



2022/23

DRAFT 2022/23 ANNUAL REPORT

1. VISION

A model municipality in partnership with its community through excellent service delivery, local economic development and public participation.

2. MISSION

Building a caring, responsive, accountable and economic viable municipality.

3. VALUES

In implementing the above, the Amahlathi Municipality subscribes to the following values

- ◆ Team work
- ◆ Trust
- ◆ Honesty
- ◆ Responsibility
- ◆ Dedication
- ◆ Value and acknowledgement of the individual.
- ◆ Integrity
- ◆ Work Ethics.
- ◆ Transparent and Clean Government.
- ◆ Tolerance
- ◆ Understanding
- ◆ Good Leadership.
- ◆ Accountability
- ◆ Value for Money
- ◆ Efficiency and Affordability
- ◆ Developmental Local Government striving for effectiveness and Performance.

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ACRONYMS

- IDP- Integrated Development Plan
- PDP- Provincial Development Plan
- SCM- Supply Chain Management
- MIG- Municipal Infrastructure Grant
- SDBIP- Service Delivery & Budget Implementation Plan
- MRM- Moral Regeneration Movement
- MPAC -Municipal Public Accounts Committee
- FMG- Finance Municipal Grant
- MSIG- Municipal Systems Improvement Grant
- LLF- Local Labour Forum
- MM- Municipal Manager
- CFO- Chief Finance Officer
- MTREF- Medium Term Revenue Expenditure Framework
- GRAP- General Recognised Accounting Practise
- SANRAL- South African National Road Agency Limited
- SALGA- South African Local Government Association
- ADM- Amathole District Municipality
- NER- National Electricity Regulations
- SMMEs- Small Medium and Micro Enterprises
- HR- Human Resource
- OHS- Occupational Health and Safety
- MFMA- Municipal Finance Management Act
- CCLR- Councillor
- PR CLLR- Proportional Representative Councillor
- PMS- Performance Management System
- IGR- Intergovernmental Relations
- DCF- District Communicators Forum (DCF)

DEDEAT- Department of Economic Development Environmental Affairs and Tourism

DRDAR- Department of Rural Development and Agrarian Reform

NGO- Non- Governmental Organisations

AFS- Annual Financial Statements

CIPC- Companies & Intellectual Property Commission

KPI- Key Performance Indicator

KPA- Key Performance Area

TCS- Traffic Contravention System

DPSA- Department of Public Services and Administration

VAT- Value Added Tax

AOPO- Audit of Predetermined Objectives

MTEF- Medium Term Expenditure Framework

SMART - Specific Measurable Assignable Realistic Time-related

HODs- Head of Departments (HO-Ds)

ICT- Information Communication Technology

PPE- Property Plant & Equipment

FAR- Fixed Asset Register

AC- Audit Committee

MPRA- Municipal Property Rates Acts

AG- Auditor General

FY- Financial Year

COGTA- Cooperative Governance and Tradition Affairs

KKH- Keiskammahoek

SLA- Service Level Agreement

DR- Disaster Recovery

IT- Information Technology

MEC- Member of Executive Council

Q1- Quarter 1

Q2- Quarter 2

Q3- Quarter 3

Q4- Quarter 4

AO- Accounting Officer

IA- Internal Audit

PPP- Private Public Partnership

N/A- Not Applicable

ALM- Amahlathi Local Municipality

EPWP- Extended Public Work Programme

GSFPA- Greater Stutterheim Fire Protection Association

UIF- Unemployment Insurance Fund

CA- Chartered Accountant

SA- South Africa

SPU- Special Programs Unit

LTO- Local Tourism Organisation

CTO- Community Tourism Organisation

LED- Local Economic Development

SALGBC- South African local Government Bargaining Council

CWP- Community Works Programme

MCCP- Mlungisi Community Commercial Park

DSRAC- Department of Sport Recreation Arts and Culture

EAP- Employment Awareness Programme

HRD- Human Resource Development

YTD- Year to Date

EEP- Employment Equity Plan

WSP- Workplace Skills Plan

LGSETA- Local Government Sector Education Training Authority

NERSA- National Energy Regulation South Africa

BTO- Budget and Treasury Office

MVR- Motor Vehicle Registration

SDI- Service Delivery and Infrastructure Development

MFV- Municipal Financial Viability

MTI- Municipal Transformation and Institutional Development

GGP- Good Governance and Public Participation

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

MAYOR'S FOREWORD

We are almost 23 years since the amalgamation which established Amahlathi Municipality with its esteemed natural beauty featuring the Amathole Mountain Range with its natural forests and planted timber, the friendly N6 and the palatable Dohne Sourveld. In the financial year 2022/23 serving 15 wards with a lower revenue base proved both our political and administrative leadership to be capable. We had no choice to but to use resources efficiently in all our service delivery endeavours. The implementation of the Revenue Enhancement Strategy began to bear fruits.



Once again this year we invested our efforts at improving both financial and performance oversight which translated into better financial controls by administration and performance monitoring by the Executive Committee. These improvements will establish a good foundation for an increased socio-economic emancipation to obviate the economic scourge of unemployment and thus unlock potential of our natural resource base such as forestry, agriculture and manufacturing. The council is committed to ensure a more conducive environment for business so that more jobs can be created.

The constitution of the republic establishes local government as the sphere of government that should provide a democratic and accountable government for local communities. As the sphere of government accountable to its people, Amahlathi Municipality will always be evaluated on its ability to meet the growing needs of its people through rendering quality services, promoting economic development, fiscal discipline, ensuring that it governs effectively and facilitating the growth of the municipality.

The Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA) commands Amahlathi Municipality to prepare an annual report for each financial year. Section 127(2) of the Act, requires that the Mayor, within seven months after the end of a financial year, to table in the municipal council the annual report of the municipality. It is against this legislative requirement that the Amahlathi Municipality has prepared this document. The Annual Report is an account of how the municipality has taken up the challenge to grow the Amahlathi area, effectively engage the community and develop partnerships with the business sector. Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out the performance of the municipality and its external service providers. The report should measure current performance against targets and performance in the previous financial year and outline measures to improve performance in the year ahead. The annual performance report must form part of the annual financial report.

It is therefore my pleasure to present this Annual Report of Amahlathi Municipality for the period of 2022/23 to Council, the people of Amahlathi, the National and Provincial Treasury, the Local Government, Auditor General and other stakeholders.

Whilst the role of the Office of the Mayor is established to provide political guidance and ensuring that governance structures exist and are functional, it is also the legislative requirement enshrined in the Municipal Finance Management Act that I present this report to all Amahlathi Municipality stakeholders.

The municipality has managed against many challenges to render basic services to improve the lives of its communities even though everything done was against the backdrop of limited financial resources to fund various projects. The municipality appreciates the strides it has made to address the needs and aspirations of its communities and recognises that there is even more that still remains to be done.

Our role and responsibility as Amahlathi Municipal Council is to implement projects that have been budgeted for and translated into a Service Delivery and Budget Implementation Plan. It is in this regard that the Office of the Mayor applauds the dedication displayed to accomplish this good work when challenges mounted this high and yet production was possible.

Amahlathi Municipality is determined to achieve its strategic objectives through partnership with communities in addressing the basic services as outlined in its Integrated Development Plan (IDP). It is also important to mention that the municipality has aligned its planning to the Provincial Development Plan (PDP), through the development of targets that focuses on addressing goals identified in the PDP. This is done in order to ensure contribution to provincial vision of flourishing people in a thriving province by 2030.

I would like to thank the community of Amahlathi for continuously believing in the municipality, participating in the programmes, their willingness to be part of the collective. I would also like to extend my gratitude to my fellow Councillors, the Audit Committee, Senior Management and staff for their undivided commitment to collectively participate in Municipality's developmental Agenda. My sincere gratitude also goes to the MEC of COGTA Hon Xolile Nqatha and the Executive Mayor of ADM for their unwavering support provided to the Amahlathi Municipality. This year has proved to be a challenging one and thanks to those challenges because they have laid a good foundation for what must be done in the coming financial year. Going forward the council in solid partnership with its community must take a centre stage in developing a deliberate programme which must yield sound service delivery praxis to service all its people and stakeholders. Better service delivery is directly associated with a motivated work force. The aim is to build and grow a resilient Amahlathi Municipality as the employer of choice and a model agent of radical socio-economic transformation.

Thank you.



Cllr. N Nqatha
Her Worship, the Mayor
Amahlathi Municipality

B: STATEMENT OF THE MUNICIPAL MANAGER

This Annual Report captures Amahlathi Local Municipality's strategic focus, provides an overview on its performance and sets out Council's financial position for the 2022/2023 financial year. The report also outlines the details of the various programmes managed by the Directorates of Amahlathi Local Municipality and how the municipality has performed towards meeting the set targets. The municipality firmly believe that it is on track towards meeting the growth and its set development targets although this year's challenges impacted negatively on the overall performance of the Municipality.

The municipal administration consisted of five directors who reported to the Municipal Manager. Their task is to implement policies and strategies passed by council to ensure proper service delivery.

As we present the annual report for the 2022/23 financial year, I confirm that the report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000 as amended, the Local Government: Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations as well as National Treasury Circular No. 63 that outlines Annual Report Guidelines.

These are the five top risks that were identified by the municipality and priorities below were set to address such risks.

- Vandalism on public amenities
- Distribution losses on electricity
- Inadequate revenue collection.
- Non-adherence to SCM policies, procedures and regulations
- Slow spending on conditional group

The key priority areas of the institution during the year under review find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:

- a) Performance management
- b) Expanded Public Works Programme
- c) Provision of basic services to communities
- d) Meeting of statutory timelines and reporting frameworks.
- e) Development, review and approval of municipal policies.
- f) Enhance public participation programme
- g) Deal with administrative matters that will ensure the smooth induction of Council.

In the 2023/24 financial year, the following areas received priority

- a) Institutionalisation of outcomes approach
- b) Accelerating and improving access to basic services
- c) Internal implementation of infrastructure projects using internal plants
- d) Continuing to review and improving financial systems and procedures.
- e) Address issues emanating from the Auditor-General's report for 2021/22 financial year.

- f) Development of municipal by-laws
- g) Public safety and law enforcement
- h) Improving reporting, monitoring and evaluation
- i) Capacitation of councillors and municipal employees.
- j) Revenue Enhancement
- k) Organizational Design

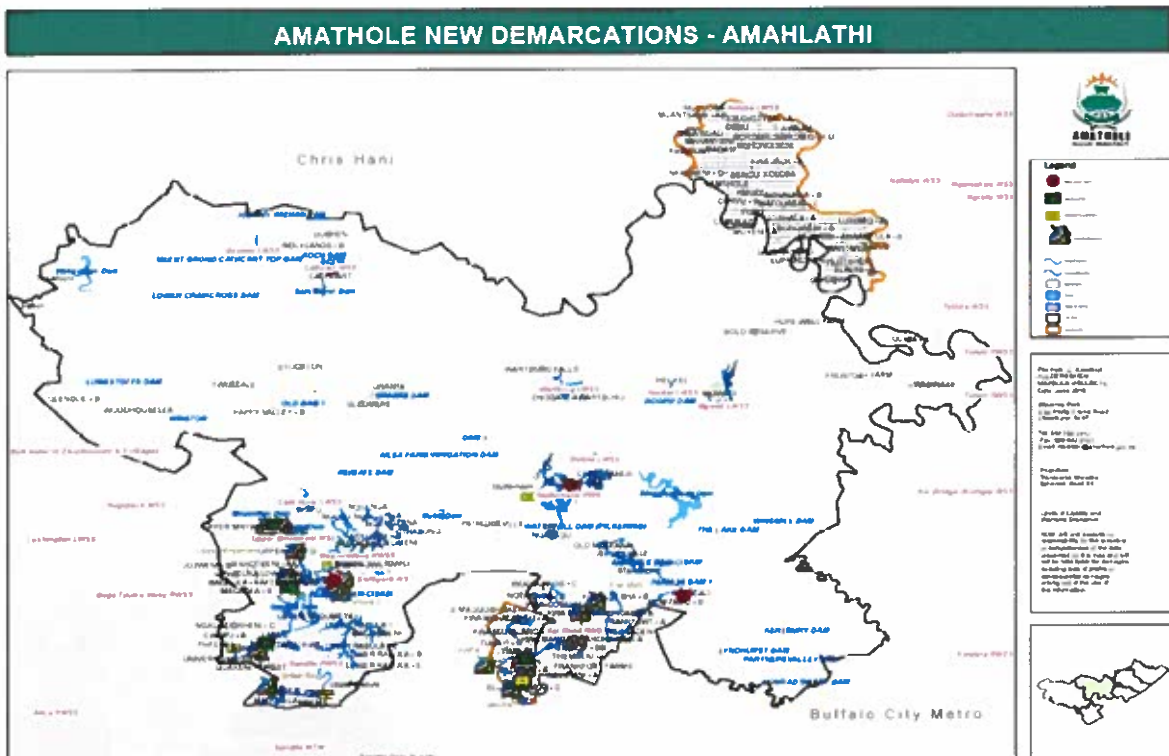
A handwritten signature in black ink, appearing to read 'Z Shasha', is written over a horizontal line. The signature is stylized and cursive.

MUNICIPAL MANAGER
DR. Z SHASHA

C: EXECUTIVE SUMMARY

1.1 Municipal Manager’s overview

Amahlathi Municipality is a category B collective executive type with ward participatory system. This locality is situated in the Northern part of the Amathole District Municipality and stretches about 4266.21km² between Raymond Mhlaba, Buffalo City, Great Kei and Chris Hani District. Amahlathi Municipality has four small towns namely; Stutterheim, Cathcart, Keiskammahoek and Kei Road. Stutterheim and Cathcart are strategically placed along the N6 road with access to the rail and road network. Keiskammahoek is the agricultural hub with a majority of the population active within the agricultural sector. Kei Road is the most underdeveloped town followed by Keiskammahoek. The main municipal offices are situated in Stutterheim where the Council is accommodated. The locality includes the bulk of the Amathole Mountain Range, Dohne Sourveld, Gubu and Wiggleswade Dams. The municipality is the home of major economic and development giants like Manderson Hotel, Dohne Agricultural Research Institute, Rance Timbers, ANCA Foods and Newden. The Forest Way also provides the municipality great tourist attraction sites on the foot of Amathole Mountains. The locality receives an average annual rainfall of about 600mm and is blessed with good soils in various areas thus giving it a somewhat high agricultural potential. The main economic sectors are community services, finance, manufacturing, trade, agriculture, construction and transport.



1.2 Population & Household dynamics

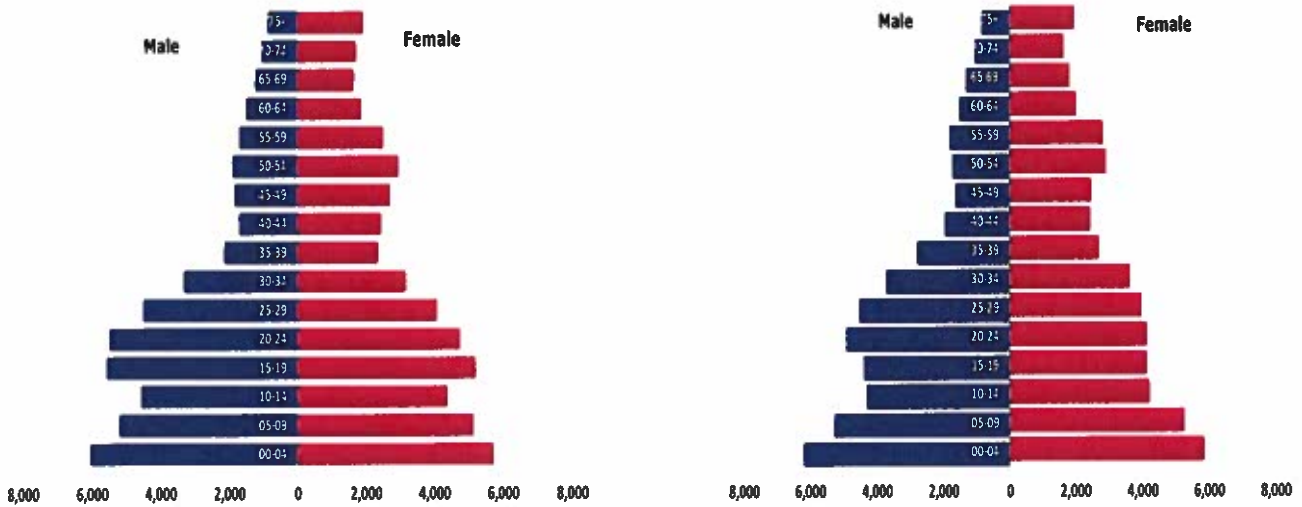
The population of Amahlathi has decreased from 122 778 to 101 826 based on the new boundaries as per the 2016 Community survey done by Statistics SA, this came as a result of the number of wards that have been reduced from 20 to 15 by the Demarcation board. The 2016 Community Survey also shows a decrease in the households from 34 159 to 29 994 households. The population is unevenly distributed among the 15 wards.

Age and Gender Distribution

- i. The gender distribution analysis of Amahlathi population reflects a similar pattern to that of the country with females accounting for 51.75% and males only 48.25%. Since females form the greater portion of the economically active population age groups 15 to 64 years, it will be strategic for the municipality to increase their participation in local governance issues.
- ii. The population pyramids below provide a breakdown of the population estimates in the municipality by age, group and gender for 2011 and makes a comparison with 2016 population estimates. The population of the municipality shows a typical age structure of a very young population distribution. The economically active population (15-64) who are willing and able to work account for 60%. Those in the age group 15-34 account 31% however by 2016, the structure changed and the population in those age cohorts grew to 60.6% and those in the 15-34 age cohort declined to 29.1%. The decline in the youth category could indicate the out-migration impact where the youth would typically seek better working and living conditions elsewhere in the region.

Population pyramid 2011

Population pyramid 2016



1.3 Household Income distribution

The ability to meet basic needs, such as for adequate food, clothing, shelter and basic amenities, is largely determined by the level of income earned by the households.

61.4% of households in Amahlathi earn between R30, 000 to R72, 000 per annum. The households with the highest income brackets falls between R30,000 – R42,000 and R18,000 – R30,000 accounting for about 18.9% and 17.0% of households respectively. In 2016, there was a significant shift in the income breakdown where certain income brackets grew while others declined. Households in the income categories of R0 to R4, 200 experienced a cumulative decline of about 18% while significant increases in the categories of R42, 000 upwards were experienced increase with those between R72, 000 to R132, 000.

1.4 Access to basic services

According to data below as presented by Statistics South Africa in their 2016 Community Survey, over 80% of households in the past 15 years have access to water and electricity. However during the two periods, access to water declined slightly although at high levels while significant increase in the provision of electricity was observed as more than 90% of households in the municipality. Access to electricity is reliant on infrastructure above ground with cables that are able to cover significant land area compared to services that are provided by infrastructure underground.

Toilet facilities remain at low levels. Challenges in providing sanitation services in most municipalities include in-ground factors and the soil type. The service is influenced also by the type of infrastructure the municipality should provide taking into consideration the topography of the municipality in terms of identifying of landmark features and vegetative land cover.

With regards to access to refuse removal much focus is required as levels are low and declining which is indication of high backlog levels. This could likely be a result of the sparsely distributed households including the access to the various wards in the municipality for the collection of the refuse. The high levels of refuse removal to a communal service indicates refuse being disposed in a central place by households as opposed to removal by the municipality or a service provider.

Table: Access to service delivery

Access to Basic Infrastructure	2011		2016	
	Households	% of households with access	Households	% of households with access
Main source of drinking water				
A Access to piped water	26 269	92.0%	22 041	89.7%
No access to piped water	2 278	8%	2 535	10.3%
Access to Sanitation				
Flush Toilets	7 640	27.5%	6 040	24.6%
Chemicals	415	1.5%	1512	6.2%
Pit Toilets	18 263	65.7%	15 235	62.0%
Buckets	67	0.2%	48	0.2%
None	1403	5.0%	1 460	5.9%
Energy for lightning				
Electricity	24 919	87.4%	22 610	92.7%
Other	3 590	12.6%	1 781	7.3%
Energy for Cooking				
Electricity	20 577	72.3%	20 840	85.9%
Other	7 880	27.7%	3 429	14.1%
Access to refuse removal				
Removed by local authority at least once a week	7 113	24.9%	3 438	14.0%
Removed by local authority less often	96	0.3%	256	1.0%
Communal refuse dump	316	1.1%	2 637	10.7%
Own refuse damp	19 789	69.3%	17 323	70.5%
No rubbish disposal	1 150	4.0%	231	0.9%

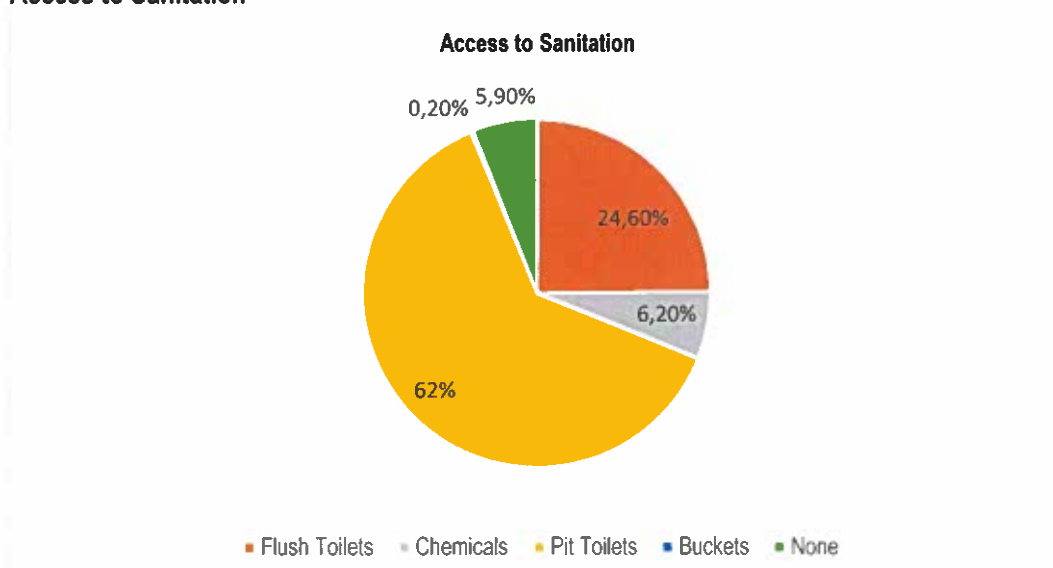
Source: Stats SA Community Survey 2016, own calculations

According to Community Survey 2016 about 89.7% of the households in Amahlathi area access water from regional/ local water scheme operated by the municipality or other water service provider and only 10.3% that does not have access to piped water.

Electricity – 2016 Community Survey as per the table above indicates that 92.7% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 5.3%.

Refuse removal - The statistics above indicate that about 70.5% of Amahlathi households uses their own refuse dump as compared to 69.32% in 2011 and only 14.0% that have access to refuse removal at least weekly. This shows that there is still huge backlog on refuse removal.

Access to Sanitation



Source: Community Survey 2016

Sanitation - Community Survey 2016 indicates that 62 % of Amahlathi households still use pit toilets ventilation, 24.6 % use flush toilets with sewerage system, 5.9 % do not have any toilets, and 6.2% uses chemical toilets and only 0.2% uses bucket system. The statistics merely indicates there's a great need for flush toilets with sewerage system in Amahlathi.

1.5 Financial Overview

Financial Overview: Year 2022/23			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants (excluding Capital)	130 728	130 989	130 608
Taxes, Levies and tariffs	78 073	78 473	74 728
Other	20 055	23 662	20 056
Sub Total	228 855	233 123	225 392
Less: Expenditure	255 339	276 374	297 372
Net Total*	(26 484)	(43 250)	(71 980)
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	57%
Repairs & Maintenance	1%
Finance Charges & Depreciation	11%
	T 1.4.3

Total Capital Expenditure: Year -2019/20 to Year 2022/23			
			R'000
Detail	Year 2020/21	Year 2021/22	Year 2022/23
Original Budget	32 016 460,00	31 130 100,00	39 791 000,00
Adjustment Budget	52 729 226,00	39 667 600,00	41 341 171,00
Actual	48 808 402,00	27 192 520,00	30 177 040,39
			T 1.4.4

1.6 Auditor General Report 2021/22 Financial Year

The first half of the financial year was an audit period, where Auditor General conducted audits on both finance and performance information.

The municipality received an unqualified audit opinion with improvements on the matters of emphasis on Financial Statements and received Disclaimer on Performance management which is a regression compared to previous financial years. Following are some of matters of emphasis raised by AG;

1. **Material uncertainty relating to going concern-** the municipality inability to pay creditors within due dates, negative key financial ratio, and net current liability was realised. These events or conditions along with other matters as set out in note 44 indicate that material uncertainty exists and may cast significant doubt on the entity's ability to continue as a going concern
2. **Material impairments consumer debtors -** As disclosed in note 31 to the financial statements, material impairments for consumer debtors and other debtors of R7.5 million (2021: R26.5, million) were incurred.
 - **Material electricity distribution losses-** As disclosed in note 49 to the financial statements, material electricity losses of R15.3 million (2021: R11.7 million) was incurred, which represents 34.5% (2020: 34.2%) of total electricity purchased. The losses are attributed to normal losses and illegal connections.

A detailed report on the AG's findings is attached as part of Annual report for 2021/2022 financial period

1.7 Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year Annual Report to Internal Audit and Auditor-General	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

CHAPTER 2: GOVERNANCE

COMPONENT A. POLITICAL AND ADMINISTRATIVE GOVERNANCE

Institutional Structure of Amahlathi Local Municipality

The institutional Structure of Amahlathi Local Municipality is divided into two levels, the Political and Administrative Structures. The Administrative Structure is accountable to the Political Structure.

2.1. Political Structure of Amahlathi Local Municipality

The Principalship of Amahlathi Local Municipality lies with the Council with the Executive Committee as its primary committee to facilitate service delivery. The Mayor is the chairperson of the Executive Committee while Speaker is the chairperson of the Council. Chief Whip chairs the committee of Whips. The mayor is the political head of the municipality vested with powers to set out priorities over the financial affairs of the municipality in terms of Chapter 7 of the Municipal Finance Management Act.



Cllr Nomakhosazana Nongqayi (Mayor)



Cllr Nokuzola Mlahleki (Speaker)



Cllr Phatheka Qaba (Chief Whip)

LISTED BELOW ARE THE COMMITTEES THAT ASSIST COUNCIL IN CARRYING OUT ITS RESPONSIBILITIES;-

i. Executive Committee.

The Mayor of Amahlathi Local Municipality, **Honourable Cllr. N Nongqayi**, assisted by the Executive Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility.

The executive committee consists of the Council members (chairperson of each standing committee) listed below and the heads of departments. Meetings are convened monthly but special meetings are convened when the need arises.

No.	Names
1.	Cllr Nomakhosazana Nongqayi
2.	Cllr Xola Tokwe
3.	Cllr Phatheka Qaba
4.	Cllr Nobathembu Kato-Manyika
5.	Cllr Busisa Xongwana
6.	Cllr Thamsanqa Balindlela

iii. Municipal Public Accounts Committee (MPAC).

The Municipal Public Accounts Committee is established to assist Council to fulfil its mandate of overseeing the Executive and the Administration.

The committee sits quarterly but special meetings are convened when the need arises. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. Below is the list of the members of the committee;

No.	Names
1.	Cllr Zukisa Qonto
2.	Cllr Xoliswa Neti
3.	Cllr Masixole Gantsho
4.	Cllr Phathuxolo Able Simandla
5.	Cllr. Nicholas Ncevu
6.	Cllr. N.V. Mjandana

iv. Standing Committees

In terms of Section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79 committees of councillors to assist the executive committee or the mayor.

Section 79 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee

on policy matters and make recommendations to Council. The meetings are held monthly meaning 12 sittings per year.

The portfolio committee members together with their Chairpersons are as follow:

a. Infrastructure Service delivery Committee

No.	Names
1.	Cllr X. Tokwe - Chairperson
2.	Cllr N. Nyangwa
3.	Cllr N. Mbulawa
4.	Cllr R.B. Pickering
5.	Cllr M. Nqini

b. Corporate Services Committee

No.	Names
1.	Cllr P. Qaba
2.	Cllr M.E. Maweni
3.	Cllr N.C. Mkiva
4.	Cllr M. Neku
5.	Cllr P.N. Onceya-Sauti
6.	Cllr N. Ngxakangxaka

c. Community Services Committee

No.	Names
1.	Cllr T. Balindlela – Chairperson
2.	Cllr A. Hobo
3.	Cllr N.Z. Klaas
4.	Cllr N.O. Sidinana
5.	Cllr M. Nqini
6.	Cllr N.V. Mjandana

d. Planning and Development Committee

No.	Names
1.	Cllr B. Xongwana - Chairperson
2.	Cllr N. Ngxakangxaka
3.	Cllr M. Busakwe
4.	Cllr M.E. Maweni
5.	Cllr. N. Salaze

e. Budget and Treasury Committee

No.	Names
1.	Cllr N. Kato-Manyika Chairperson
2.	Cllr N. Mbulawa
4.	Cllr N. Nyangwa
5.	Cllr R.B. Pickering
6.	Cllr M. Busakwe

v. Other Committees**Whips Committee**

No.	Names
1.	Cllr Moslina Nqini
2.	Cllr Agnes Hobo
3.	Cllr Nosipho Cynthia Mkiva
4.	Cllr Nonkanyiso Charlie
5.	Cllr Ntombizonke Vivian Mjandanda
6.	Cllr Neliswa Mbulawa
7.	Cllr Ndileka Ngxakangxaka
8.	Cllr Zamuxolo Emmanuel Mfulana
9.	Cllr. Onke Mgunculu

Rules, Ethics and Integrity Committee

No.	Names
1.	Cllr Agnes Hobo
2.	Cllr Ngenamazizi Orsmond Sidinana
3.	Cllr Mbeko Neku
4.	Cllr Nonkanyiso Charlie
5.	Cllr Ntombizonke Vivian Mjandana
6.	Cllr. Moslina Nqini

Local Labour Forum Committee

The Local Labour Forum is a consultative structure that only takes decision within its powers and functions. The main collective agreement confers to the Local Labour Forum powers and functions of negotiating and or consulting among other things;

- On matters of mutual concern pertaining to the employer which do not form the subject matter of negotiations at the council or Division
- On such matters as may from time to time be referred to such forum by the Council or its division.
- Concluding of minimum service level agreement

The Local Labour Forum is established with equal representation from trade unions and the employer with the trade union's representation divided in proportion to their respective membership. In the year (21/22) under review the Local Labour Forum was functional. 4 LLF meetings were held as follows:

No.	Dates of Local Labour Forum
1.	16 August 2022

2.	15 November 2022
3.	12 March 2023
4.	20 June 2023

a. COMPOSITION OF LOCAL LABOUR FORUM COMMITTEE

No.	Names
1.	Cllr. P. Qaba – LLF Chairperson
2.	Cllr. L. Sidinana
3.	Cllr. N. Manyika
4.	Cllr. R. Pickering
5.	Mr. L. Manjingolo
6.	Ms. N. Nqulo
7.	Ms. A. Noholoza
8.	Ms. T. Ndlamhlaba
9.	Mr. V. Msindwana – Labour Relations Officer
10.	Ms. T. Magwangqana -SAMWU Rep
11.	Mr. L. Nkongo -SAMWU Rep
12.	Mr. X. Roji-SAMWU Rep
13.	Mr. B. Sokrowa (Imatu Rep
14.	Mr. V.Bambatha – SAMWU Rep
15.	Ms. A. Matiwane- SAMWU Rep
16.	Mr. Z. Mkosi- SAMWU Rep
17.	Mr. X. Njaba – Admin Officer

b. Audit and Performance Committee

The function of the Audit and Performance Committee is primarily to assist the Municipality in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements. The Audit and Performance Committee had 4 members listed below and should meet 4 times per annum as per its approved terms of reference.

NUMBER	SURNAME AND INITIAL	QUALIFICATION
1.	Smith L - AC Chairperson	CA (SA), Registered Auditor
2.	Mdani M - AC Member	Masters in Business Administration Post Graduate Diploma Management B.Tech HRM National Diploma in HRM
3.	M. Manxiwa - AC Member	Attorney (Registered with Legal Practice Council) Bachelor of Law Corporate Law Certificate

4.	N. Hermanus-Mabuza - AC Member	Professional Internal Auditor (PIA) – (IIA) Masters in Business Administration Certificate: Advanced Business Program National Diploma: Internal Auditing Certificate: Information System Computer Auditing Accredited: Internal Quality Assurance Review (IIA)
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The Audit Committee had the following meetings during the year:

Audit Committee Meetings
26 th July 2022 – Ordinary AC
28 th August 2022 – Special AC
23 rd November 2022 – Ordinary AC
23 rd January 2023 – Ordinary AC
24 th May 2023 – Ordinary AC
26 th June 2023 - Special AC

c. Training and Employment Equity Committee

In terms of the regulations to the Skills Development Act, every organisation with more than 50 employees must establish an institutional forum (Training & Employment Equity Committee) for purposes of consultation with regards to skills development. The Training & Employment Equity Committee consists of the following Councillors and Officials and it sit bi-monthly. In the year (2022/23) under review the Training and Employment Equity Committee was functional and meetings were held as follows:

No.	Dates of Training & Employment Equity
1.	15 August 2022
2.	08 November 2022
3.	06 March 2023

d. COMPOSITION OF TRAINING AND EMPLOYMENT EQUITY COMMITTEE

No.	Names
1.	Cllr. P. Qaba – TEEC Chairperson
2.	Cllr. N. Ngxakangxaka
3.	Cllr. NC. Mkiva

4.	Cllr. NA. Kato-Manyika
5.	Cllr. MA. Bukakwe
6.	Cllr. Mlahleki N
7	Cllr R. Pickering
7.	Mr. L. Manjingolo – Chief Financial Officer
8.	Ms. N. Nqulo – Director: Corporate Services
9.	HR Officer
11.	Skills Development Facilitator/Training Coordinator
12.	Occupational Levels: Representatives: <ul style="list-style-type: none"> - Senior Management - Professionally qualified & experienced Specialists & Middle Management - Skills -technical - Semi-skilled - Unskilled
13	• Imatu Representative
14.	• Samwu Representative
15.	• Non Union member representative
16.	Mr. X. Njaba – Admin Officer/Secretariat

2.2 Administrative Structure of Amahlathi Municipality

The Municipal Manager is the head of administration. Directors as heads of departments report directly to the Municipal Manager while the Municipal Manager accounts to the Mayor and Council.



Dr Zamuxolo Shasha (Municipal Manager)



Mr. Lubabalo Manjingolo - CFO



Ms N Dlova – Engineering Director



Ms Nozuko Nqulo – Director Corporate Service



Ms Andiswa Noholoza – Director Community Services



Mr Simphiwe Mnweba (Director Development and Planning)

ROLES AND RESPONSIBILITIES OF DIRECTORATES

Role of Municipal Manager:

- Act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs;
- Disclose to the municipal council and the mayor all material facts which are available to the accounting officer or reasonably discoverable and which in any way might influence the decisions or actions of the council or the mayor;
- Seek within the sphere of influence of the accounting officer to prevent any prejudice to the financial interests of the municipality;
- The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively efficiently and economically;
- Ensure full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- Ensure the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control, internal audit operating in accordance with any prescribed norms and standards;
- Ensure that are unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;
- Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of Municipal Finance Management Act 56 of 2003.

Role of the Chief Financial Officer:

- Is administratively in charge of the budget and treasury office.
- Must advise the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of this Act.
- Must assist the accounting officer in the administration of the municipality's bank accounts and in the preparation and implementation of the municipality's budget.

- Must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79.
- Must perform budgeting, accounting, analysis, financial reporting, cash management, debt management and supply chain management.
- Financial management, review and other duties in terms of section 79 as delegated by the accounting officer.
- The chief financial officer of a municipality is accountable to the accounting officer for the performance of the duties referred to in subsection.

Role of the Director Engineering Services

- Responsible for the maintenance of all Municipal roads and storm water with the limited funding and machinery that is available. This does not include roads that fall under the Department of Roads and Public Works and South African National Road Agency Limited (SANRAL).
- The goal of the Building Control Unit is to enable the Amahlathi Municipality to fulfil its role as a controller of all Building activities & maintenance of all buildings, Engineering Planning aspects of services provision of new settlement areas and ensure that municipal buildings are continuously and adequately maintained.
- The goal of the PMU Unit is to see the proper implementation and control of all projects in Amahlathi Municipality funded by Municipal Infrastructure Grant (MIG) / INEP /DMRE. MIG programme is aimed at providing all South Africans with at least a basic level of service. INEP/DMRE programme aims for all households to be provided with an electricity supply.
- Electricity provided in Stutterheim, Cathcart & Amabele Village Station under the NERSA Distribution Licence NER/D/124EC. Eskom is responsible to provide electricity supply and connections to villages not covered in terms of NERSA Distribution Licence NER/D/124EC terms and conditions.
- Distribution & Reticulation: The goal is to maintain the systems in order to provide a safe, reliable and efficient electricity supply. Meter readings & monitoring of consumption with assistance of BTO to ensure efficiency in electricity service provided.
- Public Lights (Street & High masts): All Public lights funded through the municipal rates component, the electricity section responsible for planning, installation of new lights as well as the maintenance of public lights.
- Municipal Buildings: Ensure electrical supply to premises as a customer. Guidance with compliance in terms of SANS electricity wiring of premises. Monitoring of work quality in compliance with the Occupational Health & Safety Legislation. HVAC (Air Conditioners) – guidance to other units, monitoring quality and compliance in terms of Occupational Health & Safety requirements and Legislation.

Role of the Director Corporate Services

Plans, coordinates and manages activities of the Human Resources department to ensure the delivery of HR services such as HR Planning, Personnel Provisioning, and Administration of conditions of service, Personnel utilisation, Industrial relations and skills development.

- To develop a departmental vision and strategy and ensure implementation to provide effective service delivery.
- Manages performance of employees in the Department to ensure optimal work performance. Plans and manages utilisation of resources in order to perform activities. Develops and monitor systems, policies, procedures and processes to ensure correct working operations and practices.
- Manage the Human Resources department of the Amahlathi Council to ensure compliance with the corporate services directorate strategic plan.
- Develop, Manage and administer the recruitment and selection policy to ensure compliance with Recruitment and selection policy of the Municipality.
- Promote good and sound industrial relations environment to ensure labour stability in the municipality.
- Administer the implementation of the Employment Equity to ensure compliance with the Employment Equity Plan.
- Manage the Training and Development Function to ensure effective training system in the Municipality.
- Overall management of the Occupational Health and safety to ensure compliance with the OHS Act.
- Manage the use of Council resources to ensure economic, effective and efficient service delivery.
- Management of an administration system that is efficient and facilitates decision making and service delivery throughout the Amahlathi Municipality
- Manage the Municipality's administration in accordance with the constitution, local government municipal structures act and other applicable legislation.
- The effective management of Human Resources in order to ensure that transaction and implementation of skills development, employment equity, performance management and fleet management.

Role of the Director Community Services

- To contribute towards a safe and secure environment
- To promote a clean and healthy environment
- To promote a culture of reading and learning
- To ensure that public amenities are improved and well managed
- To reduce number of road carnages on our Public Roads
- To increase Traffic visibility in our Municipal Roads

Role of the Director Development Planning

- Facilitation of Local Economic Development
- Co-ordination of agricultural programmes
- Support to SMME's and Co-operative's
- Co-ordination of Tourism development

- Promotion of Culture and Heritage sub-sectors within Amahlathi
- Development of Local Economic Development related policies
- Co-ordination of Human Settlement delivery within Amahlathi
- Management of Spatial Development and Town Planning
- Land Use Management
- Ensure effective use and management of Municipal land
- Lead the implementation of High Impact Development Initiatives
- Facilitation of Development Partnerships.

B. INTER GOVERNMENTAL RELATIONS

2.3 INTER GOVERNMENTAL RELATIONS COMMITTEE

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underpin the relations between the spheres of government. IGR meetings sit on a quarterly basis and are information-sharing sessions that seek to align planning between the municipality and other spheres of government.

Amahlathi Local Municipality has developed and adopted an IGR Policy Framework in 2016/17 that encourages establishment of IGR Clusters and the broader IGR to provide a platform for the meeting of minds of sector departments, stakeholders and the municipality.

The municipality has managed to revive its IGR clusters during 2022/23 financial year (aligned to all 5 municipal key performance areas (KPA)). However, not all clusters managed to function fully due to the fact that the Good Governance & Public Participation cluster does not have the chairperson to coordinate it.

The table below illustrates all the dates that broader IGR forum meetings were held during each quarter:

Quarter	Date
Q1	13 September 2022
Q2	24 November 2022
Q3	14 March 2023
Q4	18 May 2023

All four quarterly IGR meetings managed to sit with the concern of inconsistencies on attendance of sector departments.

C. PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 Public Accountability

In the 2022/2023 financial year a Public Participation Strategy has been developed and it is awaiting Council Approval. The purpose of the Public Participation Strategy is to provide for mechanisms by which the public may participate in the affairs of the Municipality and to clarify roles and responsibilities of all the role players and interested parties. It will therefore be used to report back and account to residents about council decisions, plans

and budgets and also inform people of new services, tariffs, developments and policies. The strategy will ensure full and proper accountability to the people of Amahlathi Local Municipality and create an enabling environment for civil society to find a platform upon which they can voice their concerns and take part in the fundamental decision making issues that affect them and communities at large.

The Municipality has a Public Participation Policy that was adopted by Council on 1 September 2015 and it is reviewed annually. In accordance with Municipal systems Act 2000, the municipality holds regular IDP/PMS/ Budget Representative Forum meeting in drafting IDP and Budget. Forum meetings are be convened quarterly in preparation of each phase.

The following forms are used in calling the interested parties

- ✓ Website, Facebook, Notice Boards to publish our notices
- ✓ Community Radio Stations to reach those parts of our community that do not read newspaper
- ✓ Posters, pamphlets, ward councillors, ward committees, Community Development Workers (CDW) and announcements through community gatherings and community based organizations
- ✓ Loud hailing

Other structures used to enhance public participation is through Ward Committee Meetings, LED Forums and SPU Forums and Local Communicator's forum which are convened quarterly.

To ensure that the needs of unorganized groups are represented as well, advocacy groups and Non-Governmental Organizations (NGOs) are used as well for communication. Meetings of the Representative Forum will be held in any appropriate Municipal buildings and the preferable languages that we use during these sessions are:

- English
- Xhosa

The following tables reflects the roadshows that were conducted during the year under review;

Purpose	Cluster	Date	Venue	Time
Priority needs Identification	Cathcart Cluster	13 th October 2022	Cathcart Town Hall	10H00
		13 th October 2022	Toise Community Hall	14h00
		14 TH October 2022	Mandlakapheli Primary School	10H00
		14 th December 2022	Langdraai - Old abandoned house utilized as a hall by the community	14H00
	Stutterheim Cluster	18 October 2022	Mlungisi Community hall	14h00

	Cluster	20 th October 2022	Springbok Community Hall	10H00
	King Kei	21 st October 2022	Ethembeni Matthew Goniwe School	10h00
	Stutterheim	1 st November 2022	Mgwali Community Hall	10h00
	Stutterheim	01 November 2022	Ndakana Tribal community Hall	14h00
	Stutterheim, Cathcart, Kingkei and Keiskammahoek	18/04/2023	Springbok Community Hall (Ward 1 and 2) Ndumangeni Community Hall	10H00
		24/04/2023	Kwazidenge Community Hall (Ward 06) Mlungisi Community Hall (14&15) Frankfort Hall (12)	10H00
26/04/2023	King Kei	26/04/2023	Matthew Goniwe Primary School (Ward 07)	10:00
02/05/2023	Keiskammahoek	02/05/2023	Ngcamngeni Community Hall (10)	10:00
IDP/Budget/PMS Rep Forum	Stutterheim	14/09/2022	St Joseph's Church	10:00
	Keiskammahoek	06/12/2022	Springbok Hall	10:00
	Stutterheim	28/03/223	Ndakana Tribal Hall	10:00
	Stutterheim	23/05/2023	Mlungisi Community Hall	10:00
Annual Report Roadshows	Cathcart Cluster	11/11/2022	Ndumangeni Community Hall	10:00

	King Kei Cluster	14/11/2022	Border Community Post	14:00
	Keiskammahoek Cluster	23/11/2022	Springbok Community Hall	14:00
	Stutterheim Cluster	16/02/2023	Ndakana Community	11:00

2.4.2 Ward Committees

In line with Chapter 4 of the Municipal Structures Act 1998, the municipality is committed to enhance democratic, open, transparent and participatory system of local governance within its area of jurisdiction. The municipality is mandated by the Municipal Structures Act to elect Ward Committees within 90 days after the local government elections.

There were 147 functional ward committees from 1 July 2021 to 30 October 2021, whereas there are supposed to have about 150 ward committees. The deficit of three ward committees is for various wards due to the resignations of other members. The ward committees were functional for the duration although the lack of tools of trade hampered the reporting of ward committees. The ward boundaries differ in nature from those that are vast, congested and those that are in the middle. The sittings differ from few to many however the number of meetings were not satisfactorily. The minimum expected for each ward was 12 meeting one in each month. The ward councillors should submit the reports and attendance registers as well as the payroll registers for the ward committees.

After the inauguration of the new Council on 22 November 2021, the establishment of ward committees commenced on 5 January and a total of 150 ward committees were elected 10 in each ward of the 15. Ward Committees were inducted by the municipality and COGTA on 10 and 11 May 2022. From 12 May the 150 ward committees commenced with their duties.

The functionality of ward committees is indicated on Appendix E of this report.

2.5 IDP Participation and Alignment

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

Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

D. CORPORATE GOVERNANCE

The council recognises the wide range of risks to which Amahlathi Local Municipality is exposed. Amahlathi Local Municipality is committed to the effective management of risk in order to achieve our goals and objectives, as well as converting risk into opportunities that create value for our stakeholders. It is therefore a strategic objective to adopt a process of integrated risk management that will assist Amahlathi Local Municipality in meeting its key goals.

To achieve this risk policy statement, an integrated risk management programme must be implemented and is continuously reviewed in order to improve its adequacy and efficiency. The Council and Municipal Manager, being responsible for the total process of risk management, produces a formal risk assessment on an annual basis. This process is co-ordinated through the activities of the Risk Management Committee and Internal Audit Unit.

The Risk Management Committee is responsible for the assessment of risk to ensure that risk control and management efforts are not duplicated, risk identification "gaps" are avoided and that interdependencies at risk are identified and managed in a timely manner.

During risk assessment the strategic risk register and operational risk register were developed and the action plans were developed. The municipality identified and prioritized the following 10 top risks **2022/23** financial year:

1. Failure to develop and maintain a positive relationship with the internal and external stakeholders
2. Failure to comply with legislative and other requirements
3. Compromised going concern
4. Inability to facilitate economic growth within Amahlathi
5. Failure to plan for, develop and maintain a sustainable infrastructure
6. Failure to be prepared for a Municipal Emergency and Recovery
7. Governance Failure
8. Failure to provide information technology systems and controls and to secure records
9. Fraud and Corruption
10. Ineffective Performance management Systems

Existence of the committee and functionality.

The municipality has IT & Risk Management Committee which consists of all section 56 managers and supported by the appointed departmental risk champions. Risk management reports are reviewed quarterly by the Committee. Both strategic and operational risk assessments were performed for 2022/23 financial year.

The session was conducted on the 16th and 17th May 2023. The committee meetings were held on the following dates:

- 30th September 2022

- 02nd December 2022
- 19th June 2023

Risk Committee Meeting for Quarter 3 was not convened due to unforeseen circumstances however all quarterly risk management reports were reviewed by Risk Committee and were submitted to Audit Committee for review.

2.6 Anti- Corruption and Fraud

The municipality has Fraud Prevention Plan and Anti-Corruption Policy in place that were adopted by Council. The municipality is utilising Presidential Fraud Hotline number.

Financial Disciplinary Board is established to investigate alleged financial misconducts.

MPAC and Audit Committee are the oversight committees to investigate irregularities in contravention with MFMA

Legal advises and handles fraudulent matters and other related financial misconducted

CoGTA conducted integrity, fraud and anti-corruption workshop on the 24th and 25th January 2023.

The Internal Audit Unit is conducting Fraud Awareness Campaigns within the municipality twice a year.

Fraud Risk Register is in place.

Whistle-blowing policy for protection of the whistle-blowers has been developed and approved by the Council.

Code of Conduct is signed by employees and Councillors

Conflict of interest is signed by the Audit Committee, IT & Risk Committee, Internal Auditors and contractors when signing Service Level Agreement

Strategies in place for prevention i.e. campaigns etc.

The municipality conducted 2 fraud awareness campaigns during the financial year under review as follows;

- 21st September 2022 and
- 02nd March 2023

2.7 Supply Chain Management

Section 3(1) (b) and (c) of the SCM regulations states that the accounting officer of a municipality must at least annually review the implementation of SCM policy and when necessary submit proposal for the amendments of the policy to council. The SCM policy was initially developed in 2005 and implemented to give effect to the SCM regulations and it was last reviewed in January 2023. Amahlathi has established an SCM unit which comprises of four officials. The code of conduct, oath of secrecy and declaration forms are signed by all officials involved in supply chain management. The SCM manager has reached prescribed levels as required by the Minimum Competency Regulations Guidelines and the other three officials are still in the process of completing the minimum requirements. In line with Municipal Finance Management Act (MFMA), the accounting officer has also established various bid committees that are consistent with the SCM regulations and any applicable legislation for competitive bidding i.e.

- Bid Specification Committee
- Bid Evaluation Committee

- Bid Adjudication Committee

Range of procurement processes

STRUCTURE OF APPROVAL		
GOODS/SERVICE VALUE	PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY
R0 – R2 000	Petty Cash	Head of Department or Delegated Authority
R2 001 – R5 000	Three Quotes	Head of Department or Delegated Authority
R5 001 – R30 000	Three Quotations	Head of Department or Delegated Official
R30 001-R200 000.00	1 Week Bulletin Notice and Advertisement via Website: Three Quotations	Chief Financial Officer
R200 001 – R2 Million	Competitive Bidding Process	Bid Adjudication Committee
R2 Million – R10 Million	Competitive Bidding Process	Bid Adjudication Committee
Above R10 Million	Competitive Bidding Process	Accounting Officer

2.8 Websites

Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (Year -2018 /19)	Yes
The annual report (Year 2018/19) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2019/20) and resulting scorecards	No
All service delivery agreements (Year 2019/20)	No
All long-term borrowing contracts (Year 2019/20)	Not Applicable
All supply chain management contracts above a prescribed value (give value) for Year 2019/20	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2019/20	No
Contracts agreed in Year 2019/20 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in Year 2019/20	Not Applicable
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2019/20	Yes

2.9 BYLAWS

NO.	LOCAL AUTHORITY NOTICE	GAZETTE NO.
1.	Local Government : Municipal Systems Act (32/2000) : Municipality of Amahlathi: Street trading By-Law	1668
2.	Keeping of dogs and other animals By-Law	1668
3.	Neglected buildings and premises By-Law	1668
4.	Prevention of nuisances By-Law	1668
5.	Solid waste disposal By-Law	1668
6.	Use and hire of municipal building By-Law	1668
7.	Public open space By-Law	1668
8.	Advertising signs By-Law	1668
9.	Cemeteries and crematoria By-Law	1668

10.	Ward committees By-Law	1668
11.	Delegation of powers By-Law	1668
12.	Community fire safety By-Law	1668
13.	Standing rules for council By-Law	1668
14.	Credit control By-Law	1668
15.	Indigent support By-Law	1668
16.	Rates policy By-Law	1668
17.	Tariff policy By-Law	4076

The institution has 19 by laws, 17 are promulgated and the two are still in the process of being promulgated.

2.10 Public Satisfaction on Municipal Services

Comments from the public are received through the use of Complaints book in some buildings, and suggestion boxes which are placed at satellite offices. The municipality also procured Customer Care system that is used to logged complaints, faulty meters, high mast lights etc. The logged called are assigned and forwarded to the relevant department and closed on the system when resolved. Reports are submitted on a quarterly basis by user departments.

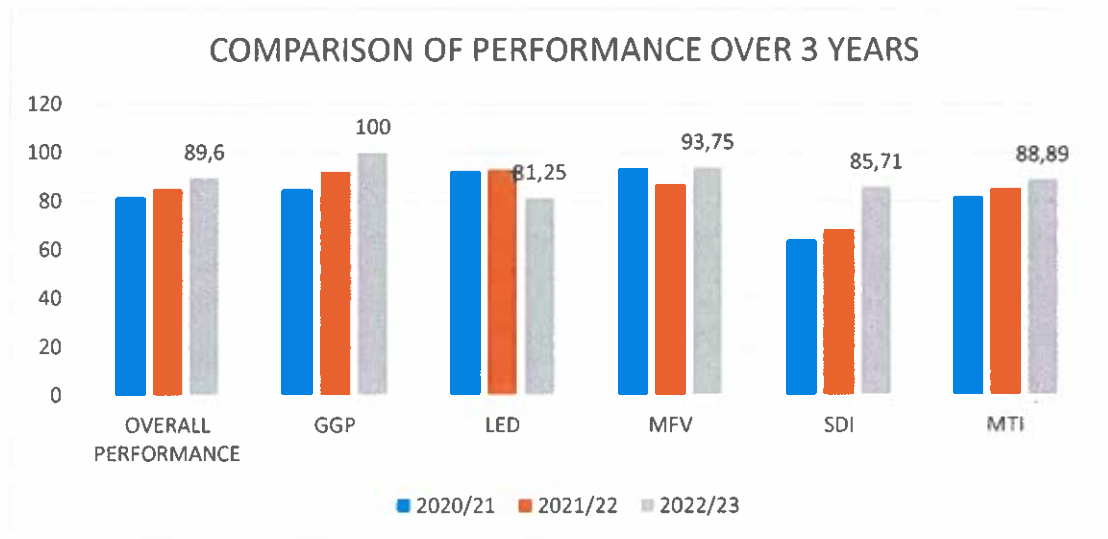
CHAPTER 3: SERVICE DELIVERY PERFORMANCE**3.1 2022/23 PERFORMANCE PER KEY PERFORMANCE AREA**

INSTITUTIONAL PERFORMANCE					
KPA	Total targets	Targets for the period	Met	Not Met	% Annual
SDI	28	28	24	4	85,71
MFV	16	16	15	1	93,75
GGP	19	19	19	0	100,00
LED	16	16	13	3	81,25
MTI	18	18	16	2	88,89
Overall Performance	97	97	87	10	89,69

COMPARISONS OVER THREE FINANCIAL YEARS

KEY PERFORMANCE AREA	2020/21	2021/22	2022/23
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	84.62	92%	100%
LOCAL ECONOMIC DEVELOPMENT	92.31	92,9%	81.25%
MUNICIPAL FINANCIAL VIABILITY	93.33	86.7%	93.75%
SERVICE DELIVERY AND INSTITUTIONAL DEVELOPMENT	63.65	67,9%	85.71%
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	81.48	91,30%	88.89%
OVERALL PERFORMANCE	81.55	84.8%	89.69%

Graphical presentation of Organizational performance



DEPARTMENTAL PERFORMANCE

The percentages depicted on the table below are only calculated according to the targets met and does not quantify any allocation of performance bonuses. The Core Competency Requirements (CCR's) are not included as the municipality is reflecting departmental performance based on service delivery only.

ENGINEERING SERVICES						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	%
SDI	17	0	17	14	3	82,35
MFV	2	0	2	2	0	100,00
GGP	1	0	1	1	0	100,00
LED	2	0	2	2	0	100,00
MTI	2	0	2	2	0	100,00
Overall Performance	24	0	24	21	3	87,50

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COMMUNITY SERVICES						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	%
SDI	9	2	7	7	0	100,00
MFV	5	1	4	4	0	100,00
GGP	2	0	2	2	0	100,00
MTI	2	0	2	2	0	100,00
Overall Performance	18	3	15	15	0	100,00

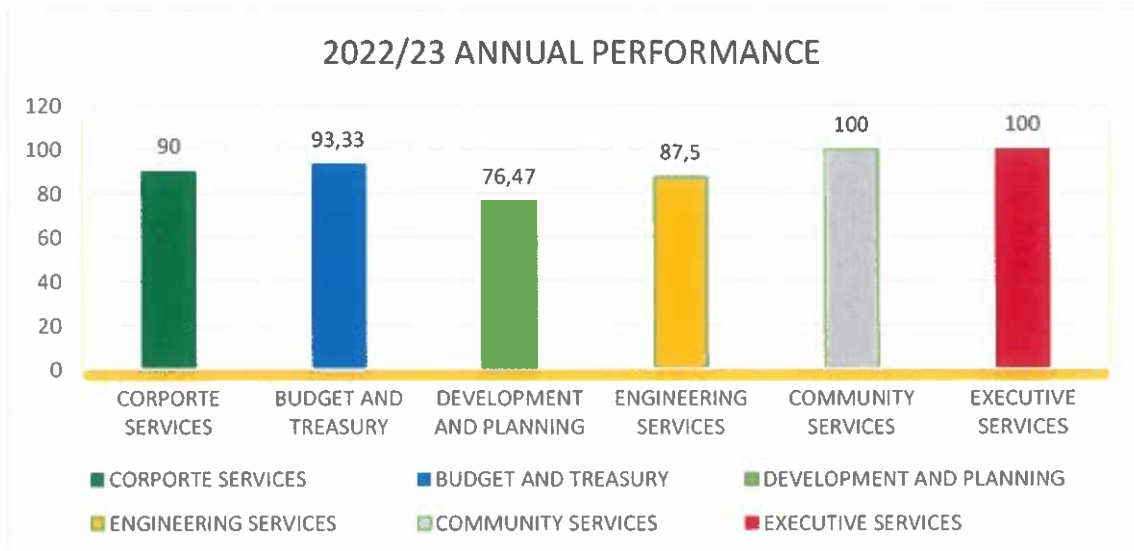
BUDGET AND TREASURY						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	%
MFV	9	0	9	8	1	88,89
GGP	3	0	3	3	0	100,00
LED	1	0	1	1	0	100,00
MTI	2	0	2	2	0	100,00
Overall Performance	15	0	15	14	1	93,33

EXECUTIVE SERVICES						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	%
MTI	5	0	5	5	0	100,00
GGP	13	0	13	13	0	100,00
Overall Performance	18	0	18	18	0	100,00

PLANNING AND DEVELOPMENT						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	%
SDI	2	0	2	1	1	50,00
LED	12	0	12	9	3	75,00
MTI	2	0	2	2	0	100,00
GGP	1	0	1	1	0	100,00
Overall Performance	17	0	17	13	4	76,47

CORPORATE SERVICES						
KPA	Total targets	N/A Targets	Targets for the period	Met	Not Met	%
GGP	4	0	4	4	0	100,00
MTI	15	0	15	13	2	86,67
LED	1	0	1	1	0	100,00
Overall Performance	20	0	20	18	2	90,00

Graphical presentation



In 2022/23 financial year the performance of Amahlathi Local Municipality reflects a performance rate of 89.69% indicating an increase of 4.89% when compared to 84.8% achieved in 2021/22.

Financial Constraints, Service provider performance, rain, under collection were amongst challenges which could have led to more improvement on institutional performance. The departments should also ensure that the information provided is reviewed by head of departments to ensure credibility and accuracy.

3.2 INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

In the 2022/2023 financial year, attempts were made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives enshrined in the IDP. The municipality has continued to maintain the effective operation of the following mechanisms:

- The 2022-2027 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- The 2022/2023 budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies. The development of the SDBIP was informed by below planning and reporting cycle in the quest to create a balance between integrated planning, reporting and accountability.

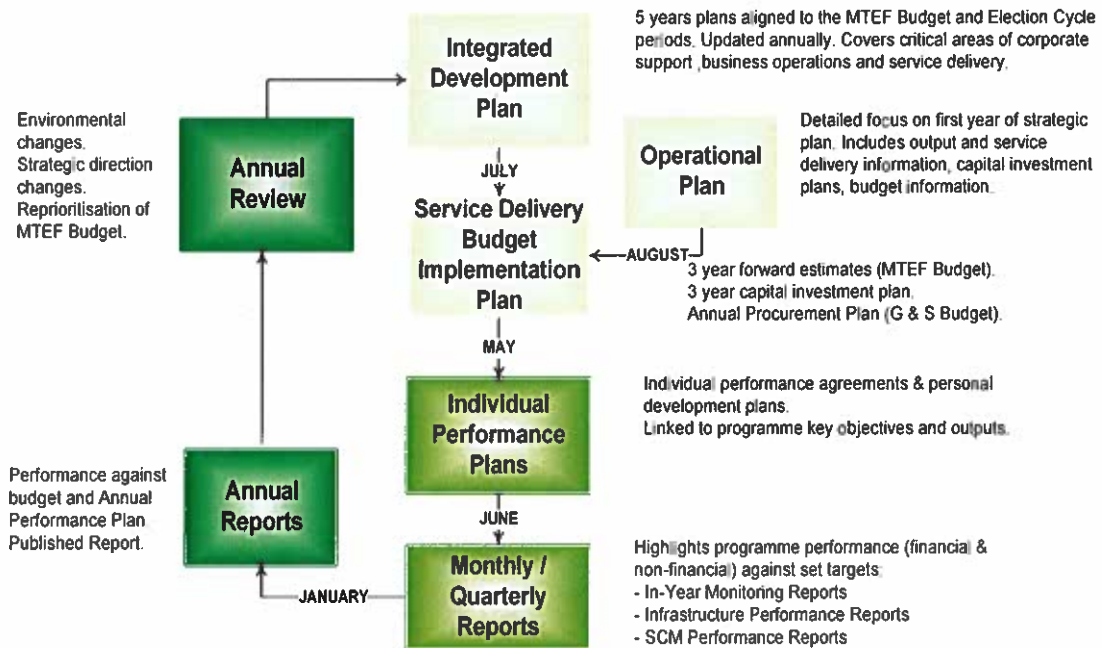


Figure 2: Planning & Reporting Cycle

- Adoption of the 2022/2023 Organizational Performance Management System and score card for monitoring and review of performance;

- Performance agreements with performance plans were developed, signed and approved by the Honorable Mayor as required by the Municipal Performance Regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM); and
- Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports.

3.3 CHALLENGES FACED BY THE MUNICIPALITY

The following challenges were encountered in the period under review:

- Financial constraints affected the municipal performance
- Lack of Office Space and tools of trade
- Slow revenue collection
- Lack of construction plant.
- Poor Service Provider Performance

3.4 STRATEGY TO OVERCOME THE CHALLENGES AND AREAS OF UNDER PERFORMANCE

- Regular monitoring Revenue Enhancement Strategy Implementation
- Construction or renovation of municipal offices
- Finalization of re-engineering of organizational Structure
- Development of strategies to address high employee cost i.e. grading all job descriptions for both existing and vacant positions etc.
- Allocate budget for purchase of construction plan

3.5 CHANGES TO PLANNED TARGETS

Section 72 (1)(a)(ii) of the MFMA states that an accounting officer of a municipality, must by 25 January of each year assess the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the SDBIP.

In preparation for the mid-year review of performance, management prepared quarterly reports, measured and analysed performance of the first six months of 2022/23. During the review management reviewed performance for the first and second quarter and also anticipated the last six months of the 2022/23 financial year incognisance of the feasibility to implement certain programmes based on priority and budget availability.

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This process culminated to a *mid-year performance report* which highlighted achievements, non-achievements with reasons for non-achievement and corrective measures. The process also emerged with targets having to be amended going into the last six months of the financial year, and these amendments were duly approved by all requisite authorities including Council. The table below depicts the changes made on 2022/23 SDBIP financial year as alluded above.

(a) REGISTER FOR KPIS REMOVED/ AMENDED ON THE 2022/23 SCORECARD AS APPROVED ON THE 28/02/2023

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Custodian
1	To ensure provision of a sustainable road network	Implementation and monitoring of maintenance plan for the Municipal Road Network	No. of Kms of gravel roads maintained (Blading)	Annual target adjusted from 120km to 60km (7kms – Q1 12.1km – Q2 10km – Q3 30.9km – Q4)	Lack of construction plant and machinery due to breakdowns	Director: Engineering Services
2	within Amahlathi LM by 2023 and beyond	Servicing the Amahlathi Local Municipal Area that was commissioned by ADM in April 2020.	No. of Kms of municipal roads re-graveled 2	Annual target adjusted from 20km to 6km	Lack of machinery. (Excavator) Lack of construction plant and machinery due to breakdowns	Director: Engineering Services
5	To ensure provision of a sustainable road network within Amahlathi by 2022 and beyond	Development, implementation and monitoring of the Roads Infrastructure Master plan for both tarred and gravel roads	No. of km's of roads constructed (gravelled)	Changed indicator and target measuring unit to percentage instead of numbers. Furthermore the measurement was changed to be per project. All the construction Indicators and targets were changed as such which lead to 28 indicators instead of 21 Indicators as previously planned	Change was as a result of 2021/22 Audit outcomes.	Director: Engineering Services
15	Ensure that solid waste is managed in an Integrated	Review and implement the Integrated Waste Management plan	No. of solid waste programmes implemented by June 2023	Changed the target from number of households and businesses with access to waste collection to number of	Change was as a result of 2021/22 Audit outcomes.	Director Community Services

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	environmental friendly and sustainable manner			solid waste programs implemented		
34	Ensure 90% collection of income due from consumer debtors by 2023	Collect 70% of billed income	% of billed income collected	Reduced target from 80% to 75% of billed income collected	Under collection across all customer categories.	
44	To ensure effective, compliant and credible financial planning, management and reporting by 2027.	Financial Viability as expressed by ratios	% Cost coverage (B+C)+D B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure"	Change Quarterly and Annual Target: To change 0.7% Cost coverage ratio to 0.05%	Cash Flow Challenges	CFO
63	To ensure business continuity in the event of a disaster by 2022 and beyond	Coordination of disaster response and recovery	No. of Disaster Management Forums convened	Reduce the number of Disaster forums from quarterly targets from 4 to 1 per quarter and move the KPI from Service Delivery KPA to Good Governance and Public Participation.	Correcting they typo as numbers were not tallying with the annual target which was 4.	Director Community Services
64	To improve implementation of the government intervention programme to eliminate	Implementation of the EPWP and municipal job creation programme especially linked to areas of scarce skills and temporal local jobs created	No. of jobs created through Community and Youth Development Programmes (CYDP)	Target was increased from 100 jobs created to 200.		Director Corporate Services

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	poverty by 2027	during the roll out of capital projects				
67	To ensure holistic and economic growth and development by 2027	Support and development of SMMEs around Amahlathi Local Municipality.	% of Amahlathi procurement expenditure should benefit SMMEs	Increase the percentage from 25% to 30% of Amahlathi procurement expenditure should benefit SMMEs		Chief Financial Officer
69			% of business with trading permits	Changed percentage to number, 70% to 20 business with trading permits, 10 Quarter 3 and 10 Quarter 4		Director Planning and Development
72		Finalize the tourism Infrastructure Improvement Process Plan	No of funding proposal for tourism access infrastructure Improvement Plans submitted to suitable funders	Increase the number of funding proposal from 2 to 4		Director Planning and Development
74			No. of trainings conducted for LTOs and CTOs	Increase target from 2 to 3 support interventions for LTOs and CTOs		Director Planning and Development
78	To ensure development of the economic infrastructure required to enable increased economic growth	Develop a 10 to 20 yr. Economic Growth and Development Strategy	Development Economic Growth Development Strategy submitted to Council for approval by May 2024	Changed development of EGD Strategy to development Situational Analysis on the development of strategy to be submitted to Management Committee	Financial Constraints	Director Planning and Development
79		Establishment of Economic Development Agency	Progress towards Establishment of the draft business case development agencies submitted to Management Committee	Revised the target from submitting Establishment of the draft business case development to Council and now to Final Draft Process Plan for the establishment of the development agencies		Director Planning and Development

			for Consideratio n	submitted to Executive Committee		
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3.6 PROGRESS REPORT AUDITOR GENERAL'S FINDINGS: PREDETERMINED OBJECTIVES

Refer to attached AG Action Plan in Chapter 6

3.6 FINANCIAL PERFORMANCE INFORMATION - CAPITAL EXPENDITURE 2022/23

Account Description	Funding	Original Budget	2nd Adjustment	YTD Exp (Excl. Vat)
KKH Firestation	MIG Grant	-	168 382,00	146 418,96
Mlungisi Sportfield	MIG Grant	2 500 000,00	1 600 000,00	879 016,92
Lower Kologha Internal Roads	MIG Grant	2 200 000,00	2 000 000,00	658 249,17
Mgwali Internal Roads	MIG Grant	2 000 000,00	2 000 000,00	1 522 521,89
Landfill Site	Waste Grant	-	3 080 171,00	214 349,78
Vehicles	Own Funding	-	1 400 000,00	527 635,00
Computer Equipment (Cameras)	Own Funding	50 000,00	50 000,00	-
Khayelitsha Internal Roads	MIG Grant	1 415 950,00	1 600 000,00	1 384 912,06
Mlungisi Access Roads	MIG Grant	-	300 819,00	261 582,07
Upper Gxulu Internal Roads	MIG Grant	2 000 000,00	1 500 000,00	1 562 861,28
Computer Equipment	Own Funding	100 000,00	570 000,00	542 115,90
Border Post Internal Roads	MIG Grant	1 500 000,00	1 000 000,00	1 030 589,46
Furniture & Office Equipment	Own Funding	50 000,00	150 000,00	13 488,14
IT Capital Spares	Own Funding	150 000,00	150 000,00	-
Buildings	Own Funding	1 000 000,00	1 500 000,00	-
Fencing of Cemeteries	MIG Grant	-	169 975,00	147 804,15
Surfacing of Cathcart Street	MIG Grant	2 485 050,00	6 000 000,00	6 527 027,18
Ngcamngeni Access Roads	MIG Grant	-	93 052,00	80 914,87
Amabele Internal Roads	MIG Grant	-	7 768,00	6 754,52
Electricity Project	Own Funding	1 740 000,00	1 740 000,00	-
Upgrade of Cathcart Substation	Own funds	-	-	216 900,00
Mthwaku Dontsa Access Roads	MIG Grant	3 500 000,00	2 600 000,00	2 095 219,12
Stutterheim Recreation Center	MIG Grant	4 775 000,00	3 000 000,00	4 038 729,56
Mzamomhle Paving	MIG Grant	2 500 000,00	2 618 336,00	2 628 979,59
Toise Internal Roads	MIG Grant	2 000 000,00	2 500 000,00	1 945 229,07
Keiskamahoe Recreation Center	MIG Grant	4 775 000,00	3 000 000,00	3 004 971,62
Buildings	MIG Grant	50 000,00	1 000 000,00	439 570,00

Surfacing of Cathcart Street	Own Funding	5 000 000,00	1 000 000,00	-
Ethembeni Internal Roads	Own Funds	-	-	301 200,08
Paving of Matolaville Streets	MIG Grant	-	542 668,00	-
		39 791 000,00	41 341 171,00	30 177 040,39

3.7 PERFORMANCE OF SERVICE PROVIDERS FOR THE YEAR ENDING 30 JUNE 2023

Project Managers were requested to rate the performance of the Service Providers appointed by Council on the various projects. Service Providers and Contractors are rated in terms of the following:

3. **Below Standard** - The Contractor/Service Provider did not meet the basic requirements as spelt out in the tender or contract. This may result in the contract being cancelled and/or the retention fee being withheld from the contractor. The Contractor may be asked to rectify the problem or the contract may be cancelled and another Contractor/Service Provider may be appointed to complete the contract/ project.
4. **Acceptable** - The Contractor/Service Provider completed the project and met the basic requirements of the tender/contract. The standard of work was good enough, passable or adequate in terms of the requirements by the ALM.
5. **Excellent** - The Contractor/Service Provider has completed the work up to the expected standard required. The requirements of the tender were achieved to the expectation of the municipality. There is a high quality of work and outstanding results were achieved.

Below is the performance rating of the municipality's service providers;

Bid No	Name of Service Provider	Project Name	Rating	Comment
ALM/SCM/18/2020-21	Cab Holdings (Pty) Ltd	Provision of Customer Accounts Printing & Distribution Services for a Period of 3 years	Acceptable	Project is proceeding as expected
SCM/32/2019-20	C-Track Mzansi	Provision Of Fleet Management, Vehicle Monitoring & Tracking System For a Period of 3 years	Acceptable	Project is proceeding as expected
ALM/SCM/3-4/2020-21	Revco	Provision of debt collection Services	Acceptable	Project is proceeding as expected
SCM/11/2019-20	First rand bank limited	Banking Services	Acceptable	Project is proceeding well

ALM/SCM04/2021-22	Konstruct SGN (Pty) Ltd	Surfacing Of Cathcart streets	Acceptable	Project is proceeding well
ALM/SCM/01/2021-22	Taleni Godi Kupiso inc	Provision of Legal Services for a period of three (03) years	Acceptable	Project is proceeding well
ALM/SCM/01/2021-22	Mabece Tilane Inc	Provision of Legal Services for a period of three (03) years	Acceptable	Project is proceeding well
ALM/SCM/01/2021-22	Magqabi Seth Zitha Inc	Provision of Legal Services for a period of three (03) years	Acceptable	Project is proceeding well
ALM/SCM/32/2020-21	Delteq Web Services	Maintenance of Website / Hosting of Website	Acceptable	Project is proceeding well but is about to expire
ALM/SCM/05/2021-22	LM Developments	Construction of Mlungisi sports field	Below standard	Contract terminated
ALM/SCM/16/2021-22	Xerox Eastern Cape	Leasing of photocopying machines	Acceptable	Project is proceeding well
ALM/SCM/26/2021-22	Mubesko Afrika	GRAP compliant asset Management systems & the compilation of the GRAP compliant immovable & infrastructure register	Acceptable	Project is proceeding well
ALM/SCM/17/2021-22	Black Mountain Consulting Engineers	Provision of professional Civil Engineering Services for a period of 36 months	Acceptable	Project is proceeding well
ALM/SCM/17/2021-22	Beecon Holdings (Pty) Ltd	Provision of professional Civil Engineering Services for a period of 36 months	Acceptable	Project is proceeding well
ALM/SCM/17/2021-22	Kukho Consulting Engineers	Provision of professional Civil Engineering Services for a period of 36 months	Acceptable	Project is proceeding well
ALM/SCM/28/2021-22	Vodacom	Provision of Cellphones, Tablets & 3G Cards on 24 month period	Acceptable	Project is proceeding well
ALM/SCM/27/2021-22	Ebusha General Trading	Supply & Delivery of cold pre-mix asphalt for a period of 24 months	Acceptable	Project is proceeding well
ALM/SCM/02/2022-23	Andile SG Balintulo Trading	Construction of Gxulu Internal Roads	Acceptable	Project delayed; however misunderstanding was resolved and the project is now complete.

ALM/SCM/01/2022-23	Andile SG Balintulo Trading	Construction of Mgwail Internal Roads	Acceptable	Project delayed; however misunderstanding was resolved and the project is now complete.
ALM/SCM/11/2022-23	ZKS & Nam General Trading	Rehabilitation of Lower Kologha Road	Acceptable	Project is proceeding well
ALM/SCM/22/2022-23	Mikuwo Construction	Construction of Mthwaku-Dontsa access Road	Acceptable	Project is complete
ALM/SCM/17/2022-23	Nandisiwe Projects & Services (Pty) Ltd	Renovations to new Cathcart satellite Traffic Office	Acceptable	Project is Complete
ALM/SCM/06/2022-23	Dintwa Trading cc	Construction of Toise Internal Streets	Acceptable	Project is complete
ALM/SCM/07/2022-23	Dintwa Trading cc	Construction of Mzamomhle paving	Acceptable	Project is complete
ALM/SCM/29/2022-23	Landis + Gyr (Pty) Ltd	Supply and delivery of electrical metres	Acceptable	Service provider recently awarded
ALM/SCM/08/2022-23	Magidi revenue protection	Supply & Delivery of Electrical Metres for 36 months	Acceptable	Project is proceeding well
ALM/SCM/24/2022-23	MunVat (Pty) Ltd	Proposals (PANEL) of turnaround recovery strategies & Revenue and funding prioritization on a risk basis on Municipal core functions for ALM for a period of 3 years	Below standard	Service provider is not delivering as expected
ALM/SCM/24/2022-23	Datamvie (Pty) Ltd	Proposals (PANEL) of turnaround recovery strategies & Revenue and funding prioritization on a risk basis on Municipal core functions for ALM for a period of 3 years	Below standard	Service provider is not delivering as expected
ALM/SCM/24/2022-23	EMS Solutions (Pty) Ltd	Proposals (PANEL) of turnaround recovery strategies & Revenue and funding prioritization on a risk basis on Municipal core functions for ALM for a period of 3 years	Below standard	Service provider is not delivering as expected
ALM/SCM/24/2022-23	Chartall Creations	Proposals (PANEL) of turnaround recovery strategies & Revenue and funding prioritization on a risk basis on Municipal core functions for ALM for a period of 3 years	Below standard	Service provider is not delivering as expected

ALM/SCM/27/2022-23	Lateral Unison Insurance Brokers	Provision of Insurance service for Municipal Assets for a period of 3 years	Acceptable	Project is proceeding well
ALM/SCM/25/2022-23	Balu Investment JV Naniwa Trading	Construction of Stutterheim Multi-Recreational Centre	Acceptable	Project is proceeding well
ALM/SCM/26/2022-23	Luqambo Agencies (Pty)LTD	Revamp and Renovations of Amahlathi Offices	Acceptable	Project is proceeding well
ALM/SCM/28/2022-23	Vitsha Trading	Construction of Keiskamahoek Multi-Recreational Centre	Acceptable	Project is proceeding well
ALM/SCM/30/2022-23	Utilities World (Pty) Ltd	Provision of prepaid vending solution for a period of three (03) years	Acceptable	Project is proceeding well
ALM/SCM/33/2022-23	Metro Computer Services (Pty) Ltd	Supply, Delivery & Installation of Laptops	Acceptable	Project is proceeding well
ALM/SCM/36/2022-23	CCG Systems (Pty) Ltd	Provision of Maintenance, Support, Licensing & upgrade of sage evolution financial system for a period of 3 years	Acceptable	Service provider recently awarded
ALM/SCM/47/2022-23	Black Mountain Consulting Engineers	Panel of three professional Electrical Engineering Services for a period of three years	Acceptable	Service provider recently awarded
ALM/SCM/47/2022-23	Bigen aAfrica Services (Pty) Ltd	Panel of three professional Electrical Engineering Services for a period of three years	Acceptable	Service provider recently awarded
ALM/SCM/35/2022-23	Riley Auctions Africa t/a Riley Auctioneers	Provision of Auctioneering Services for the Disposal of ALM sites	Acceptable	Service provider recently awarded

3.8 DETAILED 2022/23 PERFORMANCE RESULTS PRESENTED PER KEY PERFORMANCE AREA (KPA)

3.8.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (SDI - 40)

Outcome Response	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 21/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
Output 2: Improving access to Basic Services	To ensure provision of a sustainable road network within Amahlathi LM by 2023 and beyond	Implementation and monitoring of maintenance plan for the Municipal Road Network Servicing the Amahlathi Local Municipal Area that was commissioned by ADM in April 2020.	No. of Kms of gravel roads maintained (Blading)	60 kms gravel access internal roads bladed	Target Met 47.1 Kms of graveled roads maintained	Target met	60km gravel access internal roads bladed	Director: Engineering Services	1
			No. of Kms of municipal roads re-gravelled	6 kms of municipal roads re-gravelled	Target not Met 0.8 municipal roads graveled	Target met	9.5km of municipal roads re-gravelled	Director: Engineering Services	2
			No. of km's of storm water drainage unblocked and maintained	16 kms of storm water drainage unblocked and maintained	Target Met 10.579.2kms of storm water drains unblocked Quarterly reports and inspection reports attached.	Target met	27.42km of storm water drainage unblocked and maintained	Director: Engineering Services	3

					21.165 Kms gravelled Target met	Target met	None	Director: Engineeri ng Services	4
% towards roads constructed at Mgwali	100% progress towards road construction at Mgwali					Target met	None	Director: Engineeri ng Services	5
% towards roads constructed at Khayelitsha	100% progress towards road construction at Khayelitsha					Target met	None	Director: Engineeri ng Services	6
% towards roads constructed at Upper Gxulu (gravelled)	100% progress towards road construction at Upper Gxulu (gravelled)					Target met	None	Director: Engineeri ng Services	7
% towards roads constructed at Mthwaku (gravelled)	100% progress towards road construction at Mthwaku (gravelled)					Target met	None	Director: Engineeri ng Services	8
% towards roads constructed at Toise (gravelled)	100% progress towards road construction at Toise (gravelled)					Target not met	94% progress towards road construction at Border Post. Delays due to rain, plant breakdown and community disruptions. Increased	Director: Engineeri ng Services	9

existing networks	To improve security by having reliable Streetlights and Highmast Lights	Repair and maintenance of Highmast and Streetlights	No of highmast and street lights maintained	8 highmast and 20 streetlights maintained	New Indicator	Target met	21 highmast lights and 89 street lights	Director: Engineering Services	13
	To ensure provision of sustainable public facilities by 2023 and beyond	Facilitate maintenance and upgrade of sport, community halls, hawker stalls, cemeteries and recreational facilities	% progress towards construction of Stutterheim Recreation Centre	15% progress towards construction of Stutterheim Recreation Centre	New Indicator	Target met	None	Director: Community Services	14
			% progress towards construction of Keiskammahoek Recreation Centre	15% progress towards construction of Keiskammahoek Recreation Centre	New Indicator	Target met	None	Director: Engineering Services	15
			% progress towards renovating the municipal offices	100% progress towards renovating the municipal offices	New Indicator	Target not met	37% Progress towards renovating the municipal offices. Rain delayed renovations and slow performance by service provider. Extension of time for rain delays and to issue letter of poor	Director: Engineering Services	16

		Compliance with building regulations	% of complying submitted building plans approved	80% of complying submitted building plans approved	Target not met 75% No HOD to approve applications of building plans and Town planner scrutinize and recommend approval of building plans during 4 th quarter	Target met	None	Director: Engineering Services	17
Promotion of Community safety by 2027	Implementation of the Community Safety Plan	Implementation of the Integrated Fire Management Plan	No. of Community Safety initiatives undertaken	02 Community Safety initiatives undertaken	New Indicator	Target met	4 Community Safety initiatives undertaken	Director: Community Services	18
Enhance the provision of fire services by 2027	Implementation of the Integrated Fire Management Plan	Implementation of the Integrated Fire Management Plan	No. of awareness campaigns conducted	4 awareness campaigns conducted	6 fire awareness campaigns conducted.	Target met	7 fire awareness campaign conducted	Director: Community Services	19
To promote the culture of reading and effective use of library resources	Conduct library activities that promote the culture of reading and effective use of library resource	Conduct library activities that promote the culture of reading and effective use of library resource	No. of library awareness campaigns conducted	04 library awareness campaigns conducted	6 library awareness campaigns conducted	Target met	11 library awareness campaigns conducted	Director: Community Services	20
Ensure that solid waste is managed in an Integrated	Review and Implement the Integrated Waste	Review and Implement the Integrated Waste	No. of recycling initiatives undertaken	02 recycling initiatives undertaken	New Indicator	Target met	None	Director: Community Services	21

environmental friendly and sustainable manner	Management plan	No. of solid waste programmes implemented by June 2023	2 reports on solid waste programmes implemented by June 2023 (street cleaning , waste collection and disposal)	Target met 8200 households and businesses with access to basic waste collected (ward 1, 4, 5, 6, 8 13,14, 15)	Target met	None	Director: Community Services	22
		Conduct waste management campaigns	4 waste awareness campaigns conducted	Target met 4 waste awareness campaigns conducted 31 August 2021Xologa, Zamukuhany a and at Sikhulule at 24th November, 31 March 2022 event held at the ALM Library, held on the 17th June 2022	Target met	6 Waste awareness campaigns conducted	Director: Community Services	23

To promote and ensure safety on municipal and public roads by 2027	Conduct road blocks	No. of road blocks conducted	40 road blocks conducted	Target not Met 2 Road blocks conducted in Q1 4 Road blocks in Q2 Zero roadblocks conducted in Q3 9 Road blocks conducted in Q4 15 Roadblocks conducted	Target met	45 road blocks conducted	Director: Community Services	24
	Implementation of National Road Traffic Act	No. of tickets issued on law enforcement	500 tickets issued on law enforcement	Target not met 365 Tickets were issued on law enforcement	Target met	676 Tickets were issued on law enforcement	Director: Community Services	25
To facilitate a balanced spatial development form for the Municipality	Provision of road marking and signage	% of inspected damaged road markings and signs maintained	100% inspected damaged road markings and signs maintained per inspection report	Target met 100% of inspected damaged road markings and signs maintained per inspection report	Target met	None	Director: Community Services	26
	Finalize and Implement the Spatial Development	% implementation of SDF (% applied cumulatively)	100% Implementation of SDF (year 1)	New Indicator	Target not met	The department was still waiting for response from	Director Development and Planning	27

	Framework (SDF)										
	To facilitate access to housing relief	To monitor the progress and implementation on housing applications submitted to Department of Human Settlements	No of progress on housing reports submitted to department of housing	4 progress on housing reports submitted to department of housing	4 progress on housing applications submitted to department of housing	4 progress on housing reports submitted to department of housing	Target met	Target met	None	Director Development and Planning	28
							Target met	Target met	the service provider regarding gazetting LUMS hence could not achieve the 100%. Target deferred to 1 st quarter		

3.8.2 KPA 2 MUNICIPAL FINANCE VIABILITY (MFV - 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
Output 6: Administrative and Financial Capacity	To continuously ensure an equitable, economical, transparent, fair and value – add supply	Monitoring and reporting on the performance of service providers	No. of quarterly Service Provider performance reports submitted to the Mayor by the 15th day after end of the quarter	4 quarterly Service Provider performance reports submitted to the Mayor by the 15th day after end of the quarter	Target met 4 Quarterly report were submitted to Mayor as follows: 08/10/2021, 07/01/2022,	Target met	None	Chief Financial Officer	29

chain management system/function	Strict adherence to SCM Regulations	No. of quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after the end of the quarter	4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after the end of the quarter	11/04/2022, 11 July 2022	Target met	None	Chief Financial Officer	30
				Target met 4 Quarterly report were submitted to Mayor.	Target met	None	Chief Financial Officer	31
To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2023	Maintain a fixed asset register that complies with GRAP	No. of material audit queries raised on the updated asset register by the AG.	Zero material audit queries raised on the updated asset register by the AG.	Target met Asset register and audit report attached with zero material audit queries on asset register raise by AG	Target met	None	Chief Financial Officer	32
	To ensure 100% expenditure of capital budget by 2023	% expenditure of capital budget	100% expenditure of capital budget (% applied cumulatively)	Target met 100% expenditure of capital budget	Target met	104% expenditure of capital budget (% applied cumulatively)	Director: Engineering Services	33
	Monitoring and reporting on the spending (MIG/INEP grants)	% expenditure of electricity repairs	% expenditure of electricity repairs and maintenance	Target not met 49.5% expenditure of	Target met	None	Director: Engineering Services	

					and maintenance budget	budget (% applied cumulatively)	electricity repairs and maintenance budget				
Ensure 90% collection of income due from consumer debtors by 2023	Collect 70% of billed income	% of billed income collected	75% average of billed income collected	Target met 78.62 % of billed income collected	Target met 72% average of billed income collected due to under collection across all customer categories.	None	Chief Financial Officer	34			
Ensure 90% collection of income due from consumer by 2027	Implementation of Revenue Enhancement Strategy	% Implementation of Revenue Enhancement Strategy	80% Implementation of Revenue Enhancement Strategy	Target not met 3 quarterly reports on implementation of revenue enhancement strategy submitted to standing committee	Target not met	None	Chief Financial Officer	35			
Ensure 90% collection of income due from consumer by 2027	Revenue collection	% collection of revenue on motor vehicle roadworthy, registration and licenses,	100% collection of revenue on motor vehicle roadworthy registration and licenses	Target Met 100% collection of revenue on motor vehicle registration and licenses	Target met	None	Director: Community Services	36			
		% collection of revenue on learners and drivers licenses	100% collection of revenue on learners and drivers licenses	Target Met 100% collection of revenue on learners and	Target met	None	Director: Community Services	37			

				drivers licenses		Target met	None	Director: Community Services	38
				New Indicator		Target met	None	Director: Community Services	39
				New Indicator		Target met	None	Director: Community Services	40
				Target Met		Target met	None	Director: Community Services	41
				Target met		Target met	None	Chief Financial Officer	42
				Target met		Target met	None	Chief Financial Officer	42

			annual financial statements	submitted to the Auditor-General	and Treasury (Provincial & National) by 31 August 2022	Treasury (Provincial and National) attached.			
To prepare a realistic budget in line with the objectives and strategies in the IDP based on a three-year Medium-Term Revenue and Expenditure Framework (MTREF)	Coordinate and develop Amahlathi municipality's budget in line with developmental imperatives in the IDP	2023/2024 budget prepared and submitted to council for approval on by 31st May each year	2023/2024 budget prepared and submitted to council for approval by 31st May 2023	Target met Final Budget and proof of submission dated 18 May 2022 submitted	None	Chief Financial Officer	43		
To ensure effective, compliant and credible financial planning, management and reporting by 2027.	Financial Viability as expressed by ratios	% Cost coverage (B+C)+D B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	To maintain a cost average ratio of 0,05% by June 2023	Maintained 0.18% Cost coverage ration	0.07% cost coverage ration maintained during 2022/23 financial year.	Chief Financial Officer	44		

3.8.3 KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION DETAILED PERFORMANCE (15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
Output 5: Deepen democracy through a refined ward committee model.	To deepen democracy through public participation	Implement Public Participation Strategy	Development of Comprehensive Public Participation Strategy	1 x Comprehensive Public Participation Strategy (CPPS) submitted to Council for approval	Target Met 4 Quarterly petition status report signed by Hod, Proof of submission to Council dated : 29 July 2021. 28 October 2021 25th January 2022 27 May 2022	Target met	None	Municipal Manager	45
				4 Quarterly reports on the status of petitions received and submitted to Council	Target Met 4 awareness campaign conducted as follows 14 September 2021 15 December 2021 09th February 2022 at Dutch Reformed Church at Stutterheim	Target met			
		Implementation of Public Participation Policies	No. of quarterly petition Management status reports submitted to Council				None	Municipal Manager	46

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
					11 April 2022 St Joseph's catholic church Stutterheim				
		Public Participation Action Plan	% Implementation of Public Participation Action Plan	70% Implementation of Public Participation Action Plan	New Indicator	Target met	100% implementation of Public Participation Action Plan.	Municipal Manager	47
	To implement the satellite model to improve planning and performance management by 2027	Annual program of action for Satellite offices	% Implementation of Annual Program of Action	70% Implementation of Annual Program of Action	New Indicator	Target met	100% implementation of Satellite model program of action	Municipal Manager	48
	Coordination and integration of Stakeholder engagement by 2023	Strengthening of IGR structures	No. of reports on implementation IGR resolutions submitted to IGR Forum	4 reports on implementation IGR resolutions submitted to IGR Forum	2 Broader IGR Meetings were held as follows 28 September 2021 09 February 2022 22 April 2022 19 May 2022	Target met	None	Municipal Manager	49
	To ensure a clean administration by 2027	Strengthening systems and mechanisms relating to governance processes, risks	No. of risk management reports submitted by HODs to Internal Audit in preparation	4 quarterly risk management reports submitted by HODs to Internal Audit in preparation	Target met 4 quarterly risk management report submitted to Risk	Target met	None	Municipal Manager	50

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
		management and internal controls	for Risk Committee Meeting	for Risk Committee Meeting	Committee on the 21 September 2021 06 December 2021 23 March 2022 30 June 2022	Target met			
			% implementation of the 2020/2021 risk-based internal audit plan (all scheduled audits implemented)	80% implementation of the 2021/2022 risk-based internal audit plan	Target met 96.75% implementation of the 2021/2022 risk-based internal audit plan	Target met	88.24% implementation of the 2021/2022 risk-based internal audit plan	Municipal Manager	51
			No. of Anti-corruption and Fraud programmes conducted per annum	2 Anti-corruption and Fraud programmes conducted per annum	Target met 2 Anti-corruption and Fraud programmes conducted 22 June 2021 31st March 2022	Target met	None	Municipal Manager	52
			No. of reports submitted to the Audit Committee	4 reports submitted to the Audit Committee	Target Met 4 Reports submitted to AC	Target met	None	Municipal Manager	53

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
			regarding implementation of AC resolutions	regarding implementation of AC resolutions					
	Ensure effective & efficient resolution of legal matters	Develop of compliance register and compliance plan	% Implementation of compliance plan	100% Implementation of compliance plan	Target met 100% Implementation of compliance plan.	Target met	None	Municipal Manager	54
		Status Reports on Resolution of legal matters	No. of reports on legal matters and their status with financial implications submitted to council	4 reports on legal matters and their status with financial implications and legal opinion	Target met 4 reports on legal matters and status with financial implications attached	Target met	None	Municipal Manager	55
	To ensure mainstreaming of special programmes into Amahlathi Municipality programmes by 2027	Development and Implementation of Strategy on Special Programmes	% Implementation of annual special programmes action plan	70% implementation of special programmes action plan	Q1 - 2 programs implemented 1. Information dissemination workshop for women held on the 26th August 2021 and 2. assisted youth to attend Amathole Boxing day at	Target met	100% implementation of special programs action plan and have 2 adhoc programs implemented in quarter 4	Municipal Manager	56

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
					Ngqushwa on the 27th August 2021. Q2 - GBV awareness conducted on 07/12/2021 1 programs implemented Q3 - HIV programme on the 10/02/2022 at Frankfurt Q4 – Youth programme				
	To promote effective communication	Development and Implementation of an effective communications policy	% Implementation of Communications Program of Action	70% implementation of Communications Program of Action	New Indicator	Target met	100% implementation of Communication Program of Action	Municipal Manager	57
	Strengthening Amahlathi ICT systems and networks for future generations by 2027	Improvement of ICT infrastructure for efficiency and data recovery	% information for municipal users backed up	80% information for municipal users backed up	111.25% information for municipal users backed up	Target met	84.67% of information for municipal users backed up	Director Corporate Services	58

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
		Modernize the telephone system for customer care and productivity improvement	Turnaround time to attend to logged faults by users	5 working hours to attend to logged faults users	Target met An average of 2:04:15 time taken to attend to logged faults	Target met	1:31: working hours to attend to logged faults users		59
	To ensure compliant, effective and efficient customer management by 2027 and beyond.	Implementation and monitoring of controls to ensure security of information and business continuity	% ICT systems implemented with itemized usage and expenditure reports	100% ICT systems implemented with itemized usage and expenditure reports	New Indicator	Target met	None	Director Corporate Services	60
		Provide on-going support to users on system related queries	% of reported system related queries resolved	95% of reported system related queries resolved	Target met 100% of system related queries resolved	Target met	None	Chief Financial Officer	61
	To ensure business continuity in the event of a disaster by 2022 and beyond	Implementation and monitoring of controls to ensure security of information and business continuity	Daily backups done on Financial system, Payroll and HR system	Daily backups done on Financial system, Payroll and HR system	Target met Daily backups done on Financial system, Payroll and HR system	Target met	None	Chief Financial Officer	62

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
	To ensure business continuity in the event of a disaster by 2022 and beyond	Coordination of disaster response and recovery	No of Disaster Management Forums convened	04 Disaster Management Forums convened	New Indicator	Target met	None	Director: Community Services	63

3.8.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT (LED)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
Output No 3: Implementation of Community Work Programmes	To improve implementation of the government intervention programme to eliminate poverty by 2027	Implementation of the EPWP and municipal job creation programme especially linked to areas of scarce skills and temporal local jobs created during the roll out of capital projects	No. of jobs created through Community Development Programmes (CYDP)	200 CYDP participants (Graduates, Interns, Learners and Apprentices)	395 jobs created public works grant	Target met	382 CYDP participants (Graduates, Interns, Learners and Apprentices)	Director. Corporate Services	64
				4 SMMEs subcontracted and progress report reflecting on each subcontractor	Target met	None	Director Engineering Services	65	

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
		Temporary local jobs created during the roll out Capital Projects	No of Temporary local jobs created	107 Temporary local jobs created	New Indicator	Target met	None	Director Engineering Services	66
	To ensure holistic and economic growth and development by 2027	Support and development of SMMEs around Amahlathi Local Municipality.	% of Amahlathi procurement expenditure should benefit SMMEs	30% of Amahlathi procurement expenditure should benefit SMMEs (Average % of the 4 quarters)*	Target met 29.9% of Amahlathi procurement expenditure should benefit SMMEs	Target met	55% of Amahlathi procurement expenditure should benefit SMMEs	Chief Financial Officer	67
			No of SMMEs supported to access government Support Programmes	40 SMMEs supported to access SMME Support Programmes	Target Met 62 SMMEs supported to access SMME support program	Target met	111 SMMEs supported to access SMME support program	Director: Development and Planning	68
			Number of businesses issued with trading permits	20 businesses issued with trading permits	Target Met 32 businesses that comply with Municipal business regulations Comply were issued with permits	Target met	36 businesses issued with trading permits	Director: Development and Planning	69

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
			No. of interventions made on subcontracting of local contractors	3 interventions made on subcontracting of local contractors	Target met 2 interventions made on subcontracting of local contractors	Target met	5 subcontracting interventions made with HDA and department of Transport.	Director: Development and Planning	70
			No. of reports on implementation of signed twinning agreements with strategic institutions	4 reports on implementation of signed twinning agreements with strategic institutions	Target met 3 reports on the implementation of signed twinning agreements signed and attached	Target met	None	Director: Development and Planning	71
			No. of funding proposal for tourism access infrastructure Improvement Plans submitted to suitable funders	4 Funding proposal for tourism access infrastructure Improvement Plans submitted to suitable funders	Target not met New Indicator	3 funding proposal for tourism access infrastructure improvement plans submitted to suitable funders	Director: Development and Planning	72	
	Promotion of Tourism through identification of Tourist arrears	Finalize the tourism Infrastructure Improvement Process Plan	No. of tourist attractions promoted	8 tourist attractions promoted	Target Met 6 tourist attractions promoted The memorial Ntaba- ka-	Target met	None	Director: Development and Planning	73

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
					Ndoda national monument (King Ngqika Grave and Chief Jongumsobomvu Maqoma King Sandile's grave and Bethel Church Mission Wrigglewade dam				
			No. of trainings conducted for LTOs and CTOs	3 support interventions for LTOs and CTOs	Target met 2 signed reports on the support For LTOs and CTOs	Target met	5 support interventions for LTOs and CTOs	Director: Development and Planning	74
	To Stimulate local economy through Agricultural development by 2022	Provision of capacity building programs to support existing farmers	No. of farmers supported with capacity building	40 farmers to be supported with capacity building	Target Met 95 Farmers trained for the year	Target met	62 farmers trained for the year	Director: Development and Planning	75
	To ensure value-maximization of the forestry natural resource in line with local economic	% Implementation of a forestry strategy in a Co-ordinated manner	Number of support interventions on timber cooperatives	6 support interventions on timber cooperatives	Target met 50% implementation of the Forestry Strategy	Target met	None	Director: Development and Planning	76

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
	development by 2022.								
	To ensure development of the economic infrastructure required to enable increased economic growth	Source funding for a catalytic project	No. of funding applications submitted	4 funding applications submitted	Target Met 3 Catalytic Projects packaged 1. Keiskammahoek shopping Complex 2. Stutterheim Master and Precinct Plan 3. Management of Municipality Property's Portfolio	Target met	None	Director: Development and Planning	77
		Develop a 10 to 20 yr. Economic Growth and Development Strategy	Development Economic Growth Development Strategy submitted to Council for approval by May 2024	Developed Situational Analysis towards development of Amahlathi Economic Growth Development Strategy submitted to Management Committee	New Indicator	Target not met	The statistical overview developed and signed by HOD, The municipality relies on Cogta for development of Situation Analysis and target deferred to quarter of 2023/24.	Director: Development and Planning	78

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
		Establishment of Economic Development Agency	Progress towards Establishment of the draft business case development agencies submitted to Management Committee for Consideration	Final Draft Process Plan for the establishment of the development agencies submitted to Executive Committee	New Indicator	Target not met	Draft process plan was submitted to MANCO and will be submitted EXCO during 1st quarter of 2023/24.	Director: Development and Planning	79

3.8.5 KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (MTI - 15)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
Output 1: Implement and differentiate approach to Municipal Finance, Planning and support	To attract, retain, build capacity and maximize utilization of Amahlathi Human Capital by 2022 and beyond	Implementation of the approved organizational structure.	% Implementation of the re-engineering project submitted to Standing Committee	100% Implementation of the Re-Engineered and Council Approved Organogram	4 Reports on the Implementation of process plan on re-engineering project Standing Committee	Target not met	Awaiting for confirmation from Cogta within the month end of July on the submitted Organogram, the target deferred to 1 st quarter of 2023/24	Director: Corporate Services	80
			Developed Digital Transformation strategy and Plan submitted to Council	Developed Digital Transformation strategy and Plan submitted to Council	New Indicator	Target met	None	Director: Corporate Services	81
			No of implemented programmes per Human Resource Strategy implementation plans (Recruitment Plan; Institutional & HR Policies and Employee Verification)	4 implemented programmes per Human Resource Strategy implementation plans (Recruitment Plan; Institutional & HR Policies and Employee Verification)	Target met Attendance registers dated 02/09/2021 30th of November 2021 29th March 2022. the 07 June 2022	Target met	None	Director: Corporate Services	82

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
		Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of EAP programmes implemented as per approved plan	4 EAP programmes implemented per approved plan (Cancer awareness, World Aids day, Sexual health and TB awareness and Candle Light)	Target met 4 EAP Programmes implemented Cancer awareness held at Cathcart satellite office Dated 12 August 2021 01 December 2021 08/03/2022 (Candle Light Memorial) 02 June 2022	Target met	None	Director: Corporate Services	83
			No. of reports on health and productivity of the municipality	4 Reports on health and productivity of the municipality	Target met OHS plan reviewed and implemented, 1. Site visits conducted in 12 August 2021, 1 meeting conducted on the 10th December 2021 17th March 2022	Target met	None	Director: Corporate Services	84

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
		Local Labour Form (LLF) meetings and Labour Relations information sessions held	No of LLF meetings	4 LLF meetings	2nd June 2022 Target met LLF Meetings were held as follows 12 August 2021 13 September 2021 13 October 2021 26 October 2021, 11 January 2022 12 May 2022	Target met	None	Director: Corporate Services	85
			No of LR information sessions / training held	4 LR information sessions / training held	New Indicator	Target met	None	Director: Corporate Services	86
		Implementation of the approved EEP	No. of quarterly reports prepared on compliance with EEP annual targets	4 quarterly reports prepared on compliance with EEP annual targets	Target met 4 quarterly report prepared on compliance with EEP targets	Target met	None	Director: Corporate Services	87

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
	To ensure appropriate capacity building interventions by 2022	Develop and implement a blended learning and development programme strategy	No of face-to-face and on-line training interventions organized and implemented for all employees	4 training programs and 1 online training per employee	Target met, 6 Trainings done 06 August 2021 Municipal Financial Viability Training MPAC members 2 Training conducted on the 11 November 2021 on provincial records management policy training and councillors induction on the 29 November until 03rd December 2021 2 Training conducted as per reviewed annual planned	Target met	13 trainings conducted and 4 online	Director: Corporate Services	88

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
	To ensure cost efficient and economical use of council resources commensurate to effective IDP implementation by 2022 and beyond	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of reports on the implementation of Vehicle Pound and Municipal Mechanical Workshop / Garage	4 Reports on the implementation of the Vehicle Pound and Municipal Mechanical Workshop	quarterly (4 February 2022 (Roll out session 23 March 2022(PCIP 1 Policy workshop held 13-15 June 2022, Annual National archives awareness week held 6-10 June 2022			Director: Corporate Services	89
						Target not met	EXCO deferred the Draft Business Plan to the MANCO for further discussions which were completed on 22 June 2023. The MM directed that the item be submitted in the July 2023 Council.		

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
			No. of reports on implementation of fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Target met 4 reports on implementation of fleet and fuel management plan	Target met	None	Director: Corporate Services	90
	To ensure compliant and prudent safeguarding and preservation of institutional memory by 2027 and beyond	Establishment of legal frameworks, standards and ethical principles to protect the confidentiality of data	% implementation of the document management strategy and plan	20% implementation of the document management strategy and plan	New Indicator	Target met	None	Director: Corporate Services	91
	To develop and implement effective and	Integrated Planning and Development	No. of reports prepared on implementation with the file plan	4 reports prepared on implementation with the file plan	Target met 4 reports prepared on implementation with the file plan	Target met	None	Director: Corporate Services	92
			Date on which the 2023/24 IDP is submitted to	2023/24 IDP submitted to Council for approval	Final 2022/23 IDP was submitted to	Target met	None	Municipal Manager	93

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
	compliant frameworks to improve planning and performance management by 2022	Improve the effective functionality and credulity of the performance management System	Council for approval	approved by Council on 31st May 2023	Council on the 27th May 2022	Target met	None	Municipal Manager	94
			No. of days by which the 2023/24 SDBIP is submitted to the Mayor for approval	2023/24 SDBIP submitted to the Mayor for approval by the 28th day after approval of the budget	Final 2022/23 SDBIP was Submitted to the Mayor 23 June 2022	Target met	None	All HODs	95
			Date on which departmental quarterly reports with evidence files submitted to IDP/PMS Unit	Departmental quarterly reports with evidence files submitted to IDP/PMS Unit within 6 working days of the next month after the end of each Quarter	Target not met, not all departments submitted POE on time	Target met	None	All HODs	96
			No. of individual performance reviews coordinated by each HOD (Task grade 12 and upwards)	4 Quarterly individual Performance Reviews coordinated by each HOD (Task grade 12 and upwards)	Target not met Not all departments conducted reviews for the quarter	Target met	None	Municipal Manager	97
			No. of quarterly organizational	4 quarterly organizational performance	Target met 4 Organizational	Target met	None	Municipal Manager	

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2022/23	Annual Actual 2021/22	Annual Actual 2022/23	Comment and Corrective Action	Custodian	KPI NO
			performance reports submitted to Council	reported submitted to Council	Performance assessment report; 29 July 2021 28 October 2021 25 January 2022 28 April 2022				

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION

According to the Amahlathi Local Municipality organisational structure, the Municipality suppose have six (6) section 56 managers who supposed to sign performance agreements and submitted to the Department of Local Government and Traditional Affairs within the required time frames.

All the Director positions have been filled. The Municipal Manager, Chief Financial Officer and Director Development and Town Planning resume their duties on 01 November 2022. Director Engineering Services resume her duties on 01 March 2023 and Director Community Services resume her duties on 01 April 2023. All Senior Manager Positions are filled.

The 6 section 56 managers lead the following departments:

DEPARTMENT	FILLED/NOT FILLED
Municipal Managers Office	Filled
Budget and Treasury Office	Filled
Development and Town Planning	Filled
Engineering Services	Filled
Community Services	Filled
Corporate Services	Filled

Full time staff complement per functional area

Employees				
Description	Year 20/21	Year 2021/22		
	Employees	2021/2022	Current year 2022/23	Total No
	No.			Employees
Corporate Services	21	27	29	29
Development and Planning	19	17	16	16
Engineering Department	81	78	63	63
Community Services	106	100	99	99
Executive Services	37	28	29	29
BTO	27	31	30	30
Totals	291	281	266	266

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.

Vacancy Rate: Year 2022/23			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S56 Managers (excluding Finance Posts)	4	0	0%
Senior Manager Levels 17-19	4	1	6.65%
Highly skilled supervision levels 12-16	64	3	24%
Skilled Technical & Academically Qualified Workers, Junior Management 9-11	38	3	14%
Total	112	7	42%

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

TERMINATION REPORT AS AT 30 JUNE 2023

DEPARTMENT	RESIGNED	CONTRACT EXPIRED	RETIREMENT	DISMISSAL	DEATH	MEDICAL BOARD	TOTAL
ENGINEERING	1	0	1	0	1	0	3
CORPORATE SERVICES	0	0	0	0	0	0	0
COMMUNITY SERVICES	1	0	5	2	1	0	9
BUDGET AND TREASURY	0	0	0	0	0	0	0
DEVELOPMENT & TOWN PLANNING	1	0	0	0	0	0	1
EXECUTIVE SERVICES OFFICE	2	0	0	0	0	0	2
TOTAL	5	0	6	2	2	0	15

4.2 MANAGING THE MUNICIPAL WORKFORCE

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%		
1	Code of conduct for councillors	100	June 2022	29 June 2023
2	Council Rules of order	100	June 2022	29 June 2023
3	Delegations of Authority	100		29 June 2023
4	Expanded Public Works Programme Policy	100		29 June 2023
5	Petitions Policy	100	June 2022	29 June 2023
6	Code of conduct for ward committees	100	June 2022	29 June 2023
7	Career Management policy	100	June 2022	29 June 2023
8	Experiential training policy	100	June 2022	29 June 2023
9	Scarce Skills Policy	100	June 2022	29 June 2023
10	Employee study assistance policy	100	June 2022	29 June 2023
11	Training and development policy	100	June 2022	29 June 2023
12	Acting allowance policy	100	June 2022	29 June 2023
13	Bereavement Policy	100	June 2022	29 June 2023
14	Leave Policy	100	June 2022	29 June 2023
15	Policy on policy development	100	June 2022	29 June 2023
16	Fleet management Policy	100	June 2022	29 June 2023
17	Subsistence and Travelling Policy	100	June 2022	29 June 2023
18	Official transport to attend Funerals (Bereavement Policy)	100	June 2022	29 June 2023
19	Job Evaluation review policy	100	June 2022	29 June 2023
20	Occupational health and safety policy	100	June 2022	29 June 2023
21	Overtime and shift allowance policy	100	June 2022	29 June 2023
22	Performance Management and Development	100	June 2022	29 June 2023
23	Recruitment and Selection policy	100	June 2022	29 June 2023
24	Code of conduct for staff members	100	June 2022	29 June 2023
25	Long Service Allowance Policy	100	June 2022	29 June 2023
26	Code of conduct for councillors	100	June 2022	29 June 2023
27	Grievance procedure	100	June 2022	29 June 2023

28	Skills Development policy	100	June 2022	29 June 2023
29	Staff retention policy	100	June 2022	29 June 2023
30.	Telephone usage and cellular allowance phone	100	June 2022	29 June 2023
31.	Records Management Policy	100	June 2022	29 June 2023
32.	Uniforms and Protective Clothing (Health and Safety Policy)	100	June 2022	29 June 2023
32.	Placement Policy	100	June 2022	29 June 2023
33.	Covid 19 Management Policy	100	June 2022	29 June 2023
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

4.3 SICK LEAVE

Number and Cost of Injuries on Duty						
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Leave per employee	Injury per	Total Estimated Cost
	Days	No.	%	Days		R'000
Required basic medical attention only	0	0	0%	0		0
Temporary total disablement	0	0	0%	0		0
Permanent disablement	0	0	0%	0		0
Fatal	0	0	0%	0		0
Total	0	0	0	0		0

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled /Unskilled (Levels 2-5)	159	25%	11	90	12.2	R45 591.03
Semi-Skilled (Levels 6-11)	173	27%	51	99	51.5	R671 981.33
Highly skilled production (levels 12-19)	296	46%	35	90	38.9	R901 688.96
Interns	1	0.1%	1	7	14.2	R1 100.10
Other (task grade pending)	0	0%	0	0	0	R0.00
MM and S57	4	0.6%	1	6	16.7	R13 636.16
Total	633	98.7%	99	292	133.5	R1 633 997.58

* - Number of employees in post at the beginning of the year

T 4.3.2

Number and Period of Suspensions			
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised
Senior Recruitment and Conditions of Services Clerk	Disclosure of information, Gross negligence		Pending

4.4 CAPACITATING THE MUNICIPAL WORKFORCE - SKILLS DEVELOPMENT AND TRAINING

SKILLS DEVELOPMENT MATRIX

Skills Matrix													
Employees in post as at 30 June Year 2023													
Management Level	Gender	Leaverships			Skills programmes & other short courses			Management & other short courses			Actual: End of Year 2022	Year of Target	Actual: End of Year 2022
		No.	Actual: End of Year 2023	End Year Target	Actual: End of Year 2023	Actual: End of Year 2022	Management & other short courses	Gender	No.	Actual: End of Year 2022			
MM and s56	Female	0	0	0	0	0	0	MM and s56			0	3	3
	Male					0					0	2	2
Councillors, senior officials and managers	Female	0	0	0	0	0	0	Councillors, senior officials and managers			0	6	6
	Male	0	0	1	1	0	0				0	8	8

Technicians and associate professionals*	Female	0	0	0	0	0	0	0	0	4	4	2
	Male	0	0	0	0	0	0	0	0	3	3	3
Professionals	Female	0	0	0	0	0	0	0	0	10	10	10
	Male	0	0	0	0	0	0	0	0	4	4	4
Semi-Skilled and Unskilled	Female	0	0	2	2	0	0	0	0	6	6	6
	Male	0	0	1	1	0	0	0	0	6	6	6

Sub total		0	0	0	2	0	0	Sub total	0	0	0	29
	Female	0	0	0	2	0	0		0	0	0	29
	Male	0	0	2	0	0	0		0	23	0	23
Total		0	0	2	2	0	0		0	23	29	52

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

1.5 MANAGING THE WORKFORCE EXPENDITURE

Designation	Wages and benefits 2021/22	Wages and benefits 2022/23
Municipal Manager	R1 421 892	R919 396
Corporate Services Manager	R828 808	R1 098 242
Planning and Development Manager	R690 252	R769 102
Engineering Services Manager	R971 174	R386 882
Community Services Manager	R919 079	R285 831
Finance Manager (CFO)	R1 047 804	R1 337 302

EMPLOYEE RELATED COSTS	2021/22	2022/23
Basic	R90 266 762	R92 128 934
Bonus	R7 308 771	8 101 741
Medical aid contributions	R4 692 405	6 011 442
UIF	R581 158	R558 379
Travel, motor car, accommodation, subsistence and other allowances	R1 402 424	R3 113 168
Overtime payments	R1 113 025	R787 713
Acting allowance	R382 048	R262 962
Travel allowance	R5 297 221	R4 985 162
Housing benefit and allowances	R2 819 450	R2 641 761
Industrial Council Levy	R35 845	35 317
Pension fund contributions by Council	R14 867 498	R15 742 697

REMUNERATION OF COUNCILLORS	2021/22	2022/23
Mayor	R809 156	R885 456
Speaker	R657 583	R780 808
Council Salaries	R6 985 416	R8 452 371
Councilor allowances	R3 080 412	R3 543 680

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 INTRODUCTION

This chapter 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

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Description	Year 2022/23										Year -2021/22				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands															
Financial Performance															
Property rates Service charges	23 785	-	23 785	-		23 785	23 331		-2%	98%	98%				22 178
Investment revenue	54 288	400	54 688	-		54 688	46 669		-17%	85%	86%				54 477
Transfers recognised - operational	1 040	15	1 055	-		1 055	1 613		35%	153%	155%				269
Other own revenue	130 728	261	130 989	-		130 989	130 054		-1%	99%	99%				121 995
Total Revenue (excluding capital transfers and contributions)	19 015	3 592	22 607	-		22 607	23 774		5%	105%	125%				15 887
Employee costs	228 855	4 268	233 123	-		233 123	225 392								214 806
Remuneration of councillors	106 959	3 304	110 264	-		110 264	136 193	25 929	19%	124%	127%				125 340
Debt impairment	11 996	1 505	13 501	-		13 501	13 662	161	1%	101%	114%				11 533
Depreciation & asset impairment	27 000	-	27 000			27 000	29 142	2 142	0%	108%	112%				(7 489)
	26 000	-	26 000			26 000	24 358	-	-7%	94%	609%				26 055

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Finance charges	4 000	500	4 500	-	4 500	10 047	5 547	55%	223%	26%	-	-	2 536
Materials and Bulk	38 338	8 854	47 192	-	47 192	43 194	-	-9%	92%	113%	-	-	43 061
Transfers and grants	-	-	-	-	-	-	-	0%	0%	0%	-	-	-
Other expenditure	41 046	6 871	47 917	-	47 917	40 776	2 442	-18%	85%	16%	9 249	-	35 251
Total Expenditure	255 339	3 839	276 374	-	276 374	297 372	36 221				15 301		236 287
Surplus/(Deficit) Transfers recognised - capital	(26 484)	460	(43 250)		(43 250)	(71 980)							(21 481)
Contributions recognised - capital & contributed assets	31 701	3 080	34 781		34 781	31 701		-10%	91%	100%			28 080
Surplus/(Deficit) after capital transfers & contributions	5 217	3 540	(8 469)	-	(8 469)	(40 279)	-						6 599
Loss on disposal of assets													1 215
Fair value gain on biological assets													-
Loss on disposal of biological assets													-
Surplus/(Deficit) for the year	5 217	3 540	(8 469)	-	(8 469)	(40 279)	(8 469)						7 815
Capital expenditure & funds sources													
Capital expenditure	39 791	1 525	41 316	-	41 316	28 576							24 772
Transfers recognised - capital	31 701	3 080	34 781		34 781	28 576		-22%	82%	90%			

15 in expenditure equals Audited
Outcome less funds actually
recovered

15 in Cash Flow equals Audited
Outcome plus funds recovered

This schedule must be part of the financial statements of the municipality (all other schedules, A2 - A7, should form part of the annexures to the financial statements. These schedules do not directly form part of the audit opinion)

Financial Performance of Operational Services						
						R '000
Description	Year -2021/22	Year 2022/23			Year 2022/23 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
Operating Cost						
Electricity	(8 761)	(4 630)	(13 510)	(12 969)	64%	-4%
Waste Management	(2 236)	2 747	10 087	(608)	552%	1759%
Housing	18	31	105	40	21%	-164%
Component A: sub-total	(10 979)	(1 851)	(3 318)	(13 538)		
Roads	(55 094)	(41 878)	(42 899)	(39 500)	-6%	-9%
Component B: sub-total	(55 094)	(41 878)	(42 899)	(39 500)		
Planning & Development	21 062	22 643	22 339	22 529	-1%	1%
Component C: sub-total	21 062	22 643	22 339	22 529		
Community & Social Services	(10 633)	(10 467)	(9 783)	(3 755)	-179%	-161%
Public Safety	1 837	1 694	1 440	1 418	-20%	-2%
Sport and Recreation	1 994	1 969	2 030	2 201	11%	8%
	(6 802)	(6 803)	(6 313)	(135)		

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

Grant Performance						
						R' 000
Description	Year -2021/22	Year 2022/23			Year 2022/23 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adj Budget (%)
Operating Transfers and Grants						
National Government:	120 478	128 755	128 755	128 755		
Equitable share	115 504	124 987	124 987	124 987	0%	0%
FMG Grant	2 100	2 200	2 200	2 200	0%	0%
EPWP Grant	1 263	1 568	1 568	1 568	0%	0%
PMU 5%	1 478	-	-	-	0%	0%
Disaster Relief Grant	134	-	-	-	0%	0%
Provincial Government:	1 200	1 200	1 200	1 200		
Sports and Recreation	1 200	1 200	1 200	1 200	0%	0%
District Municipality:	-	-	-	-	-	-

Other grant providers:	317	773	4 015	554		
Waste Grant	220	-	3 080	554	100%	-456%
Seta Grant	97	773	935	-	0%	0%
Total Operating Transfers and Grants	121 995	130 728	133 970	130 509		

*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.*

T 5.2.1

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -2022/23	Actual Grant Year 2022/23	Year 2022/23 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Foreign Governments/Development Aid Agencies						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Private Sector / Organisations						
A - "Project 1"	-	-	-	N/A	N/A	N/A

Provide a comprehensive response to this schedule

T 5.2.3

5.2. ASSET MANAGEMENT

The Amahlathi Local Municipality believes that an Asset Management Policy is essential to ensure effective and efficient utilization of public monies and accountability thereof is heavily dependent on accurate recording and accounting with the compilation of the Asset Register that is GRAP compliant. The policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The prime objectives of the policy is to ensure that the assets of Amahlathi Municipality are properly managed and accounted for by:-

- Ensuring the accurate recording of asset information
- The accurate recording of asset movements
- Exercising strict control over all assets
- Providing correct and meaningful management information
- Affecting adequate insurance of all assets
- Maintenance of Council's Assets

The policy is reviewed and amended by council annually during IDP and Budget process. The last review was done in May 2023.

An asset tracking system using bar-coded discs and scanners is implemented. The system allows for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2022/23			
Asset 1			
Name	Mzamomhle Paving		
Description	Construction of Mzamomhle Paving		
Asset Type	Road Infrastructure		
Key Staff Involved	2		
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project		
Asset Value			Year 2022/23 11 559 922,00
Capital Implications			
Future Purpose of Asset	To provide the community with at least a basic level of service		
Describe Key Issues			
Policies in Place to Manage Asset	Asset Management Policy		
Asset 2			
Name	Surfacing of Carthcart Streets		
Description	Construction of Carthcart Streets		
Asset Type	Road Infrastructure		
Key Staff Involved	2		
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project		
Asset Value			Year 2022/23 6 527 027,18

Capital Implications	
Future Purpose of Asset	To provide the community with at least a basic level of service
Describe Key Issues	
Policies in Place to Manage Asset	Asset Management Policy
Asset 3	
Name	Mthwaku Dontsa Access Roads
Description	Construction of Mthwaku Dontsa Access Roads
Asset Type	Roads Infrastructure
Key Staff Involved	2
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project
Asset Value	Year 2022/23 2 095 219,00
Capital Implications	
Future Purpose of Asset	To provide the community with at least a basic level of service
Describe Key Issues	
Policies in Place to Manage Asset	Asset Management Policy, Roads Maintenance Policy
<i>T 5.3.2</i>	

Repair and Maintenance Expenditure: Year 2022/23				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	6 269	6 849	2 808	-59%
<i>T 5.3.4</i>				

Financial Ratios

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2022	As at 30 June 2021
Expenditure management			
1.1	Creditor-payment period	409,1 Days	291,8 Days
Revenue management			
2.1	Debt-collection period (after impairment)	154,4 Days	64,9 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	71,1%	86,3%
	· Amount of debt-impairment provision	R 91 737 792,00	R 99 226 832,00
	· Amount of accounts receivable	R129 018 866,00	R115 032 771,00
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	No	No
	· Amount of the surplus / (deficit) for the year	R3 291 532	R5 556 837
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	Yes	Yes
	· Amount of the net current assets / (liability) position	R96 704 740	R95 120 848
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	· Amount of the net asset / (liability) position	R271 782 313,00	R268 490 775,00
Cash management			
4.1	The year-end bank balance was in overdraft	No	No
	· Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R10 231 908,00	R13 426 476
4.2	Net cash flows for the year from operating activities were negative	No	No
	· Amount of net cash in / (out)flows for the year from operating activities	R22 340 187,00	R21 433 404
4.3	Creditors as a percentage of cash and cash equivalents	1153,60%	767,40%
	· Amount of creditors (accounts payable)	R118 034 373,00	R103 028 739,00
	· Amount of cash and cash equivalents / (bank overdraft) at year-end	R10 231 908,00	R13 426 476
4.4	Current liabilities as a percentage of next year's budgeted resources **	102,20%	116,80%
	· Amount of current liabilities	R147 737 470,00	R127 826 179,00
	· Amount of next year's budgeted income	R10 231 908,00	R13 426 476,00

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital Expenditure - Funding Sources: Year -2020/21 to Year 2021/22							
R' 000							
Details		Year -2021/22	Year 2022/23				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adj to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies	24 964	31 701	34 781	28 576	10%	-10%
	Other	2 229	8 090	6 535	1 601	0%	0%
Total		27 193	39 791	41 316	30 177	10%	-10%
Percentage of finance							
	External loans	-	-	-			
	Public contributions and donations	-	-	-			
	Grants and subsidies	91,8%	79,7%	84,2%	94,7%	106%	119%
	Other	8,2%	20,3%	15,8%	5,3%	0%	0%
Capital expenditure							
	Waste Projects	2 002	-	3 080	214	0%	0%
	MIG Projects	24 772	31 701	31 701	28 361	0%	-11%
	Other	418	8 090		12 740	-100%	57%
Total		27 193	39 791	34 781	41 316	-100%	47%
Percentage of expenditure							
	Electricity	7,4%	0,0%	8,9%	0,5%	0%	0%
	Roads	91,1%	79,7%	91,1%	68,6%	0%	-22%
	Other	1,5%	20,3%	0,0%	30,8%	100%	122%

T 5.6.1

COMPONENT C: CASH FLOW STATEMENT

Municipal Infrastructure Grant (MIG)* Expenditure Year 2022/23 on Service backlogs							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adj Budget		
Infrastructure - Road transport	24 601	23 763	19 705	-25%	-21%		
Roads	24 601	23 763	19 705	-25%	-21%		
Road Structures							
Infrastructure - Electricity							
Power Plants							
Capital Spares							
LV Networks							
Infrastructure - Water							
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure - Sanitation							
Reticulation							
Sewerage purification							
Infrastructure - Other							
Landfill Sites							
Waste Transfer Stations							
Capital Spares							
Other Specify:	7 100	7 938	8 657	18%	8%		
Sportsfields	2 500	1 600	879	-184%	-82%		
Hawker Stalls	-	-	-	-	-		
Other	4 600	6 338	7 777	41%	19%		
Total	31 701	31 701	28 361				

* 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

Cash Flow Outcomes					R'000
Description	Year -2021/22	Current: Year 2022/23			
	Audited Outcome	Original Budget	Adjusted Budget	Actual	

CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	227 930	235 523	234 388	251 508
Ratepayers and other	69 307	72 827	71 431	76 248
Government - operating	121 776	129 955	130 216	130 608
Government - capital	28 300	31 701	31 701	31 701
Interest	8 548	1 040	1 040	12 952
Dividends	-			
Payments	(205 590)	(201 539)	(191 434)	(209 981)
Suppliers and employees	(203 054)	(197 539)	(186 934)	(199 934)
Finance charges	(2 536)	(4 000)	(4 500)	(10 047)
Transfers and Grants	-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	22 340	33 984	42 954	41 527
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	(26 160)	(39 791)	(41 291)	(35 865)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(26 160)	(39 791)	(41 291)	(35 865)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	625	-	-	(191)
NET CASH FROM/(USED) FINANCING ACTIVITIES	625	-	-	(191)
NET INCREASE/ (DECREASE) IN CASH HELD	(3 195)	(5 807)	1 662	5 471
Cash/cash equivalents at the year begin:	13 426	13 426	10 232	10 232
Cash/cash equivalents at the year end:	10 232	7 620	11 894	15 702
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

Actual Borrowings: Year -2020/21 to Year 2022/23			
R' 000			
Instrument	Year 2020/21	Year 2021/22	Year 2022/23
Municipality			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit	-	-	-
Financial Leases	-	-	-
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	-	-	-
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	-	-	-
<i>T 5.10.2</i>			

Municipal and Entity Investments			
			R' 000
Investment* type	Year 2020/21	Year 2021/22	Year 2022/23
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	12 959	8 509	14 960
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	12 959	8 509	14 960
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	-	-	-
Consolidated total:	12 959	8 509	14 960
			<i>T 5.10.4</i>

5.3 SUPPLY CHAIN MANAGEMENT

Section 3(1) (b) and (c) of the SCM regulations states that the accounting officer of a municipality must at least annually review the implementation of SCM policy and when necessary submit proposal for the amendments of the policy to council. The SCM policy was initially developed in 2005 and implemented to give effect to the SCM regulations and it was last reviewed in May 2017. Amahlathi has established an SCM unit which comprises of four officials. The code of conduct, oath of secrecy and declaration forms are signed by all officials involved in supply chain management. The SCM manager has reached prescribed levels as required by the Minimum Competency Regulations Guidelines and the other three officials are still in process. In line with Municipal Finance Management Act (MFMA), the accounting officer has also established various bid committees that are consistent with the SCM regulations and any applicable legislation for competitive bidding i.e.

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

5.4 GRAP COMPLIANCE

The municipality is required by legislation to report on its financial affairs using GRAP Reporting Framework. The Annual Financial Statements and Fixed Asset Register have been prepared and submitted using applicable GRAP standards. In the current year, the municipality has not adopted any new standards and interpretations as there are none effective in the current financial year.

CHAPTER 6: AUDITOR GENERAL FINDINGS

6.1. AUDITOR GENERAL OPINION 2021/22

The Amahlathi Local Municipality received an unqualified audit opinion in 2021/2022 audit and the following issues were raised;

6. **Material uncertainty relating to going concern-** the municipality inability to pay creditors within due dates, negative key financial ratio, and net current liability was realised. These events or conditions along with other matters as set out in note 44 indicate that material uncertainty exists and may cast significant doubt on the entity's ability to continue as a going concern
7. **Material impairments consumer debtors** - As disclosed in note 31 to the financial statements, material impairments for consumer debtors and other debtors of R7.5 million (2021: R26.5, million) were incurred.
- **Material electricity distribution losses-** As disclosed in note 49 to the financial statements, material electricity losses of R15.3 million (2021: R11.7 million) was incurred, which represents 34.5% (2020: 34.2%) of total electricity purchased. The losses are attributed to normal losses and illegal connections.

AUDIT ACTION PLAN TO ADDRESS 2021/22 FINDINGS

No.	COAF No.	Audit Finding	Nature of the Finding	Action Plan	Progress	Time Frame	Department	Responsible Director	Line Manager	Status
1	COAF 001	1. Planning: Internal Audit control deficiency	During the assessment of the internal audit function, the following internal control deficiencies were identified: 1. External Quality assurance review/assessment was not performed on the internal audit function as required by IIA standard 1312.	1. The internal quality assurance will be performed during the year in preparation for external quality assurance review. 2. To request funds for internal auditor's membership to be paid.		2022/23 FY June	Executive Services	General Manager	T Sijula	No progress
2	COAF 001	1. Planning: Internal Audit control deficiency	2. . . . Internal auditor's membership for the IIA has lapsed and is still in the process of being renewed since last year, therefore not all the members are members of relevant professional bodies.			2022/23 FY June	Executive Services	General Manager	T Sijula	No progress
3	COAF 001	2. No investigation is done for prior year unauthorised expenditure	In the testing of consequence management it has been identified that no evidence of investigations have been done in order to recover prior year unauthorised expenditure.	To ensure that where unauthorised expenditure is identified, it is promptly investigated so that it can be		2022/23 FY June	Executive Services	General Manager	N Mbende	No progress

4	COAF 001	4. Planning: Audit committee control deficiency	During assessment of the audit committee, the evidence relating to the following was not provided for audit purposes. 1. The audit committee has met separately with the internal audit.	recovered or certified irrecoverable and written off by the council.		2022/23 FY June	Executive Services	General Manager	T Sijula	No progress
5	COAF 001	4. Planning: Audit committee control deficiency	2. The audit committee has ensured that it was involved in the review and approval of the combined assurance plan. 3. The chair of the audit committee provided regular feedback to the accounting officer or other relevant committees performance, findings and related issues.	1. The committee meets separately with the internal audit without management being present at least once a year. 2. The audit committee reviews and approves the combined assurance plan. 3. The chair of the audit committee provides regular feedback to the accounting officer or other relevant authority charged with oversight of the		2022/23 FY June	Executive Services	General Manager	T Sijula	No progress
6	COAF 001	4. Planning: Audit committee control deficiency				2022/23 FY June	Executive Services	General Manager	T Sijula	No progress

7	COAF 001	4. Planning: Audit committee control deficiency	4. The audit committee reviewed and commented on annual reports within stipulated timeframes	4. The audit committee reviews and comments on annual reports within stipulated timeframes	2022/23 FY June	Executive Services	General Manager	T Sijula	No progress
8	COAF 001	5. Purchases and Payroll Business Process: Control Deficiencies	1. There was no evidence certain journals raised were reviewed by the delegated senior employee. 2. There is no evidence that the creditor's reconciliation has been reviewed by the delegated senior employee. 3. There was no evidence that the monthly reconciliation between creditors' age analysis and the creditors invoice is performed as stated in the business process	1. Ensure that journals raise are reviewed and signed by manager. 2. Ensure that the creditor's reconciliations are prepared, reviewed and signed by manager.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
9	COAF 001	5. Purchases and Payroll Business Process: Control Deficiencies	2. There is no evidence that the creditor's reconciliation has been reviewed by the delegated senior employee. 3. There was no evidence that the monthly reconciliation between creditors' age analysis and the creditors invoice is performed as stated in the business process	2. Ensure that the creditor's reconciliations are prepared, reviewed and signed by manager.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress

10	COAF 001	5. Purchases and Payroll Business Process: Control Deficiencies	4. Certain invoices were not signed as confirmation that the service was rendered and the payment can be processed.	3. Ensure that invoices when being prepared for payments are signed by responsible recipient as proof of services rendered or goods received. 1. Invoices will be paid within 30 days provided that the cash flow allows.	Monthly	Budget & Treasury	CFO	B Mashiyi	Not progress
11	COAF 001	6. Non-compliance - Payment of invoice not within 30 days	Invoices were not paid within 30 days of receiving the invoice.	1. Invoices will be paid within 30 days provided that the cash flow allows.	Monthly	Budget & Treasury	CFO	B Mashiyi	Not progress
12	COAF 003	1. Use of Consultants Limitation: Non-submission	The municipality has not developed a consultancy reduction plans in order to reduce the reliance on consultants.	To and implement the requirements of the 2019 Municipal Cost Containment Regulations.	2022/23 FY June	Executive Services	General Manager	N Mbende	Not progress
13	COAF 003	2. Expenditure: Amounts incorrectly classified as Finance Cost	An amount relating to penalties imposed by SARS are included in finance cost.	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	Monthly	Budget & Treasury	CFO	B Mashiyi	Not progress

14	COAF 003	3. Expenditure: The electricity charged to the Municipality is not consumed by the Municipality and prior year electricity charged to current year	It could not be determined that the electricity charged on the Eskom invoices belonged to the properties owned by the municipality.	Interrogate the invoices provided by Eskom and confirm that the billing relates to the Municipality.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
15	COAF 003	3. Expenditure: The electricity charged to the Municipality is not consumed by the Municipality and prior year electricity charged to current year	The expenditure recorded relates to prior year consumption of electricity.	Perform year-end procedures to ensure that electricity consumed at the end of prior year is recorded in the prior year.	2022/23 FY June	Budget & Treasury	CFO	B Mashiyi	No progress
16	COAF 003	1. Telephone and fax - Not accurate, incorrectly classified and non-occurrence	Items have been incorrectly classified as expenses as opposed to receivables as the Municipality does not have contracts/ accounts with the suppliers.	Ensure that financial and performance reports supported and evidenced by reliable information are prepared and properly classified.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
17	COAF 003	2. Bulk Purchases - Incorrect classification	Certain transactions have been incorrectly classified under Bulk purchases in the general ledger whereas it is for free basic electricity.	Ensure that financial and performance reports supported and evidenced by reliable information are	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress

17	COAF 003	3. Bulk Purchases - Interest on overdue account not recorded in the FWE schedule	It was noted that interest on overdue accounts amounting to R133 231.78 that was charged by Eskom was not recorded under fruitless and wasteful expenditure for 2021/22 financial year.	prepared and property classified.	Monthly	Budget & Treasury	CFO	S Kambi	No progress
18	COAF 003	5. Expenditure: Errors identified in the recorded expenditure amount	1. The occurrence of the certain expenditure cannot be verified as there is no approved agreement between the municipality and the supplier. 2. The VAT amount calculated is incorrect	Ensure that all transactions are backed up by contracts entered into by the municipality.	Monthly	Budget & Treasury	CFO	S Kambi	No progress
19	COAF 003	5. Expenditure: Errors identified in the recorded expenditure amount	3. The discount applied only applies to domestic/residential properties and the property is agricultural property.	Ensure the VAT calculation is performed accurately and reviewed before being processed.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
20	COAF 003	5. Expenditure: Errors identified in the recorded expenditure amount		Ensure a review of all discounts and other write-offs used are accurately applied to transactions.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress

21	COAF 003	5. Expenditure: Errors identified in the recorded expenditure amount	4. Travelling was incurred in May & June 2021 and thus relates to prior year.	Perform year- end procedures to ensure proper cut-off of transactions.	2022/23 FY June	Budget & Treasury	CFO	B Mashiyi	No progress
22	COAF 003	1. Revenue billing reports do not agree with the GL accounts	The refuse billing reports do not agree with the GL.	Prepare monthly billing reconciliations that are reviewed and signed by manager.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
23	COAF 004	2. Limitation: Fire levy	For certain properties the category for which the property is used for could not be verified and therefore it could not verify whether the correct tariff has been charged for billing purposes.	Ensure that customer information is clearly categories in the register and in the system and the correct tariffs are billed.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
24	COAF 004	3. Revenue billing reports do not agree with the GL accounts	The sale of electricity billing reports do not agree with the GL.	Prepare monthly billing reconciliations that are reviewed and signed by manager.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
25	COAF 004	4. Interest received debtors	In recalculating the interest on debtor's statement, differences were identified.	Prepare monthly billing reconciliations that are reviewed and signed by manager.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress

26	COAF 004	5. Cut-off: Conditional Grants	Salaries that were paid for the months May 2021 to June 2021 for EPWP staff were recorded in the 2021/22 financial year as July 2021 basic salaries.	Perform year-end procedures to ensure proper cut-off of transactions.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
27	COAF 005	1. SCM - Awards made to providers whose tax matters had not been declared by SARS to be in order	During the testing of bids, it was identified that for certain bids appointment letters were sent to suppliers at the time when the tax status of the supplier was non-compliant according to the CSD compliance history.	Regularly check the tax compliance status of preferred bidders before the awarding is made.	Per Award	Budget & Treasury	CFO	S Kambi	No progress
28	COAF 006	1. CMRPD - Reported targets and achievements are not consistent with planned targets and achievement.	It was noted that the reported targets and achievements of the tested indicators are not consistent with planned targets and achievement	Ensure that the APR is adequately reviewed for consistency with planned documents and ensure that performance information is presented appropriately.	2022/23 FY June	Executive Services	General Manager	N Mbende	In progress

29	COAF 006	2. AOPQ-The indicators and its targets are not properly presented and disclosed	It was noted that measures taken to improve performance are not disclosed in the APR for certain indicators.	Set realistic targets for indicators that were not achieved in the current financial year.	Learning and sharing session was held with Mquma Municipality on the 12th December and was recommended to review SDBIP during Mid-year to ensure that all construction targets are set in percentage rather than numbers.	2022/23 FY June	Executive Services	General Manager	N Mbende	In progress
30	COAF 006	3. AOPQ-The target set is not specific	It was noted that certain indicators are not specific about the place/location, of where the work will be performed.	Set specific targets for indicators which clearly identify the specific locations of the work to be done.	Learning and sharing session was held with Mquma Municipality on the 12th December and was recommended to ensure that the road maintenance plan is aligned to the target and link it to assessment reports as the trigger for doing maintenance.	2022/23 FY June	Executive Services	General Manager	N Mbende	In progress

31	COAF 006	4. AOPO – Performance Targets set for 2 KPIs are not SMART (KPI 15 & 28)	It was noted that the performance targets set are the same as the indicators for 2 KPIs that are under KPA 1 (Basic service delivery and infrastructure), with no unit measure for the targets to be achieved for each indicator.	Ensure to set performance targets that are SMART as per Section 3.3 of FMPPI.	Learning and sharing session was held with Mnquma Municipality on the 12th December 2022 and was recommended to review SDBIP to ensure that the two targets are set in percentages and review the expected evidence	2022/23 FY June	Executive Services	General Manager	N Mbende	In progress
32	COAF 008	1. Trade Payables - Overstatement	During the testing of trade payables it was noted that there is a difference between the amounts recorded in the trade payables age analysis and the supplier statements that were submitted for audit.	Prepare monthly creditors reconciliations that are reviewed and signed by manager.		Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
33	COAF 008	2. Retention Creditors - Register not agreeing with the AFS	The Retentions Register does not agree with the annual financial statements.	Ensure that the retentions register is regularly updated with the accurate retention from the invoice and contract. Prepare a reconciliation	The WIP register is currently being updated with the columns to clearly reflect the retention withheld with each transaction.	Monthly	Budget & Treasury	CFO	N Madolo	In progress

34	COAF 011	2. Long term receivables – account long outstanding	<p>The long term receivables have been presented and disclosed in the financial statements at the same amount and there has been no movement in the account since the 2017 financial year.</p> <p>There are no impairment considerations that have been made by the management on the balance. Furthermore there is no evidence that the municipality has tried to collect the debt over the years.</p> <p>Therefore the debt is uncollectable as it has been outstanding for a number of years with no movement in the account.</p>	Investigate the long-term receivable and make necessary adjustments and/or write-offs.	between the register and GL that is reviewed and signed by manager.		2022/23 FY June	Budget & Treasury	CFO	B Mashiyi	No progress
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35	COAF 009	1. AOPO-KPI 08- There are no customer query forms	During the testing of KPI 08, it was identified that there are faulty meters included in the report that do not have supporting customer query forms, as a result, we could not confirm the validity and accuracy of the faulty meters reported in the report.	Ensure that the APR/reports are supported by evidenced and reliable information.	Learning and sharing session was held with Mnquma Municipality on the 12th December 2022 and the need for HODs to review reports and ensure that POE is adequate prior submission to PMS for assessment was highlighted.	2022/23 FY June	Executive Services	General Manager	N Mbende	In progress
36	COAF 009	2. AOPO-KPI 08- Total number of faulty meters included in the POE file and the reports are different	During the testing of KPI 08, it was identified that the total number of faulty meters included in the POE file and the APR report are different.	Ensure that achievement reported in the APR agrees with the close- out reports (POE). Furthermore, the total of reported achievement per quarterly reports should agree with annual achievement reported on the APR.	Learning and sharing session was held with Mnquma Municipality on the 12th December 2022 and the need for HODs to review reports and ensure that POE is adequate prior submission to PMS for assessment was highlighted.	2022/23 FY June	Executive Services	General Manager	N Mbende	In progress

37	COAF 009	3. AOPO-KPI 08- Limitation of scope on completeness on the faulty meters	During the testing of the faulty meters repaired indicator, it was identified that for certain faulty meters reported and repaired per the customer query forms and register – there was no progress report (a report that shows all reported meters resolved and not yet resolved that is used to prepare APR)	Ensure that the faulty meter report for the quarter is prepared which indicates all the faulty meters repaired for all the customer query forms during the quarter.	Learning and sharing session was held with Mmquma Municipality on the 12th December 2022 and the need for HODs to review reports and ensure that POE is adequate prior submission to PMS for assessment was highlighted.	2022/23 FY June	Executive Services	General Manager	N Mbende	In progress
38	COAF 009	4. AoPO Reliability testing – KPI 1-4 Completeness testing	During execution of KPI 1-4 indicators, it was identified that the municipality does not have the excel HR Register for employees who perform roadwork's, the roadwork's employees signs informal register, and that physical register is not sequentially numbered, therefore it cannot be a complete source for completeness testing. Therefore, we could not confirm that the kms reported in the APR for KPI 1 – 4 are complete.	Ensure that sufficient appropriate supporting evidence is included in the POE files and improve the review process of the APR to ensure that the reported information is complete and consistent with the supporting documentation.	Learning and sharing session was held with Mmquma Municipality on the 12th December 2022 and the need for HODs to review reports and ensure that POE is adequate prior submission to PMS for assessment was highlighted.	2022/23 FY June	Executive Services	General Manager	N Mbende	In progress

39	COAF 010	1. CMRPD – Indicators with targets reported as percentages	<p>It was noted that the following targets are not measurable as the percentage of the indicator is not well-defined with measurable output. The auditee merely depends on the percentage stage of completion reported by the engineers as the output with no method of calculation documented or communicated.</p> <p>Furthermore, we could not obtain standard operating procedures (SOPs), technical indicator descriptions (TIDs) and relevant planning documents that details how indicators are defined and the inputs that will be utilised to get to the percentages (i.e numerator and the denominator) for all the indicators that are reported as percentages.</p>	<p>Prepare proper planning documents which details inputs to achieve the targets, and ensure that the output for each indicator is measurable.</p>	<p>Learning and sharing session was held with Mnquma Municipality on the 12th December 2022 and there were recommendations to review the SDBIP during mid-year to ensure the following;</p> <ol style="list-style-type: none"> 1. Align KPI to the annual target. 2. Unit of measurements to be consistent for KPI, quarterly and annual reporting and review SOPs accordingly • 3. All targets related to construction works to be measured by % 	2022/23 FY June	Executive Services	General Manager	N Mbende	In progress
40	COAF 014	1. Provision of landfill site: Limitations that were identified by the consultant resulted in the	<p>During the audit of the provision for rehabilitation of landfill site it was noted that there are limitations that were highlighted by the consultant.</p>	<p>Review the limitations highlighted by the consultant and develop plans to address</p>		2022/23 FY June	Community Services	Director Community Services		Not in progress

41	COAF 016	internal control deficiency for the municipality	1. The useful life as disclosed in the Annual Financial Statements is not consistent with the useful lives documented in the Fixed Asset Register (FAR).	Review the FAR regularly to ensure that the EULs are consistent with the Asset Management Policy and the AFS.	The FAR has been updated with the correct EUL and RUL per policy. The depreciation is calculated on a monthly basis and all work is reviewed. The mid-year AFS will be used to ensure that the FAR agrees with the AFS.	2022/23 FY June	Budget & Treasury	CFO	N Madolo	In progress
42	COAF 016	1. Capital Assets: Differences identified in depreciation calculation and estimated useful life for class of transaction not applied	2. Assets differences have been identified in the calculation of depreciation.	Recalculate the depreciation and ensure that the correct methods and estimates are used for depreciation. Reconcile and review monthly depreciation.	The FAR has been updated with the correct EUL and RUL per policy. The depreciation is calculated on a monthly basis and all work is reviewed.	Monthly	Budget & Treasury	CFO	N Madolo	In progress
43	COAF 016	2. Disposal of assets: The loss on disposal of assets presented in the AFS is incorrect	The loss on disposal of assets and liabilities presented in the annual financial statement is incorrect.	Review of the schedules and calculations of items and ensure correct	Monthly asset reports and transactions are prepared which	Monthly	Budget & Treasury	CFO	N Madolo	Implemented

44	COAF 017	1. Difference between IE Register and the AFS	It was noted that the amount of the irregular expenditure relating to the standardisation of salaries incurred in the current year per the irregular expenditure register does not agree to the amount that is disclosed in the face of the irregular expenditure note in the AFS. Further the IE write off that is disclosed in the AFS does not agree to the amount of the IE write off that is on the Council approved schedules.	Review and reconcile the UJFW registers to the amounts disclosed in the AFS.	reconcile the GL and the FAR.	2022/23 FY June	Budget & Treasury	CFO	S Kambi	No progress
45	COAF 018	1. Unauthorized Expenditure is not complete	During completeness testing, it was noted that the overspending on operating expenditure was not included on the list of unauthorized expenditure. The totals in the reconciliations of the segmental financial information to the statements per note 48 does not agree to the balances/totals in the face of the financial statements submitted for audit.	Review and reconcile the UJFW registers to the amounts disclosed in the AFS. Ensure proper review of AFS.	This will be prepare at year-end when the overall budget v expenditure will be prepared. The AFS will be presented to CFO and other relevant stakeholders (i.e. IA) commencing with the mid-year AFS to ensure that they are	2022/23 FY June	Budget & Treasury	CFO	N Madolo	No progress
46	COAF 019	1. Segment Reporting – Casting issue		Ensure proper review of AFS.	The AFS will be presented to CFO and other relevant stakeholders (i.e. IA) commencing with the mid-year AFS to ensure that they are	2022/23 FY June	Budget & Treasury	CFO	N Madolo	In progress

47	COAF 019	2. Restatement journal property rates: Impairment not included	In performing the statement journal for reversal of unknown debtor accounts, management did not process a journal to reverse the impairment that would have been recognised in the prior years in relation to these debtors.	Review journals and the impact thereof on the overall financial reporting.	properly reviewed.	Monthly	Budget & Treasury	CFO	B Mashiyi	No progress
48	COAF 019	3. Contingent Liabilities- Disagreement between AFS, Legal Register and Legal confirmations	During the test of the contingent liabilities it was noted that there were differences between the legal register, financial statements (Note 38) and the legal confirmations.	Review and reconcile the legal registers and ensure they agree. Ensure the status of the claims and the estimated cost to settle the claims with their attorneys on a regular basis.	This will be prepare at year-end when the 2022/23 legal register will be considered.	2022/23 FY June	Budget & Treasury	CFO	N Madolo	No progress
49	COAF 020	3. Related Parties – Not fairly presented in the AFS	In note 39 of the financial statements, the disclosure does not include close family members as per Grap 20.	Ensure proper review of AFS.	This was adjusted for in the 2021/22 AFS and will be considered with	2022/23 FY June	Budget & Treasury	CFO	N Madolo	Implemented

					mid-year and annual statements							
50	COAF 020	4. Cash and cash equivalents: Cash on hand not supported by cash in the bank	During the audit of cash and cash equivalents it was identified that there in an amount of cash on hand that is not supported with cash in the bank. And when the bank confirmations were received, these amounts were not included by the bank and therefore were not confirmed by the bank.	Investigate the balance sitting on chas on had and propose the necessary adjustment thereof.		2022/23 FY June	Budget & Treasury	CFO	B Mashiwi	No progress		
51	COAF 020	5. Conditional grants non-compliance: No evidence MIG report was prepared within 2 months after year-end.	Evidence that the municipality had evaluated its performance in respect of programmes funded/ partially funded by the MIG within two months after the end of the financial year could not be obtained as the signed MIG performance report submitted is not dated.	Ensure the MIG performance reports are dated upon signing the reports or accessible evidence of when the evaluations were performed is kept.		2022/23 FY June	Engineering	Director Engineering	B Mguni	No progress		
52	COAF 021	3. Contracted services - Overstatement	The expenditure amount of contracted services is incorrectly recorded inclusive of Vat.	Review transactions before and after processing to ensure the correct posting thereof and correct		Monthly	Budget & Treasury	CFO	B Mashiwi	No progress		

53	COAF 022	1. Fruitless & Wasteful Expenditure – Non-compliance	The reasons stipulated by council in the investigation report stating that the documents were destroyed in the municipal fire is not adequate for the write off as the supporting documents can be re-created by obtaining them from the affected suppliers therefore fruitless and wasteful expenditure was not adequately investigated to determine if any person is liable for the expenditure.	accounting for VAT. Ensure that sufficient and adequate investigations are done to support the write offs of fruitless and wasteful expenditure.	2022/23 FY June	Executive Services	General Manager	N Mbende	No progress
54									

6.2 AUDIT REPORT OF THE AUDITOR GENERAL 2021/22 FINANCIAL YEAR

Report of the auditor-general to Eastern Cape Provincial Legislature and the council of Amahlathi Local Municipality

Report on the audit of the financial statements**Opinion**

8. I have audited the financial statements of the Amahlathi Local Municipality set out as volume ii (page 217) of this report, which comprise the statement of financial position as at 30 June 2022, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
9. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Amahlathi Local Municipality as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

10. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
11. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants* (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.
14. I draw attention to note 44 to the financial statements, which indicates that the municipality's inability to pay creditors on due dates, negative key financial ratios and net current liability were realised. These events or conditions, along with other matters as set out in note 44, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

Restatement of corresponding figures

16. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Material impairment of consumer debtors

17. As disclosed in note 31 to the financial statements, material impairments of consumer debtors of R7, 5 million (2021: R26, 5 million) were incurred.

Material electrical distribution losses

18. As disclosed in note 49 to the financial statements, material electricity losses of R15, 3 million (2021: R11, 7 million) were incurred, which represented 34, 5% (2021: 34, 2%) of total electricity purchased. The losses are attributed to normal losses and illegal connections.

Other matter

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

Unaudited disclosure note

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

Responsibilities of the accounting officer for the financial statements

21. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
22. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

23. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
24. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

25. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area (KPA) presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
26. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
27. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the municipality's annual performance report for the year ended 30 June 2022:

Key performance area	Pages in the annual report
KPA 1 – Service delivery and infrastructure development	52-63

28. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
29. The material findings on the usefulness and reliability of the performance information of the selected KPA are as follows:

KPA 1 – service delivery and infrastructure development

% of km of roads paved (key performance indicator (KPI) 7)

30. The measures taken to improve performance against target of 100% of 1, 7 km of roads paved were not reported in the annual performance report.

No. of km of gravel roads maintained (blading) (KPI 1)

31. The achievement of 47, 1 km of roads bladed was reported against the target 20 km of roads bladed in the annual performance report. However, the supporting evidence provided did not agree with the reported achievement and indicated an achievement of 9,643 km of roads bladed.

No. of km of municipal roads re-gravelled (KPI 2)

32. The achievement of 0, 8 km of roads re-gravelled was reported against the target 4 km of roads re-gravelled in the annual performance report. However, the supporting evidence provided did not agree with the reported achievement and indicated an achievement of 0, 3 km of roads re-gravelled.

No. of km of roads constructed (gravelled) (KPI 5)

33. The achievement of 21, 17 km of roads constructed (gravelled) was reported against the target of 5 km of roads constructed (gravelled) in the annual performance report. However, the supporting evidence provided did not agree with the reported achievement and indicated an achievement of 4, 18 km of roads constructed (gravelled).

No. of households and businesses with basic waste collection (KPI 16)

34. The achievement of 8 200 households and businesses with basic waste collected was reported against the target 6 000 of households and businesses with basic waste collected in the annual performance report. However, the supporting evidence provided did not agree with the reported achievement and indicated an achievement of 4 967 households and businesses with basic waste collected.

Various indicators – limitation misstatement on reliability

35. I was unable to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. This was due to a lack of measurement definitions and processes. I was unable to validate the existence of systems and processes by alternative means.

Indicator number	Indicator description	Target
KPI 6	% of km of roads surfaced	100%
KPI 7	% of km of roads paved	64%
KPI 10	% of cemeteries fenced	100%
KPI 24	% of inspected damaged road markings and signs maintained	100%

% of faulty reported meters repaired per inspection report (KPI 8)

36. The achievement of 88, 84% of faulty reported meters repaired per inspection report was reported against target 80% of faulty reported meters repaired as per inspection report in the annual performance report. However, I was unable to obtain sufficient appropriate audit evidence due to the lack of accurate and complete records. I was also unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

Other matters

37. I draw attention to the matters below.

Achievement of planned targets

38. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 23 to 29 of this report.

Adjustment of material misstatements

39. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 1: service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation**Introduction and scope**

40. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
41. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements, annual performance report and annual report

42. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, current liabilities, and revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Strategic planning and performance management

43. The performance management system and related controls were inadequate as it did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).
44. Performance targets set for each of the KPIs for the financial year were not well defined with measurable outputs, as required by section 41(1) (b) of the MSA and municipal planning and performance management regulation 12(1).

Expenditure management

45. Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA.
46. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R2, 1 million, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA.
47. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R15, 3 million, as disclosed in note 46 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA.

Procurement and contract management

48. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service (SARS) to be in order, in contravention of SCM regulation 43.

Consequence management

49. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
50. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
51. Some of the irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
52. Fruitless and wasteful expenditure were certified by the council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2) (b) of the MFMA.

Other information

53. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected KPAs presented in the annual performance report that have been specifically reported in this auditor's report.
54. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
55. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work performed, I conclude there is a material misstatement, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

56. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
57. Leadership of the municipality did not adequately discharge its oversight responsibilities with regard to the implementation and monitoring of internal controls to ensure sound performance reporting and compliance with legislation.
58. In addition, management did not always implement daily and monthly financial controls to ensure that the financial statements are supported by accurate and complete underlying records. This resulted in material misstatements in the financial statements that were subsequently corrected, material findings on annual performance report and findings on the audit of compliance with laws and regulations.

Material irregularities

59. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

Material irregularities identified during the audit

60. The material irregularities identified are as follows:

Interest paid to Eskom due to late payment of invoices

61. The municipality paid interest to Eskom on invoices that were not paid within 30 days. The payments not made within 30 days constitute non-compliance with section 65(2)(e) of the MFMA, which requires the accounting officer to take all reasonable steps to ensure that all money owing by the municipality are paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

62. The non-compliance resulted in a material financial loss of R5 million in the form of interest, which is included as fruitless and wasteful expenditure in note 47 to the financial statements.

63. The accounting officer was notified of the material irregularity on 18 November 2021 and was invited to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer responded by providing evidence of investigation concluded on 15 December 2021. The investigation concluded that there were insufficient funds to make the payment on time and no persons were identified to be responsible. The investigation further found that there was no breakdown in controls and that the unavailability of funds was the main root cause.

64. The following actions have been taken to respond to the material irregularity:

- Steps have been taken to reduce the procurement of less critical services or goods through development and implementation of cost containment policy.
- The debt incentive scheme has been implemented
- The municipality applied for exemption in the salary increase for 2021-22

65. The following actions are planned to be taken to respond the material irregularity:

- The municipality has engaged the High Court to set it aside, the council decision for standardisation of salaries and impact of this decision will have to be adjusted retrospectively. Quarterly progress reports on the court litigation must be process to be provided.
- The council will initiate and lead a process of organisational re-alignment to achieve a balance between human capital and the size of the municipality by 30 June 2023.
- The council will initiate and lead a legal process of recovering some of the capital laid out in procuring the fleet. Quarterly progress report on the litigation process must be provided as evidence.
- The municipality will propose new payment arrangement with Eskom by 30 November 2022.
- The municipality has implemented the following policies: the financial recovery plan, revenue enhancement strategy and cost containment policy in order to mitigate its financial crisis.

66. I will follow up on the implementation of the planned actions during the next audit.

Interest and penalties charged by SARS due to late payments

67. The municipality did not pay employees' tax that was deducted from employees over to SARS within seven days after the end of the month during which the amount was deducted. This was in contravention of section 2(1) of the Fourth Schedule of the Income Tax Act and section 210 of Tax Administration Act. The municipality was required to pay penalties to SARS due to non-compliance with the Income Tax Act.
68. The non-compliance resulted in a material financial loss of R3, 8 million in the form of interest, which is included as fruitless and wasteful expenditure in note 47 to the financial statements.
69. The accounting officer was notified of the material irregularity on 26 November 2021 and was invited to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer responded by providing evidence of investigation concluded on 22 January 2022. The investigation concluded that there were insufficient funds to make the payment on time and no persons were identified to be responsible. The investigation also found that there was no breakdown in controls and that the unavailability of funds was the main root cause.
70. The following actions have been taken to respond to the material irregularity:
- Application to SARS to waive the interest on 10 May 2022
 - The municipality applied for exemption in the salary increase for 2021-22
 - Steps have been taken to reduce the procurement of less critical services or goods through development and implementation of the cost containment policy
 - Implementation of the debt incentive scheme
71. The following actions are planned to be taken to respond to the material irregularity:
- The municipality has engaged the high Court to set it aside, the council decision for standardisation of salaries and impact of this decision will have to be adjusted retrospectively
 - The council will initiate and lead a process of organisational re-alignment to achieve a balance between human capital and the size of the municipality by 30 June 2023.
 - The council will initiate and lead a legal process of recovering some of the capital laid out in procuring the fleet. Quarterly progress report on the litigation process must be provided as evidence.
 - The municipality has implemented the following policies: the financial recovery plan, revenue enhancement strategy and cost containment policy in order to mitigate its financial crisis.
72. I will follow up on the implementation of the planned actions during the next audit.

Other reports

73. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

74. The president of South Africa promulgated that an investigation be conducted by the Special Investigating Unit (SIU) based on the allegation of possible procurement irregularities. This investigation has been finalised at the date of this report.

Auditor General

East London
30 November 2022



AUDITOR GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected KPA and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Amahlathi Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where

REPORT OF THE AUDIT COMMITTEE

1. PURPOSE

The function of the Audit Committee (herein referred to as the Committee) is primarily to assist the Amahlathi Municipality (hereinafter referred to as the Council) in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes, performance information and the preparation of financial reports and statements.

2. LEGAL / STATUTORY REQUIREMENTS

The Committee operates in terms of Section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003 and has endeavoured to comply with its responsibilities arising from those requirements. Other pieces of legislation that regulates the functions of the Committee are:-

- Municipal Structures Act
- Municipal Systems Act 32 of 2000

3. BACKGROUND

An audit committee is an independent advisory body which must sit at least four times a year in order to perform the following duties:

1. Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to—
 - a) internal financial control and internal audits;
 - b) risk management;
 - c) accounting policies;
 - d) the adequacy, reliability and accuracy of financial reporting and information;
 - e) performance management;
 - f) effective governance;
 - g) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
 - h) performance evaluation; and
 - i) any other issues referred to it by the municipality or municipal entity;
2. Review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
3. Respond to the council on any issues raised by the Auditor-General in the audit report;
4. Carry out such investigations into the financial affairs of the municipality or municipal entity as the council of the municipality, or in the case of a municipal entity, the council of the parent municipality or the board of directors of the entity, may request; and
5. Perform such other functions as may be prescribed.

4. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference.

In terms of the Audit Committee Charter, the committee should consist of a minimum of 3 members.

During 2022/23 financial year, the AC held 6 meetings, 4 Ordinary AC and 2 Special AC Meetings.

Name of Member	Number of Ordinary Meetings Attended	Number of Special AC meetings attended
Ms L. Smith - AC Chairperson	4	1
Ms N. Mabuza – Hermanus	4	2
Mr M. Mdani	4	2
Mr M. Manxiwa	4	2

5. DATES OF AC MEETINGS FOR 2022/23

Ordinary Meetings	Special Meetings
26 th July 2022	28 th August 2022 – Review of APR and AFS
23 rd November 2022	
23 rd January 2023	26 th June 2023 – Approval of 2023/24 RBIAP
24 th May 2023	
23 rd June 2023	

The Audit Committee meetings are attended by the Municipal Manager, Section 56 Managers, General Manager, Legal Manager, Internal Auditors, External auditors and other relevant stakeholders.

Auditor-General SA, COGTA, ADM and Provincial Treasury have standing invitation to attend AC Meetings.

6. EFFECTIVENESS OF INTERNAL CONTROLS

Audit Committee has assessed the internal controls for the municipality through review of Internal Audit reports and close monitoring on implementation of 2022/23 Approved Risk- Based Internal Audit Plan.

7. RISK MANAGEMENT REPORTS

Risk Management Reports were discussed during Risk Committee meetings and were standing item in Audit Committee Meetings.

Chairperson of the Risk Committee / Municipal Manager / his delegate presented the reports to the Audit Committee.

Implementation of risk action plans was monitored and assessed by Internal Audit.

8. REVIEW OF ANNUAL FINANCIAL STATEMENTS

- 2021/22 Annual Financial Statements were reviewed by both Audit Committee and Internal Audit and submitted to Council in August 2022.
- 2022/23 Interim Annual Financial Statements as at 31 December 2022 were also reviewed by both AC and Internal Audit.

9. PERFORMANCE MANAGEMENT

• 2021/22 Annual Performance was reviewed by both Audit Committee and Internal Audit and submitted to Council in August 2022.

- 2022/23 Mid-Term Performance as at 31 December 2022 was also reviewed by both AC and Internal Audit and tabled to Council.
- All Quarterly Performance reports are reviewed by AC and Internal Audit and submitted to Council.
- It was noted that the Municipality has not fully implemented the Performance Management System.
- There is a great improvement on Service Delivery targets as compared to the past financial years.
- Overall institutional performance for 2022/23 is **89.69%**

10. FOLLOW-UP ON AG ACTION PLANS

Management reports quarterly on the implementation of AG Action Plans.

Action plans as at 30th June 2023 were submitted to Internal Audit for review.

11. FOLLOW-UP ON IA ACTION PLANS

35 Findings were followed up during 2022/23 from previous audit reports that were issued by Internal Audit.

12. REVIEW OF MANAGEMENT REPORTS

Audit Committee has reviewed the following Management Reports which are standing items on the Audit Committee Agenda.

7.1 ICT Performance Report

7.2 Legal Matters

7.3 Finance Reports

7.4 Performance Reports

7.5 Report on filing of critical vacant and funded posts

No emerging risks or new areas of concern or challenges that the AC would like to highlight for the Council in relation to the listed management reports.

AC would like Council to note the following positive highlights;

- ICT Steering Committee is functional, Digital Transformation Strategy is in place and was adopted by Council on 29th June 2023.
- Significant decrease in Disciplinary cases from 21 to 6 meaning that there is a lot of improvement on employee relations.
- Performance for Engineering Services has improved as compared to the previous financial year, they are not at 100% but there is significant improvement on achievement of Service Delivery Targets.

13. OVERALL CHALLENGES RELATING TO INTERNAL AUDIT UNIT

The following challenges have been noted impacting on performance of Internal Audit as well as Audit Committee;

- Lack of office spaces for officials that had their offices burnt during October 2018 community protests.
- The Municipality does not have Risk Management Unit or Risk Management Personnel, risk management activities are performed by Internal Auditors.

- Vacant position of Internal Audit Manager for 8 months during the period under review. (01st July 2022 – 30th June 2023)
Position of Internal Audit Manager has been advertised
- Non-compliance findings raised by Auditor-General during 2021/22 Audit were not fully resolved during 2022/23 e.g. Combined Assurance and Quality Assurance Improvement Program however the Internal Audit Unit is making strides to respond to those issues, Management was trained on Combined Assurance.

14. AUDITOR GENERAL SOUTH AFRICA

It must be noted that the municipality **needs to put more controls** in terms of implementing and monitoring of the AG and Internal Audit action plans including risk mitigation plans.

There is a sound and professional relationship between the Audit Committee and the Office of the Auditor General so as to ensure compliance.

CHAPTER 7 APPENDICES

APPENDIX A: COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Council Member	28-Jul-2022	05-Aug-2022	11-Aug-2022	17-Aug-2022	30-Aug-2022	11-Oct-2022	27-Oct-2022	29-Nov-2022	25-Jan-2023	27-Feb-2023	30-Mar-2023	26-Apr-2023	25-May-2023	14-Jun-2023	29-Apr-2023	no of meetings	Percentage of council meetings	Percentage of apologies for non	Percentage of absenteeism
1. Cllr. Nomakhosazana Nongqayi	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	15	100	0	0
2. Cllr. Nokuzola Mlahleki	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	15	100	0	0
3. Cllr. Onke Mgunculu	APO LOG Y	P	P	P	P	P	P	APO LOG Y	P	P	APO LOG Y	P	P	P	P	15	80	20	0
4. Cllr. Pateka Qaba	APO LOG Y	ABS ENT	P	P	P	P	APO LOG Y	P	APO LOG Y	P	P	P	P	P	APO LOG Y	15	66,7	26,7	6,6
5. Cllr. Nobathe mbu Manyika	P	ABS ENT	P	P	ABS ENT	P	P	P	P	P	P	P	P	P	ABS ENT	15	80	0	20

6. Cllr. Xola Moses Tokwe	ABS ENT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	APO LOG Y	15	86,7	6,7	6,6
7. Cllr. Busisa Xongwana	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	APO LOG Y	15	80	13,3	6,7
8. Cllr. Thamsanqa Balindlela	ABS ENT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	ABS ENT	15	53,3	26,7	20
9. Cllr. Agnes Hobo	ABS ENT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	APO LOG Y	15	60	26,7	13,3
10. Cllr. Patience Nomonde Onceya-Sauti	ABS ENT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	ABS ENT	15	80	6,7	13,3
11. Cllr. Ntombizonke Vivian Mjandana	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	APO LOG Y	15	53,3	26,7	20
12. Cllr. Moslina Ngini	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	APO LOG Y	15	100	0	0
13. Cllr. Nicholas Ncevu	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	APO LOG Y	15	100	0	0

14. Cllr. Nosi pho Mkiva	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	0
15. Cllr. Zuki sa Anda Qonto	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	13,3
16. Cllr. Nontem biso Nyangwa	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	20
17. Cllr. Nonkanyiso Charlie	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	6,7
18. Cllr. Mandenkosi Busakwe	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	0
19. Cllr. Xoliswa Netti	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	0
20. Cllr. Mbeko Neku	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	6,6
21. Cllr. Ngenani mazizi Ormond Sidimana	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	13,3

22. Cllr. Phathuxolo Able Simandla	ABS ENT	ABS ENT	P	ABS ENT	P	P	P	P	P	P	P	P	P	APO LOG Y	P	P	P	P	15	73,3	6,7	20
23. Cllr. Melikaya Maweni	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	15	100	0	0
24. Cllr. Nomfuneko Salaze	P	P	P	P	P	P	P	P	P	P	P	P	P	LEAVE	P	P	P	P	15	86,7	13,3	0
25. Cllr. Nomvuyo Zelna Klaas	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	15	93,3	0	6,7
26. Cllr. Richard Brennan Pickering	ABS ENT	ABS ENT	P	P	P	P	P	P	P	P	P	P	P	APO LOG Y	P	P	P	P	15	66,7	13,3	20
27. Cllr. Ndlleka Ngxakan gxaka	P	P	P	P	P	P	P	P	P	P	P	P	P	APO LOG Y	P	P	P	P	15	86,6	6,7	6,7
28. Cllr. Neliswa Margaret Mbulana	ABS ENT	P	P	P	P	P	P	P	P	P	P	P	P	ABS ENT	P	P	P	P	15	53,3	26,7	20
29. Cllr. Masixole Gantsho	P	ABS ENT	P	P	P	P	P	P	P	P	P	P	P	P	ABS ENT	P	P	P	15	53,3	20	26,7

30. Cllr. Zamuxolo Emmanuel Mfulana	ABS ENT	ABS ENT	ABS ENT	P	ABS ENT	ABSENT	P	ABS ENT	ABSENT	LEAVE	P	ABS ENT	ABSENT	15	26,7	13,3	60
31. Traditional Leader: Mr. N.J. Ulana	P	ABS ENT	ABS ENT	P	P	P	P	P	P	P	P	ABS ENT	ABSENT	15	66,7	6,7	26,6
32. Traditional Leader: Mrs. P. Gaika													P	2	100	0	0

APPENDIX B: COUNCIL COMMITTEES (Other than Mayoral/ Executive Committee) and Purposes of the Committees

Municipal Committees	Purpose of Committee
Budget and Treasury	The purpose of the Budget and Treasury Standing Committee as a Section 79 Committee of Council is to:- Provide Political Leadership by being responsible for Policy outcomes, oversight and holds the Chief Financial Officer accountable for Performance by regular and consistent reporting to Council through the Committee.
Service Delivery	Report on Progress and Challenges on Capital Projects. Report on work done as per the Maintenance programme of Roads, also alerting the committee of the repairs done on Machinery That might have caused delays in the Programme. Challenges in the Department in General. Amount of Jobs created. The response time in repairing any complaints from the Community. Report on Budget Expenditure.
Development and Planning	To create a conducive environment for business to invest at Amahlathi area. To encourage business to create jobs in order to reduce unemployment. To promote SMME's and co-operatives within Amahlathi. To promote tourism as a vehicle for Job creation within Amahlathi. To support emerging farmers that are within Amahlathi and link them with business in order to sell their products.
Community Services	To provide accessible, affordable, equitable and sustainable service as well as a healthy environment to residents and business operating in the Amahlathi Local Municipality.

Municipal Committees	Purpose of Committee
	To contribute towards a safe and secure environment.
	To promote a clean and healthy environment.
	To promote a culture of reading and learning.
	To ensure that Public Amenities are improved and well managed.
Corporate Services	To oversee the proper, efficient and effective operations of Human Resources and Administration Department.
	To ensure that Policy Formulation and recommendation from both Sections are in line with vision and mission of the municipality as well as
	Compliant with National and Provincial Legislation.
	To represent employer component in Provincial Institution Cluster of SALGA, Amathole District Municipality
	To champion good working relations between the employer and employee component of the municipality.
	To ensure that Departmental goals and Departmental Budget are aligned.
	To devise programs for imparting of skills to Stakeholders within the municipal area.
	To oversee that proper employment procedures are undertaken without disadvantaging anyone.

APPENDIX C: THIRD TIER STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
EXECUTIVE SERVICES	DR. Z. SHASHA
BUDGET AND TREASURY OFFICE	MR L. MANJINGOLO
CORPORATE SERVICES DEPARTMENT	MS. N. NQULO
ENGINEERING SERVICES DEPARTMENT	MS. N. DLOVA
COMMUNITY SERVICES DEPARTMENT	MS. A. NOHOLOZA
PLANNING AND DEVELOPMENT DEPARTMENT	MR. S. MNWEBA
<i>Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).</i>	

TC

APPENDIX D: FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	Yes	
Child care facilities	Yes	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	No	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Storm water management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	Yes	
Fencing and fences	Yes	
Licensing of dogs	Yes	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes	
Municipal abattoirs	Yes	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	

Pounds	Yes	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		

APPENDIX E: WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward Committees 2022-2023	Name of Ward Councillor and elected Ward Committees June 2023	Committee established (Yes /NO)	Number of Committee meetings held during the year	Number of quarterly reports submitted to the Speaker on time	Number of quarterly public meeting held during year
WARD 1	Cllr N.Mkiva 1.Lindela Manyakanya 2.Nokrisimesi Mbande 3.Nozolile Mfuleni 4.Lulama Kwankwa 5.Cynthia Vane 6.Phumla Bobo 7.Nokuthula Madlokazi 8.Mzolisi Ndlangalavu 9.Vuyokazi Bikitsha 10.Vuyisile Mandla	Cllr N.Mkiva 1.Phila Zini 2.Sandla Soka 3.David Nkosinathi Mzili 4.Loyiso Bazi 5.Yoliswa Fikelepi 6.Noluthando Gwane 7.Nosibusiso Vumindaba 8.Ovayo Ndlangalavu 9.Sandisiwe Nzwanana 10.Thembakazi Gege	YES	6	1	1
WARD 2	Cllr D.S.Gxekwa 1.Veliswa Mhluzi 2.Vuyelwa Nkovu 3.Siyabulela Mpayipheli 4.Siseko Cawa 5. 6.Cebo Madlokazi 7.Kungeka Sixholo 8.Ndodomzi Manyakanyaka 9.Mongameli Rode 10.Nomataru Mhlauli	Cllr Z.Qonto 1.Khanyisa Khumbaca 2.Nobesuthu Zolidayi 3.Nomalulama Manyika 4.Sophumelela Mfecane 5.Gcobani Matutu 6.Simphiwe Kulati 7.Aviwe Rolisisu 8.Kwakhanya Mpange 9.Mongameli Rode 10.Athenkosi Ganjana	YES	4	0	1
WARD 3	Cllr M.Ngcofe 1.Sikelelwa Tamba 2.Alfred Veto 3.Phiweka Socishe 4.Thozama Madlokazi 5.Zimasa Mthi 6.Akhona Tweni 7.Mfuyo Jumba 8.Nkosabantu Busika 9.Fundiswa Luthuli 10.Makhi Manentsa	Cllr N.Nyangwa 1.Ayanda Faniso 2.Thozama Sweetness Mhluzi 3.Nompumezo Socishe 4.Nomakholwa Petronela Zotsha 5.Kwandiwe Gida 6.Zimasa Mti 7.Mfuyo Jumba 8.Nkosabantu Busika 9.Nandipha Sweetness Nyovane 10.Luleka Nonzame Matsoyiyane	YES	2	0	1
WARD 4	Cllr M Mjikelo 1.Nocwaka Nonyongo 2.Portia Mbesi Nancy Cofa	Cllr N.Charlie 1.Nocwaka Nonyongo 2.Bongeka Phendu 3.Wandile Lalo	YES	6	1	3

	<p>4. 5.Ntombizakhe Nkwentsha 6.Veronica Vellem 7.Ali Sautana 8.Thandiswa Tshali 9.Nonzuzo Mahlathi 10.Nonkanyiso Charlie</p>	<p>4.Thobela Qoto 5.Yongama Feni 6.Sibusiso Nojoko 7.Melikhaya Nqaba 8.Kholiwe Mabunzane 9.Thabiso Mohautse 10.Wanga Lihleli Dlai</p>				
WARD 5	<p>Cllr Klaas 1.Sakhumzi Lubengu 2.Ntombizanele Nono 3.Nomakorinte Ngcaku 4.Thobigunya Kolobile 5.Vukaphi Mpumelelo 6.Neliswa Nyathi 7.Vivian Sajini 8.Phindiwe Blom</p>	<p>Cllr N.Klaas 1.Thobeka Mevi 2.Dumisa Khepu 3.Mninawa Richard Mbolekwa 4.Yoliswa Mancam 5.Zukile Tadeus Madolwana 6.Mlindeli Thandiwe 7.Ntombekhanyo Rululu 8.Sihle mpahla 9.Zinzi Ngalo 10.Nomakhosazana Sili</p>	YES	3	0	0
WARD 6	<p>Cllr Tokhwe 1.Olwethu Boo 2.Nosango Manoni 3.Luyanda Sindi 4.Hussein Wayne Mopp 5.Nontekelelelo Xiniwe 6.Siphokazi Funani 7.Gudiswa Matomela 8.Nosiphiwo Nogqala 9.Bonele Patsa 10.Veliswa Mondeleki</p>	<p>Cllr M.Busakwe 1.Zimasa Patricia Sokuyeka 2.Lukhanyo Jaji 3.Ntombekhaya Manoni 4.Marlon Curtis Jacobs 5.Gavin Ignatius Jacobs 6.Nontekelelo Josephine Xiniwe 7.Ntomboxolo Gqwaka 8.Gudiswa Matomela 9.Zoliswa Mpangise 10.Zukiswa Jongitanga</p>	YES	5	0	2
WARD 7	<p>Cllr N Jikazayo 1.Sihlalo Magibizela 2.Phatheka Nojoko 3.Nontuthuzelo Damane 4.Nozukile Felem 5.Nosithile Momeni 6.Nwabisa Mbelwana 7.Nokona Bacela 8.Norah Toyiya 9.Kholiwe Sindaphi 10.Nomsa Balindlela</p>	<p>Cllr Z.Mfulana 1.Akhona Geza 2.Babalwa Bhugqile 3.Fundile Gebe 4.Nozipho Manyonga 5.Phumza Jaji 6.Zuziwe Lwana 7.Neliswa Nyhwagi 8.Mandilakhe Ngcukana 9.Sondezwa Mxayiya 10.Zoleka Mabetha</p>	YES	7	0	1
WARD 8	<p>Cllr X.Nqatha 1.Lulama Kama 2.Vusiwe Nkunzi 3.Lee Fletcher 4.X.Mbiko 5.Mthuthuzeli Mkefu 6.Bulelwa Pinana</p>	<p>Cllr X.Neti 1.Bulelwa Tela 2.Sydney Mbekeni 3.Londoza Lillian Cengani 4.Nelson Kondile</p>	YES	9	1	2

	7.Mlamli Dabi 8.Thenjiwe Vena 9.Wonke Ntlombe 10.Nosiphiwo	5.Thobeka Veronica Songololo 6.Nomasixole Ngangelizwe 7.Nosiphiwo Mvolontshi 8.Bayanda Mketshana				
WARD 9	Cllr M.Nqini 1.Vuyo Mdutywa 2.Athini Somana 3.Zukisani Tancu 4.Khanya Sotyantsi 5.Msa Madliwa 6.Mzolisi Jwaqu 7.Thandeka Ntsasa 8.Zoleka Mbekeni 9.Zameka Sotyantsi 10.Nobekaphi Wawa	Cllr M.Nqini 1.Nonkosi Sibawu 2.Thozama Dyosi 3.Zukisani Tshudu 4.Veliswa Lwana 5.Xolani Mpingelo 6.Ziyanda Butsha Sinyamba 7.Nandipha Maneli 8.Busisiwe Miranda Mzondi 9.Zoleka Mbekeni 10.Zameka Sotyantsi	YES	1 0	1	2
WARD 10	Cllr V.Tshaka 1.Aviwe Qakana 2.Lungisa Tyanase 3.Ntombizakhe Jaza 4.Bukelwa Soyi 5.Buntu Mpondo 6.Unathi Potose 7.Ndileka Magwaxaza 8.Nomfanelo Fikilane 9.Ntombizanele Sodzeme 10.Veliswa Bongoza	Cllr M Neku 1.Simphiwe Majiki 2.Sinoxolo Wilberforce Dyanti 3.Bukelwa Sooi 4.Buntu Masonwabe Mpondo 5.Thabisa Mhlahlo 6.Nomalizo Mkhefe 7.Phumzile Mbaza 8.Mamela Makhongolo 9.Nomfusi Sthetho 10.Siphamandla Qaba	YES	4	0	1
WARD 11	Cllr S. Venkile 1.Nonkosi Mcothshana 2.Nontando Kasba 3.Ntsikane Mesele 4.Lusanda Habule 5.Andile Ngwalangwala 6.Nomsebenzi Lantu 7.Nontyantyambo Charles 8.Mzwamabhele Norushe 9.Sindiswa Lunge 10.Bukiwe Madikane	Cllr N.Sidinana 1.Cordelia Nosipho 2.Makuzeni 3.Mhleli Hejane 4.Mazande Ndesi 5.Cornia Nontando Kasba 6.Nomsebenzi Gloria Lantu 7.Zamekile Blom Simon Feni 8.Yandiswa Ngemntu 9.Noziuko Ngamlana 10.Thandiwe Virginia Magwaca	YES	6	0	1
WARD 12	Cllr R.Desi 1.Thandeka Blom 2.Thumeke Nobavu 3.Nomvuyo Ntsudushe 4.Cebo Kotsobe 5.Phelisa Zipindile	Cllr P.Simandla 1.Khanyiswa Mazosiwe 2.Anele Tole 3.Mandla Victor Mditshwa 4.Norah Ntshante 5.Thembelani Makisi	YES	9	0	2

	6.Fanelwa Ngese 7.Luvuyo Mtila 8.Nosicelo Tishala 9.Lote Nosipiwo 10.Zukiswa Komani	6.Velisani Dumezweni 7.Charles Sibuyile Maqaqa 8.Nopinki Gloria Skeyi 9.Yandiswa Mhanya 10.Thozamile Ascension Khumbaca				
WARD 13	Cllr N.Ncevu 1.Sivuyile Cetwayo 2.Lindelwa Mbandezi 3.Mlandeli Gobodwana 4.Tshona Caswell 5.Bonelwa Nikani 6.Zingaphi Sawuti 7.Vuyelwa Nyamakazi 8.Vuyo Jakuja 9.Veliswa Lamana 10.	Cllr N.Ncevu 1.Sivuyile Cetwayo 2.Monde Mzimba 3.Lindelwa Mbandezi 4.Sipho Patric Ntuthu 5.Bonelwa Nikani 6.Yandiswa Thembani- Siswana 7.Vuyelwa Veronica Nyamakazi 8.Vuyo Jakuja 9.Akhona Sontaba 10.Melikhaya Gladman Goniwe	YES	9	0	2
WARD 14	Cllr D.Noxeke 1.Sibulele Vuso 2.Lina Busika 3.Victoria Poni 4.Zukile Jaqula 5.Yoliswa Mapukatha 6.Nozuko Mbiko 7.Mlingiseleli Cetywayo 8.Mziyanda Mtsewu 9.Bulelani Ndoloshe 10.Nomsa Jeremiah	Cllr M.Maweni 1.Caciswa Portia Mjali 2.Zandile Mavela 3.Mangaliso Bhatayi 4.Thembile David Tyelentombi 5.Siphokazi Sinoxolo Hlanganise 6.Desmond Dyosi 7.Luxolo Magalela 8.Nomthandazo Mbolani 9.Fundiswa Patricia Sofatsha 10.Zukiswa Silere	YES	5	0	1
WARD 15	CLLR Mtati 1.Vulindlela Mvandaba 2.Zoliswa Kweleta 3.Mlandeli Mbende 4.Desmond Dyosi 5.Mbulelo Ndinisa 6.Vusumzi Foslara 7.Sintombi Frans 8.Mzikayise Dyosi 9.Asanda Tyira 10.Yolanda Mampangashe	Cllr N.Salaze 1.Luxolo Ncumani 2.Zola Gavini 3.Gcobani Gwebushe 4.Nobuntu Mbende 5.Thembisile Mavela 6.Babalwa Kwanini 7.Makhwenkwe Gwebani 8.Prince Qinga 9.Thembisa Nkangala 10.Nombulelo Mbekeni	YES	1 0	1	2

APPENDIX F: MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

APPENDIX G: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2022 to 30 June of Year 2023		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cllr N Nongqayi	Nil
Member of EXCO	Cllr. P Qaba	Nil
	Cllr. NP Mlahleki	Nil
	Cllr. B Xongwana	Nil
	Cllr. XM Tokwe	Nil
	Cllr. NA Kato-Manyika	Nil
	Cllr. T Balindlela	Nil
Councillor	Cllr. ZA Qonto (MPAC Chair)	Nil
	Cllr. PM Onceya-Sauti	Nil
	Cllr. A Hobo	Nil
	Cllr. N Ngxakangxaka	Nil
	Cllr. RB Pickering	Nil
	Cllr. N Mbulana	Nil
	Cllr. M Gantsho	Nil
	Cllr. NV Mjandana	Nil
	Cllr. NC Mkiva	Nil
	Cllr. N Nyangwa	Nil
	Cllr. N Charlie	Nil
	Cllr. NZ Klaas	Nil
	Cllr. M Busakwe	Nil
	Cllr. ZE Mfulana	Nil
	Cllr. X Neti	Nil
	Cllr. M Nqini	Nil
	Cllr. M Neku	Nil
	Cllr. NO Sidinana	Nil
	Cllr. PA Simandla	Nil
	Clr. N Ncevu	Nil
	Cllr. ME Maweni	Nil
	Cllr. N Salaze	Nil
	Cllr. O Mgunculu	Nil
	NJ Ulana	Nil
Municipal Manager	Dr. Z Shasha	Nil
Chief Financial Officer	Mr. L Manjingolo	Nil
Directors	Mr. S Mnweba	Nil

	A Noholoza (Acting)	Nil
	N Nqulo	Nil
	N Dlova	Nil
Other S57 Officials		

* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A
T J

APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote							R' 000
Vote Description	Year 2021/22	Current: Year 2022/23			Year 2022/23 Variance		
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget	
Vote 1 - Executive & Council	115 327	131 845	131 791	127 287	-4%	-4%	
Vote 2 - Budget & Treasury Office	33 202	30 383	29 249	39 758	24%	26%	
Vote 3 - Corporate Services	97	-	-	-	0%	0%	
Vote 4 - Planning & Development	29 577	1 446	1 483	1 370	-6%	-8%	
Vote 5 - Community & Social Services	2 276	-	-	-	0%	0%	
Vote 6 - Housing	21	4 844	4 844	4 728	-2%	-2%	
Vote 7 - Public Safety	4 764	50	219	161	0%	0%	
Vote 8 - Sport & Recreation	-	31 751	31 716	31 759	-100%	-100%	
Vote 9 - Waste Management	11 209	5 926	5 901	5 047	-100%	0%	
Vote 10 - Road Transport	4 156	41 147	41 547	35 562	-16%	-17%	
Vote 11 - Electricity	38 857	13 141	20 726	11 661	-13%	-78%	
Vote 12 - Environmental Protection	91	23	430	313	93%	-37%	
Total Revenue by Vote	239 579	260 556	267 904	257 647			

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

T K.1

APPENDIX I: LONG TERM CONTRACTS

Long Term Contracts (20 Largest Contracts Entered into during Year 2022/23)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
None					
					TH.1

Public Private Partnerships Entered into during Year 2022/23					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2022/23
None					
					TH.2

APPENDIX J: MUNICIPAL ENTITY

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose (i)	(a) Service Indicators	Year 0		Year 1		Year 2	Year 3		
	(b) Service Targets (ii)	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)
N/A									

*Note: This statement should include no more than the top four priority 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 must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.*

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	R '000					
	Year 2021/22	Year 2022/23			Year 2022/23 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adj Budget
Property rates	22 178	23 785	23 785	23 331	-2%	-2%
Property rates - penalties & collection charges	38 857	41 147	41 547	35 562	-16%	-17%
Service Charges - electricity revenue	-	-	-	-	0%	0%
Service Charges - water revenue	-	-	-	-	0%	0%
Service Charges - sanitation revenue	-	-	-	-	0%	0%
Service Charges - refuse revenue	10 856	13 141	13 141	11 107	-18%	-18%
Service Charges - other	-	-	-	-	0%	0%
Rentals of facilities and equipment	171	100	291	283	65%	-3%
Interest earned - external investments	366	1 040	1 055	1 613	36%	35%
Interest earned - outstanding debtors	8 182	8 646	10 294	11 338	24%	9%
Dividends received	-	-	-	-	0%	0%
Fines	12	15	26	19	21%	-37%
Licences and permits	1 780	2 429	2 429	2 272	-7%	-7%
Agency services	1 059	1 829	1 829	1 343	-36%	-36%
Transfers recognised - operational	121 995	130 728	130 989	130 054	-1%	-1%
Other revenue	5 037	5 996	7 738	8 469	29%	9%
Gains on disposal of PPE	1 005	-	-	-	0%	0%
Total Revenue (excluding capital transfers and contributions)	211 499	228 855	233 123	225 392	-1,54%	-3,43%

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 EXCLUDING MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adj Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
<i>Other Specify:</i>						
FMG Grant	2 200	2 200	2 200	0%	0%	Yes
MSIG Grant	-	-	-	0%	0%	Yes
EPWP Grant	1 568	1 568	1 568	0%	0%	Yes
Equitable Share	124 987	124 987	124 987	0%	0%	Yes
PMU 5%	-	-	-	-	-	Yes
Disaster Relief Grant	-	-	-	-	-	
<i>Provincial</i>						
Library Grant	1 200	1 200	1 200	0%	0%	Yes
Seta Grant	773	935	-	0%	0%	
Waste Grant	-	3 080	554	0%	0%	Yes
Total	130 728	133 970	130 509			
<i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i>						TL

APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							R '000
Description	Year 2022/23			Actual Expenditure	Planned Capital expenditure		
	Original Budget	Adjustment Budget			FY + 2023/24	FY + 2024/25	FY + 2025/26
Capital expenditure by Asset Class							
Infrastructure - Total	24 601	23 763		20 006	-	-	-
Infrastructure: Road transport - Total	24 601	23 763		20 006	-	-	-
Roads	24 601	23 763		20 006			
Capital Spares							
Infrastructure: Electricity - Total	-	-		-	-	-	-
Power Plants							
LV Networks	-	-		-			
Capital Spares	-	-		-			
Infrastructure: Water - Total	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	-	-		-	-	-	-
Waste Management	-	-		-			
Transportation							
Gas							
Other							

Community - Total	12 050	7 938	8 217	-	-
Halls					
Centres	9 550	6 000	7 044		
Crèches					
Clinics/Care Centres					
Fire/Ambulance Stations		168	146		
Testing Stations					
Museums					
Galleries					
Theatres					
Libraries					
Cemeteries/Crematoria		170	148		
Police					
Purts					
Public Open Space	2 500	1 600	879		

Table continued next page

Description	Year 2022/23				Planned Capital expenditure			R '000
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2023/24	FY + 2024/25	FY + 2025/26		
Capital expenditure by Asset Class								
Heritage assets - Total	-	-	-	-	-	-	-	-
Buildings								
Other								
Investment properties - Total	1 000	1 500	440	-	-	-	-	-

Table continued from previous page

Housing development									
Other	1 000	1 500	440						
Other assets	350	2 295	1 300	-	-	-	-	-	-
General vehicles	-	1 400	528						
Specialised vehicles									
Plant & equipment									
Computers - hardware/equipment	150	570	542						
Furniture and other office equipment	50	150	13						
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)	150	175	217						
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	38 001	35 496	29 963	-	-	-
Specialised vehicles	-	-	-	-	-	-
Refuse						
Fire						
Conservancy						
Ambulances						

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

T.M.1

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	Year 2022/23			Planned Capital expenditure			
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2023/24	FY + 2024/25	FY + 2025/26	
Capital expenditure by Asset Class							
Infrastructure - Total	1 740	4 820	214	-	-	-	
Infrastructure: Road transport - Total	-	-	-	-	-	-	
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	1 740	1 740	-	-	-	-	
Power Plants							
LV Networks	1 740	1 740	-	-	-	-	
Capital Spares							
Infrastructure: Water - Total	-	-	-	-	-	-	
Dams & Reservoirs							
Water purification							

<i>Reclamation</i>	-	-	-	-	-	-	-
Infrastructure: Sanitation - Total							
<i>Reclamation</i>							
<i>Sewerage purification</i>							
Infrastructure: Other - Total	-	3 080	214	-	-	-	-
<i>Waste Management</i>	-	3 080	214				
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community	-	-	-	-	-	-	-
<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>	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
<i>Buildings</i>							
<i>Other</i>							

Table continued next page						
Table continued from previous page						
Capital Expenditure - Upgrade/Renewal Programme*						
Description	Year 2022/23			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2023/24	FY + 2024/25	FY + 2025/26
Capital expenditure by Asset Class						
<u>Investment properties</u>						
Housing development						
Other	-	-	-	-	-	-
Other assets	50	1 000	-	-	-	-
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)	50	1 000	-	-	-	-
Other						
Agricultural assets						
List sub-class						

<u>Biological assets</u>	-	-	-	-	-	-	-
<i>List sub-class</i>							
<u>Intangibles</u>	-	-	-	-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	1 790	5 820	214	-	-	-	-
<u>Specialised vehicles</u>	-	-	-	-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: information for this table may be sourced from MBRR (2009: Table SA34b)							T M.2

APPENDIX N: CAPITAL PROGRAMME

Capital Programme by Project: Year 2022/23						R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %	
Executive & Council						
Vehicles	-	1 400	528	0%	0%	
Budget & Treasury						
Furniture and Office Equipment	50	150	13	-1012%	-271%	
Corporate Services						
Computer Equipment	250	720	542	-33%	54%	
Waste Management						
Landfill Site	-	3 080	214	-1337%	100%	
Road Transport						
Computer Equipment	50	50	-	0%	0%	
Electricity						
Electricity Projects	1 740	1 740	-	0%	0%	
Project Management Unit						
MIG Projects	31 701	31 701	28 361			
Other Projects	5 000	1 000	518			
Town Halls and Municipal Buildings						
Buildings	1 000	1 500	-			
	39 791	41 341	30 177			

APPENDIX O: Capital Programme by Project by Ward:

Capital Programme by Project by Ward: Year 22/23		
		R31 701 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Gxulu Internal Roads	2	Yes
Mthwaku and Dontsa Internal Roads	3	Yes
Toise Internal Roads	5	Yes
Mgwali Internal Roads	9	Yes
Mzamomhle Paving	14	Yes
Khayelitsha Internal Roads	8	Yes
Border Post Internal Roads Phase 2	8	No
Rehabilitation of Lower Kologha Road	13	No
Surfacing of Cathcart Streets	4 and 5	No
Stutteheim Recreational Centre	13	No
Keiskammahoek Recreational Centre	1	No
Revamping of Amahlathi Municipal Offices in Stutterheim	13	No
Mlungisi Sportsfield Phase 2	15	No
Capital Programme by Project by Ward: Year 21/22		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Lower Kologha Internal Roads	13	No
Khayelitsha Internal Roads	8	No
Gxulu Internal Roads	2	No
Border Post Internal Road Phase 1	8	Yes
Surfacing of Cathcart Street	4 and 5	No

Paving of Amatolaville Streets	6	Yes
Rabe Internal Roads/Ngcamngeni	10	Yes
Amabele Internal Roads	9	Yes
Fencing of Cemeteries	1, 4 and 8	Yes
Mlungisi Access Roads	14 and 15	Yes
KKH Fire Station	1	Yes
Nothenga Community Hall	11	Yes
Mlungisi Sportfield Phase 2	15	No
Capital Programme by Project by Ward: Year 20/21		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Gubevu Internal Roads	12	Yes
Sophumelela Internal Roads	1	Yes
Cata Internal Roads	2	Yes
KKH Paving	1	Yes
Gxulu Internal Roads	2	No
Border Post Internal Roads Phase 1	8	No
Fencing of Cemeteries	1, 8 and 4	No
Keiskammahoek Fire station	1	No
Nothenga Community Hall	11	No
Mlungisi Sport field Phase 2	15	No
Surfacing of Cathcart Street	4 and 5	No
Paving of Amatolaville Streets	6	No
Ngcamngeni Access Roads/Rabe	10	No
Amabele Internal Roads	9	No
Mlungisi Access Roads	14 and 15	No
Covid Electricity Repairs	13	No
Capital Programme by Project by Ward: Year 19/20		
Gubevu Internal Roads	12	No
Sophumelela Internal Roads	1	No

Mlungisi Access Roads Phase 1	14	Yes
Keiskammahoek paving	1	No
Keiskammahoek Fire Station	1	No
Mlungisi Sport field Phase 2	15	No
Fencing of Cemeteries	1, 4 and 8	No
KKH Paving	1	No
Border Post Internal Roads	8	No
Rabhula Internal Roads	11	Yes
Lower Kologha Internal Roads	13	No
Cata Internal Roads	2	No
Ethembeni Internal Roads	7	No
Nothenga Community Hall	12	No
Khayelitsha Internal Roads	8	No
Capital Programme by Project by Ward: Year 18/19		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Ethembeni Internal Roads Phase 3	7	No
Kei Road Internal Roads	8	Yes
Nothenga Internal Roads	12	Yes
Rhawini Internal Roads	5	Yes
Langdrai Internal Roads	4	Yes
Zingcuka Internal Roads	1	Yes
Rabhula Internal Roads	3	Yes
Cata Internal Roads	2	No
Surfacing Of Mlungisi Access Road Phase 1	14	Yes
Gxulu Internal Roads	2	No
Khayelitsha Internal Roads	8	No
Lower Xholorha Surfacing	13	No
Water		

"Project A"		
"Project B"		
Sanitation/Sewerage		
Electricity		
Amahlahi Highmast Lights	1 and 5	Complete
Bushpig Sub Station Upgrade	13	Complete
Covid 19 Emergency Electricity Network Repairs	13	In progress 95% Complete
Housing		
Refuse removal		
Storm water		
N/A		
Economic development		
Sports, Arts & Culture		
Mlungisi Sports field Ph1	15	Complete
Mlungisi Sports field Phase 2	15	In progress 85% Complete
Environment		
Health		
Safety and Security		

ICT and Other		
		<i>TO</i>

APPENDIX P: Declaration of Loans and Grants made by the municipality

Declaration of Loans and Grants made by the municipality: Year 2022/23				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
None				
<i>* Loans/Grants - whether in cash or in kind</i>				TR

APPENDIX Q: Service Delivery Backlog experienced by the community where another sphere of government is responsible for service provision

Services by Sector Departments	Services Implemented/Provided	Service Backlogs
Access to Sanitation	93%	5,9%
Access to Water	89,7%	10,3%
Electricity	85,9%	10,3% (New extensions)
Housing	459	3 172
Refuse Removal	30,8%	69,2%
Roads	18%	82%

ANNEXURE R: COGTA KEY PERFORMANCE INDICATORS**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
IN THE ANNUAL REPORT FOR 2022/23 FINANCIAL YEAR**

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

CHAPTER: ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT –KPA 1

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

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	7	5	%	Positions that appeared on 2022/2023 financial year have all been filled except for two positions that are currently on the recruitment process.
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	5	5	100%	All positions that were vacant due to Expired contract and Resignations have been filled
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	0	0	0	Due to financial constraints no training was conducted for section 57 including Municipal Manager

4	Percentage of Managers in Technical Services with a professional qualification	3	0	100%	There are no gaps identified
6	Level of effectiveness of PMS in the LM – (LM to report)	PMS has been cascaded to employees from TG12 and above.			
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	68	None		Submission was done by 68 Employees and 13 Councillors
8	Percentage of councillors who attended a skill development training within the current 5 year term	None	None		No training has been conducted internally in the current financial year. COGTA and SALGA assisted the municipality with other workshops conducted for councillors in their respective sections as department Portfolio heads
9	Percentage of staff complement with disability	1	3	33.33%	No changes
10	Percentage of female employees	87		35.94%	1 female employee in electricity department have been appointed and 3 female employees as interns financial management

11	Percentage of employees that are aged 35 or younger	44		16.5%	
12	Adoption and implementation of a District Wide/ Local Performance Management System				

CHAPTER: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit Total House Holds=34159	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	24 269	3 429	20 840	20 840	100
2	Percentage of indigent households with access to basic electricity services	24 269	3 429	24 269	20 840	86
3	Percentage of indigent households with access to free alternative	24 269	886	886	886	100

energy sources					
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Electricity – 2016 Community Survey as per the table above indicates that 92.7% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 5.3%.

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	24 269	14 561	3 000	3 000	100
2	Percentage of road infrastructure requiring upgrade	980 km	487 km	4 km	2 km	50
3	Percentage of planned new road infrastructure actually constructed	980 km	493 km	12 km	12 km	100
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	R 522 m	R 522m	R 26.2 m	R 26.2 m	100

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
	Percentage of households with access to refuse removal services	29 994 House Holds	23 536 households and businesses with access to basic waste. (29 994- 6458 =23 536)	6458 households and businesses with access to basic waste	21,53% in the Amahlathi Municipality (6458 / 29 994 X 100= 21.53%)	Percentage of households with access to refuse removal services 21.53%
2	Existence of waste management plan	<ul style="list-style-type: none"> Integrated Waste Management Plan (2022 – 2027) was approved by Council on the 25th January 2023 and submitted to DEDEAT for endorsement by the MEC. 				

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

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	4,4%	1527	N/A	N/A	0%
2	Percentage of informal settlements that have been provided with basic services	N/A	N/A	N/A	N/A	N/A
3	Percentage of households in	57%	19950	N/A	N/A	N/A

	formal housing that conforms to the minimum building standards for residential houses				
4	Existence of an effective indigent policy	There is Indigent policy that has been adopted and it is reviewed annually.			
5	Existence of an approved SDF	Amahlathi Local Municipality Draft SDF has been gazetted in November 2022.			
6	Existence of Land Use Management System (LUMS)	The development of a SPLUMA compliant Wall to Wall Land Use Scheme has been conducted during the 2022/23 financial year.			

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

Annual performance as per key performance indicators in LED

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	None	- No new recruitments	0%
2	Percentage of LED Budget spent on LED related activities.	None	None	None
3	Existence of LED strategy	LED strategy is under review with the assistance of Cogta		
4	Number of LED stakeholder forum meetings held	8	<ul style="list-style-type: none"> - 2 LED Forum meetings - 3 Contractors meeting held - 4 Agricultural Forum Meeting held - 2 CTO's and LTO's meetings - 2 Hawkers meeting held 	100%

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			<ul style="list-style-type: none"> - 3 Cooperative meeting held (Amahlathi Wethu Secondary Co-Op). - 3 meetings Amahlathi Farmers Association 	
5	Plans to stimulate second economy	<ul style="list-style-type: none"> -3 business plans developed for 3 cluster towns - Target 2 twining agreements with Strategic-Institutions in the EC 	<ul style="list-style-type: none"> - Developer for the Keiskammahoek shopping complex has been appointed - MOU has been concluded with Fort Cox College - Stutterheim Master and Precinct Plan Developed and adopted by Council. - Action plan for Implementation of Stutterheim Master and Precinct Plan developed. 	50%
6	Percentage of SMME that have benefited from a SMME support program	<ul style="list-style-type: none"> -Sub-contracting resolution has been taken by Council and is being implemented - 30% of Amahlathi budget allocated to local SMME's 	<ul style="list-style-type: none"> - 24 Contractors benefited on subcontracting from Housing Development Agency project implemented at Upper Izele, Bongolethu, Daliwe and Kati-kati. - 9 Contractors benefited on subcontracting of Fibre project by Bongani Telecoms. - 2 Contractors benefited on subcontracting on road maintenance project implemented by Department of Transport. - SMME's were trained by DEDEAT, Montheo, & SEDA 	80%

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		<p>3 trainings conducted for Community Tourism Organisation (CTO) and Local Tourism Organisations (LTO'S)</p> <p>-3 contractors subcontracted and benefited.</p> <p>- 5 farmers to be supported with capacity building</p> <p>4 tourism event attended to provide access to market for Crafters</p>	<p>- 186 SMME's benefited on SMME Support Programms</p> <p>- 55% of Amahlathi budget allocated to local SMME's</p> <p>- 3 training session conducted for CTOs & LTOs</p> <p>- 11 contractors met requirements for subcontracting on Cenyulands and Cenyu Village housing project implemented by the Department of Public Works.</p> <p>-SMME business training by IDC at Mgwali Village</p> <p>- Farmers supported on Capacity building.</p> <p>1 Amahlathi Crafter attended Grahamstown National Art Festival. 1 Amahlathi Crafter attended Macufe Festival. We were supported by Department of Sport Recreation, Arts and Culture</p>	

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
7	Number of job opportunities created through EPWP	200 CYDP participants (Graduates, Interns, Learners and Apprentices)	382 CYDP participants (Graduates, Interns, Learners and Apprentices)	191%
8	Number of job opportunities created through PPP	n/a	n/a	n/a

CHAPTER: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	R 41 341 171	R 34 703 596.45	84%
2		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
3	Salary budget as a percentage of the total operational budget (Including Councillor Allowances)	R110 263 833	R135 165 136	123%
4		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
5	Total municipal own revenue as a percentage of the total actual budget	R112 607 793	R112 596 526	99.9%
6		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
7	Rate of municipal consumer debt reduction	10 000 000	R32 643 558	326%
8	Percentage of MIG budget appropriately spent	R31 701 000	R32 318 676.37	102%
9	Percentage of MSIG budget appropriately spent	R 0	R 0	0%
10	AG Audit opinion	Unqualified	Unqualified	

11	Functionality of the Audit Committee	4 meetings	4 meetings	100%
12	Submission of AFS after the end of financial year	31 October 2020	31 October 2020	100%

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

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% war room	12 meetings	12	100%
3	Existence of an effective system to monitor CDWs	Currently there is no tool to monitor CDWs. Only assisting them administratively (i.e. venue and communicating their meetings to relevant stakeholders)		
5	Effectiveness of IGR structural meetings	Amahlathi Political IGR forum meetings sit on a quarterly basis and are led by the Honourable Mayor. All the Executive Committee members of the Council also form part of the forum as required by the terms of reference of the committee. The IGR is currently coordinated in the Office of the MM and is attached to the Office Administrator.		
6	Existence of an effective communication strategy	Communication Strategy adopted by council February 2015, and it is reviewed on an annually basis by reviewing the Communication Action Plan		
6	Existence of an effective communication strategy	Communication Strategy adopted by council February 2015, and it is reviewed on an annually basis by reviewing the Communication Action Plan		
7	Number of mayoral imbizos conducted	2	2	100%
8	Existence of a fraud prevention mechanism	The Internal Audit Unit is conducting Fraud Awareness Campaigns within the municipality on quarterly basis and those awareness programs are included on the Approved Risk Based Internal Audit Plan for 2015/16 financial year. Employees are workshoped on what constitutes Fraud and what they should do when they suspect that fraud is happening within the municipality. The Internal Audit Unit has also developed Fraud Prevention Plan and Whistle-blowing policy for protection of the Whistle blowers. Policy was submitted to the Council and was adopted in April 2015.		

**VOLUME II: 2022-23 DRAFT ANNUAL FINANCIAL
STATEMENTS**