted	(vii) Develop Proposals for funding agencies for Agro Hub Infrastructure in ward 10,14,15 & 16 (by June 2023
					N/A	

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			<p>steering committee to continue with finalization of environmental studies and it was adjusted on the turnaround. The appointment of service provider to conduct additional detailed environmental studies was done on the 13 May 2021 and the of SLA was signed on 04 June 2021.</p>		<p>before any development. The following stakeholders were in attendance DRDAR, BCM(Implementing Agency), Lwandl'olubomvu Traditional Council, ANDM and COGTA. The second steering committee meeting sat on the 15 of December 2021 Virtually where the implementing agency presented progress on funding. Agro-hub steering committee meeting sat on the 17 March 2022 and it resolved that social facilitation should be conducted on</p>		
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	Provide Monitoring at Emathunzini Farm Village, ward 06 by June 2022	Emathunzini village farm ward 06- Supply of fencing material and Irrigation equipment for crop project by June 2021.	Community consultation for project beneficiaries was done on the 13 July 2020 , Procurement of fencing material for Emathunzini village Farm (ward 06) was done and the fencing material was delivered to the site as per specification on the 24 November 2020 , for five hectares of land at Emathunzini Village Farm(ward 06) garden was	Provide Monitoring at Emathunzini Farm Village, ward 06 by June 2022	the sites identified by the chief. The last one set on the 15 June 2022 which resolved that there must be a visit to the identified site.	Site visit for monitoring at Emathunzini Village Farm ward 07 (ward 06) was conducted on the 19 July 2021, 16 August 2021 and 10 September 2021,18 October 2021 , 15 November 2021 and 03 December 2021 at Emathunzini village farm (ward 06). The project has employed two local people and the third person is the beneficiary, 4 temporary jobs	Provide Seeds, seedlings, fertilizer and pesticides for Ndikhoyo (PTY)LTD co-operatives by June 2023	

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			<p>fenced completely , Procurement for Irrigation Equipment was done and service provider was appointed for supply, delivery and Installation of Irrigation at Emathunzini village Farm (ward 06). Site visit for monitoring at Emathunzini Village Farm (ward 06) was done on the 12 April 2021 , 10 May 2021, 02 June 2021 at Emathunzini Village Farm (ward 06), more and above the project planted 150 000 heads of cabbages, supply at Boxer Superstore (Ntabankulu and Mt Ayliff), fruit and veg</p>		<p>were created for fencing and 6 casual employees from the community. Site visit for monitoring at Emathunzini Village Farm ward 07 was conducted on the 21 January 2022, 14 February 2022 and at 11 March 2022 at Emathunzini village farm (ward 07, The produce was sold to the local community and street vendors 100 bags of potatoes , 6 bunches of green paper and 137 bunches of spinach and five temporary jobs created. 18 April 2022, 12 May 2022 and 20 June 2022 at Emathunzini village farm</p>		
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				(Ntabankulu) and Jwayelani at Flagstaff		(ward 07, The produce was sold to the local community and street venders 100 bags of potatoes , 6 bunches of green paper and 137 bunches of spinach ,15 bags of cabbage at R 60,00 per bag , 54 heads of cabbages at R13,00, 40 Bunches of spinach at R10,00 to the community 32 bags sold to local supermarkets and 30 bags to MK Cash and carry. The total bags of bags of cabbages sold were 77.				
	Provide Irrigation equipment for Sondlilizwe cooperative	Sondlilizwe cooperative in ward 09- Supply of fencing material for	Community consultation for project beneficiaries was done on the 13 July 2020				Provide Irrigation equipment for Sondlilizwe cooperative	Provide Irrigation equipment for Sondlilizwe cooperative in ward 09 by June 2022	Site visit for community consultation to project beneficiaries at Sondlilizwe was	Provide Seeds, seedlings ,fertilizer and pesticides for Tabs New Creation

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	<p>in ward 09 by June 2022</p>	<p>crop project by June 2021.</p>	<p>, Procurement of fencing material for Sondlilizwe project (ward 09) was done and the fencing material was delivered to the site as per specification on the 20 November 2020, for two hectares of land at Sondlilizwe cooperative (ward 09) garden was fenced completely, Site visit for monitoring at Sondlilizwe Cooperative (ward 09) was done on the 12 January, 02 February and 08 March 2021, 15 April 2021,14 May 2021, 01 June 2021 at Sondlilizwe vegetable</p>		<p>conducted on the 09 July 2021 and the specification was developed for procurement processes ,the procurement process was done and the service provider was appointed to deliver and Installation of Irrigation at Sondlilizwe Cooperative ward 11(was ward 09) on the 15 October 2021 and delivered the material on the 15 October 2021. The project has created 5 job opportunities. Site visit for monitoring at Sondlilizwe Cooperative ward 11 was conducted on the 21 January</p>	<p>co-operatives by June 2023</p>	
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		<p>cooperative (ward 09), more and above the project planted and harvested 40 watermelons, 20 kg of peanuts, 120 bags of potatoes, spinach and beetroot, the market is Boxer Superstore(Ntabankulu) and the community of ward 09</p>		<p>2022, 17 February 2022 and 24 March 2022 at Sondlilizwe Cooperative (ward 11). The project sold 19 watermelon to the local community, 112 (15 kg) bags of potatoes ,10 bunches carrot , 28 (10kg) bags of onion 21 (10 kg) bags of butternut, 13 bunches of spinach, nad 10 bunches of beetroot. four temporal jobs created. 21 April 2022 ,23 May 2022 and 21 June 2022 at Sondlilizwe Cooperative site. at Sondlilizwe Cooperative (ward 11) more and above the project</p>		
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						planted and harvested 55 watermelons, 20 kg of peanuts, 150 bags of potatoes, 10 bunches of carrot, 20 bunches of spinach and 8 bunches of beetroot, 10 (10 kg) butternut the market is Boxer Superstore(Ntabankulu) and the community of ward 11 and surrounding areas of ward 11			
Facilitate market accessibility for 4 SMME's Ncama cooperative, Xhibeni Moringa Farm, Ntabankulu	Organize grading, packaging and market accessible for products on crop for 3 SMME'S (Ntabankulu farm, Ncama cooperative &	The identification and engagement with professional bodies and retailer was done on the 15 September 2020 with	Facilitate market accessibility for 4 SMME's Ncama cooperative, Xhibeni Moringa Farm, Ntabankulu Farm and Mowa Vegetable farm by June 2022.	Engagement meeting sat on the 08 July 2021 with Kei Fresh Produce Market to facilitate Market accessibility and conducted site visits for Ncama	N/A	N/A			N/A

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	<p>Farm and Mowa Vegetable farm by June 2022</p>	<p>Mowa cooperative) by June 2021</p>	<p>ANDA, SANAMI, DRDAR and one retailer Boxer Superstore for the egg laying and crop products. It was advised that there must be a weighing scale to be able to grade the eggs. 2. The second engagement was on the 15 October 2020 with ECDC for grading of agricultural produce. 3. Facilitation on packaging was done on the 23 January 2021 with SEDA. Land Reform was engaged through emails on the 25 February 2021, and ECDC was engaged on the 16 March 2021. 3. On the 11 May 2021 monitoring was</p>		<p>cooperative, Xhibeni Moringa Farm, Ntabankulu Farm and Mowa Vegetable farm. On the 30th September 2021 the produce of Ntabankulu Farm and Mowa Farm has been taken to Kei Fresh Produce Market Day which was held in Mtata. Engagement meeting sat on the 28 February 2022 with Ndikhoyo Projects(established SMME) to facilitate market accessibility for Xhibeni Moringa and Ndikhoyo Projects purchased 20kg of Moringa Powder. Monitoring for market accessibility was</p>	
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				conducted at Ntabankulu farm, Ncama egg laying cooperative and Mowa cooperative		done on the 12 April 2022, 24 May 2022 and 7th June 2022 with Xhibeni Moringa ,Ncama(Nkolobeni Poultry)	
Procured irrigation equipment, Seedlings, pesticides, soil preparation and supplied in Xhibeni moringa project in ward 05 by June 2021.	To provide support for production inputs and development of Nine (9) commercialize d agri-businesses by June 2021(Agro-hub, 3 piggery farms, egg laying production,3 cropping farms and one fish farming	Memo request for fencing material of two hectors of land was done and material delivered to the project for fencing, fencing of two hectors was done. Preparation of soil for plantation of moringa was done, the moringa seedlings was procured for plantation at Xhibeni moringa project (ward 05) , The harvest of 70 kg of Moringa powder was harvested and	Procured irrigation equipment, Seedlings, pesticides, soil preparation and supplied in Xhibeni moringa project in ward 05 by June 2021.	Procured irrigation equipment, Seedlings, pesticides, soil preparation and supplied in Xhibeni moringa project in ward 05 by June 2021.	Facilitation of procurement for Irrigation equipment was done, the service provider was appointed to supply, deliver and Installation, Procurement of soil preparation ,pesticides and seedlings was done and the service providers was appointed for soil preparation and moringa seedlings and seedlings was delivered on the 26 November 2020 as per specification, Site visit for	Monitoring progress on Xhibeni Moringa(ward 06) plantation by June 2022	

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			<p>sold to the community of Ntabankulu, And also the monitoring progress of the project.</p>	<p>Provide borehole ,laying of quarry material in the ponds and procurement of fish by June 2022</p>	<p>300 Fish produced by June-2021</p>	<p>Fish tanks, greenhouse and systems installed. Fish Farming Permit was issued by DEDEAT in September 2020. Consultation with professional bodies for grading and packaging was done on the 26 October 2020 with Talapia Association of</p>	<p>Provide borehole ,laying of quarry material in the ponds and procurement of fish by June 2022</p>	<p>monitoring at Xhibeni Moringa Project (ward 05) was done on the 21 January ,25 February and 15 March 2021, 20 April 2021 , 18 May 2021 and 01 June 2021 at Xhibeni Moringa project</p>	<p>Develop operational business plan to source funding for Fish farming by June 2023</p>	
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			<p>South Africa. Water tanks delivered and installed. Fish not yet supplied due to the fact that, the available water has not yet been proven by a credible laboratory to be compatible with Tilapia fish</p>	<p>them to be able to operate. The facilitation for procurement of borehole was not done as there were water tests conducted and the results came back showing that there were high PH levels that may be harmful to the fish and ANDM was engaged to advise on a suitable area for the borehole. Specification could not be developed as it was dependent on recommendations by ANDM. Request for drilling and installation of</p>		
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To Provide support to 4 Local Businesses for manufacturing and value adding and capacity building initiatives by June 2022	Monitor and provide space for operations to the trained caterers (EPWP Mafikeng Hospitality Project) by June 2022	Facilitate provision of catering equipment to 10 trained caterers (EPWP Mafikeng Hospitality Project) by June-2021	Community consultation was conducted in July 2020. The request for the procurement of service provider for the supply and delivery of Equipment for	Monitor and provide space for operations to the trained caterers (EPWP Mafikeng Hospitality Project) by June 2022	The consultation was done with the EPWP Mafikeng beneficiaries on the 12 of July 2021, where the specification for the material was provided by the	Provide machinery equipment to Something Cooking Primary Cooperative beneficiaries by June 2023	N/A
				borehole was done on the 18 January 2022 and sent to BTO. The tender has closed on the 09 March 2022 and correspondance from BTO that all tenders advertised after 16 February 2022 will not be evaluated due to correspondance from National Treasury.			

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			<p>the EPWP Mafikeng project was submitted to BTO for processing on 18 August 2020. Catering equipment was delivered on the 23rd June 2021. Constant monitoring was conducted on 29 January 2021, 23 February 2021, 26 March 2021, 16 April 2021, 18 May 2021</p>		<p>beneficiaries. The facilitation of the procurement of the machinery and equipment was also done and submitted to BTO for processing on the 24th of August-2021. In the second quarter there was procurement of machinery and the target could not be realised due to budget constraints. Handing over is not yet been done because the place that was identified for them was not suitable for that kind of business due to environmental health compliance regulations, however the monitoring was</p>		
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					<p>conducted on the 25th of January 2022. The monitoring was done on the 27th of June 2022. Resolutions: among other things that we agreed on, is a new space that we identified at Transido but there are legal processes to be followed by our legal department.</p>		
<p>Provide monitoring and awareness to 10 SMME'S on catering and hospitality as per the training administered</p>	<p>Facilitate training and mentorship of 10 SMME'S on catering and hospitality (Local</p>	<p>Need analysis report was conducted to all wards in Ntabankulu for local caterers by</p>	<p>Provide monitoring and awareness to 10 SMME'S on catering and hospitality as per the training administered</p>	<p>The need analysis has been conducted on the 27th of July-2021 to the identified 10 local caterers and this needs analysis to form the basis for the</p>	<p>Provide training to 10 local SMMEs (local caterers) by June 2023</p>	<p>N/A</p>	<p>Provide monitoring and awareness to 10 SMME'S on catering and hospitality as per the training administered (Local Caterers) by June-2022</p>

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<p>(Local Caterers) by June-2022</p>	<p>Caterers) by June-2021</p>	<p>distribution of needs analysis forms to Ward Councillors. The request for the procurement of the service provider for the provision of training service was requested on the 19-August-2020. The service provider was appointed and the SLA was signed on the 15th of February-2021. The training has been done to the 10 local caterers from the 24th of February-2021 to the 19th of March-2021 training that has been conducted at the disaster offices. The</p>	<p>(Local Caterers) by June-2022</p>	<p>training to be provided to the 10 local caterers in hospitality. In the second quarter there was procurement of training service provider and the target could not be realised due to budget constraints. The monitoring is done on a monthly basis and this one was done on the 17th of March 2022 focusing on the following key areas: ACHIEVEMENTS <ul style="list-style-type: none"> Local caterers are working hard to show case the skills they obtained from training they attended, they meet the demands of their customers and productivity is showing a huge improvement. Resolutions:</p>		
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		<p>training that was conducted included culinary art, bookkeeping, cost management and submission of annual returns. The monitoring of the trained local caterers has been done on the 31 March, 30 April, 28 May and 18 June 2021.</p>	<ul style="list-style-type: none"> • The committee must sit board meetings. • The committee should serve as board members or directors and the cooperative should be registered as business entity. • The meeting with NLM will be convened on monthly basis • NLM must play a big role in helping these local caterers to grow their businesses by offering services that must be rendered. The monitoring and awareness campaign was done on the 13th of June of 2022 at municipal hall, the monitoring was focusing on evaluation of caterers who are willing to participate on the training that is going to be conducted by 			
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				<p>SEDA. SEDA also educated local caterers on how to apply for services from SEDA. Registration of smme's to SEDA's data base was done on the day.</p> <p>Provide monitoring and capacity support to 16 SMMEs (5Hawkers, 5Crafters) and 6Spaza Shops by June 2022</p>	<p>Facilitate the provision of incubation programs to 10 Hawklers by June 2021</p>	<p>Needs analysis was conducted through engagement with hawklers in Ntabankulu urban area and distribution of needs analysis forms. The request for the procurement of service provider to provide incubation services was submitted to BTO on the 28th of February-2021. The submitted quotations were misaligned with the specification and such</p>	<p>Provide monitoring and capacity support to 16 SMMEs (5Hawkers, 5Crafters) and 6Spaza Shops by June 2022</p>	<p>SEDA also educated local caterers on how to apply for services from SEDA. Registration of smme's to SEDA's data base was done on the day.</p> <p>Provide monitoring and capacity support to 16 SMMEs (5Hawkers, 5Crafters) and 6Spaza Shops by June 2022</p>	<p>The need analysis has been conducted to the hawklers through the filling of the forms that specifically deals with the hawkler needs, school background, previous award from government on the 23-August-2021. In the second quarter there was procurement of service provider, and the target could not be realised due to budget constraints.</p>	<p>Register 20 Spaza Shops, 4 General Dealers by June 2023</p>	<p>N/A</p>
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			<p data-bbox="228 1245 375 1411">prompted readvertisement and therefore the target was not achieved.</p>		<p data-bbox="220 789 1352 957">Capacity Building of Hawkers: There were about 29 hawkers attended training of financial management, that was conducted by a consultant called Phakama Consulting appointed by SEDA. The training was scheduled for three days started on the 09,10 and 11th of March 2022. Monitoring: was done on the 15th of March 2022 and it focused on mentorship. Achievements on Capacity Building</p> <ul data-bbox="1203 816 1352 957" style="list-style-type: none"> • Hawkers learned how run business and they learned that in 	
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business there is profit and loss.

- 3.Resolutions
 - NLM and SEDA agreed that monitoring and mentoring must be done at least for weeks to make sure there is a progress.
 - Financial management certificates will be handed over in due course because both parties they must be handed over by Honorable Mayor.
- Capacity Building of Spaza Shop:
 - The capacity was done on the 18th of January 2022, focusing on the following key areas:

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								<p><input checked="" type="checkbox"/> Gap Analysis. <input checked="" type="checkbox"/> CIPC Registration . <input checked="" type="checkbox"/> SARS Registration. <input checked="" type="checkbox"/> Application for Funding. <input checked="" type="checkbox"/> Consumer other available government Services . Hawkers: Monitoring was done on the 17th of May 2022 followed by Capacity Building which was done on the same day focusing on the following key areas: Handing over of CIPC Certificates • Handing over of Basic Financial Management Certificates • Handing over of vending machines</p>		
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<p>To Identify and promote tourism unique selling product and Cultural development by June 2024</p>	<p>Promote two tourism unique selling product and Cultural development (Pondo Festival and Amanci Commemoration) by June 2022</p>	<p>N/A</p>	<p>N/A</p>	<p>Promote two tourism unique selling product and Cultural development (Pondo Festival and Amanci Commemoration) by June 2022</p>	<p>The concept document for the hosting of the Pondo festival was developed and approved. The Pondo festival with its build-up events under the theme of the prevention of Gender based violence were held as follows: Launching of the Gomo Forest Hiking Trail which was held on the 09th of September- 2021 where hikers and officials took to hike at the Gomo forest hiking trail, marching against the GBV and then proceeded to the Ntabankulu Dam where the Local</p>	<p>Promote five (5) unique tourism selling products (Pondo Cultural Festival, Amanci Commemoration, Gomo Hiking Trail, Horse Racing, BnB Development and Support) by June 2023</p>	<p>N/A</p>
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		<p>Headman's spoke gravely against GBV and strongly condemned it. The Municipal Chief whip utter words of encouragement to those affected by GBV.</p>					<p>2. Pondo Cultural Event was scheduled for two days on the 10th and 11th September 2021 at Lwandl' olubomvu Great Place where the guest speakers from the Kingdom of Swaziland, Ndebele and Tsonga specifically encourage young women to report any GBV in their relationships before thing got out of hand. The festival was</p>
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					<p>graced by Ms Machelo from the Wits University who made a workshop speech on how to deal with the GBV. The Amanci commemoration and cultural celebration concept document was developed and signed on the 17th of October-2021. The Amanci commemoration and cultural celebration and its build-up event were held as follows :</p> <p>1. HIV/AIDS awareness campaign was held on the 02nd of December-2021 at the MAGOMBENI in Mbangweni (Ikomhulu). The</p>		
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				<p>campaign was attended by Department of Social Development and DOH. The youth, women and the Inkhosiyo participants were warned against the negative impact of the HIV and AIDS.</p> <p>2. The main event was held on the 03rd of December-2021 where the SAPS, DOH, EHP, Disaster, Right to Care (NPO) were present. The ceremony was preceded by the Inkhosiyo participant who proceeded very early in the morning to Chief Diko's grave. The program was opened by Chief Soduku and the second phase</p>		
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					<p>information regarding the tourist attraction sites that they have visited and the strategic framework was presented in the PSC. The service provider presented the draft Tourism Sector plan on the 22nd of June-2021 to the PSC. The draft sector plan has to be presented to Management, Council committees and Council for adoption</p>	<p>plan was adopted by the council on the 29 October 2021.</p>		
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<p>Facilitate two awareness campaigns for Ntabankulu tourists destinations by June 2022</p>	<p>Facilitate awareness campaigns for Ntabankulu tourists destinations by June 2021.</p>	<p>Awareness campaign was held on the 12th September 2020 at Madwkazana, The second one was on the 30th September 2020 to the Hawkers. In the second quarter there has been two awareness campaign that have been coordinated in strides to make the communities aware of the Ntabankulu Tourist sites as follows : 12th of February-2021 at Matshona in ward 05 at the Lwandllobomvu traditional council and the second awareness campaign was held on the 16th of February-2021</p>	<p>Facilitate two awareness campaigns for Ntabankulu tourists destinations by June 2022</p>	<p>The tourism awareness campaign was held on the 17th of August-2021 at the MPCC during the presentation of potential tourist attraction site that need to be developed. The Tourism Awareness campaign was held on the 11th and the 13th of September-2021. The first tourism awareness campaign was held at the Gomo forest hiking trail and the Ntabankulu dam where the community was made aware of the importance of tourism in growing the local</p>	<p>Two conduct tourism awareness campaigns by June 2023</p>	<p>N/A</p>
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		<p>at the Amanci traditional Council and the third was held on the 18th of May-2021 at the MPCC where all the tourist attraction siter that have the potential for development were presented to the community member and PSC.</p>		<p>community local businesses and exposing local talents. This was further emphasized by the Municipal Chief Whip by pleading with the community to not destroy and vandalize the tourist attraction site. The Local Headman place emphasis on the youth that they must protect and treasure these tourist attraction sites as they bring about torusirt who are willing to spend and local work produced. The second tourism awareness campaign was held on the 03rd of December-2021 at Magombeni</p>		
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To create job opportunities through EPWP and internship program by June 2022.	Monitoring of farm coordinators and back to school graduates by June 2022	Create 13 job opportunities by June 2021	Meeting with the farm coordinators for monitoring performance was on the 29 July 2020, 28 August 2020 ,29	Monitoring of farm coordinators and back to school graduates by June 2022	Meeting for monitoring of farm coordinators was on the 26 July 2021,27 August 2021 , 27 September	Create 13 job opportunities by June 2022	N/A
<p>in Mbangweni at the Amanci Traditional Council (Ikomkhulu). The Amanci culture was highly marketed during this event. The Chief Diko grave site was has been renovated, fence and engraved to be Tourist attraction site that in in an acceptable condition for tourist to come and visit. The history of the Amanci (UMLANDO) was presented to the audience that is available.</p>							

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			<p>September 2020, 29 October 2020, 30 November 2020 and on the 14 December 2020 with the following farm coordinators (Mowa Farm, Ncama Egg-laying project(Ward 14) , Xhibeni Moringa Project(ward 05), Emathunzini Village Farm(ward06) and Sondlilizwe project (ward 09) , 22 January 2021,26 February 2021 and 15 March 2021, 26 April 2021, 24 May 2021 and 02 June 2021</p> <p>2. Spatial planning and Human Settlements interns were</p>			<p>2021, 26 October 2021, November 2021 and 08 December 2021 Emathunzini Village Farm ward 07 (was ward 06) and Sondlilizwe cooperative ward 11 (was ward 09), Cannabis ward 07 (was ward 06) and Xhibeni Moringa(ward 04) , Ntabankulu Farm and fish farm ward 10 (was ward 08), Ncama Egg-laying 11 (ward 14) and Amanci farming ward 10. The performance of Back to School Graduate was monitored on the following dates , 15 July 2021, 27 August 2021 and on the 29 September</p>		
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			<p>monitored on the 29 of September 2020 for First Quarter, 07 of December 2020 for mid-term performance, on the 27 of January 2021,26 February 2021 and 31 March 2021 they were monitored for third quarter performance. On the 29 of April 2021, 31 May 2021 and on 25 June 2021 were monitored for fourth quarter performance.</p> <p>3. Monitoring of Back to School graduates facilitated on the following, 20 July 2020,17 August 2020,16 September 2020,27 October 2020,25</p>		<p>2021 to monitor performance on the targets allocated. The monitoring of Back to School Graduates was facilitated on the following dates. 28 October, 23 November and 07 December 2021 in their respective institutions where they qualify and they are still working and reported no callouts. Only 8 EPWP Participants have been monitored instead of 13, as the department is still awaiting appointment of 2 farm coordinators and 3 development planning interns, the appointments</p>		
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			<p>November 2020,17 December 2020, 25 January 2021,30 March 2021,28 April 2021,12 May 2021,03 June 2021, to monitor performance and progress towards achieving targets allocated to them.</p>	<p>were to be made in the second quarter, the target could not be realized due to budget constraints. Meeting for monitoring of farm coordinators conducted was on the 31 January 2022, 28 February 2022 and 24 March 2022, Ncama Egg-laying(ward 14) and Amanci farming (ward 10) and Emathunzini Village Farm(ward 07) and Xhibeni Moringa Project (ward 04). Amanci Farming 14 permanent jobs and 3 temporal jobs CREATED . and the market for produce 70 bags of potatoes to</p>		
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MK	Supermarket and various house holds for R35 per bags, also sold butternut 126 sacks/Bags for R55 each to Kei Fresh in Mtata. The monitoring of Back to School Graduates was facilitated on the following dates: 19 January 2022, 09 February 2022 and 10 March 2022 in order to trackdown challenges that may be encountered by the Graduates in their spaces of work or any other issues that arises. This helps the Graduates to work smoothly and be productive in								
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<p>Establish new investments, retentions and expansion of existing businesses by June 2022</p>	<p>Conduct cannabis awareness campaign in ward 07, 08 and 09 and Formalized structures for market access in ward 01 and 02 by June 2022</p>	<p>1 Investment tour and cannabis feasibility study conducted by June 2021</p>	<p>1. Community consultation for Cannabis and identification of potential areas was conducted on the 28 July 2020. Stakeholder engagement was done on the 19 August 2020 with ANDA and the database has been developed. An investment tour was coordinated on</p>	<p>Conduct cannabis awareness campaign in ward 07, 08 and 09 and Formalized structures for market access in ward 01 and 02 by June 2022</p>	<p>their respective institutions as they are being given one year work experience. Back to School Graduates could not be monitored for the 4th Quarter as their contracts expired at the end of 3rd Quarter</p>	<p>Facilitated Cannabis five permits for primary cooperative and one license for secondary cooperative for farmers in ward 1, 2, 7, 8 and 9 by June 2023</p>	<p>N/A</p>
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			<p>6 November 2020 in Port St. Johns. 2. The investment tour was conducted on the 1 March 2021 in two wards which are 06 and ward 07 where farmers were given update on the issue of Bill</p>		<p>bags and bricks beside smoking it. The study tour for cannabis development was conducted on the 26 October 2021 attended by NLM and beneficiaries through investment conference held in Lusikisiki. Formalisation of structure in ward 01 and ward 02 were conducted on the 10 March 2022 and the structure was elected. The structure was elected to drive the cannabis programs in ward level and in all villages of the ward. Ward 01 structure is as follows:</p>		
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Conservation and optimal use of existing Sand and quarry mining potential in ward 04,05.11,13 and 17 by June 2024	Monitor four sand mining entities and Stake holder engagement for quarry mining at Gxwaleni by June-2022	Two stakeholder engagements on mining programs by June 2021	The consultation meeting with beneficiaries of Manaleni sand mining cooperative was done on the 22 of September 2020 and the	Monitor four sand mining entities and Stake holder engagement for quarry mining at Gxwaleni by June-2022	Chairperson Andile Ndlumnyama Secretary Nqkubela Nogwanya Ward 02 structure is as follows: Chairperson Ntandazo Mbasa Secretary Lungile Mnyakaza in ward 2 formalization was conducted on the 17 May 2022, Mr Mbasa was elected as the chairperson.	Provide capacity building for 4 sand mining entities (ward 2 Manaleni, ward 3(nyabeni & Dwaku), ward 14 Cacadu) by June 2023	N/A
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			<p>second consultation for Nyabeni sand mining conducted on the 01 of December 2020 at Nyabeni village both consultations confirmed their board of directors. The monitoring of Nyabeni sand mining was done on the 30 June 2021 and monitoring of Manaleni sand mining was done on the 30th of June with board members and the report compiled.</p>		<p>board had been already established in Gxwaleni. The monitoring for Manaleni was done on the 30 of November 2021 and the performance is improving as they are ready to open a bank account , developed the constitution and ready for registration as business entity. Achievements in Cacadu Sand Mining are as follows: They are trading as registered business entity. Two classroom blocks have been built and establishment of new High School known as Sinako High School Jobs created through truck</p>	
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			<p>security guards with a stipend of R40 per truck on rotational basis. Providing other social responsibilities to the community. Monitoring of Cacadu sand mining was done on the 24th of March 2022, the purpose of monitoring was to check progress that has been done by the project and challenges they encounter in the process.</p> <p>1.ACHIEVEMEN TS</p> <ul style="list-style-type: none"> • The entity has contributed a lot to the community of Cacadu location, doing deferent 		
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					<p>initiatives and the list is below.</p> <p>(a) The board is still organised.</p> <p>(d) The board continue to monitor the construction of new toilets at Sinakho High School.</p> <p>Profiling: Profiling was done, pictures were taken and board members were interviewed by communication</p> <p>5. Challenge: The access road to Mzimvubu river needs maintenance.</p> <p>Resolutions:</p> <ul style="list-style-type: none"> • The committees should be able to monitor and manage proceedings in construction of school on behalf of the people. 		
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					<p>• They need assistance/intervention from government.</p> <ul style="list-style-type: none"> • The working relations were emphasized between Ntabankulu LM, Departments and The entity. Gxwaleni Quarry Mining: Monitoring and profiling was done on the 30th of March 2022. Pictures were taken and board members were interviewed by communication s. <p>In terms of monitoring, there is a challenge of the Department of Mineral Resources to sign letter of approval so that the project can resume. The</p>		
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To increase revenue to R78 150 000 by June 2024	Issued 25 trading licenses provided to businesses and Purchased business lincensing card printer, laminating machine and	20 trading licenses provided to businesses by June 2021	To date 22 Business Licenses have been issued. 19 Business Licensing Applications were received in the month of September 2020 for Formal Businesses, processed to all affected	Issued 25 trading licenses provided to businesses and Purchased business licensing card printer, laminating machine and by June 2022	<p>monitoring of manaleni sand mining was done on the 27th of June 2022. The issues that were raised in our last meeting were not resolved and these issues are as follow;Constituton that need to be signed by ward councilor and bank account.</p> <p>The requests were done and submitted to BTO on the 08 July 2021, delivery of laminating machine and sheets was done on the 23 August 2021 and delivery of card printer machine was done on the 08 September 2021. 12</p>	Issue twenty (20) trading licenses provided to businesses by June 2023	N/A
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	by June 2022		<p>stakeholders (Building Control, Town Planning and Municipal Health Services). 11 Applications were approved, 8 were not approved and were given recommendations. 10 Applications were received in October processed to all affected stakeholders. The trading licenses were submitted to MHS on the 09 November 2020 for them to do inspection on the businesses and no response has been received</p>		<p>applications were received but none of them were approved by MHS and they were given recommendations with minimum time of two weeks. Site inspection to informal businesses was conducted on the 31 January 2022 and to formal businesses on the 08 March 2022 for awareness on registration and renewal of business license. 21 applications for renewal of trading license were received from informal businesses and approved, to date 6 licenses have been processed and</p>		
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			<p>so far. 10 Business Licensing Applications were received for Formal Businesses, processed to all affected stakeholders (Building Control, Town Planning and Municipal Health Services), 5 Applications were approved, 5 were not approved and were given recommendation. 8 Business License Applications were received in the month of April 2021, 6 Applications were approved, 2 were not</p>		<p>issued. 12 applications were received for renewal and registration of trading license from formal businesses, there is no response from MHS so far. Seven applications for trading licenses were received and approved by the Town Planning Office and the Director. Seven trading licenses have been issued to hawkers</p>		
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			approved and were given recommendatio ns				
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Employees: Local Economic Development Services					
Job Level	Year -1	Year 2018/19			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	1	1	1	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	4	4	4	0	0%

Ntabankulu Local Municipality LED staff establishment is not complete; there is a shortage of clerical level staff & office space due to insufficient budget.

T 3.11.8

Financial Performance Year 0: Local Economic Development Services					
R'000					
Details	Year -1	Year 0	Adjustment	Actual	Variance to Budget
	Actual	Original Budget	Budget		
Total Operational Revenue	14316 488.81	14 096 641.16	11 810 366.6 0	9 364 264.22	7 419 703.
Expenditure:					
Employees	8 402 275.09	6 814 141.1 6	6 814 141.16	6 814 141.16	NIL
General expenses	5 914 231.72	7 282 500.00	4 996 225.42	2 550 123.06	2 446 102.36.
Total Operational Expenditure	14 316 488.81	14 096 641.16	11 810 366.6 0	9 364 264.22	2 446 102.38

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COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The municipality has implemented radical economic transformation programs in Agro-hub, Fish farming and SMME development support.

T3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

The municipality has focused on facilitating organised sports and recreation within the jurisdiction of Ntabankulu where sixteen football associations were established and capacitated on sports and recreation management.

T3.52.0

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

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

The municipality operates three (3); main library at ward 10, and two (2) modular libraries, located in ward 3 (Sipetu Modular Library) and ward 7 (Sukude Modular Library). The modular libraries are the extension of library services to communities in rural areas. The modular libraries are functional and serving the remote communities that are distant from main library in town.

Currently, the municipality developed 26 community halls with 24 Hall-Caretakers employed under EPWP and placed in each community hall. The hall caretakers were receiving the a stipend under the EPWP rating. T3.52.1

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Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3		
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Service Indicators		*Previous Year		*Previous Year		*Current Year		*Current Year	*Following Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	
<p>Service Objective xxx</p> <p>To reduce illiteracy rate through provision of relevant information services by June 2024</p>	<p>Conduct two Library programs (National Book Week, International Library Week) by June 2022</p>	<p>Conduct two library programs (International Library Week and National World Book Day) by 30 June 2021</p>	<p>The International Library Week was conducted on the 15-19 March 2021. The World Book Day was conducted on the 25-27 May 2021. The above library programmes were conducted in various</p>	<p>Conduct two library programs (International Library Week and National World Book Day) by 30 June 2021</p>	<p>Conduct two Library programs (National Book Week, International Library Week) by June 2022</p>	<p>Conduct two Library programs (National Book Week, International Library Week) by June 2022</p>	<p>For Q1: National book week has been conducted on the 26 August 2021. For Q3: International library Week was conducted on the 21st - 23rd</p>	<p>Conduct two Library programs (National Book Week, International Library Week) by June 2022</p>	<p>NA</p>	<p>NA</p>

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			schools that fall within the zones of the Ntabankulu Main Library, Sukude Modular Library and Sipethu Modular Library.			February 2022 at Siphethu, Sukude modular libraries and Ntabankulu library		
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>								
T 3.12.3								

Chapter 3

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0%
7 - 9					
10 - 12					
13 - 15					
16 - 18	1	1	1	0	0%
19 - 20					
Total	2	2	2	0	0%
<i>There are no vacancies. There is an office space challenge.</i>				<i>T 3.13.4</i>	

Financial Performance Year 0: Libraries					
R'000					
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	400 000.00	500 000.	400 000	500 000.	0.00
Expenditure:	378 140.00	500 000		500 000.	0.00
Other					
Total Operational Expenditure	21 860	500 000	400 000	500 000	0.00

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

The Municipality implements the library services as a funded mandate. The municipality receives budget allocation from the Department of Sports, Recreation, Arts and Culture (DSRAC) for the operations of library

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services. The municipality for the past three years, did not budget for capital projects prioritised from DSRAC, except for the maintenance programme.

T3.52.7

3.55 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

The Municipality sold 04 single grave and 05 double graves for the financial year 2021/2022 and total revenue collected was R6 650.00. The Municipality is performing cleaning of the cemetery.

T3.55.1.

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Cemeteries and Crematoriums Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3		
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Service Indicators	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
To ensure effective management of public amenities through implementation of regulatory framework by 2024	Implement ed Public Amenities Managemen t Plan through cleaning of municipal sites, grass cutting and landscaping of public walkways by June 2022	Implement ed Public Amenities Managemen t Plan through cleaning of the streets in the urban area by June 2021	The Public Amenities Management Plan was reviewed and approved. A working schedule was developed to implement the plan for 2020/2021 financial year. Grass cutting services were conducted in all municipal sites. Soil mulching was conducted at ERF 85, Traffic	Implemented Public Amenities Management Plan through grass cutting along the streets in the urban area by June 2021	Implemente d Public Amenities Managemen t Plan through cleaning of municipal sites, grass cutting and landscaping of public walkways by June 2022	During the 2021-2022 financial year, grass cutting services were conducted as per the work schedule in all municipal sites, streets, small gardens and public walkways. The	Implemented Public Amenities Management Plan through cleaning of 11 municipal sites, grass cutting and landscaping of public walkways by June 2023	NA	NA	

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Offices, MPCC and state house, including pruning of planted trees within the sites. The sprinkling of water in the sportfield was also conducted.

municipality further reviewed the Public Amenities Management Plan for 2022/2023, which was ultimately signed by the Accounting Officer. conducted in all municipal sites. Soil mulching was conducted at ERF 85, Traffic Offices, MPCC and state house, including pruning of planted trees within the sites. The sprinkling of water in the sport field was also conducted.

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*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangements by municipalities in which IDPs play a key role.*

T 3.13.3

Chapter 3

Financial Performance Year 0: Cemetery					
R'000					
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	564 826.00	547 126.00	547 126.00	547 126.00	NIL
Expenditure:					
Employees	464 826.00	464 826.00	464 826.00	464 826.00	NIL
Repairs and Maintenance					NIL
Other	100 000.00			82 300.00	NIL
Total Operational Expenditure	564 826.00	464 826.00	464 826.00	547 216.00	82 390.00
Net Operational Expenditure	4 538 975.51	5 268 252.32	5 495 252.32	5 495 252.32	NIL
	564 826.00	547 126.00	547 126.00	547 126.00	NIL

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

There was no capital expenditure incurred by the Municipality for the past three years.

T3.55.7

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3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

AGED CARE

The elderly sector plan was reviewed whose purpose is to provide technical support to elderly people by facilitating skills audit, project needs analysis as well as awareness campaign on government grants, health issues and violence against elderly.

Awareness programme facilitated on Elderly Health Issues facilitated on the 24 August 2021 to raise awareness on health-related issues such as Diabetes, Stroke, Dementia, etc. Elderly Structure in partnership with Dep of health and other relevant stakeholders were leading the programme. The awareness program was facilitated on the 17 February 2022 at Sibanye Elderly Project (ward 10) the awareness was based on Social welfare (healthcare empowerment, access to services and veteran programmes) for Elderly People and highlighting the challenges faced by elderly people. Picketing on elderly abuse and violence facilitated on the 12 May 2022 at Bonxa Village (Ward 12), the purpose of picketing was to send a strong message on elderly abuse that is facing communities. The programme emphasised various ways and strategies to prevent violence and abuse of elders.

SOCIAL PROGRAMMES

World Aids program was facilitated on the 24th November 2020 in ward 7 Bomvini in partnership with Department of Health and LAC Members to raise awareness about HIV/AIDS. Condom Week Programme was facilitated and implemented on the 26th February 2021, the awareness was conducted at Ntabankulu S.S.S in partnership with Department of Health and support group members. HIV/AIDS Candlelight memorial was hosted on 11th May 2021 in partnership with relevant stakeholders to remember and honour those who dedicated their lives to helping people living with and affected by HIV/AIDS.

The World Aids Day Programme was facilitated on the 02 December 2021 at Magombeni Great Place, in partnership with Dept of Health and support groups to unite community in the fight of HIV & AIDS and also to show support for people living with HIV. Following services were conducted on the day of the event (HIV Test, STI test, Counselling and also Covid vaccination programme). HIV/ Aids support groups have been established on the following wards 1, 2, 3, 4, 5, 6, 7, 8, 9 & 10 the purpose of establishment is to align and establish support groups in all wards of Ntabankulu, the elected groups will help people to share their experiences, access to information and increase understanding about HIV/AIDS. HIV/ Aids support groups have been established on the following wards 11, 12, 13, 14, 15, 16, 17, 18 & 19, Support groups were established on the following dates; 21 to 24 June 2022 and 27 to 30 June 2022 the purpose of establishment is to align and establish support groups in all wards of Ntabankulu, the elected groups will help people to share their experiences, access to information and increase understanding about HIV/AIDS.

Women's Sector Plan was also implemented to support Women's Initiatives and Projects, Women's Day on Health issues (Breast Cancer, papsmear, ovarian cervical cancer) was facilitated on the 12 February 2021 at MPCC in partnership with Dept of Health and Women's Council to address Health issues facing Women. Walk

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against Gender Based Violence and Femicide facilitated on the 20 May 2021 in partnership with Women's Council to raise awareness on matters affecting Woman and Children.

Dialogue on Gender and Domestic Violence facilitated on the 31 August 2021 in partnership with Ntabankulu Women's Council and Sector Departments(Social Dev,Health, SAPS, DRDAR, and Dept of Justice) to emphasis and highlight available opportunities in fighting and reducing GBV. Procurement of uniform for Inkciyo participants was not facilitated due to the shortage of budget allocated. Support was provided to Inkciyo participants in a form of catering and transport for their annual event. Women's Day on health issues (depression and pregnancy issues) was facilitated on the 19 May 2022 at Ntabankulu High in partnership with women's council and sector departments to raise awareness on depression and on pregnancy issues facing women.

Youth sector plan which aimed at meaningful participation of youth designated sector group in all developmental programme and as well as educational programmes that will encourage young people was successfully reviewed. Apply in Time campaign facilitated on the 01 July 2020 -30th September 2020 , 163 learners from Ntabankulu High Schools have been assisted with applications to different Institutions of Higher Learning and to NSFAS. Late applications were facilitated on the 1st of October 2020 - 30th of November 2020, Municipality has to date assisted 327 learners to apply to universities and to NSFAS. Achievers Awards hosted on the April 2021 in partnership with the Dept of Education to award excellence to the best performing students and high schools in Ntabankulu, each Top Achiever from each High School was awarded with certificates of performance, branded power bank and laptop and dummy cheques for the schools. Virtual Career Exhibition hosted on the 09 June 2021 in partnership with the Institutions of Higher Learning to present opportunities offered by the respective institutions.

Apply in Time campaign facilitated from July - September (45 for July, 49 August and 67 for September) which makes the total number of 161 for 1st Quarter. Students from 11 high schools of Ntabankulu assisted with applications to different Institutions of Higher Learning. The Late applications were facilitated from October December. There are 33 Applications for October, 87 for November and 48 for December. The above makes the total Number of 168 for 2nd Quarter, the students were assisted with application to different institutions of higher learning and to NSFAS. Achievers Awards hosted on the 31 March 2022, in partnership with the Dept of Education (Local Office) to award pupils, teachers and schools who have excelled in their grade 12 results. Top archivers of each school were awarded with laptops and certificates of performance as well as Dummy cheques for schools and teaches. Career Exhibition hosted on the 25th of April 2022 at Zwelakhe SSS, Ntabankulu learners were given an opportunity to explore career opportunities, also online applications were facilitated to various institutions of higher learning.

Data collection facilitated from all wards in consultation with ward councillors for talented youth highlighting the talented in Gospel and Hip-Hop. Concept Document for talent search has been developed outlining the implementation plan, request for the appointment of Project Coordinator facilitated and submitted to Finance for processing and awaiting appointment of service provider, Cluster teams have been established according to these genres Hip Hop, Art, Gospel. Living Dream Semi- Finals hosted on the 27 March 2021 to select Top 20 winners who will participate during the Grand Finale, selected young people possess the following talents (fine arts , dance, and music all genres)on the day of the event the participants will showcase and perform within allocated time. Living Dream Grand Finale hosted on the 10th of June 2021 to select Top 03 winners out of the 20 participants of the programme ,the winners received prizes (fine arts , dance, and music all genres)on the day of the event the participants will showcase and perform within allocated time.

Skills Audit for Disabled facilitated on the 08th of July 2020 , 11th August 2020, and 2nd September 2020 to all the identified disabled persons, Skills audit report outlines the personal details of the individual , the highest grade passed and skills. Training on Cosmetology facilitated on the 28th - 30th October 2020 to 10 young disabled Women. Monitoring of beneficiaries conducted on the following dates (20 January 2021,10th February 2021 and on the 09th of March 2021 at their place of work (Ntabankulu Hotel) to check the effectiveness of

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the project and challenges encountered . Virtually Disability awareness programme facilitated on the 27 May 2021 in partnership with disabled structure and Department of Health, the awareness was meant to address challenges faced by disabled persons and empower them on opportunities offered.

Procurement of a contracted production company for Media Conference tour, Youth talent music festival and Youth talent exhibition facilitated and submitted to finance for processing ,the production company has not yet been appointed and the target could not be realised due to budget constraints. The monitoring of Living My Dream Winners was Facilitated, the purpose of monitoring the winners is to nurture the talent and create opportunities for exposure to the relevant platforms. The monitoring of Living My Dream Winners was Facilitated, the purpose of monitoring the winners is to nurture the talent and create opportunities for exposure to the relevant platforms.

T3.56.1

SERVICE STATISTICS FOR CHILD CARE

OPHARNS AND VULNERABLE CHILDREN (OVC)

The Municipality reviewed the OVC's sector plan where it facilitated the purchasing of School Uniform which was distributed to 30 need leaners (Jersey, shirts &shoes) in ward 14. The programme was set to give support to the vulnerable and orphaned children while promoting a holistic supportive environment that were subsequent to prevalence of HIV and AIDS.

Learning performance of 13 identified OVCs was monitored. The learners were assessed based on their school attendance, accomplished assessments in class and their performance on those assessments. OVC's have been identified and a specification has been developed highlighting the gender ,name of school and grade, in preparation for the support to be provided.

T3.56.2

T3.56.2

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Child Care, Aged Care Social Programs Policy Objectives From IDP							
Service Objectives	Outline Service Targets	Target		Actual		*Current Year	
		*Previous Year (iii)	(iv)	*Previous Year (v)	(vi)		(vii)
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective xxx Implement Youth sector plan by June 2024	Implemented Four Back to School Programmes (Apply on time campaign, late applications, Achievers Awards & Career Exhibition) hosted by June 2022	Implemented Four Back to School Programmes (Apply on time campaign, late applications, Virtual Achievers Awards & Career Exhibition) hosted by June 2021	Apply in Time campaigning facilitated on the 01 July 2020 - 30th September 2020, 163 learners from Ntabankulu High Schools have been assisted with applications to different Institutions of Higher Learning and to NSFAS.	Implemented Four Back to School Programmes (Apply on time campaign, late applications, Achievers Awards & Career Exhibition) hosted by June 2022	Apply in Time campaign facilitated from July - September (45 for July, 49 August and 67 for September) which makes the total number of 161 for 1st Quarter. Students from 11 high schools of Ntabankulu assisted with applications to different Institutions of Higher Learning. The Late applications were facilitated from October December, There are 33 Applications for October, 87 for November and 48 for December. The above makes the total Number of 168 for 2nd Quarter, the students were assisted with application to different institutions of higher	Implement three (3) Back to School Programmes by June 2023	N/A

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			<p>Late applications were facilitated on the 1st of October 2020 - 30th of November 2020, Municipality has to date assisted 327 learners to apply to Universities and to NSFAS. Achievers Awards hosted on the April 2021 in partnership with the Dept of Education to award excellence to the best performing students and high schools in</p>		<p>learning and to NSFAS. Achievers Awards hosted on the 31 March 2022, in partnership with the Dept of Education (Local Office) to award pupils , teachers and schools who have excelled in their grade 12 results. Top achievers of each school were awarded with laptops and certificates of performance as well as Dummy cheques for schools and teachers. Career Exhibition hosted on the 25th April 2022 at Zwelakhe SSS, Ntabankulu learners were given an opportunity to explore career opportunities, also online applications were facilitated to various institutions of higher learning.</p>		
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				<p>Ntabankulu, each Top Achiever from each High School was awarded with certificates of performance, branded power bank and laptop and dummy cheques amounting to R30 000.00 for the schools. Virtual Career Exhibition hosted on the 09 June 2021 in partnership with the Institutions of Higher Learning to present opportunities</p>				
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	<p>Quarterly monitoring of Living My Dream Winners by June 2022.</p>	<p>One Living Dream Youth Programme(data collection of talented youth and grand finale) hosted by June 2021</p>	<p>ies offered by the respective institutions</p> <p>Data collection facilitated from all wards in consultation with ward councilors for talented youth highlighting the talented in Gospel and Hip-Hop. Concept Document for talent search has been developed outlining the implementation plan, request for the appointment of Project</p>	<p>Quarterly monitoring of Living My Dream Winners by June 2022.</p>	<p>Procurement of a contracted production company for Media Conference tour, Youth talent festival and Youth talent exhibition facilitated and submitted to finance for processing ,the production company has not yet been appointed and the target could not be realized due to budget constraints. The monitoring of Living My Dream Winners was Facilitated, the purpose of monitoring the winners is to nurture the talent and create opportunities for exposure to the relevant platforms. The monitoring of Living My Dream Winners was Facilitated, the purpose of monitoring the winners is to nurture the talent and create opportunities for exposure to the relevant platforms.</p>	<p>Provide empowerment to Youth through Exhibitionary tour Programmes by June 2023</p>	<p>N/A</p>
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					<p>Coordinator facilitated and submitted to Finance for processing and awaiting appointment of service provider, Cluster teams have been established according to these genres Hip Hop, Art, Gospel. Living Dreaming Semi-Finals hosted on the 27 March 2021 to select Top 20 winners who will participate during the</p>			
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		<p>Grand Finale, selected young people possess the following talents (fine arts , dance and music all genres) on the day of the event the participants will showcase and perform within allocated time. Living Dream Grand Finale hosted on the 10th June 2021 to select Top 03 winners out of the 20</p>								
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						<p>participants of the programme, the winners received the following prizes (Number 1 received a dummy cheque of R15 000. Number 2 received R10 000.00 and Number 3 received R5000 who will be the beneficiaries of the prizes Grand Finale, selected young people possess the following talents (fine arts,</p>				
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		dance and music all genres)on the day of the event the participants will showcase and perform within allocated time.	Clustered 3 women focus group dialogues on health issues ,Walk against Gender Based Violence and Femicide and provision of catering support to Inkiyo by June 2021	Facilitate 1 dialogue on health issues (Depression and pregnancy issues) by June 2022	Facilitate 1 dialogue on health issues (Depression and pregnancy issues) by June 2022	Consultation meeting coordinated with Inkiyo representative on the 22 October 2020 in preparation for the support to be provided to the participants, on the 16 November 2020 a memo request was submitted to finance for the procurement of Support in a form of catering for the Nkiyo Participants who will be attending the National Women's Day on Health issues (Breast Cancer	Dialogue on Gender and Domestic Violence facilitated on the 31 August 2021 in partnership with Ntabankulu Women's Council and Sector Departments(Social Dev,Health, SAPS, DRDAR, and Dept of Justice) to emphasize and highlight available opportunities in fighting and reducing GBV. Procurement of uniform for Inkiyo participants was not facilitated due to the shortage of budget allocated. Support was provided to Inkiyo participants in a form of catering and	Facilitate Women Health, Gender Based Violence Awareness and picketing by June 2023
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			<p>papsmear, ovarian cervical cancer) was facilitated on the 12 February 2021 at MPCC in partnership with Dept of Health and Women's Council to address Health issues facing Women. Walk against Gender Based Violence and Femicide facilitated on the 20 May 2021 in partnership with Women's Council to raise awareness on matters affecting Woman and Children.</p>	<p>Developed , Adopted and implemented Disabled Sector Plan and One Awareness Programme on Albinism by June 2022</p>	<p>Developed , Adopted and implemented Disabled Sector Plan and One Awareness Programme on Albinism by June 2022</p>	<p>Skills Audit for Disabled facilitated on the 08th July 2020 , 11th August 2020 and 2nd September 2020 to all the identified disabled persons, Skills audit report outlines the personal details of the individual , the highest grade passed and skills. Training on Cosmetology facilitated on the</p>	<p>Developed , Adopted and implemented Disabled Sector Plan and One Awareness Programme on Albinism by June 2022</p>	<p>Developed , Adopted and implemented Disabled Sector Plan and One Awareness Programme on Albinism by June 2022</p>	<p>transport for their annual event. Women's Day on health issues (depression and pregnancy issues) was facilitated on the 19 May 2022 at Ntabankulu High in partnership with women's council and sector departments to raise awareness on depression and on pregnancy issues facing women.</p>	<p>Procurement of facilitator for the development of Disabled Sector Plan facilitated and submitted to Finance for processing ,a draft disabled sector plan has been developed . Consultation meeting with the structure of Disabled persons was convened on the 28 October 2021 for the purpose of presenting the draft disabled sector plan and highlight the</p>	<p>Provide one sewing industrial machine and Woodworking equipment to Amaqhaw'esizwe disabled project in ward 10 by June 2023</p>
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		<p>28th - 30th October 2020 to 10 young disabled Women. Monitoring of beneficiaries conducted on the following dates (20 January 2021, 10th February 2021 and on the 09th March 2021 at their place of work (Tabankulu Hotel) to check the effectiveness of the project and challenges encountered . Virtually Disability awareness programme facilitated on the 27 May 2021 in partnership with disabled structure and Department of Health, the awareness was meant to address challenges faced by disabled persons and empower them on opportunities offered.</p>		<p>priority areas entailed by the document before the adoption. The disabled sector plan has been adopted by the Council on the 27 May 2022. the document highlights the challenges , objectives and strategies to be considered in order to improve the standard of living for disabled persons . Data Collection of people living with albinism facilitated ,the database is highlighting the personal details of each individual such as name,surname, ID number, ward and contact. Awareness programme on albinism facilitated on the 19th May 2022 in Ntabankulu High School. Awareness was on change on societal stereotypes and misconceptions about people living with albinism. It was emphasised that people living with albinism are normal people and must be accepted in society as they have all the abilities</p>
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13 identified OVC's supported through monitoring of learning performance by June 2022	13 identified OVC's supported through monitoring of learning performance by June 2022.	Construction of Pre-School (Zamukulungisa Pre-School in ward 15) for the identified needy ward in commemoration of Mandela Day was completely constructed and it was handed over on the 06th November 2020 at Mfundisweni village. Procurement of	13 identified OVC's supported through monitoring of learning performance by June 2022	OVC's have been identified and a specification has been developed highlighting the gender, name of school and grade, in preparation for the support to be provided. Procurement was facilitated and submitted to Finance for processing, the budget constraints resulted to non-achievement of this target. Learning performance of 13 identified OVCs was monitored. The learners were assessed based on their school attendance, accomplished assessments in class and their performance on those assessments. OVC's have been identified and a specification has been developed highlighting	Provide academic support (Uniform Stationary) Educational to nineteen identified OVC's by June 2023.	that normal people have.
13 identified OVC's supported through monitoring of learning performance by June 2022	13 identified OVC's supported through monitoring of learning performance by June 2022.	Construction of Pre-School (Zamukulungisa Pre-School in ward 15) for the identified needy ward in commemoration of Mandela Day was completely constructed and it was handed over on the 06th November 2020 at Mfundisweni village. Procurement of	13 identified OVC's supported through monitoring of learning performance by June 2022	OVC's have been identified and a specification has been developed highlighting the gender, name of school and grade, in preparation for the support to be provided. Procurement was facilitated and submitted to Finance for processing, the budget constraints resulted to non-achievement of this target. Learning performance of 13 identified OVCs was monitored. The learners were assessed based on their school attendance, accomplished assessments in class and their performance on those assessments. OVC's have been identified and a specification has been developed highlighting	Provide academic support (Uniform Stationary) Educational to nineteen identified OVC's by June 2023.	that normal people have.

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		<p>school uniform, gadgets, sport kit by June 2021.</p>	<p>completely constructed and it was handed over on the 06th November 2020 at Mfundiswe ni village .Procurement of support (School Uniform and Stationary) for the identified OVC's has been facilitated. Support in a form of sport wear (Tracksuits and Training shoes) provide to 13 identified OVC's, handing</p>		<p>February 2022 at Sibanye Elderly Project (ward 10) the awareness was based on Social welfare (healthcare empowerment ,access to services and veteran programmes) for Elderly People and highlighting the challenges faced by elderly people . Picketing on elderly abuse and violence facilitated on the 12 May 2022 at Bonxa Village (Ward 12) , the purpose of picketing was to send a strong message on elderly abuse that is facing communities ,The programme emphasized various ways and strategies to prevent violence and abuse of elders .</p>		
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					over was conducted on the 25th March 2021 to the beneficiaries. Procurement of Service Provider for the construction of Pre-School facilitated and submitted to Finance for the appointment of Service Provider, but due to the delays of appointment the target is not yet Achieved.
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<p>Coordinate one World Aids day and re-align HIV/AIDS support groups in all 19 wards by June 2022.</p>	<p>One world aids day ,four awareness campaigns conducted by June 2021.</p>	<p>Procurement of Digital Poster and HIV & TB brochure facilitated, HIV & TB Awareness coordinated and distribution of brochures was done on the 30th September 2020 to Young Identified Women. World Aids Day awareness day facilitated on the 24 November 2020 in ward 07 Bomvini Village in partnership with Dept of</p>	<p>Coordinate one World Aids day and re-align HIV/AIDS support groups in all 19 wards by June 2022.</p>	<p>The World Aids Day Programme was facilitated on the 02 December 2021 at Magombeni Great Place, in partnership with Dept of Health and support groups to unite community in the fight of HIV & AIDS and also to show support for people living with HIV, Following services were conducted on the day of the event (HIV Test, STI test, Counselling and also Covid vaccination programme). HIV/ Aids support groups have been established on the following wards 1 ,2,3,4,5,6,7,8,9 & 10 the purpose of establishment is to align and establish support groups in all wards of Ntabankulu, the elected groups will help people to share their experiences, access to information and increase understanding about HIV/AIDS. HIV/ Aids support groups have been established on the following wards</p>	<p>Provide seedlings to 19 HIV/AIDS support groups and One World AIDS Day Programme by June 2023.</p>	<p>N/A</p>
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		<p>Health and LAC members to raise awareness about HIV & AIDS. The Condom Week Programme was facilitated on the 26 February 2021, the awareness was conducted at Ntabankulu Senior Secondary School in partnership with the Dept of Health and Support groups. HIV and AIDS Candle light memorial hosted on</p>		<p>11,12,13,14,15,16,17,18 &19, Support groups were established on the following dates; 21 to 24 June 2022 and 27 to 30 June 2022 the purpose of establishment is to align and establish support groups in all wards of Ntabankulu, the elected groups will help people to share their experiences, access to information and increase understanding about HIV/AIDS.</p>	
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					the 11 May 2021 in Partnershi p with the relevant stakeholde rs (LAC and Dept of Health) to remember and honour those who dedicated their lives to helping people living with and affected by HIV and AIDS.					
						Monaheng Poultry Farm project in ward 11 supported by June 2021				
						Consultati on meeting facilitated on the 27th of August 2020 with the identified beneficiari es and	N/A			
							N/A			
							N/A			
							N/A			

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					assisted by DRDAR to Develop Project specification in preparation for the procurement of support material, the support (Chicken Cage and Feed) was procured and handed over to Monaheng Project Poultry in Ward 11 on the 10th December 2020. Monaheng project is located at ward 11 at Tiadi location. The				
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					monitoring of the project was facilitated on the following dates:19 January 2021, 11 February 2021, 08 March 2021 to check the effectiveness of the project. Monaheng project is located at ward 11 at Thladi location. The monitoring of the project was facilitated on the following dates.,30 April 2021, 14 May 2021,				
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	<p>Two youth projects in ward 13 - ZET Fabric Paintings supported with painting material and LA Start Visual Art Youth supported with access to gallery market and with 01 camera by June 2022</p>	<p>UL Timbers agricultural Youth in business in ward 14 supported through provision of chainsaws and protective clothing by June 2021</p>	<p>04 June 2021 to check the effectiveness of the project. Consultation meeting facilitated on the 09 July 2020 In corporation with the identified beneficiaries to Develop Project specifications on in preparation for the procurement of support material. Support was facilitated and the equipment was delivered and</p>	<p>Two youth projects in ward 13 - ZET Fabric Paintings supported with painting material and LA Start Visual Art Youth supported with access to gallery market and with 01 camera by June 2022</p>	<p>Two youth projects in ward 13 - ZET Fabric Paintings supported with painting material and LA Start Visual Art Youth supported with access to gallery market and with 01 camera by June 2022</p>	<p>Consultation meeting sat on the 08 July 2021 to discuss project specification in preparation for the procurement of support to ZET Fabric Paintings and LA Start Visual Art (Youth Projects) , the support material for both projects was handed over on the 21 October 2021. The monitoring of supported project (ZET Fabric Paintings)was facilitated on the following dates: 26 October, 10 November and 08 December to check the effectiveness and stability of the project. La Start was monitored on the 28 October, 15 November and 03 December 2021 as to ensure that the project effects the surroundings. The monitoring of two youth projects was facilitated</p>	<p>One youth project (Eyethu) supported with operational material by June 2023</p>	<p>N/A</p>
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		<p>handed over to the beneficiary on the 20 October 2020. The monitoring of UL Timber project was facilitated at Tonti in ward 14 on the following dates : 19 January 2021 ,11 February 2021 and 08 March 2021 to check the effectiveness of the project . The monitoring of UL Timber project was facilitated at Tonti in ward 14 on</p>		<p>as follows: ZET was monitored on the 12 January 2022, 11 February 2022 and 15 March 2022. For LA Start Visual was facilitated as follows: 19 January 2022, 15 February 2022 and 08 March 2022 . The purpose of monitoring is the check effectiveness of the project and highlight challenges encountered , at this stage both projects have not managed to employ people since the projects are still developing. The monitoring of two youth projects was facilitated as follows: ZET was monitored on the 12 April 2022, 18 May 2022 and 14 June 2022. For LA Start Visual was facilitated as follows: 15 April 2022, 11 May 2022 and 08 June 2022 . The purpose of monitoring is the check effectiveness of the project and highlight challenges encountered , at this stage both projects have not managed to employ</p>		
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<p>To improve and strengthen relations between the municipality's internal and external stakeholders by June 2024</p>	<p>Reviewed and adopted communication action plan through desktop analysis by June 2022</p>	<p>Reviewed, adopted and implemented communication action plan by June 2021</p>	<p>the following dates : 30 April 2021 , 14 May 2021 and 04 June 2021 to check the effectiveness of the project .</p>	<p>Reviewed and adopted communication action plan through desktop analysis by June 2022</p>	<p>Core team had an engagement on the 7th of September 2021 to develop a desk analysis and review action plan. In the second quarter there was procurement of conference facilities and the target could not be realised due to budget constraints. The communication action plan was presented and reviewed during the IGR meeting with relevant stakeholders (core team and local communicators) on the 03/03/2022 at NLM main hall. Reviewed communication action plan was submitted to Exco and adopted by</p>	<p>Review and Implement Communication Action Plan and 4 local communicators forum sittings conducted by June 2023</p>	<p>N/A</p>
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			<p>communication situational analysis which was the augmented communication action plan towards local government elections. 2. The communication action plan review for stakeholders engagement meeting sat on the 12th November 2020 at Nofy's BnB between NLM council, ward secretaries, sector</p>		<p>council on the 27 May 2022</p>		
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				<p>departments, ANDM communications and GCIS of which the outcome was the draft communication action plan. Draft communication action plan was sent to council for adoption on the 30th June 2021 and was duly adopted. The roadshow at Ncalane junction and taxi rank walkabout was conducted on the 27th May</p>
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			<p>2021. The content of the roadshow and walkabout was vaccination awareness for elderly citizens.</p>	<p>Provided Branding of the institution through 200 wall calendars, 80 desk calendars, 01 vehicle mounted loud hailer 4 flags(Municipal and SA) and 20 municipal branded Reflective vests coordinated by June 2021</p>	<p>Branding was provided through 20 municipal branded reflective vests were delivered on the 30 September 2020. 200 wall calendars and were delivered on the 04 December 2020. The municipal and SA flags were</p>	<p>Provided Branding of the institution through procurement of one banner wall, two executive pull ups, one table cloth and two flag banners coordinated by June 2022</p>	<p>Branding material was delivered as per the expectation on the 28th of Sep 2021,(1 banner wall, 2 executive pull ups, 1 table cloth and 2 flag banners). In the second quarter there was procurement of calendars and diaries and the target could not be realized due to budget constraints.</p>	<p>Provided branding of the institution through procurement of diaries, 8 municipal flags and SA Flags , 2 banner walls, 4 table clothes, 2 digital cameras with stands, 3 pull up banners, 1 hand held loudhailer, 2 pop up banners and 2 tear drops and Photoshoot of fifty two (52) official photos of cllrs and printing by June 2023</p>	<p>N/A</p>
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			delivered and installed on the 18 February 2021. Vehicle mounted loud hailer was delivered on the 02 March 2021.	On the 18th February 2021 a meeting was with the council of Churches executive at Disaster boardroom 10:00 engaging on the matters of vaccine and vaccination in the wake of conspiracy	Three Engagements coordinated with traditional leaders, SACC and Business people by June 2022	Four Engagements coordinated with rate payers, traditional leaders, SACC and business people by June 2021	On the 18th February 2021 a meeting was with the council of Churches executive at Disaster boardroom 10:00 engaging on the matters of vaccine and vaccination in the wake of conspiracy	Three Engagements coordinated with traditional leaders, SACC and Business people by June 2022	Three Engagements coordinated with traditional leaders, SACC and Business people by June 2022	Stakeholder engagement was convened with traditional leaders on the 21 July 2021 ,at Ntabankulu Main Boardroom and traditional leaders attended the meeting were from five different traditional houses (Xesibe,Ntlenzi, Amanci, Amacwerha and Lwandlulubomvu) on strengthening relations between traditional councils and the municipality and ensure compliance by the councils. Stakeholder engagement was conducted on the 26 October 2021 with	Coordinate sitting of four stakeholder engagements by June 2023	N/A
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			<p>theories that are linked to religions. 2. On the 24th February 2021 honorable Mayor engaged with rate payer via radio and live On facebook page discussing the matter of debt collection. One Traditional Leaders engagement session was convened on the 30th April 2021 at NLM Main Boardroom and it was led by Portfolio</p>		<p>Council of Churches on awareness for covid 19 and to seek their full participation in ensuring that restrictions are always adhered to. The stakeholder engagement was held on the 10 February 2022 between NLM,ANDM and Business people regards to poor service delivery on water and sanitation and Debt collection of rates</p>		
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				Head of Development Planning, Cllr P Ndabeni. 2. One bussiness people was convened on the 17th June 2021 at NLM Main Boardroom and it was led by Portfolio Head, Cllr P Ndabeni.	Provide support to four (Intlenzi, Amacwerha, Lwandlobomvu) traditional councils as per their support plans by June 2022	Provide support to five (Intlenzi, Amacwerha, Amacwerha, Lwandlobomvu, Xesibe) traditional councils as per their support plans by June 2021.	All 5 traditional councils were consulted and support plans were submitted: On the 22 July 2020 Lwandlobomvu traditional council	Provide support to four (Intlenzi, Amacwerha, Lwandlobomvu) traditional councils as per their support plans by June 2022	Provide support to four traditional councils were consulted, on the 02nd July 2021 Amacwerha, Lwandlobomvu 26th July 2021, Amanci 27th July 2021 and Ntlenzi traditional council was done on the 28 July 2021, memo requests for procurements were submitted to BTO: Ntlenzi requested building material for guard room, Lwandlobomvu	Provide support to five (5) traditional councils by June 2023	N/A
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			<p>were consulted, on the 27 July 2020 Amanci traditional council were consulted, on the 29 July Amacwera traditional council were consulted, on the 10 September Xesibe traditional council were consulted and on the 23 September Ntlenzi traditional council. The requisitions for all traditional councils were submitted</p>		<p>requested printer, laptop and sliding gate and grass cutter machine, Amacwera has requested building material for council hall, Amanci has requested building material for council hall,</p> <p>The monitoring for Ntlenzi Traditional Council was done on the 27th May 2022, the Council was pleased with the delivery of building material.</p> <p>The monitoring for Amanci Traditional Council & Ulwandle Olubomvu Traditional Council were done on the 20th May 2022, the Council was happy of the support.</p> <p>The Amacwera Traditional Council was done on the 10th June 2022 and they were happy with the support provided by the Municipality.</p>		
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			<p>to BTO on the 07 October 2020. Monitoring for Amanci, Amachwerh a, Lwandlola, Xubomvu, Xesibe and Ntlenzi was done from 25th to 27th May 2021, the supply and delivery of building material was supplied and survey for borehole drilling was also done for Ntlenzi traditional council successfully</p>				
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	<p>Four coordinated community engagement through the Media by June 2022</p>	<p>Eight coordinated community engagement through the Media by June 2021.</p>	<p>Honorable Mayor Cl.r P.T. Sobuthong o was live on Alfred Nzo community radio on the 14 August 2020 for Covid 19 awareness programme e, Mayors heritage message was published by Ikhwezi publishers on the 18 September 2020. on the 9 October 2020 Pondo News published Tourism Sites that were visited by EXCO</p>	<p>Four coordinated community engagement through the Media by June 2022</p>	<p>1. On the 30 July 2021 Pondo news publishers published message from Hon. Mayor about (No Looting) in Ntabankulu town. 2. On the 30 July 2021 Cllr Madadasa visited Alfred Nzo community radio for Umqela radio programme to table the ward 02 service delivery progress 3. On the 3rd August 2021 Cllr Nqwazi visited Alfred Nzo community radio for Umqela radio programme to table the ward 02 service delivery progress 4. On the 10th August 2021 cllr Ndamase also visited radio for umqela programme and On the 24th of September 2021 Pondo news published Hon. Mayor's heritage message. During the council inauguration ANCR did crossover for media publicity on the 23 November 2021 and the article was published on Pondo News on the 26 November 2021 and on the 21 October 2021</p>	<p>Coordinate twenty(20) community engagements through the media by June 2023</p>	<p>N/A</p>
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			<p>Member Cllr Ndabeni on behalf on Hon Mayor, on the 23 October Pondo News published Ntabankul u Local Municipalit y handover of Seedlings to elderly beneficiari es, 13 November 2020 Pondo News handover of Zamukulun gisa Pre School in Mfundiswe ni - ward 15. On the 11 November Pondo news</p>		<p>Pondo News published Service Delivery Highlights.</p>		
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		<p>published Hon. Cllr P.T. Sobuthong o Handing over the MPCC.On the 22 January 2021 Pondo news published the visit of Honorable Mayor and Exco members visiting Sipetu Hospital for state of readiness in the qaurantine sites On the 24 ebruary 2021 Honourabl e visited Alfed Nzo communit y radio to engage with rate</p>				
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							<p>payers regards to debt collection awareness. 2.On the 19 February Pondo News published story of Honourabl e Mayor with public works MEC doing back to school campaign at Dumsi s.s.s 3. On the 24 February 2021 honourabl e Mayor was handing over vouchers to hawkers and the story was published by pondo</p>						
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				<p>news on the 26 february 2021.</p> <p>1.Ntabankulu local municipalit</p> <p>y, Communication unit published a story to local newspaper (Pondo news) on the 09 April 2021.</p> <p>Acting Mayor of the day handed over sport skit to beneficiari es of Mayoral schorlashi p.</p> <p>Communications unit from NLM published a story to a local news paper on</p>				
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				the 16th April 2021, MECs. Nomakhosazana Meth, Social development MEC. Manti-Lusithi and Education MEC. F.Gade visited Ntabankulu to do awareness on TB and other related diseases.	Two digital Bulletins of Kwakhanya Ntabankulu News produced by June 2022	Two digital Bulletins of Kwakhanya Ntabankulu News produced by June 2022	Kwakhanya a newsletter bulletin 21st edition was requested on the 14th July 2020, then BTO appointed service	Facilitate printing of four (4) newsletters editions by June 2023	
					Facilitate printing of four (4) newsletters editions by June 2023	25th Edition of Newsletter bulletin has been printed and delivered on the 21 September 2021. In the second quarter there was procurement of service provider and the target could not be realised due to budget constraints. Digital newsletter 26th edition has been published on facebook. 27th Edition of			

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			<p>provider on the 3rd August 2020 it was delivered on the 21st September 2020 and distributed to relevant departments, Kwakhany a newsletter 22 edition was requested on the 1st October 2020, then BTO appointed service provider on the 14th October 2020 delivered on the 15 December 2020, kwakhanya</p>		<p>digital Newsletter bulletin has been developed and posted on Ntabankulu Local municipality facebook page.</p>		
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					<p>newsletter 23rd edition was requested on the 7th January 2021, the BTO appointed service provider on the 04th February 2021 delivered on the 26 March 2021 and the 24th edition was requested on the 14 March 2021, the BTO Appointed service provider was appointed on the delivered on</p>				
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	Municipal Branding material provided for 30 municipal programs by June 2021	Municipal Branding material provided for 30 municipal programs by June 2021	the 30 June 2021	Municipal Branding material provided for 30 municipal programs by June 2022	1. Displayed branding on handing over of Masibulele pre-school at Madwaba on the 01 July 2021, 2.Dumsi Pre school soil turning and contractor handover on the 29th July 2021,3.SALGA visit at Bulelani Pre-school on the 27th July 2021, 4.handing over of protective clothing at municipal landfill site on the 20th of July 2021 5. Displayed branding on handing over of uniform by MEC of education on the 05 August 2021 at chibini. 6 Displayed branding on the Silindini community hall hand over on the 30 August 2021. 7.Isiqalo youth fund handover at Mzalwaneni on the 26 August 2021, 8.Displayed at Mazeni visit on the 1st of September 2021 for handing over of chicks and feed to a women owned	Municipal branding material provided for 30 municipal programs by June 2023	N/A
Municipal Branding material provided for 30 municipal programs by June 2021	Municipal Branding material provided for 30 municipal programs by June 2021	List of scheduled events have been consolidated and the branding material was Displayed as follows: 1. Handing over of cleaning material at Hlankomo an Mowa (Ward 14) at 21 August, 2. Ward delimitation consultation at Mfundisweni on 19 August, 3. Ward delimitation at Mnceba	the 30 June 2021	Municipal Branding material provided for 30 municipal programs by June 2022	1. Displayed branding on handing over of Masibulele pre-school at Madwaba on the 01 July 2021, 2.Dumsi Pre school soil turning and contractor handover on the 29th July 2021,3.SALGA visit at Bulelani Pre-school on the 27th July 2021, 4.handing over of protective clothing at municipal landfill site on the 20th of July 2021 5. Displayed branding on handing over of uniform by MEC of education on the 05 August 2021 at chibini. 6 Displayed branding on the Silindini community hall hand over on the 30 August 2021. 7.Isiqalo youth fund handover at Mzalwaneni on the 26 August 2021, 8.Displayed at Mazeni visit on the 1st of September 2021 for handing over of chicks and feed to a women owned	Municipal branding material provided for 30 municipal programs by June 2023	N/A

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		<p>ward 12 on 18 August, 4. Ward delimitation at Ntabankulu town Hall on 17 August, 5. Handing over of Cola community hall at Cola on 17 August, 6. Handing over of Pre-school constructor at Habur on 17 August, 7. Handing over of Mpoza pre-School contractor at Mpoza on 17 August, 8. Handing over of wood working Machinery</p>		<p>project, 9. Branding was displayed at Ndakeni clinic for municipality intervention to the state of the clinic on the 2nd of September 2021 and Heritage day celebration on the 22 September 2021. 05 October 2021 handing over of contractor ward 05 for Multi Purpose Centre, 05 October 2021 handing over of contractor in ward 7 for construction of 32 houses in Lwandl'olubomvu, 06 October 2021, 06, October 2021 EXCO visit to ward 4, 13 November 2021 Vooma Vaccination weekend, 23 November 2021 Inauguration of council, from the 07 December 2021 to 10 December 2021 provision of branding was done in 19 wards for the Outreach Programme. Managed to display branding in Council strategic session from 13th of March to 18th March 2022 where the management had to table IDP for the next five years 2022/2026.</p>		
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Chapter 3

			<p>at Ntabankulu craft centre on 13 August, 9. Cervical cancer screening at Chibini ward 03 on 10 August, 10. Handing over of Working tools and protective clothing at Tonti ward 14 on 22 september 2020. 11. Handing over of protective clothing and working tools to Goboqolo Cooperatvi on the 22 October at Mbangomhi ward 08, Handing of</p>		<p>Managed to display branding at Zinyosini S.S on the 26th of January where mayor Hon. Mayor visited the school as back to school campaign. Displayed branding at Dumsi for establishment of ward committees and CBP development on the 20th of January 2022. Displayed branding at MPCC for Wellness day on the 09 March 2022. Managed to display branding on the 3rd of February 2022 as part of back to school campaign. supported Municipal IDP Outreach with branding on the 11 May 2022 at ward 08 and 18, on the 12 May 2022 at ward 07, ward 05 on the 13 May 2022 and ward 01 on the 16 May 2022.</p>		
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Chapter 3

			<p>Access road of contractor on the 12 October 2020 at ward 11, CBP review for financial year 2020/2021 on the 06 October 2020 at Mbhongweni Church hall and Mowa village, CBP review on the 08 October 2020 at Bhakubha Community hall, On the 05 October held CBP at Zinyosini and Ntabathi community hall,</p>				
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Chapter 3

			<p>Training of Covid -19 rapid response team on the 22 October 2020 at Disaster management offices, Handing over of Bulelani Pre-School on the 19 November 2020 at ward 08, Handing over of Zamukulun gisa Pre-School at Mfundiswe ni village ward 15 on the 06 November 2020, Customer Care line launch on the 24 November 2020 at</p>				
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Chapter 3

					<p>Solomon Gagani Hall ward 14 and NSFSA on the 28 November 2020 at Craft Centre ward 08.. site visit at Sipetu Hospital on the 20 January to check the state of readiness. 2.Site visit at Dumsi communit y Hall on 20 January 2021 to check constructi on progress 3. Site visit at Caba Communit y on the 22 January 2021 to check</p>				
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Chapter 3

						<p>construction progress. womens health compaign on the 12th february 2021 . Back to school campaign at dumsi on the 17 February 2021 .handover of Mazeni Community hall on the 14 May 2021 .Mayoral annual achivers awards on the 15 April 2021 .Disability awareness programme on the 27 May 2021. Candle</p>				
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Chapter 3

					light memorial on the 11 May 2021 .GBV awareness on the 20 May 2021 .Living my dream grand final 10 June 2021.				
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Chapter 3

Employees: Child Care; Aged Care; Social Programmes					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	3	3	3	0	0%

The manager position was dissolved and officer level position was created at post level six and two co-ordinators at post level 8. Co-ordinator one: deals with OVC, youth & HIV & AIDS, the other one deals with elderly, disabled & women affairs.

T 3.56.4

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Ntabankulu Local Municipality has engaged on Umzimvubu catchment partnership program with the aim to coordinate and respond to climate change issues. The Alfred Nzo district municipality in partnership with other local municipalities under the district and Ntabankulu local municipality reviewed the ANDM climate change response strategy. For the financial year 2021/2022 the Climate change strategy has been implemented through the following program: (01) environmental awareness campaign conducted on the 16th February 2022 at Ward 10 (town) The programme conducted to create awareness to the communities about environmental management. This includes negative impact on environment due to improper waste disposal. The municipality has a huge backlog on water provision for communities, thus the continuous growth of the alien species may lead to total disappearance of the limited water sources.

The Alfred Nzo District Municipality is battling to find sources of water for various communities. The backlog in water provisioning has led to conflicts in some villages with people cutting bypassing water pipes going to other villages sitting water shortages in their own village.

These invasive alien species also temper with the limited grazing areas for the local livestock. It is of great concern that the continuous growth of these alien species, if not taken care of, might take over the entire land

Chapter 3

area of Ntabankulu Municipality. It is imperative that clearing of alien invasive plants must be prioritised if water resource is to be protected

T3.59.

Chapter 3

Employees: Pollution Control					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	NA	NA	NA	NA	NA
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					

Ntabankulu Local Municipality is not responsible for water pollution, except the function of air pollution. The operations of the landfill site respond to the regulations of air pollution.

T 3.15.4

3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

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Chapter 3

Bio-Diversity; Landscape and Other Policy Objectives Taken From IDP									
Service Objectives	Service Indicators (i)	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
Service Objective xxx									
To contribute and support climate change initiatives by 2024	Implemented Climate Change programs by conducting Environmental awareness program, Allien plant removal and Planting trees at MPCC by June 2022	Two Climate Change programs implemented by June 2021	There were three (03) environmental awareness campaigns conducted on the following dates; 04 November 2021 at ward 04, Isilindini Location and 25-26 March , 28 April 2021 at ward 08, Ntabankulu Town area. The programmes conducted to create awareness to the	Two Climate Change programs implemented by June 2021	Implemented Climate Change programs by conducting Environmental awareness program, Allien plant removal and Planting trees at MPCC by June 2022	For Q1, the municipality recruited 8 EPWP participants for the Alien Plan Removal Project. For Q2, the progress on the program of allien plants removal was at 80%. For Q3, the municipality conducted environmental awareness campaign on the 16 February 2022.	3 Climate Change (Alien Species removal, Arbor Week & Environmental awareness) programs implemented by June 2023	To contribute and support climate change initiatives by 2024	Implemented Climate Change programs by conducting Environmental awareness program, Allien plant removal and Planting trees at MPCC by June 2022

Chapter 3

		<p>communities about environmental management. This includes negative impact on environment due to improper waste disposal.</p>		<p>For Q4, the municipality conducted the program of planting trees, flowers and shrubs in the following municipal sites; MPCC, HQ, main street and two (02) small gardens.</p>		
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *Current Year' refers to the targets set in the Year 0 Budget/IDP round. *Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>						

T 3.16.3

The municipality has been awarded an amount of R200 000.00 for Greenest Municipality Competition which was utilized on greening initiative.

Chapter 3

COMPONENT F: HEALTH

3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

COMPONENT G: SECURITY AND SAFETY

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

INTRODUCTION TO SECURITY & SAFETY

The municipality established a Traffic Unit, which undertakes the Driving Licence Testing Centre. The services provided at DLTC include roads and municipal traffic by-laws enforcement services. The DLTC is fully operational, and it conducts applications for Professional Driving Permits (PrDPs), renewal of driving licences, applications and issuing of learner's licences to empower communities and enhance municipal revenue. The traffic speed camera is available in good working condition and is calibrated on an annual basis. The municipality has completed the Driving licence testing grounds except for the finalisation of the testing ground markings and pre-established route.

T3.65

3.65

Chapter 3

3.66 FIRE

INTRODUCTION TO FIRE SERVICES

Ntabankulu Local Municipality does not perform the function of fire services; this function is for the Alfred Nzo District Municipality. There is a satellite office in Ntabankulu.

T3.66

Chapter 3

COMPONENT H: SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

The municipality has focused on facilitating organised sports and recreation within the jurisdiction of Ntabankulu.

T3.68.0

3.68 SPORT AND RECREATION

Chapter 3

Sport and Recreation Policy Objectives Taken From IDP													
Service Objectives	Outline Service Targets	Year 0		Year 1		Year 2		Year 3					
		Target	Actual	Target	Actual	Target	Actual	Target	Actual				
		*Previous Year	(iii)	(iv)	*Previous Year	(v)	*Current Year	(vi)	*Current Year	(vii)	*Current Year	(ix)	*Following Year
Service Indicators	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	
Service Objective xxx													
Review and implement sport plan	Three sport activities: (Aerobics, netball tournament and fu-run) implemented by 2022	Implemente d Integrated Sport Plan by June 2021	The Intergrate d Sport Plan has been reviewed and implement ed. The Aerobics Programm e was conducted during the third quarter on the 27 February 2021 at MPCC. The municipalit	Implemente d Integrated Sport Plan by June 2021	The Intergrate d Sport Plan has been reviewed and implement ed. The Aerobics Programm e was conducted during the third quarter on the 27 February 2021 at MPCC. The municipalit	Implemente d Integrated Sport Plan by June 2021	Three sport activities: (Aerobics, netball tournament and fu-run) implement ed by 2022	For Q1: An Integrated Annual Sport Plan was reviewed and approved by the Accounting Officer. For Q2: A programme for Aerobics was conducted on the 20 November 2021 at the MPCC in ward 10. For Q3 and Q4 there were no targets.	Three sport & recreation activities implemented in line with approved Sport Plan by June 2023				

Chapter 3

		<p>y also conducted the Fun Run Programme on the 16 June 2021.</p>					

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

T
3.23.2

Chapter 3

Employees: Sport and Recreation					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
NA	NA	NA	NA	NA	NA
Not Applicable T 3.23.3					

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The municipality adopted a reviewed sport plan and conducted the programs in terms of the plan as outlined below:

-- Aerobics were conducted on the 20 November 2021.

T3.68.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

The Municipality has Budget and Treasury Office is responsible for municipal financial management in terms of revenue and expenditure management, procurements of goods & services and safeguarding of Municipal assets. The Municipal Council approved both the draft and annual budget in terms of the National Treasury guideline, circulars and the MFMA. The Municipality has been spending in line with approved budget and adjustment budget is submitted to the Council when there is overspending to avoid the authorised expenditure. The Financial monthly, quarterly and annual reports were prepared and submitted to the Council,

Chapter 3

Provincial and National Treasury and to the office of the Auditor General. The Municipality prepared quarterly financial statements and the half year financials were submitted to AG for auditing. The Municipal asset register is updated and maintained monthly.

3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Ntabankulu Municipal Council has 38 councillors and 01 traditional leader. Out of 38 councillors, 19 councillors are elected as Ward Councillors and represent wards. Then, 19 councillors are elected as PR Councillors from the party lists of parties of Political Parties participating in the Municipal Council. There is 01 traditional leaders gazetted in the Provincial Gazette to participate in the municipal council and represent the traditional leadership. The municipality also established the Executive Committee with seven (7) members, including the Mayor Councillor, P.T.Sobuthongo who is also the chairperson of the committee.

The Municipal Council also established five section 80 committees. The committees are chaired by portfolio heads and are composed of councilors, Senior Managers, and Traditional Leaders.

The Municipal Council has established three section 79 committees such as (1) Municipal Public Accounts Committee, which is chaired by Councillor B.Z. Ndamase, (2) Petitions and Public Participation Committee, which is chaired by Councillor N. Ncekana, (3) Rules, Ethics and Members 'Interests Committee, which is chaired by Councillor M. Nqwazi.

The municipality inculcated a culture for accountability among its political structures, traditional leaders and staff to the public. In the staff establishment of the Municipality, the Public Participation and Council Support Division attached to the Office of the Speaker and administratively the units report to the Director: Community Services and Director Corporate Services respectively.

T3.69.1

Chapter 3

The Executive and Council Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
Service Indicators (i)	(ii)								
Service Objective xxx									
To strengthen the oversight functioning of the Council by 2022	Coordinate five ordinary Council sittings adhering to legislative prescripts by 30 June 2021	Co-ordinate 05 Council sittings adhering to legislative prescripts by June 2020	05 Council meetings coordinated	Co-ordinate 05 Council sittings adhering to legislative prescripts by 30 June 2021	Coordinate five ordinary Council sittings adhering to legislative prescripts by 30 June 2022	05 Council meetings coordinated	Coordinate five ordinary Council sittings adhering to legislative prescripts by 30 June 2023	NA	NA

Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose

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and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

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Employees: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					0%
4 - 6	5	5	3	2	60%
7 - 9	4	1	1	0	0%
10 - 12	1	1	1	0	0
13 - 15					
16 - 18	2	2	2	0	0
19 - 20					
Total	12	9	7	2	22%

The position of the Manager: Public Participation & Council Support is vacant.

T 3.24.4

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The Municipality has Budget and Treasury Office which is responsible for rendering the budget planning, monitoring, and financial statements and reporting. The Departments is also responsible to render accounting functions relating to procurement and expenditure, to collect accounting and manage income and revenue, render provisioning, assets and fleet management services, render and manage financial risk management services. The Municipal Council approved both the draft and annual budget in terms of the National Treasury guidelines and the MFMA. The Municipality has been spending in line with approved budget.

The Financial monthly, quarterly and annual reports were prepared and submitted to the Council, Provincial and National Treasury, Audit Committee and to the office of the Auditor General. The Municipal asset register is adequately updated and maintained monthly. The risk register has been developed and updated on a monthly basis. The progress report on risk is a standing item on Audit Committee meetings.

T3.70.1

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The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T3.70.2.1

Chapter 3

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	12	12	0	0%
4 - 6	0	0	0	0	0%
7 - 9	10	11	10	1	10%
10 - 12	3	3	3	0	0%
13 - 15	2	2	1	1	50%
16 - 18		0	0		0%
19 - 20	27	28	26	2	7.14%
Total	12	12	12	0	0%

There are 6 Interns that are employed by the National Treasury T 3.25.4

Financial Performance Year 0: Financial Services					
					R'000
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	55 681 126.78	80 006 380.17	94 865 486.33	58 324 963.81	36 540 522.52
Expenditure:					
Employees	11 938 238.78	9 992 890.14	9 992 890.14	9 992 890.14	NIL
Repairs and Maintenance	83 200	400 000	400 000	305 354.66	94 645.34
General expenses	111 224 987	18 439 585.72	17 491 851.67	14 680 330.10	2 811 521.57
Non-cash items	23 261 918	50 521 638.31	66 980 744.52	33 346 388.91	33 634 355.61
Capital expenditure	1 349 485	6000 000	0	0	NIL

Chapter 3

Total Operational Expenditure	110 056 413.43	79 549 834.89	77 764 920.89	61 020 987.77	16 743 933. 12
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COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The municipality was under financial distressed after litigation by SAMWU provided fund. A financial recovery plan was developed and aligned with budget adjustment to avoid cashflows problems.

Furthermore, financial improvement project was also prioritized by the Department as the Municipality's objective is to improve its audit opinion. The mScoa implementation is continuously being improved with intervention of Provincial Treasury, The Mscoa committee is revived and currently reporting to the ICT steering committee.

T3.70.7

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resourced is the division within the Corporate Services Department responsible to provide strategic support to the Municipality through coordination and provisions of the functions enshrined in the Municipal Systems Act No 32 of 2000 as amended, Labour Relations Act No 66 of 1995, Employment Equity Act No 55 of 1998 and Basic Conditions of Act 75 of 1997 & Occupational Health and Safety Act 85 of 1993.

Brief Overview of the Human Resource Function are as follows:

Organisational Design, Recruitment and Selection

This function deals with analysis and identification of functions to be executed by employees (Job descriptions) and development and review of the organogram. This division coordinate the recruitment, selection, appointment process and induction process. The purpose of this function is to ensure that the Municipality has human capital to perform tasks in order to achieve strategic goals of the Municipality and provide services to the Communities.

Labour Relations Function

Promote employee discipline, health and sound working environment. Local Labour Forums are coordinated in this unit to give a platform both employer and employee to discuss employee relations. Monitoring implementation of code of conduct and conditions of service.

Training & Development

Provides skills and education to impact knowledge to the workforce, thus enhance competencies and allow career path in order to increase productivity of Councillors and employees.

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Individual Performance Management System

Responsible to monitor and evaluate individual performance

Occupational Health and safety

Responsible to ensure sound working environment

Employee Wellness and Employee Assistance Programs

Coordinate employee wellness programs and assistance programs.

Employment Equity

It promotes opportunities and fair treatment in employment through elimination of unfair discrimination in the workplace. Ensure fair representation of the designated groups in all occupational categories.

Measures Taken to Improve Performance

The Municipality develops training plan for each financial year to capacitate employees. On job trainings are conducted. During the quarterly assessments employees develop their personal development plan to focus on areas that needs attention in terms of their skills so as to improve performance. Other neighbouring Municipalities are engaged to do skills transfer e.g. implementation of PMS to all employees. CoGTA is also engaged to assist in our planning sessions so as to be able to develop SMART targets.

T3.71.1

Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	(vi)	*Current Year (viii)	(ix)	*Current Year (ix)	*Following Year (x)
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx Ensure recruitment and management of Human Resource through implementing relevant legislative prescripts by 2022.	12 reports on Municipal OHS Policies and Regulations produced by June 2021.	12 reports on Municipal OHS Policies and Regulations produced by June 2020	12 Reports produced	12 reports on Municipal OHS Policies and Regulations produced by June 2020.	4 quarterly reports on Municipal OHS Policies and Regulations produced by June 2022.	4 quarterly Reports produced	4 quarterly reports on Municipal OHS Policies and Regulations produced by June 2022.	NA	NA
	12 Leave reconciliation reports produced by June 2021.	12 Leave reconciliation reports produced by June 2020	12 leave reconciliations as per leaves taken	12 Leave reconciliation reports produced by June 2020.	4 quarterly Leave reconciliations on reports produced by June 2022.	4 quarterly leave reconciliations as per leaves taken	4 quarterly leave reconciliations on reports produced by June 2022.	NA	NA
<p><i>HR policies Manual is reviewed and new policies are developed when necessary. Consultation through LLF is done. Draft documents are presented to Exco then to council for adoption/approval.</i></p>									
									T 3.71.3

Chapter 3

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	4	4	4	0	0%
7 - 9	0	0	0	0	0%
10 - 12	7	7	5	2	28.6%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20					
Total	12	12	10	2	16.7%

T3.26.4

Financial Performance Year 0: Human Resource Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	26 892 209	36 036 823.19	31 810 195.50	25 464 638.87	6 345 556.63
Expenditure:	12 979 682	18 047 571.00	14 379 559.82	8 660 024.53	5 719 535.29
Employees	13 912 527	17 809 252.19	17 397 320.92	16 771 299.58	626 021.34
Repairs and Maintenance		180 000.00	33 314.76	33 314.76	NIL
Other					
Total Operational Expenditure	26 892 209	36 036 823.19	31 810 195.50	25 464 638.87	6 345 556.63

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3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

-Render and co-ordinate Management Information Systems (MIS) and Information Communication Technology (ICT)

-Provide centralised data-processing services;

-Co-ordinate Information -Management Systems, data management & ICT requirements and maintenance;

-Facilitate implementation of the municipality's MIS Strategy.

-ICT infrastructure and information security: ICT infrastructure upgrade has already been done i.e server room upgrade, cabling upgrade, Wi-fi installation and configuration, switches supply and installation, UPS has been installed in the server room and active directory server was installed and configured.

-Website management: Municipality website was redesigned and is currently functioning.

-Telephone Management: Telephone monitoring system is installed, reports produced on a monthly basis.

-ICT governance: ICT policy, ICT procedure manual, Draft risk framework, DRP and BCP plan, change management document are available and in use.

-Challenges: Lack of budget, office space& incapacitation of staff.

-More budgets for ICT section, the Municipality has requested funding from DPSA, COGTA & Department of Communications.

T3.72.1

Chapter 3

ICT Services Policy Objectives Taken From IDP											
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3			
		Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	Target	*Current Year (vi)	(vii)	*Current Year (viii)	Target	*Current Year (ix)	*Following Year (x)
Service Objective xxx To promote ICT good governance for improved business continuity by June 2027	Operationalized systems by June 2022	Acquisition of One operationalized system and report (Network monitoring system and EDMS system) by June 2020	EDMS installed	Quarterly Monitoring of ICT Systems & applications by June 2022	5 renewed & maintained licenses and 100% of information uploaded on the website in line with MFMA Section 75 by June 2023.	Installed Municipal Systems and applications (Pastel Evolution, Electronic Document Management System, cibecs backups, V IP Payroll & ESS, Acronis Backup, ESET	Quarterly Monitoring of ICT Systems & applications by June 2022	No targets set for the financial year	No targets set for the financial year	No targets set for the financial year	No targets set for the financial year

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								<p>Endpoint Anti-virus, Microsoft Office 365 Enterprise, Caseware Asset System) and functioning website.</p>	<p>Four ICT Committee meetings coordinated by June 2022</p>	<p>Four ICT Committee meetings coordinated by June 2022</p>	<p>Four ICT Committee meetings coordinated by June 2022</p>	<p>Four ICT Committee meetings coordinated by June 2022</p>	<p>Four ICT Committee meetings coordinated by June 2023</p>	<p>Four ICT Committee meetings coordinated by June 2023</p>	<p>Four ICT Committee meetings coordinated by June 2023</p>	<p>Four ICT Committee meetings coordinated by June 2023</p>	<p>No targets set for the financial year</p>
<p>ICT policies are reviewed annually and developed when necessary. They are tabled to council for adoption/approval.</p>																	
<p>T 3.27.3</p>																	

Chapter 3

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	0	2	0	2	100%
7 - 9	0	0	0	0	50%
10 - 12	4	4	4	0	0%
13 - 15	0	0	0	0	0%
16 - 18	1	1	1	0	0%
19 - 20					
Total	5	7	5	2	28.6%

There is also one intern appointed by the Municipality, there is a lack of office space.

T3.27.4

Financial Performance Year 0: ICT					
R'000					
Details	Details		Details		
Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue	Total Operational Revenue
Expenditure:	Expenditure:	Expenditure:	Expenditure:	Expenditure:	Expenditure:
Employees	Employees	Employees	Employees	Employees	Employees
Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance	Repairs and Maintenance
Other	Other	Other	Other	Other	Other
Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure	Total Operational Expenditure
Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure	Net Operational Expenditure

ICT Infrastructure has been improved: Server room upgraded, all the switches have been changed, cabinets replaced, 42 network points installed, Wi-Fi technology installed and configured, active directory server installed and configured, UPS supplied and installed in the server room and cabling standards upgraded from CAT 5 to CAT

Chapter 3

6. A new backup server has been installed in the recovery site. Access control has been installed in the server room.

Systems in place: Cibecs backup systems, municipal website, VIP Payroll systems, Pastel financial system, Electronic Documents Management System, MS Office 365.

T3.72.7

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

In the Ntabankulu Local Municipality staff establishment, the municipality has a legal services unit under Corporate Services Department. There was One Official responsible for management of legal services functionality through the provision of legal advice on strategic pro-active and reactive basis, the application of knowledge of relevant legislation, statutes, and ordinances and by laws.

Then Municipality has since appointed a panel of three law firms with different areas of speciality to assist with all legal matters of the municipality. The panel of the appointed law firms is as follows: Vuba inc. Attorneys (Principal Director Deceased) TL Luzipho, Inc. Attorneys (Replaced Vuba), L. Guzana Inc. Attorneys and Madlanga & Partners. The panel is on a three year contract commencing on the 24th of May 2019 to the 23rd of May 2022. L. Guzana Inc. Attorneys and Madlanga & Partners contracts were extended for a further period of 3 months with effect from the date of expiry of the initial agreements.

The Legal Services Unit is providing practical recommendations and solutions, examining and reviewing current legal strategies to address awareness and relationships. Coordinating and implementing legal interventions and initiatives, providing advice and guidance on the development of effective professional and sustainable legal approaches.

Conducting research on legal case studies and legal precedents to manage legal implications and risks. The unit is also assisting the Municipality in attending all litigations for and against the Municipality and assign lawyers on the approval by the Municipal Manager to represent the Institution on matters that needs to be attended to.

The Strategic & Operational Risk Register for the financial year 2020/2021 was developed. Each directorate has a risk champion which liaises with the Internal Audit Manager. The risk registers are monitored through monthly reports and reviewed by Internal Audit Manager on a quarterly basis who reports to the risk management committee then to the Audit Committee on the progress.

The procurement services function is attached to the Budget and Treasury Office. The head of the SCM unit is reporting directly to the CFO. Staff turnover, supply chain management manager, supply chain accountant, contracts management officer (vacant), Demand Clerk and one intern.

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T3.73.1

Chapter 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year		*Previous Year		*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To minimise litigations by and against the municipality by June 2022	4 reports on litigations by and against the Municipality by June 2020	Monitored and reviewed litigation register by June 2019	Litigations by and against the municipality were monitored	4 reports on litigations by and against the Municipality by June 2020	4 reports on litigations by and against the Municipality by June 2022	4 reports on litigations by and against the Municipality by June 2022	4 reports on litigations by and against the Municipality by June 2023	4 reports on litigations by and against the Municipality by June 2023	NA
To provide quality service delivery through mitigation and reduction of strategic risks by June 2022	80% mitigated risks by June 2021	To develop strategic risk, operational risk register and mitigate risk by 80% by June 2020	84% of the strategic risk register and 86 of operational risk register identified	To develop strategic risk, operational risk register and mitigate risk by 80% by June 2020	2020/2021 strategic risk register including COVID 19 risks and management	2020/2021 strategic risk register including COVID 19 risks and management	2021/2022 strategic risk register including COVID 19 risks and management	2021/2022 strategic risk register including COVID 19 risks and management	NA

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			mitigated by June 2019.	services operational risk registers developed and 80% mitigated risks by June 2021	register identified mitigated by June 2021.	registers developed and 80% mitigated risks by June 2022		
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>								
T 3.28.3								

Chapter 3

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Job Level	Year -1		Posts	Employees	Vacancies (fulltime equivalents)
	Employees	No.			
0 - 3					
4 - 6	0		0	0	0
7 - 9					
10 - 12					
13 - 15					
16 - 18	1		1	1	0
19 - 20					
Total	1		1	1	0

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Financial Performance Year 0: Legal and Procurement Services

R'000	Year -1		Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual		
Total Revenue	Nil	2 063 659.17	1 946 516.37	1 946 516.37	NIL	
Expenditure:		1 600 000.00	1 482 857.20	1 482 857.20	NIL	
Employees	342 762.00	463 659.17	463 659.17	463 659.17	NIL	
Other						
Total Expenditure	1 432 624	2 063 659.17	1 946 516.37	1 946 516.37	NIL	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						
						T 3.28.5

Chapter 3

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

The Municipality does not have airports and abattoirs and forestry is covered under Local Economic Development.

T3.74.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD 2020/2021

This component includes: Annual Performance Scorecard Report for the current year.

Ntabankulu Local Municipality Audited Annual Performance Report for the financial year 2021/2022(ATTACHED AS ANNEXURE: "A"

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FINAL AUDITED ANNUAL PERFORMANCE PER DEPARTMENT

FINAL AUDITED ANNUAL PERFORMANCE PER DEPARTMENT
2021/2022

Final Audited Annual Performance Report financial year 2021/2022				
Department	Planned Targets	Achieved Targets	Not Achieved Targets	Percentage
Technical Services	26	20	6	77%
Development Planning	50	33	17	66%
Community Services	28	28	0	100%
Management Services	21	21	0	100%
Financial Management Services	24	24	0	100%
Corporate Services	52	51	1	98%
Totals	201	177	24	88%

INSTITUTIONAL PERFORMANCE 2021/2022

Final Audited Annual Institutional Performance Report 2021/2022			
Performance analysis	Planned Targets	Achieved Targets	Not Achieved Targets
Institutional performance:	201	177	24
			Percentage
			88%

Chapter 3

COMPARISON OF PERFORMANCE BETWEEN 2020/2021 & 2021/2022

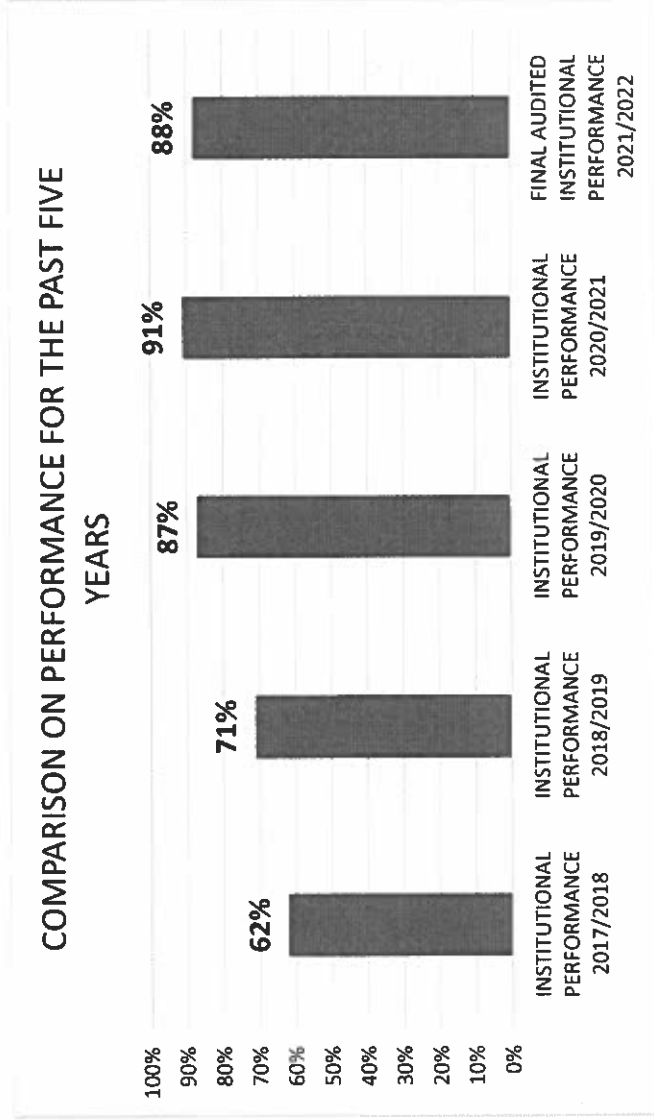
Audited Annual Performance Report financial year 2020/2021					
Directorate	Planned Targets	Achieved Targets	Not Achieved Targets	Percent age	
Technical Services	32	27	5	84%	
Development Planning	48	42	6	88%	
Community Services	26	24	2	92%	
Management Services	19	19	0	100%	
Financial Management	24	21	3	88%	
Corporate Services	45	43	2	96%	

Audited Annual Performance Report financial year 2021/2022					
Directorate	Planned Targets	Achieved Targets	Not Achieved Targets	Percent age	
Technical Services	26	20	6	77%	
Development Planning	50	33	17	66%	
Community Services	28	28	0	100%	
Management Services	21	21	0	100%	
Financial Management	24	24	0	100%	
Corporate Services	52	51	1	98%	

Chapter 3

COMPARISON OF INSTITUTIONAL PERFORMANCE

COMPARISON OF INSTITUTIONAL PERFORMANCE SINCE THE PAST 5 YEARS



Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

Ntabankulu Local Municipality develops organogram in alignment with IDP and it is reviewed annually together with IDP by the Municipal Manager and approved by the Council. It has been developed and considered a period of three years 2019-2022.

Consultations with all the relevant stakeholders (Labour & Council) are key.

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year -1	Year 2017/2018			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	N/a	N/a	N/a	N/a	N/a
Waste Water (Sanitation)	N/a	N/a	N/a	N/a	N/a
Electricity	2	3	2	1	33%
Waste Management	22	23	20	3	13%
Housing	2	3	3	0	0%
Waste Water (Storm water Drainage)	5	5	5	0	0%
Roads	N/A	N/A	N/A	N/A	N/A
Transport	7	16	16	2	12,5%

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Local Economic Development	5	5	4	1	20%
Community & Social Services	54	76	66	10	13%
Environmental Protection	0	0	0		0
Health	N/a	N/a	N/a	N/a	N/a
Security and Safety	3	9	8	1	11%
Sport and Recreation	N/a	N/a	N/a	N/a	N/a
Corporate Policy Offices and Other					
Totals	100	137	124	18	13%

T 4.1.1

Vacancy Rate: Year 0			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	11	1	9%
CFO	31	2	6%
Other S57 Managers (excluding Finance Posts)	0	0	0
Other S57 Managers (Finance posts)	0	0	0
Police officers	0	0	0
Fire fighters	0	0	0
Senior management: Levels 13-15 (excluding Finance Posts)	0	0	0
Senior management: Levels 13-15 (Finance posts)	3	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	63	14	22%
Highly skilled supervision: levels 9-12 (Finance posts)	11	1	9%
Total	119	18	15%

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*Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	N/A	N/A	
Year -1	15	6	3.7%
Year 0	8	15	9%

** Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*

T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

Turn-over for the financial year 2021/2022 was caused by 6 resignations, 3 retirements, 5 contract expiry, 1 deceased. vacancy rate is 9%

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Chapter 4

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The Human Resource manual, Employment Equity, Exit Management, Human Resource & Development, performance Management & Development, Recruitment, Selection and appointments, skills development, Attraction & retention & affirmative action are in place and enforced. Delegation framework was last reviewed in 27 May 2022.

T4.2.0

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4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	Yes	Yes	27 May 2022
2	Attraction and Retention	Yes	Yes	
3	Code of Conduct for employees			We use SALGBC signed agreement.
4	Delegation Framework	Yes	Yes	27 May 2022
5	Disciplinary Code and Procedures	Yes		We use SALGBC signed agreement.
6	Minimum Service Level Agreement (Essential Services)	Yes	Yes	Draft awaiting to be signed by all parties
7	Employee Assistance / Wellness	Yes	No	27 May 2022
8	Employment Equity Plan	Yes	Yes	November 2021
9	Exit Management	Yes	Yes	Exit interviews are conducted.
10	Grievance Procedures	Yes	Yes	We use SALGBC signed agreement.
11	HIV/Aids	Yes	Yes	27 May 2022
12	Human Resource and Development	Yes	Yes	27 May 2022
13	Job Evaluation	Yes	Yes	27 May 2022
14	Leave	Yes	Yes	27 May 2022
15	Occupational Health and Safety	Yes	Yes	27 May 2022
16	Official Housing	Yes	Yes	27 May 2022
17	Official Journeys	Yes	Yes	27 May 2022
18	Bereavement Policy	Yes	NA	May 2017
19	Official Working Hours and Overtime	Yes	Yes	27 May 2022
20	Organisational Rights	Yes	N/A	We use SALGBC signed agreement.
21	Payroll Deductions	Yes	Yes	30 May 2019
22	Performance Management and Development	Yes	No	27 May 2022
23	Recruitment, Selection and Appointments	Yes	Yes	27 May 2022
24	Remuneration Scales and Allowances	Yes	Yes	27 May 2022
25	Resettlement	N/a	N/a	N/a
26	Sexual Harassment	Yes	Yes	27 May 2022
27	Skills Development	Yes	Yes	27 May 2022
28	Smoking	Yes	Yes	27 May 2022
29	Uniforms and Protective Clothing	Yes	Yes	27 May 2022

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30	Customer Care Policy	Yes	Yes	30 May 2019
31	In-service Training policy	Yes	Yes	27 May 2022
32	Internship policy	Yes	Yes	27 May 2022
33	Induction & Orientation policy	Yes	Yes	27 May 2022
34.	Car Allowance policy	Yes	Yes	27 May 2022
35	Affirmative Action	Yes	Yes	27 May 2022
36.	Attraction and Retention	Yes	Yes	
37.	Code of Conduct for employees			We use SALGBC signed agreement.
T 4.2.1				

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The policies are developed and reviewed yearly as and when there is a need. 2022/2023 Policies have been reviewed in conjunction with the IDP and Budget & PMS processes, adopted by Council on the 27 May 2022.

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only – None	0	0	0%	0	0
Temporary total disablement-None	0	0	0%	0	0
Permanent disablement-None	0	0	0%	0	0
Fatal- None	0	0	0%	0	0
Total Not applicable	0	0		0	0
T 4.3.1					

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	51	0	14	54	0.26	R19569.32
Skilled (Levels 3-5)	135	0	22	70	0.31	R70360.65
Highly skilled production (levels 6-8)	45	0	16	45	0.36	R46448.10
Highly skilled supervision (levels 9-12)	26	0	20	20	1	R51864.86
Senior management (Levels 13-15)	1	0	2	5	0.4	R2920.20
MM and S57	0	0	0	1	0	R191163.13
Total	258	0	74	195	2.33	0
* - Number of employees in post at the beginning of the year *Average is calculated by taking sick leave in column 2 divided by total employees in column 5						T 4.3.2

COMMENT ON INJURY AND SICK LEAVE:

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No injuries reported, 50% of sick leaves.

T4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
N/A	N/A	N/A	N/A	N/A

T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
N/A	N/A	N/A	N/A

T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

T4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled	Female	17	0	0	0%
	Male	24	0	0	0%
Skilled	Female	5	0	0	0%
	Male	18	0	0	0%
Highly skilled production	Female	31	0	0	0%

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	Male	18	0	0	0%
Highly skilled supervision	Female	22	0	0	0%
	Male	14	0	0	0%
Senior management	Female	12	0	0	0%
	Male	7	0	0	0%
MM and S57	Female	4	0	0	0%
	Male	2	0	0	0%
Total	Total	174	0	0	
<i>Has the statutory municipal calculator been used as part of the evaluation process?</i>					Yes
<i>Performance evaluations were conducted for the annual performance 2019/2020 & midterm assessments 2020/2021 for Section 54A, Section 57 Managers and All Managers were also assessed for annual performance 2019/2020 and midyear 2020/2021. There was no employee due for performance bonus as per the results of the assessments.</i>					
					T 4.4.1

COMMENT ON PERFORMANCE REWARDS:

The Municipality has adopted the Performance Management System Policy for 2022/2023 financial year on the 27th May 2022. The Performance Management has been implemented to Senior Managers/Section 54A & 57 Managers, Managers reporting to Senior Managers and Officers for the financial year 2021/2022.

Performance evaluations were conducted for the annual performance 2020/2021 & midterm assessments 2021/2022 for Section 54A, Section 57 Managers, Managers and Officers.

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

The Municipality believes that its employees and Councilors form the cornerstone of service delivery to the communities within the Municipality. It is governed by a policy of giving priority to the training and development of its councilors, within parameters of what is feasible and sensible in the context of the municipality's resources development requirements.

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It will identify and assess the training needs and potential, improve their performance within the Municipality. The Municipality is committed to the structured and systematic training and development of its councilors on an ongoing basis to enable them to perform their duties effectively and efficiently. This plan aims at providing training and development programmes to enable councilors to acquire the skills, knowledge and other attributes and develop their potential to meet the municipality's and individual needs.

T4.5.0

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4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Learnerships			Skills programmes & other short courses			Other forms of training				Total	
			Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target	Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target	Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target			
		No.												
MM and s57	Female	4	0	0	0	0	1	0	0	0	0	0	0	1
	Male	2	0	0	0	0	2	0	0	0	0	0	0	2
Councillors, senior officials and managers	Female	38	0	0	0	0	33	0	0	0	0	0	0	33
	Male	27	0	0	0	0	29	0	0	0	0	0	0	29
Technicians and associate professionals *	Female	22	0	0	1	0	13	0	0	0	0	0	0	13
	Male	15	0	1	1	0	9	10	0	0	0	0	0	09

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Professionals	Female	22	0	2	0	0	1	12	0	0	0	0	0	0	3	3
	Male	16	0	1	1	0	1	1	0	0	0	0	0	2	2	
Sub total	Female	89	0	2	1	0	37	0	10	0	0	0	0	12	41	
	Male	60	0	3	1	0	19	11	0	0	0	0	0	3	30	
Total		149	0	5	2	0	56	11	10	0	0	0	0	15	71	
<i>Elementary staff not included because there is no column allocated. However 14 employees were trained on elementary category</i>																
															99.87%	*

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Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learner ships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	4	R0	R0	R0	R38000	R0	R0	R0	R38000
	Male	2	R0	R0	R0	R120000	R0	R0	R0	R120000
Legislators, senior officials and managers	Female	38	R0	R0	R5000	R30500	R0	R0	R0	R30500
	Male	27	R0	R0	R0	R20000	R0	R0	R0	R20000
Professionals	Female	22	R0	R0	R350000	R69600	R0	R0	R0	R69600
	Male	15	R0	R0	R135000	R35000	R0	R0	R0	R35000
Technicians and associate professionals	Female	22	R0	R0	R20000	R25000	R0	R0	R0	R25000
	31	R0		R135000	R0	0	0	0	0	31

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Clerks	18	R 0	R0	R 125 000	R0	0	0	0	0	18
	0	0	0	0	0	0	0	0	0	0
Service and sales workers	0		0	0	0	0	0	0	0	0
	0	0	0	R0	R0	0	0	0	0	0
Plant and machine operators and assemblers	1	0	0	R4000.00	R0	0	0	0	0	1
	14	0	0	R 37 500	R5000	0	0	0	R5000	14
Elementary occupations	19	0	0	R 37 500	R5000	0	0	0	R5000	19
	51	R116 000	R116 000	R617 000	R613 345.90	0	0	0	0	51
Sub total	54	R 0	R 0	R341 500	R 343 937.66	0	0	0	0	54
	317	R116 000	R116 000	R191 175 00	R191 506 5.12	0	0	0	0	317
Total	31	R0		R135 000	R0	0	0	0	0	31
<i>These numbers include interns and section 57 managers.</i>									99.87% *	*
T4.5.3										

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

In the year 2020/2021 the budget allocation was R1 380 000, and the total expenditure is R1380 000

The training interventions done are as follows:

Certificate Programme in Management Development (CPMD)

- Monitoring and Evaluation
- Performance Management
- Project Management
- Advanced Project Management
- TLB Operations
- BID Committees
- Website Management
- Certificate Municipal Finance Management
- Computer Literacy
- Master's in public management

NB: There were 11 planned trainings, and were all implemented, it is 100 % implemented.

5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The wage increase on personnel is based on percentage increase as determined by the bargaining Council, CPI as per the Budget circular. The salary increase for the Councillors is determined by the gazette. The percentage increase for Staff was 6, 5% and section 57 managers was 5.2% (2.8 increment and 2.6 remote allowance); furthermore the 2.5% was added to the personnel that they have not yet reached the ceiling. The Councillors have increased by 4% as indicated on the gazette.

T4.6.1.1

4.6 EMPLOYEE EXPENDITURE

Chapter 4

2018/2019	69 878 199,00
2019/2020	76 500 425,00
2020/2021	R76 075 946,00
2021/2022	R82 248 881,00

T4.6.1

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a

T 4.6.3

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	1
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	2
Senior management (Levels 13-16)	Female	1
	Male	1
MM and S 57	Female	0
	Male	0
Total		0

Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).

T 4.6.2

Chapter 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).

T 4.6.2

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a

T 4.6.4

Chapter 4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

5 positions upgraded during the financial year 2020/2021

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

There are 34 Councillors and there are a few of them involved in the business and they have all declared their interests yearly. 6 Executive managers have declared accordingly. The Municipality has gone further by including all staff members and declarations are done annually.

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

The Municipality has a low revenue base as a result the Municipality is 70% dependant on government grants, that means operational and capital expenditure is mainly funded by the government grants. The Municipality considers the historical cost (prior year) when budgeting, and a lignment with the IDP.

Grant spending

Important to note that 100% expenditure for Municipal Infrastructure Grant was realized. The municipality did not have Integrated National Electrification Grant for 2021-2022 financial year.

All other operational grants including Finance Management Grant, Expanded Public Works Program and Department of Sports, Recreation, Arts and Culture were fully spent as at 30 June.

The Municipality was appointed by the Department of Human Settlements as an implementing agent for projects and an amount of **R11 784 689,88** was transferred to the Municipality in March 2021. The municipality is implementing Lwandl'olubomvu MPCC and Bomvini housing project.

TS.0.1

Chapter 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

EC444 Ntabankulu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	Budget Year 2021/22														
		2020/21	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast					
R thousands																
Revenue By Source																
Property rates		14 575		14 578	16 613	1 395	16 739	16	127	1%	613	16				
Service charges - electricity revenue		-		-	-	-	-	-	-	-	-	-				
Service charges - water revenue		-		-	-	-	-	-	-	-	-	-				

Chapter 5

Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	635	327	642	54	642	642	642	642	-	-	-	642	642
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	652	652	2	25	652	652	652	(627)	-96%	652	-	1
Interest earned - outstanding debtors	1 374	2 900	1 700	54	1 070	100	1	1	(30)	-3%	700	208	1
Dividends received	2 051	208	208	424	2 793	208	1	1 586	131%	208	-	-	-
Fines, penalties and forfeits	77	154	354	1	81	104	1	(23)	-22%	354	354	354	1
Licences and permits	1 369	1 250	1 050	126	1 465	300	1	165	13%	050	050	050	1
Agency services	582	-	-	185	500	(500)	-	1 000	-200%	-	-	-	-
Transfers and subsidies	157 770	143 340	143 204	899	139 933	704	142	(2 771)	-2%	204	143	204	143
Other revenue	313	74 944	78 048	10	522	648	77	(77 126)	-99%	048	78	048	78

Chapter 5

	6 446	-	242 471	3 150	164 410	241 471	638	-	638	#DIV/0!	-
Gains											
Total Revenue (excluding capital transfers and contributions)	185 190	238 352	242 471	3 150	164 410	241 471	(77 061)			-32%	242 471
<u>Expenditure By Type</u>											
Employee related costs	76 760	85 757	86 977	7 365	83 093	86 055	(2 962)			-3%	86 977
Remuneration of councillors	12 055	13 328	11 383	1 002	11 673	923	(250)			-2%	11 383
Debt impairment	8 974	1 000	1 000	3 660	7 018	118	(100)			-1%	1 000
Depreciation & asset impairment	8 995	43 266	27 072	830	10 414	464	(6 050)			-37%	27 072
Finance charges	3 980	-	-	108	2 104	104	0			0%	-
Bulk purchases – electricity	-	-	-	-	-	-	-			-	-
Inventory consumed	16 040	3 500	1 300	611	2 454	978	(524)			-18%	300
Contracted services	31 238	31 209	32 593	4 364	25 982	695	(1 713)			-6%	593
Transfers and subsidies	3 767	7 150	6 964	508	2 758	344	(3 586)			-57%	964

Chapter 5

Other expenditure	31 476	35 101	26 772	4 048	23 763	28	(4	-17%	26
Losses	4 147	300	300	236	488	553	790)	-32%	772
Total Expenditure	197 432	220 612	194 362	22 733	169 747	189	(20	-11%	194
Surplus/(Deficit)	(12 242)	17 740	48 109	(19	(5	51	(56	(0)	48
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)				583)	337)	521	858)		109
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	41 474	52 224	69 629	1 194	35 309	629	321)	(0)	629
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29 232	69 964	117 738	(18	29 971	121			117
Taxation	-	-	-	389)	-	150			738

Chapter 5

Surplus/(Deficit) after taxation	29 232	69 964	117 738	(18 389)	29 971	121 150	117 738
Attributable to minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	29 232	69 964	117 738	(18 389)	29 971	121 150	117 738
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	29 232	69 964	117 738	(18 389)	29 971	121 150	117 738

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) including capital transfers/contributions etc	226 664	290 576	312 100	4 344	199 719	311 100	312 100
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Chapter 5

EC444 Ntabankulu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

R thousands	Description	Ref	Budget Year 2019/20					Full Year Forecast				
			2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual		YearTD budget	YTD variance	YTD variance %	
	Revenue By Source											
	Property rates		9 247	11 000	11 500	1 054	12 622	12 400	222	2%	12 400	2%
	Service charges - electricity revenue		3 102	-	-	-	181	-	181	#DIV/0!	-	#DIV/0!
	Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
	Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
	Service charges - refuse revenue		576	300	300	50	600	300	300	100%	300	100%
	Rental of facilities and equipment		18	1 798	1 798	-	12	1 798	(1 786)	-99%	1 798	-99%
	Interest earned - external investments		-	1 500	1 800	-	-	1 800	(1 800)	-100%	1 800	-100%
	Interest earned - outstanding debtors		1 573	250	250	-	907	250	657	263%	250	263%
	Dividends received		-	-	-	-	-	-	-	-	-	-
	Fines, penalties and forfeits		90	2 450	2 450	3	37	1 150	(1 113)	-97%	1 150	-97%
	Licences and permits		2 093	300	300	-	1 385	300	1 085	362%	300	362%
	Agency services		378	-	-	-	125	-	125	#DIV/0!	-	#DIV/0!
	Transfers and subsidies		114 741	126 981	125 916	29	122 345	113 674	8 671	8%	113 674	8%
	Other revenue		995	62 774	63 075	8	582	64 680	(64 098)	-99%	64 680	-99%
	Gains on disposal of PPE		1 327	-	-	-	-	-	-	-	-	-
	Total Revenue (excluding capital transfers and contributions)		134 140	207 353	207 389	1 145	138 797	196 352	(57 555)	-29%	196 352	-29%

COMMENT ON FINANCIAL PERFORMANCE:

All the grants were received as per DORA and the budget, and also the collection rate on rates was at 84%. There was an under collection of Traffic revenue by 57% A policy for the writing off and the several engagements were done. On rentals, there is one government department renting the Municipal properties, Department of Home Affairs. Revenue on rentals amounted to 159%, over collection is due to the receipt of rental of home affairs building rentals that were outstanding previous years because there were no signed lease agreements.

TS.1.13

Chapter 5

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The division is responsible for the development and implementation of asset management strategy, policy and procedures. It is also responsible for managing the development updating and maintenance of asset register, operating and finance lease as well as maintenance of municipal assets and fleet in order to provide a high quality of service to the community while ensuring that municipal assets are maintained to allow optimal utilization while minimizing costs.

The registration and Inventory Management, management of the utilization and lease of municipal assets is also managed in this section. The Disposal of Municipal Assets and budgeting for municipal assets are the responsibilities of this section.

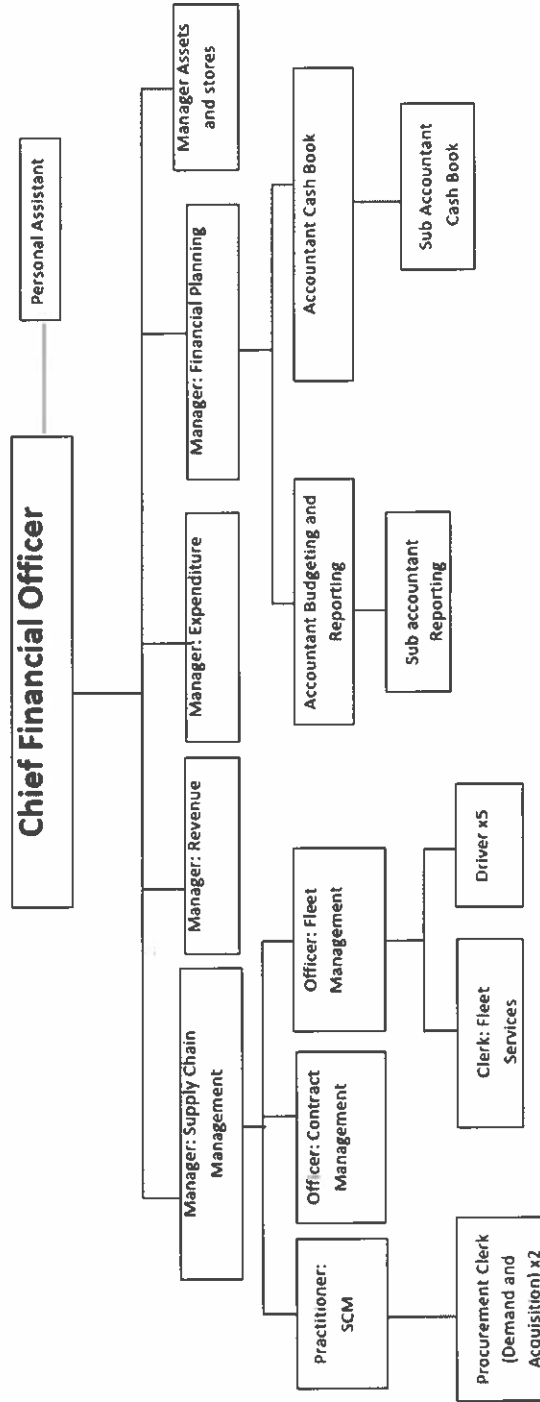
The Municipal assets are insured with Lateral Unison.

T5.3.1

Chapter 5

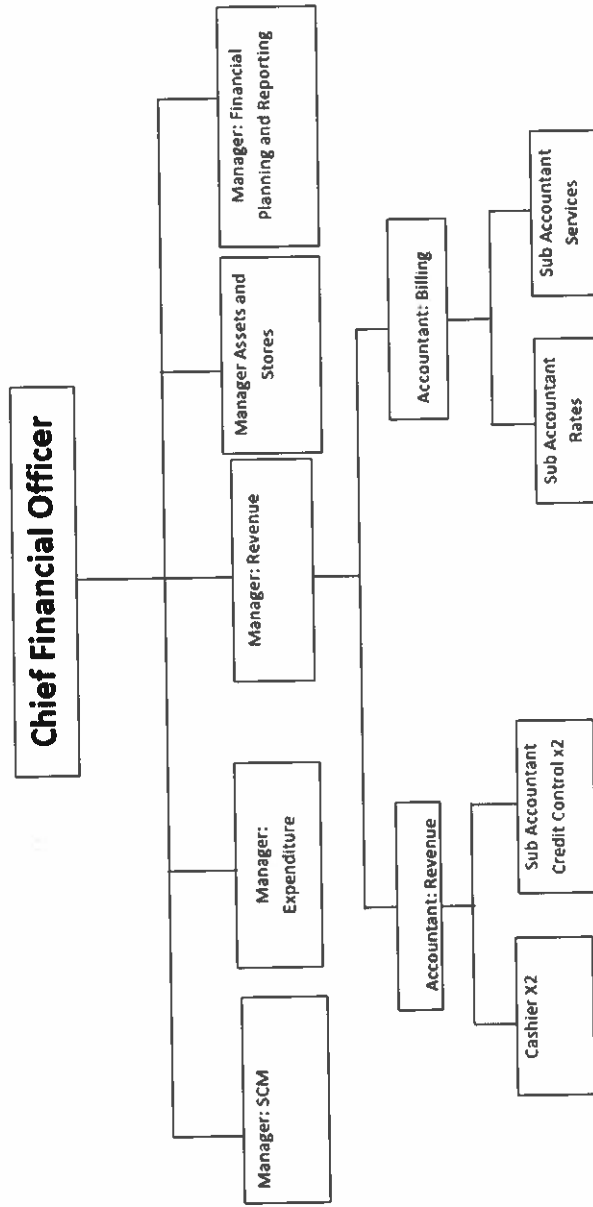
2. FINANCIAL MANAGEMENT SERVICES

A

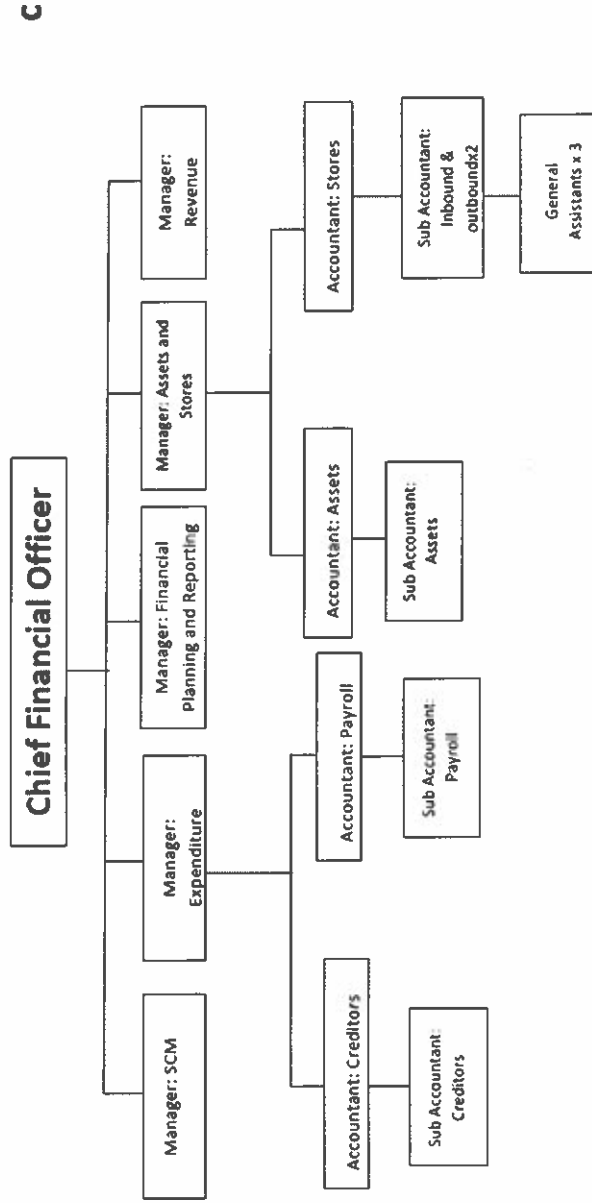


Chapter 5

8



Chapter 5



Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0						
Asset 1						
Name	Construction of small-town revitalization internal street					
Description	Construction					
Asset Type	Community Facility					
Key Staff Involved	PMU	Key Staff Involved	PMU	Key Staff Involved	PMU	Key Staff Involved
Staff Responsibilities	Monitoring	Responsibilities	Monitoring	Staff Responsibilities	Monitoring	Staff Responsibilities
Asset Value Phase 1	Total Project Value					
Asset Value Phase 2	R 13 384 370.21					
Capital Implications	Major Development of Community Facility within the CBD					
Future Purpose of Asset	Revenue Generation					
Describe Key Issues	The Facility has now been completed and the Municipality is in a position to generate revenue out of this facility					
Policies in Place to Manage Asset	Yes, Ntabankulu Maintenance plan					
Construction of Ngqwashu to Mabhalane Access Road						
Name	Construction of Ngqwashu to Mabhalane Access Road					
Description	Surfaced Roads in Ntabankulu CBD and residential Area					
Asset Type	Surfaced Road					
Key Staff Involved	PMU	Key Staff Involved	PMU	Key Staff Involved	PMU	Key Staff Involved
Staff Responsibilities	Monitoring	Responsibilities	Monitoring	Staff Responsibilities	Monitoring	Staff Responsibilities

Chapter 5

Asset Value	Total Project Value	Asset Value
R5 156 127.35	R 60 173 277.16	R 60 173 277.16
Capital Implications	Roads Upgrade within the Central Business District and Residential Area	
Future Purpose of Asset	Improve accessibility	
Describe Key Issues	Elimination of dust roads and improved outlook	
Policies in Place to Manage Asset	Yes, Asset Management Policy	
Ntabankulu Traffic Department		
Name	Ntabankulu Traffic Department	
Description	New Office Park for Ntabankulu Traffic Department	
Asset Type	Building	
Key Staff Involved	Key Staff Involved	Key Staff Involved
Staff Responsibilities	PMU Project Monitoring	PMU Project Monitoring Staff Responsibilities
Asset Value	Total Project Value	Asset Value
R 13 958 527.22	R 6 317 940.61	R 6 317 940.61
Capital Implications	Capital Development to improve Municipal Services	
Future Purpose of Asset	Improved Service Delivery and improved Revenue Generation Capacity	
Describe Key Issues	More accommodation for Municipal Traffic Officers	
Policies in Place to Manage Asset	None	

T5.3.4 Repair and Maintenance Expenditure: Year 0

R' 000	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	2 683 350.00	4 639 845.69	1 558 113.00	3 081 732.69
				T 5.3.4

Chapter 5

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The financial ratios clearly indicates that the Municipality has been financially viable. The Municipality has been able to fund both its operational and capital activities. The plan is to build reserves for capital replacement. During the year the controls on expenditure management were put in place and the spending was as per the approved budget. The Municipality has managed to properly budget for non-cash items including the transfer of Electrification projects which was the major contributor to the unauthorized expenditure in the last financial year.

TS.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS:

The Municipality exceeded the norm of 40% on employee costs and on repairs and maintenance the municipality is far below the norm of 8%. The Municipality has achieved consistence in terms of ensuring that grants are fully spent for the past two financial years and no application for roll-over has been made. The Office of the premier has revived the small-town revitalization grant to a total value of R47 000 000 implemented in two phases

TS.4.9

Chapter 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

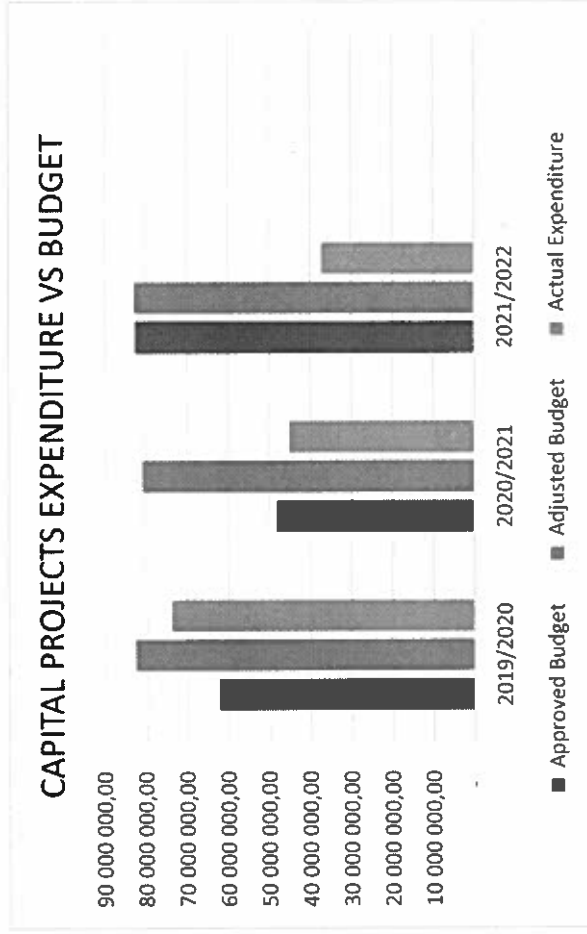
Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants by National Treasury, together with COGTA. The spending for MIG for the financial year 2021/2022 is at 100% at year end.

Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

Chapter 5

T5.5.0

5.5 CAPITAL EXPENDITURE



Chapter 5

COMMENTS ON CAPITAL EXPENDITURE

The graph above depicts Original Budget, Adjustment Budget and Actual expenditure on Capital Projects from 2018/19 financial year until 2020/21 financial year. During 2020/21 financial year, the Municipality received a grant of R22,5 million which was meant to assist with Covid-19 related impact on Municipal revenue. An amount of R13 958 527.22 was set aside for construction of Traffic Department for the Municipality, which is an initiative that is aimed at expanding the services, which include testing for drivers licences, vehicle licensing, vehicle testing license renewals to ensure that the community is fully serviced at Ntabankulu Local Municipality. This will in turn increase the revenue base of the Municipality. The construction of these offices was at foundation phase at at 30 June, which led to under expenditure on the Capital budget. Also the grant from the department of Human Settlements was not yet spent as at 30 June as it was received in March 2021. As at 30 June, the Department of Human Settlements projects were at planning stages.

T5.5.1

5.6 SOURCES OF FINANCE

	Year -0(2019)	Year 1(2020)		Actual
	Actual	Original Budget (OB)	Adjustment Budget	
Construction of Municipal Traffic Offices	0.00	10 598 814.00	2 153 990.91	0%
Construction of Tladi to Cederville Access Road	3 915 003.00	3 915 003.00	3 831 995.62	2.1%
Manzana to Xhamisa	3 500 000.00	4 047 443.93	4 047 443.93	15.6%
Mjelweni Access Road	3 843 327.39	3 843 327.39	3 543 090.84	7.8%
Dumisi Community Hall	4 357 685.14	4 357 685.14	2 278 564.66	47.7%

COMMENT ON SOURCES OF FUNDING:

The above table depicts grants that were budgeted for by the Municipality and the actual amounts received per grant. The additional equitable share was received by the Municipality to minimize the impact of Covid 19 on Municipal revenues. MIG Grant was reduced as a result of Covid-19 related reallocations. The

Chapter 5

grant for special support for Councilor remuneration was not received by the Municipality and thereafter the budget was adjusted to cater for the non-received grant.

All municipal grants were spent according to the conditions specified in each grant. No roll-over applications will be made by the Municipality to the National Government. The only unspent grant from the Department of Human Settlements will be fully spent in the coming financial year as the Department's projects were still at planning stages as at 30 June 2021.

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*						
Name of Project	Current: Year 0			Variance: Current Year 0		
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)	
	Construction of Municipal Traffic Offices	0.00	10 598 814.00	2 153 990.91	0%	79.6%
Construction of Tladi to Cederville Access Road	3 915 003.00	3 915 003.00	3 831 995.62	2.1%	2.1%	
Manzana to Xhamisa	3 500 000.00	4 047 443.93	4 047 443.93	15.6%	0%	
Mjelweni Access Road	3 843 327.39	3 843 327.39	3 543 090.84	7.8%	7.8%	
Dumsi Community Hall	4 357 685.14	4 357 685.14	2 278 564.66	47.7%	47.7%	

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* Projects with the highest capital expenditure in Year 0	
Name of Project -	Traffic Offices
Objective of Project	Expansion of traffic service delivery to Ntabankulu Communities
Delays	None
Future Challenges	None anticipated
Anticipated citizen benefits	More services at traffic Department
Name of Project -	Construction of Tladi to Cederville Access Road
Objective of Project	To promote road access to communities
Delays	The project progress is in line with the program
Future Challenges	None anticipated
Anticipated citizen benefits	Access to proper road infrastructure for ward 11 communities.
Name of Project -	Construction of Manzana to Xhamisa Access Road
Objective of Project	To improve accessibility to the residential areas
Delays	The project progressed well in line with the program
Future Challenges	None
Anticipated citizen benefits	Access to proper road infrastructure at ward 17
Name of Project -	Construction of Mjelweni Access Road
Objective of Project	To improve accessibility to residential areas
Delays	Project progressed well in line with the program
Future Challenges	None
Anticipated citizen benefits	Access to sports activities
	Access to proper road infrastructure at ward 12
Name of Project -	Construction of Dumsi Community Hall
Objective of Project	To provide community facility for community gatherings
Delays	Project progressed well in line with the program
Future Challenges	None

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Anticipated citizen benefits

Savings for tent hiring when conducting community events

Access to proper road infrastructure at ward 2

COMMENT ON CAPITAL PROJECTS:

Capital projects are approved in line with the 3-year Capital Plan that is approved by Council. The Municipality received an additional grant for Covid 19 relief and this was utilized to finance the construction of Traffic Offices as the project was viewed to promote future revenue streams for the Municipality and in turn promote self-sustainability of the Municipality.

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Overview on basic service delivery is covered in Chapter 3 above

T5.8.1

Chapter 5

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Roads, Pavements & Bridges	13 651 730,89	18 651 730,89	15 046 476,90	29%	NA
Maintenance	505 000	305 000	257 303	49%	16%
Total	14 156 730.89	18 956 730	15 303 799.9	8%	20%

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

EC444 Ntabankulu - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	Budget Year		Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		2019/20 Audited Outcome	2020/21 Original Budget							
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										

Chapter 5

Property rates	-	12 063	-	-	063	12	-100%	063	12
Service charges	-	315	-	-	315	69	-100%	315	69
Other revenue	1	59 176	(0)	(0)	592	162	-100%	592	162
Transfers and Subsidies - Operational	569	177	(18)	910	168	53	-91%	168	53
Transfers and Subsidies - Capital	74	360	073	11	369	15	-78%	369	15
Interest	-	41 915	23	771	009	-	-100%	009	-
Dividends Payments	-	1 500	-	-	-	-	-	-	-
Suppliers and employees	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	644	270 262	329	681	516	312	91%	516	312
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts	-	292	(18)	26	285	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-

Chapter 5

Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES																				
Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	644	4	270	262	329	292	(18	050)	681	26	312	516	312	516	312	516	312	516	312	516
Cash/cash equivalents at beginning:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at month/year end:	644	4	270	262	329	292	681	26	681	26	312	516	312	516	312	516	312	516	312	516

References

1. Material variances to be explained in Table SC1

Chapter 5

COMMENT ON CASH FLOW OUTCOMES:

The cash flows indicate that the Municipality has been financially sound for the year under consideration.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

None

T 5.10.2 Actual Borrowings: Year -2 to Year 0				
R' 000	Instrument	Year -2	Year -1	Year 0
	Municipality			
	Long-Term Loans (annuity/reducing balance)	-	-	-
	Long-Term Loans (non-annuity)			
	Municipality Total	-	-	-

Chapter 5

Municipal and Entity Investments						
R' 000						
Investment* type	Year -2		Year -1		Year 0	
	Actual		Actual		Actual	
Deposits - Bank	5 154 719.00		35 035 979.00		9 690 179.96	
Municipality sub-total	5 154 719.00		35 035 979.00		9 690 179.96	

Chapter 5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

During the year the Municipality did not enter into public private partnership, however, the Municipality appointed two service providers to source funding from reliable funding institutions to finance off-balance sheet projects. Currently the Municipality is in a process of getting approvals from National Treasury for the PPP project of installing Solar Panels as an alternative energy source with the intention of future revenue generation. The process has reached Treasury Views and Recommendations 1 (TRV1) and now at TVR2 stage after which the procurement processes will follow.

T5.11.1

Chapter 5

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Supply Chain Management unit is operational, and the Supply Chain Policy has been reviewed and adopted by the Council on 28 May 2021. The Municipality complies with the approved SCM policy and with the legislations, circulars and gazettes. The procurement plan has been developed and implemented for financial year 2021/22 and all bid committees are in place. Document management has improved within the SCM Unit as a result of availability of more office space, however there is still room for improvement. Reports on the implementation of the Supply Chain Policy were prepared and submitted to the Council and Treasury on quarterly basis for the financial year 2020/22.

The total number of contracts awarded, with value above thirty thousand rand was 59(fifty nine) in total and long-term contracts, above twelve months awarded during the current financial year were 24 (Twenty four). The total percentage of contractors awarded to local contractors is 55% (fifty five percent), which is above the 30% threshold which was targeted for the year. The Municipality is trading with suppliers that are registered on the Central Supplier Database. There are still minor challenges with regards to some service providers that are not registered but the Municipality is in a process of assisting them through the Local Economic Development Department by ensuring that their businesses are formally registered before they trade with the Municipality. The Standard Infrastructure Procurement and delivery management policy has also been adopted as an annexure to the Municipal Supply Chain Management Policy in May 2021

T5.12.1

Chapter 5

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The Municipality has prepared the Annual Financial Statements that are GRAP compliant including any interpretation, guidelines and directives issued by the Accounting Standards Board. The AFS are in compliance with the prescribed standards.

T5.13.1

GLOSSARY

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

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

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Service Delivery Performance: Year 2019/2020	
Audit Report Status:	Audit report is attached
Unaudited disclosure notes	None
Underspending of MIG	There was no underspending on MIG in the previous financial year
Irregular expenditure	R555 285.00
Fruitless and Wasteful Expenditure	26 156 523,00

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 1

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

The municipality achieved an unqualified *opinion in 2020/21* with material findings, the following matters of emphasis were raised, Restatement of corresponding figures, irregular expenditure, and a material irregularity was raised by the office of the Auditor General regarding the SAMWU litigation that led in attachment of the Municipal Bank Account. The audit action plan was developed and implemented for the period 2020/21 financial year. The financial statements are being prepared for submission on 31st of August 2022.

T6.2.3

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost Indicators	The overall cost or expenditure of producing a specified quantity of outputs.

GLOSSARY

Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)

GLOSSARY

Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
Performance Targets:	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.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <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> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Service Backlogs as at 30 June Year 0				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management	26 195	75%		%
Housing		%		%

*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.*

T 5.8.2

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
1.Cllr. V. Matwasa (Speaker)	Full-time	Council Chairperson	ANC	100%	0
2.Cllr. P.T. Sobuthongo (Mayor)	Full-time	EXCO Chairperson	ANC	90%	10%
4. Cllr. S. Menziwa (Chief Whip)	Part – time	EXCO Member; and chairperson of Standing Committee Technical Services	ANC (Ward Cllr-Ward 09)	99%	1%
3.Cllr. N. Kinase	Part – time	EXCO Member and chairperson of Standing Committee on Corporate Services	ANC (Ward Cllr-Ward 17)	100%	0
5. Cllr. E.Z. Joyi	Part – time	EXCO Member and chairperson of Standing Committee on Community Services.	ANC (Ward Cllr-Ward 03)	100%	0

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6. Cllr. M.K. Dinwayo	Part - time	EXCO Member and Chairperson of Standing Committee on Budget and Treasury Office	ANC (Ward Cllr- Ward 10)	100%	0
7. Cllr. N. Pezisa	Part-time	EXCO Member	EFF	78%	22%
8. Cllr. M. Nqwazi (Acting)	Part-time	Acting Chairperson, Standing Committee Development Planning and Chairperson Rules, Ethics and Members interest committee	Ward Cllr Ward 05 ANC	100%	0%
9. Cllr T. Lubisi	Part-time	Chairperson Municipal Public Accounts Committee members	ANC	100%	0%
Cllr. N. Daniel	Part - time	Municipal Public Accounts Committee member	AIC	100%	0%
10. Cllr. S. Bakeni	Part-time	Chairperson of Public Participation and Petitions Committee and Standing Committee member Corporate Services	ANC	100%	0%
11. Cllr. M. Nqwazi	Part-time	Rules, Ethics & Members' Interests Committee Chairperson and Standing Committee member Development Planning	ANC Ward 05	100%	0%
12.Cllr. S.J. Madwakasi	Part-time	Standing Committee Member Community Services	ANC Cllr. Ward 01	100%	0%
13. Cllr. A.O. Ranana	Part-time	Standing Committee Member Development Planning	ANC Ward 02	66%	34%
14.Cllr. S. Zwelonke	Part-time	Standing member Committee Development Planning	ANC Cllr Ward 04	100%	0%
15. Cllr. A. Zakabana	Part-time	Standing Committee Member Community Services	ANC Ward 06	100%	0%

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16. Cllr. A. Ngconjana	Part-time	Standing Committee member Financial Management Services	ANC Ward 07	100%	0%
18. 17. Cllr S. Nkweba	Part time	Standing Committee Member Corporate Services	ANC Ward 08	100%	0%
19. Cllr. S. Mathumbu	Part time	Standing Committee Member Development Planning	ANC Ward 11	98%	2%
20. Cllr. P.M. Mafilika	Part-time	Standing Committee Member Technical Services	ANC Ward 12	100%	0%
21. Cllr. K.S. Nkaenkae	Part-time	Standing Committee Member Technical Services	ANC Ward 14	100%	0%
22. Cllr. N. Gantsu	Part-time	Standing Committee Member Technical Services	ANC Ward 15	100%	0%
23. Cllr. S. Sopaqa	Part-time	Municipal Public Accounts Committee Member	ANC Ward 16	98%	2%
24. Cllr. N. Sidudu	Part-time	Municipal Public Accounts Committee Member	ANC Ward 18	100%	0%
25. Cllr. M. M. M. M. Mkunukelwa	Part-time	Standing Committee Technical Services mem committee member	ANC Ward 19	98%	2%
26. Cllr A. Mtyingizane	Part-time	Rules, Ethics and Members Interest Committee Members & Financial Management Services Standing Committee member	ANC	100%	0%
27. Cllr N. Sobuthongo	Part-time	Public Participation and Petitions committee members & Community Services Standing Committee members	ANC	98%	2%
28. Cllr Z. Mlonyeni	Part-time	Development Planning Standing Committee	ANC	100%	0%

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29. Cllr Mkhizwana	M.B.	Part-time	Development Standing Member	Planning Committee	ANC	100%	0%
30. Cllr T. Ngeyane		Part time	Community Standing Member	Services Committee	ANC	100%	0%
31. Cllr N. Zakade		Part-time	Financial Services Committee Member	Management Standing	ANC	98%	2%
32. Cllr M. Nokhenkce		Part-time	Financial Services Committee Members	Management Standing	ANC	100%	0%
33. Cllr N.S. Ncekana		Part-time	District Rep & Services Committee member	Corporate Standing	ANC	98%	2%
34. Cllr M.P. Ndabeni		Part-time	District Rep & Public Accounts Committee Member	Municipal	ANC	98%	2%
35. Cllr. N. Sithunzi		Part-Time	Council member		EFF	100%	0%
36. Cllr. A. Diko		Part-Time	Standing Member Planning	Committee Development	EFF	90%	10%
37. Cllr. Z.L. Nofayile		Part time	Standing member	Committee Technical Service	EFF	70%	30%
38. Cllr T.A. Mhlana		Part time	Rules, Ethics and Interest Member	Members Committee	ATM	100%	0%
39. Cllr B. Xhangayi		Part time	Public Participation and Petition Member		DA	100%	0%

CONCERNING TA

A spreadsheet exists to compile attendance data

TA.1

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 79 Committees	
1. Ethics, Rules and Members Interests	To undertake review of the Rules of Order, procedures and regulations of the council committees and recommend changes to that effect to Council. To undertake a review and/or develop policies on councilor's welfare and recommend changes to the Council, by way of reporting to the Speaker of Council. To develop programmes and activities to promote ethical practice and to combat corruption
2. Public Participation and Petitions	To monitor the process of receiving, addressing and responding to complaints from the community. To consider issues that may pose political risk pertaining to public participation. To monitor the update of the petitions register
3. Municipal Public Accounts Committee	The objective of the committee is to serve as an oversight committee to exercise oversight over the executive obligations of council. To assist council to hold executive and municipal entities to account and to ensure the efficient and effective use of municipal resources. To increase council and public awareness of the financial and performance issues of the municipality and its entities including policy operation and implementation of local government.
Section 80 Committees	
1. Community Services Committee	The committee has the responsibility to: Support the provision of Library Services Consider Solid Waste collection and disposal Regulate Landfill site and Environmental Management programmes Assist in the maintenance and management of Public Amenities e.g. Community Halls, Cemeteries, Pound, Parks & Sport fields Assist in the enforcement of Roads Traffic-laws and Municipal Traffic by-laws Promote safeguarding of Municipal Assets and Properties Assist in the coordination of Public Participation programs and Council Support Assist in coordination and development of Community Sport, Arts and Culture
2. Technical Services Committee	The committee assists the Council to promote service delivery within the municipality, Encouragement of liveable and sustainable human settlements, The Committee must recommend the provision or approval of funds for unforeseen infrastructural development services, To report to the Council about the infrastructural projects that are planned for the development of the district municipality, To ensure that the municipality delivers the quality service delivery to the communities.

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<p>3. Development planning committee</p>	<p>To discuss and report about the programs of the local economic development, The committee works towards broadening advancement of Black Economic Empowerment, The committee develops strategies to promote tourism within the local municipality, Establishment of poverty alleviation initiatives, Acceleration of Radical Economic Transformation</p>
<p>4. Budget and Treasury Office Committee</p>	<p>To participate on the drafting of budget and adjusted budget, To participate on the formulation of the IDP and Budget, Assist the Council in the allocation if applicable, the distribution of grants made to the municipality, Assist the Council in the refuse removal, rental, trading tariffs and pound fees or related matters including the collection of revenue thereof</p>
<p>Corporate Services Committee</p>	<p>Receive reports and evaluate progress on Human Resources issues, Consider matters related to job evaluation and grading of staff, Consider performance management of the institutions, Make recommendations on Development of Human Resource Policy Manual and on continuous review of Human Resources policies, Deal with the Implementation of new organisational structures and strategies, Consider labour relations matters and Human Resource and development,</p>

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Department	Director/Manager (State title and name)
Management Services Department	Municipal Manager: Ms. L. Nonyongo
Corporate Services Department	Corporate Services Director: Ms. S. Ntlahla
Community Services Department	Community Services Director: Mr. S. Matiwane
Technical Services Department	Infrastructure Planning & Development Director: Mr. P. Mpendulo
Financial Management Department	Chief Financial Officer: Mrs X. Venn
Development Planning Department	Development Planning Director: Director: Mrs. N. Ndlaku
<i>Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).</i>	

TC

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Yes	Yes
Firefighting services	No	No
Local tourism	Yes	Yes
Municipal airports	No	No
Municipal planning	Yes	Yes
Municipal health services	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	No
Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	Yes
Trading regulations	Yes	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	Yes
Cemeteries, funeral parlours and crematoria	Yes	Yes
Cleansing	Yes	Yes

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Control of public nuisances	No	No
Control of undertakings that sell liquor to the public	Yes	Yes
Facilities for the accommodation, care and burial of animals	Yes	Yes
Fencing and fences	Yes	Yes
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	Yes	Yes
Local amenities	Yes	Yes
Local sport facilities	Yes	Yes
Markets	Yes	Yes
Municipal abattoirs	Yes	Yes
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes
Noise pollution	No	No
Pounds	Yes	Yes
Public places	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes	Yes
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		<i>TD</i>

APPENDICES

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councilor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 01	Cllr. S.J. Madwakasa Ward committee Members: 1. B Phambani 2. Z Nqetho 3. Z. Njojo 4. L. Kulala 5. V. Sokelani 6. N. Tiya 7. L. Mavela 8. Z. Gezani 9. S. Magini 10.S. Khimbili	Yes	24	12	2
Ward 02	Cllr A.O. Ranana Ward committee Members: 1. N. Mdutshana 2. M. Thukumbela 3. B. Xokwa 4. N. Mgotywa 5. M. Xokwa 6. N Madikizela 7. N. Mcimbiliza 8. O. Mapoma 9. N. Ngidi 10. N. NOhiya	Yes	24	12	2

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Ward 03	<p>Cllr E.Z. Joyi</p> <p>Ward committee Members:</p> <ol style="list-style-type: none"> 1. N. Ndlumbane 2. S. Mbici 3. A. Makhaba 4. N. Myolwa 5. K. Ziphathe 6. N. Qgolile 7. N. Tshaka 8. S. Maqhezu 9. D. Themba 10. S. Sithethwa 	Yes	24	12	2
Ward 04	<p>Cllr S. Zwelonke</p> <p>Ward committee Members:</p> <ol style="list-style-type: none"> 1. L. Bheyi 2. A. Lambatha 3. T. Robert 4. A. Fundzo 5. S. Ncedo 6. A. Ndunge 7. S. Sithetho 8. A. Nogwana 9. A. Mpini 10. T. Nofayile 	Yes	24	12	2
Ward 05	<p>Cllr M. Nqwazi</p> <p>Ward committee Member:</p> <ol style="list-style-type: none"> 1. N. Mkholiswa 2. L. Gebhu 3. N. Tantsi 4. A. Lawana 5. N. Mtangayi 6. S. Nkewu 7. N. Nqetho 8. M. Mapholoba 	Yes	24	12	2

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	9. N. Tayi 10. N.Mthangayi				
Ward 06	<p>Cllr. A.Zakhabana Ward committee Members:</p> <ol style="list-style-type: none"> 1. N. Diko 2. N. Mzaza 3. S. Mvuyo 4. S. Majala 5. V. Tantsi 6. N. Ngangane 7. L. Nondoda 8. M. Tyhalibhongo 9. M. Dana 10. C. Mbozomani 	Yes	24	12	2
Ward 07	<p>Cllr A. Ngconjana Ward committee Members:</p> <ol style="list-style-type: none"> 1. N.Maphungu 2. B. Molweni 3. M. Matsheyi 4. N. Nkomonye 5. N. Limekhaya 6. S. Mngangabekwa 7. C. Makhawula 8. K. Fenqekile 9. X. Cebani 10. M. Ndumani 	Yes	24	12	2
Ward 08	<p>Cllr S. Nkweba Ward committee Members:</p> <ol style="list-style-type: none"> 1. N. Ntulwana 2. B. Makasi 3. M. Mhlakothi 4. N. Phambani 5. N. Goliva 6. N. Ntabeni 7. N. Luvuyo 8. T. Mankala 9. N. Bayitana 10. M. Tshaba 	Yes	24	12	3

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Ward 09	<p>Cllr. S. Menziwa Ward committee Member: 1. N.T.Tinikwana 2. N. Faye 3. N. Dlela 4. B. Mgobo 5. N. Hlakanyana 6. F. Tshaka 7. T. Ntinikwana 8. V. Mbukutshe 9. T. Jani 10. M. Makhandlela</p>	Yes	24	12	2
Ward 10	<p>Cllr. M.K. Dinwayo Ward committee Member: 1. N. Mtyaba 2. K. Nosanga 3. B. Mahashe 4. N. Gcaba 5. N. Mayaphaphi 6. N. Mayekiso 7. N. Mavango 8. B. Mlahlwa 9. M. Luhabe 10. S. Lunaako</p>	Yes	24	12	2

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Ward 11	<p>Cllr Ward committee Members:</p> <ol style="list-style-type: none"> 1. P. Diko 2. T. Nokhele 3. M. Mayeza 4. B. Mfino 5. B. Tshoba 6. A. Vezi 7. N. Sukude 8. N.Mbamb o 9. V. Novazi 10. N. Roto 	Yes	24	12	2
Ward 12	<p>Cllr P.M. Mafilika Ward committees</p> <ol style="list-style-type: none"> 1. N. Nogwina 2. Y. Dlanga 3. N.Gogo 4. O.Nonkondlo 5. M.Mxhonywa 6. P.Sithandathu 7. B. Qanga 8. N.Diko 9. M. Nontuma 10. M. Mrhwetyana 	Yes	24	12	2
Ward 13	<p>Cllr S. Bakeni Ward committee Members:</p> <ol style="list-style-type: none"> 1. T. Sibondana 2. C. Mbetye 3. O. Bam 4. S. Mrwetyana 5. Z. Bam 6. N. Nkisame 7. N.Mkhathu 8. N.Tantsi 9. M.Gumbeka 10.S.Nojula 	Yes	24	12	2

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Ward 14	<p>Cllr K.S.Nkaenkae Ward committee Members: 1. A.Banjwa 2. N.Nogcantsi 3. N.Nontswabu 4. A. Bekizulu 5. A. Mazamani 6. D. Makoko 7. L. Lerafula 8. V. Mtimde 9. G. Tsita 10. Z.Bewana</p>	Yes	24	12	2
Ward 15	<p>Cllr N. Gantsu Ward committee Members: 1. S. Mrubuluza 2. Z. Mdunyelwa 3. N. Gusha 4. N.Fumba 5.M.Manyangaza 6. N.Mazaleni 7. T.Fumba 8. T. Mbulawa 9. N.NTlanguala 10. B.Mdludlumbe</p>	Yes	24	12	2
Ward 16	<p>Cllr S.Sopaqa Ward committee Members: 1. N.Ngejane 2. M.Nxeke 3. Z. Myolwa 4. T.Mazinyo 5. Z.Ncanaso 6. N.Manqathe 7. T. Mahleka 8. K.Khathala 9. M.Mbunga 10.K.Madodana</p>	Yes	24	12	2

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Ward 17	<p>Clr N Kinase Ward committee Membes: 1. X.Mdlele 2. N.Njiva 3. S.Nkwili 4. M.Mdlele 5. N.Qwane 6. N.Ngeyane 7. N.Mnandi 8. W.Nongogo 9. N.Nomnandi 10.N.Nxuza</p>	Yes	24	12	2
18. N.Sidudu	<p>1. M.Magama 2. S.Mxamba 3. P. Nqetho 4. N.Mpetshwa 5. N.Mabhuda 6. N.Qusha 7. N.Magwemba 8. S. Gqiza 9. B.Mhlezo 10. B.Nontshakela</p>				
19. M. Mcunukelwa	<p>1. O.Bomali 2. L.Tshicelo 3. Z. Mkhize 4. N.Nyokana 5. W.Mdabulo 6. L.Noqhwitha 7. N. Pakade 8. L.Finca 9. M.Mjikwa 10. L. Dika</p>				

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)

APPENDICES

Capital Projects: Seven Largest in Year 1 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
Ward 08	Traffic Department	31/03/2021	Ongoing	R13 958 527.22
Ward 15	Ngqwashu to Mabhalane	09/10/2020	08/04/2021	R6 133 558.49
Ward 05	Lwandl'olubomvu	13/11/2020	04/06/2021	R8 200 000.00
Ward 08	Bomvini Housing Unit	26/10/2020	Ongoing	R5 722 222.23
Ward 10	Internal Street			R27 000 000.00
Ward 03	Ward 4 Community Hall			R4 747 958.14
Ward 05	Ngozi access road			R4 045 402.83

T F.1

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 0
	Water & Sanitation	13.4 % Water and Sanitation 30%
	Housing	820
	Roads infrastructure	23.9 km
	Electricity	741 Extensions and Infills

T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

All 17 wards have established ward committees that are fully functional. The average of meetings attended by ward committees is ranging at an average of 24 meetings.

T F.3

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 33	Recommendations adopted (enter Yes) If not adopted (provide explanation)
23 July 20221	1	1 Resolved
20 August 2021	9	9 Resolved
22 October 2021	4	4 Resolved
18 January 2022	8	6 Resolved 1 In Progress And 1 Not Resolved
22 April 2022	1	1 In Progress
24 June 2022	10	5 Resolved 3 In Progress And 2 Not Resolved

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

MANAGEMENT SERVICES DEPARTMENT

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	PROJECT SATISFACTORY	Reasons on satisfactory/not satisfactory
Internal Audit Unit				
Outsourcing of Internal Audit projects	ARMS Audit	10 August 2020 – 09 August 2022	Satisfactory	The service provider has commenced its deliverables as per Risk based Plan on 10 August 2020 and the its performance was monitored on a monthly basis and it was satisfactory as at 30 June 2022 and will be monitored till the end of its contract on the 09 August 2022 when the contract expires.

CORPORATE SERVICES DEPARTMENT

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	PROJECT SATISFACTORY	Reasons on satisfactory/not satisfactory
Supply & Delivery of Laptops, Desktops and Projectors	KC&SC Son	24 months	Satisfactory	They always deliver on time or notify if there will be any changes
Provision of network and VPN services	Telkom SA(BCX)	5 years	Satisfactory	They always deliver on time or notify if there will be any changes

Contents

Supply and delivery of cleaning material	Yaluza	24 months	Satisfactory	They always deliver on time or notify if there will be any changes
Supply and delivery of cleaning material	Depopota	24 months	Satisfactory	They always deliver on time or notify if there will be any changes
Supply and delivery of cleaning material	Mocia	24 months	Satisfactory	They always deliver on time or notify if there will be any changes
Supply and delivery of office Furniture	Sbala	24 months	Satisfactory	They always deliver on time or notify if there will be any changes
Supply and delivery of office furniture	Versatile	24 months	Satisfactory	They always deliver on time or notify if there will be any changes
Supply and delivery of office furniture	Slangwe	24 months	Satisfactory	They always deliver on time or notify if there will be any changes
Supply, Delivery & Maintenance of printing Machines	Xerox Aloe	36 months	Satisfactory	They always deliver on time or notify if there will be any changes.
Provision of legal services	T.L Luzipho Incorporated Attorneys	36 months	Satisfactory	They always deliver on time or notify if there will be any changes.
Provision of legal services	L. Guzana incorporated Attorneys	36 months	Satisfactory	They always deliver on time or notify if there will be any changes.
Provision of legal services	Madlanga & Partners incorporated Attorneys	36 months	Not Satisfactory	They are not deliver on time or notify if there will be any changes
Provision of Clothing	SLG and surveys & Project Managers	24 months	Satisfactory	They always deliver on time or notify if there will be any changes.
Provision of Clothing	Yonwabani Construction	24 months	Satisfactory	They always deliver on time or notify if there will be any changes.
Provision of Clothing	Sbala Trading enter price	24 months	Satisfactory	They always deliver on time or notify if there will be any changes.

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COMMUNITY SERVICES DEPARTMENT

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	PROJECT SATISFACTORY	Reasons on satisfactory/not satisfactory
Security Services (outsourced)	Whispers Security Cleaning and Trading Solutions (PTY) LTD	06 November 2019 to 06 November 2021	Satisfactory	Performance score was 4/5, and this was based on the set deliverables as per Service Level Agreement (SLA). The Service Provider provided security services and was acting upon the instructions given by the client (municipality). The performance and service quality were satisfactory. The contract was extended from 06 November 2021 to 05 February 2022, and the service provider met all the requirements set out in the SLA. There had been no reported case of the loss of assets. The municipality did not record any case wherein the guards were found without firearms whilst on duty.
	All Black Security (PTY) LTD	05 February 2022 to 04 February 2024	Satisfactory	Performance score was 4/5, and this was based on the set deliverables as per Service Level Agreement (SLA). The Service Provider provides security services and was acting upon the instructions given by the client (municipality). The performance and service quality was satisfactory. The service provider met all the requirements set out in the SLA. There has been no reported case of the loss of assets. The municipality did not record any case wherein the guards were found without firearms whilst on duty.

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Supply and Delivery of Refuse Plastic Bags	Dinda 44 Trading	01 July 2021 to 30 June 2022	Satisfactory	Performance score was 4/5, and this was based on the set deliverables as per Service Level Agreement (SLA). The Service Provider supplied and delivered 30 micron refuse plastic bags. The performance and service quality was satisfactory. The service provider met all the requirements set out in the SLA.
Provision of Cleaning Services at Landfill Site	Qhwabizandla Enterprise	02 August 2021 to 12 February 2022 22 Sept 2021	Satisfactory	The performance of the service provider was satisfactory. The Service Provider was acting upon the instruction given by the client (municipality) as enclosed in the SLA.
Supply and Delivery of chicks, seedlings, and vaccine	Yenaye Construction Ekazenande Trading	06 Jun 2022	Satisfactory	The service providers supplied and delivered chicks and seedlings to the municipality, and they performed satisfactorily. The service providers were acting upon the instructions given by the client (municipality) as enclosed in the SLA.

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TECHNICAL SERVICES DEPARTMENT

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	PROJECT SATISFACTORY	Reasons on satisfactory/not satisfactory
Vulindlela Access Road	A&S JV S. Zoko consulting	6 Months	Satisfactory	Project completed within time, within budget and with good quality
Manzana to Xhamisa via Jakuja Access Road	Gadalani Trading Enterprise	9 Months	Satisfactory	Project completed within time, within budget and with good quality
Mjelweni Access Road	Nomafusi Projects	6 Months	Satisfactory	Project completed within time, within budget and with good quality
Tladi to Cedarville Access Road	Ubuntu bam JV Isivuno Esihle	9 Months	Satisfactory	Project completed within time, within budget and with good quality
Dumisi Community Hall	Lupicon Trading	6 Months	Not Satisfactory	Project not completed on time due to delays such as (inclement weather conditions)
Ntabankulu Traffic Offices	Iqhayiya Design Workshops consortium	12 Months	Satisfactory	Project is still progressing well
Mazeni Community Hall	Hlubi Engineering	12 Months	Not satisfactory	The project went to a standstill due to cashflow problems from the contractor
Caba Community Hall	Ikamva	3 Months	Satisfactory	Project completed within time, within budget and with good quality
Ntabankulu MPCC	Sizakancane Construction	3 Months	Satisfactory	Project completed within time, within budget and with good quality
Cacadu Sports Field	Naniswa Trading	6 Months	Satisfactory	Project completed within time, within budget and with good quality

Contents

DEVELOPMENT PLANNING DEPARTMENT

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	PROJECT SATISFACTORY	Reasons on satisfactory/not satisfactory
Agro-hub	Bonile environmental consultants	04 July 2021- 04 December 2021	Satisfactory	The project is continuing within time frames as stipulated on the service level agreement.
Cannabis Development Project	Eshcol Project Management PTY LTD	23/07/2021 -31 08/2021	Satisfactory	The project is doing well as the results are back from the Lab to analyse what can be produced with the indigenous plant the municipality is having.
Drafting of the Tourism Sector Plan	Ingqayi Economic Design	28 August 2021	Satisfactory	The drafting of the Tourism Sector plan was done in accordance with the agreed SLA, within the agreed time frames. The Tourism Sector Plan was adopted by Council.
Supply and Delivery of Machinery and Equipment for the EPWP Mafikeng beneficiaries (Something Cooking Primary Co-operative)	ZANLA TRADING	22-January-2022	Satisfactory	The machinery for the EPWP was delivered in two trenches, the first one was delivery on the 12 th of November-2021 and the last one was delivered on the 13 th of December-2021. The material were delivered in accordance with the signed SLA and inline with the specification.
Sondlilizwe Cooperative (ward 09) fencing material	Intlelezi Trading and Project	01-15 October 2021	Satisfactory	Satisfactory delivery was done as per specification and the project was completed before estimated time

Contents

Subdivision of Erf 87 for Institutional Use by June 2021	Mikhulu Spatial Solution (Pty) Ltd	10 July -05 December 2021	Satisfactory	Satisfactory delivery was done as per specification and the project was completed before estimated time
Newsletter bulletin	Buzwana Holdings ATS Civils&Trading (PTY)LTD KYSE	Quarterly 03 May 2022 12 May 2022	Satisfied	Newsletter was delivered on time and as per the expectation
Support traditional council	SD96 Projects	20 May 2022	Satisfied	Building material delivered as requested
Branding	Bumbeni consulting	1 month	Satisfied	Loud hailer delivered as per expectation
Stakeholder Engagement	Zen brand	1 month	Satisfied	Live streaming for stakeholder
Media release	Alfred Nzo Community radio Pondo News	1 month	Satisfied	Umgela servixe delivery report Heritage Message The delivery was satisfactory though the project was not completed at the estimated time due to late appointment of the service provider.
Pre-School	ATS Civil JV Goergez Projects	14 August 2021- 29 November 2021	Satisfactory	

Contents

FINANCIAL MANAGEMENT DEPARTMENT

NAME OF A PROJECT	CONTRACTOR/SERVICE PROVIDER	PROJECT DURATION	SATISFACTORY/ NOT SATISFACTORY	REASONS FOR SATISFACTORY/ NOT SATISFACTORY	ACTION TAKEN
General Valuation Roll	Sizanane Consulting	5 years	Satisfactory.	The performance of the service provider is satisfactory the service provide has improved their service. There are no reported glitches at the moment.	N/A
Debt Collector	Credit Intel	36 Months	Satisfactory.	The performance of the service provider is satisfactory. There are no reported glitches at the moment. The problem is with the Municipal ratepayers that are not willing to pay.	N/A
Insurance Services	Lateral Unison	24 Months	Satisfactory.	The performance of the service provider is satisfactory. There are no reported problems as at 30 June 2022.	N/A
Vat Consultant	MBS Consulting	24 Months	Satisfactory.	The performance of the service provider is satisfactory. Improvement is needed on communication with the Municipality when there are SARS audits and disputes.	N/A

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2021 to 30 June 2022 of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
Mayor	Pricilla Tsileng Sobuthongo	Nil
Speaker	Vuyokazi Mathwasa	Member of a close corporation
Executive Committee Members		
	Ncebakazi Pikwa	Nil
	Sesulo Sopaqa	Nil
	Noma-India Mbonomtsha	Nil
	Siyabonga Menziwa	Nil
	Madlamini Ndabeni	Nil
	Nomfumaneko Fundakumbi	Other salary from Dept of Education, Interest in property (plot in town)
Councillors		
	Bongiswa Bethwayo	Nil
	Msindiswa Madadasa	Nil
	Fundiswa Ntshela	Nil
	Zwelixolile Makhosonke	Director of Amanamba Trading enterprise, Taxi Owner
	Mziwothando Nqwazi	BEE certificate for Spouse (indirect interest)
	Mzikayise Tshaka	Nil
	Mlungisi Dinwayo	Shares with Trading Enterprise, Congolose Trading Enterprise, interest in property (flats)
	Phikiwe Mafilika	Nil
	Mbuyiselo Ndlebe	Nil

APPENDICES

	Bongolam Ndamase	Nil
	Sifiso Sicwayi	Nil
	Mafaku Ndamase	Nil
	Boniwe Mkhizwana	Child Support grant for 2 children
	Nosindiso Njiva	Nil
	Mkhanyisi Mkhandanisi	Director of Indlulamthi Investment & Mining, Partner of Intlosane Primary Co-operative
	Nonzwakazi Ndamase	Nil
	Mathembinkosi Gweqani	Nil
	Thembakazi Msuthu	Nil
	Nonkululo Sobuthongo	Nil
	Nozamile Ncekana	Nil
	Kholeka Nomanzoyiya	Nil
	Eunice Diko	Nil
	Thabisa Lubisi	Nil
	Nosikhumbuzo Daniel	Nil
	Zolani Mtyaphi	Nil
	Monde Mdolo	Nil
	Nontsikelelo Sithunzi	Nil
Municipal Manager	Luleka Nonyongo	Nil
Chief Financial Officer	Xoliswa Noluthando Venn	Member of Close Corporation : Bakers House CC, Aluta Holidays, Heels for sustainable growth
Deputy MM and (Executive) Directors	Sindiswa Norah Ntlahla	Acco-Deco Trading Enterprise Sapho Funeral Parlour for Spouse

APPENDICES

		AALE Trading Pty Ltd
	Piwe Luvo Mpendulo	Inkqubela Phambili Farm Coop PLM INVESTMENTS
	Nontsikelelo Ndlaku	Nil
	Solomon Matiwane	Residential site, Retirement Annuity
Other S57 Official	N/a	
	N/a	
	N/a	
	N/a	
	N/a	
	N/a	
<p><i>* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A</i></p> <p>TJ</p>		

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APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Department	Budget Amount	Actual Expenditure	Variance
Council	12 454 946,64	12 421 459,23	33 487,41
Municipal Manager Budget & Treasury Office	12 741 422,21	11 146 148,78	1 595 273,43
Corporate Services	96 217 788,91	92 633 335,26	3 584 453,65
Community Services Development	36 367 210,50	29 538 449,24	6 828 761,26
Planning	46 510 010,61	44 529 576,07	1 980 434,54
Infrastructure P. Development	15 837 446,83	15 188 475,36	648 971,47
	92 182 998,34	55 759 044,17	36 423 954,17
	312 311 824	261 216 488	51 095 336

Vote Description	Year -1	Current: Year 0		Actual
	Actual	Original Budget	Adjusted Budget	
Vote 1-Council	12 580 586,14	14 588 636	12 454 946,64	12 421 459,23
Vote 2-Municipal Manager	13 337 387,49	15 973 422	12 741 422,21	11 146 148,78
Vote 3- Finance	50 083 026,82	90 053 577	96 217 788,91	92 633 335,26
Vote 4-Corporate Service	34 572 073,77	38 170 482	36 367 210,50	29 538 449,24

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Vote 6-Community	39 544 475,44	39 633 362	46 510 010,61	44 529 576,07
Vote 7-Strategic	16 077 239,25	21 473 302	15 837 446,83	15 188 475,36
Vote 8 – PMU	56 666 624,13	76 583 020	92 182 998,34	55 759 044,17
Total Revenue by Vote	222 861 413,04	296 475 801	312 311 824	261 216 488

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.
This table is aligned to MBRR table A3

Revenue Collection Performance by Source				
R '000 REVENUE COLLECTION FINANCIAL PERFORMANCE				
Description	Year -1 Audited	Year 0 Current		
	Actual	Original Budget	Adjustments Budget	Actual
Property rates	14 575 095	14 577 539,75	16 612 524,00	16 780 172,57
Service Charges - refuse revenue	766 365	326 973	642 384	642 384
Rentals of facilities and equipment	528 462	651 730,00	651 730,00	25 137,82
Interest earned/ received	2 357 771	3 107 800,00	2 307 800,00	3 863 952,30
Licence and permits	797 211,72	1 250 000,00	1 050 000,00	1 465 432,98
Traffic fines	295 040,34	50 000,00	250 000	768 500,00
Transfers recognised - operational	158 351 556,00	143 340 000,00	143 204 000,00	140 432 299,78
Other revenue	15 306 720,01	75 047 756,00	77 752 247,31	12 856 033,62
Total Revenue (excluding capital transfers and contributions)	173 735 160,63	273 875 799,05	297 994 685,31	212 142 424,41

APPENDICES

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

R '000 REVENUE COLLECTION FINANCIAL PERFORMANCE				
Description	Year -1 Audited	Year 0 Current		Actual
	Actual	Original Budget	Adjustments Budget	
Property rates	12 621 688	12 063 320	14 163 320	10 294 189.96
Service Charges - refuse revenue	600 251	314 700	314 700	149 971.02
Rentals of facilities and equipment	557 087	1 530 000	1 530 000	46 307.39
Interest earned/ received	3 099 993	1 500 000	1 300 000	984 000.89
Licence and permits	703 834	2 600 000	700 000	754 765.00
Traffic fines	835 300			
Transfers recognised - operational	129 177 133	145 742 000	162 167 956	158 269 600
Other revenue	613 479	55 045 950	84 201 384	15 476 604.48
Total Revenue (excluding capital transfers and contributions)	148 208 765	218 795 970.00	264 377 359.50	185 886 804.78

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The grants above were received as per the DORA, the gazetted grants were fully spent except for CoGTA

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APPENDICES

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional	1									
<i>Governance and administration</i>		-	-	771 696	215 034	246 932	246 932	246 568	252 547	263 659
Executive and council		-	-	220 971	-	-	-	-	-	-
Finance and administration		-	-	560 725	215 034	246 932	246 932	246 568	252 547	263 659
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	(2 323)	3 203	1 385	1 385	1 906	1 988	2 076
Community and social services		-	-	(10 704)	503	585	585	504	525	548
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	8 381	2 700	800	800	1 404	1 463	1 527
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	(10 685)	27 564	27 562	27 562	52 300	54 497	56 895
Planning and development		-	-	(17 350)	559	557	557	16 776	17 481	18 250
Road transport		-	-	5 499	27 005	27 005	27 005	35 524	37 016	38 645
Environmental protection		-	-	1 166	-	-	-	-	-	-
<i>Trading services</i>		-	-	81 952	17 910	14 910	14 910	-	-	-
Energy sources		-	-	81 952	17 910	14 910	14 910	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	-	840 641	263 711	290 789	290 789	300 776	309 032	322 629
Expenditure - Functional										
<i>Governance and administration</i>		-	-	400 330	138 859	153 068	153 068	140 710	146 619	153 071
Executive and council		-	-	104 233	31 473	31 095	31 095	29 383	30 617	31 964
Finance and administration		-	-	292 117	106 560	121 307	121 307	110 807	115 460	120 541
Internal audit		-	-	3 981	826	665	665	520	542	566
<i>Community and public safety</i>		-	-	100 011	31 597	31 912	31 912	47 120	48 099	51 259
Community and social services		-	-	88 611	27 219	26 637	26 637	42 621	44 411	46 365
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	11 400	4 377	5 255	5 255	4 499	4 688	4 895
Housing		-	-	-	-	20	20	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	247 822	34 947	27 801	27 801	29 977	31 236	32 610
Planning and development		-	-	236 782	31 251	27 081	27 081	29 388	30 622	31 970
Road transport		-	-	6 588	2 908	47	47	390	406	424
Environmental protection		-	-	4 452	788	673	673	199	207	216
<i>Trading services</i>		-	-	7 127	640	1 080	1 080	1 600	1 667	1 741
Energy sources		-	-	2 755	250	470	470	1 000	1 042	1 068
Water management		-	-	38	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	4 334	390	610	610	600	625	653
<i>Other</i>	4	-	-	8 321	1 420	1 562	1 562	597	622	649
Total Expenditure - Functional	3	-	-	783 612	297 463	315 423	315 423	320 003	329 243	339 330
Surplus/(Deficit) for the year		-	-	77 030	56 248	75 366	75 366	80 773	79 789	83 300

APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: Year 0		
Capital Project	Ward(s) affected	R' 000 Works completed (Yes/No)
Water		
"Project A"		
"Project B"		
Sanitation/Sewerage		
Electricity		
Housing		
Refuse removal		
Stormwater		
Economic development		
Sports, Arts & Culture		
Environment		
Health		

APPENDICES

Safety and Security		
ICT and Other		
		TO

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Water & Sanitation:	
	Housing:	
	Roads infrastructure: 22,6 km's kms of access roads constructed in the financial year 2021/2022	22,6 km's
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		

APPENDICES

** Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.*

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VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

NTABANKULU LOCAL MUNICIPALITY



FINAL AUDITED ANNUAL PERFORMANCE REPORT 2021/2022: SECTION 46 REPORT

Block Number	Building Category & Maintenance	Key Objectives	MOB ID	Key Deliverables	Key Performance Indicators	Key Milestones	Key Deliverables	Key Performance Indicators	Key Milestones	Key Deliverables	Key Performance Indicators	Key Milestones	Key Deliverables	Key Performance Indicators	Key Milestones	Key Deliverables	Key Performance Indicators	Key Milestones	
0001	General Maintenance	To ensure job satisfaction and improve the quality of service delivery for the period June 2021 to June 2022.	0001	Monthly PMP reports through PMP by June 2022.	1. Job satisfaction survey scores improved by 10% by June 2022. 2. Quality of service delivery scores improved by 10% by June 2022.	00010000	Monitoring reports, Attendance registers	1. Job satisfaction survey scores improved by 10% by June 2022. 2. Quality of service delivery scores improved by 10% by June 2022.	00010000	Monitoring reports, Attendance registers	1. Job satisfaction survey scores improved by 10% by June 2022. 2. Quality of service delivery scores improved by 10% by June 2022.	00010000	Monitoring reports, Attendance registers	1. Job satisfaction survey scores improved by 10% by June 2022. 2. Quality of service delivery scores improved by 10% by June 2022.	00010000	Monitoring reports, Attendance registers	1. Job satisfaction survey scores improved by 10% by June 2022. 2. Quality of service delivery scores improved by 10% by June 2022.	00010000	Monitoring reports, Attendance registers
0002	General Maintenance	To improve safety and security of the building and ensure compliance with all relevant legislation and standards.	0002	Monthly PMP reports through PMP by June 2022.	1. Safety incidents reduced by 50% by June 2022. 2. Compliance with all relevant legislation and standards achieved by June 2022.	00020000	Monitoring reports, Attendance registers	1. Safety incidents reduced by 50% by June 2022. 2. Compliance with all relevant legislation and standards achieved by June 2022.	00020000	Monitoring reports, Attendance registers	1. Safety incidents reduced by 50% by June 2022. 2. Compliance with all relevant legislation and standards achieved by June 2022.	00020000	Monitoring reports, Attendance registers	1. Safety incidents reduced by 50% by June 2022. 2. Compliance with all relevant legislation and standards achieved by June 2022.	00020000	Monitoring reports, Attendance registers	1. Safety incidents reduced by 50% by June 2022. 2. Compliance with all relevant legislation and standards achieved by June 2022.	00020000	Monitoring reports, Attendance registers
0003	General Maintenance	To ensure the building is maintained in a safe and sound condition and that all equipment is maintained and replaced as required.	0003	Monthly PMP reports through PMP by June 2022.	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00030000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00030000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00030000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00030000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00030000	Monitoring reports, Attendance registers
0004	General Maintenance	To ensure the building is maintained in a safe and sound condition and that all equipment is maintained and replaced as required.	0004	Monthly PMP reports through PMP by June 2022.	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00040000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00040000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00040000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00040000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00040000	Monitoring reports, Attendance registers
0005	General Maintenance	To ensure the building is maintained in a safe and sound condition and that all equipment is maintained and replaced as required.	0005	Monthly PMP reports through PMP by June 2022.	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00050000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00050000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00050000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00050000	Monitoring reports, Attendance registers	1. Building condition scores improved by 10% by June 2022. 2. All equipment maintained and replaced as required by June 2022.	00050000	Monitoring reports, Attendance registers

Head	Component	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	Contribution to the	
Code	Number	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value
40	001	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000	000

<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>	<p>1.1.4</p>
<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>	<p>1.1.5</p>
<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>	<p>1.1.6</p>

ID	UN	UN	UN	UN	UN	UN	UN	UN	UN	UN	UN	UN	UN	UN	UN	UN	UN	UN
100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

180	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180	180
181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181	181
182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182	182
183	183	183	183	183	183	183	183	183	183	183	183	183	183	183	183	183	183	183	183	183	183	183
184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184
185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185
186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186	186
187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187
188	188	188	188	188	188	188	188	188	188	188	188	188	188	188	188	188	188	188	188	188	188	188

Case ID	Case Name	Category	Priority	Status	Start Date	End Date	Responsible	Impact	Notes	Next Steps
001	Project A	Category 1	High	Completed	2023-01-01	2023-01-31	John Doe	Major positive impact	All tasks completed on time	Review final report
002	Project B	Category 2	Medium	In Progress	2023-02-15	2023-03-31	Jane Smith	Minor delays	Resource allocation issues	Monitor progress
003	Project C	Category 3	Low	On Hold	2023-03-01	2023-06-30	Mike Johnson	Significant delays	Budget constraints	Re-evaluate scope
004	Project D	Category 4	High	Completed	2023-04-01	2023-04-30	Sarah Lee	Major positive impact	Excellent communication	Share best practices
005	Project E	Category 5	Medium	In Progress	2023-05-01	2023-07-31	David Kim	Minor delays	Scope creep	Manage changes
006	Project F	Category 6	Low	On Hold	2023-06-01	2023-09-30	Emily White	Significant delays	Staff shortages	Recruit resources
007	Project G	Category 7	High	Completed	2023-07-01	2023-07-31	Chris Brown	Major positive impact	Clear communication	Document lessons
008	Project H	Category 8	Medium	In Progress	2023-08-01	2023-10-31	Alex Green	Minor delays	Vendor issues	Communicate with vendors
009	Project I	Category 9	Low	On Hold	2023-09-01	2023-12-31	Olivia Black	Significant delays	Budget overruns	Review budget
010	Project J	Category 10	High	Completed	2023-10-01	2023-10-31	Noah Grey	Major positive impact	Strong leadership	Acknowledge team

1. Project description (short title, location, start and end dates, funding source)	2. Objectives of the project	3. Key results (quantitative and qualitative)	4. Budget (total amount, breakdown by category)	5. Progress (percentage of completion)	6. Risks (potential challenges and mitigation strategies)	7. Stakeholders (partners, beneficiaries, donors)	8. Reporting (frequency and format)	9. Evaluation (methodology and findings)	10. Sustainability (long-term impact and funding continuation)
<p>1.1. Project description: The project is a research study on the impact of climate change on the agricultural sector in the region of [Region Name]. It is funded by the [Funding Source] and runs from [Start Date] to [End Date].</p>	<p>1.2. Objectives: The main objective is to assess the impact of climate change on agricultural productivity. Specific objectives include: to identify the most vulnerable crops, to analyze the impact of different climate scenarios, and to develop adaptation strategies.</p>	<p>1.3. Key results: The project has identified [Number] vulnerable crops and analyzed the impact of [Number] climate scenarios. It has also developed [Number] adaptation strategies.</p>	<p>1.4. Budget: The total budget is [Amount]. It is broken down into [Number] categories: [Category 1], [Category 2], and [Category 3].</p>	<p>1.5. Progress: The project is currently [Percentage] complete.</p>	<p>1.6. Risks: The main risks are [Risk 1], [Risk 2], and [Risk 3]. Mitigation strategies include [Strategy 1], [Strategy 2], and [Strategy 3].</p>	<p>1.7. Stakeholders: The project involves [Stakeholder 1], [Stakeholder 2], and [Stakeholder 3].</p>	<p>1.8. Reporting: The project reports are submitted [Frequency] and in the format of [Format].</p>	<p>1.9. Evaluation: The project is evaluated using [Methodology]. The findings are [Findings].</p>	<p>1.10. Sustainability: The project has a long-term impact on [Impact] and is funded by [Funding Source].</p>
<p>2.1. Project description: The project is a research study on the impact of climate change on the agricultural sector in the region of [Region Name]. It is funded by the [Funding Source] and runs from [Start Date] to [End Date].</p>	<p>2.2. Objectives: The main objective is to assess the impact of climate change on agricultural productivity. Specific objectives include: to identify the most vulnerable crops, to analyze the impact of different climate scenarios, and to develop adaptation strategies.</p>	<p>2.3. Key results: The project has identified [Number] vulnerable crops and analyzed the impact of [Number] climate scenarios. It has also developed [Number] adaptation strategies.</p>	<p>2.4. Budget: The total budget is [Amount]. It is broken down into [Number] categories: [Category 1], [Category 2], and [Category 3].</p>	<p>2.5. Progress: The project is currently [Percentage] complete.</p>	<p>2.6. Risks: The main risks are [Risk 1], [Risk 2], and [Risk 3]. Mitigation strategies include [Strategy 1], [Strategy 2], and [Strategy 3].</p>	<p>2.7. Stakeholders: The project involves [Stakeholder 1], [Stakeholder 2], and [Stakeholder 3].</p>	<p>2.8. Reporting: The project reports are submitted [Frequency] and in the format of [Format].</p>	<p>2.9. Evaluation: The project is evaluated using [Methodology]. The findings are [Findings].</p>	<p>2.10. Sustainability: The project has a long-term impact on [Impact] and is funded by [Funding Source].</p>
<p>3.1. Project description: The project is a research study on the impact of climate change on the agricultural sector in the region of [Region Name]. It is funded by the [Funding Source] and runs from [Start Date] to [End Date].</p>	<p>3.2. Objectives: The main objective is to assess the impact of climate change on agricultural productivity. Specific objectives include: to identify the most vulnerable crops, to analyze the impact of different climate scenarios, and to develop adaptation strategies.</p>	<p>3.3. Key results: The project has identified [Number] vulnerable crops and analyzed the impact of [Number] climate scenarios. It has also developed [Number] adaptation strategies.</p>	<p>3.4. Budget: The total budget is [Amount]. It is broken down into [Number] categories: [Category 1], [Category 2], and [Category 3].</p>	<p>3.5. Progress: The project is currently [Percentage] complete.</p>	<p>3.6. Risks: The main risks are [Risk 1], [Risk 2], and [Risk 3]. Mitigation strategies include [Strategy 1], [Strategy 2], and [Strategy 3].</p>	<p>3.7. Stakeholders: The project involves [Stakeholder 1], [Stakeholder 2], and [Stakeholder 3].</p>	<p>3.8. Reporting: The project reports are submitted [Frequency] and in the format of [Format].</p>	<p>3.9. Evaluation: The project is evaluated using [Methodology]. The findings are [Findings].</p>	<p>3.10. Sustainability: The project has a long-term impact on [Impact] and is funded by [Funding Source].</p>
<p>4.1. Project description: The project is a research study on the impact of climate change on the agricultural sector in the region of [Region Name]. It is funded by the [Funding Source] and runs from [Start Date] to [End Date].</p>	<p>4.2. Objectives: The main objective is to assess the impact of climate change on agricultural productivity. Specific objectives include: to identify the most vulnerable crops, to analyze the impact of different climate scenarios, and to develop adaptation strategies.</p>	<p>4.3. Key results: The project has identified [Number] vulnerable crops and analyzed the impact of [Number] climate scenarios. It has also developed [Number] adaptation strategies.</p>	<p>4.4. Budget: The total budget is [Amount]. It is broken down into [Number] categories: [Category 1], [Category 2], and [Category 3].</p>	<p>4.5. Progress: The project is currently [Percentage] complete.</p>	<p>4.6. Risks: The main risks are [Risk 1], [Risk 2], and [Risk 3]. Mitigation strategies include [Strategy 1], [Strategy 2], and [Strategy 3].</p>	<p>4.7. Stakeholders: The project involves [Stakeholder 1], [Stakeholder 2], and [Stakeholder 3].</p>	<p>4.8. Reporting: The project reports are submitted [Frequency] and in the format of [Format].</p>	<p>4.9. Evaluation: The project is evaluated using [Methodology]. The findings are [Findings].</p>	<p>4.10. Sustainability: The project has a long-term impact on [Impact] and is funded by [Funding Source].</p>

Initiative	Business Objectives and Outcomes	Strategic Objectives	Key Performance Indicators	Current Status	Start Date	End Date	Responsible Party	Reporting Period	Progress/Status	Notes/Details	Cost	Impact
Initiative 1: Organizational Transformation	Human resources management	2.3.1	Review and update of municipal status	2.3.1	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Municipal Status Act (MSA) during the 4th quarter. The municipality did not report any non-compliance issues. 13 new job positions were created during the quarter. A senior manager was appointed to the position of Municipal Manager. The Municipality has also been successful in securing additional funding for various projects during the quarter. The overall financial performance for the quarter was positive, with a slight increase in revenue compared to the same period in 2021.	Not Applicable	Not Applicable
		2.3.2	Health and safety of municipal staff	2.3.2	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Occupational Safety and Health Act (OSHA) during the 4th quarter. The municipality has implemented several safety measures, including mandatory safety training for all employees and the installation of safety equipment in high-risk areas. There have been no reported incidents or accidents during the quarter.	Not Applicable	Not Applicable
		2.3.3	Personnel and HRM	2.3.3	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Personnel and HRM Act during the 4th quarter. The municipality has successfully recruited and hired several new employees to fill vacant positions. The overall performance of the workforce has improved, with a decrease in absenteeism and an increase in productivity.	Not Applicable	Not Applicable
		2.3.4	Health and safety of municipal staff	2.3.4	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Occupational Safety and Health Act (OSHA) during the 4th quarter. The municipality has implemented several safety measures, including mandatory safety training for all employees and the installation of safety equipment in high-risk areas. There have been no reported incidents or accidents during the quarter.	Not Applicable	Not Applicable
		2.3.5	Personnel and HRM	2.3.5	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Personnel and HRM Act during the 4th quarter. The municipality has successfully recruited and hired several new employees to fill vacant positions. The overall performance of the workforce has improved, with a decrease in absenteeism and an increase in productivity.	Not Applicable	Not Applicable
		2.3.6	Health and safety of municipal staff	2.3.6	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Occupational Safety and Health Act (OSHA) during the 4th quarter. The municipality has implemented several safety measures, including mandatory safety training for all employees and the installation of safety equipment in high-risk areas. There have been no reported incidents or accidents during the quarter.	Not Applicable	Not Applicable
Initiative 2: Financial Management	Financial Management and Reporting	2.4.1	Financial Management and Reporting	2.4.1	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Financial Management Act during the 4th quarter. The municipality has successfully managed its finances, with a decrease in debt and an increase in reserves. The overall financial performance for the quarter was positive, with a slight increase in revenue compared to the same period in 2021.	Not Applicable	Not Applicable
		2.4.2	Financial Management and Reporting	2.4.2	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Financial Management Act during the 4th quarter. The municipality has successfully managed its finances, with a decrease in debt and an increase in reserves. The overall financial performance for the quarter was positive, with a slight increase in revenue compared to the same period in 2021.	Not Applicable	Not Applicable
		2.4.3	Financial Management and Reporting	2.4.3	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Financial Management Act during the 4th quarter. The municipality has successfully managed its finances, with a decrease in debt and an increase in reserves. The overall financial performance for the quarter was positive, with a slight increase in revenue compared to the same period in 2021.	Not Applicable	Not Applicable
		2.4.4	Financial Management and Reporting	2.4.4	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Financial Management Act during the 4th quarter. The municipality has successfully managed its finances, with a decrease in debt and an increase in reserves. The overall financial performance for the quarter was positive, with a slight increase in revenue compared to the same period in 2021.	Not Applicable	Not Applicable
		2.4.5	Financial Management and Reporting	2.4.5	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Financial Management Act during the 4th quarter. The municipality has successfully managed its finances, with a decrease in debt and an increase in reserves. The overall financial performance for the quarter was positive, with a slight increase in revenue compared to the same period in 2021.	Not Applicable	Not Applicable
		2.4.6	Financial Management and Reporting	2.4.6	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Financial Management Act during the 4th quarter. The municipality has successfully managed its finances, with a decrease in debt and an increase in reserves. The overall financial performance for the quarter was positive, with a slight increase in revenue compared to the same period in 2021.	Not Applicable	Not Applicable
Initiative 3: Environmental Sustainability	Environmental Sustainability	2.5.1	Environmental Sustainability	2.5.1	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Environmental Sustainability Act during the 4th quarter. The municipality has successfully implemented several sustainability measures, including the installation of solar panels on municipal buildings and the implementation of a recycling program. The overall environmental performance for the quarter was positive, with a decrease in carbon emissions and an increase in green spaces.	Not Applicable	Not Applicable
		2.5.2	Environmental Sustainability	2.5.2	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Environmental Sustainability Act during the 4th quarter. The municipality has successfully implemented several sustainability measures, including the installation of solar panels on municipal buildings and the implementation of a recycling program. The overall environmental performance for the quarter was positive, with a decrease in carbon emissions and an increase in green spaces.	Not Applicable	Not Applicable
		2.5.3	Environmental Sustainability	2.5.3	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Environmental Sustainability Act during the 4th quarter. The municipality has successfully implemented several sustainability measures, including the installation of solar panels on municipal buildings and the implementation of a recycling program. The overall environmental performance for the quarter was positive, with a decrease in carbon emissions and an increase in green spaces.	Not Applicable	Not Applicable
		2.5.4	Environmental Sustainability	2.5.4	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Environmental Sustainability Act during the 4th quarter. The municipality has successfully implemented several sustainability measures, including the installation of solar panels on municipal buildings and the implementation of a recycling program. The overall environmental performance for the quarter was positive, with a decrease in carbon emissions and an increase in green spaces.	Not Applicable	Not Applicable
		2.5.5	Environmental Sustainability	2.5.5	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Environmental Sustainability Act during the 4th quarter. The municipality has successfully implemented several sustainability measures, including the installation of solar panels on municipal buildings and the implementation of a recycling program. The overall environmental performance for the quarter was positive, with a decrease in carbon emissions and an increase in green spaces.	Not Applicable	Not Applicable
		2.5.6	Environmental Sustainability	2.5.6	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Environmental Sustainability Act during the 4th quarter. The municipality has successfully implemented several sustainability measures, including the installation of solar panels on municipal buildings and the implementation of a recycling program. The overall environmental performance for the quarter was positive, with a decrease in carbon emissions and an increase in green spaces.	Not Applicable	Not Applicable
Initiative 4: Digital Transformation	Digital Transformation	2.6.1	Digital Transformation	2.6.1	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Digital Transformation Act during the 4th quarter. The municipality has successfully implemented several digital transformation measures, including the implementation of a new IT system and the training of employees on digital skills. The overall digital performance for the quarter was positive, with a decrease in manual processes and an increase in digital services.	Not Applicable	Not Applicable
		2.6.2	Digital Transformation	2.6.2	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Digital Transformation Act during the 4th quarter. The municipality has successfully implemented several digital transformation measures, including the implementation of a new IT system and the training of employees on digital skills. The overall digital performance for the quarter was positive, with a decrease in manual processes and an increase in digital services.	Not Applicable	Not Applicable
		2.6.3	Digital Transformation	2.6.3	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Digital Transformation Act during the 4th quarter. The municipality has successfully implemented several digital transformation measures, including the implementation of a new IT system and the training of employees on digital skills. The overall digital performance for the quarter was positive, with a decrease in manual processes and an increase in digital services.	Not Applicable	Not Applicable
		2.6.4	Digital Transformation	2.6.4	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Digital Transformation Act during the 4th quarter. The municipality has successfully implemented several digital transformation measures, including the implementation of a new IT system and the training of employees on digital skills. The overall digital performance for the quarter was positive, with a decrease in manual processes and an increase in digital services.	Not Applicable	Not Applicable
		2.6.5	Digital Transformation	2.6.5	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Digital Transformation Act during the 4th quarter. The municipality has successfully implemented several digital transformation measures, including the implementation of a new IT system and the training of employees on digital skills. The overall digital performance for the quarter was positive, with a decrease in manual processes and an increase in digital services.	Not Applicable	Not Applicable
		2.6.6	Digital Transformation	2.6.6	Quarterly report	Q3 2022	Quarterly report	Quarterly report	Achieved	100% compliance with the Digital Transformation Act during the 4th quarter. The municipality has successfully implemented several digital transformation measures, including the implementation of a new IT system and the training of employees on digital skills. The overall digital performance for the quarter was positive, with a decrease in manual processes and an increase in digital services.	Not Applicable	Not Applicable

Priority Area	Goal	Performance Measure	Metric	Target	Timeline	Status	Description of Action	Responsible Agency	Compliance Summary	Reporting
Clean Water	100% of municipal wastewater treatment plants (WWTPs) in Michigan are in compliance with the Clean Water Act (CWA) effluent standards by 2025.	Municipal wastewater treatment plants (WWTPs) in Michigan are in compliance with the Clean Water Act (CWA) effluent standards by 2025.	Number of WWTPs in Michigan in compliance with the CWA effluent standards by 2025.	100%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of municipal wastewater treatment plants (WWTPs) in Michigan in compliance with the Clean Water Act (CWA) effluent standards by 2025. DENR is currently reviewing the progress of municipal wastewater treatment plants (WWTPs) in Michigan in compliance with the Clean Water Act (CWA) effluent standards by 2025.	DENR	None	None
Environmental Management	Implement a comprehensive environmental management system (EMS) for all state agencies by 2025.	Implement a comprehensive environmental management system (EMS) for all state agencies by 2025.	Number of state agencies implementing an EMS by 2025.	100%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of state agencies implementing an environmental management system (EMS) by 2025. DENR is currently reviewing the progress of state agencies implementing an environmental management system (EMS) by 2025.	DENR	None	None
Climate Change	Reduce greenhouse gas emissions by 20% by 2025.	Reduce greenhouse gas emissions by 20% by 2025.	Percentage of greenhouse gas emissions reduced by 20% by 2025.	20%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of greenhouse gas emissions reduction by 20% by 2025. DENR is currently reviewing the progress of greenhouse gas emissions reduction by 20% by 2025.	DENR	None	None
Air Quality	Improve air quality by reducing particulate matter (PM) emissions by 10% by 2025.	Improve air quality by reducing particulate matter (PM) emissions by 10% by 2025.	Percentage of particulate matter (PM) emissions reduced by 10% by 2025.	10%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of particulate matter (PM) emissions reduction by 10% by 2025. DENR is currently reviewing the progress of particulate matter (PM) emissions reduction by 10% by 2025.	DENR	None	None
Energy	Increase renewable energy production by 50% by 2025.	Increase renewable energy production by 50% by 2025.	Percentage of renewable energy production increased by 50% by 2025.	50%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of renewable energy production increase by 50% by 2025. DENR is currently reviewing the progress of renewable energy production increase by 50% by 2025.	DENR	None	None
Land Use	Protect 100,000 acres of natural resources by 2025.	Protect 100,000 acres of natural resources by 2025.	Number of acres of natural resources protected by 2025.	100,000	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of natural resources protection by 100,000 acres by 2025. DENR is currently reviewing the progress of natural resources protection by 100,000 acres by 2025.	DENR	None	None
Infrastructure	Invest in infrastructure projects worth \$1 billion by 2025.	Invest in infrastructure projects worth \$1 billion by 2025.	Amount of infrastructure projects worth \$1 billion by 2025.	\$1 billion	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of infrastructure projects worth \$1 billion by 2025. DENR is currently reviewing the progress of infrastructure projects worth \$1 billion by 2025.	DENR	None	None
Transportation	Improve transportation infrastructure by 10% by 2025.	Improve transportation infrastructure by 10% by 2025.	Percentage of transportation infrastructure improved by 10% by 2025.	10%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of transportation infrastructure improvement by 10% by 2025. DENR is currently reviewing the progress of transportation infrastructure improvement by 10% by 2025.	DENR	None	None
Public Safety	Reduce crime rates by 15% by 2025.	Reduce crime rates by 15% by 2025.	Percentage of crime rates reduced by 15% by 2025.	15%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of crime rates reduction by 15% by 2025. DENR is currently reviewing the progress of crime rates reduction by 15% by 2025.	DENR	None	None
Economic Development	Create 50,000 new jobs by 2025.	Create 50,000 new jobs by 2025.	Number of new jobs created by 2025.	50,000	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of new jobs creation by 50,000 by 2025. DENR is currently reviewing the progress of new jobs creation by 50,000 by 2025.	DENR	None	None
Health	Improve public health by 20% by 2025.	Improve public health by 20% by 2025.	Percentage of public health improved by 20% by 2025.	20%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of public health improvement by 20% by 2025. DENR is currently reviewing the progress of public health improvement by 20% by 2025.	DENR	None	None
Education	Increase graduation rates by 10% by 2025.	Increase graduation rates by 10% by 2025.	Percentage of graduation rates increased by 10% by 2025.	10%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of graduation rates increase by 10% by 2025. DENR is currently reviewing the progress of graduation rates increase by 10% by 2025.	DENR	None	None
Culture	Promote cultural heritage by 10% by 2025.	Promote cultural heritage by 10% by 2025.	Percentage of cultural heritage promoted by 10% by 2025.	10%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of cultural heritage promotion by 10% by 2025. DENR is currently reviewing the progress of cultural heritage promotion by 10% by 2025.	DENR	None	None
Community Development	Improve community development by 15% by 2025.	Improve community development by 15% by 2025.	Percentage of community development improved by 15% by 2025.	15%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of community development improvement by 15% by 2025. DENR is currently reviewing the progress of community development improvement by 15% by 2025.	DENR	None	None
Social Services	Provide social services to 500,000 people by 2025.	Provide social services to 500,000 people by 2025.	Number of people provided social services by 2025.	500,000	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of social services provision to 500,000 people by 2025. DENR is currently reviewing the progress of social services provision to 500,000 people by 2025.	DENR	None	None
Workforce Development	Develop workforce by 10% by 2025.	Develop workforce by 10% by 2025.	Percentage of workforce developed by 10% by 2025.	10%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of workforce development by 10% by 2025. DENR is currently reviewing the progress of workforce development by 10% by 2025.	DENR	None	None
International	Increase international trade by 10% by 2025.	Increase international trade by 10% by 2025.	Percentage of international trade increased by 10% by 2025.	10%	2025	On Track	The Department of Environment and Natural Resources (DENR) is currently reviewing the progress of international trade increase by 10% by 2025. DENR is currently reviewing the progress of international trade increase by 10% by 2025.	DENR	None	None

SDBIP NOTES 2021/2022

<p>Indicator:</p>	<p>INPUT: 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.</p> <p>OUTPUT: the final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver".</p> <p>OUTCOME: 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".</p>
<p>Activities</p>	<p>the processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".</p>
<p>Unit Measure</p>	<p>Unit measure will be determined by number or percentage or the baseline</p>
<p>Installation of electricity infrastructure :</p>	<p>Sign Memorandum of Agreement with the Department of Energy, Request Eskom Planning Reports, Pre-Electrification, develop designs, Enter into a Memorandum of Understanding with Eskom, surveying, excavation, pole planting, stringing, installation of transformers and cables, installation of pole boxes and meter boxes</p>

<p>Maintenance of Municipal Public Lights:</p>	<p>Fault finding, development of scope of works, procure required tools, equipment and materials and conduct maintenance of all identified public lights as per available budget</p>
<p>Maintenance of Municipal access road:</p>	<p>Conduct assessment of top 5 prioritized roads, update the maintenance plan annually, develop scope of works, appointment of contractor, Procure contracto, issue works order to maintenance contractor .</p>
<p>Maintenance of Municipal infrastructure (municipal properties and public amenities):</p>	<p>Inspect the buildings for defects, development of scope of works, procure required tools, equipment and materials and conduct maintenance of all identified public lights as per available budget</p>



Province of the
EASTERN CAPE
LOCAL GOVERNMENT
& TRADITIONAL AFFAIRS

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Enquiries: Ms N. Mguzulwa
Ref. No : 8/3/1

Tel No. : 040-609 5450/5
Fax No: 040-635 9042

CIRCULAR

NO. 1 OF 2014 (MUNICIPAL ANNUAL REPORT)

TO: All Executive Mayors/Mayors
CC: Speakers
Municipal Managers
Strategic Managers
IDP/PMS Co-ordinators

**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
IN THE DEVELOPMENT OF THE ANNUAL REPORT**

PURPOSE

The purpose of this communiqué is to request the Executive Mayors and Mayors of all municipalities to closely monitor the processes towards the development, tabling and adoption of municipal annual reports. This request is triggered by the poor quality reports that have been submitted by municipalities for 2012/13 financial year.

BACKGROUND

The department of Cooperative Governance and Traditional Affairs has noticed with concern the quality of annual reports that are developed by municipalities. This is largely as a result of guiding circulars from National Treasury which seem to focus mainly on financial reporting and



Ikamva etiqanambhaya!

**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
IN THE DEVELOPMENT OF THE ANNUAL REPORT**

neglecting the performance information reflection, thereby denying the MEC for local government an opportunity to report on the performance of municipalities in terms of Section 47 of MSA.

The annual reports that are submitted by municipalities to the MEC for local government are developed in compliance with section 46 of MSA and chapter 12 of MFMA respectively.

The provincial department together with the National Department of Cooperative Governance developed indicators that seek to assist municipalities to provide information that will assist the MEC to report on municipal performance. All municipalities were work-shopped on these indicators for purposes of reporting on their performance. During the assessment of the reports for 2012/13 financial year it has been observed that municipalities have not taken these indicators into consideration when reporting hence their reports are lacking crucial performance information.

The following is the list of indicators that were agreed upon and on how the performance information should be populated:-

**Chapter: Organisational Transformation and Institutional Development –
KPA 1 2020/2021**

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted	8	6	75%	Two executive Secretaries/Pas were not



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	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	posts;				appointed as Senior Managers' positions could not be filled (MM and Director Corporate Services POSITIONS)
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	0	0	0%	All strategic positions (Municipal Manager and Section 57 Managers) were filled in the last financial year
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	2	2	100%	MM enrolled in Advanced certificate in Monitoring and Evaluations and Director Corporate Services attended a skill programme in Training and Development Management



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	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
4	Percentage of Managers in Technical Services with a professional qualification	2	2	100%	No gap
5	Level of PMS effectiveness in the DM – (DM to report)	<p>Performance Management Policy as adopted by Council in May 2021 implemented to Directors, Managers and Officers. The PMS Policy is reviewed annually as the Municipality identifies gaps during its implementation.</p> <p>The institutional score card has been adopted by council in May 2021 which includes Integrated Development Plan priorities, service delivery and budget implementation plan 2021/2022 (SDBIP) and individual performance contracts and plans.</p> <p>Performance agreements 2021/2022 were signed by Directors, Managers and Officers and were further reviewed in February 2022 after the approval of the reviewed Service Delivery and Budget Implementation Plan 2021/2022.</p> <p>Directorates develop their monthly plans and report monthly and submit to management meetings. Monthly and Quarterly performance reports are submitted to PMS Unit for review before submission to Council committees and Council for consideration and approval. Quarterly performance reports are submitted to PMS Unit, Internal Audit Unit for review, audit committee for further review and oversight, Council Standing Committees, Executive Committee and Council for oversight. Mid- year performance reporting and reviews have been done through Audit committee, Council Standing Committees and annual reporting and review have been done through the MPAC and adopted by the Council.</p>			
6	Level of effectiveness of PMS in the LM – (LM to report)				



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	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
7.	Adoption and implementation of HRD plan including WSP	2020/2021 WSP was prepared, adopted and submitted to the LGSETA.			
8.	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	180	10	100%	The skills audit was conducted in a manner that all Directorates were presented by the Directors who were able to provide information on the training needs of their Directorates.
9	Percentage of councillors who attended a skill development training within the current 5 year term	34	9	100%	All Councillors have attended induction and are currently registered and attending Municipal Finance Management learnership with LGSETA.
10	Percentage of staff complement with disability	1	0	0	The Municipality has not employed anymore people with disability;



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	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
					there is only one elementary staff member.
11	Percentage of female employees	90	81	90	Not all the vacancies were filled because of the financial constraints
12	Percentage of employees that are aged 35 or younger	35	55	157%	Planned 35 and achieved 55

Chapter: Basic Service delivery performance highlights (KPA 2)

Annual performance as per key performance indicators in water services

This part is the function of the Alfred Nzo District Municipality.

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to	NA	NA	NA	NA	NA



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	potable water					
2	Percentage of indigent households with access to free basic potable water	NA	NA	NA	NA	NA
3	Percentage of clinics with access to potable water	NA	NA	NA	NA	NA
4	Percentage of schools with access to potable water	NA	NA	NA	NA	NA
5	Percentage of households in formal settlements using buckets	NA	NA	NA	NA	NA

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	26195	805	1972	1972	100%
2	Percentage of indigent	365	365	1 708	365	21



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	households with access to basic electricity services					
3	Percentage of indigent households with access to free alternative energy sources	5 581	10 002	5 581	5 581	58

Annual performance as per key performance indicators in sanitation services

This part is the function of the Alfred Nzo District Municipality.

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	NA	NA	NA	NA	NA
2	Percentage of indigent households with access to free basic sanitation services	NA	NA	NA	NA	NA
3	Percentage of clinics with access to sanitation services	NA	NA	NA	NA	NA
4	Percentage of schools with access to sanitation	NA	NA	NA	NA	NA



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	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
	services					

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	26 195	16 562	39,7	39,7	100%
2	Percentage of road infrastructure requiring upgrade	11 225	9 372	1,2	0,8	67%
3	Percentage of planned new road infrastructure actually constructed	3110	16 562	33,6	33,6	100%
4	Percentage of capital budget reserved for road upgrading and	R500 000 000	342,650,000	6 934 000	2 411 993	34,8%



**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
IN THE DEVELOPMENT OF THE ANNUAL REPORT**

	maintenance effectively used.					
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Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	26 195 households	25 867 households	643 households	328 households	8%
2	Existence of waste management plan	The municipality is implementing an Integrated Waste Management Plan (IWMP). The IWMP was reviewed and adopted by the Council and it was also submitted to the MEC for DEDEAT for gazetting.				

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	17000	31 917	2000	1104	55%
2	Percentage of informal settlements	26 195	713	6438	5150	80%



**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
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	that have been provided with basic services					
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	90%	10%	100%	90%	90%
4	Existence of an effective indigent policy	<p>THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM</p> <p>The Indigent Policy is reviewed every year before the beginning of the financial year. The current threshold for the qualifying indigent beneficiaries is R1 500 per household. The municipality is subsidising the following services to the qualified indigent applicants:-</p> <ul style="list-style-type: none"> • Electricity – 50kwt • Paraffin – 5L • Solar – maintenance • Refuse collection – 50% rebate • Rates – 50% rebate 				
5	Existence of an approved SDF	<p>The SDF has been developed and adopted as draft by council 29th May 2020. The SDF cover Environment, Tourism corridors, Nodal development zones and LED existing and proposed projects. The SDF will be adopted in August 2020</p>				
6	Existence of Land Use Management System (LUMS)	<p>The LUMS has been developed and adopted as draft by council 29th May 2020. This scheme consists of regulations, town planning register, zoning and land use plans. The LUMS will be adopted in August 2020</p>				

**CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK-
(KPA 3)**



**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
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Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	19	16	84%
2	Percentage of LED Budget spent on LED related activities.	R2 679000.00	R1 379 464.20	51%
3	Existence of LED strategy	The LED Strategy was adopted in May 2018 to 2023		
4	Number of LED stakeholder forum meetings held	3	3	100%
5	Plans to stimulate second economy	16	16	100%
6	Percentage of SMME that have benefited from a SMME support program	29	29	100%
7	Number of job opportunities created through EPWP	389	389	100%
8	Number of job opportunities created through PPP	19	19	100%

Chapter: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	100% (R80 376 710)	R60 890 306.60	76%



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		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	40% of (237 279 497.50)	(87 919 460)	37%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	20% (35 423 117)	14 171 806	40%
35		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	80% of (34 000 00	35 423 117	104%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	75% of R14 000 000.00	R10 294 774.53	73.5%
6	Percentage of MIG budget appropriately spent	100%(26 674 000)	R26 674 000)	100%
7	Percentage of MSIG budget appropriately spent	R0.00	0.00	0%



**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
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8	AG Audit opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	80%
9	Functionality of the Audit Committee	04 meetings 2021/2022 scheduled for the sitting the Audit Committee	06 audit committee meetings sat in the financial year 2021/22	150%
10	Submission of AFS after the end of financial year	31 October 2020	31 October 2020	100%

Chapter: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	Ward committees were established in all 17 wards during the 2016/17 financial year. This programme was conducted after the 2016 local government elections held on the 3 rd August 2016. The programme was done in line with the Ward Committee Functioning Policy. The policy requires that the establishment of ward committees should cover the five year term of office for the new council.	100%	100%
2	% of ward committees that are functional	Monitor and report on ward committees' performance	100%	100%
3	Existence of an effective system to monitor CDWs	The municipality does not have the effective system to monitor CDWs		



**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
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No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
4	Existence of an IGR strategy	<p>Ntabankulu Intergovernmental Relations Strategy in line with Intergovernmental Relations Framework Act, Act 13 of 2005 was adopted by Council in 2012 with its clusters as follows:</p> <ul style="list-style-type: none"> • Local Economic Development Cluster • Local Communications Forum Cluster • Institutional Development and Organizational Transformation Cluster • Community Services Cluster • Budget and Treasury Cluster • Basic Services Delivery Cluster <p>Objectives and Functioning of the Intergovernmental Relations Cluster and its clusters are clearly outlined in the terms of reference adopted in 2019 by Ntabankulu Local Municipality as follows:</p> <ul style="list-style-type: none"> • Coherent Planning and development • Coordination and alignment of the strategic and performance plans & priorities; objectives and strategies of the municipality • Coordinating any matter of strategic importance which affects the interests of municipality's stakeholders <p>The IGR Terms of Reference were developed, reviewed and submitted to Council for Approval.</p>		
5	Effective of IGR structural meetings	<p>The Municipality's IGR structures are functional and sit on quarterly basis as outlined in the IGR Terms of Reference. The IGR structures sat four IGR Sessions in the financial year 2021/2022.</p> <p>However challenges were experienced in terms of representation of Sector Departments. This has resulted in lack of information circulating between the Municipality and Sector Departments and between the government institutions and community.</p>		
6	Existence of an effective communication strategy	<p>The strategy was adopted in 2017 and the action plan is reviewed annually. The strategy consist of action plan, mediums of communication and communication levels.</p>		
7	Number of mayoral imbizos conducted	2 IDP Outreach Programmes	2 IDP Outreach Programmes conducted	100%
8	Supply Chain Management	Supply Chain Management unit is operational, and the Supply	8	Supply Chain Management



**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
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No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		<p>Chain Policy has been reviewed and adopted by the Council on 30th of May 2015. The Supply chain unit is established and fully functional with all the Bid Committees functional. The Municipality complies with the SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed for 2015/2016.</p> <p>The document management is being improved. Awards above R30 000 were reported to Council and National Treasury on quarterly basis. The data base is updated timeously on an electronic supply data base system. The Municipality does not have any long term contract awarded during the current financial year. The procedure manual has been reviewed and will be tabled to the Management for comments. The training for the Supply Chain practitioners is budgeted for and will be carrying out during the 2016/2017 financial year.</p>		
9	FREE BASIC SERVICES AND INDIGENT SUPPORT	<p>The indigent policy was reviewed and adopted by the Council in May 2015, the policy is at implementation stage with 365 beneficiaries on electricity, 5 581 beneficiaries on alternative energy (paraffin) and 203 for solar energy. The indigent steering Committee being constituted of traditional leaders, Budget and Treasury Port Folio Head, Ward Committee, Community Development Workers and two</p>	9	FREE BASIC SERVICES AND INDIGENT SUPPORT



**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
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No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		additional community members, has been established with the main purpose of verifying the list of indigent applications and recommending the indigent register to the Council for approval		
10.	Existence of a fraud prevention mechanism	Fraud and corruption prevention policy has been developed and submitted to Cogta for inputs and comments; the policy was tabled to the EXCO, Audit Committee and to Council for approval on the 28 May 2021. No further review conducted to the policy as there were still no changes.		

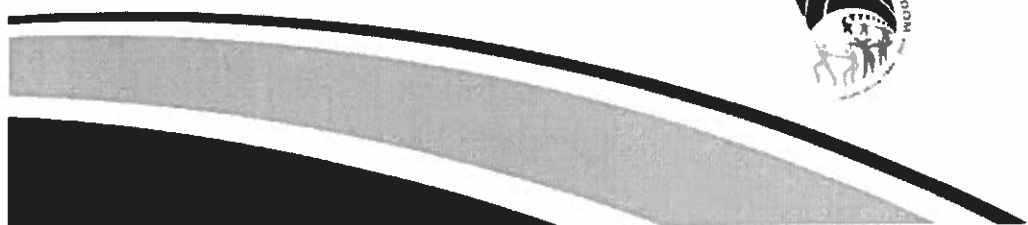
It should also be noted that in November 2013 a circular letter was written to all municipal managers requesting them to consider incorporating these above key performance indicators to enable the annual reports to reflect on the performance information. Unfortunately this has not been considered and this resulted in the annual reports of municipalities lacking crucial performance information.

As the political head of the department I wish to request your good selves to pay close attention to the quality of the information that is provided in the reports before the adoption of annual reports. I also wish to draw your attention to the fact that these reports are the basis for me and the Minister to develop quality consolidated reports on the performance of municipalities within a financial year as stipulated in sections 47 and 48 of MSA respectively.

RECOMMENDATION

It is recommended that when municipalities develop their annual reports in accordance with circular 63, they should also consider reflecting performance information based on the indicators as advised herein. I humbly all Executive Mayors and Mayors request as political leaders in the local space, to ensure before signing off the annual reports, that these reports contain the information required in terms of the Key Performance Indicators.

Yours in Cooperative Governance



**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
IN THE DEVELOPMENT OF THE ANNUAL REPORT**

**Member of the Executive Council
Department of Local Government & Traditional Affairs**

Date: _____





The Accounting Officer
Ntabankulu Local Municipality
Erf 85 Main Street
Ntabankulu
5130

14 December 2022

Reference: 18274REG2021/22

Dear Madam

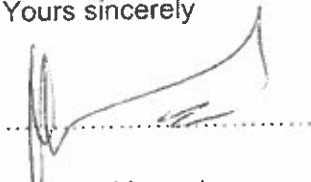
Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Ntabankulu Local Municipality for the year ended 30 June 2022

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our audit report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA, you are required to include the audit report in the municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), the AGSA, or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party unless this is to a legislature or internal committee of a legislature or a court in a criminal matter and the disclosure has been approved by the auditee and the Auditor-General.
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely



Vatiswa Matanda

Senior Manager: Eastern Cape Business Unit

Enquiries: Phumeza Tiso
Telephone: (043) 709 7200
Fax: (043) 709 7300



NTABANKULU LOCAL MUNICIPALITY

Audit Report

For the year ended 30 June 2022



**AUDITOR-GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Report of the auditor-general to Eastern Cape Provincial Legislature and the council of Ntabankulu Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Ntabankulu Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Ntabankulu Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003(MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified opinion

Property, plant and equipment

3. The municipality did not impair buildings and infrastructure assets that were clearly impaired at reporting date in accordance with GRAP 21, *Impairment of non-cash generating assets*. As a result, the property, plant, and equipment stated at R355,1 million in note 9 to the financial statement was overstated, and the impairment loss was understated. I was unable to determine the full extent of the misstatement on property, plant and equipment and impairment loss as it was impracticable to do so.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matter

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

Contribution allowance for impairment – receivables

8. As disclosed in note 29 to the financial statements, contribution allowance for impairment of R4,7 million was incurred as a result of a significant number of debtors not paying the accounts.

Contingencies

9. With reference to note 38 to the financial statements, the municipality is the defendant in a court case as a result of a demolition of the plaintiffs' properties through a court order that was purportedly incorrectly granted. Notices have been filed and the matters are now at the pleading stages. This case has led to the significant increase in contingent liabilities from the previous year.

Subsequent events

10. I draw attention to note 49 in the financial statements, which deals with subsequent events and specifically the long-term loan obtained for financing the municipality's property, plant and equipment, obtained after year-end. This long-term loan was obtained in order to ease the effects of a court order that resulted to the sheriff attaching the bank account in October 2021.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate

governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2022:

Development priority	Pages in the annual performance report
KPA 1 – Basic services and infrastructure	x – x

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance

planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:

- KPA 1 – basic services and infrastructure.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of basic services and infrastructure. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

25. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

26. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

28. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R2,2 million, as disclosed in note 43 to the annual financial statements, in contravention of

section 62(1) (d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interests charged by South African Municipal Workers Union Retirement Fund (Samwu) on arrear contributions that were paid to Municipal Employees' Pension Fund (MEPF) instead of being paid over to Samwu.

29. Reasonable steps were not taken to prevent irregular expenditure amounting to R15,6 million as disclosed in note 44 to the annual financial statements, as required by section 62(1) (d) of the MFMA. The majority of the irregular expenditure was caused by contravention of supply chain management regulations.

Procurement and contract management

30. Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of MFMA 112(1)(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

Other information

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the

significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

36. Leadership has not institutionalised all the disciplines necessary to enable oversight and monitoring to promote efficiency and effectiveness in financial and performance management and compliance with legislation. Adequate and robust systems and processes were not in place to monitor compliance with applicable laws and regulations and to produce credible and accurate financial and performance reporting. Management did not respond to all the recommendations of the audit committee and internal audit, which impacted the effectiveness of these governance structures and resulted in a modification of the audit opinion and repeat audit findings being raised.

Material irregularities

37. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities identified during the audit

38. The material irregularities identified are as follows:

Interest charged by SAMWU on contributions not paid over post court judgement

39. The municipality failed to pay over outstanding pension fund contributions from the MEPF to Samwu within 30 days of a court ruling on 14 August 2018 ordering the municipality to pay over all outstanding contributions, including interest charged, in violation of section 65(2)(e) of the MFMA. Between the 2020-21 and 2021-2022 financial years, the amount of R5,3 million in interest charges was paid by the municipality to the Samwu, resulting in a material financial loss. The amount is included on notes 44 (2021-22) and 43 (2020-21) to the financial statements of the municipality.
40. I notified the accounting officer of the material irregularity on 21 January 2022 and invited her to make a written submission on the actions taken. The accounting officer referred the matter to the Financial Misconduct Board for investigation.
41. The Financial Misconduct Board recommended that legal steps be taken against the former official responsible for the financial loss and the interest portion be pursued from the MEPF. The council resolved on 28 April 2022, to adopt the recommendations of the board.
42. On 29 August 2022, the municipality sent an instruction letter to its attorneys to issue summons to the former officials responsible for the financial loss for the demand of the fruitless and wasteful expenditure amounts incurred as a result. The municipal attorneys also pursued MEPF for the additional interest incurred as a result of the court order.
43. On 5 September 2022, the Gauteng high court ruled in favour of the municipality and has ordered that MEPF pay over to the municipality interest amounting to R5,1 million and all

return on investments earned on the contributions paid by the municipality from 1 September 2013 to 30 June 2020. The matter is now at pre-litigation stage.

44. A follow up-will be done in the next audit to confirm that the monies lost have been recovered from the responsible parties.

Other reports

45. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
46. The Hawks are investigating the covid-19-related expenditure at the municipality. The proceedings of the investigation were not finalised at the date of this auditor's report.
47. The Hawks are investigating the awarding of contracts of two suppliers by the municipality. The proceedings of the investigation were not finalised at the date of this auditor's report.
48. The Hawks are investigating the case of the traffic officers that are involved in fraudulent activities in the municipal traffic offices. The proceedings of the investigation were not finalised at the date of this auditor's report.
49. The Hawks are investigating the human settlement funding received by the municipality. The proceedings of the investigation were not finalised at the date of this auditor's report.

Auditor - General

East London

14 December 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priority and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Ntabankulu Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Final management report

Ntabankulu Local Municipality

30 June 2022

Communicated to the accounting officer on: 12 December 2022



Management report

Ntabankulu Local Municipality

30 June 2022

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Management report to the accounting officer on the audit of the Ntabankulu Local Municipality for the year ended 30 June 2022

INTRODUCTION

1. The purpose of the management report is to communicate audit findings and other key audit observations to the accounting officer and to provide a summary of the material irregularities and suspected material irregularities of which the accounting officer was notified. The report does not constitute public information.
2. The management report includes audit findings arising from the audit of the financial statements, performance information and compliance with legislation for the year ended 30 June 2022. These findings were communicated to management and this report details management's response to these findings. The report includes information on the internal control deficiencies that we identified as the root causes of the matters reported. Addressing these deficiencies will help to improve the audit outcome.
3. In accordance with the terms of engagement, our responsibility in this regard is to:
 - express an opinion on the financial statements
 - express an opinion in the management report on the usefulness and reliability of the reported performance information for selected objectives, and report the material findings in the auditor's report
 - report on material findings raised on compliance with specific requirements in key applicable legislation, as set out in the general notice issued in terms of the Public Audit Act 25 of 2004 (PAA).
 - notify the accounting officer of any material irregularity or suspected material irregularities identified during the audit, and report on it in the auditor's report.
4. Our engagement letter sets out our responsibilities and those of the accounting officer in detail.
5. This management report consists of the overall message arising from the audit, summary of key findings and observations, annexures containing the detailed audit findings, annexures to the report on the audit of performance information, as well as the annexure to internal control deficiencies reported.
6. The auditor's report is finalised only after the management report has been communicated. All matters included in this report that relate to the auditor's report remain in draft form until the final auditor's report is signed. In adherence to section 50 of the PAA, we do not disclose any information obtained during the audit and contained in this management report.
7. Please note that the information contained in these documents is confidential, privileged and only for the information of the intended recipient(s). It may not be used, published or redistributed without the prior written consent of the Auditor-General of South Africa (AGSA). Any form of reproduction, dissemination, copying, disclosure, modification, distribution and/or publication of this material is strictly prohibited. Should the information be used or processed in a manner that contravenes any laws in the Republic of South Africa, the AGSA is fully indemnified from liability that may arise from such contravention.



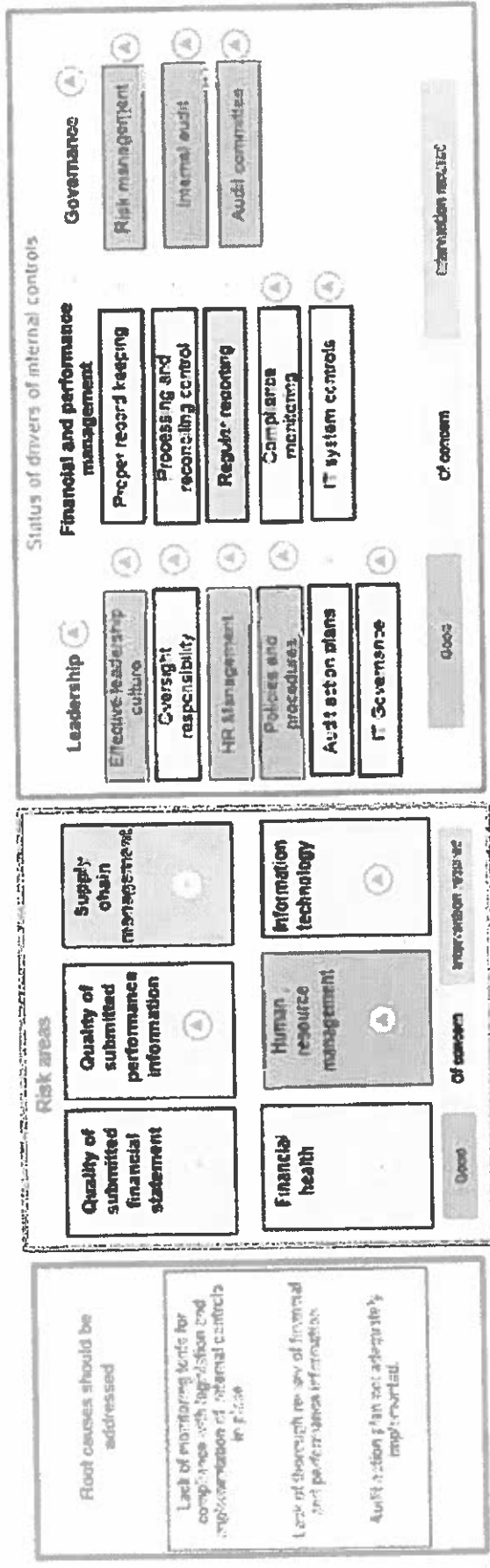
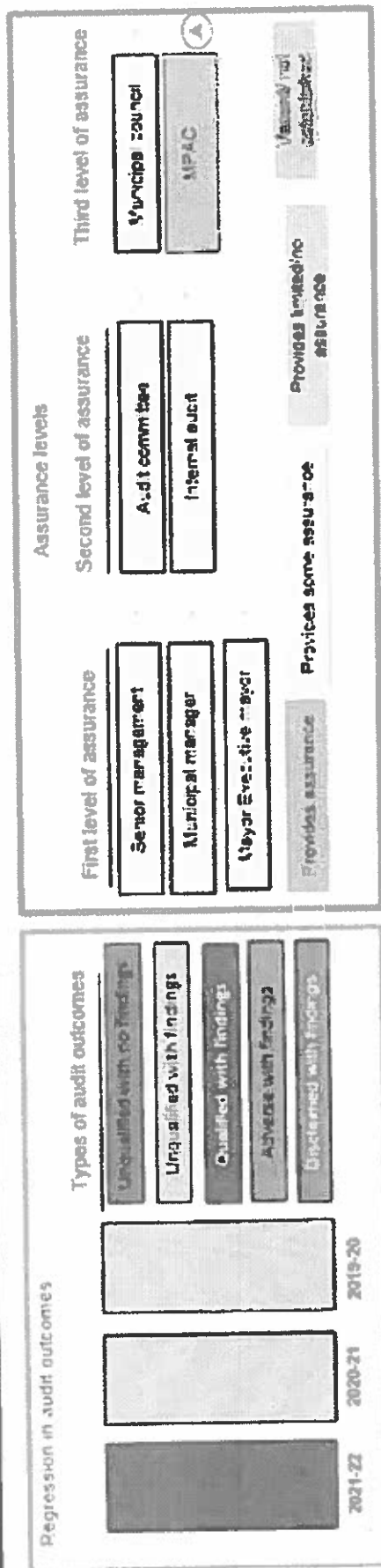
8. The figure that follows provides a pictorial summary of the audit results and our key messages on how to improve the audit outcomes, with the focus on the following:

- Status of the audit outcomes
- Status of the level of assurance provided by key role players
- Status of the drivers of internal controls
- Status of risk areas
- Root causes to be addressed

Movement from the previous year is depicted as follows:

- ▲ / ↑ Improved
- ↔ / ⇄ Unchanged / slight improvement / slight regression
- ▼ / ↓ Regressed





OVERALL MESSAGE

9. The municipality's overall audit outcomes for the year has regressed from the previous financial year, with the municipality attaining an qualified audit opinion with findings on compliance. The opinion is due to material misstatements identified in property, plant and equipment that could not be corrected in the current year.
10. The audit outcome for predetermined objectives has improved from the previous financial year with a unqualified conclusion. The improvement is due to the successful correction of the material misstatements identified on reliability in the current year and the non-occurrence of usefulness findings in the current year.
11. All levels of assurance providers did contribute some assurance; however, the quality of the annual financial statements and annual performance report submitted did not provide evidence of such, as material misstatements and material non-compliance instances were identified.
12. The following areas have been identified as areas of concern:
- Daily, weekly and monthly controls were not always implemented as errors that could have been detected or prevented with the implementation of such controls were identified during the audit.
 - Audit action plan needs to be adequately implemented in order to ensure that internal control deficiencies identified are thoroughly dealt with. This would reduce or eliminate repeat findings.
 - Records management remains a concern as regular and accurate reporting for some information was not readily available for audit.
 - Material misstatements were identified on the annual financial statements submitted for audit and the internal control deficiencies that gave rise to the misstatements were identified and communicated to management during the audit. The cause of the misstatements was inadequate implementation and monitoring of the record management systems at the municipality, inadequate review of financial information and the incorrect application of the accounting standards applicable to the municipality (GRAP).
 - The municipality does not have sufficient monitoring controls to ensure adherence to the internal policies and procedures at a programme level and for purposes of taking corrective action, this is evidence by the material misstatements that were identified during the audit process.
13. ICT information security controls around the VIP payroll system are not adequate and the offsite backup facility is not adequately equipped and the issues identified should be dealt with.

SECTION 1: Interactions with stakeholders responsible for oversight and governance

14. During the audit cycle, we met with the following key stakeholders responsible for oversight and governance to communicate matters relating to the audit outcome and matters identified during our status of records review(s) of the municipality:



Key stakeholder	Purpose of interaction	Number of interactions
Municipal council	Presentation of the prior year audit report	1
Municipal public accounts committee	Presentation of the prior year audit report	1
Executive Mayor	Presentation of the prior year audit report	1
Municipal Manager	Audit steering committee meetings to discuss the status of the audit.	4
Audit committee	Discussion of strategic audit plan and audit progress and other discussions.	4

15. At these interactions, we highlighted the following key matters affecting audit outcomes and the auditee:

- Deficiencies in internal controls

16. Some stakeholders made commitments to implement initiatives that can improve the audit outcome. The commitments given and the progress of previous commitments are included in section 3, which deals with the assessment of assurance providers.



SECTION 2: Matters relating to the auditor's report

Audit of the financial statements

17. We identified material misstatements in the financial statements during the audit. These misstatements were not prevented or detected by the municipality's system of internal control. These material misstatements also constitute non-compliance with section 122 of the Municipal Finance Management Act (MFMA).

18. The misstatements that were not corrected form the basis for the qualified opinion on the financial statements.

Material misstatement		Occurred in prior year	Impact	
Financial statement item	Finding		R current year	R previous year
Material misstatements not corrected				
Non-current liabilities				
Property, Plant and Equipment – Infrastructure	Balance overstated as assets that should have been considered for impairment were not considered for impairment.	No	28 581 487	
Property, Plant and Buildings – Buildings	Balance overstated as assets that should have been considered for impairment were not considered for impairment.	No	27 072 658	
Material misstatements corrected				
Current assets				
Statutory Receivables	Impairment: differences between general ledger and trial balance.	No	12 402 764	
Disclosure				



Material misstatement		Occurred in prior year	Impact	
Financial statement item	Finding		R current year	R previous year
Irregular expenditure	Understatement of irregular expenditure: irregular expenditure identified by auditors as a result of non-compliance with PPPFA and SCM regulations.	Yes	10 263 181	1 526 722
Segment reporting	Casting difference for the corresponding figure.	No	14 301 859	-
Municipality acting as the agent	Transactions undertaken by the Municipality in the current financial year on behalf of the principal were not included on the note.	No	5 857 842	-
Events after the reporting date	Material omission of a significant non-adjusting even.	No	-	-



Matters to be brought to the attention of users

Emphasis of matter paragraphs

19. The following emphasis of matter paragraphs will be included in our auditor's report to draw the users' attention to matters presented or disclosed in the financial statements:

Contribution allowance for impairment - receivables

20. As disclosed in note 29 to the financial statements, contribution allowance for impairment of R4,7 million was incurred as a result of a significant number of debtors not paying the accounts.

Contingencies

21. With reference to note 38 to the financial statements, the municipality is the defendant in a court case as a result of a demolition of the plaintiff's properties through a court order that was purportedly incorrectly granted. Notices have been filed and the matters are now at the pleading stages. This case has led to the significant increase in contingent liabilities from the previous year.

Subsequent events

22. We draw attention to note 49 in the financial statements, which deals with subsequent events and specifically the long-term loan obtained for financing the municipality's Property, Plant and Equipment, obtained after year end. This long-term loan was obtained in order to ease the effects of a court order that resulted to the sheriff attaching the bank account in October 2021.

Other matter paragraphs

23. The following other matter paragraphs will be included in our auditor's report to draw the users' attention to matters regarding the audit, the auditor's responsibilities and the auditor's report:

Unaudited disclosure notes

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

Audit of the annual performance report

25. In terms of the general notice issued in terms of the PAA, the opinion on the audit of reported performance information will be included in the management report. The report is included below to enable management and those charged with governance to see what the report will look like once it is published in the auditor's report. We will report all the audit findings included under the basis for opinion and the other matter sections of this report in the auditor's report.

Introduction and scope

26. We have undertaken a reasonable assurance engagement on the reported performance information for the following selected objective presented in the annual performance report for the year ended 30 June 2022.

Objectives	Pages in annual performance report	Opinion	Movement
KPA 1 – Basic services and infrastructure	x – x	Unqualified	▲

27. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements, ISAE 3000(R): *Assurance engagements other than audits or reviews of historical financial information*.

28. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPA 1 – Basic services and infrastructure

Opinion

29. In our opinion, the reported performance information for KPA 1 Basic services and infrastructure is useful and reliable, in accordance with the applicable criteria as developed from the performance management and reporting framework as set out in annexure D to this report.

Other matters

30. We draw attention to the matters below. Our opinion is not modified in respect of these matters.

Achievement of planned targets

31. Refer to the annual performance report on pages x to x; x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the opinions expressed on the usefulness and reliability of the reported performance information in paragraph 29 of this report.

Adjustment of material misstatements

32. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1 basic service and infrastructure. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.



Responsibilities of the accounting officer for the reported performance information

33. The accounting officer is responsible for the preparation of the annual performance report in accordance with the prescribed performance management and reporting framework set out in annexure D to this report, and for such internal control as the accounting officer determines is necessary to enable the preparation of performance information that is free from material misstatement in terms of its usefulness and reliability.

Auditor-general's responsibilities for the reasonable assurance engagement on the reported performance information

34. Our objectives are to obtain reasonable assurance about whether the reported performance information for the selected objectives presented in the annual performance report is free from material misstatement, and to issue a management report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that the assurance engagement conducted in accordance with the relevant assurance standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the relevant decisions of users taken on the basis of the reported performance information.
35. Our procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the municipality. We have not evaluated the appropriateness of the performance indicators established and included in the planning documents. Our procedures do not examine whether the actions taken by the municipality enabled service delivery. Our procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our opinion does not extend to these matters.
36. A further description of our responsibilities for the reasonable assurance engagement on reported performance information is included in annexure E to this report.

Audit of compliance with legislation

37. Included below are material findings on compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Annual financial statements and annual reports

38. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.



Expenditure management

39. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R2,2 million, as disclosed in note 43 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interests charged by South African Municipal Workers Retirement Fund (SAMWU) provident fund on arrear contributions that were paid to Municipal Employees' Pension Fund (MEPF) pension fund instead of being paid over to SAMWU.
40. Reasonable steps were not taken to prevent irregular expenditure amounting to R15,6 million as disclosed in note 44 to the annual financial statements, as required by section 62(1) (d) of the MFMA. The majority of the irregular expenditure was caused by contravention of supply chain management regulations.

Procurement and contract management

41. Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of MFMA 112(1) (j) and SCM Regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM Regulation 38(1).

Other information

42. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in the auditor's report.
43. Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on thereon.
44. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
45. The following paragraphs will be included in the auditor's report to highlight to the users whether any inconsistencies in the other information exist:
46. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal controls

47. The significant deficiencies in internal control that led to our overall assessment of the status of the drivers of key controls, as included in the figure in paragraph 8, are described below. The detailed assessment of the implementation of the drivers of internal control in the areas of financial statements, performance reporting and compliance with legislation is included in annexure F.

Leadership

Effective leadership culture

48. Management set the correct tone at the top and understood their roles and responsibilities. However, some repeat findings relating to compliance with laws and regulations applicable to the municipality were identified.

Oversight responsibility

49. The municipality met its legislative requirements in terms of submitting its annual performance report and financial statements timeously. The budget was prepared and approved in terms of legislative requirements.

50. The municipality did not have sufficient monitoring controls to ensure the proper implementation of the overall process of reporting as material misstatements on the information reported that was later corrected was identified by the auditors.

Human resource management

51. Management vacancy rate at year-end remained the same as the previous year at 0%. The overall vacancy rate of the municipality has remained the same as that of the previous year at 9%.

Policies and procedures

52. The municipality has developed and ensured that policies and procedures are in place, however the monitoring of compliance is not at the desired level as there are repeat findings relating to compliance with legislation and performance information. In the current year, there is a new qualification on property, plant and equipment as a result of non-adherence to GRAP requirements and lack of thorough review of financial information.

53. As reported for a number of years, there have been repeat findings in procurement, which translates to a lack of policy implementation. These findings pose a significant service delivery threat to the municipality. Controls over procurement processes should be addressed by senior leadership through a progressive programme aimed at remedying all prior reported deficiencies stemming from AGSA audit reports, internal audit findings and audit committee recommendations

Action plans to address internal control deficiencies

54. Although the municipality developed an action plan to address prior year findings, this plan was not adequately implemented to address these findings as repeat findings were noted on compliance with legislation and performance information. This was due to management not adequately monitoring adherence to the audit action plan. The action plan was not effective in preventing the breakdown of controls resulting in significant financial statement findings that led to material misstatements being identified by auditors leading to a modified audit opinion.

information technology governance framework

55. The security controls around the VIP payroll system are not adequate and the offsite backup facility is not adequately equipped.

Financial and performance management

Proper record keeping

56. The record management system of the municipality was inadequately implemented and monitored. Not all information requested for audit was readily available and in some cases, when the information was submitted it was incomplete or inappropriate.
57. The municipality does not adequately review, scrutinise and verify the supporting evidence for each target reported on in the annual performance report so as to identify errors in the reported information. As a result, misstatements were identified when the reported information was compared to the source documentation, these misstatements were later corrected.

Daily and monthly processing and reconciling of transactions

58. Deficiencies relating to the daily and monthly processing and reconciling of transactions were communicated to management in the financial year under review.

Regular, accurate and complete financial and performance reports

59. As indicated in section 2.1, the financial statements contained numerous misstatements that were corrected, with some of the misstatements leading to a modification of the audit opinion. This was mainly due to staff not fully understanding the requirements of the financial reporting framework. This is in spite of having consultants involved in the compilation of the financial information.
60. As indicated in section 2.3, the annual performance report contained numerous misstatements that were corrected. This was mainly due to staff not fully understanding the performance information requirements.

Compliance monitoring

61. The monitoring of compliance with laws and regulations was not performed adequately during the financial year under review as material findings were identified during the audit, including repeat findings on procurement. The non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored and the root causes of non-compliance properly identified and addressed.



62. Some improvements have been noted in terms of instances of non-compliance reported. This is also reflected by the improved opinion on the audit of predetermined objectives and less instances. Progress in this area is to a large extent dependent on the tone set from the top and establishing a compliance culture within the municipality

Information technology systems

- User access control/security management

63. The current password access controls on the payroll software are not adequate.

- Facilities and environmental control

64. The offsite backup facility utilised by the municipality is not adequately equipped, there is no air-conditioner

Governance

Risk management activities and risk strategy

65. Although management performed a risk assessment and the risk register was updated on a quarterly basis, these activities were not effective as management did not institute appropriate monitoring and review mechanisms to ensure that risks were mitigated to an acceptable level. The impact of this deficiency is further evidenced by the nature of repeat findings, which have remained unchanged over a number of financial years.

Internal audit

66. The internal audit unit performed its duties as required by the MFMA, the unit was effective as it implemented their audit plan. The unit's effort however, did not yield the desired impact of improvement in audit outcomes as repeat audit findings and misstatements were reported in performance and compliance reporting, additionally, in this financial year, material misstatements were also identified on the annual financial statements, which led to the modification of the audit opinion.

Audit committee

67. The audit committee complied with its legislative requirements. However, leadership does not act on a timeous basis to the audit committee recommendations or reports thereby impacting their effectiveness as an assurance provider and this has also led to repeat external audit findings. The audit committee reviewed the financial statements for the year under review.

Summary

68. The matters above, as they relate to the basis for the qualified opinion and findings on compliance with legislation, will be summarised in the auditor's report as follows:

69. Leadership has not institutionalised all the disciplines necessary to enable oversight and monitoring to promote efficiency and effectiveness in financial and performance management and compliance with legislation. Adequate and robust systems and processes were not in place



to monitor compliance with applicable laws and regulations and to produce credible and accurate financial and performance reporting. Management did not respond to all the recommendations of the audit committee and internal audit, which impacted the effectiveness of these governance structures and resulted in a modification of the audit opinion and repeat audit findings being raised.

Material irregularities

70. In accordance with the PAA and the material irregularity regulations, we have a responsibility to report on material irregularities identified during the audit.
71. We have notified the accounting officer of a material irregularity identified during the audit.
72. Except for the summary of material irregularities, the auditor's report will include the following summarised information:

Material irregularity identified during the audit

Interest charged by SAMWU on contributions not paid over post court judgement

73. The municipality failed to pay over outstanding pension fund contributions from the MEPF to SAMWU within 30 days of a court ruling on August 14, 2018 ordering the municipality to pay over all outstanding contributions, including interest charged, in violation of MFMA Section 65(2)(e). Between the 2020–21 and 2021–2022 financial years, the amount of R5,3 million in interest charges was paid by the municipality to the SAMWU pension fund, resulting in a material financial loss. The amount is included on notes 44 (2021–22) and 43 (2020–21) to the financial statements of the municipality.
74. The accounting officer was notified of the material irregularity on 21 January 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer referred the matter to the Financial Misconduct Board for investigation.
75. The Financial Misconduct Board recommended that legal steps be taken against the former official responsible for the financial loss and the interest portion be pursued from the MEPF pension fund. The council resolved on 28 April 2022, to adopt the recommendations of the Board.
76. On 29 August 2022, the municipality sent an instruction letter to its attorneys to issue summons to the former officials responsible for the financial loss for the demand of the fruitless and wasteful expenditure amounts incurred as a result. The municipal attorneys also pursued Municipal Employees Pension Fund for the additional interest incurred as a result of the court order.
77. On 05 September 2022, the Gauteng high court ruled in favour of the municipality and has ordered that Municipal Employees Pension Fund pay over to the municipality interest amounting to R5,1 million and all return on investments earned on the contributions paid by the municipality from 01 September 2013 to 30 June 2020. The matter is now at pre-litigation stage.

78. A follow up will be made in the next audit to confirm that the monies lost have been recovered from the responsible parties.

SECTION 3: Assurance providers and status of implementation of commitments and recommendations

Assessment of assurance providers

79. The annual report is used to report on the financial position of auditees, their performance against predetermined objectives, and overall governance. One of the important oversight functions of the municipal council is to consider auditees' annual reports. To perform this oversight function, they need assurance that the information in the annual report is credible. To this end, the annual report includes our auditor's report, which provides assurance on the credibility of the financial statements and the annual performance report, as well as on the auditee's compliance with legislation.
80. Our reporting and oversight processes reflect on past events, as they take place after the end of the financial year. However, management, the leadership and those charged with governance contribute throughout the year to the credibility of financial and performance information and compliance with legislation by ensuring that adequate internal controls are implemented.
81. We assess the level of assurance provided by these assurance providers based on the status of internal controls (as reported in section 2.6) and the impact of the different role players on these controls. We provide our assessment for this audit cycle below.

First level of assurance

Senior management: provides some assurance

- Senior management did not provide the accounting officer with the required assurance in credible financial and performance reporting, ensuring compliance with SCM prescripts and regulations and GRAP requirements, responding and addressing internal audit's findings. Consequently, senior management only provided the accounting officer and the municipality with some assurance

Accounting officer: provides some assurance

- The accounting officer attended all of the audit steering committee meetings and does encourage and promote a culture of good governance within the municipality. Due to only receiving some assurance from senior management, the accounting officer only provided some assurance to the municipality.

Mayor: provides some assurance

- The Mayor fulfilled her responsibilities in terms of her legislative mandate, however, the effectiveness of her term could not be realised due to restrictions placed on her by the municipality's inadequate reporting and monitoring processes.



Second level of assurance

Internal audit unit: provides assurance

- Legislation in South Africa requires the establishment of, and provides for, the roles and responsibilities of internal audit units. Internal audit units must form part of the internal control and governance structures of the municipality and must play an important role in its monitoring activities. Internal audit must provide an independent assessment of the municipality's governance, risk management and internal control processes.
- The internal audit unit of a municipality must prepare a risk-based audit plan and internal audit programme for each financial year. It must advise the accounting officer and report to the audit committee on implementation of the internal audit plan and matters relating to internal audit; internal controls; accounting procedures and practices; risk and risk management; performance management; loss control and compliance with the MFMA. The internal audit unit must also perform such other duties as may be assigned by the accounting officer.
- The internal audit completed most of their scheduled assignments for the year. Not all recommendations were implemented by management and consequently, their work did not yield the desired results to correct the control environment deficiencies.

Audit committee: provides assurance

- The audit committee must be an independent advisory body to the council, accounting officer and the management and staff of the municipality on matters relating to internal financial control and internal audits; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; the MFMA and any other applicable legislation; performance evaluation and any other issues.
- The audit committee is also expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with the applicable legislation.
- The audit committee met on a quarterly basis and reviewed the financial statement prior submission for external audit. Material findings were identified during the audit process which should have been picked up on a high level review of these financial statement as noted above in the adjustment section, this excludes the matter that resulted to a qualification.

Third level of assurance

Municipal council: provides assurance

- The Municipal Council is responsible for the monitoring of performance, policy implementation, outputs and outcomes on a continuous basis. Council understands their roles and responsibilities and convenes regularly where it assists the municipality with oversight of all functions of the municipality including the annual report.



- The level of assurance that senior management, the municipal manager and the mayor provide directly impact on the level of assurance that this oversight body can provide.

Municipal public account committee (MPAC): provides assurance

- MPAC has held hearings on and finalised investigations to all of the irregular and fruitless and wasteful expenditure from current and prior years.
- MPAC adopted and encouraged implementation of the Financial Misconduct Board and that has resulted in effective consequence management at the municipality.
- The extent to which the council adopted the MPAC guides has been considered in the assessment of MPAC as an assurance provider.

Status of implementing commitments and key recommendations

82. Below is our assessment of the progress in implementing the commitments made by the municipality to address the previous and current years' audit findings.

No.	Auditee commitment	Made by	Date	Origin of commitment	Status
1	Obtain and scrutinise a report on all the cases as per the litigation register on a quarterly basis in order to determine whether there are any contingent assets.	CFO	2021/07/01	2020/21 Management report.	In progress
2	Develop a contingent asset register.	CFO	2021/07/01	2020/21 Management report.	in progress
3	Follow up the progress of all the cases for any court judgements issued against the municipality. Issue acknowledge of debt forms to all potential debtors.	CFO	2021/07/01	2020/21 Management report.	In progress
4	The Memorandum of Agreements from Human Settlement will be obtained and reviewed properly for all monies received from government departments for correct allocation.	CFO	2021/07/01	2020/21 Management report.	In progress
5	Financial Statements will be prepared early to give enough time for a thorough review of the FS before submission to Internal Audit, Audit Committee and External Auditors.	CFO	2021/07/01	2020/21 Audit report	Met
6	Review all creditors as per the creditors control accounts on a quarterly basis for all interest charged and Update fruitless and wasteful register with all interest incurred.	CFO	2021/07/01	2020/21 Management report	Met
7	Make use of the words or descriptions as contained in the scope of work and/or contract documentation when developing planning documents (SDBIP)	Director : Technical Services	05/01/2022	2020/21 Audit report	In progress

8	The Municipality will prioritize the positions of the Landfill Attendant in the organogram for 2022/2023.	Director Community Services	2022/03/01	2019/20 Audit report	Met
9	The Municipality has employed 01 EPWP participants as Landfill Administrator and will deploy additional EPWP participant to ensure that the employees are working over the weekends and holidays according to shift scheduled for 2021/2022 financial year.	Director- Community Service	2022/03/01	2019/20 Audit report	Met
10	Monitor quarterly the functionality of the weigh bridge.	Director- Community Service	As and when required	2019/20 Audit report	Met
11	To review the indicator listing to reflect the audited Annual performance of tonnage waste collected 2020/2021	Director- Community Service	2022/01/01	2019/20 Audit report	Met
12	To ensure proper reviews are performed on both the SDBIP, Quarterly performance report and APR for consistency. Proper review of the targets in the SDBIP to ensure that they meet SMART criteria thus ensuring that targets are well defined.	Director : Technical Services	05/01/2022	2020/21 Audit report	In progress
13	To ensure 3 stage review of the beneficiary list upon completion of the project.	Director : Technical Services	01/07/2022	2020/21 Management report	Met
14	To ensure 3 level review (Project Manager, Unit Manager & Director Technical Services) of the listings and report on the APR performance which is supported by the reviewed documents.	Director : Technical Services	05/01/2022	2020/21 Audit report	Met

15	Listings for all inspections conducted both for Privately owned and Human Settlements projects will be prepared and submitted in the APR together with monthly reports to form part of POE.	Director Development Planning	2021/12/01	2020/21 Management report	In progress
16	Listings will be captured from the first quarter to ensure that all beneficiaries appear on the listings	Director Development Planning	2021/12/01	2020/21 Management report	In progress
17	To develop a check list for all the requirements for pre-qualification and consideration of all bids and quotation. All Municipal Bidding Forms to be included in all adverts to ensure that the Local content and production is complied with.	CFO	2022/01/01	2020/21 Audit report	Met
18	Training of Bid Committees, which includes the Bid Specifications Committee (BSC) members will be conducted, including training for SCM officials. Bid Specification Committee will also be empowered to include Technical experts in order to draw up a Proper specification for each project. These will then include all the principles of PPR and all SCM laws and regulations.	CFO	2022/08/30	2020/21 Audit report	Met
19	To develop a check list for all the requirements for pre-qualification and consideration of all bids and quotation. All Municipal Bidding Forms to be included in all adverts to ensure that the Local content and production is complied with.	CFO	2022/01/01	2020/21 Audit report	Met
20	To develop a quotations register which records all quotations above R10 000,00	CFO	2022/02/01	2020/21 Management report	Met

21	All service providers will be checked against the CSD report and no supplier listed as being in the service of the state will be awarded any contract. The MBD4 declaration will be checked against the CSD. Those appearing through the CAATs data will be investigated to determine if they are indeed in the service of the state or if they have terminated their employment, and if the termination is not with the 12 months period.	CFO	2022/01/01	2020/21 Audit report	In progress
22	Commitment register will be updated timeously and include all variations made during the year. Also all Variations that are above R200 000,00 will be subjected to BAC for consideration and following all applicable laws governing the Extension of Contracts.	CFO	2021/07/01	2020/21 Audit report	In progress
23	The municipality will also utilise the filling checklist to track and check if all the documents that are to be in a file of each project are properly filed as such.	CFO	2021/07/01	2020/21 Audit report	In progress

83. Included below are the key audit recommendations necessary to improve the audit outcomes in future. Engagements will take place to obtain commitments to ensure processes are in place to improve the audit outcomes.

No.	Key audit recommendations
1.	The process for the restatement for property, plant and equipment should continue in order for it to be finalised on time to allow sufficient time to the various municipal channels to be able to perform thorough reviews before it is submitted for audit. It is also recommended that the restatement be submitted when the auditors are doing the planning phase of the audit in order to allow sufficient time for the testing of the restatement.
2.	Thorough reviews of financial and performance information should be performed before information is submitted for audit.

- 23 audit recommendations accepted by management in the previous year on matters included in the auditor's report and other important matters were implemented, or alternative actions were taken to resolve the finding.
- 11 recommendations are still being implemented and no recommendations have not been addressed.
- Details on the status of implementing the previous year's recommendations are provided in section 10, which summarises the detailed audit findings.

SECTION 4: Specific focus areas

Financial viability

84. Our audit included a high-level overview of the municipality's financial viability as at year-end. The financial viability assessment provides useful information for accountability and decision-making purposes and complements the financial statements by providing insights and perspectives thereon. The financial viability assessment is expected to enhance timely remedial decision-making and policy reforms where financial viability may be at risk. It will also highlight to management those issues that may require corrective action and the urgency and magnitude of the reforms and decisions necessary to maintain operations. The information should be used to complement, rather than substitute, management's own financial assessment.

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2022	As at 30 June 2021
Expenditure management			
1.1	Creditor-payment period	142,4 Days	241,3 Days
Revenue management			
2.1	Debt-collection period (after impairment)	31,6 Days	23,8 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	67,2%	68%
	• Amount of debt-impairment provision	R35 290 907	R30 559 949
	• Amount of accounts receivable	R52 539 437	R44 926 434
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	No	No
	• Amount of the surplus / (deficit) for the year	R14 349 325	R17 592 609
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	Yes	Yes
	• Amount of the net current assets / (liability) position	(R9 118 121)	(R14 708 244)

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2022	As at 30 June 2021
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	• Amount of the net asset position	R381 091 443	R365 328 332
Cash management			
4.1	The year-end bank balance was in overdraft	No	No
	• Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R10 169 062	R35 035 979
4.2	Net cash flows for the year from operating activities were negative	No	No
	• Amount of net cash in / (out)flows for the year from operating activities	R12 115 780	R65 583 155
4.3	Creditors as a percentage of cash and cash equivalents	66,6 %	41,8%
	• Amount of creditors (accounts payable)	R6 771 647	R14 647 904
	• Amount of cash and cash equivalents / (bank overdraft) at year-end	R10 169 062	R35 035 979
4.4	Current liabilities as a percentage of next year's budgeted resources **	12,5%	24,6%
	• Amount of current liabilities	R36 940 595	R69 743 256
	• Amount of next year's budgeted income **	R295 144 000	R283 248 000
Overall assessment			
Overall, the financial viability is assessed as:		Yellow (of concern)	Yellow (of concern)

Financial indicators that can impact on service delivery:

85. In addition to the assessment of financial viability, our audit included a high-level overview of the municipality's financial indicators that can impact on service delivery as at year-end. This assessment provides useful information for accountability and decision-making purposes and complements the financial viability assessment by providing an overview of potential service delivery implications of financial transactions. It will also highlight to management those issues that may require corrective action in order to avoid service delivery failures.

Financial indicators that can impact on service delivery			
1.1	% spending on repairs and maintenance <i>[unfavorable if less than 8%]</i>	0,49%	1,83%
	• Total expenditure on repairs and maintenance for the year	R1 725 970	R6 355 167
	• Total Property, plant and equipment at year end	R344 141 881	R347 434 855

1.2	Total capital expenditure as a % of total expenditure <i>[unfavorable if less than 10%]</i>	20,35%	17,62%
	<ul style="list-style-type: none"> • Amount of capital expenditure for the year • Amount of total expenditure for the year 	R37 691 463 R182 494 865	R35 701 895 R202 669 628

High-level comments

86. The municipality is in a net current liabilities position which indicates that the municipality will not be able to settle its short-term liabilities. The debt collection period for the municipality is 31, 6 days and debtors' impairment provision at year-end as a percentage of accounts receivable is 67,2%, high debtor-collection period and debtors' impairment percentage indicates that the municipality is experiencing challenges in the collection of outstanding amounts due to it, which exposes it to cash flow risk and likely liquidity problems. The municipality's creditor payment period has improved from 241,3 days to 142,4 days, the municipality is experiencing difficulties in settling their creditors timeously. The spending on repairs and maintenance is unfavourable at 0,49% which is below the National Treasury norm of 8% and that could have a negative impact on the service delivery. Taking into consideration the above indicators, the municipality will still continue as going concern as they will continue to receive government grants and the current year liabilities as a percentage of next year's budget resources is 12,5% which indicates that the municipality will be able settle its current liabilities.

Procurement and contract management

87. The audit included an assessment of procurement processes, contract management and the related controls in place. These processes and controls must comply with legislation to ensure a fair, equitable, transparent, competitive and cost-effective supply chain management (SCM) system and to reduce the likelihood of fraud, corruption, favouritism and unfair and other irregular practices. A summary of the findings from the audit are as follows:

Irregular expenditure

88. R15,6 million (100%) of the irregular expenditure incurred in the current financial year was as a result of the contravention of SCM legislation. Further, irregular expenditure incurred in previous years amounting to R3,5 million was identified in the current year. 100% (100% of irregular expenditure relating to the previous year) of this irregular expenditure was identified during the audit process and not detected by the municipality's monitoring processes. The root cause of the lack of effective prevention and detection is incorrect application of SCM regulations. Irregular expenditure amounting to R30,7 million was written-off by council after an investigation was done.

Awards to persons in the service of the state

89. Regulation 44 prohibits awards to persons in the service of the auditee (i.e. employees and councillors), persons in the service of any other state institution and entities owned/managed by them. The audit included the identification of such prohibited awards. Further testing was also performed to determine whether the legislated requirements with regard to declarations of interest were adhered to.



90. The findings were as follows:

Nature of finding	Number and value of awards made	Number and positions of officials/councillors identified	Number of suppliers identified	Further non-compliance or irregularities regarding the awards			
				Supplier did not submit declarations of interest	Supplier did not declare interest (false declaration)	Official/councillor or did not declare interest	Official/councillor or was involved in awarding the contract/ accepting the quotation
Awards to persons in the service of other state institutions	13 R3 165 053	13 Teacher Constable Assistant Agricultural Practitioner X 2 Project Fieldworker X 4 Intern Project Governance Officer Survey Officer General Worker X 2	13	0	13		

Procurement and contract management processes

91. The table below is a summary of findings identified on procurement and contract management processes:

	Total		Quotations		Competitive bids		Contract management	
	Number	Value R	Number	Value R	Number	Value R	Number	Value R
Awards selected for testing	75	R209 377 709	24	R 1 232 316 (including rates based)	25	R 97 153 464	26	R110 991 929



	Total		Quotations		Competitive bids		Contract management	
	Number	Value R	Number	Value R	Number	Value R	Number	Value R
Expenditure incurred on selected awards – current year		R 63 412 222		R 1 391 106		R 28 928 583		R 33 092 533
Awards where non-compliance was identified	29	R10 553 405	19	R272 224	10	R10 263 181	0	R 0
Irregular expenditure identified	Number of awards affected	R10 389 265	1	R126 084	8	R10 263 181	0	Irregular expenditure

Procurement processes – general

- 1 quotation to the value of R126 084 was procured from suppliers whose tax matters had not been declared by the South African Revenue Services to be in order.
- 20 quotations and contracts to the value of R3 311 193 were awarded to bidders who had submitted a declaration, but they did not declare that they are employed by the state or connected to any person employed by the state.
- 6 contracts were awarded to bidders based on preference points that were not allocated and calculated according to the requirements of the Preferential Procurement Policy Framework Act and its regulations.
- 2 contracts were awarded to bidders who did not score the highest points in the bid evaluations, without justification for the deviation.

Internal control deficiencies

92. The root cause of findings identified is as a result of inadequate review of documentation submitted for supply chain management processes by bidders. Further, incorrect application of SCM regulations by the different committees has also led to material non-compliances with application legislation.

Fraud and consequence management

93. The primary responsibility for preventing and detecting fraud rests with management and those charged with governance. We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and for issuing



an auditor's report that includes our opinion. Due to the inherent limitations of an audit, there is a risk that some material misstatements, including fraud, may not be detected.

94. Below is a summary of fraud risk factors identified during the audit that should be addressed to ensure that sufficient measures/controls are in place to prevent material misstatement/ non-compliance due to fraud.

- Irregularities and internal control deficiencies in the SCM processes.

95. The MFMA and its regulations clearly stipulate that matters such as incurring unauthorised, irregular and fruitless and wasteful expenditure; the possible abuse of the SCM system (including fraud and improper conduct); and allegations of financial misconduct should be investigated. Disciplinary steps should be taken based on the results of the investigations. Our audits included an assessment of the municipality's management of consequences. No significant findings were identified.

Ongoing investigations

96. A total of 4 investigations into allegations relating to financial misconduct, fraud or improper conduct in SCM were ongoing at year-end. These investigations have been ongoing for a long time. The Municipal Regulations on Financial Misconduct, Procedures and Criminal Proceedings and the Disciplinary Regulations for Senior Managers require that each investigation be completed within 30 days from the date of appointing the investigator. The table below provides a summary of investigations which had not been completed as at year-end:

Total number of ongoing investigations at year-end	4
• Number of SCM-related investigations	3
• Number of fraud-related investigations	1
Number of investigations exceeding 3 months	4

Transgressions reported to management for investigation

97. The table below provides a summary of the transgressions reported in the previous year and the year under review that must be investigated and disciplinary steps taken based on the results of the investigations.

Findings	Findings reported in the previous year			Findings reported in current year	
	Number of instances	Number of instances investigated	Number of instances resolved from those investigated	Number of instances	Value (R)
A: Improper conduct in SCM by suppliers					



Description	Findings raised in the previous year			Findings reported in current year	
	Number of instances	Number of instances investigated	Number of instances resolved from those investigated	Number of instances	Value (R)
Supplier submitted false declaration of interest	9	R770 928	9	13	3 165 053

98. Irregular and fruitless and wasteful expenditure disclosed in notes 44 and 43 to the financial statements must be investigated to determine whether any official is liable for losses incurred as a result of this expenditure. Disciplinary steps must be taken against officials who caused or permitted the irregular and fruitless and wasteful expenditure and losses incurred must be recovered from the person liable.

Grants Management

99. For the financial year under review, the audit included an assessment of the effectiveness of the municipality's use of the following conditional grant received:

- Municipal infrastructure grant

100. No compliance findings were raised on the utilisation of selected grant.

101. Key projects funded by the municipal infrastructure grant were identified, tested and reported on, over the project life cycle of the selected key projects. We tested the timelines, budget spending, compliance with procurement processes, appropriate recording of the transactions in the financial statements and that the quality of the goods and services delivered agreed with the initial requirements.

102. No audit findings were raised on the following identified key projects:

- Completion of 320m² Dumsi Community Hall
- Construction of 4,3km Ngozi access road in ward 5
- Construction of 4km Ngqwashu to Mabhalani access road and bridge in ward 15
- Construction of 2,7km Mafinyela Phase 2 Access Road and Bridge up to wearing course in ward 11
- Upgrading of 1,3km of Ntabankulu Internal Streets in Ward 10 up the construction of asphalt surfacing for 329m of streets
- Construction of 320m² Ward 04 community hall in ward 3

Use of consultants

103. The audit included an assessment of the effective use of consultants. In the local government environment, the partnership between the private and public sectors has become important in driving strategic goals.



104. The total expenditure on consultants was R 2 294 390

105. A summary of the significant findings from the audit is as follows:

Internal capacity

- Consultants were appointed even though the skills necessary to perform the duty were available within the municipality.

Performance management and monitoring

- Material misstatements were identified by the auditors on the work performed by the consultant or in areas of the consultants' responsibilities.
- Findings were raised by the auditors on the work performed by the consultant or in areas of the consultants' responsibilities. Some of the misstatements were subsequently corrected.

Internal control deficiencies

- Consultants should be appointed on time in order to allow sufficient time for the review of the work of consultants before it is submitted for audit.
- Existing internal resources should be optimally utilised in order to avoid engaging consultants when the municipality has staff with the necessary skills to perform the duties.

SECTION 5: Using the work of internal auditors

106. The auditing standards allow external auditors the option to use the work of internal audit for external audit purposes and for direct assistance. We have used internal audit as follows:

- Internal audit reports were used for risk identification this, included:
 - 2021-2022 3rd Quarter Report on the implementation of risk management
 - 2021-2022 Final Asset Management Report – NLM
 - Audit Report - 2021-2022 Commitments Review
 - Audit Report - 2021-2022 Nine Months Financial Statements Review
 - Audit Report - 2021-2022 Project and Contract Management Review
 - Audit Report - 2021-2022 Third Quarter Performance Information
 - Audit Report 1st Quarter Performance Information 2021/22
 - Audit Report 1st Quarter Report on implementation of risk management 2021/22
 - Audit Report Mid-term Performance Information 2021-22
 - Audit Report - 2022-2023 Draft SDBIP vs IDP Review
 - Audit Report 2021 - 22 Supply Chain Expenditure Management Review



- Final Follow Up Report on Ntabankulu Governance Review
- Follow up on ICT Network Security & IT Genera Controls 2021/22
- Mid-term report on implementation of Risk Management 2021/22
- The internal audit function was used for external audit purposes as follows:
 - Minimal reliance was placed on the work done by the unit on the 30 June 2022 inventory count.

SECTION 6: Emerging risks

Accounting, performance management/reporting and compliance matters

New pronouncements

Standards of Generally Recognised Accounting Practice (GRAP)

107. The ASB has issued the following GRAP pronouncements, with effective dates as indicated:

GRAP pronouncement	Effective date
GRAP 25 on Employee benefits (revised)	To be determined
GRAP 104 on <i>Financial instruments</i> (revised)	To be determined
IGRAP 7 on <i>The limit on a defined benefit asset, minimum funding requirements and their interaction</i> (revised)	To be determined
IGRAP 21 on <i>The effect of past decisions on materiality</i>	To be determined
Guideline on <i>Accounting for landfill sites</i>	To be determined

Small Town Revitalisation Grant

108. Included in the line item: government grants and subsidies in the statement of financial performance and note 23 to the annual financial statements is an amount of R6 784 512 for the small town revitalization grant. This amount is incorrectly disclosed as a conditional grant, instead of an unconditional grant. The grant does not meet the criteria to be classified as a conditional grant. If this grant continues to be classified as a conditional grant in future, it may result in a material misclassification.

Subsequent events

109. The Municipality obtained a long-term loan for financing Property, Plant and Equipment. The loan of R25 million was obtained from Standard Bank through a normal bidding process and in compliance with section 46 of the MFMA. To date, an amount of R14 million has been drawn down with an interest rate of 10,28% for a period of three years. The remaining balance of the loan will be drawn down after feasibility study has been concluded.



Audit findings on the annual performance report that may have an impact on the audit opinion in future

110. The planned and reported performance information of selected objectives was audited against the following additional criteria as developed from the performance management reporting framework:

- Presentation and disclosure – overall presentation
 - Overall presentation of the performance information in the annual performance report is comparable and understandable.
- Relevance – completeness of relevant indicators
 - Completeness of relevant indicators in terms of the auditee's mandate, including whether:
 - relevant core functions are prioritised in the period under review
 - relevant performance indicators are included for the core functions prioritised in the period under review.

111. Material audit findings arising from the audit against the additional criteria do not have an impact on the audit opinion(s) of the selected objectives in this report. However, they may have an impact on the audit opinion in future.

112. No material findings were identified in respect of the additional criteria.

SECTION 8: Ratings of detailed audit findings

113. For the purposes of this report, the detailed audit findings included in annexures A to C have been classified as follows:

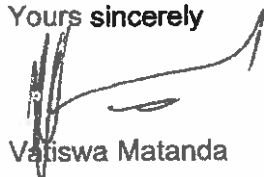
- **Matters to be included in the auditor's report:** these matters should be addressed as a matter of urgency.
- **Other important matters:** these matters should be addressed to prevent them from leading to material misstatements of the financial statements or material findings on the performance report and compliance with legislation in future.
- **Administrative matters:** these matters are unlikely to result in material misstatements of the financial statements or material findings on the performance report and compliance with legislation.



SECTION 9: Conclusion

114. The matters communicated throughout this report relate to the three fundamentals of internal control that should be addressed to achieve sustained clean administration. Our staff remain committed to assisting in identifying and communicating good practices to improve governance and accountability and to build public confidence in government's ability to account for public resources in a transparent manner.

Yours sincerely



Vatiswa Matanda

Senior Manager: Eastern Cape

14 December 2022

Enquiries: Phumeza Tiso
Telephone: 043 709 7200
Fax: 043 709 7300
Email: phumezat@agsa.co.za

Distribution:

Audit committee

Head of internal audit unit

Executive authority

Annexure D: Performance management and reporting framework

The performance management and reporting framework (PMRF) consists of the following:

- **Legislation applicable to performance planning, management and reporting, which includes the following:**
 - **Municipal Finance Management Act 56 of 2003 (MFMA)**
 - **Municipal Systems Act 32 of 2000 (MSA)**
 - **Regulations for planning and performance management, 2001, issued in terms of the MSA.**
 - **Municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006, issued in terms of the MSA.**
- **The Framework for Managing Programme Performance Information (FMPPI), issued by the National Treasury. This framework is applicable to all spheres of government.**
- **Circulars and guidance issued by the National Treasury and the Department of Cooperative Governance and Traditional Affairs (Cogta) and supported by the Department of Planning Monitoring and Evaluation (DPME) regarding the planning, management, monitoring and reporting of performance against predetermined objectives.**



Annexure D – Criteria developed from the performance management and reporting framework

Criteria		References to PMRP for institution	
		Municipalities	Municipal entities
Consistency: Performance indicators and targets are consistent between planning and reporting documents.			
1. Reported indicators are consistent or complete when compared to planned Indicators	Section 121(3)(f) of the MFMA Sections 41(a) – (c) & section 46 of the MSA	Section 121(4)(d) of the MFMA	
2. Changes to indicators are approved	Section 25(2) of the MSA	Section 54(1)(c) of the MFMA	
3. Reported targets are consistent or complete compared to planned targets	Section 121(3)(f) of the MFMA Sections 41(a) – (c) & section 46 of the MSA	Section 121(4)(d) of the MFMA	
4. Changes to targets are approved	Section 25(2) of the MSA	Section 54(1)(c) of the MFMA	
5. Reported achievements are consistent with the planned and reported indicator and target	Section 121(3)(f) of the MFMA	Section 121(4)(d) of the MFMA	
Measurability: Performance indicators are well defined and verifiable, and targets are specific, measurable and time bound			
6. A performance indicator is well defined when it has a clear, unambiguous definition so that data will be collected consistently and is easy to understand and use.	FMPPJ chapter 3.2		
7. A performance indicator is verifiable when it is possible to validate or verify the processes and systems that produce the indicator.	FMPPJ chapter 3.2		
8. A target is specific when the nature and required level of performance of the target are clearly identifiable.	FMPPJ chapter 3.3		
9. A target is measurable when the required performance can be measured.	FMPPJ chapter 3.3		
10. A target is time bound when the timeframes for achievement of targets are indicated.	FMPPJ chapter 3.3		
Relevance: Performance indicators relate logically and directly to an aspect of the institution's mandate and the realisation of its strategic goals and objectives			
11. The performance indicator and target relate logically and directly to an aspect of the institution's mandate and the realisation of its strategic goals and objectives.	FMPPJ chapter 3.2		



Criteria	Municipalities	Municipal entities
<p>Presentation and disclosure: Performance information in the annual performance report is presented and disclosed in accordance with the requirements contained in the legislation, frameworks, circulars and guidance</p>		
<p>12. Actual performance compared to planned targets and prior year performance is disclosed in the annual performance report</p>	<p>Section 46 of the MSA</p>	<p>Section 46 of the MSA</p>
<p>13. Measures taken to improve performance are disclosed in the annual performance report</p>	<p>Section 46 of the MSA</p>	<p>Section 46 of the MSA</p>
<p>14. Measures taken to improve performance are corroborated with audit evidence</p>	<p>Section 46 of the MSA</p>	<p>Section 46 of the MSA</p>
<p>Reliability: Recording, measuring, collating, preparing and presenting information on actual performance achievements is valid, accurate and complete.</p>		
<p>15. Reported performance occurred and pertains to the reporting entity.</p>	<p>Section 45 of the MSA</p>	<p>Section 45 of the MSA</p>
<p>16. Amounts, numbers and other data relating to reported performance are recorded and reported correctly.</p>	<p>FMPPI chapter 5</p>	<p>FMPPI chapter 5</p>
<p>17. All actual performance that should have been recorded is included in the reported performance information.</p>		

Annexure E: Auditor-general's responsibility for the audit of the reported performance information

1. As part of our engagement conducted in accordance with ISAE 3000(R), we exercise professional judgement and maintain professional scepticism throughout our reasonable assurance engagement on reported performance information for selected objectives.
2. We are independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of ethics for professional accountants (including International Independence Standards)* (IESBA code), as well as the ethical requirements relevant to our audit in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

Quality control relating to assurance engagements

3. In accordance with the International Standard on Quality Control 1, the Auditor-General of South Africa maintains a comprehensive system of quality control that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Reported performance information

4. In addition to our responsibility for the assurance engagement on reported performance information, as described in the auditor's report, we also:
 - identify and assess risks of material misstatement of the reported performance information, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. In making those risk assessments, we consider internal control(s) relevant to the management and reporting of performance information per selected objective in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the documentation maintained by the municipality that supports the generation, collation, aggregation, monitoring and reporting of performance indicators and their related targets for the selected objectives
 - evaluate and test the usefulness of planned and reported performance information, including presentation in the annual performance report, its consistency with the approved performance planning documents of the municipality and whether the indicators and related targets were measurable and relevant
 - evaluate and test the reliability of information on performance achievement to determine whether it is valid, accurate and complete






Communication with those charged with governance

5. We communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
6. We also confirm to the accounting officer that we have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, the actions taken to eliminate threats, or the related safeguards applied.




Annexure F: Assessment of internal controls










Below is our assessment of the implementation of drivers of internal control based on significant deficiencies identified during our audit of the financial statements, the annual performance report and compliance with legislation. Significant deficiencies occur when internal controls do not exist, are not appropriately designed to address the risk, or are not implemented. These either had caused, or could cause, the financial statements or the annual performance report to be materially misstated, and material instances of non-compliance with legislation to occur.

The internal controls were assessed as follows:

	The required preventative or detective controls were in place.
	Progress was made on implementing preventative or detective controls, but improvement is still required, or actions taken were not or have not been sustainable.
	Internal controls were not in place, were not properly designed, were not implemented or were not operating effectively. Intervention is required to design and/or implement appropriate controls.

The movement in the status of the drivers from the previous year-end to the current year-end is indicated collectively for each of the three audit dimensions under the three fundamentals of internal control. The movement is assessed as follows:

	Improved
	Unchanged
	Regressed

	Financial statements		Performance reporting		Compliance with legislation	
	Current year	Prior year	Current year	Prior year	Current year	Prior year
Leadership						
Overall movement from previous assessment						
• Provide effective leadership based on a culture of honesty, ethical business practices and						

	Financial statements		Performance reporting		Compliance with legislation	
	Current year	Prior year	Current year	Prior year	Current year	Prior year
good governance, and protecting and enhancing the best interests of the entity						
• Exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls	☹	☹	☹	☹	☹	☹
• Implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	☹	☹	☹	☹	☹	☹
• Establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities	☹	☹	☹	☹	☹	☹
• Develop and monitor the implementation of action plans to address internal control deficiencies	☹	☹	☹	☹	☹	☹
• Establish and implement an information technology governance framework that supports and enables the business, delivers value and improves performance	☹	☹	N/A	N/A	N/A	N/A
Financial and performance management						
Overall movement from previous assessment	↑		↑		↔	
• Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	☹	☹	☹	☹	☹	☹
• Implement controls over daily and monthly processing and reconciling transactions	☹	☹	☹	☹	☹	☹
• Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	☹	☹	☹	☹	☹	☹



	Financial statements		Performance reporting		Compliance with legislation	
	Current year	Prior year	Current year	Prior year	Current year	Prior year
• Review and monitor compliance with applicable legislation	☹	☹	☹	☹	☹	☹
• Design and implement formal controls over information technology systems to ensure the reliability of the systems and the availability, accuracy and protection of information	☹	☹	N/A	N/A	N/A	N/A
Governance						
Overall movement from previous assessment	↑		↑		↑	
• Implement appropriate risk management activities to ensure that regular risk assessments, including the consideration of information technology risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored	☹	☹	☹	☹	☹	☹
• Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively	☹	☹	☹	☹	☹	☹
• Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation	☹	☹	☹	☹	☹	☹





**Ntabankulu Local Municipality
Annual Financial Statements
for the year ended 30 June 2022**

**AUDITOR GENERAL
SOUTH AFRICA**

14 DEC 2022

Ntabankulu Local Municipality

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The reports and statements set out below comprise the annual financial statements presented to the municipal council::

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ASSA	Actuarial Society of South Africa
BTO	Budget and Treasury Office
COGTA	Cooperative Governance and Traditional Affairs
CPI	Consumer Price Index
DEDEAT	Department of Economic Development, Environment Affairs and Tourism
DSRAC	Department of Sport, Recreation, Arts and Culture
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
FMG	Financial Management Grant
GRAP	Generally Recognised Accounting Practice
INEP	Integrated National Electrification Programme
IPD	Infrastructure, Planning and Development
LED	Local Economic Development
MPCC	Multi-purpose Community Centre
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
MPAC	Municipal Public Accounts Committee
SALGA	South African Local Government Association
SDL	Skills Development Levy
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
COVID-19	Corona Virus Diseases 19

**AUDITOR GENERAL
SOUTH AFRICA**

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Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Legal form of entity

Municipality

Nature of business and principal activities

Ntabankulu Local Municipality is a South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act (Act no 117 of 1998). The Municipality's operations are governed by the Municipal Finance Management Act (Act 56 of 2003), the Municipal Structures Act (Act 177 of 1998), Municipal Systems Act (Act 32 of 2000) and various legislations and regulations.

Municipal Councillors

From 1 July to 23 November 2021

Cllr PT Sobuthongo: Mayor

Cllr V Matwasa: Speaker

Cllr S Menziwa: Chief Whip

Exco Members

Cllr N Pikwa: Portfolio Head: Community Services

Cllr N T Mbonomtsha: Portfolio Head: Budget and Treasury

Cllr S Sophaqa: Portfolio Head: Corporate Services

Cllr M Ndabeni: Portfolio Head: Development Planning

Cllr N Ndoyisile: Exco member with no portfolio

Cllr BZ Ndamase: MPAC Chairperson

Cllr S Menziwa: Portfolio Head: Technical Services

Ordinary members

Cllr T Lubisi

Cllr M Nqwazi

Cllr M Madadasa

Cllr B Betwayo

Cllr F Ntshela

Cllr Z Makhosonke

Cllr P Mafilika

Cllr B Ndebe

Cllr M Gweqani

Cllr T Msuthu

Cllr N Sobuthongo

Cllr NS Ncekana

Cllr EN Diko

Cllr N Daniel

Cllr Z Mtyaphi

Cllr N Sithunzi

Cllr S Sicwayi

Cllr M Mkizwana

Cllr N Njiva

Cllr M Mkhandanisi

Cllr N Pezisa

Cllr M Tshaka

Cllr N Ndamase

Cllr S Sophaqa

Cllr TR Luvela

Cllr M Dinwayo

AUDITOR GENERAL
SOUTH AFRICA

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Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Municipal Councillors sworn in during the current year

Cllr PT Sobuthongo : Mayor
Cllr V Matwasa: Speaker
Cllr S Menziwa: Chief Whip

Exco Members

Cllr S Menziwa: Portfolio Head: Technical Services
Cllr N Pikwa: Portfolio Head: Development Planning- resigned 17 February 2022
Cllr N Kinase: Portfolio Head: Corporate Services
Cllr EU Joyi: Portfolio Head: Community Services
Cllr M Dinwayo: Portfolio Head: Financial Management
Cllr N Pezisa: Exco member without portfolio
Cllr T Lubisi: MPAC Chairperson

Ordinary Members

Cllr SJ Madwakasi
Cllr M Nqwazi: Caretaker: Development Planning
Cllr PM Maflika
Cllr AO Ranana
Cllr S Zwelonke
Cllr S Sophaqa
Cllr A Zakhabana
Cllr A Ngconjana
Cllr S Bakeni
Cllr N Daniel
Cllr KS Nkaenkae
Cllr N Gantsu
Cllr N Sobuthongo
Cllr N Sidudu
Cllr M Mcurukelwa
Cllr N Zakade
Cllr M Nokhence
Cllr A N Mtyingizane
Cllr T Ngeyane
Cllr T A Mhiana
Cllr SN Ncekana
Cllr BM Mkizwana
Cllr B Xhangayi
Cllr O Mpenya
Cllr S Nkweba
Cllr Z Mlonyeni
Cllr MP Ndabeni
Cllr A Diko
Cllr ZL Nofayile
Cllr S Mathumbu - Sworn in 16 May 2022

**AUDITOR GENERAL
SOUTH AFRICA**

14 DEC 2022

Grading of local authority

Grade 3

Accounting Officer

Miss L Nonyongo

Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Chief Financial Officer (CFO)	Mrs XN Venn
Registered office	Erf 85 Main Street Ntabankulu 5130
Business address	Erf 85 Main Street Ntabankulu 5130
Postal address	P.O. Box 234 Ntabankulu 5130
Auditors	Auditor-General South Africa Registered Auditors 63 Frere Road Vincent
Attorneys	Municipal Attorneys 1. Madlanga and Partners Inc. Attorneys Office of Hyde Park, 1st floor, Block A 2nd Road, Strouthos Place Hyde Park, Johannesburg 2. Guzana Inc. Attorneys 4 Kort Street Carolina 1185 3. TL Luzipho Attorneys 26 Cnr Madeira and Veronica Street 1st Floor Steve Motors Building Mthatha 5099
Bankers	First National Bank 151 York Road, Mthatha
Website	www.ntabankulu.gov.za

**AUDITOR GENERAL
SOUTH AFRICA**

14 DEC 2022

Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report.

It is the responsibility of the Accounting Officer to ensure that the Annual Financial Statements fairly present the state of affairs of the Municipality as at 30 June 2022 and the results of its operations and cash flows for the period then ended.

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

The Accounting Officer acknowledges that she is ultimately responsible for the system of internal financial control established by the Municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, she sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Municipality and all employees are required to maintain the highest ethical standards in ensuring the Municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Municipality is on identifying, assessing, managing and monitoring all known forms of risk across the Municipality. While operating risk cannot be fully eliminated, the Municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Officer has reviewed the Municipality's cash flow forecast for the year to 30 June 2023 and, in the light of this review and the current financial position, she is satisfied that the Municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 10 to 76, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 August 2022 and were signed by:

Miss L Nonyongo
Accounting Officer

AUDITOR GENERAL
SOUTH AFRICA
14 DEC 2022

Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Audit and Performance Committee Report

We are pleased to present our report for the year ended 30 June 2022.

Audit and performance committee members and attendance

The audit and performance committee consists of the members listed here under and should meet 4 times per annum as per its approved terms of reference. During the current financial year 6 meetings were held.

Name of member	Number of ordinary meetings attended	Number of special meetings attended
Mr S Maharaj (Chairperson) (01 June 2022 - 30 May 2025)	1	1
Dr L Konar (from 01 June 2022 - 30 May 2025)	1	1
Mr G Labane (Chairperson from 01 December 2015 to 30 November 2021)	2	1
Ms B Jojo (Ordinary member from 01 December 2015 to 30 November 2021) (Interim chairperson from 01 December 2021 to 30 May 2022)	4	1
Mr Z Zulu (Extended from 01 July 2022 - 30 June 2025)	4	2
Ms K J Tubane (Extended from 01 July 2022 - 30 June 2025)	4	1

Currently there are 4 Audit and Performance Committee members whose contracts are active.

Audit and Performance Committee responsibility

The Audit and Performance Committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

Overview

In adherence to the terms of the MFMA, the Audit and Performance Committee established and defined its composition, purpose and duties in the Audit Committee Charter. The Audit and Performance Committee reports that it complies with all legal and regulatory requirements as necessary under South African legislation. In fulfilling its duties, the Audit and Performance Committee:

- approved the internal audit plan;
- received and considered reports from internal auditors; and
- reviewed and discussed the Annual Financial Statements with the Accounting Officer and the Chief Financial Officer.

Following a review conducted by the Internal Audit Unit, and meeting the requirements of the terms of reference, the Committee is satisfied that:

- Internal financial controls are effective; however, not all material weaknesses in financial controls have been identified; and
- The co-sourced internal audit function performed their duties as per the terms of reference contained in the Internal Audit Charter and addressed all components of the Internal Audit Plan and the external auditors of the Municipality (Auditor-General South Africa), are independent.

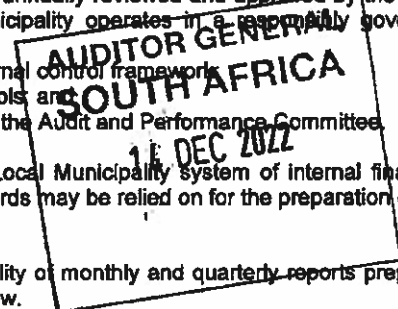
Internal Audit

Ntabankulu Local Municipality has a co-sourced Internal Audit Function. The Internal Audit Function provides the Audit and Performance Committee with assurance on the key areas of Ntabankulu Local Municipality's systems of internal control and risk management. The Internal Audit Plan and the Internal Audit Charter are annually reviewed and approved by the Audit Committee. Internal Audit provides assurance that Ntabankulu Local Municipality operates in a responsibly governed manner by performing the following functions:

- objectively assuring effectiveness of risk management and the internal control framework;
- analysing and assessing business processes and associated controls; and
- reporting audit findings and recommendations to management and the Audit and Performance Committee.

The Audit and Performance Committee is of the opinion that Ntabankulu Local Municipality system of internal financial controls is effective and provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements.

The Audit and Performance Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the management of the municipality during the year under review.



Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Audit and Performance Committee Report

Evaluation of the annual financial statements

The Audit and Performance Committee has reviewed the Annual Financial Statements for the year ended 30 June 2022 and concluded that it complies, in all material respects, with the requirements of GRAP. The Committee recommended the approval of the Annual Financial Statements.

Furthermore, the Audit and Performance Committee recommended the adoption of the Annual Financial Statements. In this regard, the Committee:

- > Considered all representations and risks that may impact on the integrity of the Annual Financial Statements; and
- > Reviewed and commented on the Annual Financial Statements.

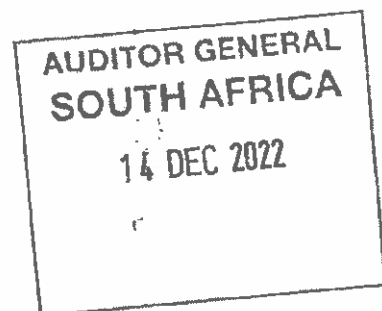
The Accounting Officer subsequently approved the Annual Financial Statements.

Conclusion

The Committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and approved terms of reference during the year.

Chairperson of the Audit and Performance Committee

Date: _____



Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Report

The Accounting Officer submits her report for the year ended 30 June 2022.

1. Review of activities

Main business and operations

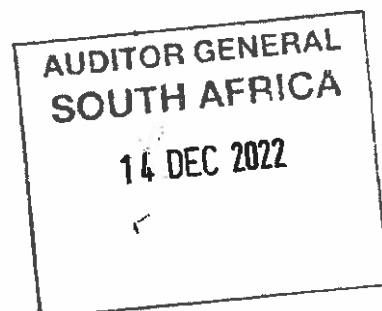
Ntabankulu Local Municipality is a South African category B Municipality (Local Municipality) as defined by the Municipal Structures Act (Act no 117 of 1998). The Municipality's operations are governed by the Municipal Finance Management Act (Act 56 of 2003), the Municipal Structures Act (Act 177 of 1998), Municipal Systems Act (Act 32 of 2000) and various legislations and regulations.

The operating results for the year are fully set out in the attached Annual Financial Statements and do not in my opinion require any further comment.

Net surplus of the Municipality is R 14 349 325 (2021: surplus R 17 592 609).

2. Going concern

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.



Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	3	404 882	515 807
Receivables from exchange transactions	4	1 113 096	1 603 078
Receivables from non-exchange transactions	5	11 160 439	9 923 971
Statutory receivables	6	4 974 995	7 956 177
Cash and cash equivalents	7	10 169 062	35 035 979
		<u>27 822 474</u>	<u>65 035 012</u>
Non-Current Assets			
Investment property	8	40 080 786	38 292 848
Property, Plant and Equipment	9	355 141 881	347 434 855
		<u>395 222 667</u>	<u>385 727 703</u>
Total Assets		<u>423 045 141</u>	<u>440 762 715</u>
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	21 446 861	27 703 106
Unspent conditional grants and receipts	12	1 173	184 521
Payables from non-exchange transactions	13	14 918 786	41 420 013
Long service awards	11	573 775	435 618
		<u>36 940 595</u>	<u>69 743 258</u>
Non-Current Liabilities			
Provisions	14	1 476 613	1 165 560
Long service awards	11	3 536 490	3 111 781
		<u>5 013 103</u>	<u>4 277 341</u>
Total Liabilities		<u>41 953 698</u>	<u>74 020 597</u>
Net Assets		<u>381 091 443</u>	<u>366 742 118</u>
Accumulated surplus		381 091 443	366 742 118

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Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance for the year ended 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	16	642 384	634 963
Rental of facilities and equipment	17	617 666	528 462
Interest received	18	2 419 592	2 512 696
Licences and permits	19	644 046	653 729
Sundry income	20	621 274	357 021
Total revenue from exchange transactions		4 944 962	4 686 871
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	21	16 739 273	14 575 095
Interest received MEPF	22	905 868	467 643
Transfer revenue			
Government grants and subsidies	23	175 741 084	199 825 652
Fines	24	768 500	662 900
Total revenue from non-exchange transactions		194 154 735	215 531 290
Total revenue	15	199 099 697	220 218 161
Expenditure			
Employee related costs	25	(82 166 797)	(76 059 015)
Remuneration of councillors	26	(11 765 559)	(12 130 957)
Depreciation and amortisation	27	(25 790 760)	(20 455 324)
Interest and penalties paid	28	(2 507 444)	(5 072 419)
Contribution allowance for impairment	29	(4 730 959)	(7 215 331)
General expenses	30	(50 312 385)	(58 617 419)
Repairs and maintenance	31	(1 725 970)	(6 355 167)
Audit fees	32	(3 494 991)	(3 957 967)
Completed electrification transferred	33	-	(12 806 029)
Total expenditure		(182 494 865)	(202 669 628)
Operating surplus		16 604 832	17 548 533
Profit on disposal of assets	34	589 310	-
Increase in provision for landfill site	14	(268 044)	(322 033)
Fair value adjustments	35	402 655	6 614 738
Actuarial losses	11	(290 492)	(669 617)
Asset write-off : Infrastructure	9	(670 286)	(4 142 062)
Impairment loss: Infrastructure assets	9	(2 018 650)	(1 436 950)
		(2 255 507)	44 076
Surplus for the year		14 349 325	17 592 609

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Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets for the year ended 30 June 2022

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	349 243 215	349 243 215
Adjustments		
Prior period error- Note 47	(93 706)	(93 706)
Balance at 01 July 2020 as restated*	349 149 509	349 149 509
Changes in net assets		
Surplus for the year	16 291 389	16 291 389
Prior period error - Note 47	1 301 220	1 301 220
Total changes	17 592 609	17 592 609
Total recognised income and expenses for the year	17 592 609	17 592 609
Total changes	17 592 609	17 592 609
Restated* Balance at 01 July 2021	366 742 118	366 742 118
Changes in net assets		
Surplus for the year	14 349 325	14 349 325
Total changes	14 349 325	14 349 325
Balance at 30 June 2022	381 091 443	381 091 443

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Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement for the year ended 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Property Rates		13 096 784	10 170 411
Service Charges		97 949	145 668
Operating Grants		140 101 880	170 054 290
Capital Grants		35 125 446	41 584 000
Other Income including MEPF Receivable receipts		1 772 960	19 887 706
Interest Income		1 070 483	1 373 856
Licence fees and permits		644 046	-
Rentals		1 498 137	-
Fines		115 750	158 300
		<u>193 523 435</u>	<u>243 374 231</u>
Payments			
Suppliers and Employee costs		(181 305 192)	(177 378 889)
Interest and penalties		(102 463)	(412 187)
Net cash flows from operating activities	36	<u>12 115 780</u>	<u>65 583 155</u>
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	9	(37 691 463)	(35 701 895)
Proceeds from sale of Property, Plant and Equipment		708 767	-
Net cash flows from investing activities		<u>(36 982 696)</u>	<u>(35 701 895)</u>
Net Increase/(decrease) in cash and cash equivalents		<u>(24 866 916)</u>	<u>29 881 260</u>
Cash and cash equivalents at the beginning of the year		35 035 979	5 154 719
Cash and cash equivalents at the end of the period	7	<u>10 169 063</u>	<u>35 035 979</u>

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Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sundry income	932 156	(785 975)	146 181	621 274	475 093	2
Service charges	326 973	315 411	642 384	642 384	-	im
Rental of facilities and equipment	651 730	-	651 730	617 666	(34 064)	im
Licences and permits	1 250 000	(174 025)	1 075 975	644 046	(431 929)	1
Interest received - investments	2 900 000	(1 200 000)	1 700 000	1 070 483	(629 517)	7
Interest on trade and other receivables	207 800	400 000	607 800	2 254 977	1 647 177	6
Total revenue from exchange transactions	5 268 659	(1 444 589)	4 824 070	5 850 830	1 026 760	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	14 577 540	2 034 984	16 612 524	16 739 273	126 749	im
Transfer revenue						
Government grants and subsidies	178 864 000	19 864 000	198 728 000	175 741 094	(22 986 906)	9
Fines, Penalties and Forfeits	153 900	200 000	353 900	768 500	414 600	8
Total revenue from non-exchange transactions	193 595 440	22 098 984	215 694 424	193 248 867	(22 446 557)	
Total revenue	199 864 099	20 654 395	220 518 494	199 099 697	(21 418 797)	
Expenditure						
Employee related costs	(85 199 681)	2 070 322	(83 129 359)	(82 166 797)	962 562	im
Remuneration of councillors	(13 438 808)	1 660 208	(11 778 600)	(11 765 559)	13 041	im
Depreciation and amortisation	(21 622 407)	(4 329 315)	(25 951 722)	(25 790 760)	160 962	im
Finance costs	(100 000)	(2 574 206)	(2 674 206)	(2 492 965)	181 241	im
Debt Impairment	(2 642 355)	(2 500 000)	(5 142 355)	(4 730 959)	411 396	10
Bad debts written off	(1 000 000)	1 000 000	-	-	-	11
Loss on disposal of assets	(300 000)	300 000	-	-	-	im
General Expenses	(68 258 098)	7 164 445	(61 093 653)	(50 326 864)	10 766 789	12
Repairs and maintenance	(4 949 385)	1 670 498	(3 278 887)	(1 725 970)	1 552 917	13
Audit fees	(4 000 000)	500 000	(3 500 000)	(3 494 991)	5 009	im
Total expenditure	(201 510 734)	4 961 952	(196 548 782)	(182 494 865)	14 053 917	
Operating surplus	(1 646 635)	25 616 347	23 969 712	16 604 832	(7 364 880)	
(Increase)/decrease landfill site provision	994 204	-	994 204	994 204	-	14
Fair value adjustment	-	(1 384 746)	(1 384 746)	(1 384 746)	-	im
Actuarial gains/(losses)	-	(290 492)	(290 492)	(290 492)	-	im
Human settlements	16 700 000	(2 777 778)	13 922 222	11 780 509	2 141 713	15
Asset write-off	(15 585 000)	14 956 113	(628 887)	(670 286)	(41 399)	16

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Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Electrification	-	(183 066)	(183 066)	(183 066)	-	im
Impairment loss: Infrastructure assets	-	(2 018 650)	(2 018 650)	(2 018 650)	-	im
Profit on disposal of assets	311 700	688 300	1 000 000	596 218	(403 782)	5
	2 420 904	8 989 681	11 410 585	9 353 024	(2 057 561)	
Surplus before taxation	774 269	34 606 028	35 380 297	25 957 856	(9 422 441)	
Deficit for the year from continuing operations	774 269	34 606 028	35 380 297	25 957 856	(9 422 441)	
VAT Recovery	10 700 000	4 800 000	15 500 000	11 622 583	(3 877 417)	4
Transfer from internal reserves	63 000 000	(2 023 809)	60 976 191	-	(60 976 191)	3
Bank loan	6 000 000	(6 000 000)	-	-	-	17
Capital Expenditure	(53 308 190)	(15 508 891)	(68 817 081)	(43 181 155)	25 635 926	18
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	27 166 079	15 873 328	43 039 407	(5 600 716)	(48 640 123)	

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Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

im = Immaterial variances

Material budget variances

1. Licences and permits

There was overbudgeting on licences and permits due to the anticipation that there may be an increase on revenue collection as the COVID restrictions changed. The budget was reduced during the budget adjustment period; however, the collection did not meet the anticipated collection levels.

2. Sundry income

The sundry income includes Pound fees, Building Plan fees, Tender fees, Advertising fees, Funeral Commission and Cemetery. The Municipality received an amount of R200 000 as award/incentive for Cleaning and Greening that was not budgeted for. In addition to this, the Fuel Card Incentives were also received and thus the revenue collection became enormously higher than the budgeted amount.

3. Transfer from internal reserves

This line item will not realise actual revenue as it a non-cash item and is utilised to fund non-cash items.

4. VAT recovery

The originally budgeted amount was increased during the adjustment budget as the trends of collection changed during the financial period; however, the anticipated collection could not be collected. This was caused by reduced procurement after the Court case challenging PPR 17 Regulations caused National Treasury to issue a circular stopping all procurement above R30 000 to be advertised after the 16th of February 2022.

5. Profit on disposal of assets

The budgeted amount increased during the adjustment budget due to the estimated assets to be disposed and the expectations of bidding prices of those assets. There was a plan to dispose Political Office Bearer's vehicles with the intention of procuring new ones, but due to cash-flow challenges, these were not disposed of as planned.

6. Interest on trade and other receivables

The budget was not aligned to the billing, only the actuals were considered when budgeting, thus causing the huge difference as the interest cash received is far less than the actual billing.

7. Interest on Investments

The budget was very high at the beginning of the financial year. It was then reduced during budget adjustment; however, the collection was less. The huge funds that were available at the Municipal bank account were meant to aid in accumulating the interest on investments were used up due to the challenge of financial crisis that the municipality encountered during the year, therefore the interest on investment was less than anticipated.

8. Fines

Traffic fines were budgeted based on the realistically anticipated revenue. The collection trends on traffic fines is low and therefore the Municipal budget has to consider only anticipated cash to be collected to avoid cash-flow problems.

9. Government grants and subsidies

The grants revenue was budgeted according to the gazetted funds and promised funds; however, the municipality did not receive funds as planned. The huge differences occurred on Small Town Revitalisation and LGSETA whereby the promised funds were not transferred by the funder during the financial year.

10. Debt impairment

Debt impairment was budgeted for according to the debt collection trends of the Municipality. In the current year, the Municipal ratepayers were not properly responding to Municipal initiative for revenue collection and the old debt was not being paid by a huge number of ratepayers.

11. Bad Debts written-off

The Municipality did not write off any debtors as attempts to motivate ratepayers to comply with the proposed Revenue strategy could not yield positive results.

12. General Expenses

The reduction on general expenses was due to the implementation of the financial recovery plan which reduced all programmes that are not core functions of the Municipality after the attachment of the Municipal Bank Account. Also, the court judgement on use of PPR 17 Regulations caused the Municipal procurement to be halted for all projects above R30 000 advertised after the 16th of February 2022.

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Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

13. Repairs and maintenance

The budget for repairs and maintenance was reduced due to change of plans by the municipality; however, the expenditure has a significant variance from the budget, as some maintenance plans could not be performed due to financial constraints.

14. Increase in landfill site

The Budget amount was based on historical records and the actual amount is based on the results of the valuation of the landfill site at year-end. The increase was not anticipated during budget processes.

15. Human settlements funds

The department only transferred funds amounting to R11 784 689 as the seed funding to the Principal Agent arrangement and the remaining balance will only be transferred on value created basis and as per the contracts of the appointed bidders.

16. Asset Write Off

Assets were written-off based on the verification reports that were developed by the internal staff in relation to movable assets and appointed engineers with regards to the infrastructure assets. Fewer assets were anticipated to be written off.

17. Bank loan

The Municipality could not comply to MFMA Section 46 requirements relating to long-term debt acquisition during budget adjustment, and deferred the process to the Annual budget for 2022/23 financial year.

18. Capital expenditure

The Municipality budgeted according to the approved 3-Year Capital Plan. During the financial year, the adjustments were also aligned accordingly. The huge difference is caused by two projects; Construction of Traffic Offices and Small-Town Revitalisation (Internal Streets) whereby the Construction of Traffic offices had to be halted due to a financial legal matter that caused the finances to fall short of affordability to the project. The funder for Small Town Revitalisation did not transfer the amounts as promised and therefore caused the Municipality to spend what was only transferred for the financial year.

19. Personnel costs

The personnel costs were budgeted in line with the approved organogram, however some of the filled positions became vacant during the financial year and some vacant positions that were budgeted were not filled. The difference of R1,3 m is less than 10% which proves that the municipality's salaries were correctly budgeted for.

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Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on the accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the Municipality.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the Municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables, loans and other receivables

Impairment testing

In calculating the impairment loss for receivables, the following were considered:

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

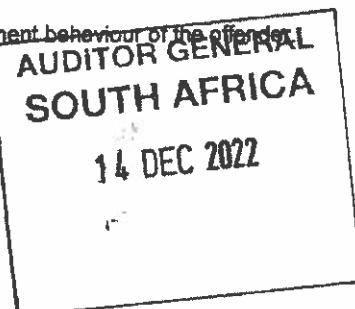
- The payments received from receivables for the year, with the exception of traffic fines.
- The age of the debt
- Current and 30 days were considered not to have passed due date
- Receivables which were 60 days old were considered to be past due date but were not impaired

The Municipality assessed the balances that were 60 days old for recoverability and believes that they are of good credit quality. The creation and the release of the impairment loss for receivables has been included in the Statement of Financial Performance.

For traffic fines, the following additional assumptions are considered;

> Each individual ticket fine is considered as a receivable when it is raised.

> Impairment calculation will be based on the ticket fine raised and not on the payment behaviour of the offender.



Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation – Financial Instruments

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Municipality for similar financial instruments.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 – Provisions.

On receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that receivables are impaired. The impairment is measured as the difference between the Receivables carrying amount and receivables recoverable amounts.

Contingent Liabilities and Contingent Assets

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets arise from unplanned or other unexpected events that are not wholly within the control of the entity and give rise to the possibility of an inflow of economic benefits or service potential to the entity. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the approved annual financial statements.

Residual Values, useful lives and impairment of Property Plant and Equipment

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted (where required) annually.

Where significant parts (components of an item of Property, Plant and Equipment) have different useful lives or depreciation methods to the item itself, these parts are accounted for as separate items of property, plant and equipment.

The carrying amounts of Property, Plant and Equipment are reviewed for impairment annually and when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If any such indication exists and where the carrying amount exceed the estimated recoverable amount, the asset's carrying amount is written down to their recoverable amounts.

Allowance for doubtful debts

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

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Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.4 Investment property

Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the property will flow to the entity, and the cost of the property can be reliably measured. Investment properties comprise properties held for earning rental income or for capital appreciation or both. This does not include properties held for the supply of services or for administrative purposes.

Investment Property is measured initially at its cost (transaction costs shall be included in this initial measurement). Where an Investment Property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. After initial recognition, investment property is held at the fair value model except in cases where the Municipality cannot reliably determine the fair value thereof.

A gain or loss arising from a change in the fair value of investment property shall be included in surplus or deficit for the period in which it arises. Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The differences between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of financial performance in the period of derecognition.

Fair value - Investment Property

Subsequent to initial measurement, investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the Municipality determines that the fair value of an investment property under construction is not reliably determinable, it is expected that the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If it determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, that investment property will be measured using the cost model (as per the accounting policy on Property, Plant and Equipment). The residual value of the investment property is then assumed to be zero. The Municipality applies the cost model (as per the accounting policy on Property, Plant and Equipment) until disposal of the investment property.

Once the Municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, Plant and Equipment.

1.5 Property, Plant and Equipment

Property, Plant and Equipment is recognised when it is probable future economic benefits will flow to the entity and the cost can be measured reliably. Property, Plant and Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes all directly attributable costs that are incurred in order to bring the asset into a location and condition necessary to enable it to operate as intended by management and includes the cost of materials and direct labour.

Subsequent expenditure relating to an item of Property, Plant and Equipment is capitalised if the cost can be measured reliably and it is probable that the future economic benefits associated with the item will flow to the municipality. If a replacement part is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. When significant parts of property, plant and equipment are required to be replaced at intervals, the municipality recognises such part as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, the cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance expenditure is recognised as an expense in the year it is incurred.

Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease and depreciated over the estimated useful life of the asset on the same basis as owned assets. If the Municipality does not have reasonable certainty that it will obtain ownership of the leased asset at the end of the lease term, the asset is depreciated over the shorter of its lease term and its useful life.

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1.5 Property, Plant and Equipment (continued)

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight line basis over the estimated useful life of each part of the Property, Plant and Equipment from when it is available to operate as intended by management.

The useful lives of items of Property, Plant and Equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	25 - 30 Years
Furniture	Straight line	5 - 7 Years
Motor vehicles	Straight line	4 - 7 Years
Office equipment	Straight line	5 - 7 Years
IT equipment	Straight line	3 - 5 Years
Computer software	Straight line	2 - 5 Years
Infrastructure		
Landfill site	Straight line	30 - 55 years
Culverts and ditch drains	Straight line	20 - 60 years
Traffic signs	Straight line	5 - 20 years
Electricity infrastructure	Straight line	15 - 40 years
Traffic barriers	Straight line	10 - 30 years
Roads and paving	Straight line	10 - 50 years
Recreational facilities	Straight line	10 - 60 years
Bridges	Straight line	60 - 80 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted (where required) annually. Where significant parts (components of an item of property, plant and equipment have different useful lives or depreciation methods to the item itself, these parts are accounted for as separate items of property, plant and equipment.

The carrying amounts of Property, Plant and Equipment are reviewed for impairment annually and when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is included in operating surplus. Items or part of an item of property, plant and equipment are derecognised at the earlier of the date of disposal or the date when no future economic benefits are expected from its use. Gains or losses on derecognition of items of property, plant and equipment are included in the statement of financial performance. The gain or loss is the difference between the net disposal proceeds and the carrying amount of the asset.

1.6 Financial Instruments

Financial assets and liabilities are recognised on the Municipality's statement of financial position when the Municipality becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value at date of acquisition. Subsequent to initial recognition, financial instruments are measured as set out below;

Receivables from exchange transactions

Receivables from exchange transactions are subsequently measured at amortised cost using the effective interest rate method less provision for impairment. At each reporting date, the Municipality assesses whether there is any objective evidence that trade and other receivables are impaired. A provision for impairment of trade and other receivables is raised in the statement of financial performance, when there is objective evidence that the Municipality will not be able to collect all amounts due, in accordance with the original terms agreed upon. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The Municipality recognises the impairment of trade receivables directly to the carrying amount of the asset and recognises the impairment in profit and loss.

Receivables from non-exchange transaction

Receivables from non-exchange transactions are subsequently measured at amortised cost using the prime interest rate plus two percentage points according to the Municipality's Credit Control and Debt Collection policy.

Ntabankulu Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.6 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and call deposits. Cash on hand is initially recognised at fair value and subsequently measured at fair value. Deposits are carried at amortised cost. However, due to their short-term nature, the amortised cost normally approximates its fair value.

Financial liabilities at amortised cost

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, when the Municipality becomes party to the contractual provisions. Borrowings are subsequently stated at amortised cost using the effective interest rate method. Any difference between the cost and the redemption value is recognised in the statement of financial position over the period of the borrowings as interest.

Payables from exchange transactions and unspent conditional grants liabilities

Payables from exchange transactions are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Payables from non-exchange transactions

A non-exchange transaction is a transaction where an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Payables from non-exchange transactions are initially measured at cost and are subsequently measured at amortised cost.

Unspent conditional grants and receipts

Payable arises when the Municipality has an obligation to return the grant and /or receipts transferred to it by third parties, through transactions, if conditions of the grant have not been met (conditional grants).

Unspent conditional grants and receipts are initially measured at cost and are subsequently measured at cost.

Impairment of financial assets

Financial assets, other than those financial assets classified as fair value through the statement of financial performance, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. If any such evidence exists, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is recognised in the surplus or deficit.

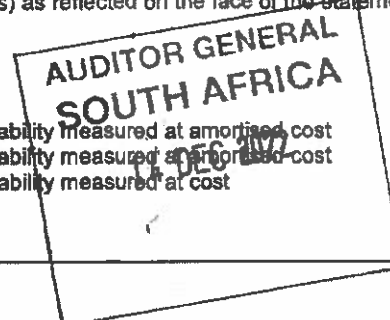
Classification

The entity has the following types of financial assets (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Statutory receivables - VAT receivables	Financial asset measured at cost
Cash and cash equivalents	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at cost



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1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability.

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Inventories

Inventories acquired through an exchange transaction are initially stated at cost. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the First In First Out method. Inventories acquired through a non-exchange transaction are initially measured at fair value as at the date of acquisition.

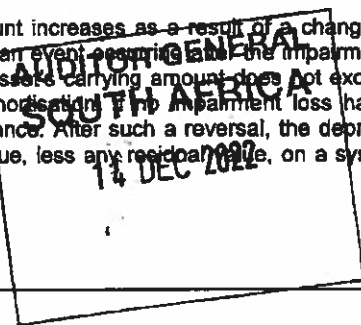
All inventories are subsequently measured at lower of cost and net realisable value. The net realisable value of inventories is the estimate of the selling price in the ordinary course of business, less the estimated selling expenses.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of cash-generating assets

At each reporting date, the Municipality reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance. Where it is not possible to estimate the recoverable amount of an individual asset, the Municipality estimates the recoverable amount of the cash-generating unit to which the asset belongs.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, if related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying value that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the statement of financial performance. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying value, less any residual value, on a systematic basis over its remaining useful life.



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Accounting Policies

1.10 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Useful life is either:

- the period of time over which an asset is expected to be used by the Municipality; or
- the number of production or similar units expected to be obtained from the asset by the Municipality.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the Municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.



Ntabankulu Local Municipality

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Accounting Policies

1.11 Employee benefits

Long-service bonus awards employment benefit

Long-service employment benefit

Ntabankulu offers bonuses for every 5 years of completed service from 10 years to 45 years of service. The liability recognised in respect of the long-service bonus awards is the present value of the obligation at the reporting date. The benefit obligation is calculated annually by independent actuaries using the projected unit method. The present value of the benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities that have terms of maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Performance, in the period in which they arise. Current service costs are recognised immediately in surplus and deficit.

Short-term employee benefits

Short-term employee benefits are those that are due to be settled within twelve months after the end of the period in which the services have been rendered. Remuneration of employees is charged to the Statement of Financial Performance. A provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

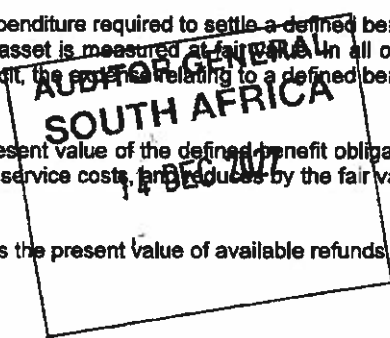
To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the amount relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduced by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.



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Accounting Policies

1.12 Value Added Tax (VAT)

The Ntabankulu Local Municipality is a registered VAT Vendor in terms of the VAT Act of 1991.

1.13 Provisions and contingencies

Provisions are recognised when:

- the Municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects the risks specific to the liability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

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1.14 Commitments

Commitments represent goods/services that have been ordered, but no delivery has taken place at the reporting date. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance as risks and rewards of ownership has not been transferred to the Municipality prior delivery therein. However, are disclosed as part of the disclosure notes.

The commitments disclosed in the disclosure note are the aggregate amount of capital and current expenditure approved and contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements. A distinction is made between capital and current commitments

Other commitments for which disclosure is necessary to achieve a fair presentation will be disclosed in a note if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15 Revenue from exchange transactions

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipalities activities. Revenue is reduced for customer returns, rebates and other similar allowances.

Service charges and licenses and permits are recognised in the statement of financial performance when the significant risks and rewards of ownership have been transferred to the customer.

Revenue from services rendered is recognised by reference to stage of completion.

Commission income is recognised in the statement of financial performance as revenue when it becomes due to the Municipality.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity.

Rental of facilities and equipment revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term.

1.16 Revenue from non-exchange transactions

Revenue from non-exchange transactions arise where the Municipality will receive resources and provide no or nominal consideration directly in return. These constitute government grants, property rates, fines and penalties.

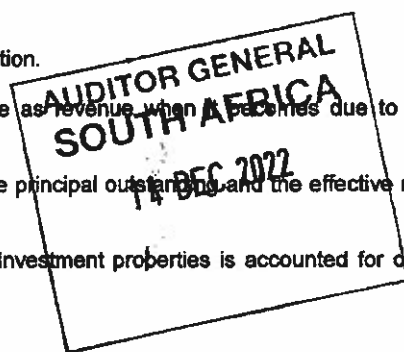
Government grants pertain to funds and/or subsidies received or receivable by the Municipality from other state organs. These include conditional and non-conditional grants. Conditional grants arise where the Municipality has a conditional obligation to pay cash or another financial asset to the grantor, upon unsuccessful discharge of the grantor's conditions. Non-conditional grants are grants received or receivable, for the Municipality's operational needs, with no obligation to pay cash or another financial asset to the grantor.

Non-conditional government grants are recognised as revenue when received and conditional government grants received and recognised as an asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow, the revenue shall be measured at the amount of the increase in net assets recognised by the entity.

Subsequently, as an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset or expense, it shall reduce the carrying amount of the liability recognised and recognise an amount of revenue equal to that reduction.

Property rates satisfy the definition of "non-exchange transaction", because the homeowner transfers resources to the government without receiving approximately equal value directly in exchange.

The Municipality shall recognise an asset in respect of property rates when the taxable event occurs and the asset recognition criteria are met and, to the extent that an asset (cash or receivables) is recognised, the Municipality shall also recognise the amount as revenue, except to the extent that a liability is also recognised in respect of the same inflow.



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Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

Fines and penalties are economic benefits or service potential received or receivable by an entity from an individual or other entity, as determined by a court or other law enforcement body, as a consequence of the individual or other entity breaching the requirements of laws or regulations.

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. And, to the extent that an asset is recognised, the Municipality shall also recognise the amount as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

In instances where a defendant reaches an agreement with a prosecutor that includes the payment of a penalty instead of being tried in court, the payment thus received or receivable shall be recognised as fine revenue.

1.17 Investment Income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.18 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

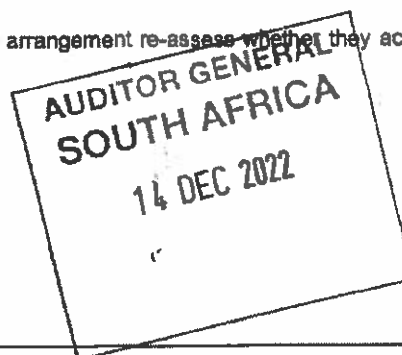
When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The Municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.



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Accounting Policies

1.19 Accounting by principals and agents (continued)

Assessing which entity benefits from the transactions with third parties

When the Municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the Municipality concludes that it is not the agent, then it is the principal in the transactions.

The Municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the Municipality is an agent.

Recognition

The Municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The Municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.21 Unauthorised expenditure

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Fruitless and wasteful expenditure

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

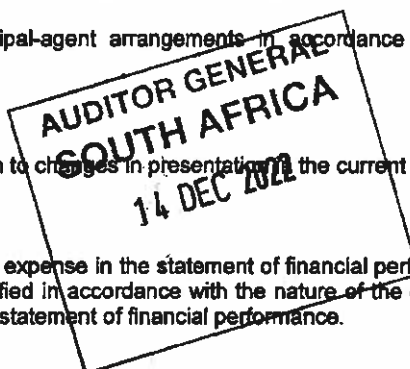
1.23 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in note 44.

1.24 Segment information

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.



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Accounting Policies

1.24 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

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1.25 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by Municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/07/01 to 2022/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.26 Related parties

The Municipality, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market rates with related parties. The Municipality is presumed to be related to all other government entities within the national sphere by virtue of its classification as a Category B Municipality. Only transactions that are not carried out on an arms' length basis are disclosed. Key personnel are limited to the S56 employees only.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date)

1.28 Statutory receivables

Identification

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and less any accumulated impairment losses and any amounts derecognised.

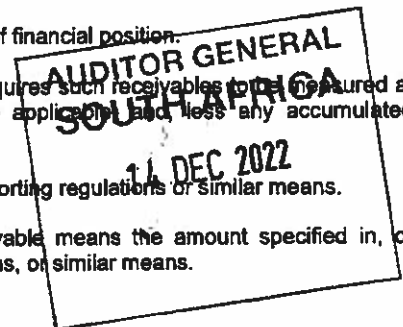
Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The Municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.



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1.28 Statutory receivables (continued)

Initial measurement

The Municipality initially measures statutory receivables at their transaction amount. The statutory receivables shall be measured initially in accordance with the applicable Standard of GRAP. The amount determined on initial measurement in accordance with another Standard of GRAP is the same as the transaction amount described in this Standard.

Subsequent measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The Municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Municipality:
 - derecognises the receivable; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

Impairment losses

The Municipality assesses at each reporting date whether there is any indication that an impairment loss should be recognised by comparing the carrying amount of the receivable to the cash flows the Municipality expects to receive. The cash flows are discounted if the time value of money is material. While there are specific indicators that identify the need to assess if an impairment loss exists, municipalities should also consider the effect of delayed payment and whether this affects the carrying amount of the receivable.



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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The Municipality has not applied the following standards and interpretations, which have been published and are mandatory for the Municipality's accounting periods beginning on or after 01 July 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104(amended) Financial Instruments	01 April 2025	Unlikely there will be a material impact
• GRAP 25 (amended): Employee benefits	To be confirmed	Unlikely there will be a material impact
• GRAP 103 : Heritage Assets	To be confirmed	Unlikely there will be a material impact

3. Inventories

Consumables	404 882	515 807
Inventories recognised as an expense during the year	1 268 695	1 691 810
Completed electrification transferred	-	12 806 029

Included in inventory consumed are the inventories that were recognised as an expense for the period ended 30 June 2022.

Inventory pledged as security

No inventory was pledged as security.

4. Receivables from exchange transactions

Rentals receivables	1 113 618	1 994 089
Refuse receivables	3 429 748	2 885 313
Sundry receivables	332 859	1 429 844
Allowance for impairment - refuse	(3 134 333)	(2 637 538)
Allowance for impairment - rentals	(403 914)	(1 843 748)
Allowance for impairment - sundry	(224 882)	(224 882)
	<u>1 113 096</u>	<u>1 603 078</u>

Receivables from exchange transactions pledged as security

No receivables from exchange transaction are pledged as security.



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4. Receivables from exchange transactions (continued)

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2022, R 129 331 (2021: R 599 338) were past due but not impaired.

The ageing of receivables from exchange transactions is as follows:

June 2022	Refuse	Rentals	Sundry	Total
Current-30 days	47 571	1 063	30 650	79 284
31-60 days	41 626	4 833	3 588	50 047
61-90 days	42 669	3 485	3 588	49 742
91-120 days	36 746	(46 728)	3 665	(6 317)
121-150 days	47 441	51 348	24 841	123 630
151 - 180 days	20 354	1 328	41 750	63 432
> 180 days	3 193 341	1 098 289	224 744	4 516 374
	3 429 748	1 113 618	332 828	4 876 192

June 2021	Refuse	Rental	Sundry	Total
Current-30 days	57 150	50 713	98 065	205 928
31-60 days	55 012	47 900	290 498	393 410
61-90 days	54 555	46 945	316 936	418 436
91-120 days	54 373	46 906	341 933	443 212
121-150 days	53 517	46 880	26 569	126 966
151 - 180 days	53 276	46 782	24 841	124 909
> 180 days	2 557 401	1 707 891	331 002	4 596 294
	2 885 284	1 994 027	1 429 844	6 309 155

Trade and other receivables allowance for impairment

As of 30 June 2022, the contribution towards allowance for impairment has reduced by R 943 039 (2021: R 1 381 466)

The amount is made up of the following:

	2022	2021
Rental	(1 439 834)	918 358
Refuse	498 795	463 108
	(943 039)	1 381 466

Reconciliation of provision for impairment of trade and other receivables

Opening balance	4 706 168	3 324 702
Provision for impairment	(943 039)	1 381 466
	3 763 129	4 706 168

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5. Receivables from non-exchange transactions		
LGSETA Debtor	330 800	-
MEPF Debtor	10 829 839	9 923 971
	<u>11 160 439</u>	<u>9 923 971</u>

The amount relates to contributions incorrectly paid to MEPF instead of SAMWU and interest charged and LGSETA conditional grant claimed.

No receivable from non-exchange transactions are pledged as security.

6. Statutory Receivables

VAT Receivables	924 322	3 821 154
Customer receivable - Rates	24 957 073	21 314 584
Customer receivable - Interest	6 410 939	5 116 531
Customer receivable - Traffic fines	4 210 439	3 557 689
Allowance for impairment - Rates	(21 491 840)	(17 989 719)
Allowance for impairment - Interest	(6 035 071)	(4 806 419)
Allowance for impairment - Traffic fines	(4 000 867)	(3 057 643)
	<u>4 974 995</u>	<u>7 956 177</u>

No statutory receivables are pledged as security.

Statutory Receivables past due but not impaired

Statutory receivables which are less than 3 months past due are not considered for allowance for impairment. At 30 June 2022, R1 664 089 (2021: R 1 636 458) were past due but not impaired.

The ageing of statutory receivables is as follows:

June 2022	Rates	Customer Interest	Traffic Fines	Total
Current-30 days	919 248	128 902	64 100	1 112 250
31-60 days	350 768	123 971	77 100	551 839
61-90 days	932 017	122 864	68 000	1 122 881
91-120 days	842 819	117 199	48 900	1 008 918
121 - 150 days	975 191	112 260	72 900	1 160 351
151-180 days	862 311	109 044	72 400	1 043 755
> 180 days	20 074 839	5 696 568	3 807 039	29 578 446
	<u>24 957 193</u>	<u>6 410 808</u>	<u>4 210 439</u>	<u>35 578 440</u>
June 2021	Rates	Customer Interest	Traffic Fines	Total
Current-30 days	702 438	105 801	55 100	863 339
31-60 days	636 076	103 343	33 700	773 119
61-90 days	616 980	100 753	47 500	765 233
91-120 days	614 805	98 400	43 200	756 405
121 - 150 days	607 630	96 100	44 700	748 430
151-180 days	563 652	93 543	63 400	720 595
> 180 days	17 573 117	4 518 602	3 270 089	25 361 808
	<u>21 314 698</u>	<u>5 116 542</u>	<u>3 557 689</u>	<u>29 988 929</u>

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6. Statutory Receivables (continued)

Statutory receivables allowance for impairment

The current year contribution to allowance for impairment loss amounted to R 5 673 997(2021:R 5 833 865).

The contribution to allowance for impairment is made up of the following:

	2022	2021
Rates	3 502 121	4 382 183
Traffic fines	943 224	413 000
Customer interest	1 228 652	1 038 682
	<u>5 673 997</u>	<u>5 833 865</u>

Reconciliation of provision for impairment of statutory receivables

Opening balance	25 853 781	20 019 916
Provision for impairment	5 673 997	5 833 865
	<u>31 527 778</u>	<u>25 853 781</u>

The following prescripts authorises the Municipality to charge and collect funds to fund its mandate. The resulting receivables are therefore classified as statutory receivables to be disclosed as such under GRAP 108 disclosures. These are:

- Section 229(1) of the Constitution of the Republic of South Africa
- Municipal Systems Act
- Section 75A of the Systems Act
- Section 74(1) of the Systems Act
- Section 75(1) of the Systems Act
- Section 75(2) of the Systems Act
- Value Added Tax Act
- Municipal Properties Rates Act
- Administrative Adjudication of Road Traffic Offences Act

The following statutory receivables have been identified by the Municipality:

Non-exchange transactions:

- VAT receivable.
- Rates receivables.
- Traffic fines receivables.
- Interest on outstanding refuse and rates payments.

The method to determine the amount chargeable for the above transactions are documented in Annexure I of the Ntabankulu Local Municipality Tariffs Policy which is promulgated and approved annually.

All interest on overdue accounts is charged at an interest rate of 5% per annum as per par 6.5 of the Ntabankulu Local Municipality Credit control and debt collection policy. During the year, no interest charges were written off by Council.

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7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	8 010	48 302
Bank balances	1 022 831	6 069 428
Investment balances	9 138 221	28 918 249
	<u>10 169 062</u>	<u>35 035 979</u>

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposit are made for varying periods, depending on the immediate cash requirements and interest at respective short-term deposit rate. The municipal accounts are held at FNB.

Cash on hand is made up of daily cashier's collection.

The Municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Main Account: Current	551 898	1 556 497	1 022 830	6 069 428
Operations Call Account	1 000	12 594 469	1 000	10 279 938
VAT Call Account	1 000	3 877 082	1 000	3 877 082
Credit Account FNB	-	-	-	-
Municipal Support Institution FNB Call Account	1 000	509 861	1 000	509 861
INEP FNB Call Account	805	2 720 521	805	183 066
FMG FNB Call Account	1 000	1 000	1 000	1 000
MIG FNB Call Account	3 090 450	1 748 724	3 070 970	2 087 843
DEDEAT FNB Call Account	-	-	-	6
DSRAC FNB Call Account	1 000	1 000	1 000	1 000
EPWP FNB Call Account	1 000	1 398	1 000	1 398
Solidarity Fund FNB Cheque Account	737	369	737	369
Traffic Fines FNB Call Account	1 000	1 000	1 000	1 000
Solidarity FNB Call Account	130 485	130 298	130 485	130 298
Municipal Disaster Management Call Account	-	-	-	-
Small Town Revitalisation FNB Call Account	116 562	1 002	1 417	1 002
COGTA - Electrification FNB Call Account	-	-	-	6
Human Settlement FNB Call Account	6 268 613	11 844 453	5 926 868	11 844 453
Total	<u>10 166 550</u>	<u>34 987 674</u>	<u>10 161 112</u>	<u>34 987 750</u>

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8. Investment property

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	40 080 786	-	40 080 786	38 292 848	-	38 292 848

Reconciliation of investment property - June 2022

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	38 292 848	1 385 283	402 655	40 080 786

Reconciliation of Investment Property - June 2021

	Opening balance	Transfers received	Transfers	Fair value adjustments	Total
Investment property	31 207 652	474 872	(4 414)	6 614 738	38 292 848

Pledged as security

No items of investment property are pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality. The investment property was valued during the 2021 financial year using Fair Value model as prescribed in GRAP 16. The determination of fair value was supported by market evidence. The fair value of the investment property was determined by an independent valuer who is registered as a professional associated valuer.

Investment property balance as at 30 June 2022 consists of both vacant land and improved properties. Properties that were found not to be owned by the Ntabankulu Local Municipality any longer as per the deeds office are transferred out of Investment Property.

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9. Property, Plant and Equipment

	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	199 398 344	(56 331 620)	143 066 724	192 272 483	(49 536 771)	142 735 712
Furniture and Office equipment	3 788 234	(2 646 768)	1 141 466	3 890 020	(2 648 554)	1 241 466
IT equipment	6 222 313	(3 896 173)	2 326 140	6 482 224	(3 872 478)	2 609 746
Infrastructure	270 087 606	(104 282 769)	165 824 837	253 242 682	(87 287 567)	165 955 115
Land	2 793 181	-	2 793 181	2 798 907	-	2 798 907
Landfill site	7 090 307	(864 437)	6 225 870	7 090 307	(722 671)	6 367 636
Machinery	1 707 991	(1 023 006)	684 985	1 654 219	(792 744)	861 475
Motor vehicles	8 019 483	(3 712 640)	4 306 843	10 237 045	(4 712 805)	5 524 240
Work in Progress	28 771 835	-	28 771 835	19 340 558	-	19 340 558
Total	527 879 294	(172 737 413)	355 141 881	497 008 445	(149 573 590)	347 434 855

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9. Property, Plant and Equipment (continued)

Reconciliation of Property, Plant and Equipment - June 2022

	Opening balance	Additions	Disposals	Transfers received	Transfers	Write-off	Depreciation	Impairment loss	Total
Buildings	142 735 712	-	(50 181)	8 505 418	(1 379 557)	-	(6 593 077)	(201 772)	143 066 724
Furniture and Office equipment	1 241 486	227 809	(3 054)	-	-	-	(277 628)	-	1 141 486
IT equipment	2 609 746	1 079 164	-	-	-	(41 286)	(1 318 430)	-	2 326 140
Infrastructure	165 955 115	6 000	-	18 378 795	-	(629 000)	(16 089 194)	(1 816 879)	165 824 837
Land	2 798 907	-	-	-	(5 726)	-	-	-	2 793 181
Landfill site	6 367 636	-	-	-	-	-	(141 766)	-	6 225 870
Machinery	861 475	63 000	(2 204)	-	-	-	(237 286)	-	684 985
Motor vehicles	5 524 240	-	(64 017)	-	-	-	(1 153 380)	-	4 306 843
Work in Progress	19 340 558	36 315 480	-	-	(28 884 213)	-	-	-	28 771 835
	347 434 855	37 691 463	(119 456)	26 884 213	(28 269 496)	(670 286)	(25 790 761)	(2 018 651)	355 141 881

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9. Property, Plant and Equipment (continued)

Reconciliation of Property, Plant and Equipment - June 2021

	Opening balance	Additions	Transfers	Write offs	Depreciation	Impairment loss	Total
Buildings	94 008 943	771 600	53 803 289	(1 331)	(5 525 689)	(321 120)	142 735 712
Furniture and Office equipment	738 892	761 747	-	(98)	(259 075)	-	1 241 466
IT equipment	2 202 326	1 460 695	-	(67 285)	(985 990)	-	2 609 746
Infrastructure	113 420 742	-	70 118 313	(4 086 495)	(12 371 615)	(1 115 830)	165 955 115
Land	3 273 779	-	(474 872)	-	-	-	2 798 907
Landfill site	6 509 401	-	-	-	(141 765)	-	6 367 636
Machinery	581 211	28 400	448 633	-	(196 769)	-	861 475
Motor vehicles	2 250 553	4 248 129	-	-	(974 442)	-	5 524 240
Work in Progress	115 418 063	28 431 324	(124 370 235)	(138 594)	-	-	19 340 558
	338 403 910	35 701 895	(474 872)	(4 303 803)	(20 455 325)	(1 436 950)	347 434 855

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9. Property, Plant and Equipment (continued)

Reconciliation of Work-in-Progress June 2022

	Infrastructure	Machinery	Buildings and Other PPE	Total
Opening balance	13 511 531	(448 633)	6 277 659	19 340 558
Additions/capital expenditure	25 843 900	-	10 471 590	36 315 490
Transferred to completed items	(18 378 795)	-	(8 505 418)	(26 884 213)
	20 976 636	(448 633)	8 243 831	26 771 835

Reconciliation of Work-in-Progress June 2021

	Infrastructure	Machinery	Buildings and Other PPE	Total
Opening balance	66 462 747	-	48 955 317	115 418 064
Additions/capital expenditure	17 167 097	-	11 264 227	28 431 324
Transfers out	(70 118 313)	(448 633)	(53 803 289)	(124 370 235)
WIP written off	-	-	(138 596)	(138 596)
	13 511 531	(448 633)	6 277 659	19 340 557

Pledged as security

No items of property, plant and equipment are pledged as security.

Change in accounting estimate

Property, plant and equipment

The useful lives of 3 municipal vehicles were estimated in 2014, 2015 and 2017 to be 5 years each at acquisition. In the current period, management has revised their estimate to 8, 7 and 6 years respectively. The effect of this revision has decreased the depreciation charges for the current and future periods by R65 825.

10. Payables from exchange transactions

Trade payables	3 165 041	12 016 109
Receivables with credit balance	228 160	157 755
Accruals	3 606 606	2 631 795
Accrued leave pay	8 229 385	7 280 860
Accrued bonus	1 858 663	1 763 022
Retention fees	4 359 006	3 757 558
Staff creditors	-	96 007
	21 446 861	27 703 106

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11. Long service awards

An independent, statutory actuarial valuation is performed on an annual basis by One Pangaea Expertise and Solutions.

The long service award is determined using the Projected Unit Credit Method. This liability is based on actuarial assumptions about the future. The approach taken in this valuation has been made with reference to the guidelines issued by the Actuarial Society of South Africa (ASSA), in particular, the Advisory Practice Note 207 as issued by ASSA, and is consistent with the requirements of GRAP 25.

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Opening balance	(3 547 397)	(2 600 145)
Current service cost	(425 310)	(308 130)
Current interest cost	(282 682)	(203 613)
Benefit payments	435 616	234 108
Actuarial losses	(290 492)	(669 617)
	(4 110 265)	(3 547 397)
Non-current liabilities	3 536 490	3 111 781
Current liabilities	573 775	435 616
	4 110 265	3 547 397

Net expense recognised in the statement of financial performance

Current service cost	(425 310)	(308 130)
Interest cost	(282 682)	(203 613)
Actuarial losses	(290 492)	(669 617)
*Benefit payments	435 616	234 108
	(562 868)	(947 252)

*The amount represents the actual benefit payments made during the year in respect of long service awards.

Key assumptions used

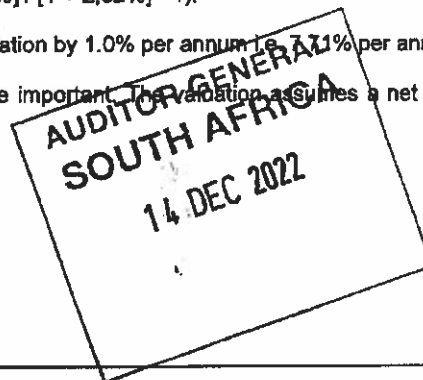
The key assumptions used in the valuation are as follows:

Discount rates used	10,22 %	8,49 %
Consumer price index (CPI)	6,71 %	3,85 %
Expected increase in salaries	7,71 %	5,85 %
Net discount rate	2,33 %	2,49 %

The discount rate is determined using the Bond Exchange Zero Coupon Yield Curve as at 30 June 2022 is 10,22% per annum, and the yield on inflation-linked bonds of a similar term was about 2,82% per annum. This implies an underlying expectation of inflation of 6,71% per annum $([1 + 10,22\% - 0,5\%] / [1 + 2,82\%] - 1)$.

It is assumed that the salary inflation would exceed general inflation by 1.0% per annum $(6,71\% + 1,0\%)$ per annum.

The relative levels of the discount rate and salary inflation are important. The valuation assumes a net discount factor of 2,33% per annum $([1 + 10,22\%] / [1 + 7,71\%] - 1)$.



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11. Long service awards (continued)

Other assumptions

Demographic and mortality assumption

63
SA85-90

Withdrawals

Age	Withdrawal rates	Withdrawal rates
	(Female)	(Male)
20	16.0%	24.0%
25	12.0%	18.0%
30	10.0%	15.0%
35	8.0%	10.0%
40	6.0%	6.0%
45	4.0%	4.0%
50	2.0%	2.0%
55	1.0%	1.0%
60+	0%	0%

Membership information

	30 June 2022	30 June 2021
Number of employees	169	169
Average annual salary (R)	247 541	275 742
Average age (years)	42,51	41,51
Average past service (years)	9,37	8,37

Benefit structure

Completed service (Years)	Long Service Bonus Awards (Days Accumulated)	Long Service Bonus Awards (% of Annual Salary)	Determination of cash bonus R
5	5	2%	$(5/250^* + 2\%) \times \text{Annual Salary}$
10	10	3%	$(10/250^* + 3\%) \times \text{Annual Salary}$
15	15	4%	$(15/250^* + 4\%) \times \text{Annual Salary}$
20	15	5%	$(15/250^* + 5\%) \times \text{Annual Salary}$
25, 30, 35, 40, and 45	15	6%	$(15/250^* + 6\%) \times \text{Annual Salary}$

*A day of accumulated leave is worth 1/250 of the annual salary.

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12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

EPWP	-	371
Free Basic Electricity - INEP	-	183 066
Financial Management Grant - FMG	89	-
DEDEAT	1 084	1 084
	<u>1 173</u>	<u>184 521</u>

This liability relates to conditional grants, which arise where the Municipality has a conditional obligation to pay cash or another financial asset to the grantor, upon unsuccessful discharge of the grantor's conditions. The values disclosed above represents funds received for which the Municipality has not yet satisfied the grant conditions. The nature and extent of the government grants is recognised in the Annual Financial Statements.

See note 23 for reconciliation of grants from National/Provincial Government.

13. Payables from non-exchange transactions

Salaries third party payments	3 319 788	109 076
Receivables with credit balance	1 163 171	726 004
SAMWU Lawsuit	3 402 687	27 362 950
Human Settlement- Implementing Agent Refer to Note 53	5 926 848	11 784 690
Workmen's Compensation Fund	784 528	1 377 530
Human Settlements interest payable	341 764	59 763
	<u>14 918 786</u>	<u>41 420 013</u>

Human settlement liability relates to payables held by the Municipality in respect of the principal agent agreement with the Eastern Cape Department of Human Settlement (ECDHS). The Municipality is an agent in this relationship. Refer to Note 53.

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Figures in Rand	2022	2021
14. Provisions		
Provision - Landfill site	1 476 613	1 165 560
	1 476 613	1 165 560

Reconciliation of provisions - June 2022

	Opening Balance	Utilised during the year	Change in discount factor	Total
Provision for landfill site	1 165 560	268 044	43 009	1 476 613

Reconciliation of provisions - June 2021

	Opening Balance	Utilised during the year	Change in discount factor	Total
Provision for landfill site	808 131	322 033	35 396	1 165 560

The Ntabankulu landfill site is situated some 900 meters north of the Ntabankulu Central Business District. It is located on Portion 87 of ERF 1966 in the Ntabankulu Commonage. This landfill is licensed in terms of National Environmental Management Act. The landfill site has an area of 0 500 square metres. The expected closure year is 2066.

It is estimated that the site will not be rehabilitated within 1 year from reporting date and thus there are no short-term portions associated with this provision. The timing of the outflow of resources relating this provision is uncertain, but management expects the timing to be in line with the legal requirements subsequent to the expected closure date of the site as indicated below.

The discount rate was deduced from the average of the Zero-Coupon Yield Curve (Nominal Bond) over the entire durations applicable in the future. The annualised long-term discount rate at 30 June 2022 was 11.05% p.a. The consumer price inflation of 7.23% p.a. was obtained from the differential between the averages of the Nominal Bond of 11.05% p.a. and the Real Bond 3.56% p.a. (Zero Yield Curves).

15. Revenue

Service charges	642 384	634 963
Rental of facilities and equipment	617 666	528 462
Licences and permits	644 046	653 729
Sundry revenue	621 274	357 021
Interest received	2 419 592	2 512 696
Property rates	16 739 273	14 575 095
Interest received MEPF	905 868	467 643
Government grants and subsidies	175 741 094	199 825 652
Fines and penalties	768 500	662 900
	199 099 697	220 218 161

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	642 384	634 963
Rental of facilities and equipment	617 666	528 462
Licences and permits	644 046	653 729
Sundry income	621 274	357 021
Interest received - investment	2 419 592	2 512 696
	4 944 962	4 686 871



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Figures in Rand	2022	2021
15. Revenue (continued)		
The amount included in revenue arising from non-exchange transactions is as follows:		
Property rates	16 739 273	14 575 095
Interest, Dividends and Rent on Land	905 868	467 643
Government grants and subsidies	175 741 094	199 825 652
Fines and penalties	768 500	662 900
	<u>194 154 735</u>	<u>215 531 290</u>
16. Service charges		
Refuse removal	642 384	634 963
17. Rental of facilities and equipment		
Premises		
Rental revenue from investment properties	617 666	528 462
18. Interest received		
Interest revenue		
Interest received	1 070 483	1 373 856
Interest charged on trade and other receivables	1 349 109	1 138 840
	<u>2 419 592</u>	<u>2 512 696</u>
19. Licences and permits		
Traffic and business licence revenue	644 046	653 729
20. Sundry income		
Insurance income	66 391	-
Other municipal revenue	554 883	357 021
	<u>621 274</u>	<u>357 021</u>
21. Property rates		
Rates received		
Residential	1 183 599	1 324 056
Commercial	1 515 583	1 342 891
State	13 777 392	11 900 930
Agricultural	262 699	7 218
	<u>16 739 273</u>	<u>14 575 095</u>

Valuations

The new general Valuation roll and the compulsory Supplementary Valuation Roll(SV1) was implemented on the 1st of July 2019.

In accordance with section 17(h) of the Municipal Properties Rates Act the first R15 000 of the market value of residential properties are exempted from assessment rates.

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22. Interest received MEPF		
Interest - Received	905 868	467 643
This relates to interest charged on MEPF Debtor which resulted from a SAMWU court case.		
23. Government grants and subsidies		
Operating grants		
Equitable share	133 703 000	152 048 000
Finance Management Grant	2 649 911	2 800 000
Extended Public Works Programme	1 987 371	2 374 000
DSRAC	500 000	581 948
LGSETA grant	1 592 300	547 600
	140 432 582	158 351 548
Capital grants		
Municipal Infrastructure Grant	28 524 000	26 674 000
Electrification Grant - INEP	-	14 726 934
Small Town Revitalisation Grant	6 784 512	73 170
	35 308 512	41 474 104
	175 741 094	199 825 652
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Conditional grants received	42 038 094	47 777 652
Unconditional grants received	133 703 000	152 048 000
	175 741 094	199 825 652
Extended Public Works Program		
Balance unspent at beginning of year	371	371
Current-year receipts	1 987 000	2 374 000
Conditions met - transferred to revenue	(1 987 371)	(2 374 000)
	-	371
Conditions still to be met - remain liabilities (see note 12).		
Finance Management Grant - FMG		
Balance unspent at beginning of year	-	-
Current-year receipts	2 650 000	2 800 000
Conditions met - transferred to revenue	(2 649 911)	(2 800 000)
	89	-
Electrification Grant - INEP		
Balance unspent at beginning of year	183 066	-
Current-year receipts	-	14 910 000
Conditions met - transferred back to National Revenue Fund	(183 066)	(14 726 934)
	-	183 066
Conditions still to be met - remain liabilities (see note 12).		

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Figures in Rand	2022	2021
23. Government grants and subsidies (continued)		
Municipal Infrastructure Grant - MIG		
Current-year receipts	28 524 000	26 674 000
Conditions met - transferred to revenue	(28 524 000)	(26 674 000)
	-	-
Department of Sport , Recreation, Arts and Culture (DSRAC)		
Balance unspent at beginning of year	-	81 948
Current-year receipts	500 000	500 000
Conditions met - transferred to revenue	(500 000)	(581 948)
	-	-
Conditions still to be met - remain liabilities (see note 12).		
Small Town Revitalisation		
Balance unspent at beginning of year	-	73 170
Current-year receipts	6 784 512	-
Conditions met - transferred to revenue	(6 784 512)	(73 170)
	-	-
Conditions still to be met - remain liabilities (see note 12).		
LG SETA		
Current-year receipts	1 592 300	547 600
Conditions met - transferred to revenue	(1 592 300)	(547 600)
	-	-
DEDEAT		
Balance unspent at beginning of year	1 084	1 084
Conditions still to be met - remain liabilities (see note 12).		
24. Fines		
Traffic fines	768 500	662 900

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Figures in Rand	2022	2021
25. Employee related costs		
Basic salaries	52 986 170	48 945 846
Bonus	4 281 306	3 991 094
Car allowance	5 027 431	4 933 882
Contribution to Bargaining Council	23 559	21 265
Housing benefits and allowances	3 995 687	3 528 015
Long-service awards	314 500	362 684
Medical aid - company contributions	3 426 941	3 168 916
Standby allowance	1 061 294	522 478
Provident and pension fund	7 081 264	6 426 493
SDL	687 051	531 830
Cellphone allowance	39 309	39 309
UIF	397 069	331 810
Acting allowances	571 013	640 054
Leave pay provision charge	1 697 470	1 781 877
Overtime	296 846	563 350
Workmen's Compensation Fund contributions	279 867	272 112
	82 166 797	76 059 015

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Figures in Rand	2022	2021
26. Remuneration of councillors		
Salaries and other allowances	9 173 507	9 597 506
Motor vehicle allowance	2 592 052	2 533 451
	<u>11 765 559</u>	<u>12 130 957</u>
27. Depreciation and amortisation		
Property, Plant and Equipment	25 790 760	20 455 324
28. Interest and penalties		
Long service awards and Landfill site	325 691	239 009
Interest on overdraft	24 916	-
Penalties	-	391 960
Interest SAMWU Lawsuit	2 079 290	3 979 579
Trade and other payables	77 547	461 871
	<u>2 507 444</u>	<u>5 072 419</u>
29. Contribution allowance for impairment		
Contributions to debt impairment provision	4 730 959	7 215 331
Contribution allowance for impairment relates to receivables.		

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Figures in Rand	2022	2021
30. General expenses		
Advertising fees	384 398	961 042
Agriculture LED	1 208 968	2 533 162
Audit and Performance Committee fees	451 063	657 996
Back to School	197 155	595 818
Bank charges	80 014	55 355
Capacity Building	736 553	1 205 784
Local integrated transport plan	-	69 500
Consulting and professional fees	2 638 396	2 679 952
Council Support Administration	623 528	147 235
DSRAC Community	472 399	507 264
Expanded Public Works	1 987 371	2 374 396
Electricity Expenditure	959 087	870 064
EPWP Community	5 638 300	2 565 375
Financial Management Grant Expenditure	320 081	886 061
Financial Management fees	109 064	662 165
General Valuation Expenditure	114 703	397 906
Asset Valuation	-	141 159
Hygienic Services Administration	446 201	742 423
IT expenses	1 067 207	313 940
Indigent Support	1 282 221	2 058 311
Disaster management (COVID-19)	-	799 137
Insurance	850 685	675 503
Integrated Development Plan	1 518 224	3 044 546
Internal Audit Expense	256 836	643 625
Legal fees	2 177 021	2 355 727
Risk Management expense	237 826	296 604
Living the dream	-	167 700
Licence fees	1 715 166	1 226 050
Marketing and Communication	147 785	598 977
Sitting Allowance - Traditional leaders	21 600	74 312
Occupational Health and Safety	40 630	871 822
Other expenses	1 847 458	1 337 358
Post and Telecommunication expenses	3 982 349	4 945 087
Printing and Stationery	1 550 230	1 424 171
LG SETA	944 224	1 593 373
Public Amenities	117 734	189 176
SALGA Levy	918 767	946 233
Security	3 943 079	3 588 631
Spatial Development expenses	-	727 620
Special Programs	2 130 836	772 045
Tourism, Arts and Culture	48 673	247 347
Town Planning Expenses	52 500	-
Travelling and Subsistence	4 592 559	8 004 839
Vehicle Fuel and Oil	1 045 914	1 403 308
Ward Committee Sitting	1 596 048	2 301 052
Waste management expenses	1 857 532	1 158 270
	50 312 385	58 617 419

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31. Repairs and Maintenance		
Buildings	763 141	1 640 256
Street lights	-	804 451
Roads Infrastructure	6 500	3 550 888
Vehicles	650 322	189 676
Equipment	186 008	169 896
Landfill site	120 000	-
	1 725 971	6 355 167
No repairs and maintenance were effected on investment property during the year.		
32. Auditors' remuneration		
Fees	3 494 991	3 957 967
33. Completed electrification transferred		
Completed electrification expenses	-	12 806 029
34. Profit/(loss) on disposal of assets		
Property, Plant and Equipment	589 310	-
35. Fair value adjustments		
Investment property (Fair value model)	402 655	6 614 738
36. Net Cash flow from operating activities		
Surplus	14 349 325	17 592 609
Adjustments for:		
Depreciation and amortisation	25 790 760	20 455 324
(Profit)/loss on disposal of assets	(589 310)	-
Completed Electrification project expensed	-	12 806 029
Actuarial (gains)/losses	290 492	669 617
Fair value adjustments	(402 655)	(6 614 738)
Interest on creditors	2 079 290	3 979 579
Asset write off: Infrastructure and IT equipment	670 286	4 142 062
Allowance impairment	4 730 959	7 215 331
Impairment loss: Infrastructure assets	2 018 650	1 436 950
Inventory recognised as expense - non-cash	-	236 718
(Decrease)/Increase in provision for landfill site	268 044	322 033
Contribution provisions- Leave and bonus	1 044 166	1 546 551
Interest long service awards	282 682	-
Interest on landfill site	43 009	239 009
Increase in long service awards	(10 306)	(74 058)
Receivables from exchange transactions and statutory receivables	(6 211 404)	(11 272 151)
Inventory	110 925	(13 242 238)
Receivables from non-exchange transactions	(1 236 468)	19 461 023
Payables from exchange transactions	(5 212 078)	8 527 926
VAT	2 896 832	5 023 228
Payables from non exchange transactions	(28 580 517)	(7 526 272)
Long Service Awards	(33 554)	947 252
Unspent conditional grants and receipts	(183 348)	27 948
	12 115 780	65 899 732

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Figures in Rand	2022	2021
37. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, Plant and Equipment	33 571 108	27 423 190
• Prior period error	-	250 644
	<u>33 571 108</u>	<u>27 673 834</u>
Total capital commitments		
Already contracted for but not provided for	<u>33 571 108</u>	<u>27 673 834</u>
Total commitments		
Total commitments		
Authorised capital expenditure	<u>33 571 108</u>	<u>27 423 190</u>

This committed expenditure relates to Property, Plant and Equipment and will be financed by retained surpluses, existing cash resources, funds internally generated, and government grants.

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Figures in Rand	2022	2021		
38. Contingencies				
Plaintiff	Reference	Case Number	2022	2021
Droder Trading CC	(i)	627/12	541 070	625 000
Droder Trading CC	(ii)	628/12	789 492	525 000
Nontombi Gcaba	(iii)	2760/2019	-	300 000
Siphokazi Cekwana	(iv)	513/2015	7 050 000	6 950 000
Lwandlubomvu Community	(v)	852/2016	-	200 000
Fortymen Sigcawu	(vi)	851/2016	-	200 000
IMATU OBO Nyembezi	(vii)	ECD 031716	-	-
Lindokuhle Khumalo and Sipelele Khumalo	(viii)	B315/2015 and 08/2016	250 000	240 000
Khulile Nyombolo	(ix)	N/A	-	200 000
Yolisa Sikuza	(x)	80/2019	-	15 350
Eviction of illegal street vendors	(xi)	N/A	180 000	-
Sindiswa Mankahla	(xii)	3078/2020	590 000	-
Thake Electrical	(xiii)	N/A	-	500 000
Bomi Mankahla	(xiv)	N/A	103 960	46 755
Economic Freedom Fighters and Twenty Four Others	(xv)	983/2021	300 000	-
NLM/SAMWU	(xvii)	1052/2021	-	650 000
NLM/MEPF	(xviii)	11262/2022	400 000	-
Nontombi Gcaba and 103 others	(xix)	N/A	20 800 000	-
Ayanda Mzamo Mtshixa	(xx)	128/2022	18 800	-
Ntabankulu Regional Court //Ntabankulu Local Municipality//Sheriff	(xxi)	EC/TABR/RC0 6/2022	100 000	-
Nosisa Gixane	(xxii)		100 000	-
			31 223 322	10 452 105

I. Droder Trading CC vs NLM (Case number 627/12)

An Applicant entered into an agreement with the first and the second Respondents; the agreement was that the Applicant will supply the second Respondent with the building material and the first Respondent will effect payment within 60 days or alternatively within a reasonable time upon presentation of the invoice. The Applicant complied with its obligations; however, the first Respondent failed to effect payment within the agreed period. The matter is now at discovery stage.

II. Droder Trading CC vs NLM (Case number 628/12)

An Applicant entered into an agreement with the first and the second Respondents; the agreement was that the Applicant will supply the second Respondent with the building material and the first Respondent will effect payment within 60 days or alternatively within a reasonable time upon presentation of the invoice. The Applicant complied with its obligations however, the first Respondent failed to effect payment within the agreed period. The matter is now ripe and ready for trial.

iii. Nontombi Gcaba vs NLM (Case number: 2760/2019)

The Applicants were seeking a declaration to declare the recent evictions and demolition orders of their constructed structures as illegal, and to have the Court Order evicting them rescinded. The matter has been on hold.

iv. Siphokazi Cekwana vs NLM (Case number: 513/2015)

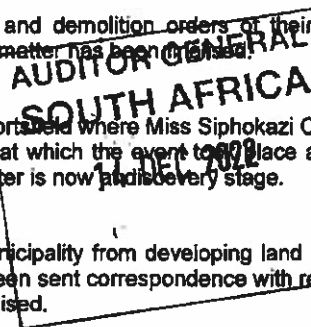
The Municipality hosted an event on the 26th of March 2015 at Ntabankulu Sportsfield where Miss Siphokazi Cekwana was attending. It is alleged that at about 15h30 on that day, a storm hit the area at which the event took place as a result of which the tent collapsed, injuring Siphokazi Cekwana on the right foot. The matter is now at discovery stage.

v. Lwandlubomvu Community vs NLM (Case number:852/2016)

This was a Land Claims Court interdict by the Community preventing the Municipality from developing land under a land claim in terms of the Land Rights Development Act, 1995. The applicant has been sent correspondence with regard to their matter; however, no results have been obtained. The matter has now been finalised.

vi. Fortymen Sigcawu vs NLM (Case number: 851/2016)

Interdict against people invading land belonging to the Municipality. The Municipality applied for a demolition order and all the illegal structures were demolished. The matter has been finalised.



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38. Contingencies (continued)

vii. IMATU OBO Nyembezi vs NLM (Case number: ECD 031716)

Unfair labour practices on promotion. IMATU challenged appointment of the Communications Officer on the basis that the incumbent did not qualify for the position as advertised. The matter proceeded by a way of conciliation with no positive results and was later referred to arbitration. The matter is pending before the Labour Court.

viii. Lindokuhle Khumalo and Sipehele Khumalo vs NLM (Case number B315/2015 and 06/2016)

The Khumalos are trading on the side walk next to Lewis Stores, they were informed of the unlawfulness of their actions but none the less continued to trade and as a result of that they were arrested and detained. On their release they went back to the same spot where they were advised that it was not open for business and continued to trade, when they were told once again that what they were doing was in contravention to our Municipal By-laws, they laid a charge they applied for a protection order against our Municipal Official for harassment. The matter is ripe for hearing and has been set down for the 20th of August 2022.

ix. Khulile Nyombolo vs NLM (Case number 66/2017)

Mr Nyombolo was claiming from the Municipality an amount of R200 000 for the alleged unlawful arrest, unlawful detention and the legal representation fees. The matter has now been finalised.

x. Yolisa Sikuza vs NLM (Case number 80/2019)

The Plaintiff had put a claim against the Municipality for an amount of R15 350 for services rendered to the Municipality in respect of craftsmanship. The matter has now been finalised.

xi. Eviction of illegal street vendors vs NLM (Case number: Not yet available)

The Municipality is seeking to have all illegal containers erected on the streets of the Ntabankulu CBD be removed. The counsel seeks further consultation with the Municipality in order to draw the necessary papers.

xii. Sindiswa Mankahla vs NLM (Case number 3078/2020)

The case of the Applicant is based on the documents received by the Respondent from the Offices of Hawks in East London. On the 12th of October 2016, the Respondent was handed the documents in respect of the 2015/2016 and 2016/2017 financial years' irregular expenditure as per the affidavit signed and commissioned by the Respondent and witnessed by the Hawks officials in East London. These documents were handed over to the Respondent, and she never submitted them to the Applicant. It is clear from the records of the Municipality that these records were not received; hence, the application was lodged with the High Court of South Africa. This matter is still before court for relief sought.

xiii. Thake Electrical vs NLM (Case number: Not yet available)

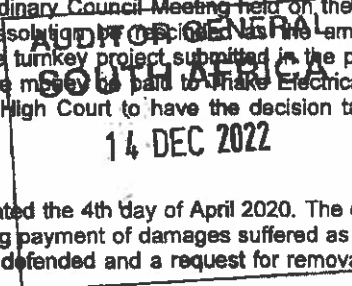
Thake Electrical was appointed by the Municipality for implementing the electrification programme for a two-year period on a turnkey contract at a rate of R22 000 per household. A resolution was taken by the Council that Thake Electrical be approved to procure split meters on behalf of the Municipality and be reimbursed an amount of R2 623 050.00. The matter was then referred to the Financial Misconduct Board for investigation in an Ordinary Council Meeting held on the 30th of October 2019. The Financial Misconduct Board advised that the Council resolution specified as the amount of R2 623 050.00 was included in the appointment amount as per the cost of the turnkey project submitted in the proposal during the tender stage. It then became clear from that meeting that should the money be paid to Thake Electrical, such payment may cause an irregular expenditure hence the application with the High Court to have the decision taken by Council set aside. The matter has been finalised.

xv. Bomi Mankahla vs NLM (Case number: Not yet available)

In the month of April 2020, the Municipality was served with a demand letter dated the 4th day of April 2020. The demand letter was referred to the Municipality by the insurance of Mr. Mankahla claiming payment of damages suffered as a result of the pothole on the main road by Imvomvo Ntabankulu. The matter is being defended and a request for removal of the matter from the roll is in progress.

xvi. Economic Freedom Fighter Twenty-Four Others vs NLM (Case number: 983/2021)

The EFF is challenging Council Rules, Standing Orders and Procedures on the issue of the dress code. The answering affidavit has been filed, now awaiting a replying affidavit.



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38. Contingencies (continued)

xvii. SAMWU vs NLM (Case number: 1052/2021)

The Municipality sought legal opinion from Counsel Kroon regarding the accuracy of the amount under claim by SAMWU vs the amount received by the Municipality from the MEPF. The Counsel advised that an actuarial report detailing the amount payable to SAMWU be prepared in this regard. The matter has been finalised.

xviii. NLM/MEPF

The Municipality issued summons through Luzipho Attorneys at Randburg High Court claiming an amount of R400 000 being the estimated amount for legal costs. The Municipal attorneys are still investigating interest earned by MEPF and a further claim is possible.

xix. Nontombi Gcaba and 103 others

This is an action instituted by the Plaintiffs as a result of a demolish of the Plaintiff's Properties through a Court Order that was purportedly incorrectly granted. Notices have been filed and the matters are now at the pleading stages.

xx. Ayanda Mzamo (Case number 128/2022)

The plaintiff alleges that on or about the 26th day of June 2019 at or near Ndakeni Location, Zulu Administrative area, in Ntabankulu District around 10h00 in the morning his live sheep were grazing on an open land near a building that was demolished by the agents of the Municipality alleging that it was erected illegally on Municipal land. The said agents subsequently killed four sheep in the process of demolishing the said structure. The law firm will prepare a notice of intention to defend.

xxi. Ntabankulu Regional Court vs Ntabankulu LM and Sheriff (Case number EC/TABR/RC06/2022)

On date 20 April 2021, the firm instructed the Sheriff to release Municipal property/ to request services of Counsel to lodge an application with the High Court/ to quantify losses suffered by the Municipality. The firm was instructed to institute legal proceedings against the Sheriff of Ntabankulu for the recovery of costs incurred as a result of attachment and removal of Municipality's movable property. The matter is still pending.

xxii. Nosisa Gixane

The Municipality instructed L.Guzana Inc. Attorneys to lodge an urgent application for a court order granting permission to withhold Ms. Nosisa Gixane leave gratuity monies until such time that she has fully settled the amount owing. The matter is still pending.

Contingent assets

The Municipality issued summons through Luzipho Attorneys at Randburg High Court claiming an amount of R 5 127 150 being the amount for contributions that were not paid over to the Municipality. The Municipal attorneys are still investigating interest earned by MEPF and a further claim is possible.

39. Related parties

Remuneration of management

Refer to note 40 for remuneration of management.

Executive committee and other councillors

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39. Related parties (continued)				
	Remuneration	Motor Vehicle allowance	*Other allowances	Total
Name				
Cllr PT Sobuthongo: Mayor	516 915	-	323 232	840 147
Cllr V Matwasa: Speaker	418 067	166 678	102 900	687 645
Cllr S Menziwa: Chief Whip and Portfolio Head: Technical Services	218 362	87 801	65 266	369 429
Cllr N Pikwa: Portfolio Head Development Planning - Resigned 17 Feb 2022	155 736	57 785	28 088	241 607
Cllr S Sophaqa	183 375	75 393	60 565	319 333
Cllr M Ndabeni	184 306	75 393	60 936	320 635
Cllr N T Mbonomtsha: Contract ended 23 November 2021	89 119	37 520	39 485	166 124
Cllr N Ndooyisile	94 955	35 567	27 746	158 268
Cllr BZ Ndamase	90 791	34 523	29 558	154 872
Cllr B Betwayo	71 819	26 901	24 610	123 330
Cllr M Madadase	71 819	26 901	26 830	125 550
Cllr F Ntshela	71 819	26 901	24 610	123 330
Cllr Z Makhosonke	71 819	26 901	24 610	123 330
Cllr M Nqwazi : Acting Portfolio Head : Development Planning	227 283	85 262	48 997	361 542
Cllr M Dinwayo: Portfolio Head: Financial Management	210 902	79 135	46 169	336 206
Cllr P Mafilika	159 887	66 727	57 787	284 401
Cllr B Ndlebe	71 819	26 901	24 610	123 330
Cllr M Gweqani	64 786	26 901	32 097	123 784
Cllr T Msuthu	64 786	26 901	30 413	122 100
Cllr N Sobuthongo	177 972	66 727	37 152	281 851
Cllr S Ncekana	180 588	74 349	60 187	315 124
Cllr E Diko	75 755	28 213	24 659	128 627
Cllr T Lubisi : MPAC Chairperson	206 935	77 640	43 382	327 957
Cllr N Daniel	177 973	66 727	39 251	283 951
Cllr Z Mtyaphi	63 813	26 901	33 133	123 847
Cllr N Sithunzi	71 819	26 901	24 610	123 330
Cllr S Sicwayi	71 819	26 901	26 830	125 550
Cllr M Mkizwana	161 170	66 727	57 800	285 697
Cllr N Njiva	71 819	26 901	24 610	123 330
Cllr M Mkhandanisi	71 819	26 901	15 371	114 091
Cllr N Pezisa: Exco member without portfolio	210 902	79 135	43 948	333 985
Cllr M Tshaka	71 819	26 901	14 962	113 682
Cllr N Ndamase	67 924	26 901	26 534	121 359
Cllr TR Luvula	71 819	26 901	17 813	116 533
+Cllr EU Joyl: Portfolio Head: Community Services	152 766	50 922	1 066	205 454
+Cllr N Kinase : Portfolio Head : Corporate Services	135 495	30 922	19 589	206 006
+Cllr SJ Madwakasi	115 543	38 515	1 336	155 394
+Cllr AO Ranana	115 543	38 515	1 336	155 394
+Cllr S Zwelonke	115 543	38 515	1 336	155 394
+Cllr A Zakhabana	115 543	38 515	1 336	155 394
+Cllr A Ngconjana	115 543	38 515	1 343	155 401
+Cllr S Bakeni	148 281	49 427	1 714	199 422
+Cllr KS Nkaenkæ	112 004	38 515	4 880	155 399
+Cllr N Gantsu	115 543	38 515	1 336	155 394
+Cllr N Sidudu	115 543	38 515	1 293	155 351
+Cllr M Mcunukelwa	115 543	38 515	1 336	155 394
+Cllr N Zakade	115 543	38 515	1 336	155 394
+Cllr M Nokhence	115 543	38 515	1 336	155 394
+Cllr A N Mtyingizane	115 543	38 515	1 336	155 394
+Cllr T Ngeyane	115 543	38 515	1 336	155 394
+Cllr T A Mhlana	115 543	38 515	1 336	155 394
+Cllr B Xhangayl	115 544	38 515	1 336	155 395
+Cllr O Mphenya	115 545	38 515	1 336	155 396

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39. Related parties (continued)				
+Cllr S Nkweba	115 545	38 515	1 336	155 396
+Cllr Z Mlonyeni	115 546	38 515	1 336	155 397
+Cllr A Diko	115 546	38 515	1 361	155 422
+Cllr Z L Nofayile	115 546	38 515	1 336	155 397
=Cllr S Mathumbu	17 027	5 676	216	22 919
	7 551 215	2 592 064	1 622 287	11 765 566

+Councillors appointed on 23 November 2021.

*Other allowances comprise of the following allowances: housing; cellphone and data; skills; pension fund and medical aid contributions

=Councillors appointed in May 2022.

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39. Related parties (continued)

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Name	Remuneration	Travel Allowance	Other Allowances	Total
Cllr PT Sobuthongo: Mayor	526 478	-	348 656	875 134
Cllr V Matwasa: Speaker	418 981	172 172	130 261	721 414
Cllr S Menziwa: Chief Whip	217 888	90 048	89 550	397 484
Cllr N P'ikwa: Portfolio Head: Community Services	234 908	90 048	53 994	378 950
Cllr S Sophaqa: Portfolio Head: Corporate Services	217 886	90 048	89 550	397 484
Cllr M Ndabeni: Portfolio Head: Development Planning	217 635	90 048	89 801	397 484
Cllr N T Mbonomtsha: Portfolio Head Budget and Treasury Services	214 338	90 048	93 106	397 492
Cllr N Ndooyisile: Exco member without portfolio	234 908	90 048	72 486	397 442
Cllr BZ Ndamase: MPAC Chairperson	230 487	87 405	68 158	387 050
Cllr B Betwayo	177 672	68 108	63 343	309 123
Cllr M Madadasa	177 672	68 108	63 343	309 123
Cllr F Ntshela	177 672	68 108	63 343	309 123
Cllr Z Makhosonke	177 672	68 108	63 343	309 123
Cllr M Nqwazi	228 012	87 405	71 384	386 801
Cllr M Dinwayo	177 672	68 108	63 343	309 123
Cllr P Mafilika	160 399	68 108	80 657	309 164
Cllr B Ndlebe	177 672	68 108	63 343	309 123
Cllr M Gweqani	160 649	68 108	80 406	309 163
Cllr T Msuthu	160 649	68 108	80 406	309 163
Cllr N Sobuthongo	177 672	68 108	44 851	290 631
Cllr S Ncekana	210 989	87 405	88 448	386 842
Cllr K Nomanzoyiya	16 122	6 180	3 659	25 961
Cllr E Diko	177 672	68 108	63 343	309 123
Cllr T Lubisi	172 039	68 108	68 987	309 134
Cllr N Daniel	177 672	68 108	63 343	309 123
Cllr Z Mtyaphi	158 298	68 108	82 783	309 169
Cllr N Sithunzi	177 672	68 108	59 333	305 113
Cllr S Sicwayi	177 672	68 108	63 343	309 123
Cllr M Mkizwana	160 399	68 108	80 657	309 164
Cllr N Njiva	177 672	68 108	63 343	309 123
Cllr M Mkhandanisi	177 672	68 108	44 851	290 631
Cllr N Pezisa	177 672	68 108	63 343	309 123
Cllr M Tshaka	177 672	68 108	44 047	289 827
Cllr N Ndamase	172 595	68 108	68 531	309 234
+Cllr TR Luvela - Appointed in current year	151 584	54 229	34 860	240 673
	6 930 322	2 533 460	2 667 175	12 130 957

*Other allowances comprise of the following allowances: housing; cellphone and data; skills; pension fund and medical aid contributions

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40. Executive management remuneration

June 2022

	Basic Salaries	Medical aid	Other benefits allowances	13th cheque	Total
Ms L Nonyongo - Municipal Manager	1 056 370	38 524	183 811	32 876	1 311 581
Mr S Matwane - Director Community Services	616 989	-	375 971	81 893	1 074 853
Ms N Ndlaku - Director Development Planning	616 989	-	376 020	81 893	1 074 902
Ms X N Venn - Chief Financial Officer	662 596	-	330 486	81 893	1 074 975
Mr P L Mpendulo - Director Technical Services	699 640	44 356	285 546	48 007	1 077 549
Ms S N Ntshahla - Director Corporate Services	722 837	-	256 802	60 000	1 039 639
	4 375 421	82 880	1 808 636	386 562	6 653 499

* Other allowances comprise travel allowance and medical benefits.

June 2021

	Basic salaries	Medical Aid	*Other allowances	13th Cheque	Total
Ms L Nonyongo - Municipal Manager	1 056 078	36 929	207 194	32 876	1 333 077
Mr S Matwane - Director Community Services	617 329	-	393 911	81 893	1 093 133
Ms N Ndlaku - Director Development Planning	617 329	-	400 608	81 893	1 099 830
Ms X N Venn - Chief Financial Officer	662 936	-	340 028	81 893	1 084 857
Mr P L Mpendulo - Director Technical Services	699 045	42 660	288 857	48 007	1 078 569
Ms S N Ntshahla - Director Corporate Services	723 372	35 107	271 455	60 000	1 089 934
	4 376 089	114 696	1 902 053	386 562	6 779 400

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41. Risk management

Liquidity risk

Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cashflow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

The table below analyses the Municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Municipality. The Municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Municipality uses its own trading records to assess its major customers. The Municipality's exposure of its counter parties are monitored regularly.

Potential concentrations of credit risk consist mainly of variable rate deposit investments, long-term receivables, consumer receivables, other receivables, bank and cash balances.

Investments/Bank, cash and cash equivalents

The Municipality limits its counter party exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with First National Bank. No investments with a tenure exceeding twelve months are made.

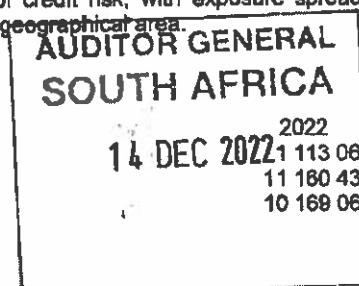
Trade and other receivables

Trade and other receivables are amounts owed by consumers and are presented net of impairment losses. The Municipality has a credit risk policy in place and the exposure to credit risk is monitored on an on going basis. The Municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the Municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The Municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The Municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

Financial assets exposed to credit risk at year end were as follows:

	2022	2021
Receivables from exchange transactions	1 113 081	1 603 078
Receivables from non-exchange transactions	11 160 439	9 923 971
Cash and cash equivalents	10 169 062	35 035 977



Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Municipality's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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42. Unauthorised expenditure		
Opening balance as previously reported	-	147 425 087
Less: Amount written off - current	-	(147 425 087)
Closing balance	-	-

The Municipality did not incur any unauthorised expenditure as at 30 June 2022. The SAMWU litigation amount was appropriated through the budget adjustment that was approved by Council in February 2022.

43. Fruitless and wasteful expenditure

Opening balance as previously reported	23 388 922	23 264 716
Add: fruitless and wasteful expenditure	2 156 837	4 762 307
Add: Fruitless and wasteful expenditure discovered in current year and relates to previous years	-	203 115
Less: Amount written off	(374 757)	(4 841 216)
Closing balance	25 171 002	23 388 922

Incident

Included in current year fruitless and wasteful expenditure is R2 079 290 in respect of interest charged by SAMWU provident fund on arrear contributions and an amount of R 77 547 (AGSA R588, Workmen's compensation fund R46 545, FNB R1 675, IHEANS R12 422 and ESKOM and Telkom interest on late payments R16 316).

Included in the fruitless and wasteful expenditure discovered during the year that relates to prior year is an amount of R203 115 (2017-2021) which pertains to penalties charged by the workmen's compensation fund on arrear contributions.

MPAC investigated fruitless and wasteful expenditure incurred and an amount of R374 757 was declared irrecoverable and approved by Council for write-off.

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43. Fruitless and wasteful expenditure (continued)

Expenditure Identified in the current year include those listed below:

	2022	2021
SAMWU interest charged	2 079 290	3 958 160
Interest on late payments	77 547	412 187
SARS Penalties	2 156 837	391 960
	4 762 307	4 762 307

Disciplinary steps taken/criminal proceedings in fruitless and wasteful expenditure has been reported on a quarterly basis and handed over to the MPAC for investigation and treatment. fruitless and wasteful expenditure has been reported on a quarterly basis and handed over to the MPAC for investigation and treatment.

44. Irregular expenditure

Opening balance as previously reported	32 253 760	28 452 977
Add: Irregular expenditure	15 586 389	5 642 575
	47 840 149	34 095 552
Less: Amount written off	(30 702 898)	(5 389 090)
Less: Irregular Expenditure - prior period	-	3 547 298
Closing balance	17 137 251	32 253 760

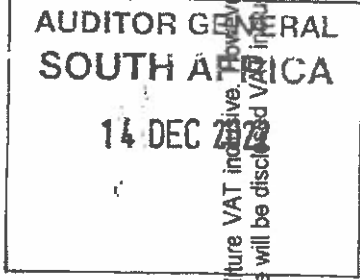
Irregular expenditure for the year amounted to R15 586 389.

Recording of Irregular Expenditure VAT Inclusive (MFMA Circular 68 of 2021)

In terms of Circular 68, Municipalities are advised to disclose the Irregular expenditure VAT inclusive. However, the municipality for the 2021/2022 financial year has disclosed the expenditure VAT exclusive. After the Council Write-off, going forward, the expenditure will be disclosed VAT inclusive.

Irregular expenditure written off

MPAC investigated irregular expenditure and an amount of R30 702 898 was declared irrecoverable and was written off by the Council in the 2021/22 financial year. As part of the MPAC report, consequence management was suggested and council approved. In line with the applicable legislation, irregular expenditure has been reported to National Treasury, Provincial Treasury, The Department of Cooperative Governance and Traditional Affairs and the Office of the Auditor-General.



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44. Irregular expenditure (continued)

Incidents/cases identified in the current year include those listed below:

<p>Non-compliance with supply chain management regulations Award to close family member of an executive manager of the Municipality Non-compliance with supply chain management regulations</p>	<p>Disciplinary steps taken/criminal proceedings Expenditure has been referred to the Municipal Public Accounts Committee for investigation</p> <p>The financial misconduct board recommended that the expenditure incurred be recovered from the senior manager each month effective from 25 July 2021. No disciplinary steps have been taken as the expenditure has not yet been referred to the Municipal Public Accounts Committee for investigation</p>	<p>15 586 389</p> <p>435 169</p> <p>43 050</p> <p>5 164 356</p> <hr/> <p>15 586 389</p> <hr/> <p>5 642 575</p>
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45. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee
Amount paid - current year

905 767 946 233
(905 767) (946 233)

Audit fees

Current year subscription / fee
Amount paid - current year

3 494 991 3 957 967
(3 494 991) (3 957 967)

PAYE and UIF

Current year subscription / fee
Amount paid - current year

15 276 052 14 075 218
(14 003 775) (14 075 218)

1 272 277



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45. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Current year subscription / fee	17 648 011	8 346 847
Amount paid - current year	(16 140 443)	(8 346 847)
	1 507 568	-

VAT

VAT receivable	924 322	3 821 154
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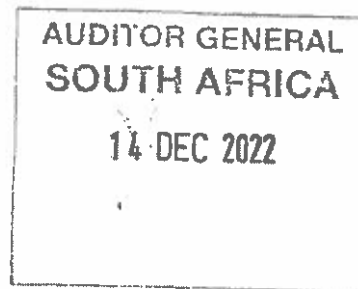
All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

There is only one councillor who owns a property in the urban area and as at 30 June 2022, there was no outstanding arrear amount over 30 days.

46. Awards to close family members of persons in the service of the state

Name of person and position	Name of spouse	Supplier name	Description of award	Total rand Value of award
Mpendulo Ngwadla - Driver	Virginia Nonkululo Bam Ngwadla	Bahlongwana Trading Enterprise	Transport	4 000
			Transport	3 000
			Hiring of PA system	3 000
			Catering	6 000
			Catering	11 000
			Catering	14 250
			Hiring of PA system	2 500
	43 750			



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47. Prior period errors

1. Commitments

Commitments were understated in the prior year by R250 644 which was not included as a commitment in the commitments register.

This was due to commitment for S Zoko that was written off by Council due to inadequate information on the contract. A Council resolution was later obtained but the amount of R250 644 relating to internship programmes was erroneously omitted.

2. Irregular expenditure

An amount of R2 020 576 which relates to 2019/20 financial year was written-off in the prior year but was not adjusted in the irregular expenditure register. Discovered in the current year is an amount of R5 567 873 resulting from the appointment of panel of service providers that were found not to be in compliance with section 217 of the constitution, the principle of competitiveness, while being used by the institution. The adjustment of the opening balance is a correction of that error.

3. Payable from non-exchange transactions

The Department of Employment and Labour did not bill the Municipality for Workmen's Compensation Fund, this was due to the Department of Employment and Labour requesting annual financial statements from 2002 when the Municipality was established. The Municipality initiated negotiations with the department in 2020 and it was concluded that the outstanding information and financial statements be submitted from 2017/18. The department calculated the outstanding balance for Workmen's Compensation Fund and penalties.

This resulted in prior year adjustments on accumulated surplus and payables incurred for the Workmen's Compensation Fund contribution to be effected from 2017/18 financial year. In 2017/18 there was a provisional assessment of R757 435 and a final assessment in 2018/19 which resulted in a further charge of R10 863 and R20 151 for penalties. In the 2019/20 financial year, there was final assessment amounting to R267 285 inclusive of penalties.

In the prior year, 2020/21, there was a provisional assessment of R242 285, final assessment of R29 126 and a penalty amounting to R49 684 was also charged which resulted in increased payables, employee costs and penalties.

In the 2019/20 financial year, payables from exchange and employees costs were overstated by R38 365. This was due to a payable that was raised in relation to a month's salary raised for a former project management unit manager. It was later identified that she had only worked for 8 days and not the full month.

Payables from non-exchange transactions was understated in the prior year by R59 763 due to interest earned on behalf of Human Settlements that was incorrectly recognised as interest income of the Municipality instead of interest payable to Human Settlements in terms of the principal and agent agreement.

There was also an overstatement of revenue by the same amount, due to revenue that was incorrectly recognised. Correction of this error resulted in an increase of prior year payables from non-exchange transactions and decrease in interest income. The error was corrected retrospectively.

4. Payables from non-exchange transactions and interest received.

Payables from non-exchange transactions was understated in the prior year by R59 763 due to interest earned on behalf of Human Settlements that was incorrectly recognised as interest income of the Municipality instead of interest payable to Human Settlements in terms of the principal and agent agreement.

There was also an overstatement of revenue by the same amount due to revenue that was incorrectly recognised. Correction of this error resulted in an increase of prior year payables from non-exchange transactions and decrease in interest income. The error was corrected retrospectively.

5. Property, Plant and Equipment; Investment property and Fair value adjustments

Land was overstated in the prior year by R474 872 due to land that was owned by the Municipality and subsequently leased out; however, this was not transferred to investment property.

Land was also understated in prior years by R1 240 240 which is the value of the remaining portion of the commonage ERF 87.

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47. Prior period errors (continued)

Consequently, investment property and fair value adjustment were also understated by R1 841 074 and R1 366 202 respectively. The error was corrected retrospectively.

6. General expenses, VAT receivable and payables from exchange transactions

Expenditure amounting to R364 064 inclusive of VAT was incurred in the 2017/2018 financial year for solar maintenance of indigent beneficiaries; however, the expenditure was split into two parts. The first half of the expenditure was recognised and paid in the same financial year and the remaining half was not recognised. The delay in recognition of the second half of the expenditure was due to meetings that were held between the service provider and the municipality before the expenditure was recognised and paid in the 2020/21 financial year.

The correction of the error results in adjustments as follows:

Statement of financial position

Increase in payables from non-exchange transactions	-	(1 437 293)
Opening Accumulated Surplus or Deficit	-	93 706
Increase in Investment Property	-	1 841 074
Decrease in Property, Plant and Equipment	-	(474 872)
Decrease in payables from exchange transactions	-	402 429
Increase in payables from exchange transactions	-	(364 064)
Increase in VAT receivable	-	47 487
Increase in Property, Plant and Equipment	-	1 240 240
Decrease in VAT receivable	-	(47 487)
	-	1 301 220

Statement of financial performance

Increase in penalties- Workmen's Compensation Fund	-	(49 684)
Increase in employee cost	-	(272 112)
Decrease in interest earned from investments	-	(59 763)
Increase in fair value adjustments	-	1 366 202
Decrease in general expenses	-	316 577
	-	1 301 220

48. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

49. Events after the reporting date

Disclose for each material category of non-adjusting events after the reporting date:

- The Municipality obtained a long-term loan for financing Property, Plant and Equipment. The loan of R25 million was obtained from Standard Bank through a normal bidding process and in compliance with section 46 of the MFMA.
- To date, an amount of R14 million has been drawn down with an interest rate of 10,28% for a period of three years. The remaining balance of the loan will be drawn down after feasibility study has been concluded.

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50. Impact of COVID-19 pandemic

At the end of March 2020, the COVID-19 virus was declared a pandemic by the World Health Organisation and by the South African Government. South Africa entered into lockdown on 26th March 2020, which meant that businesses that were not seen as essential had to shut down.

The Municipality continued to provide services during the national state of national disaster and raised revenue in accordance with services provided under both exchange and non-exchange revenue. Management has assessed that there have been no material changes in revenue raised for services. The nationwide lockdown has had a negative impact on the entity's recovery of income generated. The Municipality in its assessment of impairment has considered the consumers risk profile and payment history.

Management has considered the impact of COVID-19 and that there has been no material changes in the use of assets that would require a change in the expected useful life of assets.

No material information has come to the attention of management to suggest that there is a going concern issue. The financial statements for the year ended 30 June 2022 have been prepared under the going concern assumption.

In response to the revised COVID-19 regulations issued on 23 June 2022, which include Regulation 16(a); Mask wearing, Regulation 16(b) Gatherings, the Municipality spent a significantly reduced amount of R115 890 (2021: R1 291 557) as at 30 June 2022 and 30 June 2021 respectively. The expenditure is broken down as follows:

Description		
Fumigation, cleaning and disinfecting Municipality offices and re-disinfecting and fumigation of Municipality offices and Elucingweni Hall	-	648 249
Doctor to test for COVID 19	-	205 110
Sanitizing booth, 15 electric dispensers	-	117 217
Sanitizers, spray containers, handwash ,faceshield , wall mounted soap dispenser,surgical gloves, palm gloves, cloth masks and faceshields	115 890	50 060
Covid 19 rapid response stipends	-	89 298
Radio slot for Covid awareness	-	15 000
Internal Audit fees for audit of Covid 19 response meetings	-	105 048
Catering and lunch packs for Covid 19 rapid response meetings	-	30 375
Transport to go to Covid 19 rapid response meetings	-	31 200
	115 890	1 291 557

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51. Segment Information

General information

Identification of segments

The segments were organised based on the type and nature of goods and services delivered by the Municipality. These services are delivered in various Municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes

Aggregated segments

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community Services	Halls, cemeteries, parks, tourism, animal pounds and library services
Unallocated	Unallocated Segment
Planning and development	Strategic development and planning
Public safety	Traffic control
Roads	Construction and maintenance of roads and storm water
Refuse	Waste management and refuse removal
Electricity	Electrification

Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed

Geographic Segment Reporting

The Municipality's operations are in the Eastern Cape Province

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical areas.

Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes in the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments is disclosed above

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51. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2022

	Unallocated	Community services	Roads	Public safety	Refuse	Electricity	Total
Revenue							
Revenue from exchange transactions	-	-	-	-	642 384	-	642 384
Service charges	-	617 666	-	-	-	-	617 666
Rental of facilities and equipment	2 419 592	-	-	-	-	-	2 419 592
Interest revenue	4 856	-	-	638 190	-	-	644 046
Licences and permits	533 417	87 857	-	-	-	-	621 274
Sundry income							
Revenue from non-exchange transactions							
Property rates	16 739 273	-	-	-	-	-	16 739 273
Government grants and subsidies	175 741 094	-	-	-	-	-	175 741 094
Fines	-	-	-	768 500	-	-	768 500
Interest received- MEPF	905 868	-	-	-	-	-	905 868
Total segment revenue	196 344 100	705 523	-	1 407 690	642 384	-	199 099 697
Entity's revenue							199 099 697

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51. Segment information (continued)

	Unallocated	Community services	Roads	Public safety	Refuse	Electricity	Total
Expenditure							
Employee related costs	66 197 433	2 114 181	1 386 272	6 532 526	5 143 125	813 260	82 166 797
Remuneration of councillors	11 765 559	-	-	-	-	-	11 765 559
Depreciation and amortisation	9 598 830	227 810	15 108 883	173 239	680 356	1 642	25 790 760
Interest paid	2 507 444	-	-	-	-	-	2 507 444
Contribution allowance for impairment	4 730 959	-	-	-	-	-	4 730 959
General expenses	34 188 182	9 270 755	-	3 943 079	1 951 282	959 087	50 312 385
Repairs and maintenance	1 591 866	-	-	-	134 104	-	1 725 970
Auditors fees	3 484 991	-	-	-	-	-	3 484 991
Profit/(loss) on disposal of assets	(589 310)	-	-	-	-	-	(589 310)
Decrease/(increase) in provision for landfill site	(402 655)	-	-	-	268 044	-	268 044
Fair value adjustments	290 492	-	-	-	-	-	290 492
Actuarial gains/losses	489 980	-	-	-	-	-	489 980
Asset write off: Infrastructure and IT equipment	408 097	-	-	137 617	-	42 689	670 286
Impairment loss: Infrastructure assets	-	1 610 553	-	-	-	-	1 610 553
Total segment expenditure	134 271 868	11 612 746	18 223 325	10 648 844	8 176 911	1 816 678	184 760 372
Total segmental surplus/(deficit)	62 072 232	(10 907 223)	(18 223 325)	(9 241 154)	(7 534 527)	(1 816 678)	14 349 326

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51. Segment Information (continued)

2021

Revenue	Unallocated	Community Services	Planning and development	Roads	Public safety	Refuse	Electricity	Total
Revenue from exchange transactions								
Service charges	-	-	-	-	-	634 963	-	634 963
Rental of facilities and equipment	-	528 462	-	-	-	-	-	528 462
Interest revenue	2 980 339	-	-	-	-	-	-	2 980 339
License and Permits	-	-	-	-	663 729	-	-	663 729
Sundry Income	174 874	160 521	21 626	-	-	-	-	357 021
Revenue from non-exchange transactions								
Property rates	14 575 095	-	-	-	-	-	-	14 575 095
Government grants and subsidies	167 544 129	-	-	17 554 589	-	-	14 726 934	199 825 652
Fines	-	-	-	-	662 900	-	-	662 900
Total segment revenue	185 274 437	688 983	21 626	17 554 589	1 316 629	634 963	14 726 934	220 218 161
Entity's revenue								220 218 161

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51. Segment information (continued)

	Unallocated	Community Services	Planning and development	Roads	Public safety	Refuse	Electricity	Total
Expenditure								
Employee related costs	62 403 189	2 288 137	2 016 974	1 626 810	6 028 133	926 992	767 780	78 059 015
Remuneration of councillors	12 130 957	-	-	-	-	-	-	12 130 957
Depreciation and amortisation	8 204 579	145 195	-	11 460 567	68 261	576 722	-	20 455 324
Interest paid	5 072 419	-	-	-	-	-	-	5 072 419
Contribution allowance for impairment	7 215 331	-	-	-	-	-	-	7 215 331
General expenses	53 553 640	1 589 863	642 541	1 239 710	52 866	102 366	1 436 433	58 617 419
Repairs and Maintenance	885 974	-	-	4 355 339	71 578	237 825	804 451	6 355 167
Audit fees	3 957 967	-	-	-	-	-	12 808 029	3 957 967
Completed electrification transferred	-	-	-	-	-	-	-	12 808 029
Decrease/(Increase) in provision for landfill site	322 033	-	-	-	-	-	-	322 033
Fair value adjustment	(6 638 436)	-	-	-	-	-	-	(6 638 436)
Actuarial gains/losses	669 617	-	-	-	-	-	-	669 617
Asset write off: Investment Property	4 142 062	-	-	-	-	-	-	4 142 062
Impairment loss: Infrastructure assets	1 436 950	-	-	-	-	-	-	1 436 950
Total segmental expenditure	153 356 282	4 023 195	2 659 515	18 682 426	6 221 838	1 843 905	16 814 693	202 601 954
Total segmental surplus/(deficit)	31 918 155	(3 334 212)	(2 637 889)	(1 127 837)	(4 906 209)	(1 208 942)	(1 087 759)	17 616 307

52. Non-Living Resources

Other than land, the Municipality identified an aquifer as the only non-living resource of which the water is being extracted with the use of a borehole. The Municipality uses the water for consumption as it does not distribute water to customers.

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53. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	1 113 061	1 113 061
Receivables from non-exchange transactions	11 160 439	11 160 439
Cash and cash equivalents	10 169 062	10 169 062
	<u>22 442 562</u>	<u>22 442 562</u>

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	21 446 860	21 446 860
Payable from non-exchange transaction	14 918 786	14 918 786
Unspent conditional grants and receipts	1 173	1 173
	<u>36 366 819</u>	<u>36 366 819</u>

2021

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	1 603 078	1 603 078
Receivables from non-exchange transactions	9 923 971	9 923 971
Cash and cash equivalents	35 035 979	35 035 979
	<u>46 563 028</u>	<u>46 563 028</u>

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	27 703 105	27 703 105
Payable from non-exchange transaction	41 420 013	41 420 013
	<u>69 123 118</u>	<u>69 123 118</u>

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54. Municipality acting as the agent

Description of the arrangement and transactions undertaken

The Municipality signed two agreements with the Eastern Cape Department of Human Settlements (ECDHS) on the 9th and 12th of March 2021.

The purpose for the agreement signed on 09 March 2021 is for the Municipality to provide support as an implementing agent for the procurement of professional service providers (PSP) to undertake the planning, design and monitoring of the projects under discussion and procurement of suitable qualified service providers to undertake the construction of the Ntabankulu Multipurpose Community Centre (known as Lwandlebomvu).

The purpose of the agreement signed on 12 March 2021 is for the Municipality to provide support as an implementing agent in Bomvini 300 (206) and Bonxa 1000 (100) housing projects in Alfred Nzo District. The department will make available the funds required to implement the programme referred to the procurement strategy.

Significant terms and conditions of the arrangement

The ECDHS shall make payment of the project funds to the Implementing Agent (Municipality) in accordance with the provisions of the agreement.

The Municipality shall set up and administer an independent interest-bearing bank account with a reputable financial institution in the Republic of South Africa in which to receive the projects funds from the ECDHS.

The Municipality shall furnish to ECDHS progress reports and report on jobs created on a monthly basis to the department on the last day of each month with supporting documentation if requested by Local Authority.

The ECDHS may not request the Municipality to perform any services or functions not falling within the scope of services set out in the agreement.

Resources recognised by the municipality that are held on behalf of a principal

5 926 848 11 784 690

Payables held on behalf of the principal

Opening balance	11 784 690	11 784 690
Expenses incurred	(5 857 842)	-
Closing balance	5 926 848	11 784 690

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Email: info@ntabankulu.gov.za
Web: www.ntabankulu.gov.za

ERF 85, Main Street, Ntabankulu, 5130
P/Bag x 504, Ntabankulu, 5130

Date: 25 January 2023

Enquiries: S. N. Ntshahla

Cell: 063 681 6825

COUNCIL RESOLUTION EXTRACT: OCM/4/23/007.2.1

Extract 25 January 2023

Time: 10H00

Venue: Municipal Ntabankulu Hall

2021/2022 Audited Annual Report .

In an Ordinary Council Meeting held on the 25th January 2023, The Honorable Mayor , Cllr P.T. Sobuthongo presented the 2021/2022 Audited Annual Report before the Council for adoption.

The Mayor reported that the municipality adopted its Draft Unaudited Annual Report on the 30th of August 2022 and submitted same to MPAC for oversight and Auditor General for Auditing. Further the municipality planned 201 targets, achieved 177 targets and did not achieve 24 targets. The Overall achievement was 88%.

Thereafter, the Council Resolved that:

- The Final Audited Annual Report circular 63) with its institutional performance (MSA Section 46) 2021/2022 be adopted by Council .
- The audited annual report be further referred to MPAC for assessment, verification and recommendations.
- The MPAC should further recommend to Council in terms of Section 129 of the Local Government: Municipal Finance Management Act No56 of 2003

Signed

V. Matwasa

Speaker of the Council

Date



BAZAKUHLAWULISWA ABALAHLA INKUNKUMA EKOKSTAD

IKHWEZI PUBLISHERS

Kutshanje uSodolophu woMasipala waseKokstad uCeba Lwando Madikizela

kunye noSekela Sodolophu uCeba Karen Walker, iSithethi seGKM uCeba Bheki Nozaza, kunye noManejala

kaMasipala uMnu Zwane kunye noNcedisi woMphathi: kuLawulo lwenkunkuma nokusiNgqongileyo uMnu Tentu kunye unokontraqa oqeshelwe ukucheba ingca eKokstad baye batyelela iilokishi zaseBhongweni naseShayamoya ngokongamela. Iingxelo zithi injongo yayikukubeka iliso kumsebenzi

owenziwa ngunokontraqa kwakunye nokufumana izisombululo ezisisigxina zokuthintela ukulahlwa kwenkunkuma ngokungekho mthethweni. Ukulahlwa kwenkunkuma kwindawo engatyunjelwanga ngolo hlobo lityala elibi kwaye abo bafunyenwe bechasa imithetho kaMasipala yolawulo lwenkunkuma baya kuhlawuliswa.



NOTICE OF THE FINAL AUDITED ANNUAL REPORT 2021/2022.

Notice is hereby given in terms of section 21(1)(a) of the Local Government: Municipal Systems Act 32 of 2000, and section 127 (5) of Local Government: Municipal Finance Management Act No 56 of 2003, that Ntabankulu Local Municipality Council has developed and tabled the Final Audited Annual Report 2021/2022 on the 25th January 2023.

Members of the public, communities within Ntabankulu Local Municipality, government institutions, private sectors and civil society organizations are hereby invited for public viewing on the Final Audited Annual Report of Ntabankulu Local Municipality for the year 2021/2022

Members of the public and interested parties can view copies of the Final Audited Annual Report 2021/2022 from the following:-

- Ntabankulu Municipality Reception
- Ntabankulu Traffic Department
- Ntabankulu Library.
- Ntabankulu local municipality website(www.ntabankulu.gov.za)

Enquiries regarding the aforementioned documents may be addressed to the office of the Municipal Manager for the attention of Miss. N. Mankahla (Strategic Services Manager) during normal working hours at 039 258 2410

ISAZISO SENGXELO YONYAKA-MALI KAMASIPALA EPHONONONGIWEYO 2021/2022

Isaziso ngokwecandelo 21(1)(a) ye Local Government: Municipal System Act No. 32 ka 2000 necandelo lika 127 (5) ye Local Government: Municipal Finance Management Act No. 56 ka 2003, umasipala wase Ntabankulu uthetha ingxelo ephononongiweyo yonyaka mali kamasipala ka 2021/2022 kwibhunga likamasipala ngomhla we 25th EyoMqungu 2023.

Abahlali base Ntabankulu, amacandelo kaRhulumente, amaqumrhu azimeleyo neemvaba zonke zenkonzo, bayamenywa ukuba bathathe inxaxheba ngokujonga kwingxelo ephononongiweyo yokuphela konyakamali kamasipala 2021/2022.

Lemiqulu iyakufumaneka kwezindawo zilandelayo:

- KwiOfisi zikamasipala - (Ntabankulu Local Municipality)
- KwiOfisi zamagosa ezendlela - (Ntabankulu Traffic Department)
- KwiThala leencwadi - (Ntabankulu Library)
- Kwi- website kamasipala- (www.ntabankulu.gov.za)

Ngenkcukacha ezithe vetshe ngalemiqulu ungaqhakamshelana noNkosazana N. Mankahla (Strategic Services Manager) ngexesha lomsebenzi kulenombolo 039 258 2410.

Ntabankulu Local Municipality

Private bag x 504

Issued by / Ikhutshwe ngu:

MR.M. PINYANA

ACTING MUNICIPAL MANAGER / IBAMBELA MPHATHI MASIPALA



Kuthunywe igosa eliphezulu kumasipala njengomphathi bambela kamasipala

IKHWEZI PUBLISHERS

Obekekileyo uSodolophu womasipala wase Ntabankulu, uCeba Tsileng Sobuthongo, uSomlomo oHloniphekileyo uCeba Vuyokazi Matwasa kunye nekomiti yesigqeba bamkele iBambela likaManejala kamasipala uMnu Mawethu Pinyana.

Iingxelo zithi i-COGTA yazisa ngokusesikweni uMnu Pinyana yaza yachaza ukuba ukubolekwa okwexeshana

kuphela elingadlulanga kwiinyanga ezintathu. Kukwavakala ukuba ngelishesha, umasipala uya kube esenza iinkqubo yokukhangela uMphathi kaMasipala omtsha. Ukanti iKomiti Elawulayo yamkele uMnumzana Pinyana kwaye yazibophelela ekusebenzisane naye ukuze kuphunyezwe iNtabankulu engcono.



