

KUMKANI MHLONTLO
LOCAL MUNICIPALITY



ANNUAL
REPORT
2023-24
Volume I

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE

SUMMARY CHAPTER 1: MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD



MAYOR’S FOREWORD

It is with great pride and a profound sense of responsibility that I present to you the Annual Report of the Kumkani Mhlontlo Local Municipality for the year 2023/2024. This document serves not only as a comprehensive record of our activities and achievements but also as a testament to our unwavering commitment to the development and well-being of our community.

Over the past year, we have faced numerous challenges and celebrated many successes. Our municipality has continued to grow and evolve, driven by a shared vision of progress and prosperity. Through collaborative efforts and strategic initiatives, we have made significant strides in improving service delivery, fostering economic growth, and enhancing the quality of life for all our residents.

One of our key focuses this year has been on infrastructure development. We have invested substantially in upgrading our roads and public facilities. These projects not only create jobs but also lay the foundation for sustainable development, ensuring that our municipality can meet the needs of its citizens both now and in the future.

In addition to physical infrastructure, we have also prioritized social infrastructure. We have implemented programs aimed at empowering our youth, supporting our elderly, and promoting social cohesion. Our commitment to education, health, and social services remains steadfast, as we believe that the true measure of our progress lies in the well-being of our people.

I must extend my heartfelt gratitude to the members of the Kumkani Municipal Council, our dedicated staff, and all our stakeholders who have contributed to our achievements. Your hard work, Dedication, and unwavering support have been instrumental in driving our municipality forward. Together, we have built a strong foundation for continued growth and development.

As we look to the future, we remain committed to our vision of a vibrant, inclusive, and sustainable Kumkani Mhlontlo Local Municipality. We will continue to work tirelessly to address the needs and aspirations of our community, guided by principles of transparency, accountability, and good governance. I am confident that with your continued support and active participation, we can achieve even greater heights.

In closing, I invite you to delve into this report and reflect on the progress we have made. Let us celebrate our achievements, learn from our experiences, and renew our commitment to building a brighter future for all.

a. Vision and mission

A responsive, stable and accountable municipality that improve people's lives.

Aims to deliver sustainable quality services, in an effective and efficient manner, through meaningful participation by all stakeholders.

b. Key Policy Developments

The municipality has identified its key development objectives to be implemented over five (5) years as some are easy to achieve and find the expression of being categorised as quick wins, whilst some are realised through the medium-term and long-term. The municipality is committed to:

- Provide Basic Services and Infrastructure.
- Improve institutional systems.
- Promote economic growth through Agriculture, Tourism, Forestry and Mining
- Promote sustainable community livelihood.
- Promote comprehensive Rural Development.
- Improve financial management.

c. Key Service Delivery Improvements and Challenges

Given the rural nature of the municipality, key service delivery areas are:

- Access Road infrastructure
- Electricity
- Social Infrastructure
- Water and Sanitation

Due to the depleted revenue base, the Municipality depends largely on grant funding to meet its service delivery mandate. (The Municipal Infrastructure Grant (MIG), INEP, Expanded Public Works Programme (EPWP) and a portion of the Equitable Share Grant) to provide services to the communities as a result the pace is not in line with the competing needs of the community.

During 2023/24 financial year the municipality managed to practically complete 20,9 kilometres of new gravel access roads in ward 3 and 8,1. 41,2 kilometres in wards 12,5,20 and 11 are still work is still in progress. Retention monies for access roads that were completed in 2022/23 Financial year were released as well.

In so far as electricity roll-out is concerned, the municipality is doing relatively well, 100% of the historic backlog has been completely addressed. Infills and the extensions is the new challenge facing the municipality regarding electricity rollout. There are no clear targets on backlog as this is always a moving target, the cost per connection has doubled due to density issues and the bulk infrastructure that needs to be upgraded in areas where connection needs to be done. The newly identified challenge now is the shortage of capacity to connect the households, as a result the network planning that is being issued by Eskom are demanding that the link line should be upgraded. During the year of reporting the municipality has upgraded a 19,5 km Link line from Qumbu to Sulenkama), then the number of households connected had reduced from 748 to 300. Villages that had benefited are from ward (15,23,11, 21 and 10).

The municipality is experiencing high backlog on provision of social infrastructure in a form of sporting facilities, community halls and pre-schools. During the development of the new IDP (2026/27) as a result two community hall in ward 26(Sdwadweni) and 18(Sthangameni) are still work in progress. Two pre-schools in ward 7(Ntibane) and ward 6(Newhomes) are also under construction. On provision of sporting facilities, performance of service providers and contract

management is still a challenge. Construction of three sports fields is due to be completed in 2024/25 financial year.

The Provincial Department of Roads and Transport operates within the municipality to ensure maintenance of roads and bridges, and the information is provided through the Roads Forum. The intervention programmes such as the inhouse team from the department of transport and other stakeholders like SANRAL assist in the construction and maintenance of roads that lead to schools and clinics. Water and Sanitation is a funded mandate of the OR Tambo District municipality for both development and maintenance of infrastructure. During the year under review, the municipality has experienced dire water shortages to an extent of having communities forced to purchase water due to either poor workmanship on the existing water schemes and infrastructure or poor monitoring of the schemes. Currently wastewater and sewer collection remain a challenge in both towns within the municipal jurisdiction. Wastewater treatment works is currently under construction in Tsolo whereas it is still under planning in Qumbu. The Department of Human Settlements (DoHS) is responsible for budgeting for houses that are to be built within the municipal area. The coverage is below demand as there is a slow progress when the projects are on construction phase. The municipality works with DoHS through a housing strategy to ensure that houses identified for housing construction are informed by the Housing Sector Plan.

d. Public Participation

Public participation is one of the political underlying principles in ensuring empowerment of citizens to better articulate their will and needs directly to political representatives and public officials. Public participation promotes good governance as it bears some elements of corporate governance such as responsibility, accountability, and transparency in delivering services. An open systems approach used by Kumkani Mhlontlo Local Municipality mostly boosted the morale of the citizenry. In the financial year under review, the municipality managed to conduct IDP Roadshows in all twenty-six (26) wards, Mayoral Imbizo's in seven (7) wards, MPAC Public Hearings in both Administrative Areas, and Community Outreaches in twelve (12) wards.

e. Future Actions

Infrastructure development remains a fundamental aspect of assessing the impact on the implementation of SDBIP. Anyway, it must be clear that all municipalities are judged by the infrastructure roll-out projects. The communities are interested in infrastructure projects that range from access roads, housing units, electrification, storm water drainage, as well as water and sanitation. Through the years the municipality had received INEP grant as schedule 5b (allocated direct to the municipality) and schedule 6 (allocated to Eskom) to address electricity backlog in our municipal space as a result, historic backlog has been completely addressed to date.

Currently the municipality is dealing with infills and extensions. It is a well-known fact that the mandate to address water and sanitation belongs to the district. Surfacing of all urban roads and well-planned storm water drains is a priority of the municipality. This statement does not, in any way try to underestimate construction of rural access roads. However, it is always important to devise strategies that assist in attracting investors. This attraction could possibly be achieved through changing the outlook of urban areas.

Local Economic Development, Planning and Rural Development (LEDPARD), as a key element to enhance SMME development, job creation and economic growth remains a priority of the municipality. The municipality has adopted the LED strategy which is an enabler to achieving economic objectives of the institution.

f. Agreements / Partnerships

Many of the agreements/ partnerships the municipality has, are more focusing on skills revolution. This is an initiative which seeks to find the municipality on the right place in terms of the implementation of Skills Development Act. It does not only focus on employees, but also on unemployed community members, especially, the youth. Deliberately, the municipal learnerships have a focus on unemployed graduates. Bursaries were also granted by the municipality to assist in up-skilling of councillors and officials. Amongst the SETAs reported during the year under review are Local Government Sector Education and Training Authority, which is commonly referred to as LGSETA, Services SETA, TETA and AGRISSETA. There are also existing partnerships with government departments that include Department of Energy (DOE), Department of Economic Development, Department of Public Works, Environmental Affairs and Tourism (DEDEAT), Department of Sport Recreation Arts and Culture (DSRAC), Department of Transport, as well as parastatals such as Eskom and Telkom.

g. Conclusion

The achievements articulated in the 2023/24 would not have been possible without the support and full commitment of Kumkani Mhlontlo Council as a collective, and the administration as led by the Municipal Manager. It should be borne in mind that the playing field has not been always level, as resource allocation to the municipalities differs according to the total amount given by the National Treasury through Grants and Equitable Share (EQ).

UJZ -

29/08/2024

DATE: _____

CLLR M.G. JARA
MAYOR

T 1.0.1

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW



MUNICIPAL MANAGER'S OVERVIEW

When the Municipality was developing the Integrated Development Plan for 2023/2024 financial year, we were aware that the municipality was struggling due to the high unemployment rate. The Municipality revenue base is thin and the Municipality is Grant dependent.

Despite our difficulties, we as Kumkani Mhlontlo Local Municipality maintained our optimism and persevered in our efforts to provide basic services to our customers, who are residents of Kumkani Mhlontlo Local Municipality, both households and business community. Even though we recognise the difficulty of our situation as a municipality, we have not given hope because we have made a commitment to provide basic needs for our people, and we have derived our optimism from the contract we have signed with our citizens, particularly with the business community.

Additionally, we wish to express our appreciation for the assistance provided by the National government, Provincial government and District Municipality, which has enabled us to continue serving our constituents. We were able to maintain a consistent daily and weekly household waste collection in both urban centres and formal and informal settlements in our municipal area during the previous financial year, despite the difficult economic climate and lack of resources. As the municipality, we are aware that this is what we should be doing on daily basis, but we are working diligently to accomplish this goal and are optimistic that we will succeed. Similarly, we can clean up all illegal dumping sites to keep our Kumkani Mhlontlo Local Municipality environment clean.

The municipality has adopted a service delivery model to ensure that we are able to adequately respond to the service delivery challenges. We want our clients to feel at ease whenever they visit our offices for a variety of reasons related to service delivery, which is why we have developed an organisational structure that ensures that we have a well-equipped and competed staff complement that adheres Back to Basic and Batho Pele principles.

Our human resources development programmes are also well-established within the municipality. This includes a variety of activities such as Skills Development and wellness programmes for our employees. Against all odds, we as the management want to express our gratitude to all our employees who braved challenges faces and chose to work tirelessly in bring services to the community we serve. This is significant, as it is consistent with the narration that municipal employees are on the frontline of service delivery.

Correspondingly, we are making a concerted effort to re-establish public confidence in the municipality's management of its organisation among its constituents. Since then, we have been implementing the Audit Action Plan. Regarding Auditor General's recommendations, including how to combat corruption and fraud in the municipality, we have tightened the systems (MPAC, Audit Committee and Internal Audit and Risk Management Unit) to ensure that fraud and corruption are completely eradicated from the municipality's day to day operations. We are making a concerted effort to eliminate Irregular, Wasteful and unauthorised expenditures.

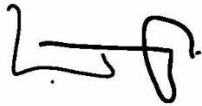
Efforts are being made to ensure that Kumkani Mhlontlo Local Municipality is recognised as a municipality of choice by addressing critical infrastructure issues such as electricity connection and access roads. Regarding this, we hope to attract investors to Kumkani Mhlontlo Local Municipality in order to create job opportunities for our people in general, for young people in particular. This is especially important given the troubling unemployment statistics for young people in the country.

As part of this process, we have reviewed our Local Economic Development Strategy, which will be followed by a plan to ensure that previously disadvantaged people and designated groups are integrated into the mainstream of the municipality's economy. Currently there are ways to ensure that small businesses benefit from the municipality's daily operations. As a result, we will revise our Supply Chain Management policy to ensure that people benefit from their municipality particularly the young, female and disabled.

There are plans in the works to bolster assertions about job creation. With the construction of Umzimvubu dam and Laleni dam by the Department of Water and Sanitation, people of Kumkani Mhlontlo local municipality will eventually be able to participate as economic drivers in such developments. Processes have advanced to a more advanced stage, and issues of local contractor beneficiation are now at the forefront of consideration with the assistance of local Traditional Leaders. Agriculture and Tourism are among the initiatives that are being perused by the Municipality as we believe that we have competitive advantage on them. This will have a significate impact on the people of Mhlontlo local municipality, as it is not speaking of job opportunities only, but also to the development of the local economy in terms of small and medium

size enterprises. Most of the municipal functions such as Traffic and Parking, Building Regulation, Pounds, Refuse Removal, Street Lighting and many more are detailed in APPENDIX D.

In conclusion, we take this opportunity to encourage all residents who contribute to the cost of services provided by the municipality for us to continue to improve. We maintain a positive outlook for the future and are committed to act to bring our hopes and ambitions to fruition.



29/08/2024

MR L. NDABENI
MUNICIPAL MANAGER

T 1.1.1

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Kumkani Mhlontlo Local Municipality comprises of 48 900 households with a population totalling to 195 300. The municipality is mostly rural with a population which contribute to the formation of wards that are 26 and two economic nodes or business centres (Tsolo and Qumbu towns). Revenue generation is a challenge as a result the municipality depends on grant funding for provision of services and its operations.

Kumkani Mhlontlo local municipality is responsible for provision of electricity, roads, refuse removal, local economic development, storm water drainage and general planning. Water and sanitation are being provided to our communities by the OR Tambo District Municipality whereas the provision of housing is being provided by the department of human settlements.

T 1.2.1

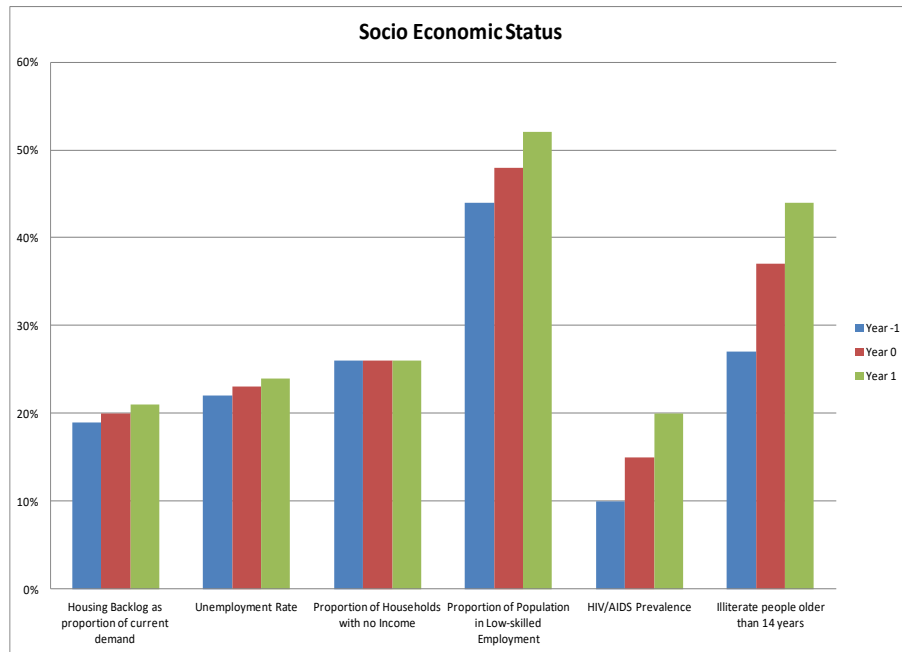
Population Details									
Age	Population '000								
	Year -2021			Year -2022			Year 2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	11 700	10 900	22 600	11 700	10 900	22 600	11 400	10 900	22 300
Age: 5 - 14	24 000	22 200	46 200	24 000	22 200	46 200	24 000	22 200	46 200
Age: 15- 24	19 390	16 240	35 630	19 390	16 240	35 630	19 260	16 190	35 450
Age: 25 - 34	13 910	14 080	27 990	13 910	14 080	27 990	14 090	14 190	28 280
Age: 35 - 44	7 600	10 820	18 420	7 600	10 820	18 420	7 970	11 030	19 000
Age: 45 - 54	5 710	10 080	15 790	5 710	10 080	15 790	6 860	10 130	16 990
Age: 55 - 64	4 080	9 180	13 260	4 080	9 180	13 260	4 230	9 330	13 560
Age: 65 - 74	2 490	5 000	7 490	2 490	5 000	7 490	2 460	5 140	7 600
Age: 75+	1 680	4 710	6 390	1 680	4 710	6 390	1 690	4 770	6 460

Source: Statistics T 1.2.2

SOCIO ECONOMIC STATUS

Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2021	58%	43%	4%	56%	9%	15%
2022	58%	43%	4%	56%	9%	15%
2023	58%	43%	4%	56%	9%	15%

T1.2.3



T 1.2.5

Overview of Neighbourhoods within 'Mhlontlo Local Municipality'		
Settlement Type	Households	Population
Towns		
Qumbu	2 500	20 000
Tsolo	2 000	10 000
Sub-Total	4 500	30 000
Townships		
Ext 1 Tsolo	1 000	5 000
Ext 2 Tsolo	400	2000
Ext 6 Tsolo	469	2345
Ext. 7 Tsolo	500	2500
Ext 4 Qumbu	11	55
Ext 5 Qumbu	534	2670
Ext 6 Qumbu	76	380
Gqunu Farms	115	575
Sub-Total		45525
Rural settlements		
26 wards)	49	196 000
Sub-Total	49	196 000
Informal settlements		
Langeni	619	3095
Qumbu (Ext 7)	500	2 500
Tsolo (Ext 7)	500	2 500
Sub-Total	1619	7 500
Total	5 949	391 000

T 1.2.6

Natural Resources	
Major Natural Resource	Relevance to Community
Land	Future development and growth of the existing communities.
Indigenous forests	Langeni & Ngandu forests.
Water	Necessary basic service and pillar to the very existence of life.
Sand	Financial benefit to community trust.
Quarries	Natural resources to aid economic growth.

T 1.2.7

COMMENT ON BACKGROUND DATA

There are financial and economic opportunities that can be derived from the indigenous forests and sand within the municipal area.

The challenge is that the municipality is not yet involved in nurturing and stewarding these resources to contribute to the GDP of the municipality.

T 1.2.8

1.2 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Service delivery is about providing basic services to the communities within the municipal space. These services include construction of roads, provision of water, sanitation, electricity, solid waste management, building decent houses and provision of social infrastructure in a form of (community halls, pre-schools, and sporting facilities). Services are not limited to that, but some are a mandate that is with other government departments and State-Owned Entities. The municipality has not and is still too far from satisfactorily providing services due to historic backlogs that continue haunting the communities of Mhlontlo Local Municipality.

The municipality relies on grant funding (Municipal Infrastructure Grant, INEP, Extended Public Works Program and a portion of the Equitable share) to provide services to the communities as a result the pace is not in line with the competing needs of the community.

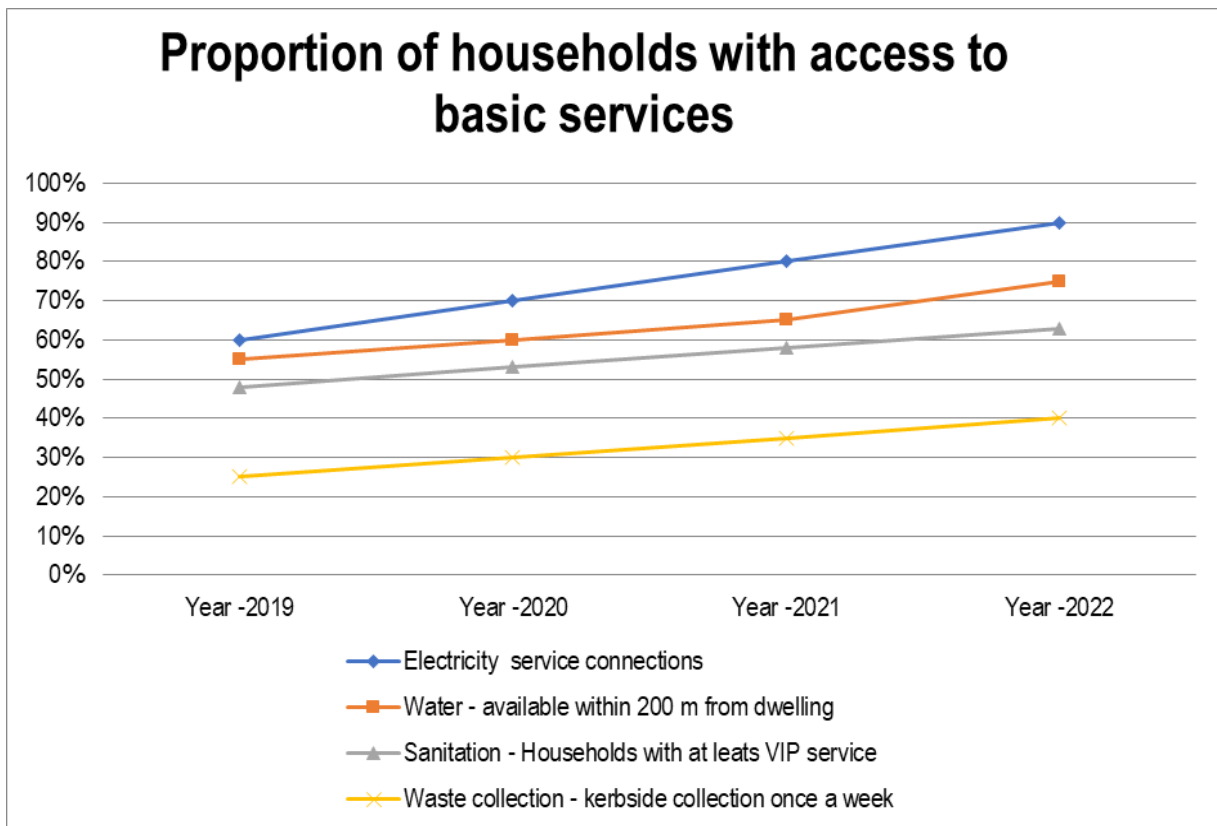
During 2023/24 financial year the municipality managed to practically complete 22.9 kilometres of gravel access roads in ward 08 and 03, release retention monies for held during construction of 56.57 kilometres in ward 13,14,7 and 01 whereas. 41.2 kilometres in ward 5 ,11, 20 ,12 and 9 was still work in progress at the end of the financial year and all the projects are planned to be completed during 2023/24 financial year. To improve the condition of the access roads within the municipal space, the municipality had invested a portion of the equitable share into re-graveling of the access roads, 152 kilometres of access roads were rehabilitated as against the 34 kilometres that was planned thus registering an over achievement of 118.9 kilometres thereof,

In terms of electricity roll-out the municipality is doing relatively well, 100% of the historic backlog has been completely addressed. Infills and the extensions are the new challenge facing the municipality in terms of electricity rollout. There are no clear targets on backlog, the cost per connection has doubled due to density issues and the bulk infrastructure that needs to be upgraded in areas where connection needs to be done. During the year of reporting 300 households of infills and extensions were connected in wards 15,23,11,21 and 10 together with upgrading of 19,5 km of Link line.

The municipality is having a high backlog around provision of social infrastructure in a form of sporting facilities, community hall and pre-schools. During the development of the new IDP (2026/27). During the year of reporting the municipality had construction of two pre-schools in Ntibane and Newhomes in ward 7 and 15, to community halls in ward 18 and 26 all four projects were still work in progress as at the end of the financial year. On provision of sporting facilities - performance of service providers and contract management have been a challenge. Construction of two sports fields is due to be completed in 2023/24 financial year. The department of roads and transport operate within the municipality to ensure maintenance of roads and bridges, and the information and progress sharing platform is the Roads Forum. There are intervention programmes such as the in-house team from the department of transport and other interventions by SANRAL to assist in the construction and maintenance of roads that are leading to schools and Clinics.

The district municipality is both a water service authority and provider. Water and Sanitation is a funded mandate of the OR Tambo district municipality for both development of new infrastructure and maintenance. During the year under review, the municipality has experienced dire water shortages to an extent of having communities forced to purchase water due to either poor workmanship on the existing water schemes and infrastructure or poor monitoring of the schemes. Currently wastewater and sewer collection remain a challenge in both towns within the municipal jurisdiction. Wastewater treatment works is currently under construction in Tsolo whereas it is still under planning in Qumbu. The department of human settlements (DoHS) is responsible for budgeting for houses that are to be built within the municipal area. The coverage is below demand as there is a slow progress when the projects are under construction. The municipality works with DoHS through housing strategy to ensure that houses identified for housing construction are informed by the Housing Sector Plan.

For the 2023/24 financial year, the department of Infrastructure Development Services set itself forty-two (42) targets. The department managed to achieve thirty-one (31) of those, whilst eleven (11) were not achieved due to various reasons that are ascribed and attributed on the quarterly reports.



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES

The incomplete projects will be rolled over to 2023/24 financial year for completion. Poor performance of service providers, disruptions by community business forum and bad weather conditions had resulted into some of the projects to be delayed, thus affecting the performance of the department negatively during 2022/23 financial year.

T 1.3.3

1.3 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality's deficit has decreased compared to last year. The Statement of Financial Performance and the Statement of Budget Comparison clearly indicate that an actual operating surplus of R14 million realised compared to an operating deficit of R3 million in the prior year.

A huge demand is placed on the limited financial resources due to ageing infrastructure that requires maintenance, and the municipality is unable to fully maintain the infrastructure.

However, the municipality had an accumulated surplus of R 673 817 192 on 30 June 2023 and total assets exceeded its total liabilities by R673 817 192.

The annual financial statements have been prepared based on 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.

The ability of the municipality to continue as a going concern is dependent on several factors. In assessing whether the going concern assumption is appropriate under the current economic climate, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and, if necessary, potential sources of replacement funding.

The assumption is further based on the fact that the municipality has a constitutional mandate to levy property rates and service charges to enable the municipality to be considered as a going concern even though the municipality is unable to collect all monies due, we have assumed that the municipality will be operational over the short and medium term in a state where liquidity will be under pressure.

The municipality has not defaulted on its payment of creditors. The municipality does have the ability to operate as a going concern and to continue rendering services to its community.

T 1.4.1

Financial Overview: 2022-2023			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	299 280 000	299 317 000	300 708 143
Taxes, Levies and tariffs	34 437 000	33 855 000	33 875 730
Other	8 568 000	11 893 000	19 133 868
Sub Total	342 285 000	345 065 000	353 717 741
Less: Expenditure	338 087 000	392 660 000	339 382 210
Net Total*	4 198 000	-47 595 000	14 335 531

* Note: surplus/(deficit): T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	30,2%
Repairs & Maintenance	15%
Finance Charges & Impairment	0,1%

T 1.4.3

COMMENT ON OPERATING RATIOS

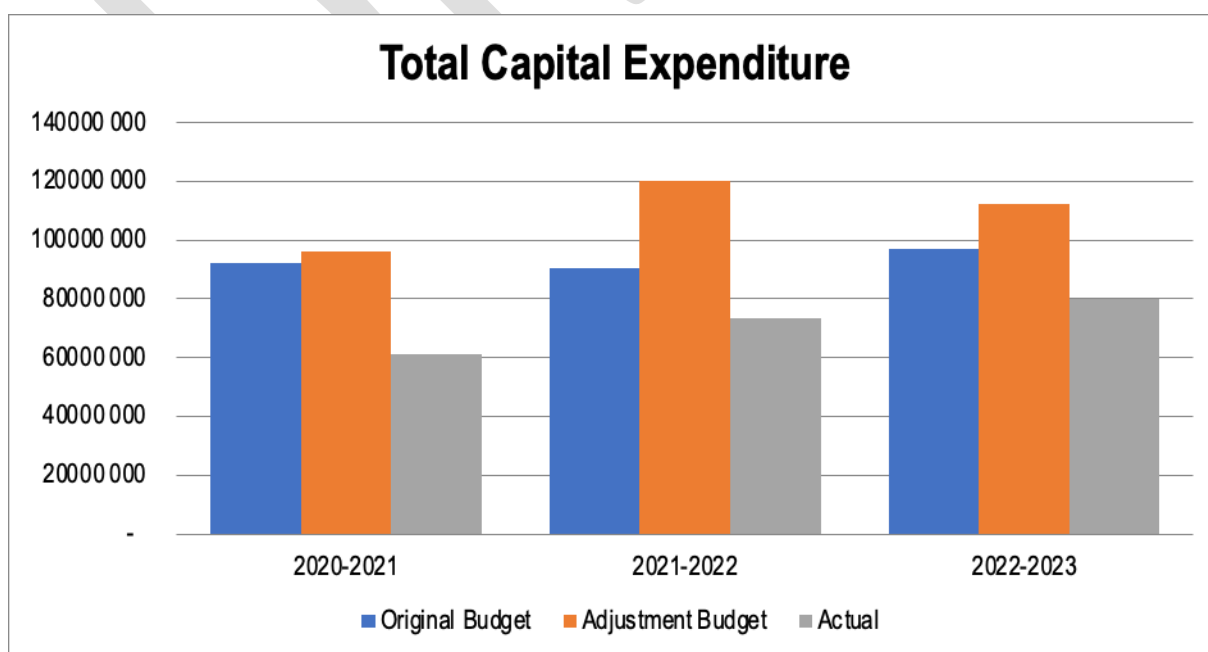
Employee costs' ratios were sitting at 30,2% compared to expected norm of 25% to 40%. The municipality's spending on repairs and maintenance as a percentage of operating expenditure is 15% which is above the expected norm of 7% to 8%.

Finance charges and impairment represent 0,1% of total expenditure. This is mainly due to a decreased impairment on debtors, and debtors are not serving their accounts.

T 1.4.3

Total Capital Expenditure: 2020-2021 to 2022-2023			
			R'000
Detail	2020 - 2021	2021 - 2022	2022 -2023
Original Budget	92 289 689	90 499 726	96 871 192
Adjustment Budget	96 157 357	120 329 199	112 150 448
Actual	61 094 808	76 283 721	79 906 408

T 1.4.4



T 1.4.5

COMMENT ON CAPITAL EXPENDITURE

The municipality's performance on capital projects increased by 10% compared to last year's capital expenditure.

T 1.4.5.1

1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality has strived to ensure that the organisation has been developed through various training programmes and new systems were introduced.

Organization Development (OD) is about improving performance at the individual, group, and organization levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the organizational structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

The OD is a key transformation agent dealing with the structure and workforce of the municipality to ensure that it remains aligned to its service delivery requirements.

One of the major challenges is that posts have not been formally evaluated through job evaluation and employees on new posts have not been fully capacitated, but they acquired knowledge through on-the-job training. To resolve the major challenge of job evaluation would require a support from SALGA.

As part of capacitating individuals who have been placed in newly created positions, it is important that we move our focus to improving their skills by ensuring that they have access to various training programmes as part of skills development to ensure that staff members can perform their duties effectively.

T 1.5.1

1.5 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 2022/23

The Auditor General conducted the 2023/2024 audit as per the requirements of Section 21(1) of the Public Audit Act of South Africa read in conjunction with Section 188 of the Constitution of the Republic of South Africa and Section 121 (3) of the Municipal Finance Management Act of South Africa.

The municipality maintained a qualified audit opinion for 2023/2024 which it also received in the 2023/2024 financial year.

The report is attached. An audit action plan has been developed and will be monitored.

This report serves as a yard stick of measuring the financial health of an institution and compliance with laws and regulations as provided.

We however are equally mindful of the requisite and critical task of striking a healthy balance between attaining clean governance that is accompanied by a clean bill of financial affairs and striving with intense agility to equally address the chronic underdevelopment in our communities, of particular importance the rural communities.

In the past five years, the municipality's audit opinion was as follows:

2023/2024 financial year – Qualified Audit Opinion
 2023/2024 financial year – Qualified Audit Opinion
 2020/2021 financial year – Unqualified Audit Opinion
 2019/2020 financial year – Unqualified Audit Opinion
 2018/2019 financial year- Qualified Audit Opinion

T 1.6.1

1.6 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.	August 2023
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4th quarter Report for previous financial year	
4	Submit draft 2022/23 Annual Report to Internal Audit and Auditor-General	
5	Audit/Performance committee considers draft Annual Report of the municipality	
6	Mayor tables the unaudited Annual Report	31 August 2023
7	Municipality submits draft Annual Report including annual financial statements and performance report to Auditor General.	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General assesses draft Annual Report including Annual Financial Statements and Performance data	September – November 2023
11	Municipalities receive and start to address the Auditor General's comments	January 2024
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
13	Audited Annual Report is made public, and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	April 2024
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	August 2024

T1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS

The importance of achieving annual report deadlines will enable the municipality to provide:

- Records or evidence of municipal activities during the year under review.
- Report on municipal performance against the budget for the year under review; and Account to the local communities for the decisions made by the municipality during the year under review.

ALIGNMENT OF IDP/BUDGET / SDBIP

IDP forms the basis on which the annual budget is based, and it must be compatible with the National and Provincial Government Development Plans. Processes for IDP, Budget and SDBIP are integrated.

T 1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The purpose of an annual report in the context of governance is to promote accountability to communities and other stakeholders for decisions taken by the municipal council and matters relating to administrative structures, throughout 2023/24 financial year. The following major characteristics were applied within the political and administrative structure of the municipality to ensure good governance: Participation – directly and through intermediate institutions or representatives, Rule of law through application and impartial enforcement of legal frameworks, transparency, responsiveness, consensus through mediation of different interests, equity and inclusiveness, effectiveness and efficiency, accountability, sustainability.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The mayor, as the political head of the institution, has without failure, given guidance to the principal committee of the council. The mayor made it a point that the municipality developed its IDP and Budget as per the legislative framework. In the year under review the council has established all its committees which include the executive committee, standing committees and section 79 committees. The municipality also had a vital committee called Audit Committee which tirelessly worked to improve both the municipal governance and administrative systems.

Note: The Constitution S151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The mayor, as the political head of the institution, has been given a responsibility to be the chairperson of the Executive Committee which is the principal committee of the institution that reports and recommends to the council. In 2023/24, Council has established all its committees which include executive committee, standing committees and section 79 committees. The municipality also had an Audit Committee which assist the municipality to improve both the governance and administrative systems.

T 2.1.1

POLITICAL STRUCTURE



MAYOR OF THE COUNCIL
Cllr M.G. Jara



SPEAKER OF THE COUNCIL
Cllr E. Pula



WHIP OF THE COUNCIL
Cllr N. Gcaba

EXECUTIVE COMMITTEE AND MEMBERS OF GOVERNANCE AND OVERSIGHT

Cllr. M. Mpeleli (Infrastructure Services Department)
Cllr. M. Mvanyashe (Community Services Department)
Cllr. U Socikwa (Special Programs and Inter Governmental Relations)
Cllr. N. Sayiti (Human Settlements)
Cllr. S. Voko (Local Economic Development, Planning and Rural Development)
Cllr. S. Khahla (Cooperate Services Department)
Cllr. L. Dlova (Budget and Treasury)
Cllr. N. Zikolo (Member without Portfolio)
Cllr. M. Funo (Member without Portfolio)

Section 79 Committee chairpersons

Cllr S Ntukuntezi (MPAC Chairperson)
Cllr MJ Jikijela (Public Participation and Petitions Chairperson)
Cllr Mazitshana (Woman's Caucus Chairperson)
Cllr Ranga (Ethics and Members Interests Chairperson)

Audit Committee Members

Mrs B Mbana Gantsho (Chairperson)
Mrs T Bacela
Mr R Vuzane
Mr S Nombembe

T 2.1.1

COUNCILLORS

The council of Kumkani Mhlontlo Local Municipality has 51 Councillors. 26 are ward Councillors and 25 are proportional representative councillors. The council have two traditional leaders in line with the Local Government: Municipal Structures Act, 117 of 1998.

T 2.1.2

POLITICAL DECISION-TAKING

Council is the highest decision-making body, and all other structures recommend to council for it to take resolutions or note the recommendation. The council has eight (8) sections, 80 committees who report to the Executive Committee. Section 79 committees appointed during the period under review were four (4). They comprise of Municipal Public Accounts (MPAC), Women's Caucus, Public Participation and Petitions Committee as well as Ethics and Members' Interest Committee. The section 80 committees were assisted by their respective whip members to process recommendations, and this created a good mood of the working environment.

T 2.1.3

DRAFT

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The municipal manager is the accounting officer of the institution as per the Municipal Finance Management Act and is appointed according to the Local Government: Municipal Structures Act 117 of 1998 and the Local Government: Municipal Systems Act 32 of 2000.

The municipal manager, during the year 2023/24, has performed all the duties of the accounting officer as stipulated in the legislation with due diligence, taking into consideration all the applicable pieces of legislation governing municipalities. Management committee meetings were scheduled to sit on Monday of every week, except when there are competing activities requiring attention of management. Management stability was the order of the day, hence there were no interruptions reported.

T 2.2.1

SENIOR MANAGERS OF THE MUNICIPAL ADMINISTRATION STRUCTURE TIER 1

MUNICIPAL MANAGER

Mr L. Ndabeni

Senior Managers:

CHIEF FINANCIAL OFFICER

Ms N. Sibobi

SENIOR MANAGER: INFRASTRUTURE SERVICES

Ms Z. Petse

SENIOR MANAGER: CORPORATE SERVICES

Ms T.T Madotyeni

SENIOR MANAGER: COMMUNITY SERVICES

Mr M.N Sineke

SENIOR MANAGER: LEDPARD

Mr. S. C. Ntinzi

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Regulation governing Intergovernmental Relations (IGR) require the establishment of structures and mechanisms aimed at enabling integrated planning and management within the different spheres of government. In striving towards effective intergovernmental relations, the IGR Policy was developed and approved by the council with terms of reference and schedule of meetings for the year.

The technical IGR meetings are chaired by the municipal manager, political are chaired by the mayor and the IGR meetings are sitting as per the schedule. The IGR is always at the centre during the IDP Representative Forums, Public Participation meetings and Mayoral Imbizo's to present their programmes or projects that should be included in the IDP and setting of performance indicators during the Strategic Planning Session.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Kumkani Mhlontlo is a Local Municipality that operates according to the local government legislative framework, which in this case have participated in the meetings at the national level through a special invitation. During the 2023/2024 financial year, there was no invitation received in that regard.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The provincial IGR structures that Kumkani Mhlontlo LM has participated in includes, amongst others, Technical and Political MuniMEC meetings to share progress reports on service delivery across the province. The service delivery models are also shared and benchmarked for the success of the municipalities. It is also worth reporting that the municipality had been exposed to workshops by SALGA covering all the Key Performance Areas. Not only the nice to report about issues are shared, but also challenges and possible solutions.

It is also important to acknowledge, though limited, that the municipality, through the office of the mayor and the municipal manager participated in the Premier's coordinating forum (PCF). The invitation was based on Part 3, Section 17 (3) of the Intergovernmental Fiscal Relations Act 97 of 1997 which states that the Premier may invite any person not mentioned in subsection (1).

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Kumkani Mhlontlo Local Municipality has not yet reached a level of having an entity established.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The District IGR structures mostly depend on the schedule of the District Municipality. Kumkani Mhlontlo Local Municipality has been consistently attending the Technical District Municipal Manager's Forum and District Mayor's Forum meetings whenever invited. However, it is true that the municipality would have a request made to the district based on a matter of interest. With open arms and duty-bound to support, ORTDM would convene such meetings.

T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality accounts to the public through public participation meetings convened by the office of the Speaker and Mayoral Imbizo's convened by the office of the mayor. Good attendance by the communities during the public participation meetings indicates the appreciation that communities have. Most of the time the mayor invites the sector departments to be part of the meetings and respond to the issues raised by the communities.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Public meetings are conducted as a mechanism to report back to the communities. The municipality has formally dedicated the function of communicating with communities through the office of the speaker, office of the mayor, ward councillors through ward committee meetings. IDP representative forum meetings were conducted with communities participating to avoid top-down approach towards development. During the IDP and Budget development processes, communities were involved in all stages or phases. Comments were also done and accepted by the council. They were also incorporated to the IDP.

The IDP Representative Forum consists of the executive committee, councillors, municipal administration, ward committees, community development workers, traditional leaders, government departments and parastatals.

The IDP Steering Committee serves as an organisational platform for the purpose of information exchange, debating and finding common ground on suitable technical solutions and key planning challenges.

There are 5 phases of the IDP preparation, implemented from July 2023 to May 2024.

Measures aimed at enhancing the public participation included, conducting a ward-based planning approach, IDP representative forum and mayoral Imbizos.

The municipal website is used to upload municipal documents for ease of access to the public, i.e.IDP, SDBIP, Budget, SCM reports and performance agreements, amongst others.

T 2.4.1

WARD COMMITTEES

The ward committees were established as per section 73 of the Local Government: Municipal Structures Act (Act 117 of 1998). Election of ward committees was done to all 26 wards with 10 members as a maximum per ward. However, due to various reasons such as attrition, resignations and expulsion, their number dropped from 260 to 258. Ward committee meetings sat and had their minutes processed and submitted to the council.

The objective of a ward committee is to enhance participatory democracy within the municipality through liaison with the communities within the municipality.

T 2.4.2

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Public participation and purpose were to engage community members on service delivery issues	28-July-2024	10	2	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	26-Aug-2024	10	6	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	24-Aug-2024	3	2	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	22-Sep-2024	2	2	100	Yes	The feedback was addressed by Hon Speaker and all Councillors
Public participation and purpose were to engage community members on service delivery issues	27-Oct-2024	5	4	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	02-Nov-2024	5	2	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	15-Nov-2024	4	2	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	25-Nov-2024	1	2	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Moral Regeneration Movement and purpose was to revise moral values of the community members	31-Jan-2025	2	2	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	14-Feb-2025	4	2	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day.

Public participation and purpose were to engage community members on service delivery issues	22-Mar-2025	5	2	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	22-Mar-2025	3	3	100		The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	16-Mar-2025	4	2	100	Yes	The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	26-April-2025	5	2	100	Yes	The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	05-May-2025	7	2	100	Yes	The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day
Public participation and purpose were to engage community members on service delivery issues	07-Jun-2025	4	3	100	Yes	The issues raised by community member related to service delivery were attended and addressed by all councillors on the same day

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The ward committee meetings and public meetings were effective as community concerns have been considered in the municipal planning processes. The ward committee reports also inform the municipality of the challenges faced by the communities as well as their needs. However, the municipality still struggles to compile reports after the meetings and submit to council for consideration. The IDP Public Consultation report was prepared, and all issues raised by communities were captured in the reports and later on in the 2023/2024 IDP Review.

T 2.4.3.1

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?	No
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

* Section 26 of Municipal Systems Act 2000: T 2.5.1

DRAFT

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Kumkani Mhlontlo Local Municipality, like all the institutions that subscribe to the New Public Management (NPM) and its principles, considers it so fundamental to adopt corporate governance principles according to the King Code Report, King IV.

All the oversight committees, with the Audit Committee playing its crucial role of being more of an advisory one and other council committees displayed their commitment. The municipality accounts to the public through annual report, community outreaches and financial statements as well as Auditor General's report.

The corporate governance structure within the municipality in brief, is composed of council, executive committee, council committees including the audit and risk committee. Furthermore, there is a management committee which consists of senior management, and internal audit unit which is also responsible for risk management functions.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

MFMA Act 56 of 2003 section 62(1)(c) states that the accounting officer of the municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems- (1) of financial and risk management and internal control.

Effective from 01 October 2023, the Risk Management Unit conducts Annual Strategic Risk Assessments and develop a Strategic Risk Register, departments develop their own Operational Risk Registers. The Risk Profile of the municipality as per the Risk Registers is used to develop a Strategic and Operational Internal Audit Plan.

Quarterly, the implementation of risk mitigations strategies/actions is monitored and reported to the Risk Management Committee and the Audit Committee.

The effectiveness of the risk management activities for 2023/24 will be reviewed by the OR Tambo district municipality and report will be submitted to the Risk Management Committee and Audit Committee as was previously done for the 2023/2024 financial year.

The municipality had identified the following Top 5 risks:

1. Inadequate leadership and technical skills
2. Poor governance, risk management and compliance
3. Inadequate financial management
4. Poor stakeholder engagement
5. Underutilisation of available economic opportunities within the municipal jurisdiction.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality had its own adopted Fraud and Anti-Corruption Policy during the year under review. The municipality has put various measures to prevent fraud and corruption through signing of declaration forms and disclosure of interest forms. The municipality has established bid committees as per supply chain regulations and policy. Companies were registered in the municipality's data base and Central Supplier Database (CSD) to prevent possible fraud.

Furthermore, fraud and corruption awareness workshops are facilitated by Risk Management Unit annually. A Fraud Risk Register is compiled and monitored throughout the year. Report on fraud and corruption incidents are a standing agenda item of the Risk Management Committee and External Audit Steering Committee meetings.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The supply chain management (SCM) policy was reviewed during the 2023/2024 financial year. Certain amendments to the SCM policy to improve operational efficiency were tabled before council for approval. The municipality is required to forward its SCM policy to the provincial treasury on an annual basis for scrutiny and compliance verifications against the model SCM policy that was issued by the national treasury.

The purpose of this exercise is to determine whether the municipal SCM policy deviates from the stipulations of the SCM regulations. The municipality's SCM policy complies with the regulatory framework.

The SCM function cuts across all departments. Although governance is at its core, supply chain management plays a vital role in contributing towards service delivery in a manner that is fair, equitable, transparent, competitive, and cost-effective.

The municipality applied the bid committee system for procurement above R 200,000 and for the procurement of long-term contracts. The bid committees namely the Bid Specification Committee, the Bid Evaluation Committee and the Bid Adjudication Committee are all functioning effectively. The bid committee members are appointed by the municipal manager in line with the relevant legislation.

The findings from the Auditor-General for the previous financial year were focused on and the department aiming to not have repeat findings on new matters for the next financial year.

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during Year 2023					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Building management bylaw		Yes	10 August 2023	No	N/A
Informal Trading bylaw		Yes	27 July 2023	No	N/A
Waste bylaw		Yes	13 November 2023	No	N/A
Liquor bylaw		Yes	9 November 09	No	N/A

***Note: See MSA section 13: T 2.9.1**

2.10 WEBSITES

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

Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.

T 2.10.1

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

The municipality's website has been stable and updated in 2023/2024

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

No public participation satisfaction surveys were conducted.

T 2.11.1

DRAFT

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

INTRODUCTION

Service delivery is about providing basic services to the communities within the municipal space. These services include construction of roads, provision of water, sanitation, electricity, solid waste management, building decent houses and provision of social infrastructure in a form of (community hall, pre-schools, and sporting facilities). Services are not limited to that, but some are a mandate that is with other government departments and state-owned entities (SOEs). The municipality has not and is still too far from satisfactorily providing services due to historic backlogs that continue haunting the communities of Mhlontlo.

T 3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

Mhlontlo local Municipality is using grant funding (Municipal Infrastructure Grant, INEP Extended Public Works Program and a portion of the Equitable share) to provide services to the communities as a result the pace is not in line with the competing needs of the community.

During 2023/24 financial year the municipality had managed to practically complete 20.9 kilometres of gravel access roads in ward 3 and 08. 41.2 kilometres in ward 12,20, 11 and 5 was still work in progress at the end of financial year and all the projects are planned to be completed during 2023/24 financial year.

In terms of electricity roll-out the municipality is doing relatively well, 100% of the historic backlog has been completely aggressed. Infills and the extensions is the new challenge facing the municipality in terms of electricity rollout. There are no clear targets on backlog, the cost per connection has doubled due to density issues and the bulk infrastructure that needs to be upgraded in areas where connection needs to be done. During the year of reporting 1206 households of infills and extensions were connected in wards 10, 12, 15, 16,21,22,23,25,15,11,21 ,23 and 10)

The municipality is having a high backlog around provision of social infrastructure in a form of sporting facilities, community hall and pre-schools. During the development of the new IDP (2026/27) the municipality had prioritized provision of community facilities in a form of pre-schools and community halls as a result planning and feasibility studies for two pre-schools and two community halls. During the year of reporting two community halls in ward 26(Sidwadweni and 18 (Sithangameni together with two pre-schools in ward 7(Ntibane Farms) and 15(New homes) were under construction at the year end. On provision of sporting facilities performance of service providers and contract management has been a challenge. Construction of three sports fields is due to be completed in 2024/25 financial year.

The department of roads and transport operate within the municipality to ensure maintenance of roads and bridges, and the information is provided through Roads Forum. The intervention programmes such as the inhouse team from the department of transport and other intervention by SANRAL to assist in the construction and maintenance of roads that are leading to schools and clinics.

The district municipality is both a water service authority and a provider. Water and sanitation is a funded mandate of the OR Tambo district municipality for both development of new infrastructure and maintenance. During the year under review, the municipality has experienced dire water shortages to an extent of having communities forced to purchase due to either poor workmanship on the existing water schemes and infrastructure or poor monitoring of the schemes. Currently wastewater and sewer collection remain a challenge in both towns within the municipal jurisdiction. Wastewater treatment works is currently under construction in Tsolo whereas it is still under planning in Qumbu.

Department of Human Settlements (DoHS) is responsible for budgeting for houses that are to be built within the municipal area. The coverage is below demand as there is a slow programme when the projects are on construction. The municipality works with DoHS through housing strategy to ensure that houses identified for housing construction are informed by Housing Sector Plan.

For the 2023/24 financial year, the department of Infrastructure Development Services set itself fourth-two (42) targets. The department managed to achieve thirty (30) of those, whilst twelve (12) were not achieved due to various reasons that are ascribed and attributed on the quarterly reports.

T3.1.0

3.1 WATER PROVISION

INTRODUCTION TO WATER PROVISION

This function resides with the district municipality; however, it is worth mentioning that the municipality is experiencing major challenges in terms of water supply.

T 3.1.1

3.2 WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

This function resides with the district municipality; however, it is worth mentioning that the municipality is experiencing challenges with sewer spillages due to dilapidated infrastructure.

T 3.2.1

3.3 ELECTRICITY

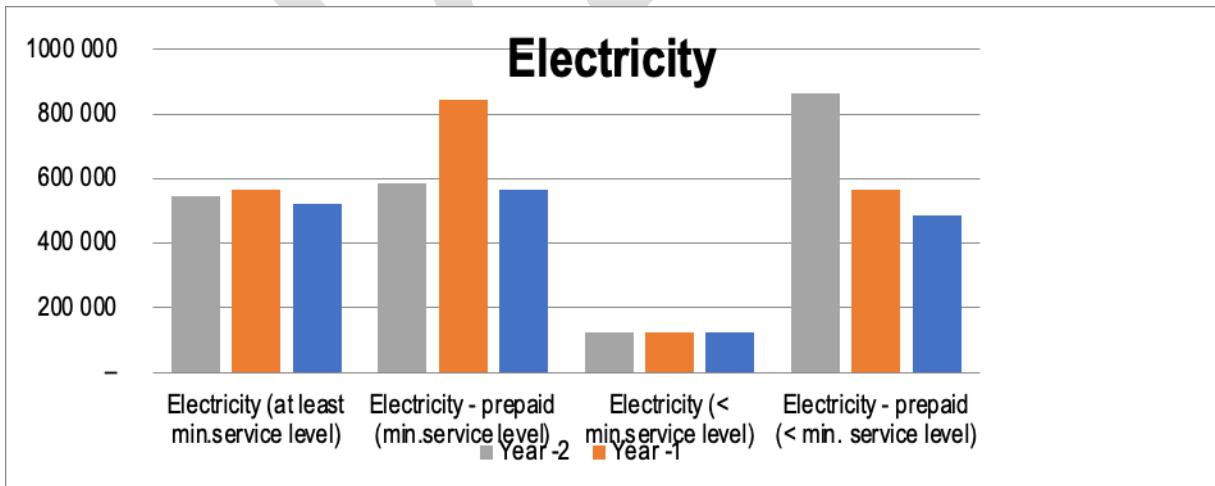
INTRODUCTION TO ELECTRICITY

The municipality is not licenced to provide electricity; hence it is an Eskom's area of operation and maintenance. Electrification program of the municipality focused in all wards including urban and rural areas. The institution is solely being funded by Department of Energy through schedule 6 that gets to be allocated to Eskom and schedule 5(b) that gets to be allocated directly to the municipality for eradication of electricity backlogs in municipal area. One thousand two hundred and six households (1206) of infills and the extensions were electrified by the municipality in 8 different wards.

Villages that benefited are Langeni, Mhlahlane, Nothanaza, Qanda, Mbokothwana, Mfabantu, Nqgongo, Mfundisweni Mbombo, qumbu development housing and Moyeni.

Maintenance of streetlights and high mast lights for both towns had been conducted as at when the need arise.

T 3.3.1



Electricity Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min.service level)	655	547	565	523
Electricity - prepaid (min.service level)	565	587	846	565
<i>Minimum Service Level and Above sub-total</i>	1,220	1,134	1,411	1,088
<i>Minimum Service Level and Above Percentage</i>	52.8%	52.8%	66.3%	62.1%
Energy: (below minimum level)				
Electricity (< min.service level)	112	123	124	124
Electricity - prepaid (< min. service level)	955	865	565	487
Other energy sources	24	26	28	54
<i>Below Minimum Service Level sub-total</i>	1,091	1,014	717	664
<i>Below Minimum Service Level Percentage</i>	47.2%	47.2%	33.7%	37.9%
Total number of households	2,310	2,147	2,127	1,753
				T 3.3.3

Households - Electricity Service Delivery Levels below the minimum						
Description	Households					
	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	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
Informal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
						T 3.3.4

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		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Indicators (i)	(ii)								
Service Objective xxx									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)
Energy supply		628	628	966	1206	303	0	0	0
<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 Intergrated 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 3.3.5

Employees: Electricity Services					
Job Level	Year -2021		Year -2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	1	1	1	0	0%
Total	1	1	1	0	0%

Financial Performance Year 2023: Electricity Services					
R' 000					
Details	Year -2021	Year -2023			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	838 815			821 914	0%
Repairs and Maintenance	2 001 830	3 000 000	2 860 040	4 177 386	0.043%
Other	1 987 308	2 228 725	2 228 725	4 395 732	0%
Total Operational Expenditure	4 827 954	5 228 725	5 088 765	9 395 032	0.059%
Net Operational Expenditure	4 827 954	5 228 725	5 088 765	9 395 032	0.059%

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 3.3.7

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	20 968	26 968	26 968	22%	
Electrification in various wards	20 968	26 968	26 968	22%	280
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The municipality is not licenced therefore the issues of maintenance and vendoring are handled by eskom. 100% of the historical backlog had been adressed. The challenge is with the extensions and the infills and Eskom is assisting the municipality in that regard.

T 3.3.9

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

INTRODUCTION TO WASTE MANAGEMENT

Waste removal service:

The total number of households with access to waste removal services was 2 022 by June 2024, against the expected 43 414 households eligible for receiving the service.

The Municipal service extends to both municipal towns (Tsolo and Qumbu) but excludes farms and rural areas.

The municipality is experiencing spatial growth in both residential and business areas. As a result, the current departmental resources are under pressure to meet the demand for waste collection.

Waste management service is also provided to informal settlements although these are serviced through communal skip bins.

The street cleaning and clearing of illegal dumping services for all the streets in towns, main entrances, and open spaces was carried out by permanent municipal employees, and temporary employees appointed through the Expanded Public Works Programme (EPWP).

The cleaning of streets is also rendered after hours through EPWP to ensure that the town is kept clean at all times.

Waste storage and disposal

Currently, there is one (1) waste transfer station within the municipality which is located in Tsolo. There is one class B licensed landfill site in Qumbu. The Tsolo landfill site is not functional.

Recycling

Mhlontlo local municipality was declared as a regional waste recycling centre for the OR Tambo District. There are two buy-back centres one in Tsolo and other one in Qumbu. They collect waste and separate it according to various categories like plastic, papers, glasses and tins and sell them to outside buyers.

Environmental education and awareness

A total of eight awareness campaigns were conducted during the financial year 2023/2024.

Measures taken to improve performance include the acquisition of additional equipment annually and appointment of additional personnel to meet the increasing demand for waste management services. Bins have been installed in various areas within municipality for storage of waste and promote clean environment.

All indigent households, including RDP houses in both towns, are provided with a waste collection services at least once a week. Where there is no kerbside waste collection services, bulk containers are provided at strategic points for collection by the Municipality. The Municipality plans to extend kerbside waste collection in the upcoming financial year.

T 3.4.1

Solid Waste Service Delivery Levels				
Description	Year -2020	Year -2021	Year -2022	Households
	Actual	Actual	Actual	Year -2023
	No.	No.	No.	Actual
Solid Waste Removal: (Minimum level)				
Removed at least once a week	1411	1611	1611	2022
<i>Minimum Service Level and Above sub-total</i>	1	2	2	2
<i>Minimum Service Level and Above percentage</i>	100,0%	100,0%	100,0%	100,0%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	-	-	-	-
Using own refuse dump	-	-	-	-
Other rubbish disposal	-	-	-	-
No rubbish disposal	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-
<i>Below Minimum Service Levelpercentage</i>	0,0%	0,0%	0,0%	0,0%
Total number of households	1	2	2	2

T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
Informal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households ts below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households ts below minimum service level	25%	25%	25%	25%	25%	25%
						T 3.4.3

Waste Management Service Policy Objectives Taken From IDP

Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0		Year 1	Year 3			
		Target	Actual	Target		Actual	Target			
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
Service Objective xxx										
Provision of weekly collection service per household (HH)	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	xxx weekly collection failures	% reduction from year -1 (xxx weekly collection failures)	% reduction from year -1 (xxx weekly collection failures)	% reduction from year -1 (xxx weekly collection failures)	% reduction from year -1 (xxx weekly collection failures)	% reduction from year -1 (xxx weekly collection failures)	% reduction from year -1 (xxx weekly collection failures)	% reduction from year -1 (xxx weekly collection failures)	% reduction from year -1 (xxx weekly collection failures)
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage	T0 years of unused landfill capacity available	A0 years of unused landfill capacity available	T1 years of unused landfill capacity available	T1 years of unused landfill capacity available	A1 years of unused landfill capacity available	T2 years of unused landfill capacity available	T5 years of unused landfill capacity available	T5 years of unused landfill capacity available	T5 years of unused landfill capacity available
Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.	T0% of year 0 waste recycled	A0% of year 0 waste recycled	T1% of year 0 waste recycled	T1% of year 0 waste recycled	A1% of year 0 waste recycled	T2% of year 0 waste recycled	T5% of year 0 waste recycled	T5% of year 0 waste recycled	T5% of year 0 waste recycled
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	T0% of sites compliant	A0% of sites compliant	T1% of sites compliant	T1% of sites compliant	A1% of sites compliant	T2% of sites compliant	of sites compliant	T5% of sites compliant	T5% of sites compliant

*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 Intergrated 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 3.4.4

Employees: Solid Waste Magement 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	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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.

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	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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.

T3.4.6

Financial Performance Year 0: Solid Waste Management Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

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 3.4.7

Financial Performance Year 0: Waste Disposal and Other Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
<i>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.</i>					T 3.4.8

Capital Expenditure Year 0: Waste Management Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.4.9

The municipality during the year under review have drafted and approved integrated waste management plan for implementation and it is in line with the national waste management strategy. In general, the municipality has been able to provide kerbside collection and clearing of illegal dumping sites. The department has some challenges in landfill site, it needs rehabilitation and opening of new as per the DWAF minimum standards for managing landfill sites. Further challenges in domestic waste collection are caused by various informal lands uses in residential areas.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

Housing Sector Plan review is being implemented as the service provider was appointed in March 2023 and housing allocation policy is in the process of being developed.

Mhlontlo Local Municipality has been appointed by Department of Human Settlements as implementing agent for 260 housing units. The consultant was appointed for the Phase 1 of the project and the municipality is in the process of appointing 10 SMMEs for Phase 2 of the project. The municipality meets on a regular basis with OR Tambo DM and Department of Human Settlements to address backlogs that are encountered. There is also a portfolio committee within the municipality that is mandated to play a facilitation role in relation to human settlements.

The municipality is faced with a number of unfinished projects and recent disasters that has led to litigations.

T 3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	560000	350000	62.5%
Year -2	654000	450000	68.8%
Year -1	654000	500000	76.5%
Year 0	684000	540000	78.9%
			<i>T 3.5.2</i>

DRAFT

Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	xxxxxx additional houses (xxxxxx houses required)	xxxxxx additional houses (xxxxxx houses required)	xxxxxx additional houses (xxxxxx houses required)	xxxxxx additional houses (xxxxxx houses required)	xxxxxx additional houses (xxxxxx houses required)	xxxxxx additional houses (xxxxxx houses required)	xxxxxx additional houses (xxxxxx houses required)	xxxxxx additional houses (xxxxxx houses required)
The Function of Housing delivery vests with the Department of human Settlements and the Municipality plays an oversight role									
<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 Intergrated 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>									

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					
4 - 6					
7 - 9					
10 - 12	1	1	1	0	0%
13 - 15					
16 - 18		1			
19 - 20					
Total					

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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 3.5.4

Financial Performance Year 0: Housing Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

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 3.5.5

Capital Expenditure Year 0: Housing Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	N/A	N/A	N/A	N/A	N/A
Project A					
Project B					
Project C					
Project D					

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.5.6

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

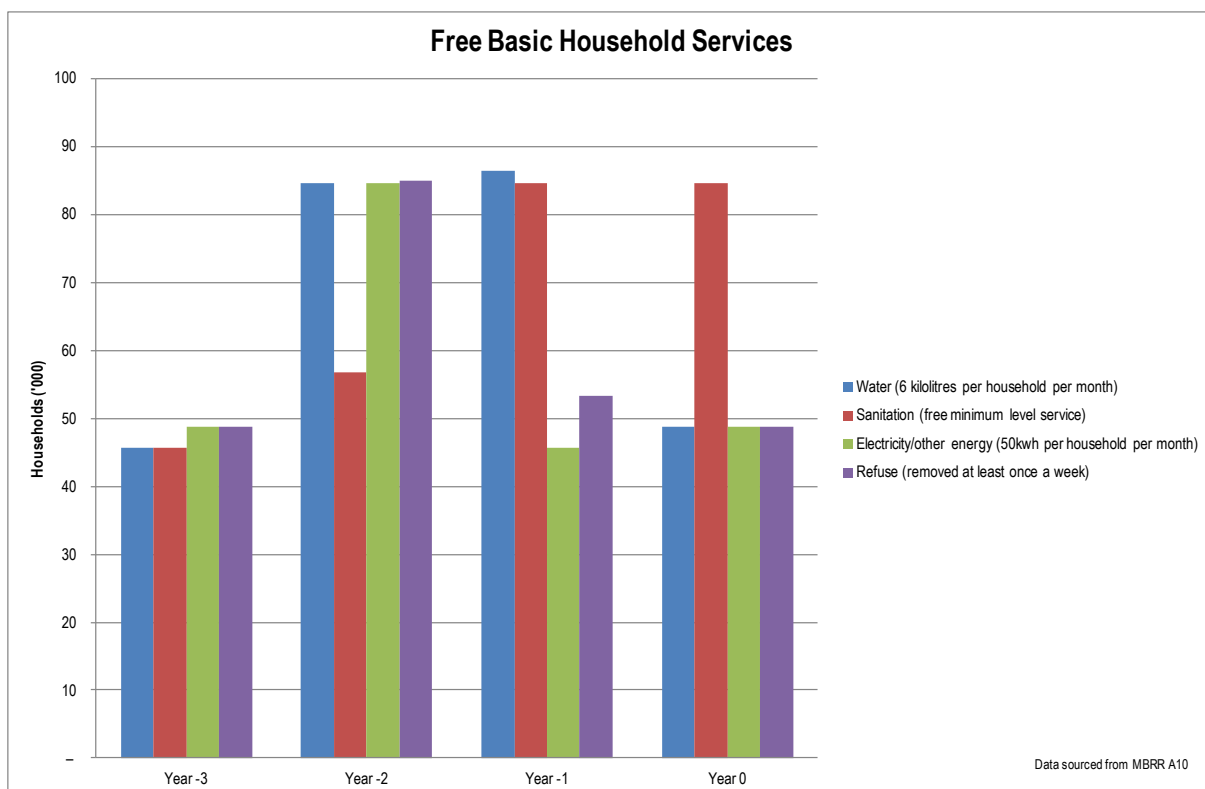
The purpose of the indigent policy is to implement the national initiative to improve the lives of indigents and to improve access to free basic services. The policy is aimed at providing a social safety net to relieve poverty within communities.

The municipality does have dedicated personnel to update the indigent register and to evaluate all applications for indigent support.

The following free basic services are provided to qualifying indigents:

1. 1.50kWh (units) of free basic electricity per month.
2. 2.100% rebate on assessment rates.
3. The waste removal rate in respect of indigents, be fully discounted.

T 3.6.1



T 3.6.

Free Basic Services to Low Income Households										
Number of households										
Households earning less than R1,100 per month										
	Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
		Year - 2021	186 043	186 043		0%		0%	11 287	6%
Year - 2022	203 421	203 421		0%		0%	12 836	6%	265	0%
Year - 2023	241 239	241 239		0%		0%	12 836	5%	265	0%

T 3.6.3

Financial Performance Year 2023: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -2022	Year -2023			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	0	0	0	0	
Wastewater (Sanitation)	0	0	0	0	
Electricity	8 249 481	2 614 145	2 614 145	5 063 328	48%
Waste Management (Solid Waste)	19 281	-	-	266 641	100%
Total	8 268 762	2 614 145	2 614 145	5 329 969	51%

T 3.6.4

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			
		*Previous Year		*Previous Year	*Current Year	*Current Year	*Current Year	*Following Year	
		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)

Service Objective xxx										
Provision of alternative support to low income households that do not receive all Free Basic Services	Low income households (LIHs) who do not receive all the free basic services but <u>do</u> receive alternative support (Total number of LIHs not in receipt of free basic services)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)

*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 3.6.5

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

Indigent relief is annually provided from an equitable share allocation. The number of indigents increased when compared to previous years mainly due to the economic climate in the country.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes roads; transport; and wastewater (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

Issues pertaining road transport are still a challenge in our municipal space. The mode of transport that is commonly used are the bakkies which are considered not safe to transport people. The conditions in our road network is also not in a position to bring relief to the challenge especially after the serve rains that had course a huge damage to the infrastructure.

T 3.7.0

3.7 ROADS

INTRODUCTION TO ROADS

The municipality plays a pivotal role in the whole community to construct and maintain Access Roads and Road Black Top Surfacing to ensure swift mobility from and to different nodal points.

The Municipal Infrastructure Grant and Equitable Share actual assist with the funding in ensuring that roads which are prescribed to be constructed and maintained by the LM are implemented.

The Service Providers actually do the implementation of the projects and have a responsibility to ensure the high standard of work.

The department ensures that the monitory value and the standard of work do tally each other in any of the projects undertaken within the area of jurisdiction of the Municipality.

T 3.7.6

<i>Indicators</i>	Previous Year -2 Planned	*Previous Year -2 Actual	Previous Year-1 Planned	*Previous Year -1 Actual	Previous Year -0 Planned	Previous Year -0 Actual	*Current Year (Planned)	*Current Year Actual	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
1.1.3 A 200 kms of gravel access roads maintained	25 Km access roads completed	25 Km access roads completed	64.7 kilometres of maintenance by june	25 Km access roads completed	Maintenance of 100km access roads	Maintenance 255.6 km from various access roads had been conducted. Key activities that were undertaken in its blading and patch re-gravelling.	160km Blading of gravel Access roads 40 km of Patch-	During the year of reporting 163,3km of Blading and 45,11 km of patch re-gravelling were achieved as a result there was an over achievement of 3,3 km km on blading and 5,11km on patch-re-gravelling	200 kms of gravel access roads maintained
Maintenance of 14km access and urban roads	14Km access road completed	Maintenance of 14km roads in	Maintenance of 14km urban roads by June by June 2021	14Km access road	Maintenance of 14km	14km of the road maintenance	Maintenance of 14km	14km of the road maintenance (Pothole	14Km access road

		Qumbu and Tsolo was completed		completed	urban roads	(Pothole patching, asphalt, concrete works were done)	urban roads	patching, asphalt, concrete works, Installation of Kerbs, installation of Stormwater pipes, and re-gravelling of streets was conducted	completed
1.1.5 Provincial roads maintenance (T-Roads) – 107 kms of blading. 4.5 km of re-gravelling per quarter completed	450Kms T-roads completed. 25km of	450Kms T-roads completed. 25km of		450Kms T-roads completed. 25km of	Construction of 2km Qumbu Landfill Site surfaced road	The project was planned to be implemented by the department of roads and transport	The project was planned to be implemented by the department of roads and transport	The project was planned to be implemented by the department of roads and transport	The project was planned to be implemented by the department of roads and transport
Provision of storm water facilities in Qumbu and Tsolo towns	N/A	N/A	To install 3.27km bulk storm- water with related manhole facilities in Tsolo town by June 2021	The project was delayed by the heavy rains that had occurred during the third quarter. Some of the work that was completed at the stage had to be re-done because it was washed away. To-date Site establishment, Site Clearance, Earthworks are complete, 2286m Sub-soil drains is complete	Km of storm water facilities installed by June 2022	Site establishment, 3020 m for laying paving bricks has been completed. The remaining work is the laying of 250m of bricks and construction of the bridges by June 2022	Complete construction of 1km V Drains channels and laying of 2km of stormwater culverts at Tsolo stormwater phase 2 by June 2023	The overall progress on the completed works is about 27%, the project is far behind the scheduled completion time, there is lost time of about 6,3 months. The main challenge is the service provider not providing adequate resources to complete the project.	Planning for construction of Qumbu Stormwater management

				e and Laying of 1600m segment paving bricks. Placing of culverts for the two low level crossings is complete					
1.1.1 A 100 kms of constructed quality access roads with storm water management constructed	Construction Of 28,9 km of gravel access roads to be completed by June 2019	1Construction of 8,9 km of access roads were completed by June 2019 as against the 28,9 that was planned	Construction of 83,98 km of gravel access roads complete by June 2021	Of 73,18 km of gravel access roads was completed in 2021	Construction of 71,93km of gravel access roads completed in June 2022	Construction of 39,49 kilometers of gravel access roads were completed against the 73,18 that was planned	Construction of 66,7 km of New gravel Access roads was planned	56,35 km was constructed and practical completed	Construction of 20km gravel access roads completed
1.1.2 A 15 kms of quality surfaced urban roads with storm water management constructed	Construction of 6,8km construction of surfaced access roads completed in Qumbu by June 2019	Construction of 6,8 kilometers was completed in June 2019	N/A	N/A		N/A	Prepare planning and designs completed.	Planning and design for surfacing of internal streets in Qumbu was completed	Construction of 4km of surfaced access roads completed by June 2025
1.1.4 A 170 kms of gravel access roads rehabilitated	N/A	N/A	Rehabilitation of 25,85 kilometers of access roads completed and Construction of 70 x 5.5 x 0.150m Khalankomo concrete Slab by completed June 2021	Rehabilitation of 25,85 km of gravel access road were rehabilitated by June 2021	Rehabilitation of 30km of gravel access roads from various wards of Mhlontlo LM, construction 85 m of reinforced concrete slab and construction 2 km of Stone pitching construction complete	Rehabilitation of 30km access road, construction of 85m slab and 2km stone pitching were completed by June 2022	Rehabilitation of 34km of gravel access roads prioritized in the rehabilitation plan of Mhlontlo LM by June 2023	Rehabilitation of 48,127 Km of gravel access roads was achieved during the year of reporting as against the 34km that was planned therefore there was an over achievement of 14,127 km. Rehabilitation work was done in ward (18,14,16,9, 17,13,26,25, 2,7,21,24- and 23)	Rehabilitation of 34km of gravel access roads completed by June 2025

					d by June 2022				

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Employees: Road Services					
Job Level	Year -2021	Year 2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	2	18	17	850%
4 - 6	17	34	2	0	0%
Total	20	36	20	17	47%

Financial Performance Year 2022: Road Services					
					R'000
Details	Year -2021	Year -2022			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	0	4653950	4653950	21963196	79%
Expenditure:					
Employees	4293	8446407	8446407	15140300	44%
Repairs and Maintenance	520	1540123	1540123	647080	-138%
Other	0	73458666	73458666	47866872	-53%
Total Operational Expenditure	4813	83445196	83445196	63654252	-31%
Net Operational Expenditure	4813	78791246	78791246	41691056	-89%
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 3.7.8

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

The municipality has prioritised eight new gravel access roads with total kilometers equivalent to 65,12, 22,92 access roads were completed in ward 03 and 8(Nomhala to St Curthberts). four access roads which are 16km Nodali to Madiba, 10km T123 cameron to Ngudle, 10km Ntibane to Mabheleni and 6km caweni to dumanei were still work in progress as at the end of the financial year. Retention monies for access roads that were completed in 2023/24 financial year were for shawbury to Mncetyana, Tar to Suthwini, Sboko to Stadium and Gqunu Farms. Rehabilitation of eight access roads that were

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Mhlontlo Local Municipality's licensing and testing services carry out the licensing and testing functions in terms of the service level agreement entered between the municipality and the Eastern Cape Provincial Department of Community Safety, Security & Liaison. The municipality is having two centres in Qumbu - which offers vehicle licencing and testing services, and Tsolo, which does not offer testing services due to inadequate facilities. The municipality is not issuing permits on bus operations, such function is in the competency of Department of Transport.

The services offered at the Licensing Department include the following:

- - Vehicle Registrations and Renewal of Vehicle License discs.
- - Issuing of learners and drivers licenses
- - Deregistration of motor vehicles.
- - Maintaining 7 working days turnaround time to process applications for learners and drivers' licenses.

CHALLENGES ARE AS FOLLOWS:

1. 1. Increased demand for licensing services, but the facilities have not been upgraded to meet the customers' demands.
2. 2. There is a need to upgrade the existing facilities and to build the new one as our municipality is the fastest growing town.
3. 3. Inadequate new eye testing machines to process the application for learners, driver's licenses and professional driving licenses.

T 3.8.1

DRAFT

Transport Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<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 Intergrated 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>									T3.8.3

Employees: Transport 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	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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. T3.8.4

Financial Performance Year 0: Transport Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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 3.8.5

Capital Expenditure Year 0: Transport Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.8.6

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL

T 3.8.7

3.9 WASTEWATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Kumkani Mhlontlo Local Municipality has prioritised the implementation of stormwater drainage projects specifically for the urban areas. These projects have not been implemented in previous financial years due to funding unavailability. The funding for planning and design of the stormwater facilities in the urban areas had been budgeted for in the next financial year.

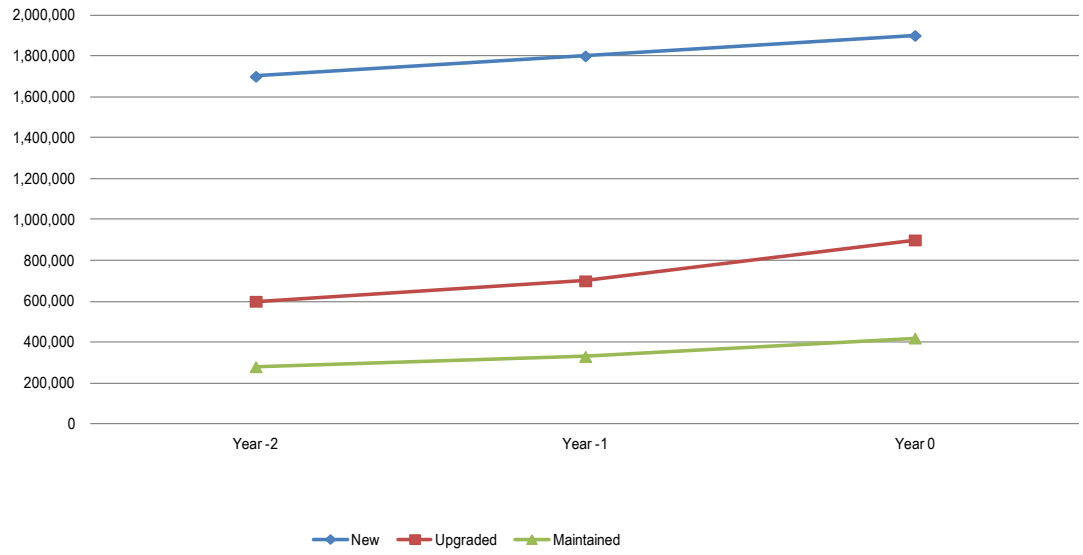
Minor stormwater drainage is done with roads construction as for diverting surface water to lower lying areas such as nearby rivers.

T 3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2020	0	0	0	0
Year -2021	0	0	0	0
Year -2022	0	0	0	0
				T 3.9.2

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
Year -2	1,700,000	600,000	280,000	
Year -1	1,800,000	700,000	330,000	
Year 0	1,900,000	900,000	420,000	
			T 3.9.3	

Stormwater infrastructure costs



T 3.9.4

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Stormwater Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Development of fully integrated stormwater management systems including wetlands and natural water courses	Phasing in of systems	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining
<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 Intergrated 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 3.9.5

Employees: Stormwater 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	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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 3.9.6

Financial Performance Year 0: Stormwater Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

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 3.9.7

Capital Expenditure Year 0: Stormwater Services					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.9.8

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

Kumkani Mhlontlo Municipality has prioritised the implementation of storm water drainage projects specifically for the urban areas. These projects have not been implemented in previous financial years due to funding unavailability and till to date storm water as major project has been a challenge.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes Planning, and Local Economic Development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Planning is a primary spatial response to the development context, needs and development vision of the municipality. It is a key land use management tool of the municipality as it has an important role to play in guiding and managing municipal decisions relating to the use, development and planning of land. It does this by:

- a) Identifying key spatial challenges facing the municipality. In so doing identify key strategies for spatial restructuring and achieving the desired outcomes for future use and development of land.
- b) Identifying areas that are not suitable for development and outlining areas that should be conserved.
- c) Providing policy guidance to direct decision making on the nature, form, scale and location of urban development.
- d) Guiding the direction of growth by outlining areas in which types of land use should be encouraged or discouraged and areas in which the intensity of land development could either be increased or reduced.
 - Guiding both private and public development investment initiatives to appropriate areas for investment.
 - Guiding and informing municipal infrastructure investment.
- e) Guiding public investment, namely the provision of community facilities or any other spending of public funds.
 - Providing a visual representation of the desired spatial form of the municipality.
 - Providing sustainable functional and integrated human settlements and maximise resources efficiency.

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

Planning is a primary spatial response to the development context, needs and development vision of the municipality. It is a key land use management tool of the Municipality as it has an important role to play in guiding and managing Municipal decisions relating to the use, development and planning of land. It does this by

- a) Identifying key spatial challenges facing the municipality. In so doing identify key strategies for spatial restructuring and achieving the desired outcomes for future use and development of land.
- b) Identifying areas that are not suitable for development and outlining areas that should be conserved.
- c) Providing policy guidance to direct decision making on the nature, form, scale and location of urban development.
- d) Guiding the direction of growth by outlining areas in which types of land use should be encouraged or discouraged and areas in which the intensity of land development could either be increased or reduced.
- e) Guiding both private and public development investment initiatives to appropriate areas for investment
- f) Guiding and informing municipal infrastructure investment.
- g) Guiding public investment, namely the provision of community facilities or any other spending of public funds.
- h) Providing a visual representation of the desired spatial form of the municipality.

The Kumkani Mhlontlo SDF is a strategic document and is prepared at a broad scale. It is meant to guide and inform land development and management. It should:

- Determine spatial priorities.
- Set out spatial form objectives.
- Detail strategies and policies for the above that indicate desired patterns of land use, address spatial reconstruction, and provide decision making processes relating to the nature and location of development
- Provide basic guidelines for a Land Use Management System.

Through the SDF, the municipality is informed about the problems affecting its municipal land area and being guided by information on available resources, is able to develop and implement appropriate strategies and projects to address spatial problems. The Mhlontlo SDF (2007) defines Mhlontlo municipality as an area that covers approximately 234.4 km with urban centres and comprises of extensive land utilised for agricultural purposes (livestock farming and crop production) around two urban centres that is Tsolo and Qumbu. Increasing urbanization of the rural areas and poor planning of the past has been a cited in the SDF as a serious threat to the development of agriculture in Mhlontlo area. The second economy (manufacturing or value adding activities) is also considered to be weak. Various types of retailers in the tertiary sector of the economy dominate the economic activity of the region. Qumbu and Tsolo serve as service centres for the broader municipal area (Mhlontlo SDF, 2018/2019)

According to the Mhlontlo SDF (2018/2019), some special development areas (nodal areas) have been indicated and has further identified priority nodal areas for priority spending by the Municipality. These areas have existing potential which need to be improved and already have some facilities to promote integrated development. They are strategically located at points of accessibility where higher order community facilities can be clustered to ensure that several rural settlements are served in a more efficient manner.

It is further indicated that Qumbu and Tsolo urban centres are considered the most important nodal areas within Kumkani Mhlontlo Local Municipality. According to the Mhlontlo SDF (2018/2019), some projects have already been identified to improve the function of these Urban Centres. Improvement of infrastructure in both these Urban Centre's will ensure provision of a higher level of services. According to the Mhlontlo SDF (2018/2019), most people from our municipal jurisdiction are still commuting to Mthatha to purchase necessary goods according to their specific needs such as banking services that are not available in our economic nodes. The Kumkani Mhlontlo Local Municipality Spatial Development Framework (SDF) was last reviewed in the 2018/19 financial year and is currently under review.

The SDF goes further and identify prioritized secondary nodes. These are rural nodes where the focus would be on development planning for livelihoods support and agricultural development. They are key target areas for land reform. These rural settlements were not formally planned and the need for rationalisation has been identified. The prioritized secondary nodes include the following areas:

- Tsolo Junction
- Langeni Forest
- Tsitsa Falls
- Tina Falls
- St Cuthberts
- Sulenkama

In order to achieve all the proposed interventions and to manage the development lot by lot basis, it is required to prepare land use management guidelines as identified in the Mhlontlo SDF, 2018/2019. In addition, incorporation of such initiative will ensure that the spatial form of development as envisaged in the IDP is achieved. The issue of lack of management and uncontrolled development of land necessitate development of a land use management system. This results in some social, health and environmental hazards like:

Uncontrolled development can have a negative effect on natural resources, including air and water quality; and some land uses are detrimental to health and safety.

The municipality is currently in the joint municipal planning tribunal with Nyandeni Local Municipality and the OR Tambo DM; there is Council resolution to this effect.

T 3.10.1

Detail	Applications for Land Use Development					
	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	N/A	N/A	N/A	2 Applications	0 Application	
Determination made in year of receipt	N/A	N/A	N/A	1 application	10 Application	
Determination made in following year	N/A	N/A	N/A	1 application	1 Application	
Applications withdrawn	N/A	N/A	N/A	0 applicationj	0 Application	
Applications outstanding at year end	N/A	N/A	N/A	1 application	0 applications	

Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Indicators (i)	(ii)								
Service Objective xxx									
Determine planning application within a reasonable timescale	Approval or rejection of all build environment applications within a x weeks	Determination within x weeks	Determination within x weeks	Determination within 12 weeks	Determination within 12 weeks	Determination within x weeks	Determination within 11 weeks	Determination within 8 weeks	Determination within 8 weeks
	Reduction in planning decisions overturned	X planning decisions overturned	X planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	X planning decisions overturned	4% planning decisions overturned	No planning decisions overturned	No planning decisions overturned
the Physical planning applications are submitted to the District Planning tribunal as the Mhlontlo Local Municipality is Part of together with the Nyandeni local Municipality and Or Tambo District Municipality									
<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 3.10.3

Employees: Planning Services					
Job Level	Year -2021	Year -2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	1	1	1	1	100%
13 - 15	2	2	2	0	0%
16 - 18	1	1	1	0	0%
Total	4	4	4	1	25%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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 3.10.4

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					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

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 3.10.5

Other	934 120	2 100 000	2 100 000	123 320	-1603%
Total Operational Expenditure	3 279 093	4 573 297	4 573 297	2 347 641	-95%
Net Operational Expenditure	3 279 093	4 573 297	4 573 297	2 347 641	-95%

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 3.10.5

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
Project C					
Project D					

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.10.6

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

The municipality is currently overcoming the issue of land claims which makes it very difficult for the execution of the various physical planning projects, several interventions are being done to overcome such challenges, also the municipality is trying to align its development objectives to the land development guiding documents as prescribed by the Spatial Planning Land Use Management act of 13 of 2016.

The municipality will be funded by COGTA through the Small Towns Revitalisation program for the Precinct plans of both our Towns (Qumbu and Tsolo) these plans will prioritise in providing a framework for co-ordinating public and private investments as well as directing developments.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The key economic drivers of the municipality are tourism, community services, retail and trade and agricultural sectors; however, retail and trade and agriculture have experienced low growth in the recent period. This can be attributed to lack of infrastructure investment, educational and skills development, low levels of investment promotion and attraction, declining population and rural-urban migration. Land tenure issues are a constraint to economic development. The local economy is mainly consumptive with limited production which can be attributed to the rural nature of the area. Private investment has been mainly in the forestry sector particularly at Langeni Forest which has a sawmill, veneer plant and chipboard of which the latter has been closed down in recent years. The municipality has developed 5-year LED Strategy, Tourism Master Plan and adopted Trade and Investment Promotion Strategy as a means of attracting and retaining investors with the dedicated official responsible for the portfolio.

The area is endowed with natural resources and heritage sites which can contribute to tourism development.

Part of the challenges is basic infrastructure that can enhance economic development of the municipality. In order to address the challenges highlighted above key priority sectors have been identified as catalysts for economic growth: Agriculture, Forestry, Tourism and Retail and Wholesale.

Development Corridors

With regards to the development corridors, whilst they are strongly influenced by access to, and key roads, they can be defined as areas of greatest activity that should be managed in a particular long-term planning manner to catalyse social and economic development as growth anchors. They have major implications in terms of zones of activity be it:

- a) Hazards and risk factors
- b) Potential revenue
- c) Potential businesses and investment potential
- d) Potential development
- e) Potential contributory capacity in terms of economies of scope and scale

In most municipalities and from a planning perspective, there are generally two levels of development corridors. These are secondary and primary corridors based on the extent and magnitude of socio – economic and development impact. In the case of Kumkani Mhlontlo, the two urban spaces linked to Tsolo junction and Elangeni will be considered primary corridors to some extent including the corridor linking neighbouring towns such as Mthatha, Maclear and Mt Frere through N2 whilst the road network linking Tsitsa Falls, Tina Falls and or Sulenkama to Caba or St Cuthbert's to Tsolo will be considered secondary corridors.

Development nodes

On the other hand, development nodes are the main centres, which are being fed by development corridors in terms of traffic flow, people and physical thresholds. Development nodes are important points providing concentration of different social, services and economic activities. Development nodes can be used to

concentrate activities, which could have a multiplier effect to a broader municipal area. Accordingly, Kumkani Mhlontlo plans to use nodes such as Qumbu and Tsolo urban centres as growth poles to anchor future growth. Some work has been done towards realising this planning approach in the municipality. The Spatial Development Framework was reviewed during **2010/2011**, the municipality plans to anchor its urban or corridor planning in the two urban areas, the municipality is in the process of finalising review of the Spatial Development Framework, with its final document expected to be presented to the Council before end of First Quarter (Q1) 2024/2025.

The municipality will therefore consider putting mixed land uses together for economies of scale and scope. High order services will be accessed by the public from these two major urban spaces with essential services accessible from all secondary nodes. The municipality will in the reviewed spatial development framework consider grading its development nodes into three categories:

- Primary nodes such as Tsolo, Qumbu and Elangeni forest
- Secondary nodes such as St Cuthberts, Sulenkama, Tsitsa and Tina Falls and
- Tertiary nodes such as Tsolo Junction and Qumbu because of their strategic position in relation to the national road (N2).

In addition, the municipality has several areas of strategic importance though the measure of development impact is not like those listed above. The municipality has thus identified through its Spatial Development Framework several sectors. These will be clearly depicted in the final SDF maps as areas of potential investment such as agriculture (various sub sectors by soil type) forestry, tourism, and manufacturing.

Mzimvumbu Water Projects

The Mzimvumbu Water Project is a Strategic Integrated Project (SIP3 project) that is intended to inject stimulus for economic development and social upliftment in the project area. The project scope entails the development of a multipurpose dam on Tsitsa River, a tributary of the Mzimvumbu River, to supply irrigated agriculture domestic and industrial water requirements and hydropower generation. The project footprint spreads over OR Tambo, Alfred Nzo and Joe Gqabi District Municipalities

Ntabelanga-Laleni Conjunctive Scheme

The scheme being implemented is a conjunctive scheme comprising a large dam at Ntabelanga and smaller dam at Laleni, both to be operated as an integrated scheme. In addition to supplying domestic and irrigation water, the upstream Ntabelanga dam will also serve to regulate stream flow required to generate hydropower at Laleni. While Ntabelanga dam is at implementation stage, Laleni hydropower scheme is awaiting financial injection for it to take off. The conjunctive scheme marks the initial phase of a broader development programme of the Mzimvubu Catchment to be phased over time.

In relation to market place the municipality attends trade and tourism (Grahamstown Art festival, Tourism Indaba, Macufe and Dundee July) shows to showcase its products to the market. There are also scheduled flea markets held on a quarterly basis. The is functional local tourism association that is mandated to market tourism products and attract more tourists.

T 3.11.1

Economic Activity by Sector			
	R '000		
Sector	Year -2	Year -1	Year 0
Agric, forestry and fishing	83,9	83,2	83,4
Mining and quarrying	12,1	12,4	11,9
Manufacturing	172,2	177,4	179,5
Wholesale and retail trade	756,3	773,5	785,1
Finance, property, etc.	541	549,2	555
Govt, community and social services	2,049.2	2,049.8	2,0441.3
Infrastructure services	96.1	99.2	102.5
Total	1565,5	1595,7	1614,9

T 3.11.2

Economic Employment by Sector			
Sector	Jobs		
	Year 1	Year -1	Year 0
	No.	No.	No.
Agric, forestry and fishing	1 440	1 440	1 440
Mining and quarrying	15	15	15
Manufacturing	480	480	480
Wholesale and retail trade	1 810	1 810	1 810
Finance, property, etc.	1 400	1 400	1 400
Govt, community and social services	6 120	6 120	6 120
Infrastructure services	912	912	912
Total		12177	12177

T 3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES

Local Job opportunities are created on a short temporary basis through projects such as fencing of arable land and community works programme.

T 3.11.4

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)	1			
Year -2	63	None		Worksheets
Year -1	63	Nne		Worksheets
Year 0	63	None		Worksheets
Initiative A (Year 0)	Fencing of arable land			
Initiative B (Year 0)	Fencing of arable land			
Initiative C (Year 0)	Fencing of arable land			

T 3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
Year -2	2	180
Year -1	2	180
Year 0	2	180

* - Expanded Public Works Programme

T 3.11.6

Capital Expenditure Year 0: Economic Development Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
Project C					
Project D					

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

As the main contributor of GDP Kumkani Mhlontlo Local Municipality is responsive in relation to economic development. We are proud to report that we have introduced entrepreneurial skills in higher learning institutions as we prescribed to this notion of education being a societal matter. This is a three-year programme where we incubate schools to practice entrepreneurship whilst making agriculture fashionable to the youth. This initiative by the municipality is commendable and reflects a proactive approach to instilling entrepreneurial skills in students from a young age while promoting sustainable practices in agriculture. An economic recovery plan has been developed which is aligned to national and provincial plans.

We have several incubator programmes which include livestock, crop production and fashion designing mentorship programmes where we intend to graduate small businesses into big businesses and having share in the market.

The priority economic sectors which will underpin the LED strategy are, agriculture and forestry which focus on aquaculture and horticulture, production of high value crops, livestock farming, and forestry and timber production; wholesale trade and retail sector focussing on tourism and retail trade; mining sector, focussing on stone quarrying and sand pits; and the manufacturing sector focusing on agro processing as well as textile and clothing sector.

Kumkani Mhlontlo Local Municipality is well positioned to benefit from a set of high impact and catalytic projects that have been identified within the OR Tambo District. These include the Integrated Wild Coast Development Programme (IWCDP), which is a strategic, integrated initiative aimed at bringing significant changes in the whole of Wild Coast planning area, incorporating district municipalities of OR Tambo, Alfred Nzo and Amathole. The programme is built around three pillars namely agro-processing, green industries, tourism supported by major infrastructure projects. Infrastructure projects include the construction of the N2 highway, the Wild Coast Meander, Mzimvubu Dam. Plans are also afoot to declare Wild Coast as a Special Economic Zone (SEZ).

Kumkani Mhlontlo Local Municipality is primarily responsible for creation of an LED-enabling environment. Among others this includes building institutional capacity for LED, and building partnerships across all spheres of government, as well as private sector players. To this end, a five-year implementation framework has been developed with annual outputs linked to the strategic objectives.

We have afforded our business community a marketing platform both internally and externally, on a quarterly basis we convene a flea market and have afforded our tourism product owners to participate in the national tourism indaba, our horse racers in Berlin November and Dundee July, our crafters in Makanda Art Festival and Macufe and agricultural entrepreneurs in the Royal Show.

Kumkani Mhlontlo coordinative capacity is critical to the success of the LED Strategy.

In addition to strengthening IGR, there is a need to revive the Local Economic Development Forum (LED Forum).

LED forum is now functional, all relevant stakeholders are represented. There are quarterly meetings scheduled. Linked to the Kumkani Mhlontlo's priority economic sectors such a forum ideally comprises stakeholders drawn from all spheres of government, the state-owned enterprises, private sector players with strong presence within Kumkani Mhlontlo, organised local business (both formal and informal), education and training service providers, and community-based organisations. Chaired by the mayor and attended by all councillors, and the municipal executive management team, the LED Forum will meet quarterly to review progress made, identify obstacles to LED implementation, and map the way forward.

The LED workstreams will be organized around various sub-sectors, each focusing on specific aspects of Local Economic Development (LED). Here are the sub-sectors: Agriculture, Aquaculture and Forestry, Tourism, Wholesale and Trade and Enterprise, Manufacturing, mining and renewable energy and Enterprise Development and innovation. These LED workstreams are designed to serve as specialized discussion platforms, each focusing on a specific area of local economic development. By breaking down LED initiatives into sub-sectors, it becomes easier to address the unique challenges and opportunities within each sector, ultimately contributing to the overall economic development of the

municipality. These workstreams may feed into LED fora where comprehensive strategies and plans can be discussed and developed.

The capability of the both the political and administrative arm of the Kumkani Mhlontlo is critical to the success of the LED Strategy. Administratively, Kumkani Mhlontlo needs to significantly and continuously enhance both its managerial, as well as technical capacity. In light of the key economic sectors identified in this strategy, Mhlontlo will, going forward, pay particular attention towards strengthening specialist capacity in the areas of agricultural production especially in agro-economics, forestry, tourism and small-scale industrial business development.

LED is a broad policy outcome and as such, a responsibility of all government spheres, agencies and other non-state role players. That said, and for historical reasons, local government revenues as well as intergovernmental grants have remained the major source of LED funding followed by private sector investment. While ensuring full exploiting of all available public resources, Kumkani Mhlontlo intends to aggressively mobilise LED funding through Public Private Partnerships (PPPs). Within Kumkani Mhlontlo, LED funding is to be mobilised from across the various functions. Each department therefore will be required to reflect explicitly how its annual plan and budget support LED.

LED is conducted in order to positively impact the lives of communities living within a locality. In the process, LED also consumes a lot of limited public resources. Monitoring evaluation provides evidence-based mechanism for impact analysis and allocation of resources. LED however, forms an integral part of municipal IDP. Out of necessity therefore, the monitoring and evaluation of the LED is to be directly linked to that of the IDP. That said however, the municipality intends setting specific indicators to track LED implementation progress on a monthly, quarterly and annual basis. Such indicators need to be robust enough to go beyond tracking outputs, but also the impact. Similarly, LED indicators must be fully integrated into the municipal-wide performance management.

T 3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community services' department is responsible for providing the following services:

1. Waste & Environmental Management Services

Refuse collection for households and businesses; refuse storage and removal of illegal dumping.

2. Libraries, Sports, Arts and Culture

The Municipality is responsible for the provision of information to the public through libraries thereby contributing to nation building and recreation through Sports, Arts and Culture.

3. Traffic & Security Services

To provide Road safety for pedestrians and vehicles, traffic law enforcement to control the street trading and public transport control. Funeral and VIP escorts. Security Services ensure that the Municipality's facilities are safe for staff and the public. They also ensure procurement of private security contractors and monitor their performances.

4. Licensing Services

is responsible for the licensing of vehicles and learner driver testing and includes businesses and the approval of applications for the posters on the street pavements.

T3.12.0

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

INTRODUCTION TO WASTE MANAGEMENT

Mhlontlo Local Municipality is also mandated by section 24 of the Republic of South Africa which states that, everyone has the right to have the environment protected for the benefit of present and future generations, through reasonable legislative and other measures.”

Mhlontlo waste is mostly generated by businesses and urban households which pay the refuse rates as per the municipal regulations. Domestic refuse is stored and collected in Black Plastic bags, supplied by the Municipality. Businesses store their waste in cages and wheel bins for collection by the municipal refuse truck for landfilling and recycling.

Recycling is one the key functions that assists in waste management and job creation in the municipality. The municipality is involved in the O.R. Tambo District Regional Recycling programme and Mhlontlo LM is the regional centre.

Waste removal service:

The total number of households with access to waste removal services was 2022 by June 2024 against the expected 43 414 households eligible for receiving the service.

The Municipal service extends to both Municipal towns (Tsolo and Qumbu) but excludes farms and rural areas. The Municipality is experiencing spatial growth, both residential and business areas. As a result, the current departmental resources are under pressure to meet the demand for waste collection.

Waste management service is also provided to informal settlements although these are serviced through communal skip bins. The street cleaning and clearing of illegal dumping.

Collection:

- Domestic 1 x weekly removal
- Business / Commercial: Daily 7 x per week
- Street sweeping: Daily 7 x per week

The street cleaning and clearing of illegal dumping services for all the streets in towns, main entrances, and open spaces was carried out by permanent Municipal employees, and temporary employees appointed through the Extended Public Works Programme (EPWP). The cleaning of streets is also rendered after hours through EPWP to ensure that the town is always kept clean.

Waste storage and disposal.

Currently, there is one (1) waste transfer station within the municipality which is in Tsolo and is still under construction. There is one class B licensed landfill site in Qumbu. The Tsolo landfill site is not functional.

Recycling

Mhlontlo was declared a regional waste recycling centre for OR Tambo district. There are two by-back centers, one in Tsolo and another site Qumbu. They collect waste and separate it according to their categories like plastic, papers, glasses and tins and sell them to outside buyers.

Environmental education and awareness

A total of 8 awareness campaigns were conducted during the financial year 2023/2024

Measures taken to improve performance include the acquisition of additional equipment annually and appointment of additional personnel to meet the increasing demand for waste management services. Bins have been installed in various areas within municipality for storage of waste to keep the environment clean.

All indigent households, including RDP houses in both towns, are provided with a waste collection service at least once a week. Where there are no kerbside waste collection services, bulk containers are provided at strategic points for collection by the Municipality. The Municipality plans to extend kerbside waste collection in the upcoming financial year.

T 3.12.0.1

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
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	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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 3.12.4

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
					R'000
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

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 3.12.5

Capital Expenditure Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
					R' 000
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.12.6

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

T 3.12.7

3.14 CEMETORIES AND CREMATORIIUMS

INTRODUCTION TO CEMETORIES & CREMATORIIUMS

Currently, two (2) cemeteries are operational and located in Qumbu and Tsolo towns. The community in the rest of the incorporated areas of the municipality area utilises the cemeteries in the nearest vicinities.

The service delivery priorities are to provide and maintain cemeteries, to continuously update and keep record of cemetery registers – also captured on electronic database. Plans are underway to develop future cemeteries (especially on New Homes) to ensure that sufficient space is available. Another priority is to maintain and upgrade the existing equipment system, and procedures to ensure a quality service to the community.

The foregoing priorities were not met through the maintenance of all cemeteries by cutting grass, removal of weeds, and planting of trees. The database is not kept up to date, and the cemetery registers are not updated regularly, hence a system upgrade has been planned for the upcoming financial year.

The municipality is planning on introducing EPWP projects to clean cemeteries on an ad-hoc basis, and through that, local people will receive an income and cemeteries will be cleaned.

T 3.13.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIIUMS

Currently, two (2) cemeteries are operational and located in Qumbu and Tsolo towns. The community in the rest of the incorporated areas of the municipality area utilises the cemeteries in the nearest vicinities.

T 3.13.2

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	
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)
Service Indicators (i)	(ii)							

Service Objective xxx									

*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 Intergrated 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 3.13.3

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	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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 3.13.4

Financial Performance Year 0: Cemeteries and Crematoriums					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

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 3.13.5

Capital Expenditure Year 0: Cemeteries and Crematoriums					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T 3.13.6

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIIUMS OVERALL

Priority has been given to the maintenance of existing cemeteries according as per the IDP and available allocated budgets. The department is planning for the introduction of cemetery management system and extension of Qumbu Cemetery and new homes cemetery development. In general, the department has been able to provide burial services as and when required.

T 3.13.7

Capital Expenditure Year 0: Child Care; Aged Care; Social Programmes					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.14.6

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

T 3.14.7

COMPONENT E: ENVIRONMENTAL PROTECTION

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

INTRODUCTION TO ENVIRONMENTAL PROTECTION

There were no environmental protection programmes conducted in 2023/24 financial year besides the continuous maintenance of the landfill site in Qumbu and refuse removal on both towns.

T 3.14

3.16 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Provision of waste bins and conducting of waste management awareness and clean-up campaigns against burning of refuse/waste were conducted during the 2023/2024 financial year.

T 3.15.1

SERVICE STATISTICS FOR POLLUTION CONTROL

Provision of waste bins and conducting of waste management awareness and clean-up campaigns against burning of refuse/waste were conducted during the 2023/2024 financial year.

T 3.15.2

Pollution Control Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Water and air purity	Water: x% of all readings taken throughout the year on at least weekly to be found acceptable (clean) by National Standards	T0% clean	A0% clean	T1% clean	T1% clean	A1% clean	T2% acceptable	T5% acceptable	T5% acceptable
	Air: x% of all readings taken throughout the year on at least weekly to be found acceptable by National standard	T0% clean	A0% clean	T1% clean	T1% clean	A1% clean	T2% acceptable	T5% acceptable	T5% acceptable
<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 Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by</i>									T 3.15.3

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	1	1	1	0	0%	
4 - 6	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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 3.15.4

Financial Performance Year 0: Pollution Control						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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 3.15.5

Capital Expenditure Year 0: Pollution Control						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.15.6

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL

Provision of waste bins and conducting of waste management awareness and clean-up campaigns against burning of refuse/waste were conducted during the 2022/2024 financial year.

T 3.15.7

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

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Tree planting programmes around the municipal area was conducted in 2023/2024 financial year. Planting of trees and monthly grass cutting in Qumbu and Tsolo offices, grave sites and open spaces in towns. They were also planted in Qumbu Village High School, Little flower High School, Qumbu Library and Tsolo Library.

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

Tree planting programmes around the municipal area was conducted in 2023/24 financial year. Planting of trees and monthly grass cutting in Qumbu and Tsolo offices, grave sites and open spaces in towns.

T 3.16.2

DRAFT

Employees: Bio-Diversity; Landscape and Other						
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	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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 3.16.4

Financial Performance Year 0: Bio-Diversity; Landscape and Other						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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 3.16.5

Capital Expenditure Year 0: Bio-Diversity; Landscape and Other						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). T 3.16.6

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL

Tree planting programmes around the municipal area was conducted in 2023/2024 financial year. Planting of trees and monthly grass cutting in Qumbu and Tsolo offices, grave sites and open spaces in towns.

T 3.16.7

COMPONENT F: HEALTH

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

INTRODUCTION TO HEALTH

The municipality observed all health protocols as directed by the department of health. Furthermore, employee wellness programmes were hosted during the reported financial year.

T 3.17

3.18 CLINICS

INTRODUCTION TO CLINICS

The municipality has no clinic under its management but there are twenty-nine (29) clinics within the municipal jurisdiction.

T 3.17.1

3.19 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

The municipality does not have any ambulances under its management.

T 3.18.1

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

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

The municipality did not conduct any health inspections, food and abattoir licensing during the 2023/24 financial year. This function is provided by OR Tambo District.

T 3.19.1

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

Traffic services ensure that roads are safe and that there is a free flow of traffic whenever possible. This is done through application of strict general law enforcement, speed check enforcement, road safety campaigns, provision of traffic control at congested traffic intersections, training of scholar patrols to assist fellow learners to cross the road safe, installation of traffic calming measures and road awareness programmes. Selective law enforcement targets accident prone areas and main municipal entrance/ exits roads.

As road traffic accidents and drunken driving remains major challenges in South Africa. The MLM traffic is no exception to such challenges, however law enforcement interventions assist to keep the situation under minimum control.

Security services is responsible for the safeguarding of all municipal property and personnel. It is also responsible for monitoring private security companies that provide security services to the municipality

T 3.20

3.21 POLICE

INTRODUCTION TO POLICE

Kumkani Mhlontlo Local municipality provides security and safety by participation in community safety forums. The projects prioritised were revival of community safety forums. Coordination of community safety forums.

T 3.20.1

Metropolitan Police Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	405	350	405	405
2	Number of by-law infringements attended	256	300	256	256
3	Number of police officers in the field on an average day	7	14	10	14
4	Number of police officers on duty on an average day		14	10	14

T 3.20.2

COMMENT ON THE PERFORMANCE OF SECURITY & SAFETY

General the municipality is fairly providing traffic law enforcement through traffic police although the staffing is not sufficient. The department ended up reinforcing with EPWP Traffic police recruits. Concerning community safety, the municipality have community safety plan and implementation is ongoing. For the financial year under review the municipality haven't made a consistent effort in by-law enforcement due to outstanding gazetting and enforcement capacity.

T 3.20.2.1

Employees: Police Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy					
Other Police Officers					
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. 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 3.20.4

Financial Performance Year 0: Police						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Police Officers						
Other employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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 3.20.5

Capital Expenditure Year 0: Police						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).
 T 3.20.6

COMMENT ON THE PERFORMANCE OF POLICE OVERALL

The traffic officers are on duty 6 days per week, standby on Sundays. The following projects prioritized: Law enforcement, Learners, and Driving License tests, registering and licensing of motor vehicles. Furthermore, by-law enforcement to a limited extent is conducted

T 3.20.7

3.22 FIRE

INTRODUCTION TO FIRE SERVICES

The municipality does not provide fire services but relies on the district municipality for this function.

T 3.21.1

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

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

The municipality has two animal pounds it manages and maintains, situated in Qumbu and Tsolo.

3.22.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Two animal pounds in Qumbu and Tsolo have been managed in the 2023/2024 financial year. Disaster management is the function of the district.

T 3.22.2

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

As part of its infrastructure program, the municipality builds community sports fields and community halls. In terms of the roll-out of these facilities, the municipality is not doing great because only 5 of the 26 wards have community halls. There are only 3 sports fields not yet complete and a history of 4 that was left incomplete and needs rework.

T 3.23

3.24 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

Three sports fields are under construction and four that were left incomplete are scheduled to be completed in the next IDP term.

T 3.23.1

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

Most of the policies and guiding documents are in the following directorates and/or departments: Finance, Human Resources, LEDPARD, Office of the Municipal Manager and Information Communication Technology, with Council having by-laws as well.

T 3.24

3.25 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

The executive is composed of the mayor, who is elected by other councillors during the first council sitting. Mayor then appoints Portfolio Heads from amongst the members of Council. In addition to the Executive mayor, the executive is also made up of the councillors and the municipal manager. They assist the mayor to execute his duties.

The Municipal Council has 26 ward councillors and 21 proportional representative councillors. For Council to take a decision, it needs simple majority, where the meeting forms a quorum i.e., 50%of councillors plus one councillor.

T 3.24.1

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	1	1	1	0	0%	
4 - 6	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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 3.24.4

Financial Performance Year 0: The Executive and Council						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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 3.24.5

Capital Expenditure Year 0: The Executive and Council						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.24.6

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Municipal executive and council performed according to its mandate in 2023/24 financial year. All council committees were appointed and functioning and that includes the audit and risk committees.

Oversight was exercised monthly by the executive, quarterly by standing committees and quarterly by council.

T 3.24.7

3.26 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Financial services, an administrative support service, generated an operating surplus of R 169.4 million for the 2023/2024 financial year mainly due to the property rates revenue recognised at this cost centre. The surplus is used to subsidise other community and subsidised services. No administrative costs were charged out to trading and economic services.

T 3.25.1

Debt Recovery								R'
Details of the types of account raised and recovered	Year -2021		Year -2022			Year -2023		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %	
Property Rates	31 091 969	76%	33 278 037	33 278 037	61%	34 609 158	63%	
Refuse	1 810 647	38%	2 031 968	2 031 968	-23%	2 113 247	20%	

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.

T 3.25.2

Concerning T 3.25.2

The municipality's collection rate is of great concern especially on refuse removal services. Collection rate has decreased drastically to a negative 23% when compared to the 2022 financial year.

T 3.25.2.1

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2020/2021		2021/22		2022/23	2023/24		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
(i)	(ii)								
<i>To develop and fully implement a Revenue Enhancement and Management Strategy by 2022</i>	Percentage of debt collection rate	Collection rate of 100% on arrear debt (Government) by 30th June 2021	R1,0 million collected since July 2020	Collection rate of 100% on arrear debt (Government) by 30th June 2021	Collection rate of 100% on Government debt by June 2022	R1,6 million collected since July 2021	Collection rate of 100% on Government debt by June 2022	N/A	N/A
<i>To develop and fully implement a Revenue Enhancement and Management Strategy by 2022</i>	Percentage of debt collection rate	To ensure monthly collection rate of 30% on arrear debt (Businesses) by 30th June 2021	R1,9 million collected since July 2020	To ensure monthly collection rate of 30% on arrear debt (Businesses) by 30th June 2021	Collection rate of 50% on debt Businesses by June 2022	R1,1 million collected since July 2021	Collection rate of 50% on debt Businesses by June 2022	N/A	N/A
<i>To develop and fully implement a Revenue Enhancement and Management Strategy by 2022</i>	Percentage of debt collection rate	Collection rate of 30% on arrear debt (Households) by 30th	R789 thousand collected since July 2020	Collection rate of 30% on arrear debt (Households) by 30th	Collection rate of 30% on Household debt by June 2022	R1,8 million collected since July 2021	Collection rate of 30% on Household debt by June 2022	N/A	N/A
<i>To develop and fully implement a Revenue Enhancement and Management Strategy by 2022</i>	Number of General Valuation roll and Supplementary valuation roll	Compilation of 1 Supplementary valuation roll by 31st March 2021	One Supplementary roll compiled	Compilation of 1 Supplementary valuation roll by 31st March 2021	Compilation of 1 Supplementary valuation roll by June 2022	One Supplementary roll compiled	Compilation of 1 Supplementary valuation roll by June 2022	N/A	N/A
<i>To develop and fully implement a Revenue Enhancement and Management Strategy by 2022</i>	Number of reviewed revenue management strategy	Implement revenue enhancement strategy by 31st March 2021	Revenue enhancement strategy not reviewed	Implement revenue enhancement strategy by 31st March 2021	Review 1 revenue enhancement strategy by June 2022	Revenue enhancement strategy not reviewed	Review 1 revenue enhancement strategy by June 2022	N/A	N/A
<i>Compliance with payment schedule</i>	30 days turnaround time	100% Compliance with payment schedule (30 days turnaround time) by 30th June 2021	Creditors paid within 30 days on receipt of an invoice	100% Compliance with payment schedule (30 days turnaround time) by 30th June 2021	100% Compliance with payment schedule (30 days turnaround time)	Creditors paid within 30 days on receipt of an invoice	100% Compliance with payment schedule (30 days turnaround time)	N/A	N/A
<i>To ensure credible budgeting and proper financial reporting in line with relevant legislation by 2021</i>	Credible budget	Formulate 1 credible budget by 31st March 2021	One annual funded annual and adjusted budget compiled	Formulate 1 credible budget by 31st March 2021	Formulate 1 credible budget	One annual funded annual and adjusted budget compiled	Formulate 1 credible budget	N/A	
<i>To ensure that assets are managed and utilised in line with relevant policies and procedures</i>	Updated Asset Register in line with GRAP Standard	1 Update assets register to be GRAP compliant by 30th June 2021	One GRAP compliant fixed asset register maintained	1 Update assets register to be GRAP compliant by 30th June 2021	1 Updated assets register to be GRAP compliant	One GRAP compliant fixed asset register maintained	1 Updated assets register to be GRAP compliant	N/A	
<i>To ensure that supply chain policies comply with MFMA and all relevant regulations</i>	Procurement Plan	100% compliance with the SCM policy and procurement plan by 30th June 2021	72% compliance with procurement plan	100% compliance with the SCM policy and procurement plan by 30th June 2021	100% compliance with the SCM policy and procurement plan	87% compliance with procurement plan	100% compliance with the SCM policy and procurement plan	N/A	
									T 3.25.3

Employees: Financial Services					
Job Level	Year -2022		Year -2023		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 - 6	21	21	11	10	48%
10 - 12	4	4	4	0	0%
13 - 15	10	10	8	2	20%
16 - 18	2	2	2	0	0%
Total	37	37	25	12	32%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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 3.25.4

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The main challenges experienced during the compilation of the 2023/2024 MTREF have not changed to those experienced in the previous financial year as well as the budget review process, for ease of reference they have been summarized as follows:

- The on-going difficulties in the national and local economy.
- Aging and poorly maintained roads.
- The need to reprioritize projects and expenditure within the existing resource envelope.
- Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable.
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2023/2024 MTREF process; and
- The collection of outstanding debtors remains a challenge and requires that far more attention is needed to be paid to minimizing debt at an early stage, that is, before it reaches 90 days.

T 3.25.7

3.27 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources is a unit under corporate services directorate and is responsible for the support all other directorates of the municipality through recruitment and selection, leave management, skills development, payroll management, occupational health and safety and council support.

T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human resources supported all 5 directorates of the municipality according to its responsibilities stated above.

T 3.26.2

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	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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. 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	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

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 3.26.5

Capital Expenditure Year 0: Human Resource Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). T 3.26.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

T 3.26.7

3.28 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information and Communication Technology is a unit under corporate services and is responsible for all ICT services within the municipality. It serves as an innovative resource to ensure that the core main objectives of delivering services to the communities are met by the municipality using latest technologies. ICT support municipal objectives by implementing and maintaining cutting-edge technology solutions, management of municipality's digital infrastructure, providing technical support and ensuring seamless communication and data management.

T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES

Information and Communication Technology is responsible for deployment of ICT infrastructure and application platforms to enhance systems performance, management of municipal data integrity and data analysis service. It oversees the development and maintenance of the municipal website, development and implementation of ICT strategy, ICT policies and procedures, systems and network administration and statutory configurations. Ensures transformational front-end and back-end support services.

T 3.27.2

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Employees: ICT 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	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. 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. T3.27.4

Financial Performance Year 0: ICT Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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 3.27.5

Capital Expenditure Year 0: ICT Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. T 3.27.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Information and communication technology managed to implement most the projects that were planned for the financial year which includes reviewal of ICT strategy, development and implementation of municipal intranet and website, printing services and ICT tools of trade. All implemented projects were implemented within the budgeted amount.

T3.27.7

3.29 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

The municipality owns properties around Qumbu and Tsolo towns and are managed by the LED unit within the municipality.

Legal services are outsourced to a panel of attorneys appointed over a period of 3 years.

Risk management functions are conducted by the internal audit unit and procurement services are managed by the supply chain management unit.

T 3.28.1

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Municipal properties are spread throughout Qumbu and Tsolo towns.

Three legal firms form part of the appointed panel of attorneys.

One strategic risk register and 6 operational risk registers were developed and maintained in 2023/2024

A contracts register was maintained for all procurement conducted during 2023/2024 financial year.

T 3.28.2

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

The municipality did not have established units for legal services, hence outsourced to a panel of attorneys and no risk management unit, hence conducted by the internal audit unit.

Procurement and property services fall under financial and planning services, respectively; therefore, they have no separate employees and budget.

T 3.28.7

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

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

INTRODUCTION

To ensure that the organization's effectiveness is increased, the municipality conducts personnel needs analysis and makes the necessary provision in the municipal budget on an annual basis. To ensure effectiveness and efficiency within the organization, the municipality annually develops a workplace skills plan, after conducting a training needs analysis. The necessary training is then provided depending on available financial resources. Employees are also provided with all the necessary tools including, but not limited to, ICT tools, furniture, and equipment.

Necessary policies, systems, procedures, and mechanisms are put in place to ensure organizational development. These include, but are not limited to, recruitment, selection, training, discipline, and the retention of staff. Employees are developed as far as possible to assist them to function effectively as human beings and to reach their full potential.

Changes in business process and changing environment requires the organization to review its organizational structure on a regular basis.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Department	Employees				
	Year -2022		Year -2023		
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Municipal Manager's Office	9	11	20	11	100%
Infrastructure Development and Planning	19	3	25	5	167%
Budget and Treasury office	31	11	36	14	127%
Community Services	92	32	126	52	163%
Local Economic Development	10	4	15	5	125%
Corporate Services	29	6	50	17	283%
Totals	190	67	272	104	155%

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.

T 4.1.1

Vacancy Rate: Year 2022			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	1	
CFO	1	0	
Other S56 Managers (excluding Finance Posts)	5	0	
Deputy Directors	11	5	
Traffic officers	11	5	
Fire fighters	0	0	
Senior management: Levels 13-15 (excluding Finance Posts)	4	1	
Senior management: Levels 13-15 (Finance posts)	1	0	
Highly skilled supervision: levels 9-12 (excluding Finance posts)	9	5	
Highly skilled supervision: levels 9-12 (Finance posts)	2	0	
Total	45	18	

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Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2021	12	6	50%
Year -2022	4	9	225%
Year -2023	5	18	360%

* 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:

Elementary/entry level vacancies are advertised on local media and municipal notice boards while vacancies at management, skilled and professional occupations are advertised using both local and national media in line with the recruitment policies in order to ensure sufficient coverage.

All senior management positions were filled. Appointments on an acting basis were made while recruitment processes were underway.

The employment equity plan is always considered when making appointments. The turnaround time for the filling of vacant posts varies depending on the scarcity of skills in the labour market, qualifications and experience required. The target turnaround time to fill a vacancy is three (03) months.

The reason for turnover is mainly due to resignations, retirement, death, and to a limited extent dismissal. Employees mainly resign as a result of career advancement. We have an inactive Employee Assistance Programme in place and also had staff wellness events during the year. There is also a long service recognition system in place which is implemented in terms of the conditions of service and internal policies.

Due to other institutions offering more benefits than we can afford, it is not always possible to retain scarce and skilled employees.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality is structured in such a way that it meets its objectives in terms of the integrated development plan. There are 5 departments and good governance and public participation under office of the municipal manager in the municipality, and they are in line with the key functions of the municipality. They are Infrastructure & Service Delivery, Community Services, Corporate Services, Local Economic Development and rural development and Budget and Treasury Department. The municipality has developed its policies that guide the institution and has instilled a culture of good management ethics.

T 4.2.0

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	100%	08-11 April 2024	27 June 2024
2	Attraction and Retention	100%	08-11 April 2024	27 June 2024
3	Code of Conduct for employees	100%	08-11 April 2024	27 June 2024
4	Delegations, Authorization & Responsibility	100%	08-11 April 2024	27 June 2024
5	Disciplinary Code and Procedures	100%	08-11 April 2024	27 June 2024
6	Essential Services	100%	08-11 April 2024	27 June 2024
7	Employee Assistance / Wellness	100%	08-11 April 2024	27 June 2024
8	Employment Equity	100%	08-11 April 2024	27 June 2024
9	Exit Management	100%	08-11 April 2024	27 June 2024
10	Grievance Procedures	100%	08-11 April 2024	27 June 2024
11	HIV/Aids	100%	08-11 April 2024	27 June 2024
12	Human Resource and Development	100%	08-11 April 2024	27 June 2024
13	Information Technology	100%	08-11 April 2024	27 June 2024
14	Job Evaluation	100%	08-11 April 2024	27 June 2024
15	Leave	100%	08-11 April 2024	27 June 2024
16	Occupational Health and Safety	100%	08-11 April 2024	27 June 2024
17	Official Housing	100%	08-11 April 2024	27 June 2024
18	Official Journeys	100%	08-11 April 2024	27 June 2024
19	Official transport to attend Funerals	100%	08-11 April 2024	27 June 2024
20	Official Working Hours and Overtime	100%	08-11 April 2024	27 June 2024
21	Organizational Rights	100%	08-11 April 2024	27 June 2024
22	Payroll Deductions	100%	08-11 April 2024	27 June 2024
23	Performance Management and Development	100%	08-11 April 2024	27 June 2024
24	Recruitment, Selection and Appointments	100%	08-11 April 2024	27 June 2024
25	Remuneration Scales and Allowances	100%	08-11 April 2024	27 June 2024
26	Resettlement	100%	08-11 April 2024	27 June 2024
27	Sexual Harassment	100%	08-11 April 2024	27 June 2024
28	Skills Development	100%	08-11 April 2024	27 June 2024
29	Smoking	100%	08-11 April 2024	27 June 2024
30	Special Skills	100%	08-11 April 2024	27 June 2024
31	Work Organisation	100%	08-11 April 2024	27 June 2024

32	Uniforms and Protective Clothing	100%	08-11 April 2024	27 June 2024
33	Other:	100%	08-11 April 2024	27 June 2024

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T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Although most policies are in place and approved by council, compliance with policies and the ability of management to enforce compliance with policies remains a challenge and requires attention. Knowledge and understanding of policies by all staff also remain an issue of concern and therefore it becomes crucial to improve and accelerate awareness activities amongst staff. Workplace policies are developed and reviewed as and when necessary, in consultation with labour as prescribed by the relevant pieces of labour legislation and signed collective agreements.

T 4.2.1.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only (levels 1-2)	-	-	-	-	-
Temporary total disablement (levels 3-5)	-	-	-	-	-
Permanent disablement	-	-	-	-	-
Fatal	-	-	-	-	-
Total	-	-	-	-	-

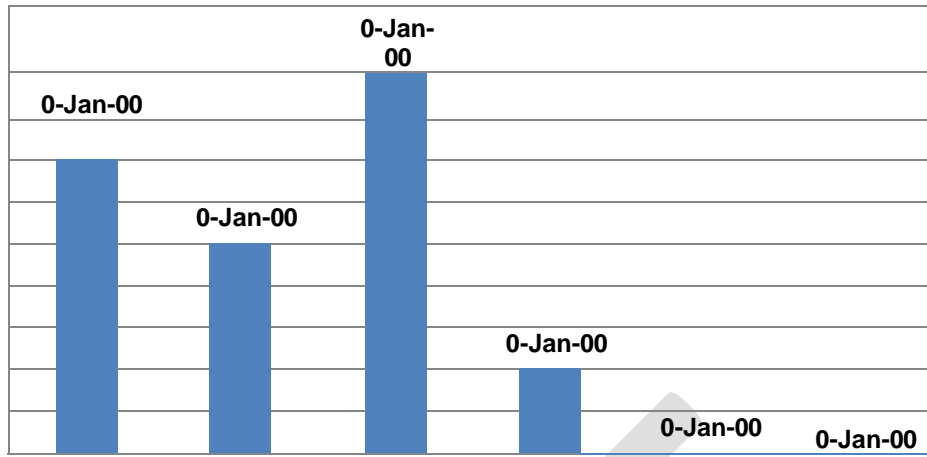
T 4.3.1

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)	207	0%	73	107	0,76	
Skilled (Levels 3-5)	142	0%	49	69	0,52	
Highly skilled production (levels 6-8)	241	0%	48	75	0,88	
Highly skilled supervision (levels 9-12)	58	0%	11	17	0,21	
Senior management (Levels 13-15)	9	0%	5	5	0,03	
MM and S57	0	0%	0	0	0,00	
Total	657	0%	186	273	2,41	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



T 4.3.3

COMMENT ON INJURY AND SICK LEAVE:

No serious injuries recorded. Awareness campaigns on Health and safety issues were conducted. Only sick leaves with medical certificate were recorded.

T 4.3.4

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Number and Period of Suspensions				
Position	Nature of Alleged Misconduct, holding an unauthorized meeting	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not finalized	Date Finalized
			N/A	

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		
			T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

No cases were identified in the year under review.

T 4.3.7

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 (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No

Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. 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 4.4.1

COMMENT ON PERFORMANCE REWARDS:

Performance assessments senior managers were conducted, however there were no performance rewards paid to municipal employees in 2023/24 financial year.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Workplace Skills Plan is in place to guide all the training and development initiatives of the municipality. To improve the training and skills development the municipality is busy sourcing out funds to assist its employees and the Councillors as well as for the community of Mhlontlo.

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.

T 4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in posts as at 30 June Year 2024	Number of skilled employees required and actual as at 30 June Year 2024											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	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	Actual : End of Year - 1	Actual : End of Year 0
MM and s57	Female									0	0		0	
	Male	1								1	1		1	1
Councillors, senior officials and managers	Female	6								6	6		6	6
	Male	6								6	6		6	6
Technicians and associate professionals*	Female	0								0	0		0	0
	Male	0								0	0		0	0
Professionals	Female	13								13	13		13	13
	Male	5								5	5		5	5
Sub total	Female	19								19	19		19	19
	Male	12								12	12		12	12
Total		62	0	0	0	0	0	0	0	62	62	0	62	62

*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	-	1	-	1	1
Chief financial officer	1	-	1	-	1	1
Senior managers	4	-	4	-	3	3
Any other financial officials	13	-	13	-	-	13
Supply Chain Management Officials						
Heads of supply chain management units	1	-	1	-	1	1
Supply chain management senior managers	2	-	2	-	1	2
TOTAL	22	0	22	1	8	21

* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) **T 4.5.2**

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

Training plan was implemented partially due to limited funds that are available for training. The Variance between training budget and the actual budget is caused by the money paid for accommodation. The municipality is planning to increase the training budget through sourcing of funds from outside funders, i.e., SETA's. In terms of the MFMA Competency Regulations, the range of officials to which it relates and the deadline of 2013 by which it will become fully effective. 20 Municipal Senior management and the relevant officials are competent in terms of the MFMA.

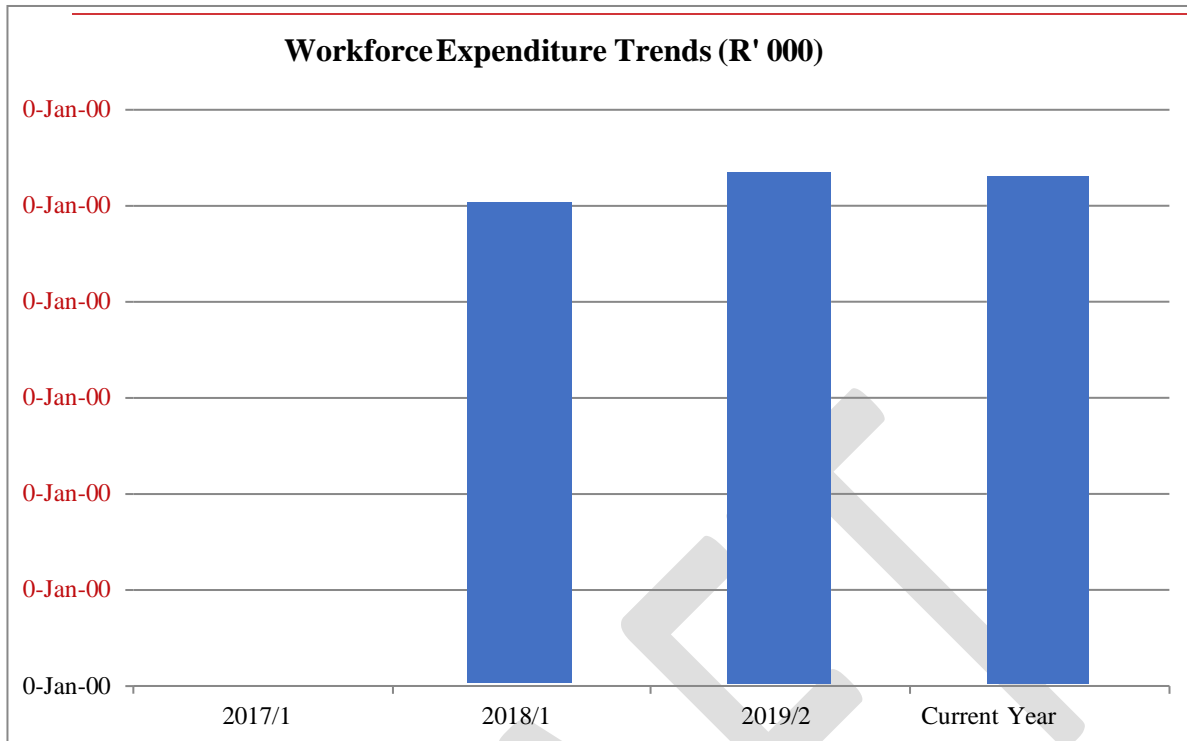
T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The personnel expenditure has been kept under the budget as reflected in the financial statements for 2023/2024 financial year. The trends show that personnel expenditure in the year under review increased. In 2023/2024 the employee expenditure was R88 million whilst in 2023/2024 it has increased to R104 million. Councilor's allowances show an increase from R20 million to R21.3 million going to 2023/2024 financial year. In overall, personnel expenditure was within the budgeted amount.

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T 4.6.

COMMENT ON WORKFORCE EXPENDITURE:

Expenditure in this regard has been stable compared to previous years because the municipality has not yet implemented Task Job Evaluation which has the potential of increasing workforce expenditure. Job evaluation exercise is still underway. There were no employee's salaries that were adjusted during the financial year due to the Job Evaluation process.

T 4.6.1.1

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

T 4.6.2

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

T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists

T 4.6.4

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

The municipality has not implemented the TASK job evaluation, as a result salaries are paid not based on any remuneration system. The disputes that were there between the unions and the municipality regarding this process has been addressed and the job evaluation will be implemented in the next financial year 2024/2025.

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

Officials and councillors declared their financial interests for 2023/24 financial year and declarations are done annually by all staff and councillors to foster a culture of integrity and accountability and to give high priority towards the needs of communities as per the code of conduct for both officials and councillors in terms of the municipal systems act.

T 4.6.6

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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: Cash Flow Management and Investments
- Component D: Other Financial Matters

The overall operating results achieved for the past financial year closed off with a surplus of R14 - million compared the prior year deficit of R3 - million. Operating revenue for the year is R354 - million (2022: R316 - million), which reflects a decrease.

The operating expenditure for the year is R340 - million (2022: R319 million), which reveals an increase.

The total capital expenditure capitalized for the year in respect of property, plant, and equipment amounted to R79 million. This includes R77 million from government grants, and the rest from own cash resources.

Cash and short-term investments decreased to R127 million (2022: R172 - million).

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

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Operating revenue excluding capital grants and subsidies for the year is R277 million (2022: R251-million), which shows an increase of 10%.

Included in the above figure are operating government grants to the amount of R223-million, which constitute 85% of total revenue.

Service charges comprise 0.6% of total revenue and increased by R440 thousand from 2021 (R2 -million) to R2,4-million in the reporting financial year.

Property rates constitute 10% of revenue and increased by 0.2% from the previous financial year.

Interest received has increased from R5,2 – million to R10,2 - million, which can mainly be attributed to the interest rate increases during the year.

Revenue from fines decreased by R69-thousand from the previous year.

The operating expenditure for the year is R340-million (2022-R319-million), which indicates an increase of 6,5% from the previous financial year.

The main expenditures are employee-related costs at R104-million (2022 R88-million), remuneration of councilors at R21-million, depreciation, and amortization R47 million, general expenses at R137-million.

Repairs and maintenance expenditure are included in the general expenses figure.

Capital expenditure for the year amount to R79-million. This includes capital grants of R65-million and R14-millions of internally generated funds.

T 5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	2022/23						
	Original Budget	Final adjustments budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
R thousands	1	3	6	7	9	10	11
Financial Performance							
Property rates	33 278	34 437	33 856	33 876	(20)	100%	102%
Service charges	2 032	1 897	1 220	2 441	(1 220)	200%	120%
Investment revenue	5 274	3 418	4 873	10 126	(5 253)	208%	192%
Transfers recognised - operational	206 565	226 529	226 590	203 613	22 977	90%	99%
Other own revenue	1 714	3 253	5 800	5 758	42	99%	336%
	248 863	269 534	272 339	255 813	16 526		
Total Revenue (excluding capital transfers and contributions)						94%	103%
Employee costs	91 263	107 736	110 341	104 363	5 978	95%	114%
Remuneration of councillors	20 121	24 205	21 152	20 885	267	99%	104%
Debt impairment	-	-	-	-	-	#DIV/0!	#DIV/0!
Depreciation & asset impairment	57 739	52 187	54 356	68 097	(13 741)	125%	118%
Finance charges	551	-	-	-	-	-	-
Transfers and grants	199	3 102	3 102	383	2 719	12%	193%
Other expenditure	145 661	150 858	203 711	151 915	51 796	75%	104%
Total Expenditure	315 533	338 088	392 662	345 643	47 019	88%	110%
Surplus/(Deficit)	(66 670)	(68 554)	(120 323)	(89 830)	(30 493)	0	(0)
Transfers recognised - capital	-	-	-	-	-	#DIV/0!	0%
Contributions recognised - capital & contributed assets	-	-	-	-	-	0%	-
Surplus/(Deficit) after capital transfers & contributions	(66 670)	(68 554)	(68 554)	(89 830)	21 275	131%	135%
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(66 670)	(68 554)	(68 554)	(89 830)	21 275	131%	135%
Capital expenditure & funds sources							
Capital expenditure	62 847	82 847	54 069	65 562	(11 493)	121%	104%
Transfers recognised - capital	62 847	82 847	54 069	65 562	(11 493)	121%	104%
Total sources of capital funds	62 847	82 847	54 069	65 562	(11 493)	121%	104%
Cash flows							
Net cash from (used) operating	269 401	70 491	70 491	70 491	-	100%	26%
Net cash from (used) investing	(92 290)	(95 957)	(95 957)	(95 957)	-	100%	104%
Cash/cash equivalents at the year end	208 049	57 245	57 245	57 245	-	100%	28%

T 5.1.1

#REF!	R '000					
	2021/22	2022/23		2020/21 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Waste Management	18 797	27 648	18 871	17 072	-61,94%	-10,53%
Housing	-	-	-	-	-	-
Component A: sub-total	18 797	27 648	18 871	17 072	-61,94%	-10,53%
Waste Water (Stormwater Drainage)	-	-	-	-	-	-
Roads	71 309	83 445	109 822	63 513	-31,38%	-72,91%
Transport	-	-	-	-	-	-
Component B: sub-total	71 309	83 445	109 822	63 513	-31,38%	-72,91%
Planning	-	-	-	-	-	-
Local Economic Development	12 433	21 123	21 078	19 419	-8,78%	-8,55%
Component B: sub-total	12 433	21 123	21 078	19 419	-8,78%	-8,55%
Planning (Strategic & Regulatory)	91 689	136 429	139 006	113 842	-19,84%	-22,10%
Local Economic Development	-	-	-	-	#DIV/0!	#DIV/0!
Component C: sub-total	91 689	136 429	139 006	113 842	-19,84%	-22,10%
Community & Social Services	2 135	460	650	93	-	-
Security and Safety	27 331	25 247	28 204	25 633	1,50%	-10,03%
Component D: sub-total	29 466	25 707	28 854	25 725	0,07%	-12,16%
Total Expenditure	223 693	294 352	317 631	239 571	-22,87%	-32,58%
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2

COMMENT ON FINANCIAL PERFORMANCE

The actual performance indicates less expenditure was incurred than the budget, resulting in an unfavorable variance of R3-million.

T5.1.3

5.2 GRANTS

Grant Performance							R' 000
Description	2021/22	2022/23		2022/23 Variance			
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	221 802	243 295	243 063	249 295			
Equitable share	200 960	217 727	217 727	217 727	0,00%	0,00%	
Finance Management	–	2 300	2 068	2 300	0,00%	11,23%	
EPWP Grant	2 321	2 300	2 300	2 300	0,00%	0,00%	
Integrated National Electrification Programme	18 521	20 968	20 968	26 968			
Provincial Government:	550	–	550	550			
Library & Subsidies	550	–	550	550	0,00%	0,00%	
Local Government SETA	–	–	–	–	0,00%	0,00%	
Tsitsa Fire Management grant	–	–	–	–			
COVID 19 Grant Relief	–	–	–	–	0,00%	0,00%	
District Municipality:	–	3 508	3 207	3 211			
Communications grant	–	–	–	–			
MIG - Operational	–	3 508	3 207	3 211			
Other grant providers:	–	–	–	–			
Gqunu Lots	–	–	–	–	0,00%	0	
Total Operating Transfers and Grants	222 352	246 803	246 819	253 056	–	–	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						T 5.2.1	

COMMENT ON OPERATING TRANSFERS AND GRANTS

The equitable share is an unconditional grant, and the full gazetted amount of R217-million was received. The Finance Management Grant was utilised for the internship program and for consultants to assist with the compilation of an infrastructure asset register. The amount was fully utilized at year end.

The EPWP incentive grant is utilised for job creation projects. During the year, R2.3-million was spent to employ temporary workers for street cleaning and cleaning of overgrown main streets.

Integrated electrification program is for electrification of villages, R20-million was received for the year under review. An additional allocation of R6 million was received because of good spending on Integrated electrification program.

The municipal infrastructure grant is for constructing basic municipal infrastructure. An amount of R50 million was gazetted and received.

The municipality also received a Disaster relief grant on the 15th of June 2023 which was unspent at year end.

T 5.2.2

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The Asset Management Policy is developed to comply with all relevant legislative requirements and complies with the standards specified by the Accounting Standards Board. Asset management within the municipality is overseen by the Chief Financial Officer (CFO).

Fixed Asset Register

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

Organizing Asset Management, Staff Involved, and Delegations

The CFO is responsible to the Municipal Manager and needs to ensure that the financial investment in the municipality's assets is safeguarded and maintained.

The Assistant Manager - Assets ensures that appropriate physical management and control systems are established and maintained for all assets in their area of responsibility and that the municipal resources assigned to them are utilized effectively, efficiently, economically, and transparently. The Asset Champions must assist the Asset Manager in performing his/her functions and duties in terms of asset management.

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2022/23				
Asset 1				
Name	Construction of Shawbury-Mncetyana Access Road			
Description	Construction of Shawbury-Mncetyana Access Road			
Asset Type	Infrastructure			
Key Staff Involved	Ms XY Nqatyelwa			
Staff Responsibilities	To be the project manager. Acting as a consultant for the project.			
	2019/20	2020/21	2021/22	2022/23
Asset Value	-	-	1 047 730,88	7 414 871,03
Capital Implications	None			
Future Purpose of Asset	Provisioning of access roads			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset management Policy			
Asset 2				
Name	Rehabilitation of Qumbu Sports field Phase 2			
Description	Rehabilitation of Qumbu Sports field Phase 2			
Asset Type	Provision of sporting ground to the community			
Key Staff Involved	Ms XY Nqatyelwa			
Staff Responsibilities	To be the project manager. Acting as a consultant for the project.			
	2019/20	2020/21	2021/22	2022/23
Asset Value	143 628,86	3 529 374,30	7 260 228,31	6 695 131,04
Capital Implications	None			
Future Purpose of Asset	Provision of sporting ground to the community			
Describe Key Issues	None			
Policies in Place to Manage Asset	None			
Asset 3				
Name	Electrification of Amacwerha villages			
Description	Electrification of Amacwerha villages			
Asset Type	Infrastructure			
Key Staff Involved	M. Mqeke			
Staff Responsibilities	To be the project manager. Acting as a consultant for the project.			
	2019/20	2020/21	2021/22	2022/23
Asset Value	10 494 603,06	10 781 562,08	16 105 216,64	23 450 434,78
Capital Implications	None			
Future Purpose of Asset	Provision of access to electricity by the community			
Describe Key Issues	None			
Policies in Place to Manage Asset	None			

T 5.3.2

COMMENT ON ASSET MANAGEMENT

With reference to the three projects approved in the year, these projects were evaluated from a cost and revenue perspective, including municipal tax and tariff implications in accordance with Section 19(2)(a) and (b) and MSA Section 74(2)(d), (e) and (i).

The responsible implementing departments ensure that project files are maintained, and these files are readily accessible for audit inspection. Financial data regarding asset management may be sourced from MBRR Table A9.

T 5.3.3

Repair and Maintenance Expenditure: 2022/23				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	16 556,00	23 509,00	17 789,00	-7%

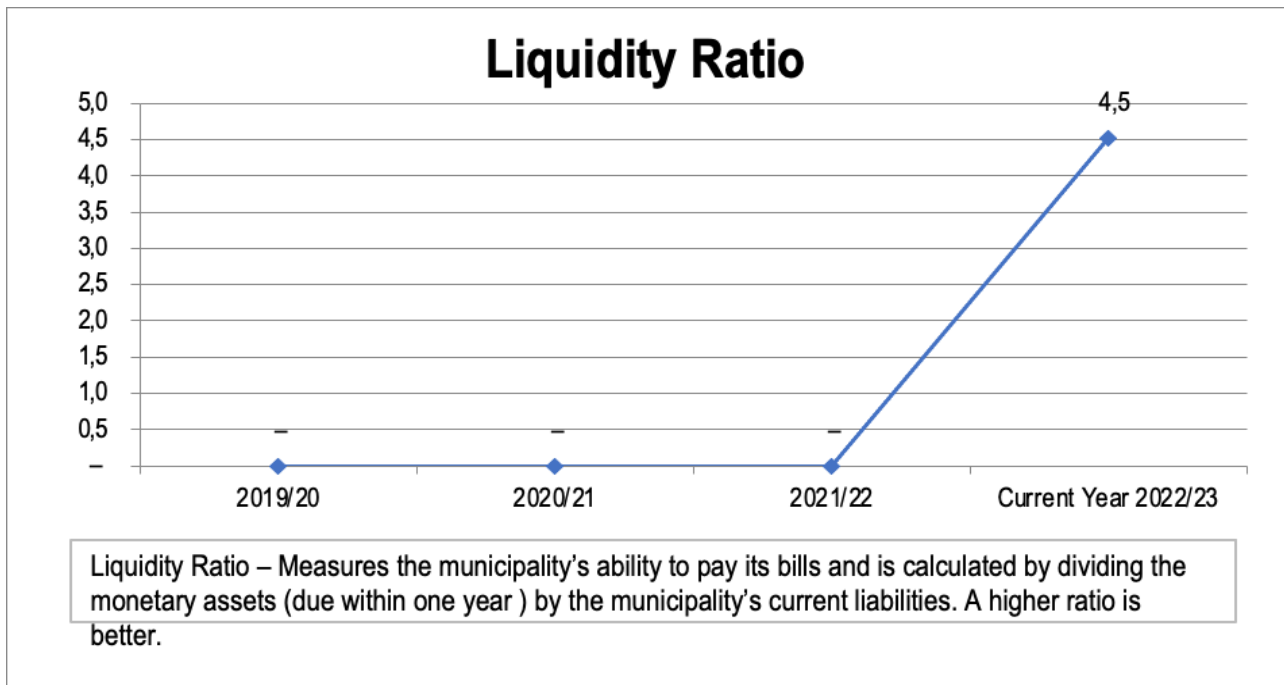
T 5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE

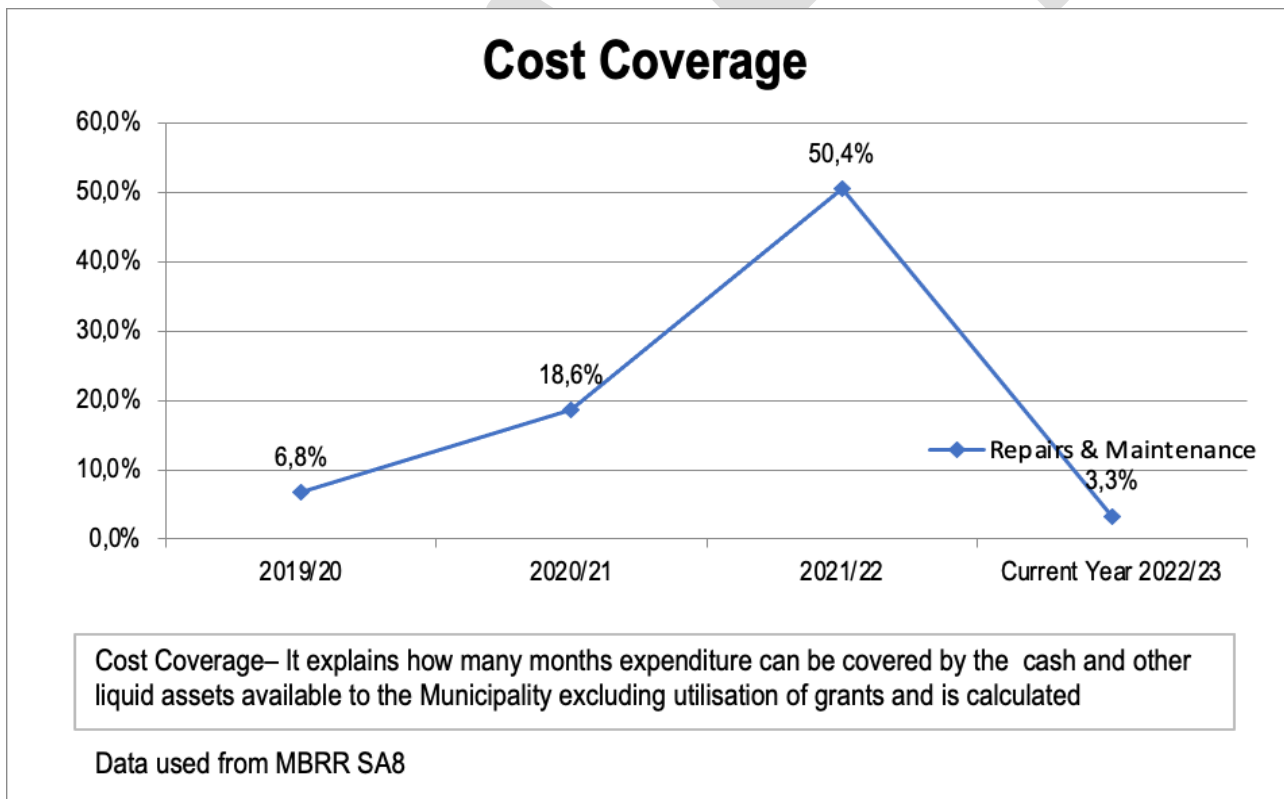
The aging infrastructure of the municipality requires that larger amounts be made available for the maintenance and replacement of rural roads. However, the pressure placed on budget provision for the extension of infrastructure to cater for new developments limits the availability of funds for maintenance purposes. The intention is to substantially increase maintenance expenditure in future budgets. The amount spent on repairs and maintenance is for materials only and decline proportionate to the budget considering the increases in other expenditures.

T 5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

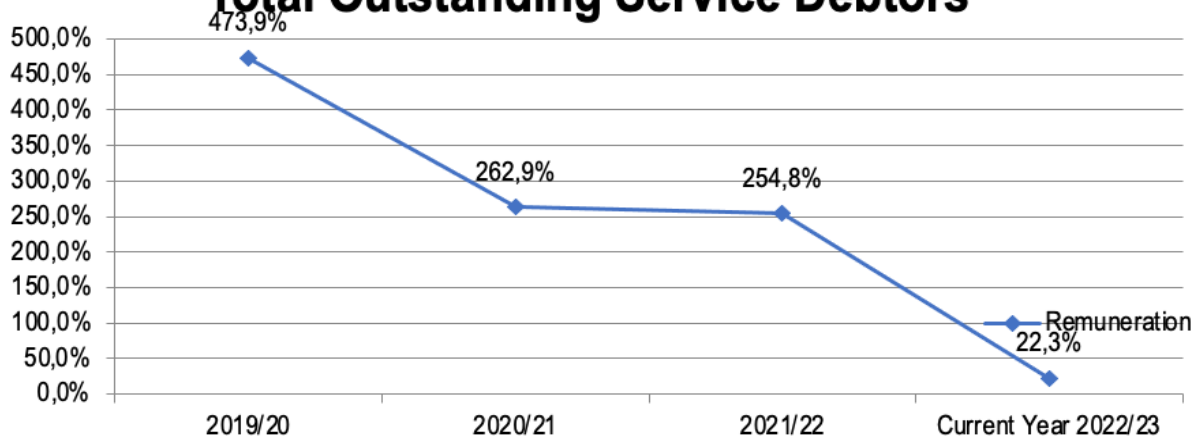


T 5.4.1



T 5.4.2

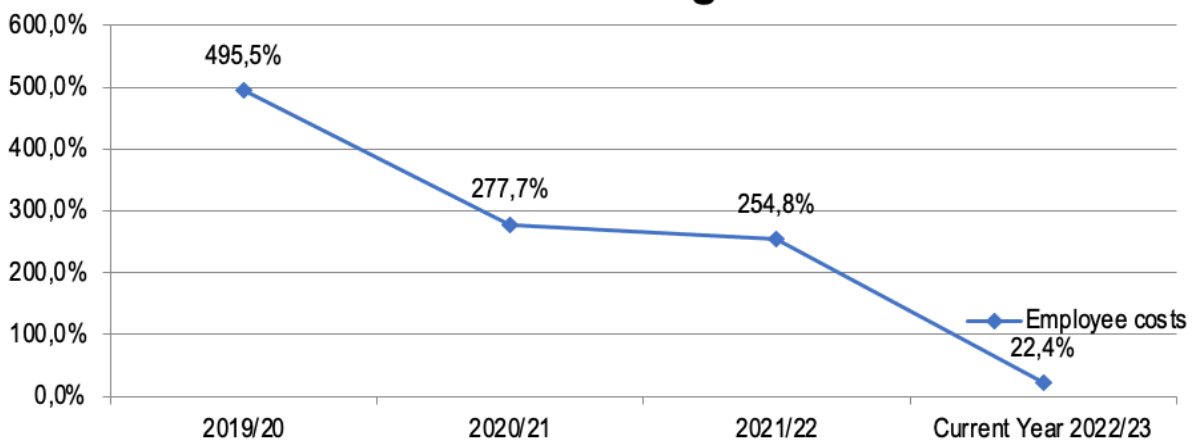
Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

T 5.4.3

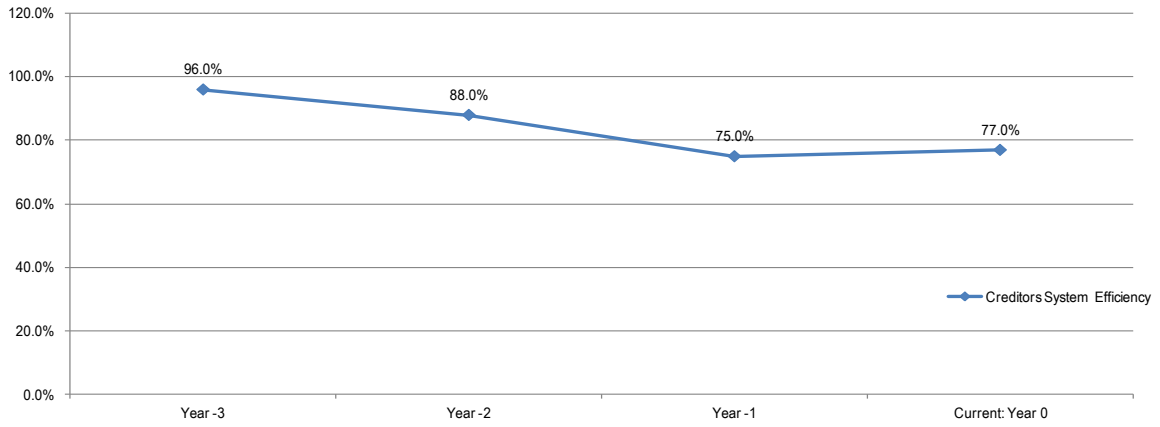
Debt Coverage



Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

T 5.4.4

Creditors System Efficiency

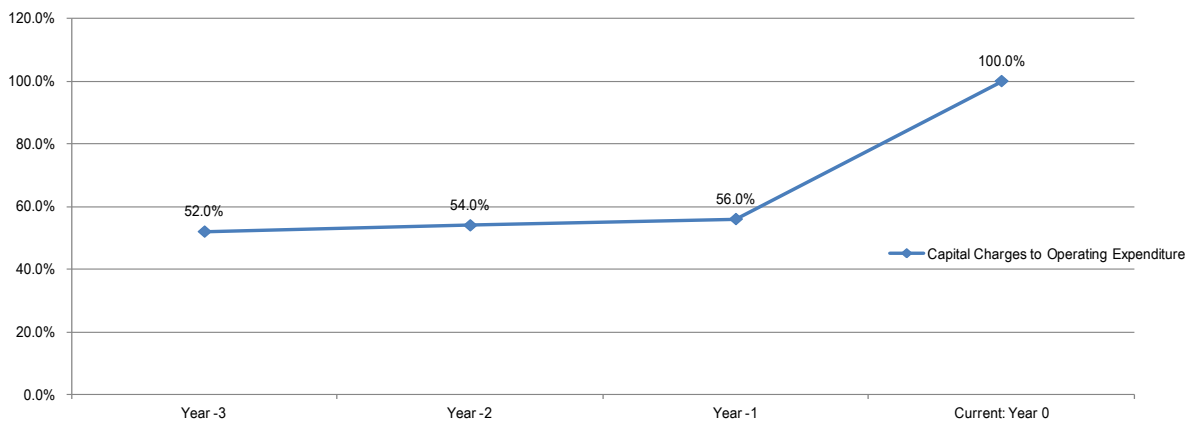


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

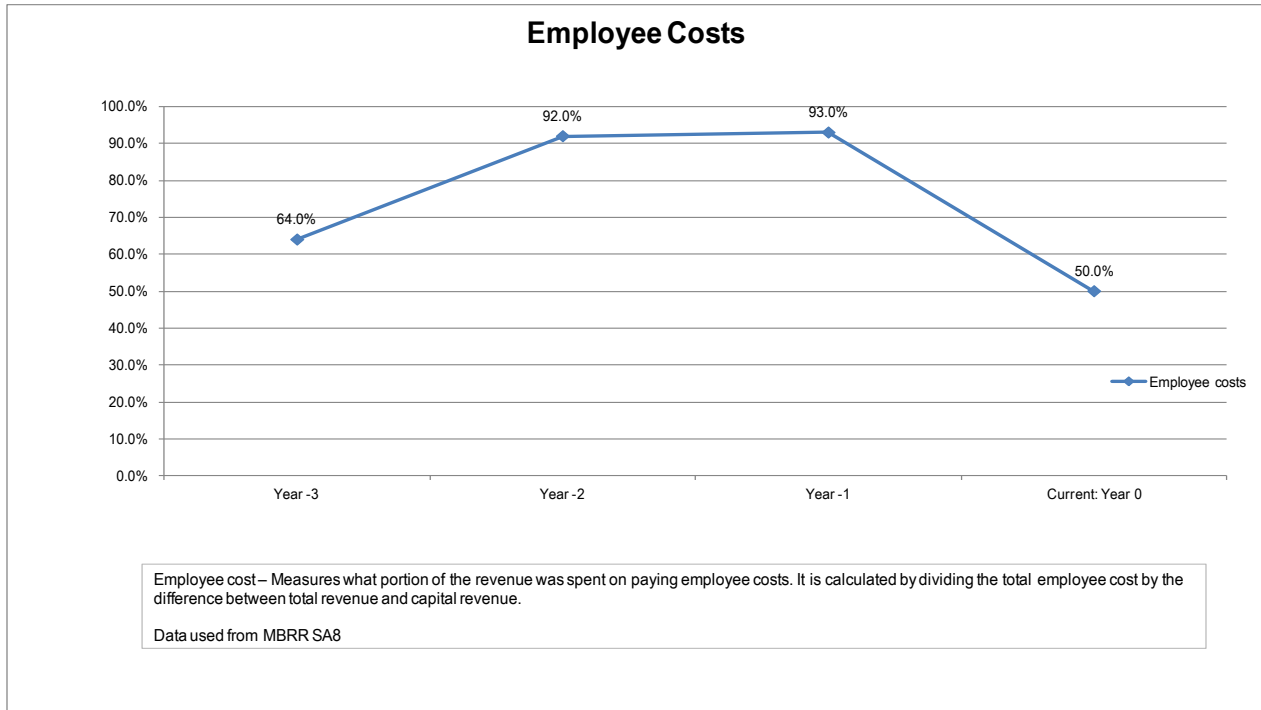
Capital Charges to Operating Expenditure



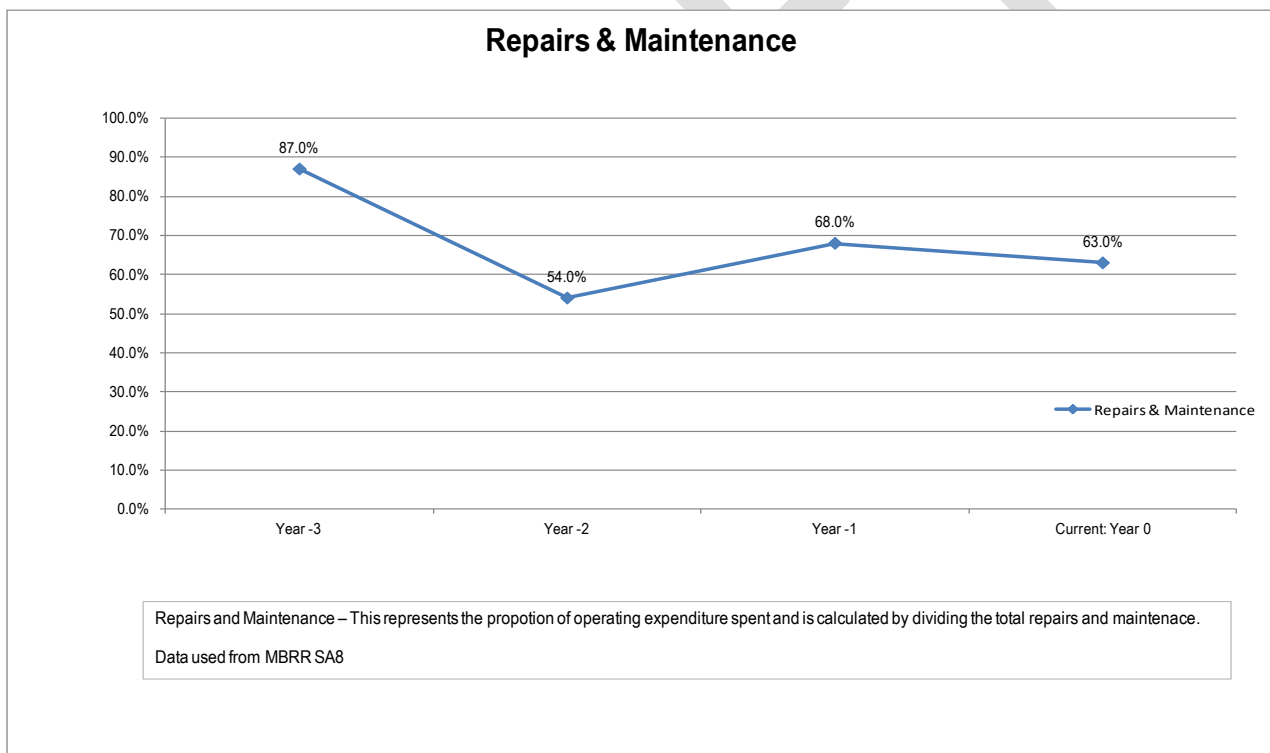
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6



T 5.4.7



T 5.4.8

COMMENT ON FINANCIAL RATIOS

The liquidity ratio measures the extent to which the municipality has cash and short-term investments available to settle short-term liabilities. The ratio has increased, meaning the municipality can settle its short-term liabilities with cash and short-term investments.

The cost coverage ratio indicates the time taken to pay for expenditure incurred; this has decreased. It thus indicates that we can pay creditors faster.

Total outstanding service debtors to revenue has increased. This reveals that more accounts are irrecoverable in proportion to billed revenue.

The total outstanding net consumer debtors are unacceptably high.

Debt coverage ratio indicates the ease with which debt payments can be honored. The municipality's debt coverage is not healthy.

Repairs and maintenance have decreased. This highlights that municipal assets are not well maintained. These ratios are derived from table SA8 of the MBRR.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

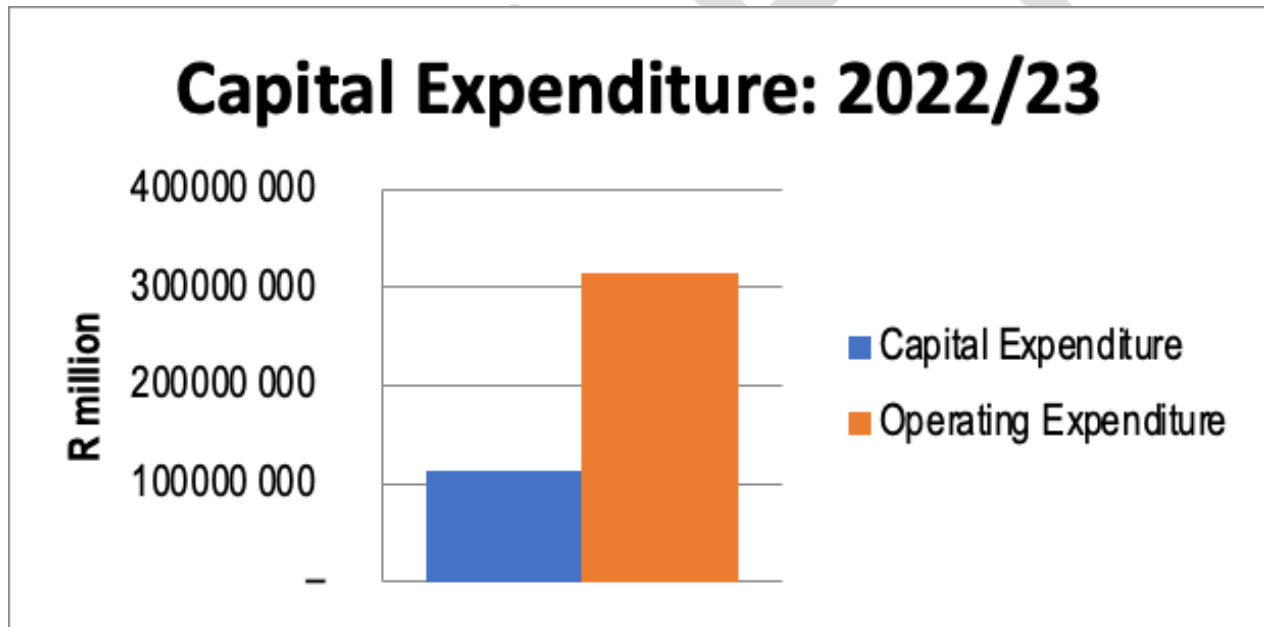
Capital expenditure relates mainly to the construction of assets that will have value, lasting over many years. Capital expenditure is funded from grants, and surpluses.

During the financial year under review, capital expenditure amounts to R79-million. The capital expenditure for the year has increased by 19% when compared to the previous year expenditure (R61-million).

The capital expenditure realized on roads and storm water amounts of R30 million, and other capital expenditure amounts to R35 million. The capital budget was funded by government grants amounting to R65 million, and the balance was funded internally.

T 5.5.0

5.5 CAPITAL EXPENDITURE



T 5.5.

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2020/21 to 2021/2							R' 000
Details	2021/22	2022/2023					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	-	-	-	-			
Public contributions and donations	-	-	-	-			
Grants and subsidies	206 564 764	226 528 548	226 589 818	226 528 548	0,03%	0,00%	
Other	1 713 691	3 252 967	5 799 985	5 757 688			
Total	208 278 455	229 781 515	232 389 803	232 286 236	0,03%	0,00%	
Percentage of finance							
External loans		0,0%	0,0%	0,0%	0,0%	#DIV/0!	
Public contributions and donations		0,0%	0,0%	0,0%	0,0%	#DIV/0!	
Grants and subsidies	99,2%	98,6%	97,5%	97,5%	100,0%	#DIV/0!	
Other	0,8%	1,4%	2,5%	2,5%	0,0%	#DIV/0!	
Capital expenditure							
Roads and storm water	-376 588,00	96 871 192	112 150 448	96 871 192	15,77%	0,00%	
Other	35 597			-	#DIV/0!	#DIV/0!	
Total	35 220 656,39	96 871 192	112 150 448	96 871 192	#DIV/0!	#DIV/0!	
Percentage of expenditure							
Roads and storm water	-1,1%	100,0%	100,0%	100,0%	#DIV/0!	#DIV/0!	
Other	101,1%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!	
T 5.6.1							

COMMENT ON SOURCES OF FUNDING

Capital expenditure is mainly financed by conditional grants and a portion of reserves.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: 2021/22			Variance: Current 2021/22	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
	A - Rehabilitation of Qumbu sport field	7 000 000	7 000 000	7 538 022	-8%
B - Gravel Access Road - Gqunu farms (Ward 15)	6 887 000	4 041 061	1 719 992	75%	41%
C - Gravel Access Road - Sboko to stadium (Ward 14)	7 135 000	4 735 000	6 089 878	15%	34%
D - Tsolo Stormwater drainage	5 506 011	30 815 335	8 810 390	-60%	-460%
E- -Electrification of Amacwerha	18 520 999	18 520 999	18 520 999	0%	0%
* Projects with the highest capital expenditure in 2019/20					
A - Rehabilitation of Qumbu sport field					
Objective of the Project	To improve socio economic conditions of the community.				
Delays	Rainfall that had damaged the completed works, business forum demanding to be employed				
Future Challenges	Maintenance				
Anticipated citizen benefits	Access to dignified sporting facilities				
B - Gravel Access Road - Gqunu farms (Ward 15)					
Objective of Project	Provisioning of Access Road for the community				
Delays	Delays are as a result of disastrous rainsfalls that tends to damage the work in progress and also the business forum that had stopped the projects demanding to be appointed				
Future Challenges	Maintenance				
Anticipated citizen benefits	Access to dignified sporting facilities				
C - Gravel Access Road - Sboko to stadium (Ward 14)					
Objective of Project is to improve accessibility for the community of ward 14	Access to road infrastructure				
Delays	Disasterous rainsfalls that tends to damage the work in progress and also the business forum that had stopped the projects demanding to be appointed				
Future Challenges	Maintenance				
Anticipated citizen benefits	Access to road infrastructure				
D - Tsolo Stormwater drainage					
Objective of Project	To adress the issues of stormwater that tends to flood the businesses and the residential homes in Tsolo when ever it rains				
Delays	Delays are as a result of desasterouse rainsfalls that tends to damage the work in progress				
Future Challenges	None				
Anticipated citizen benefits	Maintenance				
E- -Electrification of Amacwerha					
Objective of Project	Provisioning of Access Road for the community				
Future Challenges	None				
Anticipated citizen benefits	Access to electricity				

T 5.7.1

COMMENT ON CAPITAL PROJECTS

Capital expenditure relates mainly to the construction of assets that will have value, lasting over many years. Capital expenditure is funded from grants, and surpluses. During the financial year under review, capital expenditure amounts to R79 million. The capital expenditure for the year has increased by 3% when compared to the previous year expenditure. The capital expenditure realized on roads and storm water amounts of R30 million, and other capital expenditure amounts to R36 million. The capital budget was funded by government grants amounting to R65 million, and the balance was funded internally.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Shortage in refuse collection trucks results in a backlog in household refuse collections which could not be collected daily.

T 5.8.1

Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water				
Sanitation				
Electricity				
Waste management	644	40%	967	60%
Housing				
% HHs are the service above/below minimum standard as a proportion of total HHs.				T 5.8.2
'Housing' refers to * formal and ** informal settlements.				

Municipal Infrastructure Grant (MIG)* Expenditure 2023 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
<i>Roads, Pavements & Bridges</i>	28 878 122,00	31 854 322,64	31 854 322,64	110%	100%	
<i>Storm water</i>	7 757 821,00	4 757 821,00	4 757 821,00	61%	100%	
Other Specify:				%	%	
<i>Sports field</i>	12 267 249,00	12 267 249,00	12 267 249,00	100%	100%	
<i>Hall</i>	850 000,00	850 000,00	850 000,00	100%	100%	
				%	%	
Total	49 753 192,00	49 729 392,64	49 729 392,64	100%	100%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.8.3

COMMENT ON BACKLOGS

Shortage in refuse collection trucks results in a backlog in household refuse collections which could not be collected daily.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

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

T 5.9

5.9 CASH FLOW

Cash Flow Outcomes				
#REF!	R'000			
	2021/22	Current: 2022/23		
	Actual	Original Budget (OB)	Adjustment Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	266 872	316 063	322 928	261 839
Ratepayers and other	9 701	17 563	17 266	27 123
Government - operating	202 533	226 529	226 590	199 630
Government - capital	42 595	67 751	67 751	5 100
Interest	5 271	-	4 873	10 121
Service charges	-	968	622	582
Other revenue	6 772	3 253	5 825	19 284
Donations	-	-	-	-
Payments	(84 752)	(243 515)	(307 369)	(280 034)
Suppliers and employees	(84 752)	(243 515)	(307 369)	(279 910)
Finance charges	-	-	-	-
Transfers and Grants	-	-	-	(124)
NET CASH FROM/(USED) OPERATING ACTIVITIES	351 624	559 579	630 297	541 874
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
Payments	-	-	-	-
Capital assets	(3 187)	(94 451)	(112 150)	(64 417)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(3 187)	(94 451)	(112 150)	(64 417)
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	348 438	465 128	518 146	477 457
Cash/cash equivalents at the year begin:	(6 303)	145 745	220 432	213 767
Cash/cash equivalents at the year end:	172 630	123 842	123 842	131 155
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

COMMENT ON CASH FLOW OUTCOMES

The cash flow from operating activities indicates a positive cash flow of R127 million. Further, R72 million was utilized on investment activities mainly to purchase property, plant, and equipment.

Considering the above movements, the net cash position at financial year end is R127 million, which indicates an increase.

The net cash position of the municipality has remained stable over the past three years. This is a good indication that the municipality has and will meet its obligations in the future.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

External borrowings are obtained to supplement the municipal capital program. During the financial year under review, no external loans were taken up.

Surplus cash not immediately required for operations and cash backed internal reserves are invested on a short-term basis.

Fuds are only invested with A1 rating banks and according to the municipality's investment policy. Municipality's internal reserves over the past year have remained stable and have increased.

T 5.10.1

Municipal and Entity Investments			
	R' 000		
Investment* type	2020-2021	2021-2022	2022-2023
	Actual	Actual	Actual
Municipality			
Securities - National Government	0,00	0,00	0,00
Listed Corporate Bonds	0,00	0,00	0,00
Deposits - Bank	160 425 581	167 410 927	123 126 914
Deposits - Public Investment Commissioners	0,00	0,00	0,00
Deposits - Corporation for Public Deposits	0,00	0,00	0,00
Bankers Acceptance Certificates	0,00	0,00	0,00
Negotiable Certificates of Deposit - Banks	0,00	0,00	0,00
Guaranteed Endowment Policies (sinking)	0,00	0,00	0,00
Repurchase Agreements - Banks	0,00	0,00	0,00
Municipal Bonds	0,00	0,00	0,00
Other	0,00	0,00	0,00
Municipality sub-total	160 425 581,00	167 410 926,94	123 126 914,00
Consolidated total:	160 425 581,00	167 410 926,94	123 126 914,00
			<i>T 5.10.4</i>

COMMENT ON BORROWING AND INVESTMENTS

The municipality did not have any borrowing at year end.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

No public private partnerships were entered into.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Council has developed an SCM Policy and practices in compliance with the guidelines set out by the Supply Chain Management Regulations, 2005, which was approved in May 2024 with effect from 01 July 2024.

The SCM policy incorporating the above-mentioned regulations, as well as all other relevant legislation pieces received during the budget preparation process.

Three bid committee systems have been established, and supply chain management officials are attending trainings provided by Treasury office.

The SCM unit consists of (6) six personnel, including the SCM Manager. The municipality is in the process of ensuring that the SCM unit is adequately capacitated in terms of skills and actual personnel.

The municipality reviewed its policy to ensure that the policy was in line with the SCM Model Policy and covers the guidelines set out in SCM Regulations of 2005.

Bid committees were in place for the duration of the 2023/24 financial year and no councillors were part of the committees.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

T 5.13.

DRAFT

**CHAPTER 6: AUDITOR GENERAL REPORT ON THE
FINANCIAL STATEMENTS: YEAR -1 2022/23 FY**

DRAFT

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

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

T 6.2.5

DRAFT

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.
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 <i>“what we use to do the work”</i> . 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 <i>“what we wish to achieve”</i> .
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as <i>“what we produce or deliver”</i> . An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance 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 <i>“vote”</i> 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

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

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			%	%
Cllr Jara	FT	COUNCIL, EXCO	ANC PR	68%	32%
Cllr Pula	FT	COUNCIL, SPEAKER	ANC PR	62%%	38%
Cllr Gcaba	FT	WHIP OF THE COUNCIL, , WOMEN'S CAUCUS	ANC PR	90%	10%
Cllr Mvanyashe	PT	COUNCIL, COMMUNITY SERVICES, WOMEN'S CAUCUS	ANC PR	72%	28%
Cllr Naniwe Sayiti	FT	COUNCIL, EXCO, HUMAN SETTLEMENT WOMEN'S CAUCUS	ANC PR	86%	14%
Cllr Siphenkosi Voko	FT	COUNCIL, EXCO, LED	ANC PR	77%	23%
Cllr Unathi Socikwa	FT	COUNCIL, EXCO, SPU AND WOMEN'S CAUCUS	ANC PR	50%	50%
Cllr Sigcine Khahla	PT	COUNCIL, EXCO , CORPORATE SERVICES.	ANC PR	81%	19%
Cllr. Ntomboxolo Mbunjana	PT	COUNCIL, HUMAN SETTLEMENT, LED & WOMEN'S CAUCUS	ANC PR	90%	10%
Cllr. Nobuntu Walaza	PT	COUNCIL ,PUBLIC PARTICIPATION, ETHICS & WOMEN'S CAUCUS.	ANC PR	77%	23%
Cllr Mandisa R. Giyose	PT	COUNCIL, HUMAN SETTLEMENT & WOMEN'S CAUCUS.	ANC PR	45%	55%
Cllr. Gladys Mazitshana	PT	COUNCIL, WOMEN'S CAUCUS, ISD	ANC PR	86%	14%
Cllr. Babalwa Rasmeni	PT	COUNCIL, MPAC,CORPORATE SERVICES, COMMUNITY SERVICES, PUBLIC PARTICIPATION & WOMEN; S CAUCUS.	ANC PR	68%	32%
Cllr. Bulelwa Madikida	PT	COUNCIL, CORPORATE SERVICES, HUMAN SETTLEMENT, SPU & WOMEN'S CAUCUS.	ANC PR	72%	28%

Cllr. Khwezi Mad'omso Jubase replaced by Cllr Maku	PT	COUNCIL, MPAC, LOCAL LABOUR FORUM.	UDM	33%	67%
Cllr. Nolungile Zikolo	PT	COUNCIL, WOMEN'S CAUCUS	UDM	68%	32%
Cllr. Z. Nondaka	PT	COUNCIL, PUBLIC PARTICIPATION, LED	UDM	72%	28%
Cllr. Edwin Bontsa	PT	COUNCIL, MPAC	DA	72%	28%
Cllr. Makabongwe Libazi	PT	COUNCIL. ETHICS, BTO	EFF PR	45%	55%
Cllr. Khungeka Mpula	PT	COUNCIL, SPU, MPAC, PUBLIC PARTICIPATION & PETITIONS, WOMENS CAUCUS	EFF PR	68%	32%
Cllr. Mxolisi Funo	PT	COUNCIL, MPAC, WOMEN'S CAUCUS	EFF PR	15%	85%
(Cllr. Bless Vuyisa Mpendulo Rosi DECEASED) replaced By Cllr Tywaku	PT	COUNCIL, BTO, CORPORATE SERVICES	ATM PR	66%	34%
Cllr. Lulamile Alfred Boyana	PT	COUNCIL, COMMUNITY SERVICES	ATM PR	72%	28%
Cllr. Nosipho Tiwane	PT	COUNCIL, COMMUNITY SERVICES, MPAC, WOMEN'S CAUCUS	INSANCO PR	62%	38%
Cllr. Simphiwe Mngcotana	PT	COUNCIL, SPU & WOMEN'S CAUCUS.	WARD 01 ANC	81%	19%
Cllr. Ntsikelelo Ranga	PT	COUNCIL, ETHICS AND BTO	WARD02 ANC	63%	37%
Cllr. Simtembile Mbola	PT	COUNCIL, CORPORATE SERVICES, INFRASTRUCTURE	WARD 03 ANC	86%	14%
Cllr Simthembile Sophangisa	PT	COUNCIL, LED, MPAC,	WARD 04 ANC	81%	19%
Cllr Siggine Khahla	FT	COUNCIL, CORPORATE SERVICES, .	WARD 05 ANC	81%	19%
Cllr Mbulelo Vunguvungu	PT	COUNCIL, BTO, ISD	WARD 06 ANC	100%	
Cllr. Thembelani Guga	PT	COUNCIL, PUBLIC PARTICIPATION, COMMUNITY SERVICES.	WARD 07 ANC	90%	10%
Cllr. Velisani Nododana	PT	COUNCIL, MPAC, BTO, ETHICS,	WARD 08 ANC	77%	23%
Cllr. Andile Nombewu	PT	COUNCIL, CORPORATE SERVICES.	WARD 09 ANC	90%	10%
Cllr. Sinethemba Mtwazi	PT	COUNCIL, COMMUNITY SERVICES,	WARD10 ANC	72%	28%
Cllr. Lawukazi Dlova	EXCO	COUNCIL, BTO WOMEN'S CAUCUS	WARD 11 ANC	90%	10%

Cllr Simfumene Ntukuntezi	PT	COUNCIL, MPAC, ISD	WARD 12 ANC	81%	19%
Cllr. Thandiwe Titshana	PT	COUNCIL, BTO, WOMENS CAUCUS	WARD13 ANC	95%	5%
Cllr. Bhekizenzo Gigi	PT	COUNCIL, SPU AND COMMUNITY SERVICES	WARD14 ANC	81%	19%
Cllr Zizamele Renee		COUNCIL, PUBLIC PARTICIPATION & PETITIONS SPU	WARD 15 ANC	81%	19%
Cllr Bonginkosi Mthitshana		COUNCIL, MPAC ETHICS CORPORATE SERVICES	WARD 16 ANC	86%	14%
Cllr. Mzuvumile Prizeman Bontsa	PT	COUNCIL, SPU, COMMUNITY SERVICES. Ethics	WARD 17 ANC	86%	14%
Cllr. Tamsanqa Wiseman Magugu	PT	COUNCIL, ETHICS AND MEMBERS INTEREST	WARD18 ANC	90%	10%
Cllr. Mzimkhulu Jikijela		COUNCIL, PUBLIC PARTICIPATION & PETITIONS, LED	WARD 19 ANC	59%	41%
Cllr Mziwakhe Thembela		COUNCIL, BTOP, HUMAN SETTLEMENT	WARD 20 Cllr ANC	95%	5%
Cllr. Nikelwa Khemtshe	PT	COUNCIL, SPU, HUMAN SETTLEMENT.	WARD 21 ANC	90%	10%
Cllr. Siphenkosi Master Hlathi	PT	COUNCIL, Public Participation and petition, INFRASTRUCTURE	WARD 22 ANC	90%	10%
Cllr. Mkhululi Konza(replaced by Mhleka)	PT	COUNCIL, PUBLIC PARTICIPATION AND PETITIONS	WARD 23 ANC	83%	17%
Cllr. Witness Badanile Ntamo	PT	COUNCIL , MPAC, ISD	WARD 24 ANC	68%	32%
Cllr. Ncapayi		COUNCIL, ETHICS & MEMBERS INTEREST, WOMEN'S CAUCUS	Ward 25 ANC	59%	41%
Cllr. Chumisa Maqebula	PT	COUNCIL, SPU, WOMEN'S CAUCUS	WARD 26 ANC	90%	10%

Note: * Councillors appointed on a proportional basis do not have wards allocated to them

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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMUNITY SERVICES STANDING COMMITTEE	Policy formulation, implementation, and monitoring within the functional areas of Parks and Recreation; pound, disaster, law enforcement and traffic.
CORPORATE SERVICE	To formulate, implement and monitor a policy in relation to human resources, Support services, IT services
BUDGET AND TREASURY OFFICE	Policy formulation, implementation, and monitoring of functional areas within asset, revenue, credit, and budgetary issues
PLANNING RESEARCH AND INTERGOVERNMENTAL RELATIONS	Ensure IGR sit and intergrade SISTA department with programmes of municipality, planning Of IDP programmes, Research needs of Mhlontlo community
SPECIAL PROGRAMMES UNIT	

LOCAL ECONOMIC DEVELOPMENT AND PLANNING	Policy formulation, implementation, and monitoring within the functional areas of Planning function, strategic development, environmental planning, Economic development, and local tourism.
INFRASTRUCTURE DEVELOPMENT	Policy formulation, implementation, and monitoring within the functional areas of electricity and energy, transport, roads, and storm water.
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	Hold the Executive and the administration accountable on the manner in which Municipal resources are used in the implementation of Service Delivery objectives of the council
WOMEN'S CAUCUS	Look after the vulnerable children, protects woman and children against violence and abuse.
PUBLIC PARTICIPATION AND PETITIONS COMMITTEE	Is to set out the Committees authority, role, and responsibilities as well as the requirements for its composition and meeting procedures.
ETHICS AND MEMBERS INTEREST	Investigate and make a finding on the interests of Councillors.
RULES COMMITTEE	<p>To investigate and make a finding on any alleged breach of the Code and to make appropriate recommendations to Council;</p> <p>(b) to investigate and make a finding on non-attendance of meetings and to impose a fine as determined by the standing rules and orders of Council.</p> <p>(a) to investigate and make a finding on any alleged breach of the Code and to make appropriate recommendations to Council;</p> <p>(b) to investigate and make a finding on non-attendance of meetings and to impose a fine as determined by the standing rules and orders of Council.</p>
AUDIT COMMITTEE	To report on the activities of the audit committee to the Council.

APPENDIX D – FUNCTIONS OF MUNICIPALITY

Municipal 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	Yes
Child care facilities	No	No
Electricity and gas reticulation	No	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	Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater 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	No	No
Control of public nuisances	Yes	Yes
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	No
Licensing of dogs	Yes	Yes
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

* If municipality: indicate (yes or No); * If entity: Provide name of entity

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APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor 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
1	Hon Cllr S Mngcotana 10 ward committee members elected	Yes	12	12	4
2	Hon Cllr N Ranga 10 ward committee members elected	Yes	12	2/12	4
3	Hon Cllr S Mbola 10 ward committee members elected	Yes	12	6/12	4
4	Hon Cllr S Sophangisa 10 ward committee members elected	yes	12	12	4
5	Hon Cllr S Kahla 10 ward committee members elected	Yes	12	7/12	4
6	Hon Cllr M Vunguvungu 10 ward committee members elected	Yes	12	5/12	4
7	Hon Cllr TS Guga 10 ward committee members elected	Yes	12	7/12	4
8	Hon Cllr V Nododana 10 ward committee members elected	Yes	12	5/12	4
9	Hon Cllr A Nombewu 10 ward committee members elected	Yes	12	9/12	4
10	Hon. Cllr S Mtwazi 10 ward committee members elected	Yes	12	12	4
11	Hon Cllr L Dlova 10 ward committee members elected	Yes	12	2/12	4
12	Hon Cllr S Ntukuntezi 10 ward committee members elected	Yes	12	6/12	4
13	Hon Cllr T Titshana 10 ward committee members elected	Yes	12	11/12	4
14	Hon Cllr Gigi 10 ward committee members elected	Yes	12	11/12	4
15	Hon Cllr Z Renene 10 ward committee members elected	Yes	12	6/12	4
16	Hon Cllr B Mthitshana 10 ward committee members elected	Yes	12	7/12	4
17	Hon Cllr BP Bontsa 10 ward committee members elected	Yes	12	12	4
18	Hon Cllr T Magugu 10 ward committee members elected	Yes	12	6/12	4
19	Hon Cllr M Jikijela 10 ward committee members elected	Yes	12	6/12	4
20	Hon Cllr Tembela 10 ward committee members elected	Yes	12	12	4
21	Hon Cllr Khemtshe 10 ward committee members elected	Yes	12	7/12	4
22	Hon Cllr SM Hlathi 10 ward committee members elected	Yes	12	10/12	4
23	Hon Cllr M Khonza (Cllr Mhleka) 10 ward committee members elected	Yes	12	2/12	4
24	Hon Cllr B Ntamo 10 ward committee members elected	Yes	12	6/12	4
25	Hon Cllr NV Ncapayi 10 ward committee members elected	Yes	12	6/12	4
26	Hon Cllr C Maqebula 10 ward committee members elected	Yes	12	10/12	4

APPENDIX F – WARD INFORMATION

Priority No	Project Name	Ward	Project Status
1.	Rehabilitation of Qumbu Sports Field	15	Construction
2.	Mvumelwno Sports field phase 2	14	Complete
3.	Tar to Suthwini Access Road	07	Complete
4.	Tsolo Bulk Stormwater	06	Complete
5.	Tsolo Storm Water Management Phase2	06	Construction
6.	Batyi Access Road	01	Complete
7.	T213-Cameron Ngudle Access Road	04	Construction
8.	Shawbury-Mncetyana Access Road	11	Complete
9.	Sboko to Stadium	14	Complete
10.	Gqunu Farms	15	Complete
11.	Nomhala-St Cuthberts Access Road	03	Construction

Municipal Infrastructure Grant 2023/2024

Priority No	Project Name	Ward	Project Status
1.	Gqunu Farms	15	Construction
2.	Tsolo Sports Field	14	Construction
3.	Nodali-Madiba Access Road	07	Construction
4.	Gqubela-Mhlabathi Access Road	06	Construction
5.	Tsolo New Homes Pre-School	06	Construction
6.	Ntibane Farms Pre-School	01	Construction
7.	Mchathu-Sidwadweni Community Halls	04	Construction
8.	SithangameniCommunity Halls	11	Construction
9.	Caweni-Dumaneni Access Road	14	Construction

List of projects implemented under Equitable Share 2023/2024

Priority No	Project Name	Ward	Project Status
1.	Tsolo Service Centre	06	Complete
2.	Mhlontlo Emergency Water and sanitation for Qumbu and Tsolo Offices.	15 & 06	Complete
3.	Vehicle Testing Centre	06	Complete

Electrification Programme

Priority No	Project Name	Financial Year	Ward	Project Status
1.	Mhlontlo Electrification in various wards	2023/2024	02 08 12 25	Complete
2.	Mhlontlo Electrification in various wards	2023/2024	10 15 21 23 25	

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

Names: xxx (8); xxx (7)...

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APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2023

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 2022	Recommendations adopted (enter Yes) If not adopted (provide explanation)
24/07/2023	That a POPI Act compliance plan be urgently developed to ensure compliance with the Act;	Yes
28/08/2023	That a detailed report on MSCOA be submitted at the next meeting of the Committee.	Yes
27/10/2023	That the municipality urgently address the UIFW expenditure in compliance with Section 32 of the MFMA;	Yes
29/01/2024	That a plan for the functionality of the MSCOA governance structures be developed and submitted at the next meeting.	Yes
20/05/2024	That the Municipality's annual report for the 2019/2020 financial year be finalized as a matter of extreme urgency.	Yes
28/06/2024	That standard operating procedures in fleet management be developed and implemented as a matter of urgency;	Yes
22/01/2023	That the Accounting Officer ensure that the Committee's resolutions are fully implemented in an effort to improve the internal control environment in the Municipality	Yes
22/01/2023	That it be noted that the interim annual financial statement for the period ended 31st December 2021 will be ready on the 31st of May 2022.	Yes
22/01/2023	That the necessary disciplinary actions be taken against any employee who has done something that results in a financial misconduct in line with the MFMA.	Yes
22/01/2023	That the MSCOA report for the period ending 31st March 2022 be deferred to the next meeting.	Yes
22/01/2023	That the third quarter performance report for the period ended 31st March 2022 be deferred to the next meeting	Yes
22/01/2023	That in future the Accounting Officer ensure that all reports submitted to the Municipal Council consider all relevant inputs in order to assist the Council in taking informed decisions	Yes
22/01/2023	That the process of cascading PMS to lower levels of staff be proceeded with in compliance with Section 46: of the Local Government Municipal Systems Act.	Yes
22/01/2023	That Performance Agreements be signed by all staff Members before end of July 2022.	Yes
22/01/2023	That the Accounting Officer ensure that the process of appointing a co-sourced service provider is fast track to enhance the capacity of the Municipality	Yes
22/01/2023	That the Municipality consider appointing a PMS practitioner in order to ensure proper coordination of performance management information	Yes
22/01/2023	That the Municipal Manager ensure that the recommendations by the Internal Audit are urgently implemented to prevent future repeat findings and adverse findings by AGSA	Yes
22/01/2023	That the Municipality adopts a loss control policy as a matter of urgency;	Yes
22/01/2023	That the Accounting Officer ensure that the OHS report is resubmitted to the Risk Management Committee	Yes
22/01/2023	That the position for Assistant Manager Risk and Compliance be advertise as soon as possible.	Yes
22/01/2023	To institute Disciplinary hearing with regards to the Driver involved in the car that was allocated to the Chief Whip.	Yes

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Example 1 - Vote 1						
Example 2 - Vote 2						
Example 3 - Vote 3						
Example 4 - Vote 4						
Example 5 - Vote 5						
Example 6 - Vote 6						
Example 7 - Vote 7						
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	-	-	-	-	-	-
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> <i>This table is aligned to MBRR table A3</i>						T K.1

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	26,485	23,572	28,075	23,042	-2%	-22%	
Property rates - penalties & collection charges	8,541	8,285	9,054	8,456	2%	-7%	
Service Charges - electricity revenue	12,355	10,254	12,478	13,219	22%	6%	
Service Charges - water revenue	14,232	13,235	13,662	12,097	-9%	-13%	
Service Charges - sanitation revenue	6,542	5,496	5,954	6,346	13%	6%	
Service Charges - refuse revenue	1,865	1,622	1,865	1,510	-7%	-23%	
Service Charges - other	5,643	5,530	5,925	5,304	-4%	-12%	
Rentals of facilities and equipment	5,643	5,530	5,925	5,304	-4%	-12%	
Interest earned - external investments	5,322	4,470	5,747	4,630	3%	-24%	
Interest earned - outstanding debtors	8,455	8,455	8,624	9,554	12%	10%	
Dividends received	1,254	1,003	1,191	1,354	26%	12%	
Fines	2,516	2,063	2,264	2,340	12%	3%	
Licences and permits	6,846	6,230	7,256	6,640	6%	-9%	
Agency services	12,546	10,413	11,793	11,542	10%	-2%	
Transfers recognised - operational	2,355	2,190	2,425	2,402	9%	-1%	
Other revenue	48,542	40,776	48,542	46,115	12%	-5%	
Gains on disposal of PPE	4,565	3,698	4,337	4,291	14%	-1%	
Environmental Protection	5,649	4,971	6,157	4,971	0%	-24%	
Total Revenue (excluding capital transfers and contributions)	179,353	157,791	181,274	169,118	6.70%	-7.19%	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.							T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Other Specify:						
Total						
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.						T L

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG

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

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

Capital Expenditure - New Assets Programme*							
Description	R '000						
	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-		-	-	-	-
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>							
Infrastructure: Other - Total	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community - Total	-	-		-	-	-	-
<i>Parks & gardens</i>							
<i>Sportsfields & stadia</i>							
<i>Swimming pools</i>							
<i>Community halls</i>							
<i>Libraries</i>							
<i>Recreational facilities</i>							
<i>Fire, safety & emergency</i>							
<i>Security and policing</i>							
<i>Buses</i>							
<i>Clinics</i>							
<i>Museums & Art Galleries</i>							
<i>Cemeteries</i>							
<i>Social rental housing</i>							
<i>Other</i>							
<i>Table continued next page</i>							

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Capital Expenditure - New Assets Programme*							
Description	R '000						
	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	-	-		-	-	-	-
Buildings							
Other							
Investment properties - Total	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
List sub-class							
Biological assets	-	-		-	-	-	-
List sub-class							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on new assets	-	-		-	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

T M.1

APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-		-	-	-	-
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>							
Infrastructure: Other - Total	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-		-	-	-	-
Buildings							
Other							

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Capital Expenditure - Upgrade/Renewal Programme*								R '000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
Capital expenditure by Asset Class								
Investment properties	-	-		-	-	-	-	
Housing development								
Other								
Other assets	-	-		-	-	-	-	
General vehicles								
Specialised vehicles								
Plant & equipment								
Computers - hardware/equipment								
Furniture and other office equipment								
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
Agricultural assets	-	-		-	-	-	-	
List sub-class								
Biological assets	-	-		-	-	-	-	
List sub-class								
Intangibles	-	-		-	-	-	-	
Computers - software & programming								
Other (list sub-class)								
Total Capital Expenditure on renewal of existing assets	-	-		-	-	-	-	
Specialised vehicles	-	-		-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: Year 0					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
"Project C"	85	90	95	5%	11%
Sanitation/Sewerage					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Electricity					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Housing					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Refuse removal					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Stormwater					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Economic development					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Sports, Arts & Culture					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Environment					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Health					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Safety and Security					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
ICT and Other					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
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