



2024/25

**DRAFT 2024/25 INTEGRATED
DEVELOPMT PLAN (IDP)**



TABLE OF CONTENTS

MAYOR'S FOREWORD	3
MUNICIPAL MANAGERS MESSAGE	5
BACKGROUND TO THIS DOCUMENT	6
(i) LEGISLATIVE BACKGROUND	6
(ii) IDP REVIEW PROCESS	6
(iii) COMMUNITY INVOLVEMENT	8
(iv) BACK TO BASICS	9
CHAPTER 1: THE VISION	16
CHAPTER 2: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY	17
2.1 Defining the municipal area – an overview	17
2.2 Socio – economic indicators	18
CHAPTER 3: STATUS QUO ASSESSMENT	34
3.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE SERVICES	34
3.2 KPA 2: MUNICIPAL FINANCIAL VIABILITY	59
3.3 KPA 3: GOOD GOVERNANCE & PUBLIC PARTICIPATION	65
3.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT.....	170
3.5 KPA 5: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPME.....	175
3.6 PRIORITY NEEDS.....	188
CHAPTER 4: MUNICIPAL DEVELOPMENT OBJECTIVES AND STRATEGIES.....	196
4.1 GUIDING PRINCIPLES	196
4.2 DEVELOPMENT OBJECTIVES	197
KPA 1: SDI	198
KPA 2: MFV.....	204
KPA 3: GGP.....	208
KPA 4: LED	213
KPA 5: MTI	216
CHAPTER 5: PROJECTS	221
CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM	236
CHAPTER 7: PROGRAMME INTEGRATION	250
7.1 Sectoral Plans and Programmes	250
7.2 Housing Sector Plan	254

7.3 Integrated Waste Management Plan	255
7.4 Disaster Management Plan	256
7.5 Poverty Alleviation Programme	256
CHAPTER 8: FINANCIAL PLAN	257
CHAPTER 9: AMAHLATHI DEVELOPMENT PLANS	271
CHAPTER 10: IDP & BUDGET PROCESS PLAN	274
(i) IDP PROCESS PLAN	274
(ii) BUDGET PROCESS PLAN	302

A. MAYOR'S FOREWORD

Amahlathi Local Municipality is coming out of a terrifying past characterised by violent service delivery protests, political instability and covid 19. The current state of the locality requires real visionaries and servant leadership. The council is convinced that the developmental trajectory ahead is premised on the belief that change is inevitable, a change TOWARDS A BRIGHTER FUTURE thus improving livelihoods and making the municipality an agent of that change. It is for this reason that during the process of developing the 2024/25 Integrated Development Plan, there is a compelling need to integrate our capabilities, expertise and unique God given talents to foster a collective and strategic destiny and brighter future of our locality. We must collectively claim our position of being the pioneers of local economic development in the rural South Africa.



The good comprehension of this much desired change has led to the birth of a new vision "A RESILIENT, SUSTAINABLE AND PEOPLE-CENTRED MUNICIPALITY". This vision will assist council, administration and our people to fulfil the constitutional mandate of local government. The future we want is based on the five key performance areas (KPAs) of local government derived from the National Priorities, National Development Plan (Vision 2030), Provincial Development Plan (EC Vision 2030), ADMs long-term Vision 2058 and the prevailing social needs of our locality. The five KPAs being:

- Service Delivery and Infrastructure Development
- Municipal Finance Viability
- Local Economic Development
- Good Governance and Public Participation
- Municipal Transformation and Institutional Development

As the fifth administration we are mindful of the unbearable socio-economic conditions created by the triple challenge of poverty, unemployment and inequality and the impact these have on the everyday life of our people. We remain focused to the notion of a better life for all. We know that many families rely on government grants to put food on the table and this can only be reversed through creation of job opportunities for youth, women and the young professionals that dominate our population. We will be working hand-in-hand with organised youth and women forums in our locality, partner with them in furthering our ambitious service delivery praxis enshrine in this IDP.

The time has come that we do radical transformation on the economy through various means and ways of empowerment. In order to achieve that we have in this IDP provided a policy trajectory that focuses on empowering and benefiting our SMMEs. We have made provisions to capacitate and grow our SMMEs to compete at the provincial and national economic platforms.

Our aim is to keep to our promises and excellent governance by making informed decisions to improve the performance of the municipality. We want the public to actively participate in the business of the municipality throughout the term of this IDP. Our people must be involved, be informed and know the IDP. It is our duty to continuously engage and be engaged through various structures including the IDP Representative Forum duly established. This IDP as a tool that enables the municipality to align its financial and institutional resources is the principal strategy for the development of this locality. As a result this IDP and Budget are inevitably linked to one another.

It gives a great honour to present 2024/25 IDP as the second review of 2022 - 2027 IDP. This IDP unlike other years is tabled in the context of electricity crisis as the new post COVID19 reality. Life under these conditions threaten efforts of sustainable development. The 2024/25 IDP encapsulate how the council and the community commit to build and grow Amahlathi Local Municipality towards a brighter future. The current challenges encourage us to participate meaningfully in rebuilding the Amahlathi Municipality, restoring its confidence and its pride in development. As the sphere of government close to the people, Amahlathi Local Municipality will always be evaluated as to the ability to meet the growing

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

needs of its residents through rendering quality services, promoting economic development, fiscal discipline, ensuring that it governs effectively and facilitating the growth of the municipality.

The process is done within the dictates of the law. Section 21 (1) of the Local Government Municipal Finance Management Act, 56 of 2003 stipulates that: The mayor of a municipality must- (a) Co-ordinate the process for preparing the annual budget and for reviewing the municipality's integrated development plan. Section 34 of the Municipal Systems Act requires a municipal council to annually review the IDP in accordance with an assessment of its performance and to the extent that changing circumstance so demand.

The IDP is a principal planning instrument which outlines how the municipality will take up the challenge to develop and grow the Amahlathi, to effectively engage our community and develop partnerships with business sector. It sketches how the collective efforts of the political and administrative arms of the Municipality must progressively address the ever-increasing expectations of our people.

It is therefore my pleasure to present this Draft IDP of Amahlathi Local Municipality for the period 2024/25 to Council, the communities of Amahlathi Local Municipality, the National and Provincial Treasury, the Local Government and other stakeholders.



Cllr. N.G. Nongqayi
Her Worship, the Mayor
Amahlathi Local Municipality

B. MUNICIPAL MANAGERS MESSAGE

The key priority areas of the institution for the next five-year term find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:



- a) Performance management
- b) Implementation of basic services to communities
- c) Community Works Programme
- d) Revenue Enhancement
- e) Implementation of Financial Recovery Plan
- e) Meeting of statutory timelines and reporting frameworks.
- f) Development, review and approval of municipal policies.
- g) Enhance public participation programme

In the 2024/25 financial year, the following areas received priority.

- a) Institutionalisation of outcomes approach
- b) Accelerating and improving access to basic services
- c) Prioritizing Infrastructure development
- d) Continuing to review and improving financial systems and procedures.
- e) Address issues emanating from the Auditor-General's report for 2022/23 financial year.
- f) Implementation of Financial Recovery Plan
- g) Public safety and law enforcement
- h) Improving reporting, monitoring and evaluation
- i) Capacitation of councillors and municipal employees


MUNICIPAL MANAGER
DR. Z. SHASHA

BACKGROUND TO THIS DOCUMENT

i. Legislative background

This document represents the 2022/27 Integrated Development Plan (IDP) as prepared and adopted by the Amahlathi Local Municipality. It is submitted and prepared in fulfilment of the Municipality's legal obligation in terms of Section 25 of the Local Government: Municipal Systems Act 32 of 2000.

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- the IDP be implemented.
- the Municipality monitors and evaluates its performance with regards to the IDP's implementation.
- the IDP be reviewed annually to effect necessary changes and improvements.

Section 34 further states that:

"A municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demand."

ii. The IDP Process

This is a 2024/25 Integrated Development Plan (IDP) that will be tabled to Council end of May 2024, this IDP is the second review of the five-year IDP (2024 – 2027). This document is substantially based on the format and layout of its predecessor. This Integrated Development Plan will guide the Municipality in its strategic planning and project prioritization for the period ending in 2027. This IDP is aligned to the National Development Plan and the Provincial Growth. It is informed by community needs. It contributes to the country's commitments to universal access as per the Millennium Development Goals and Sustainable Development Goals. The Amahlathi IDP is aligned to the Budget and the Performance Management System for its implementation, monitoring and evaluation, hence the subsequent plan would be the Service Delivery and Budget Implementation Plan (SDBIP), a year plan. The predetermined strategic objectives on the IDP have been translated into an SDBIP-performance management induced tool. Council will play an oversight role and the administration will play the implementation and reporting role.

On 31st August 2023, the Council of Amahlathi Local Municipality adopted the IDP/Budget Process Plan which outline time-bound milestones to be achieved in developing this IDP. This plan was adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for the development of the IDP and the Budget. The Amathole District IDP Framework served as a guide and for purposes of alignment in the preparation of the Process Plan. The IDP and Budget Process Plans outline in detail the way in which the Amahlathi Municipality will embark on its IDP and Budget processes from its commencement in July 2023 to its completion in June 2024. Both these plans are attached to this document.

Organizational arrangements were put in place as per the IDP/Budget Process Plan and all legislative prescripts were adhered to, of particular note, have been the operations of structures, such as IDP/Budget Representative Forum, IDP and Budget Steering Committee, Intergovernmental Relations (IGR). These structures have executed their mandates in terms of the adopted IDP/Budget Process Plan and ensured the achievements of key milestones and deliverables.

As part of the IDP process, an analysis was conducted in respect of various sector plans attached to the Amahlathi IDP. Some were found to be still relevant and required minor update done in-house, others required a major review. Amahlathi Local Municipality's approval of the IDP and Budget for 2024-2025 is scheduled for the 30th May 2024. In order to ensure the IDP is fully compliant, comments received from the MEC, were forwarded to the management as a basis for improving the credibility of the IDP.

The IDP was formulated based on an assessment of a number of new inputs into the IDP Planning Cycle of the Amahlathi Municipality. These inputs included the following: -

- ♦ Strategic direction and proposals on programmes and projects emanating from a number of Sector Plans formulated by the Amathole District Municipality and sector departments as part of that institution's IDP formulation. These include: -
 - The Amathole District Land Reform & Settlement Plan
 - The Amahlathi Integrated Waste Management Plan
 - The Amathole District Integrated Environmental Management Strategy
 - The Amathole District Integrated Transport Plan
 - Amahlathi Housing Integrated sector Plan.
 - Amathole District Integrated water sector Plan
- ♦ Clarity on Powers and Functions assigned to the Amahlathi Municipality by the MEC for Local Government & Traditional Affairs, in terms of Section 85 of the Municipal Structures Act (Act No 117 of 1998, as amended).
- ♦ The Amahlathi Municipality's own review of progress achieved in implementing the proposals, in respect of project implementation as well as further completion of work on strategic elements of the IDP relating to the Institutional Plan for the Municipality, and key developmental programmes such as the Poverty Alleviation programme, the HIV/AIDS programme, and work towards an integrated LED Programme.

Based on an updated review of the Analysis completed in 2001/2002, which was largely informed by work done in terms of the Amathole District Municipality's Sector Plans and a Study of LED in the Amahlathi Municipal area that was commissioned in 2002 by the Eastern Cape Premier's Office, the following broad conclusions remain applicable in Amahlathi:

Local Economic Development

The Amahlathi Municipal area has a resident population whose main challenges are in countering the effects of endemic poverty and under-development. This translates into a need to focus great efforts on the expansion of local economic development in the area. In this regard, focus areas include facilitating sectoral growth in tourism, local manufacturing, agriculture and forestry.

Poverty relief and food security are also seen as important areas within this cluster, as is a strategic focus on the support of local enterprise development.

Infrastructure Development

The Amahlathi Municipal area has numerous local areas where significant backlogs continue to exist in the provision of basic services such as water, sanitation, electricity, and solid waste disposal.

In addition, much of the road network in the area continues to require urgent maintenance and/or re-construction, whilst there are some areas where new access roads and bridges need to be constructed simply to afford residents ease of mobility. The addressing of these infrastructure needs is accepted as one of the key focus areas for the Amahlathi Municipality.

Social Needs

The key areas of need in this cluster remain RDP houses, improvement in education infrastructure across the range of pre-school facilities to adult education, better access to welfare support institutions and facilities for the aged, the disabled and the sick, and the provision of sports fields, community halls and minor works such as fencing.

Socio-Spatial Development

It remains vitally important for Amahlathi Municipality to follow a structured approach in focusing development and capital investment in the settlements that make up its area in order to counter further fragmentation in the settlement patterns both at a local and at a municipal-wide level.

Careful land use management and the conservation and appropriate use of existing natural and cultural heritage resources is of great importance for the area and can result in the enhancement of local economic development initiatives. It is also important to ensure that the provision of infrastructure is carried out in a more sustainable manner than has occurred in the past.

Moreover, an important consideration for the municipality in this regard is the need to support land reform processes in its area of jurisdiction, most notably (but not exclusively) in the Keiskammahoek area, where land restitution processes are rapidly approaching settlement and, in the Yellowwoods,/Kei Road Zone, where detailed planning processes have identified priority project actions required.

iii. Community Involvement

There is an emphasis on an implementable IDP that responds to changing circumstances and has a strategic thrust, it is in this spirit that a public participation process was undertaken as means to allow citizens to play an active role in the affairs of the municipality. The table below outlines the consultation schedule:

Purpose	DATE	VENUE	TIME	CLUSTER
Priority needs Identification	18 th October 2023	Cathcart Town Hall	11H00	Cathcart Cluster
	20 th October 2023	Mlungisi Community Hall	14h00	Stutterheim Cluster
	20 th October 2023	Frankfort Community Hall	10H00	King Kei Cluster
	24 th October 2023	Springbok Hall	14H00	Keiskammahoek Cluster
IDP/Budget/PMS Rep Forum	20/09/2023	<ul style="list-style-type: none"> • St Joseph's Church 	10:00	

DEVELOPMENT PROPOSALS

The Amahlathi Municipality has amended the arrangement set out in its first IDP where development projects and programmes were focused in five Development Sector Clusters. The revised clusters identified are:

DEVELOPMENT SECTOR CLUSTER	SECTORS OR AREAS OF INTERVENTION INCLUDED
Basic Service Delivery and Infrastructure	Roads & Storm-water, Electricity, Housing, Land Reform, Spatial Planning, Land Use Management, Community Facilities etc.
Local Economic Development and Environment	Tourism, Agriculture & Forestry, Food Security, Small Business and Local Enterprise Development, Environment, small towns regeneration etc.
Good Governance and Public Participation	Education, Disaster Management, Fire Services, Protection Services, Internal Audit, etc.
Municipal Financial Viability and Management	Administrative and Financial Management matters etc.
Municipal Transformation and Institutional Development	<input type="checkbox"/> Plan for the future. <input type="checkbox"/> Manage through information. <input type="checkbox"/> Develop, retain skilled and capacitate workforce. <input type="checkbox"/> Create an informed community

RELEVANT DOCUMENTS

The following documentations should be read with the IDP:

- Municipal Systems Act and relevant regulations.
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- District IDP Framework Plan
- Amahlathi IDP/Budget Process Plan
- Various sector plans and programmes
- Amahlathi Performance Management Framework
- Amahlathi Spatial Development Framework (SDF)
- Provincial Growth and Development Plan
- Provincial Spatial Development Plans (PSDP)
- National Spatial Development Plan (NSDP)
- National Development Plan (NDP)

- Sustainable Development Goals

ALIGNMENT WITH NATIONAL AND PROVINCIAL PROGRAMS

The following National programs informed the IDP process:

- State of the Nation Address (SONA)
- Green Paper on National Planning Commission (revised).
- State of Local Government in South Africa
- Municipal Demarcation Board Reports
- COGTA: Local Government Turnaround Strategy (LGTAS)
- COGTA: Operation Clean Audit 2014
- Powers & Functions:
- ANC Manifesto
- ANC January 8th Statement
- King III Report & Code on Good Governance for South Africa
- 12 Outcomes of Government – Role of Local Government
- National Development Plan – Vision 2030

SUSTAINABLE DEVELOPMENT GOALS (SDG'S)

The Amahlathi Local Municipality is committed to the SDG's:

- Eradication of extreme poverty and hunger
- Achieve universal primary education partnering with relevant Government Department and Institution
- Promote gender equality and empowerment of women through implementation of enabling Policies
- Combat HIV/AIDS, Malaria and other diseases through collaboration with stakeholders and implementation of own strategy
- Develop a global partnership for development

Developmentally, the table below shows the alignment between the National, Provincial and Amahlathi local Municipality's priorities and the SDG's.

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
Good Governance and Public Participation	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all	Encourage citizens to be active in their own development, in strengthening democracy and holding their government accountable	Peace and Justice (#16) Energy (#7) Partnership (#17) Economic growth (#8) Partnership (#17)
	Build cohesive, caring and sustainable communities	Building cohesive and sustainable communities	9. Responsive, accountable, effective and efficient Local Government system	Raising economic growth , promoting exports and making the economy more labor absorbing	
	Pursuing African advancement and enhanced international co-operation		12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship		
	Building a developmental state including improvement of public services and strengthening democratic institutions		11. Create a better South Africa, better Africa and a better world		
Municipal Financial Viability and Management	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive, accountable, effective and efficient Local Government system		

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
Municipal Transformation and Institutional Development	Strengthen skills and human resource base	Strengthen education, skills and human resource base	1. Quality basic education	Quality basic education (Chapter 9)	
	Pursuing African advancement and enhanced international co-operation		5. Skilled and capable workforce to support an inclusive growth path	Skilled and capable workforce to support an inclusive growth path (Chapter 9) Decent employment through inclusive economic growth (Chapter 3)	
	Building a developmental state including improvement of public services and strengthening democratic institutions		3. All people in SA are and feel safe	Social protection (Chapter 11)	
			9. Responsive, accountable, effective and efficient Local Government system	Create a better South Africa, a better Africa and a better world (Chapter7)	
			12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Skilled and capable workforce to support an inclusive growth path (Chapter 9)	
Basic Service Delivery and Infrastructure Investment	Improve health profile of the nation	Improve the health profile of the province	6. An efficient, competitive and responsive economic infrastructure network	Provide basic services to all citizens wherever they reside	Health (#3) Infrastructure Industrialization (#9) Partnership (#17)
	Comprehensive rural	Rural development,	2. A long and healthy life for	Raising economic	

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
	development strategy linked to land and agrarian reform & food security	land and agrarian transformation, and food security	all South Africans	growth, promoting exports and making the economy more labor intensive	Economic growth (#8) Partnership (#17)
	Massive programme to build economic and social infrastructure	Massive programme to build social and economic and infrastructure	8. Sustainable human settlements and improved quality of household life	Provide basic services to all citizens wherever they reside	Infrastructure , Industrialization (#9)
	Sustainable resource management and use	Building a developmental state	10.Protect and enhance our environmental assets and natural resources	Uniting South Africans of all races and classes around a common programme to eliminate poverty and reduce inequality	Climate change (#13) Poverty (#1)
Local Economic Development	Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods	Speeding up growth & transforming the economy to create decent work and sustainable livelihoods	4.Decent employment through inclusive economic growth	Raising economic growth, promoting exports and making the economy more labor intensive	Economic growth (#8) Partnership (#17)
	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	6.An efficient, competitive and responsive economic infrastructure network		
		Massive programme to build social and economic and infrastructure	7. Vibrant, equitable, sustainable rural communities contributing		

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

KEY PERFORMANCE AREAS	10 NATIONAL PRIORITIES	8 PROVINCIAL PRIORITIES	14 OUTCOMES	NDP (Vision 2030) Pillars	SUSTAINABLE DEVELOPMENT GOALS
			towards food security for all		
		Building cohesive and sustainable communities	8. Sustainable human settlements and improved quality of household life	Government spending on fixed investment should be focused on localities of economic growth	Infrastructure, Industrialization (#9) Partnership (#17) Economic growth (#8)
		Building a developmental state	10. Protect and enhance our environmental assets and natural resources		

THE STRUCTURE OF THE 2024/25-2026/27 IDP IS AS FOLLOWS:

Chapter 1: The VISION

Chapter one of the IDP provides a concise summary of the municipal vision, mission and values.

Chapter 2: DEMOGRAPHIC PROFILE OF THE DISTRICT

This chapter provides a detailed profile of the Municipality.

Chapter 3: STATUS QUO ASSESSMENT

This chapter provides the situational analysis of the municipality in relation to the 5 Key Performance Areas of Local Government, together with the wide community priorities and needs.

CHAPTER 4: DEVELOPMENT OBJECTIVES, STRATEGIES, PROGRAMMES AND PROJECTS

This chapter provides a detailed breakdown of objectives that indicate what the Municipality can reasonably achieve within the 5 year period and within the available resources, as well as strategies and programmes that provide the concrete interventions that the local municipality will implement to attain its objectives.

CHAPTER 5: PROJECTS

This chapter list the projects the current projects, status and the planned projects

Chapter 6: PERFORMANCE MANAGEMENT

This chapter outlines the system the Municipality used for performance management.

CHAPTER 7: SECTOR PLANS

This chapter provides a list of all sector plans and their status, with executive summaries of the newly developed sector plans. The sector plans contain strategic interventions that respond to the status quo assessment.

CHAPTER 8: FINANCIAL PLAN

This chapter provides the Municipality's financial strategies, medium term expenditure, proposed budget for the 2022/23-2024/25 financial year as well as the 3 Year Capital Plan.

CHAPTER 9: MAPS/ DEVELOPMENT PLANS

CHAPTER 10: IDP PROCESS PLAN

ANNEXURE A: ORGANOGRAM

ANNEXURE B: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

CHAPTER 1: THE VISION

VISION

A resilient, sustainable and people-centred local municipality

MISSION

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

CORE VALUES

Accountability

Model

Accessibility

Healthy

Loyalty

Authentic

Trust

Honesty

Integrity

CHAPTER 2: DEMOGRAPHIC PROFILE OF THE MUNICIPALITY

2.1 DEFINING THE MUNICIPAL AREA – AN OVERVIEW

2.1.1 Geographic Locality

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 Wriggleswade 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.

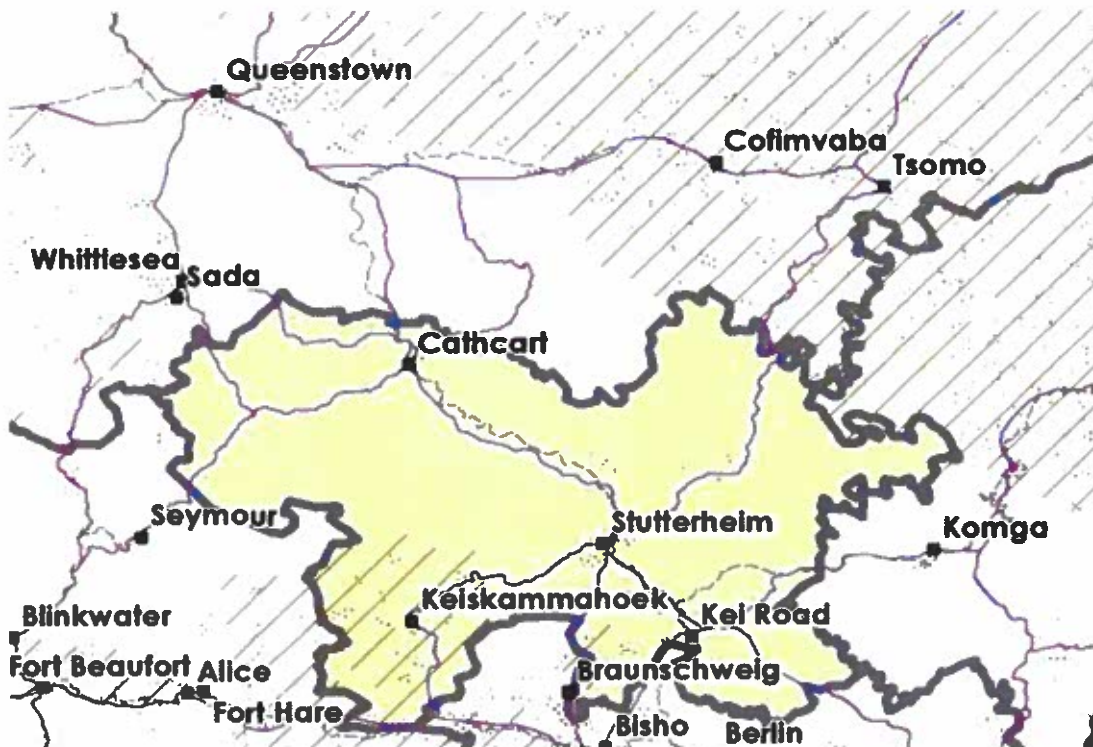


Figure 1: The Map showing the context of Amahlathi Municipality (Source: MDB 2018 Capacity Assessment)

The Amahlathi Municipality comprises of 15 wards and is characterized by a range of settlement patterns and associated land uses, including formal urban areas, formal and informal rural settlement areas, and extensive, privately owned farmland.

2.2. SOCIO-ECONOMIC INDICATORS

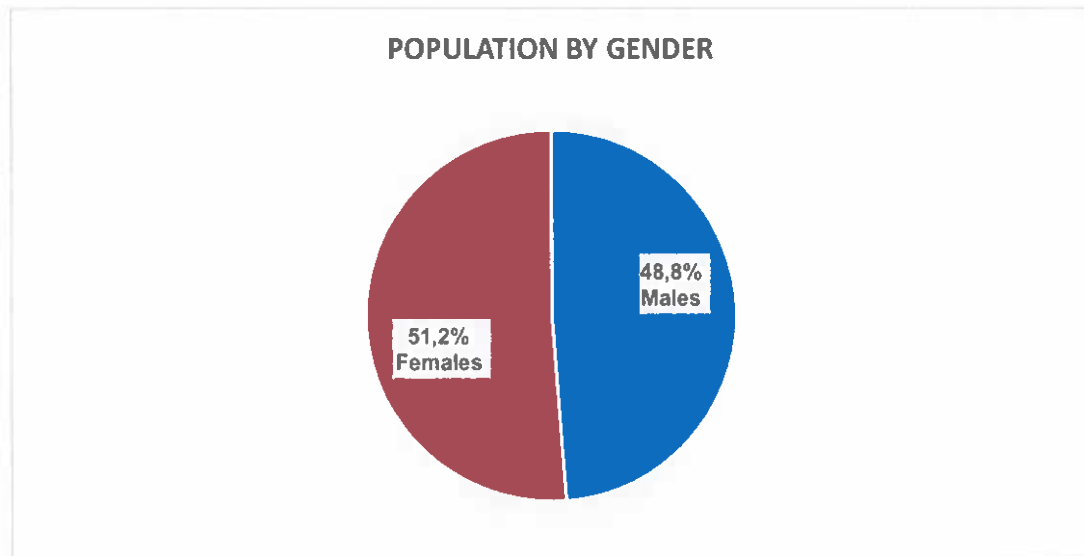
2.2.1 DEMOGRAPHIC PROFILE

Population

As per the Census 2022, Amahlathi Local Municipality total population has increased from 101 035 (2011) to 115 703 in 2022. This increase in population can be attributed to improved life expectancy, such as access to health facilities, job opportunities, improved safety in working environments, as well as the availability of services to the population residing in Amahlathi municipality. The other contributing factor is the result of inward migration, from other areas outside the jurisdiction of the local municipality.

Population Characteristics | Population by Gender

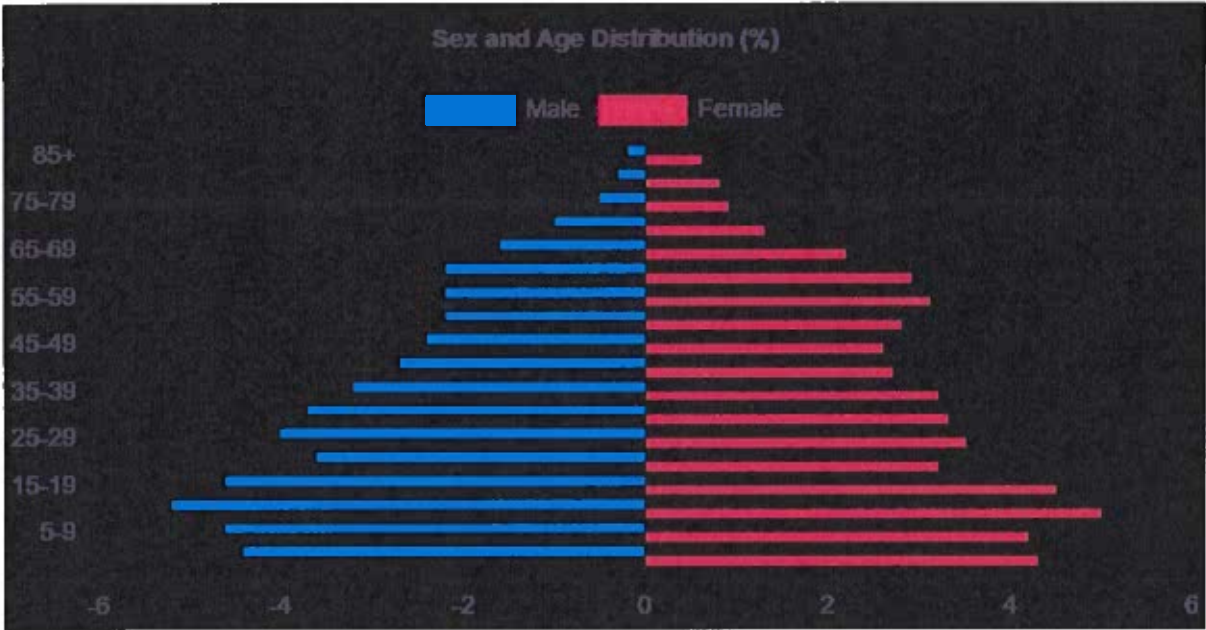
The population's sexual distribution reflects the following composition.



Source: Census Stats SA 2022

The Amahlathi population is predominantly female dominated by 51.2% with males constituting 48.8% of the population as shown in the graph above. There is a universal consensus that women have a longer life expectancy than males, therefore given the current male to female ratio, various programs and campaigns need to be put in place in order to empower women. The municipality needs to promote and capacitate women owned entities and SMME's by reviewing the supply chain policy, complying with UN-Women Entity for Gender Equality and the Empowerment of Women.

The population pyramid below provides a breakdown of the population estimates in the municipality by age group and gender for 2022. 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 majority of the municipality's total population. Thus, the municipality has a well-balanced economic active population.



Source: Census Stats SA 2022

Population Characteristics | Population by Age

The Amahlathi Municipality currently has a population of children from age 0-14 constituting 27% while it has a teen and early adult-hood population of age group between 15-34 constituting 30% of the total population in all its demographic forms. The working population of age group between 35- 64 constitutes 34% whilst the older population of 65 and above constitutes 9% of the population.

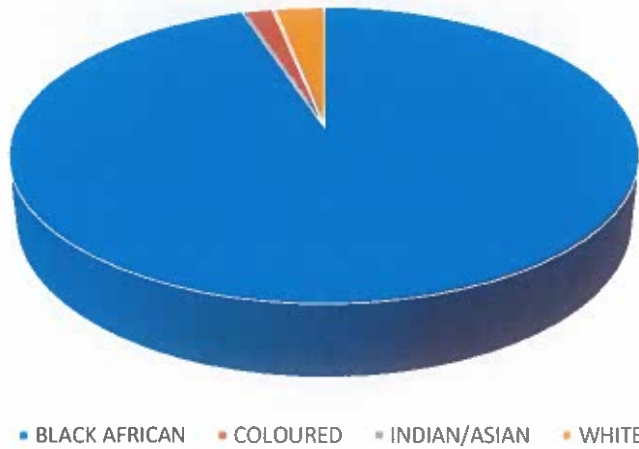
Age Group	Population %
0-14	27
15-34	30
35-64	34
65+	9

POPULATION GROUP

Group	Number	%
Black African	109 333	94.5%
Colored	2094	1.8%
Indian or Asian	252	0.2%
White	3452	3.0%
Total	115 703	100%

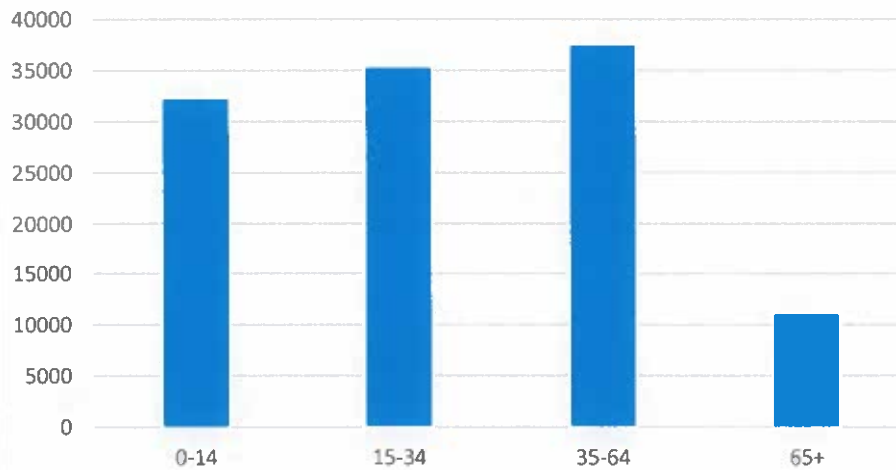
Source: Census Stats SA 2022

Population groups by percentage



Source: Census Stats SA 2022

Number of total population by age group



Source: Census Stats SA 2022

As depicted above, majority of the population of Amahlathi are Black Africans with a total of 109 333 (94.5%) followed by the white population group with a total of 3 452 (3.0%), then the Colored population with a total of 2 094 (1.8%) and Indian/Asian with a total population of 252 (0.2%).

NUMBER OF HIV+ PEOPLE - AMAHLATHI, AMATOLE, EASTERN CAPE, AND NATIONAL TOTAL, 2006-2016 [NUMBER AND PERCENTAGE]

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

Year	Amatole	Eastern Cape	National Total	Amatole as % of province	Amatole as % of national
2007	88,600	626,000	5,370,000	14.2%	1.65%
2008	88,300	631,000	5,400,000	14.0%	1.63%
2009	88,900	643,000	5,480,000	13.8%	1.62%
2010	90,300	660,000	5,590,000	13.7%	1.62%
2011	91,600	676,000	5,680,000	13.5%	1.61%
2012	92,700	691,000	5,760,000	13.4%	1.61%
2013	94,800	712,000	5,880,000	13.3%	1.61%
2014	97,200	736,000	6,010,000	13.2%	1.62%
2015	99,800	760,000	6,130,000	13.1%	1.63%
2016	103,000	786,000	6,280,000	13.1%	1.63%
2017	106,000	812,000	6,430,000	13.0%	1.64%

Source: IHS Markit Regional eXplorer version

In 2017, 106 000 people in the Amatole District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.78% since 2007, and in 2017 represented 12.18% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 2.64% from 2007 to 2017 in the number of people infected with HIV, which is higher than that of the Amatole District Municipality. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2007 to 2017 with an average annual growth rate of 1.83%.

The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease.

2.2.2 ECONOMY

A. GROSS DOMESTIC PRODUCT (GDP) - AMAHLATHI, AMATOLE, EASTERN CAPE, AND NATIONAL TOTAL, 2006-2016 [R BILLIONS, CURRENT PRICES]

Year	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2006	1.8	12.7	142.2	1,839.4	14.3%	1.27%	0.10%
2007	2.1	14.9	168.2	2,109.5	14.3%	1.26%	0.10%
2008	2.2	15.4	174.1	2,369.1	14.3%	1.26%	0.09%
2009	2.4	16.9	191.2	2,507.7	14.2%	1.26%	0.10%

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2010	2.6	18.6	211.6	2,748.0	14.1%	1.24%	0.10%
2011	2.8	19.8	226.1	3,023.7	13.9%	1.22%	0.09%
2012	3.0	21.7	252.2	3,253.9	13.9%	1.20%	0.09%
2013	3.2	23.1	273.2	3,539.8	14.0%	1.18%	0.09%
2014	3.5	24.5	293.9	3,807.7	14.1%	1.18%	0.09%
2015	3.7	26.2	315.6	4,049.8	14.1%	1.17%	0.09%
2016	3.9	27.9	337.8	4,338.9	14.0%	1.16%	0.09%

Source: IHS Markit Regional eXplorer version 1156

With a GDP of R 3.92 billion in 2016 (up from R 1.81 billion in 2006), the Amahlathi Local Municipality contributed 14.03% to the Amatole District Municipality GDP of R 27.9 billion in 2016 increasing in the share of the Amatole from 14.29% in 2006. The Amahlathi Local Municipality contributes 1.16% to the GDP of Eastern Cape Province and 0.09% the GDP of South Africa which had a total GDP of R 4.34 trillion in 2016 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2006 when it contributed 0.10% to South Africa, but it is lower than the peak of 0.10% in 2007.

In 2021, Amahlathi's forecasted GDP will be an estimated R 2.81 billion (constant 2010 prices) or 13.9% of the total GDP of Amatole District Municipality. The ranking in terms of size of the Amahlathi Local Municipality will remain the same between 2016 and 2021, with a contribution to the Amatole District Municipality GDP of 13.9% in 2021 compared to the 14.1% in 2016. At a 1.07% average annual GDP growth rate between 2016 and 2021, Amahlathi ranked the lowest compared to the other regional economies.

ECONOMIC GROWTH FORECAST

It is expected that Amahlathi Local Municipality will grow at an average annual rate of 1.07% from 2016 to 2021. The average annual growth rate in the GDP of Amatole District Municipality and Eastern Cape Province is expected to be 1.39% and 1.62% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.61%, which is higher than that of the Amahlathi Local Municipality.

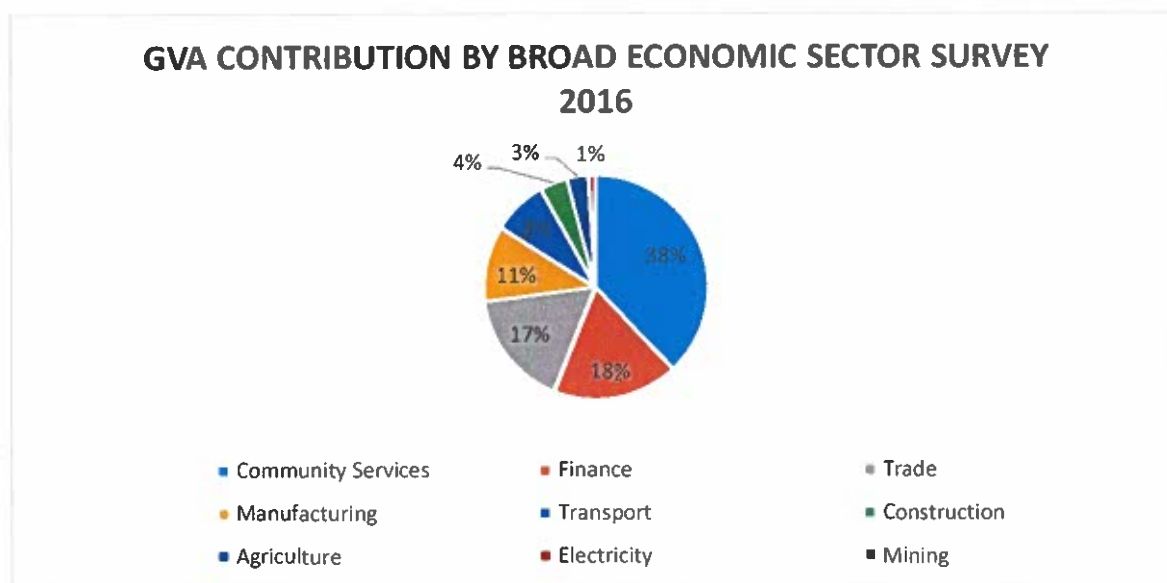
B. GROSS VALUE ADDED BY REGION (GVA-R)

C. Sector	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
Agriculture	0.1	0.7	5.9	94.4	14.9%	1.75%	0.11%
Mining	0.0	0.0	0.5	306.2	9.4%	0.97%	0.00%
Manufacturing	0.4	2.0	36.3	517.4	18.9%	1.03%	0.07%
Electricity	0.0	0.5	6.2	144.1	7.5%	0.58%	0.02%
Construction	0.2	0.9	13.2	154.3	17.9%	1.24%	0.11%
Trade	0.6	5.5	61.5	589.7	10.8%	0.97%	0.10%
Transport	0.3	1.7	27.5	389.2	16.0%	0.97%	0.07%
Finance	0.6	4.7	60.5	781.7	13.5%	1.05%	0.08%

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Community services	1.3	9.1	89.7	894.1	14.5%	1.47%	0.15%
Total Industries	3.5	25.1	301.2	3,871.2	13.9%	1.16%	0.09%

Source: IHS Markit Regional eXplorer version 115

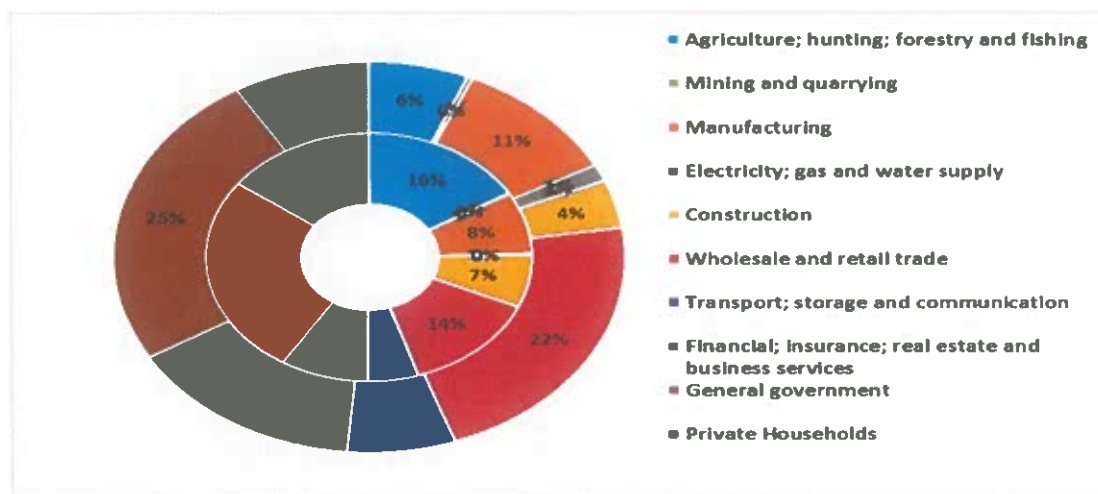


Source: IHS Markit Regional eXplorer version 1156

In 2016, the community services sector is the largest within Amahlathi Local Municipality accounting for R 1.32 billion or 37.7% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Amahlathi Local Municipality is the finance sector at 18.1%, followed by the trade sector with 17.1%. The sector that contributes the least to the economy of Amahlathi Local Municipality is the mining sector with a contribution of R4.39 million or 0.13% of the total GVA.

A positive relationship between the sectors driving the economy as measured by the Gross Value Added (GVA) and employment is depicted below. This indicates the influence economic activity has in the generation of jobs. The success of Local Economic Development (LED) policies are key in the creation of conditions that enable people to develop their own livelihoods within a supportive local business environment which will stimulate economic growth in the municipality. Therefore as depicted by the figure below much focus should be directed towards stimulating potential sectors such as manufacturing, construction, wholesale trade and the financial services sectors.

Employment and economic activity relationship



Source: Municipal Barometer 1996- 2016

About 25% of the informal jobs in Amahlathi municipality are from General government followed by Wholesale and retail trade, Financial, insurance and business services, Manufacturing, Private Households, Transport Agriculture, Electricity and Construction.

- 1) The economy of Amahlathi is dominated by the Government Sector which contributes 25% to the GDP.
- 2) The second most important sector is the Wholesale and retail trade which contributed 22% to the GGP.
- 3) The Third most important contributor to the GGP of the Amahlathi Municipality is the Financial, Insurance, real estate and business service sector, which accounts for 15% of the GGP in 2016.
- 4) The Manufacturing sector contributes 11% to the GGP and is fourth contributor to the economy, the contribution of Private households is 9%, Agriculture is 6%, Transport is 7 %, Construction at 4% and Electricity at 1% each to the GGP of the municipality.

SECTOR GROWTH FORECAST

Sector	2016	2017	2018	2019	2020	2021	Average Annual growth
Agriculture	67.2	71.7	72.8	74.3	76.3	78.1	3.07%
Mining	4.9	5.0	5.0	5.1	5.1	5.2	1.28%
Manufacturing	279.8	275.3	276.1	277.9	283.3	290.1	0.73%
Electricity	13.8	13.5	13.4	13.5	13.8	14.2	0.55%
Construction	101.7	102.2	103.5	105.2	107.8	111.8	1.90%
Trade	401.8	400.8	404.7	411.5	422.9	435.9	1.64%
Transport	169.6	169.7	171.3	173.4	177.8	183.0	1.53%
Finance	449.8	446.2	450.0	457.4	467.8	480.0	1.31%
Community services	927.8	929.8	922.3	926.2	935.5	950.7	0.49%
Total Industries	2,416.4	2,414.1	2,419.1	2,444.4	2,490.4	2,548.9	1.07%

Source: IHS Markit Regional eXplorer version 1156

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The agriculture sector is expected to grow fastest at an average of 3.07% annually from R 67.2 million in Amahlathi Local Municipality to R 78.1 million in 2021. The community services sector is estimated to be the largest sector within the Amahlathi Local Municipality in 2021, with a total share of 37.3% of the total GVA (as measured in current prices), growing at an average annual rate of 0.5%. The sector that is estimated to grow the slowest is the community services sector with an average annual growth rate of 0.49%.

C. LABOUR

WORKING AGE POPULATION IN AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006 AND 2016 [NUMBER]

Age	Amahlathi		Amatole		Eastern Cape		National Total	
	2006	2016	2006	2016	2006	2016	2006	2016
15-19	13,500	8,320	120,000	82,400	803,000	634,000	5,290,000	4,550,000
20-24	11,300	8,640	90,900	80,500	701,000	694,000	5,260,000	5,000,000
25-29	8,330	8,400	61,300	71,600	530,000	684,000	4,550,000	5,620,000
30-34	5,600	7,430	39,700	61,300	355,000	589,000	3,570,000	5,300,000
35-39	4,870	5,800	33,200	47,800	288,000	438,000	2,930,000	4,240,000
40-44	5,100	4,570	35,900	32,900	286,000	298,000	2,610,000	3,120,000
45-49	5,490	4,030	38,300	29,300	286,000	247,000	2,290,000	2,530,000
50-54	4,390	4,510	33,500	32,300	241,000	249,000	1,880,000	2,260,000
55-59	3,810	4,630	30,500	34,000	205,000	249,000	1,520,000	1,990,000
60-64	3,490	3,540	28,500	29,800	171,000	207,000	1,170,000	1,610,000
Total	65,885	8,320	512,147	502,023	3,866,790	4,289,261	31,071,485	36,220,290

Source: IHS Markit Regional eXplorer version

The working age population in Amahlathi in 2016 was 59 900, decreasing at an average annual rate of -0.95% since 2006. For the same period the working age population for Amatole District Municipality decreased at -0.20% annually, while that of Eastern Cape Province increased at 1.04% annually. South Africa's working age population has increased annually by 1.55% from 31.1 million in 2006 to 36.2 million in 2016.

a. ECONOMICALLY ACTIVE POPULATION (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labor market of a region. If a person is economically active, he or she forms part of the labor force.

Year	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2006	29,500	184,000	1,840,000	17,500,000	16.1%	1.61%	0.17%
2007	28,800	182,000	1,850,000	18,000,000	15.9%	1.56%	0.16%
2008	27,600	177,000	1,840,000	18,400,000	15.6%	1.50%	0.15%
2009	25,800	168,000	1,790,000	18,300,000	15.4%	1.44%	0.14%
2010	24,000	158,000	1,730,000	18,100,000	15.2%	1.38%	0.13%
2011	23,200	155,000	1,740,000	18,300,000	15.0%	1.33%	0.13%
2012	23,400	157,000	1,770,000	18,700,000	14.9%	1.32%	0.12%
2013	24,500	166,000	1,840,000	19,300,000	14.8%	1.33%	0.13%
2014	26,000	177,000	1,940,000	20,100,000	14.7%	1.34%	0.13%
2015	27,000	184,000	2,000,000	20,800,000	14.7%	1.35%	0.13%
2016	27,700	190,000	2,060,000	21,300,000	14.6%	1.35%	0.13

Source: IHS Markit Regional eXplorer version 1156

Average Annual growth

2006-2016 **-0.64%** **0.30%** **1.12%** **1.97%**

Amahlathi Local Municipality's EAP was 27 700 in 2016, which is 27.85% of its total population of 99 500, and roughly 14.61% of the total EAP of the Amatole District Municipality. From 2006 to 2016, the average annual decrease in the EAP in the Amahlathi Local Municipality was -0.64%, which is 0.94 percentage points lower than the growth in the EAP of Amatole's for the same period.

b. TOTAL EMPLOYMENT

I. TOTAL EMPLOYMENT - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBERS]

Year	Amahlathi	Amatole	Eastern Cape	National Total
2006	24,700	134,000	1,330,000	13,000,000
2007	24,800	135,000	1,350,000	13,500,000
2008	24,600	134,000	1,350,000	14,100,000
2009	23,600	129,000	1,320,000	14,000,000
2010	22,300	121,000	1,260,000	13,600,000
2011	22,100	120,000	1,260,000	13,800,000
2012	21,900	118,000	1,270,000	14,000,000
2013	22,700	122,000	1,310,000	14,500,000
2014	24,300	130,000	1,370,000	15,100,000
2015	25,500	137,000	1,430,000	15,500,000
2016	26,100	141,000	1,460,000	15,700,000
Average Annual growth				
2006-2016	0.53%	0.51%	0.91%	1.89%

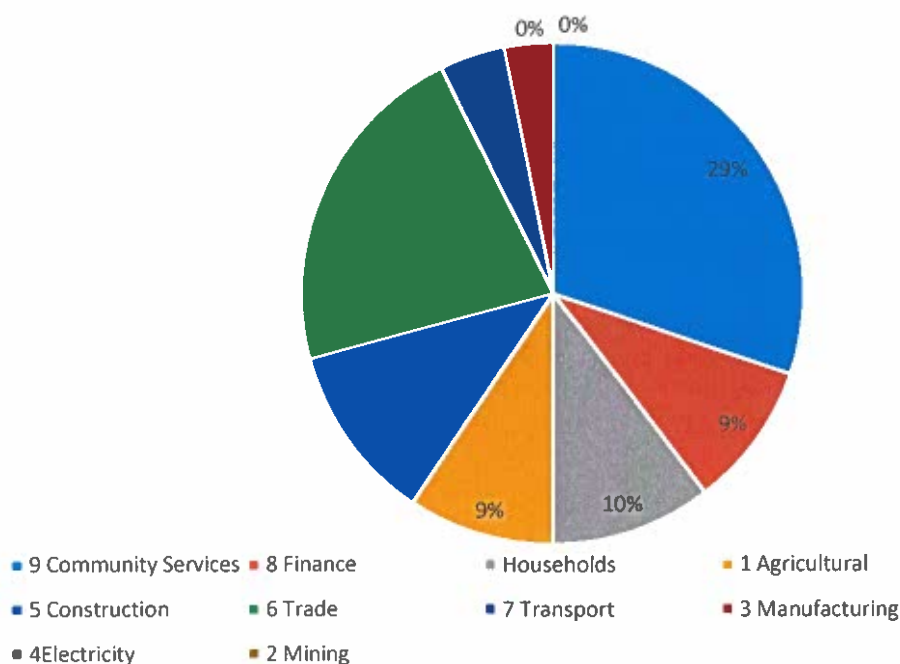
Source: IHS Markit Regional eXplorer version 1156

In 2016, Amahlathi employed 26 100 people which is 18.55% of the total employment in Amatole District Municipality (141 000), 1.79% of total employment in Eastern Cape Province (1.46 million), and 0.17% of the total employment of 15.7 million in South Africa. Employment within Amahlathi increased annually at an average rate of 0.53% from 2006 to 2016. The Amahlathi Local Municipality average annual employment growth rate of 0.53% exceeds the average annual labor force growth rate of -0.64% resulting in unemployment decreasing from 32.15% in 2006 to 29.89% in 2016 in the local municipality.

II. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR

In Amahlathi Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 7 410 employed people or 28.4% of total employment in the local municipality. The trade sector with a total of 5 430 (20.8%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 16 (0.1%) is the sector that employs the least number of people in Amahlathi Local Municipality, followed by the electricity sector with 70.1 (0.3%) people employed.

Total Employment Composition 2016



Source: IHS Markit Regional eXplorer version 1156

III. FORMAL AND INFORMAL EMPLOYMENT

The number of formally employed people in Amahlathi Local Municipality counted 19 400 in 2016, which is about 74.30% of total employment, while the number of people employed in the informal sector counted 6 700 or 25.70% of the total employment. Informal employment in Amahlathi decreased from 6 920 in 2006 to an estimated 6 700 in 2016.

In 2016 the Trade sector recorded the highest number of informally employed, with a total of 2 410 employees or 35.95% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Finance sector has the lowest informal employment with 445 and only contributes 6.64% to total informal employment.

Sector	Formal employment	Informal employment
Agriculture	2,440	N/A
Mining	16	N/A
Manufacturing	1,360	486
Electricity	70	N/A
Construction	1,540	1,300
Trade	3,020	2,410
Transport	448	683
Finance	1,930	445
Community services	6,030	1,380
Households	2,530	N/A

Source: IHS Markit Regional eXplorer version 1156

c. UNEMPLOYMENT

UNEMPLOYMENT (OFFICIAL DEFINITION) - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [NUMBER PERCENTAGE]

Year	Amahlathi	Amatole	Eastern Cape	National Total	Amahlathi as % of district municipality	Amahlathi as % of province	Amahlathi as % of national
2006	9,500	65,600	512,000	4,510,000	14.5%	1.86%	0.21%
2007	8,970	63,000	503,000	4,460,000	14.2%	1.78%	0.20%
2008	8,200	59,300	488,000	4,350,000	13.8%	1.68%	0.19%
2009	7,590	56,400	483,000	4,370,000	13.4%	1.57%	0.17%
2010	7,050	53,800	480,000	4,490,000	13.1%	1.47%	0.16%
2011	6,610	52,000	485,000	4,570,000	12.7%	1.36%	0.14%
2012	7,070	55,800	508,000	4,690,000	12.7%	1.39%	0.15%
2013	7,520	60,500	542,000	4,850,000	12.4%	1.39%	0.16%
2014	7,850	63,900	569,000	5,060,000	12.3%	1.38%	0.16%
2015	7,980	65,400	583,000	5,290,000	12.2%	1.37%	0.15%
2016	8,280	68,200	603,000	5,600,000	12.1%	1.37%	0.15%

Source: IHS Markit Regional eXplorer version 1156

Average Annual growth

2006-2016 **-1.36%** **0.39%** **1.65%** **2.19%**

In 2016, there were a total number of 8 280 people unemployed in Amahlathi, which is a decrease of -1 220 from 9 500 in 2006. The total number of unemployed people within Amahlathi constitutes 12.14% of the total number of unemployed people in Amatole District Municipality. The Amahlathi Local Municipality experienced an average annual decrease of -1.36% in the number of unemployed people, which is better than that of the Amatole District Municipality which had an average annual increase in unemployment of 0.39%.

UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - AMAHLATHI, AMATOLE, EASTERN CAPE AND NATIONAL TOTAL, 2006-2016 [PERCENTAGE]

Year	Amahlathi	Amatole	Eastern Cape	National Total
2006	32.2%	35.6%	27.8%	25.8%
2007	31.1%	34.6%	27.2%	24.8%
2008	29.7%	33.5%	26.6%	23.6%
2009	29.4%	33.5%	26.9%	23.8%
2010	29.4%	34.0%	27.7%	24.8%
2011	28.5%	33.5%	27.9%	24.9%
2012	30.2%	35.4%	28.7%	25.0%
2013	30.7%	36.6%	29.4%	25.1%
2014	30.1%	36.2%	29.4%	25.1%
2015	29.5%	35.5%	29.1%	25.5%
2016	29.9%	36.0%	29.3%	26.3%

Source: IHS Markit Regional eXplorer version 1156

In 2016, the unemployment rate in Amahlathi Local Municipality (based on the official definition of unemployment) was 29.89%, which is a decrease of -2.27 percentage points. The unemployment rate in Amahlathi Local Municipality

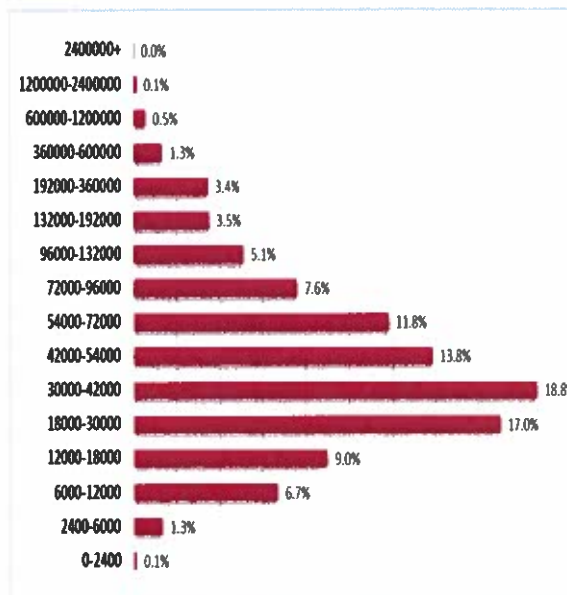
is lower than that of Amatole. Comparing to the Eastern Cape Province it can be seen that the unemployment rate for Amahlathi Local Municipality was higher than that of Eastern Cape which was 29.34%. The unemployment rate for South Africa was 26.33% in 2016, which is an increase of -0.563 percentage points from 25.77% in 2006.

D. DISTRIBUTION OF HOUSEHOLD INCOME

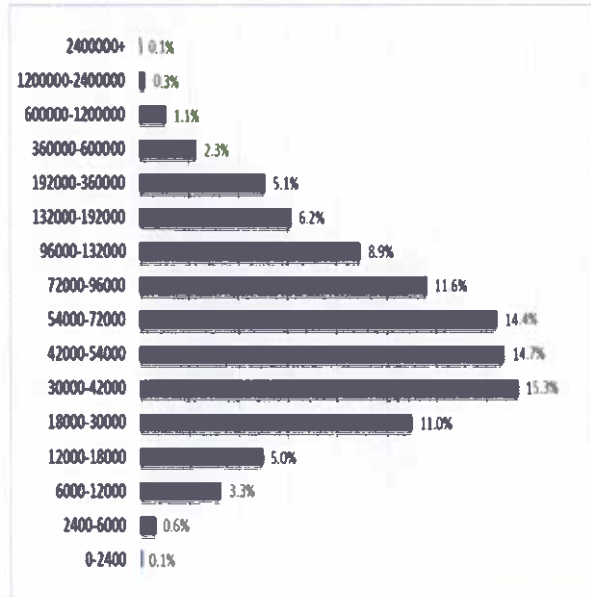
The ability to meet basic needs, such as for adequate food, clothing, shelter and basic amenities, is largely determined by the level of income earned by the households.

The two figures below suggests a cumulative 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. Figure with both years depicts a clear picture of the changes between the two periods. Households in the income categories of R0 to R42 000 experienced a cumulative decline of about 18% while significant increases in the categories of R42 000 upwards were experienced with those between R72 000 to R132 000 leading.

Household by income category per annum, 2011

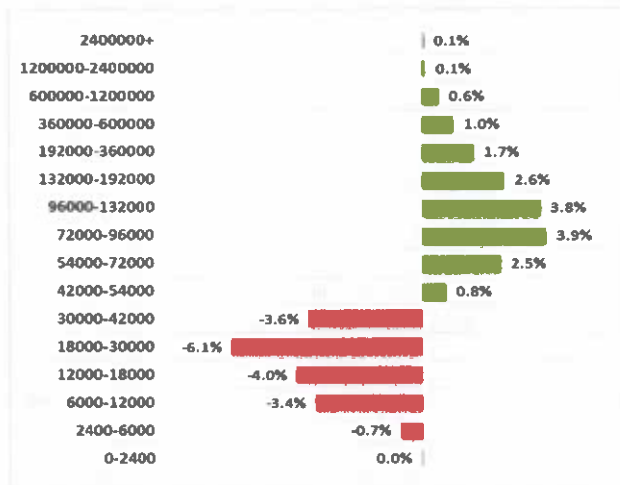


Household by income category per annum, 2016



Source: Stats SA Census Municipal Report 2011, REX Global Insight 2016

Household by income category between 2011 and 2016



Source: REX Global Insight 2016

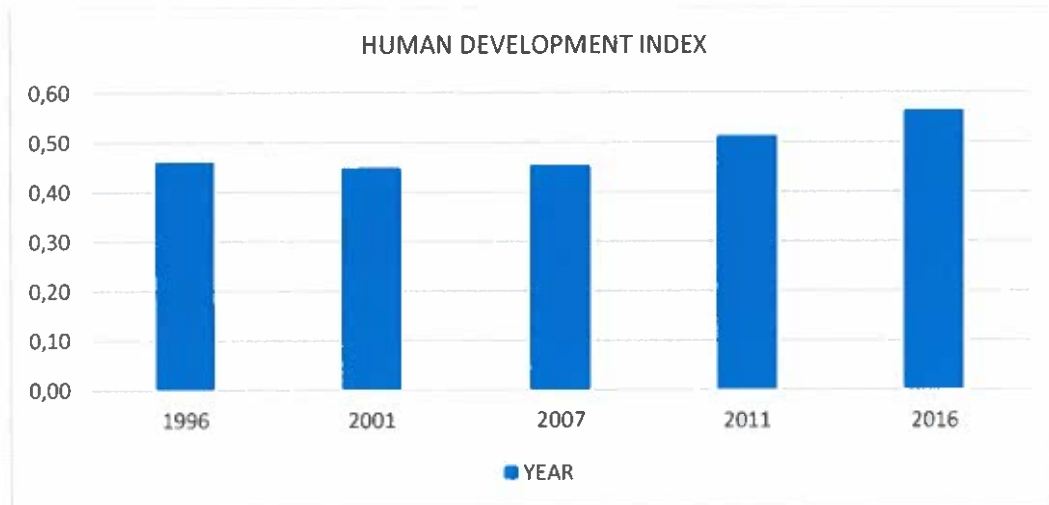
E. DEVELOPMENT

A. Human Development Indicator (HDI)

The HDI attempts to rank the population development on a scale of 0 (lowest human development) to 1.0 (highest human development) based on the following human development goals;

- Longevity as measured by life expectancy at birth;
- Knowledge as measured by a weighted average of adult literacy and means of schooling;
- Standard of living as measured by real gross per capita gross domestic product.

The more the HDI is close to 1(one), the better is the human development in the area.



Source: IHS Markit Regional eXplorer version

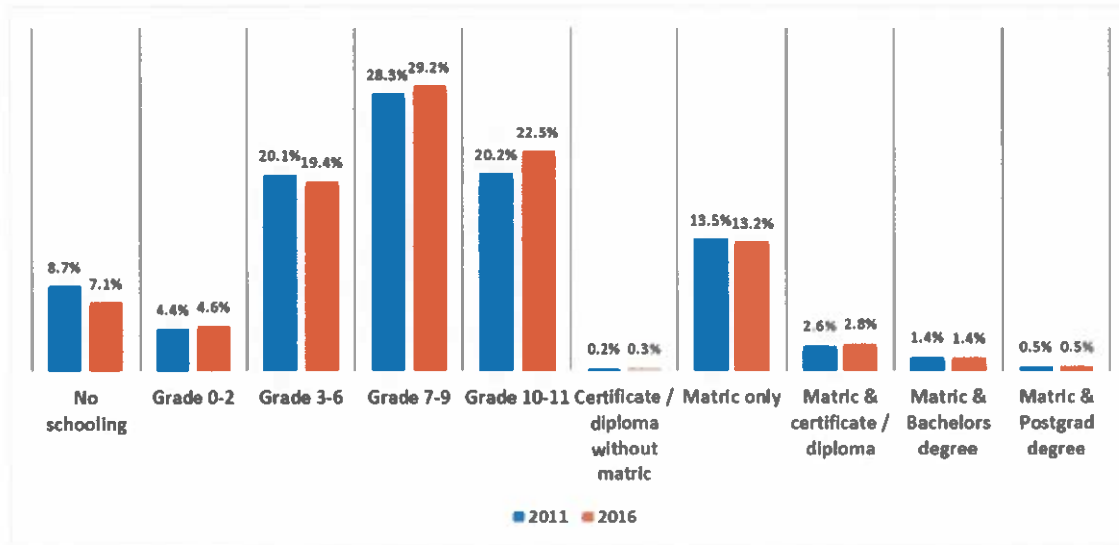
The HDI in Amahlathi municipality was 0.47 in 1996 decreased to 0.45 in 2007, increased to 0.51 in 2011 and 0.54 2013, which is a medium HDI by international standards. This shows that there's been an improvement in the Human Development Index. The above diagram indicates there has been a decrease in unemployment rate between 1996 and 2011, however from 2011 to 2013 the unemployment rate has increased.

In 2016 Amahlathi Local Municipality had an HDI of 0.564 compared to the Amatole with a HDI of 0.551, 0.596 of Eastern Cape and 0.653 of National Total as a whole.

F. EDUCATION LEVELS

According to the figures below, education levels in Amahlathi indicate a need by the municipality to intervene in encouraging interest in attaining higher education beyond having a matric certificate. The municipality has an added advantage as 40% of the population is relatively young. The quality of the labor force largely relies on the educational profile of an economically active population. Therefore, Amahlathi should make every effort to invest in education and training that will provide the necessary skills required in the various economic sectors that are driving the economy while creating jobs where employment opportunities exist. This will help sustain and accelerate overall development in the municipality over time.

Education Levels



Source: Municipal Barometer 1996-2016

G. KEY ECONOMIC SECTORS

Sectoral employment data taken from the 2011 Census and aggregated to Ward level suggests that, at the Municipal level, the Community, Social & Personal Services sector is the key economic sector, accounting for 27% of employment in the Municipal area. This is followed by the Agriculture, Forestry, Fishing and Hunting sector (accounting for 22% of employment).

Unfortunately, the data available do not distinguish Tourism as a separate sector.

As per local economic development: locally, the manufacturing sector is identified as one of significant potential, especially where local produce is being processed for other markets. Tourism, too, is noted as being a potential growth sector, particularly given the many areas of beauty and historical interest in Amahlathi.

From the perspective of local access to business opportunities, Stutterheim is the largest service node in the municipality; however, services and markets are also sought in East London and King William's Town. It is likely that the above trend will continue.

Participatory Needs Analysis

Participants in the Participatory Needs Analysis identified the following key issues: -

- Untapped tourism potential / poor access to tourist sites
- Limited external investment
- Limited market facilities for communities to market local produce and goods.
- Insufficient training and skills development opportunities
- Lack of regulation of hawkers
- Poor commonage management

- Untapped potential of irrigation schemes
- Large scale poverty and consequences thereof, including increased crime levels
- Limited impact of emerging farmers
- Lack of knowledge of/sources of financing of SMME's
- Inadequate access of subsistence/emerging farmers to agricultural implements
- Lack of formal tenure/ tenure security

These and other aspects are to be taken up in a Local Economic Development Strategy, which the Municipality will be reviewing. The outcomes of this strategic exercise will provide invaluable input for subsequent revisions of the IDP and should be incorporated therein.

There is, consequently, a critical need to implement strategies and support mechanisms to engage currently economically unproductive residents in productive economic activities. Strategies to alleviate poverty are also of great importance. Overall, it is deemed critical that all efforts be undertaken to facilitate local economic development in the Municipal area

CHAPTER 3: STATUS QUO ASSESSMENT

3.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

3.1.1 Access to Basic Infrastructure

According to data below as presented by Statistics South Africa in their 2022 Census, 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		2022	
	Households	% of households with access	Households	% of households with access
Main source of drinking water				
Access to piped water	26 269	92.0%	30 561	91%
No access to piped water	2 278	8%	3060	9%
Access to Sanitation				
Flush Toilets	7 640	27.5%	15592	46.40%
Chemicals	415	1.5%	643	1.9%
Pit Toilets	18 263	65.7%	16 237	48.3%
Buckets	67	0.2%	150	0.4%
Other	-	-	487	1.4%
None	1403	5.0%	514	1.5%
Energy for lightning				
Electricity	24 919	87.4%	31 878	94,80%

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Other	3 590	12.6%	1 781	5.2%
Energy for Cooking				
Electricity	20 577	72.3%	23 323	69.4%
Other	7 880	27.7%	10298	30.50%
Access to refuse removal				
Removed by local authority at least once a week	7 113	24.9%	13 336	39,70%
Removed by local authority less often	96	0.3%	227	0,70%
Communal refuse dump	316	1.1%	1 323	3,90%
Own refuse damp	19 789	69.3%	16 067	47,80%
No rubbish disposal	1 150	4.0%	1471	4.40%

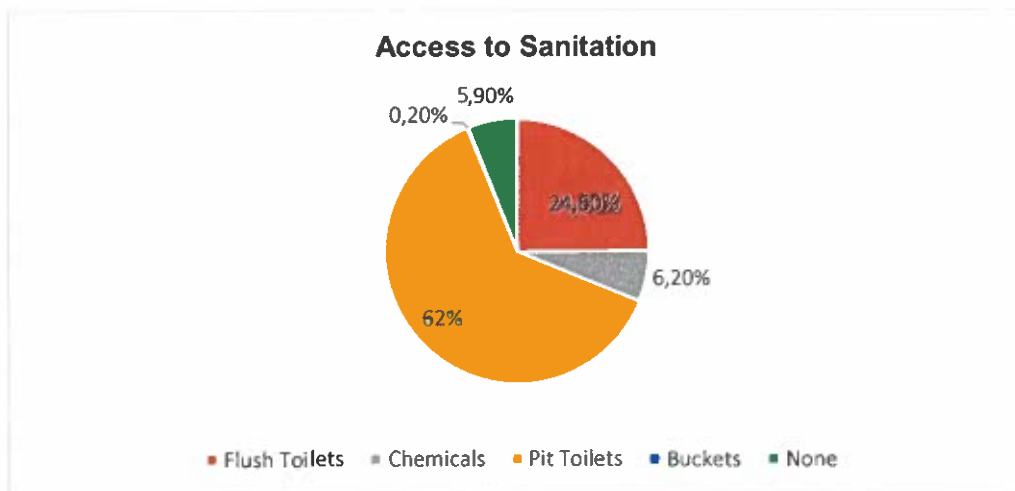
Source: Stats SA Community Survey 2016, own calculations

According to Census 2022 about 91% of the households in Amahlathi area access water from regional/ local water scheme operated by the municipality or other water service provider and only 9% that does not have access to piped water.

Electricity – 2022 Census as per the table above indicates that 94.80% 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 7.4%.

Refuse removal - The statistics above indicate that about 47.80% in Census 2022 of Amahlathi households uses their own refuse dump as compared to 69.32% in 2011 and about 39.70% that have access to refuse removal at least weekly which is a great improvement compared 14.0% in 2011.

Access to Sanitation



Source: Community Survey 2016

Sanitation - As depicted above, majority of the population of Amahlathi are Black Africans with a total of 109 333 (94.5%) followed by the white population group with a total of 3 452 (3.0%), then the Colored population with a total of 2 094 (1.8%) and Indian/Asian with a total population of 252 (0.2%).

3.1.3 DISASTER MANAGEMENT

All-hazards contingency plan is in place; it was developed with the support from Amathole District Municipality it was tabled to the Council. The Municipal Manager of the Amathole District Municipality, in consultation with the Municipal Manager of the Amahlathi Local Municipality, activates the contingency plan and emergency procedures of the local municipality and convenes the establishment of a Joint Operations Centre (JOC) at a mutually agreed upon and suitable location in the area of the Amahlathi Local Municipality. The JOC is established and operates in accordance with the Standard Operating Procedures contained in the All-Hazards Contingency Plan of the Amathole District Municipality.

Subsequent to the classification of coronavirus pandemic a disaster, a national state of disaster was declared by the State president on the 15th of March 2020. The State President also announced a nation- wide lockdown on the 23 March 2020, effective from the 26 March 2020. In response to the coronavirus pandemic a Local Joint Operations Centre headed by Mayor was established, its purpose being to discuss interventions undertaken by stakeholder in curbing the spread of the virus locally. The reduction in reported cases and deaths led to introduction of Adjusted Alert levels and opening of the economic sector under strict health protocols. The Adjusted Alert levels being informed by an increase or decrease in reported cases and deaths at a particular time. The COVID 19, national state of disaster was officially terminated by the State President in April 2022. Declaration.

The Amathole District municipality coordinates the development and maintenance of plans and procedures by organs of state in the Amahlathi Local Municipality to ensure the protection of municipal archives and the continuity of municipal business during disasters and response operations. On receipt of an Alert and on the instruction of the JOC Coordinator, the municipality proceeds directly to the Local Joint Operations Centre and executes responsibilities for the coordination of municipal business continuity operations.

Amahlathi LM was severely affected by heavy rains in December 2021 and January 2022, leading to the Municipality declaring a local state of disaster. In February 2023, severe weather conditions again affected the Municipality leading to floods, damage to infrastructure which included roads, bridges, and human settlements especially mud structures. All reported incidents were reported to ADM Disaster Management Centre for submission to Department of Human Settlement and Provincial Disaster Management Centre. Guidelines for Implementation of Emergency Housing Responses were developed by the National Human Settlement Department but still need to be workshopped to Municipalities.

Frequent hazard experience in the area:

The occurrence of hazards is seasonal. Types of hazards are as follows:

- Floods
- Severe storms
- Domestic fires
- Veld and forest fires
- Strong wind
- Heavy rains

Community Safety

There is a community safety plan that was developed with the support from Amathole District Municipality, and it was adopted by Council in 2015. Community safety forums are held on a quarterly basis to prepare a plan of action to be implemented including awareness campaigns which are conducted in all the clusters. The Department of Community Safety and SAPS are critical stakeholders in social crime prevention programmes within the Municipality, however programme integration needs to be enhanced. Consultations on a Liquor Trading by law are underway as a measure to mitigate crime related to alcohol.

3.1.4 TRAFFIC & LAW ENFORCEMENT

There is a functional traffic department at Amahlathi Local Municipality with 19 staff members, 09 traffic officers and 10 office support staff. There are currently 04 vehicles, 02 speed trap cameras and 04 alcohol testers. Compliance and non-compliance issues varies from month to month. During the closing and opening of schools there are more people on the public road as well as during the festive season which causes an increase of vehicles on public roads. It is noticeable that during this period above, Law Enforcement statistics get increased. The number of vehicles compared to the ratio of the available Traffic Officers on the public road cannot be detected due to shortage of manpower. Road markings and maintenance of signs are done periodically to ensure visibility to road users. Roadblocks are conducted and at times in collaboration with South African Police Service(SAPS)

VEHICLE POUND

The Municipality has constructed a vehicle pound in Stutterheim which is not yet operational due to security issues.

DRIVING LICENSE TESTING CENTRE (DLTC)

Only one driving station is available, now centralized at Stutterheim wherein all 4 clusters of Amahlathi Municipality are depending on for driving license testing and learners' license. There are 07 Examiners responsible for the Driving License Testing Centre. A Grade E DLTC is to open in Cathcart and later Keiskammahoek. The Municipality is also a Registration Authority (RA) with registration offices at Stutterheim and Cathcart.

VEHICLE TESTING CENTRE (VTS)

The vehicle testing centre is also situated in the Sutterheim cluster, with 02 Examiners responsible for testing vehicles. Testing facilities such as an A-Grade Vehicle Testing Station was opened in 2006/7 and a Weigh Bridge is now required to assist the Municipality in the efficient administration of vehicular traffic and licensing. There is also a roadworthy testing centre in Stutterheim.

The driving license testing Centre & the vehicle testing station are guided by the Act i.e. **National Road Traffic Act, National Land Transport Act, Criminal Procedure Act and SABS Codes.**

VEHICLE POUND

The Municipality has constructed a vehicle pound in Stutterheim which is not yet operational due to security issues.

3.1.5 FIRE SERVICES

There are fire service tariffs that were developed, adopted, implemented and are periodically reviewed. A fire risk levy was adopted by Council in the 2021/2022 financial year. There is a full-time fire service operating under a Platoon Commander / Chief Fire Officer. The municipality has signed Service Level Agreements with Chris Hani DM, the Greater Stutterheim Fire Association and Amathole District Municipality. The municipality is convening fire awareness campaign in all clusters and striving for a two-hour turnaround time in responding to fire outbreaks. During the period of July – September, 56 grass fires were responded to majority occurring in Cathcart, Mgwali, Ndakana, Kubusi and Kwazidenge. In collaboration with Working on Fire and other stakeholders, a disaster risk reduction day was held at Kwazidenge on the 25th October 2023 in responding to the increase of reported veld fires. Fire breaks are prepared, and fire hydrants inspected for functionality. A fire station was constructed in Keiskammahoek which still needs to be fully operationalized and is to be shared with the traffic department. The Fire and Rescue Services has functional equipment to respond to accidents. A fire truck was burnt in June 2022 in Cathcart during a community unrest and currently one fire engine is operational. By-Law relating to Community Fire Safety are in place and are due for review.

3.1.6 LAND ADMINISTRATION

The Municipality is relied heavily of the Amathole District Municipality shared services pertaining to the Land Audit issues. Draft Land Audit report has been presented to Council structures by Amathole District Municipality in 2023/24 financial year. Land Audit is key for revenue regeneration in line with Revenue Enhancement Strategy. The Land Audit exercise enables the development of a more comprehensive and credible Lease Register, an important facet of a revamped property management system. In addition, the General Valuation roll continues to inform the broader land or property ownership profile of the Municipality.

The Municipality is in the process of disposing identified service sites across the Municipal jurisdiction. The main objective is to generate revenue. This intervention will be re-initiated as the first attempt did not yield the required outcome. The exercise was also performed in 2022/23 financial year, however there were challenges as most of the properties were not sold, leading to the second phase of Auction.

All laws, policies and administrative practices affecting land development should be in line with SPLUMA Developmental Principles, which are:

- **The principle of spatial justice**, whereby past spatial and other development imbalances are redressed through improved access to and use of land.
- **The principle of spatial sustainability**, whereby spatial planning and land use management systems must, among other things, promote land development that is within the fiscal, institutional and administrative means of the Republic.
- **The principle of Efficiency**, whereby the development applications procedures are efficient and streamlined and timeframes are adhered to by all parties.
- **The principle of spatial resilience**, whereby flexibility in spatial plans policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.
- **The principle of good administration**, whereby all spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems, as embodied in this Act (SPLUMA 16 of 2013).

There are other Land Use planning legal instruments which are still in play in the approval of town planning applications e.g., Spatial Development Framework, SPLUMA By-Law and Land Use Scheme. All the above listed documents have been gazetted in 2022/23 financial year.

Land Restitution and Land Reform

Land dispossession and removal of black people in South Africa was formalized through the Land Act of 1913 and the Group Area Act which resulted in black citizens owning only 13% of land and white counterparts owning 87% of land in South African by 1994.

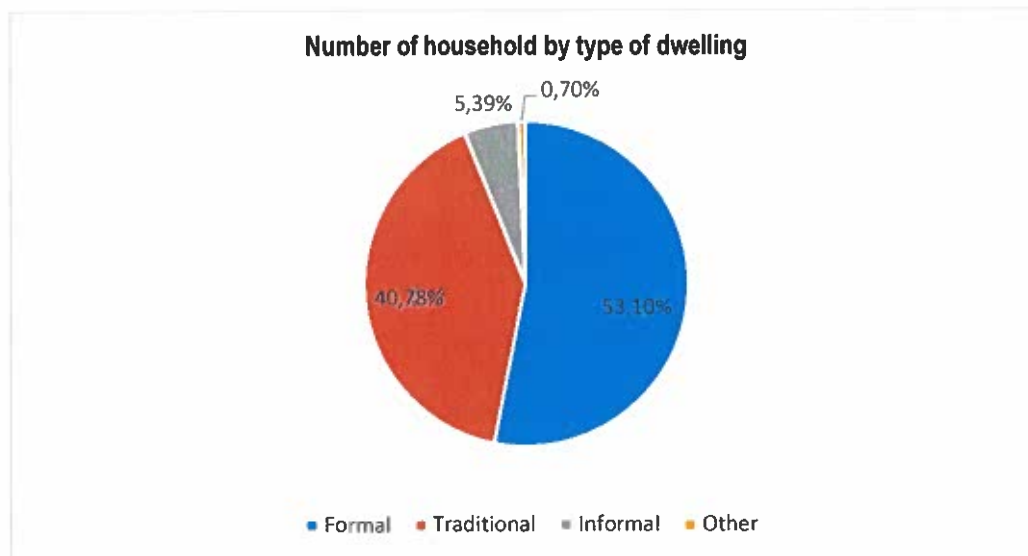
As redress to this challenge the South African government developed the Restitution of Land Rights Act 22 of 1994 and the Policy on Land Redistribution for agricultural development (2000). The afore-mentioned legislation saw the establishment of the Land Claims court and commission.

The document includes criteria for qualification for land restitution and it was underpinned by key desired outcomes which included:

- Provide equitable redress to victims of racial land dispossession;
- Provide access to rights in land, including land ownership and sustainable development;
- Foster national reconciliation and stability; and,
- Improve household welfare, underpinning economic growth, contributing to poverty alleviation and improved quality of life.

Enjoined by this directive the Amahlathi Municipality also collaborates in various land reform projects e.g. The Keiskammahoek 9 villages land restitution project, which was led by the Amathole District Municipality.

3.1.7 HOUSING



Source: Community Survey 2016

Amahlathi Local Municipality in conjunction with Department of Human Settlements are in the process of reviewing the Housing Sector Plan. It was last reviewed in 2013, However, Department of Human Settlements through her Agency (Housing Development Agency) significantly contributing to the improvement of the housing situation, especial improving the informal areas.

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

Below is the status of housing projects as approved and implemented by Department of Human Settlements for the 2024/25 financial year.

Table:

RUNNING PROJECTS	BLOCKED PROJECTS	PLANNING AND SERVICES PROJECTS	PROJECTS UNDER PROCUREMENT	NEW APPLICATIONS	CLOSE OUT PROJECTS
<ol style="list-style-type: none"> 1. CENYU VILLAGE 450 2. CENYULANDS 692 3. MASINCEDANE 200 (99) 4. KEI ROAD NORTHERN NODE 421 5. KUBUSI 304 (156) 6. FRANKFURT 300 7. GASELA 75 	<ol style="list-style-type: none"> 1. MLUNGISI 270 2. NDAKANA 1300 (35) 	<ol style="list-style-type: none"> 1. KATIKATI 300 2. SQUASHVILLE 153 3. MTHONJENI 80 4. GOSHEN 100 	<ol style="list-style-type: none"> 1. KATIKATI 300 	<ol style="list-style-type: none"> 1. NOTHENGA 26 2. GUBEVU 312 3. MBAXA 4. ETHEMBENI 5. BORDER POST 	<ol style="list-style-type: none"> 1. XHOLORHA 700

The Department of Human Settlements has also appointed a consultant for the Mthonjeni (80 housing units) in Kei Road, thus changing the status of the project from planning project to running project. The only challenge with this project as per the Consultant's report is insufficient space within the identified erven, forcing the Municipality to identify land for Erven with such challenges. Municipal Council has resolved positively on that matter.

UPGRADING OF INFORMAL SETTLEMENT PROGRAM (PHASE 1)

Department of Human Settlements in conjunction with her Agency, Housing Development Agency appointed a Service Provider (KMSD Engineering Consultants) to perform interim services in line with the Upgrading Informal Settlement Programme (Phase 1) in four areas within Amahlathi Local Municipality. These areas are: Daliwe, Katikati, Izele, and Bongolethu/ Isidenge. The project, as of March 2024 was at 90% completion. The focus of the project is on: water provision (Tanks), regravelling of roads, desludging of toilets/pour flush toilets and provision of skip-bins. Only the skip-bins are outstanding.

DISASTER RESPONSE

Amahlathi Local Municipality is prone to disasters, and during the last has proven as true to that notion. Several areas have been hit by disasters to an extent that the Municipality was declared as a disaster area. The traditional building material and strategies exacerbated the condition as the impact was severely felt. The torrential rainfall and severe winds caused more damage in Amahlathi Local Municipality. The Provincial Department of Housing has approved a total of 298 Temporal Residential Units (TRUs) 2022/23, whereas the National Department of Human Settlements has approved a total of 98 TRUs for 2023/24. Both these projects are at various stages. The TRUs are build using Innovative Building Technologies.

In terms of housing development, the municipality is guided by the following policies and legislation:

- Housing Act, Act 107 of 1997 as amended;
- Rental Housing Act, Act 50 of 1999;
- Social Housing Act, Act 16 of 2008;

- The Spatial Planning and Land Use Management (SPLUMA) Act 16 of 2013;
- By-Law relating to the use and hire of municipal buildings.

The housing act defines the roles and responsibilities for local authorities and the following may be highlighted:

Every municipality must as part of the municipality's process of integrated development planning take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to *inter alia*:

- set housing delivery goals in respect of its area of jurisdiction.
- identify and designate land for housing development.
- create and maintain a public environment conducive to housing development which is financially and socially viable.
- promote the resolution of conflicts arising in the housing development process:
- Initiate, plan, co-ordinate, facilitate promote and enable appropriate housing development in its area of jurisdiction:

The municipality has adhered to a number of the above-mentioned steps through the formulation and approval of the pre 2016 Amahlathi Municipality spatial development framework and housing sector plan. The latter document has identified the housing need within the municipality as well as identifies current and proposed housing projects as well as projecting these spatially. By undertaking the afore-mentioned functions the municipality thereby facilitates the implementation of housing projects within its area of jurisdiction. The municipality compiles housing needs register and submit it to the department of Human Settlements for considerations.

The municipality is currently being assisted by the department of human settlements for attending to the readiness studies of housing projects as well as the actual implementation of the housing projects (top structure).

The Amathole District Municipality is also undertaking the project readiness studies of some of the proposed human settlement projects within Amahlathi municipality.

3.1.8 LAND USE MANAGEMENT

The municipality is responsible for land use management within its area of jurisdiction. As a result, the Municipality has reviewed, adopted, and gazetted the following documents: Spatial Development Framework, Land Use Scheme and SPLUMA By-law. The SDF was adopted in August 2022 and Gazzeted in November 2022. However, due to the gaps identified on the SDF, the Municipality in conjunction with MISA are reviewing the SDF inhouse, and it is believed that the SDF will be adopted in August 2024/25 financial year. The Municipality has decided to establish a Single Municipal Planning Tribunal. The Municipal Planning Tribunal has been Established, also the Authorized Official has been appointed. Hove

The specific legislation applicable in Amahlathi Municipality includes:

- Spatial Planning and Land Use Management Act 16 of 2013
- SPLUMA By-Lay
- Draft Spatial Development Framework
- Land Use Scheme

Land Invasion

Land Invaders have a tendency of invading prime land, thereby hindering development and promoting haphazard planning. Thus, dealing with land invasions, the municipality by-law and policy are in place to address the matter. This occurrence is addressed through the Prevention of Illegal Eviction and Unlawful Occupation of Land Act, No. 19 of 1998. It generally specifies the remedy the municipality possesses to address the challenge. Financial constraints have made it impossible to enforce of this By-Law. There is a need to jealously guard prime land and wherever there is to be a new development, we need to align it to the SPLUMA Development Principle as stated in Section 7 of SPLUMA.

Land register

As part of the land asset register compilation exercise the land and housing unit needs to verify the identified properties by way of deeds office searches. As already indicated in the previous sections, the ALM is currently finalizing this exercise.

The municipality has in July 2013 received access to the Amathole District Municipality Geographic Information System Unit web service which has land ownership information. The bookmark is <http://www.amatholegis.gov.za/>.

3.1.9 SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The municipality also undertakes spatial planning in terms of the legislation especially the Municipal Systems Act 32 of 2000 section 26 (e) which mentions the specific core components of an Integrated Development Plan.

Amahlathi municipality adopted the Spatial Development Framework in August 2022 and was then Gazetted in November 2022. However, there are gaps identified which has forced the Municipality and MISA to review the SDF in-house. It is envisaged that the Review will be done in August 2024.

Thus, the SDF is regarded as a spatial representation of the municipal integrated development plan. It shows the areas of desired aims, the SDF act as a guide for future development to ensure that the municipality maximizes co-ordination of planned activities within its area of jurisdiction.

In order to ensure that the SDF represents the IDP, the municipality had to consider the municipal vision as stated in the IDP as well as the main development priority clusters of infrastructure, local economic development and environment, social development, institution and finance.

In order to guide the formulation of the Amahlathi Spatial Development Framework, the spatial implications of the Amahlathi Municipality's IDP Development Goals are interpreted as follows: -

IDP Goals	Spatial Implications
A. Infrastructure	(i) Basic Needs Considerations (ii) Managing Land Development & Settlement Trends
B. Local Economic Development & Environment	(i) Basic Needs Considerations (roads and infrastructure) (ii) Need for focus on Land Use Management (to ensure orderly development) (iii) Need for focus on environmental management to enhance environmental qualities and ensure attractive environment for tourism development

C. Social Development	(i) Need to manage investment by identifying spatial structure of settlement pattern and strategic nodes for development of facilities and public-funded housing (Spatial Structuring Elements)
D. Institution and Finance	(i) Managing Land Development & Settlement Trends
	(ii) Focus on Land Use Management
	(iii) Commitment to Environmental Management

Related to the implications of spatial planning that have been drawn from the Amahlathi Municipality's IDP, the following are noted as fundamental concepts guiding the spatial planning approach adopted for the Amahlathi Spatial Development Framework.

Spatial Structuring Elements

Spatial Structuring Elements are concepts or "planning tools" that are used to identify areas or special features of areas that enable the Amahlathi Municipality to carry out spatial planning and land use management in an ordered or structured manner that is, in line with the identified spatial objectives and associated strategies, these spatial structuring elements enable the Municipality to identify areas where different types of land uses would be permitted and/or discouraged and thus form the building blocks that guide future planning in the Amahlathi area.

The Amahlathi Spatial Development Framework proposes to make use of four spatial structuring elements, as follows: -

- The concept of **Development Nodes**
- The concept of **Development Corridors**
- The concept of **Urban Edges**
- Areas where **Environmental Constraints** apply.

In order to provide the IDP Objectives related to infrastructure, roads, housing and facilities development with a clear mechanism to guide investment in geographic localities, spatial structuring elements within the settlement pattern in Amahlathi need to be identified so that: -

- The continuity of development, as opposed to fragmentation, functionally integrate development areas.
- Land development and investment in infrastructure and facilities can be programmed in an integrated manner, to ensure that development does not occur in an un-managed and inefficient way and that adequate services capacities are in place to ensure sustainable development;
- Scarce (higher order) resources such as hospitals, community health centers and secondary schools are situated where there will be optimum usage and accessibility. Duplication of these resources must be avoided;
- Environmental factors and constraints are taken into account in the development of land and the delivery of services.
- The conservation and appropriate use of existing natural and cultural heritage resources is considered.

- The support of the Land Reform Process is maintained.

The ALM SDF has sought both horizontal as well as vertical alignment in terms of higher order development plans (e.g. National Spatial Development Perspective, Eastern Cape Provincial Spatial Development Plan, ADM SDF) as well as local municipality development plans (e.g. neighboring municipality spatial development frameworks that including Buffalo City, Enoch Mgijima LM, Nkonkobe LM, Great Kei LM, Mnquma LM, Intsika Yethu LM).

In summary the following informants to the formulation of proposals of the Spatial Development Framework are stated below: -

- A conceptual approach to spatial development and associated key concepts have been identified, based on the guidance of the Amahlathi Municipality's Integrated Development Plan;
- Further strategic guidance is taken from the National Spatial Development Perspective and the Draft Provincial Spatial Development Plan in regard to the categorization of areas for different levels of investment in development goods;
- Both the Provincial SDF and Amathole District Municipality's SDF have been utilized to ensure that Spatial Development Framework proposals for the Amahlathi area are in alignment with the district's strategies; and
- The Neighboring Local Municipalities Spatial Development Framework and associated Spatial Plans — have been consulted to ensure alignment in the approach adopted by the Amahlathi Spatial Development Framework.

Principles Contained in the EC Spatial Development Plan

The Amahlathi Municipality has sought direction to guide its strategies on the management of development and the prioritization of capital investment within the context of the spatial arrangement of different forms of land uses and settlement types in the area. Following the lead of the Amathole District Municipality, the Municipality has adopted the direction given by the Eastern Cape Provincial Spatial Development Plan (October 2010). The following applies: -

Guidelines to Direct the Management of Socio-Spatial Development

- There is a need to **focus on rationalizing the rural economy**;
- There is a need to **properly conceptualize the hierarchical position, relative importance and sustainability of settlements**, and their **inter-relationships** amongst each other and with their hinterlands;
- There is a need to **focus on what is achievable in developmental terms** and how this relates to spatial development proposals (the Spatial Development Framework);

The Preferred Approach to Management of Socio-Spatial Development

At the outset, it is accepted that it is every South African Citizen's constitutional right to receive basic services and to have their developmental needs met within the limits of available resources. Therefore, the preferred approach

to manage spatial development and the direction of capital investment needs to be a compromise, which recognises the limits of available resources but proposes targeted and phased development in an effort to address basic needs and create the environment for local economic development (whether in a rural or urban context).

This strategy is termed an **Integrated Spatial Development Strategy**; as follows:

- Focus investment and upgrade existing rural settlements, villages and towns on a phased basis according to available resources and development priorities;
- Reinforce development nodes and development areas through building on strengths and bulk infrastructure; and
- Focus on economic upliftment and employment creation through LED, Agriculture, SMME's and industrial programmes.
- The ALM has also been identified by EC-COGTA as a pilot site for the new EC Small Town's Regeneration Framework, which could provide resources towards new Master Plans for the development of its Small Towns.

One of the fundamental principles of this strategic approach is the need to set criteria for investment in services, infrastructure and housing, based on a choice amongst differential levels of services. Such criteria would result in focused investment in areas where settlement could be encouraged and less investment in areas where settlement should be discouraged.

Proposed Spatial Development Policies and Principles

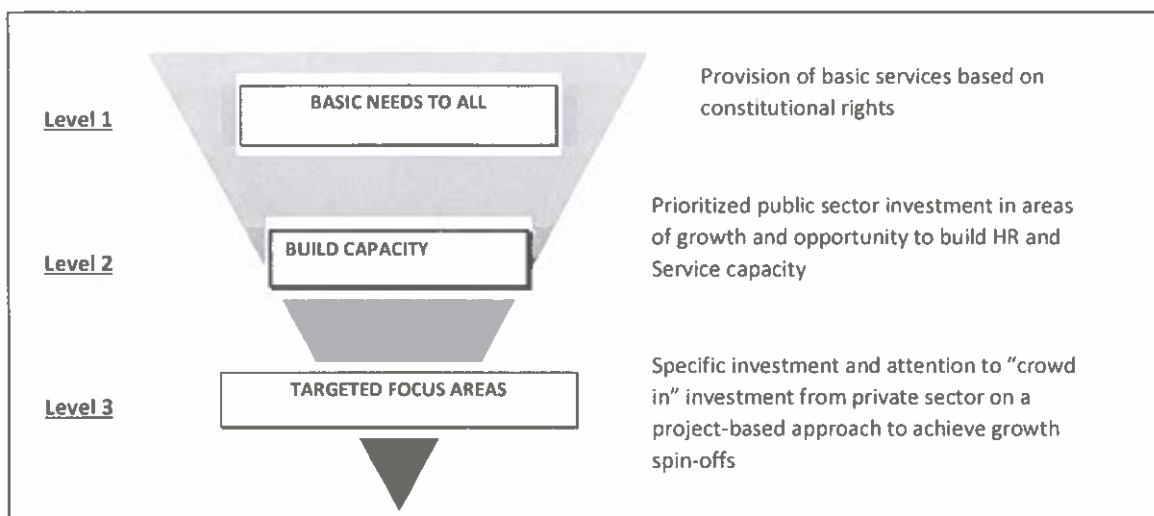
The adoption of the above philosophy and strategic approach means that the Amahlathi Municipality falls in line with the Provincial direction on these matters and will apply policies of investment and development facilitation at three levels to achieve the most significant results.

Level 1 would fulfil basic human rights in the provision of basic services to both urban and rural areas, at a minimum level, according to available resources. This would be guided by backlogs in these areas, the proximity of existing bulk services and special priorities identified in the IDP.

Level 2 will ensure the managed investment of public sector funding in urban and rural areas in order to strengthen current local capacity, build on the strengths and opportunities which exist and to maximize potential from the existing infrastructure and settlement system. Capacity building would also include institution building, training, and skills transfer and community empowerment.

Level 3 would involve the provision of adequate funding to strategically targeted development zones, which have development potential. These will represent areas, nodes or areas of opportunity, where a special focus of effort and investment will attract interest from the private sector to invest; either in joint ventures with Government or independently, in order to develop economic growth opportunities and potential which already exists.

The above principles and strategic approach are illustrated below: -



Adapted from the draft Eastern Cape Provincial Spatial Development Plan (Nov 2001)

These principles are, together with the General Principles contained in Chapter I of the DFA, taken as the primary informants in the formulation of the Spatial Development Framework to guide socio-spatial development and land use management in the Amahlathi Municipal area.

The above strategic framework for level of services and investment type is interpreted in the Amahlathi Municipality's context as follows: -

- A) **Level 1: Basic Needs to All** – means the provision of municipal infrastructure at a basic level that is at least in line with the minimum acceptable level of service adopted by the Amathole District IDP Framework Committee.
- B) **Level 2: Build Capacity** – implies investment at a higher level in middle order services, infrastructure and needs (secondary schools, market places, taxi ranks, capacity training etc.).
- C) **Level 3: Targeted Focus Areas** – implies investment at a still higher level in higher order services and infrastructure and this includes "non-essential" needs, including sports stadiums, tertiary and specialized education facilities, as well as the facilitation of investment that is likely to generate significant socio-economic developmental spin-offs.

ELEMENTS OF THE SPATIAL DEVELOPMENT FRAMEWORK

The following elements make up the forward planning component of the Amahlathi SDF:

Spatial Development Issues, Objectives & Strategies

These purify the key issues to be dealt with by the Spatial Development Framework and set out objectives and strategies in relation to these issues.

A) Spatial Structuring Elements

These are concepts or "planning tools" that are used to identify areas or special features of areas that enable the Amahlathi Municipality to carry out spatial planning and land use management in an ordered or structured manner. That is, in line with the identified spatial objectives and associated strategies, these spatial structuring elements enable the Municipality to identify areas where different types of land uses would be permitted and/or discouraged and thus form the building blocks that guide future planning in the Amahlathi area.

The Amahlathi Spatial Development Framework proposes to make use of four spatial structuring elements, as follows: -

- i. The concept of **Development Nodes**
- ii. The concept of **Development Corridors**
- iii. The concept of **Urban Edges**
- iv. Areas where Environmental Constraints apply

B) Special Development Areas

Special Development Areas (SDAs) are geographical areas where, in order to achieve both the objectives of the Amahlathi Integrated Development Plan and the related objectives of the Spatial Development Framework, the Amahlathi Municipality would need to prioritize its development efforts and capital expenditure.

SPATIAL DEVELOPMENT ISSUES, OBJECTIVES & STRATEGIES

This section sets out the spatial development issues that are seen to be the main challenges to the Amahlathi Municipality in practicing wise spatial planning and land use management. Related to these, a number of spatial development objectives and strategies are proposed to enable the Municipality to better focus its resources when dealing with land development and spatial planning, in general.

A) Key Spatial Development Issues

The following are identified as the Key Spatial Development Issues to be addressed by the Amahlathi Spatial Development Framework: -

Key Spatial Development Issues	
Spatial Fragmentation vs Basic Needs	This issue highlights the problems inherent in attempting to provide housing and a basic level of service to all residents, whilst dealing with the reality of a spatially fragmented settlement and economic development pattern. The challenge to sustainability is significant.
Land Development Trends & Urbanization	This refers to the current problem of informal settlement formation in both urban and in peripheral or rural settlement areas. The challenge here is to manage spatial development so as to permit development at scale in areas where services and facilities can be delivered on a more sustainable basis and implies focusing on a coherent service policy in tandem with an applied land use management approach.

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

Environmental Management	This refers to the sustainable use of the natural environment and the protection/conservation of environmentally sensitive areas.
Land Use Management	This issue highlights the need to ensure that the policies and institutional structures are set in place to allow the Amahlathi Municipality to practice wise land use management in both the urban and rural areas under its jurisdiction.

B) Spatial Development Objectives

The following objectives are proposed in response to the key Spatial Development Issues

Key Spatial Development Issues	Proposed Spatial Development Objectives
Spatial Fragmentation vs Basic Needs	To fulfil basic needs obligations and address spatial integration within available means
Land Development Trends & Urbanization	To manage land development in line with a structured approach to ensure sustainability
Environmental Management	To adhere to environmental law and protect environmentally sensitive areas
Land Use Management	To manage land development in line with the General Principles of the Development Facilitation Act and the provisions of the Land Use Planning Ordinance (15 of 1985)

C) Spatial Development Strategies

The following spatial development strategies are proposed to correspond with the spatial development objectives outlined above.

Key Spatial Development Objectives	+Proposed Spatial Development Strategies
1. To fulfil basic needs obligations and address spatial integration within available means	<ul style="list-style-type: none"> ▪ Ensure efficiency and sustainability of basic services, by promoting the integration of sprawling settlements in both urban and rural areas, and the consolidation of larger settlements at nodal points. ▪ Consolidate and integrate spatial development by developing land in proximity to public transport routes and existing services. ▪ Develop infill areas within fragmented settlement areas, where appropriate.
2. To manage land development in line with a structured approach to ensure sustainability	<ul style="list-style-type: none"> ▪ Manage land development in line with land use management guidelines related to identified spatial structuring elements and special development areas within Amahlathi

	<ul style="list-style-type: none"> ▪ Support a land reform and settlement development programme by identifying zones of opportunity for land development
3. To adhere to environmental law and protect environmentally sensitive areas	<ul style="list-style-type: none"> ▪ Implement the principles of Integrated Environment Management (IEM).
4. To manage land development in line with the General Principles of the Development Facilitation Act and the provisions of the Land Use Planning Ordinance (15 of 1985)	<ul style="list-style-type: none"> ▪ Implement the provisions of the Section 8 Zoning Scheme Regulations in terms of the Land Use Planning Ordinance (15 of 1985). ▪ Apply for funding for a programme to develop an appropriate new Zoning Scheme for Urban and Rural areas, in line with the direction of new legislation, when promulgated.

SPATIAL STRUCTURING ELEMENTS

This section focuses on the four basic **Spatial Structuring Elements** that guide spatial development decision-making in the Amahlathi area: these elements are used to manage and guide development into certain patterns or arrangements, which are intended to promote more efficient future development.

A) Development Nodes of Importance

Development nodes are categorized as those towns or places where a significant number of functions commonly deemed to be urban are found. These functions would include public administration facilities/institutions, business activities, social and recreational facilities and other existing or potential economic enterprises (including tourism-related enterprises). Such nodes are often located on main transport routes to provide maximum access and act as catalysts for new growth and development. As such, they are areas where the following should be prioritized: -

- Appropriate levels of development investment in infrastructure.
- Appropriate land use management to promote preferred development outcomes.

The following classes of node have been identified and/or are proposed for Amahlathi:

NODE TYPE	AREA/LOCALITY	DESCRIPTION
URBAN NODES		
Level 3 Primary Node	Stutterheim	As the main Administrative, Service and Industrial Centre of Amahlathi Municipality as well as an important place of residence for approximately 60% of the Urban Municipal population, Stutterheim should be targeted for the following: - <ul style="list-style-type: none"> ▪ Investment in infrastructure to increase services capacity;

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

NODE TYPE	AREA/LOCALITY	DESCRIPTION
		<ul style="list-style-type: none"> ▪ Development of public-funded housing areas; ▪ Development of regional social goods and facilities, including educational institutions, and sports and recreational facilities ▪ Land use management that focuses on the integration of disparate settlement elements in the town.

Level 2 Secondary Nodes	Keiskammahoek	<p>As a secondary Administrative Centre and Service Centre to a large number of surrounding peri-urban and rural settlements as well as an area with eco-tourism and agricultural potential, Keiskammahoek should be targeted for: -</p> <ul style="list-style-type: none"> ▪ Investment in infrastructure to services capacity; ▪ Appropriate Land use management and, infrastructural support to develop the Agricultural sector in the area.
	Cathcart	<p>As a service center of Amahlathi Municipality as well as an area with tourism development potential, Cathcart should be targeted for: -</p> <ul style="list-style-type: none"> ▪ Investment in infrastructure to increase services capacity; ▪ Appropriate development of new residential and public-funded housing to meet local demand; ▪ Land use management that focuses on the improvement of the aesthetic character of the town.
Level 1 Tertiary Node	Kei Road	<p>As a minor service center, Kei Road should be targeted for:</p> <ul style="list-style-type: none"> ▪ Extension of public-funded housing area to meet local demand; as proposed in the Yellowwoods Kei Road Settlement Project ▪ Investment in Infrastructure

RURAL NODES

Rural Development Nodes	Frankfort	Proposed as a rural nodal settlement with prioritization of higher order facilities development.
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No other rural nodes are specifically proposed at present. The rural areas of Keiskammahoek sub-district (Ward No's 1, 2, 3, 10 and 11) designated as Special Development Areas due to their unique opportunities and/or special development needs.

In the course of more detailed spatial planning in these areas, it is anticipated that consensus with local communities is important to identify nodal settlements.

B) Development Corridors of Importance

Development corridors are described in planning terms as roads or railway routes that are usually associated with the movement of people between places. This function of facilitating movement of people along a route also means that these “movement corridors” have the potential to accommodate development of different levels of intensity and a mix of land uses at certain points along the route.

Different categories of Development Corridors can be described as follows (adapted from the Buffalo City Spatial Development Framework: SETPLAN et al, 2003):

- **Mobility Route:** is a road with limited access that principally carries traffic between major nodes.
- **Activity Corridor:** Is a band of high-density urban development up to 800m wide along a public transportation route. Typically, activity corridors link areas of greater intensity of land use (nodes) and are usually found in larger urban areas.
- **Activity Street:** is usually defined as a local street that is located within the sphere of influence of an activity corridor and reinforces it. To be classified as an activity street, vehicle and pedestrian access to a mix of land uses is a priority.

In addition to the above types of development corridor commonly defined, the particular circumstances within Amahlathi warrant the identification of **Special Routes**, which are, in this instance, related to tourism development.

The following corridors are identified within the municipality: -

TYPE	AREA/DESCRIPTION OF LOCALITY	FUNCTION
Mobility Routes – Municipal level	N6 - East London-Queenstown	These routes carry passing traffic and provide access between local areas in Amahlathi and centers further afield
	R63 - Komga – Kei Road - KWT	
Special Routes – Tourism Focus	Sandile Heritage Route	These routes relate to tourism destinations. In the case of the Sandile Heritage Route, a number of Heritage Sites are identified
	R345 - Cathcart - Hogback	

C) Urban Edges (Refer to Plan 5.1 Nodes and Routes)

D) Environmental Elements

As spatial planning has come to appreciate the fundamental importance of environmental management and the conservation and protection of environmentally sensitive areas, so the identification of environmental constraints has become a key structuring element in forward planning. Accordingly, the Amahlathi Spatial Development Framework has incorporated a number of inputs from a variety of sources in order to identify environmental constraints. The following applies: -

- The Strategic Environmental Assessment (SEA) undertaken together with the Spatial Development Framework has identified conservation-worthy areas as well as constraints and opportunities to development. These include
 - The Thomas River Conservancy
 - The Amathole Complex

- Amathole Biosphere Reserve
- Using a digital terrain model based on available 20m contour intervals, an indicative slope analysis was undertaken to illustrate areas where steep sloping landforms are likely to represent constraints to land development.
- Finally, a key consideration and structuring element has been the data and accompanying documentation provided by the Sub-Tropical Thicket Ecosystem Planning (STEP) Programme. The most important STEP categories regarded as being indicative potential constraints to land development incorporated in the SDF as structuring elements include:
 - Protected Areas, which include proclaimed state-owned nature reserves and forest reserves (e.g. Kubusi Indigenous Forest, Driebos, Umfulane Forest, Quacu Nature Reserve);
 - Critically Endangered Areas, which denote areas where indigenous fauna and/or flora are coming under increasing pressure and are under threat of extinction (Cape Parrot Conservancy);
 - Process Areas, which denote areas where ecological processes occur that are essential to the survival of natural ecosystems; and
 - Conservancy Networks, which are defined as areas contain systems of natural pathways for conservation-worthy plants and animals that ensure these species survival.

With regard to the above structuring elements, it is important to note that all elements, including the STEP data are regarded as indicative and not definitive in nature. That means that their illustration is not meant to indicate a clear and definite restriction to development as illustrated but merely to highlight the probability that environmental factors could represent a constraint to development in the areas illustrated.

SPECIAL DEVELOPMENT AREAS

In order to give a focus for the organizational activities of the Municipality as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as Special Development Areas (SDAs). These are: -

A) New Public-Funded Housing Development Areas

Stutterheim

There are seven proposed areas for future public housing development. These are listed below.

No.	Description
HD1	West of Town (Undeveloped portion of the Golf Course Camp)
HD2	South of the Keiskammahoek road and west of Amatolaville
HD3	Infill development around Amatolaville
HD4	North of the Keiskammahoek road and west of Kologha Township
HD5	Extension to Mlungisi/ Mzamomhle south of the existing development
HD6 &7	An extension North and West of Cenyu

Cathcart

In the short-term future, the demand for housing in Cathcart can be absorbed by the vacant surveyed erven in Daliwe and South of Cathcart. The number of vacant erven is listed below.

No.	Description
HD1	South of Cathcart
HD2	NW Extension of Daliwe
HD3	South Extension of Daliwe

Keiskammahoek

The vacant erven within the Keiskammahoek town meets the current short-term housing demands. Should the demand for housing increase the area described below has been identified to accommodate this demand.

No.	Description
HD1	Northern section of Keiskammahoek (Between the Cata River and Intensive Agriculture lots)

Should the areas planned within the urban edge of Keiskammahoek reach capacity and further residential extension is needed, then the township settlement of Masincedane (Elukhanyweni) should be considered. This is due to the infrastructure already in place and ease of resolving land issues.

B) Rural Development Areas

Rural Settlement Upgrade Areas

The Yellowwoods Kei Road Zone

This Zone Plan was completed in 2001 and set out clear spatial proposals for further settlement development (Model 2) as well as development of local farming projects (Model 3). This process should be supported with LED programmes and the upgrading of infrastructure and facilities in the settlements, as well as road access within the areas themselves.

C) Land Reform Zone

Keiskammahoek Land Restitution Zone

As proposed in the Amathole District Municipality's LR&SP, the Keiskammahoek Development Support Zone comprises of a number of successful land claims. These processes are of significant because of the financial resources flows that they generate to local areas. Further this area boasts extensive eco-tourism and forestry potential, which may require that appropriate land management systems and land reform be implemented in the area.

D) Priority Basic Needs

Tourism Zones

The areas with potential for tourism growth have been divided into 5 Zones listed below.

- Tourism Zone 1
Kologha Forest and Escarpment (Eco and Nature Tourism Potential)
- Tourism Zone 2
Keiskammahoek and surrounding area (Cultural and Heritage Tourism Potential)
- Tourism Zone 3
Elukhanyisweni and surrounding area (Cultural and Historical Tourism Potential)
- Tourism Zone 4
South Eastern section of Amahlathi LM (Eco-Tourism Potential)
- Tourism Zone 5
Thomas River Conservancy (Eco and Nature Tourism Potential)

E) Agricultural Zones

Irrigation Schemes

- Zanyokwe
- Horseshoe
- Keiskammahoek

Forestry Potential

The forestry potential surrounds the existing plantations which were previously established and managed by DWAF and SAFCOL but are now being managed under concession by Amathole Timber Holdings. There are 8 102 ha of 'good' and 26 396 ha of 'moderate' commercial forestry potential, with a total of 34 498 ha. Reducing further by 85% to allow for subsistence livelihoods and a range of forestry specific considerations such as slope and terrain features, the total commercial forestry potential is between 5 175 ha (15%) and 10 349 ha (30%).

Land Use Management System Guidelines

In terms of the draft Land Use Management Bill, it is anticipated that the Amahlathi Municipality will be required to formulate an integrated Land Use Management System within the next 5-year planning period. As already indicated the ALM is finalizing a Wall-to-Wall Zoning Scheme to provide a more comprehensive tool on Land Use related issues.

For the purpose of the SDF, the Municipality has established Land Use Management Guidelines in respect of:

- Urban Nodes (so-called GO-BUT Zones)
- Limited (Managed) Development Areas (also GO-BUT)
- Restricted Development Areas (NO-BUT Zones)

Table: Macro-zoning categories for Amahlathi Local Municipality

Urban Nodes (GO-BUT)	Limited Development Areas (GO-BUT)	No Development Areas (NO-BUT)
<ul style="list-style-type: none"> ▪ Existing urban areas within the urban edge. ▪ Identified tourism nodes. 	<ul style="list-style-type: none"> ▪ All land not classified as a No Development Area and Development node (Urban Edge) ▪ Existing areas of degraded/modified agricultural land. ▪ Areas where development could ensure future environmental benefits ▪ Transitional Zone areas adjacent to defined Urban Edges. 	<ul style="list-style-type: none"> ▪ Proclaimed nature reserves ▪ STEP Protected, Process and Critically Endangered areas ▪ Rivers, estuaries and undisturbed riparian zones of rivers ▪ Diverse montane grassland and afro-montane forest vegetation types

3.1.10 ENVIRONMENTAL MANAGEMENT FRAMEWORK

In the light of the Amathole District Municipality's Integrated Environmental Strategy (2003), it is proposed that the Amahlathi Municipality engage with the Amathole District Municipality in defining the relevant responsibilities of each in relation to current environmental legislation and the powers and functions of local government authorities. Thus, the environmental Management is the responsibility of the District Municipality.

In the interim, the following legislative framework is applicable (as guided by the Amathole District Municipality's Integrated Environmental Strategy).

KEY LEGISLATIVE FRAMEWORK

The following is the key legislative framework in which the Amahlathi Municipality is to perform its functions.

In terms of the Constitution:

Local authorities are responsible for administering various town planning instruments, protected areas and nuisance laws.

Local authorities are responsible for providing all citizens with a safe and healthy environment.

In terms of the National Environmental Management Act:

The Amahlathi Municipality is responsible for applying national environmental management principles in performing all activities that may significantly affect the environment.

In terms of Section 28, Municipalities have a general duty of care related to activities that detrimentally affect the environment.

In terms of the Local Government: Municipal Structures Act:

The Amahlathi Municipality must ensure environmental sustainability in delivery of all municipal services.

In terms of the Environmental Conservation Act:

The Amahlathi Municipality has a general duty of care related to activities that detrimentally affect the environment.

In terms of the EIA Regulations of the Environmental Conservation Act:

The Amahlathi Municipality is required to ensure that all projects, development proposals and actions (such as land development rezoning etc.) that it is responsible for implementing and/or approving, are subject to an EIA, should they fall within the listed activities provided in these regulations.

In terms of the Conservation of Agricultural Resources Act:

The Amahlathi Municipality must ensure that weeds and invasive plants on municipal-owned land or inland waters are eradicated and controlled.

In terms of the National Heritage Resources Act:

Heritage sites must be incorporated into town-planning schemes, where applicable.

The Amahlathi Municipality must draw up by-laws where necessary.

The Amahlathi Municipality must ensure Municipal compliance with NHRA.

3.1.11 ENVIRONMENTAL MANAGEMENT

The municipal area is situated at the foothills of the Amathole and Kologha mountains. As a result, there are considerable temperature variations between summer and winter. The area is subject to frost and hail conditions. The area lies in the summer rainfall region with over 70 % of the mean annual rainfall experienced in the summer months (October to March). Mean Annual Precipitation (MAP) varies across the region from a low of 400 mm in the northwest (leeward side of the Amathole Mountain) increasing to the east. The highest rainfall (approx. 1000mm/ annum) is experienced on the windward side of the Amathole Mountains. Vegetation types represent an integration of the climate, soil and biological factors in a region, and as such, are a useful basis for land-use and conservation planning. There are twelve vegetation types found in the Amahlathi LM, highlighting the diversity of environmental conditions experienced in the Municipality. The distribution of these vegetation types is illustrated in the map and table below. Amathole Montane Grassland covers 44% of the Municipality.

FUNCTIONALITY OF ENVIRONMENTAL MANAGEMENT UNIT

The municipality does not have a designated person/ Unit to perform environmental Management Functions.

The review of institutional capacity in this regard forms part of the present Institutional Plan process.

BIODIVERSITY

The following plans illustrate the dominant characteristics of the natural endowments of the Amahlathi area.

They outline the following: -

- Indigenous Forests in the Toise area and, most notably, the forests stretching from north-west of Stutterheim into the Keiskammahoek area. The latter stretch of forest accommodates the Amathole Hiking Trail, which is a potentially significant local tourism attraction. These forest areas are noted as conservation-worthy and must be managed accordingly, to ensure sensitive development of tourism assets and the sustainable use of the available resources.
- The indigenous forests fall within an area demarcated as the Amatole Complex. The Amatole Complex has been identified as a center of endemism and includes the escarpment forests and Winterberg grasslands.

- Wartburg falls in the Toise (Wartburg) area. This is a potential scenic tourist attraction and needs to be developed to its potential in an environmentally sensitive manner.
- There are various sites where rock paintings have been discovered. These include sites in the Cathcart vicinity and on the farms Cows mead and Bulls Run in the Lujillo local area.
- The Keiskammahoek area has long been noted for its agricultural potential, based on its natural assets of favorable soils and adequate water supply for intensive irrigated crop production. However, full development of these assets has been hampered by historically inequitable land management practices, and complex land tenure arrangements in the area.
- Similarly, the area located in the southern sector of the Amahlathi Municipal area, the Elukhanyisweni local area, has also previously been identified as having good potential for irrigated crop production. Again, the full development of this potential has been hampered by lack of infrastructure and adequate land tenure arrangements.
- The areas around Cathcart and to the East of the Municipal area have identified potential for Game Farming.

RENEWABLE ENERGY

The municipality encourages the use of alternative energy sources in line with the overarching national government objectives of reducing South Africa's overall dependence on greenhouse gas emitting energy sources. These may include:

- Solar Energy such as solar energy water geysers; Solar Streetlights & High mast Lights
- Wind Energy such as wind farms;
- Biofuel and Biogas Energy; and,
- Hydro Energy.

By reducing the household dependence on conventional energy forms, it is believed that this will also have a positive effect on the general household monthly spend on energy purchases. Therefore, initiatives such as the solar energy high pressure water geysers programme being run by the Department of Energy and the Light Bulb Retrofitting programme being implemented by Eskom, inter alia, are considered as of paramount. These would have a significant impact in the case of the semi-rural Amahlathi Municipality where the average household incomes are generally low.

The Municipality gone further in the drive for alternative sources of energy by welcoming presentations by private electricity producers. The Municipality will be inviting more presentations with the view of developing a framework through which additional electrical power can be generated and supplied to the areas where the Municipality is the local authority.

3.1.12 ROADS

Amahlathi has a road network of 2 099.16 kilometres in total. The ownership of the roads falls under Eastern Cape Department of Transport (1 407.17 kilometres), Amahlathi Local Municipality (529.66 Kilometres) and SANRAL (162.37 Kilometres). The Municipal has 43.10 kilometres surfaced (Tar, Block Paving or Concrete) and 486.56 kilometres of gravel roads. This is as reflected in the Roads Maintenance Plan commissioned by Amathole District Municipality and published in April 2020.

A three-year capital plan has been submitted to council in the 2022/23 financial year and has been approved. The plan lists projects which will be implemented under the Municipality's Municipal Infrastructure Grant (MIG) programme. The lists include roads projects and covers planning from the 2023/2024 financial year until the

2025/2026 financial years. The plan is reviewed annually in line with IDP and Budget processes. The municipality has a budget allocated for road maintenance in the draft 2023/24 financial year budget to be approved by Council. The Municipality through its Project Management Unit is looking at accommodating the development of both roads maintenance plan and storm water management plan under the MIG budget for the outer year.

The Municipality has seen an increase in road maintenance backlogs as a result of shortage of road construction machinery. In particular the Municipality currently has no excavator for mining material for re-gravelling roads.

The Municipality has undertaken to do at least one MIG funded road construction project in-house utilising the available maintenance machines and a hired excavator. This an effort for the Municipality to raise funding for the purchasing of new plant with an excavator being the priority.

3.1.13 ELECTRICITY

The municipality has operating license with NERSA to distribute Electricity for Stutterheim, Amabele and Cathcart Town, Eskom holds the licence for distribution of electricity in all remaining areas of under the jurisdiction of the Municipality. The municipality services 3800 households with electricity under its licence, and is responsible for planning, design, operation and maintenance of electricity network feeding these households. The capacity of the Eskom infrastructure available to supply Sutterheim is estimated 8MVA.

The Notified Maximum Demand agreement with Eskom for the network is 5.5MVA for Stutterheim, 0.2MVA for Amabele and 1.4MVA for Cathcart. Currently the Actual Demand consumption for Stutterheim is 4.9MVA, Amabele is 0.08MVA and for Cathcart is 1MVA. The consumption in Stutterheim is of concern as it is close to the available capacity. The Municipality is looking at various solutions to increase the available capacity. Two main solutions that have been considered are the increasing of the capacity received from Eskom and renewable energy sources.

The Municipality currently incurs losses in excess of 30% annually through the electricity provision function. This is due to technical and non-technical losses. The technical losses being losses due to the aged network and the non-technical losses being due to faulty electricity meters, meter tempering and electricity theft.

The Municipality has appointed a service provider for three years to supply smart meters in an effort to curb non-technical losses and electricity theft. The first batch of meters has been delivered and the Municipality has embarked on a drive to replace all faulty meters. This will help to tackle some of the non- technical losses as well.

The Municipality approached the Development Bank of South Africa (DBSA) for funding of the review of the Electrical Master Plan. The review will assist in the determination of the required network upgrades which need to be done to reduce the technical losses. The Municipality is now awaiting formal confirmation of the funding approval.

The Municipal is in need of a Crane Truck. The Crane Truck, forms a vital part of carrying out the repairs and maintenance of the electrical network including the installation of new electricity connections, repairing of fault meters, streetlights and high mast lights for the community of Amahlathi Municipality at large. The Municipality has gone out to tender for the hiring of the crane truck in order to ensure that the repairs can be implemented.

The Municipality has not been receiving an allocation under the Integrated National Electrification Programme (INEP) for the last three years. This has adversely affected efforts to upgrade and maintain electricity infrastructure. The Municipality has successful engaged with the Department of Energy the resolve issues that had resulted in the Municipality to not be funded under INEP. Applications for funding will be submitted in early June 2023.

3.2 KPA 2: MUNICIPAL FINANCE VIABILITY

3.2. COMPLIANCE

3.2.1 Policies

All finance related policies are reviewed and adopted annually where a gap has been identified. The municipality has the following policies:-

3.2.1.1 Indigent

The objective of this policy is to ensure the following:-

- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council.
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization.
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy.
- Co-operative governance with other spheres of government.

The indigent register is being updated on an ongoing basis. R1million has been allocated for free basic services in the 2024/2025 budget. The Municipality has dedicated personnel for Free Basic Services. The budget for free basic services for the two financial years is R1m (2024/25) and R1m (2023/24) respectively. The indigent Steering Committee was established to carry out the awareness campaigns. The unit is currently running community visits to register indigents in collaboration with ADM.

3.2.1.2 Tariff Policy

The tariff policy has been compiled taking into account, where applicable, the guidelines set out in Section 74 of the Municipal Systems Act No. 32 of 2000. In setting annual tariffs the council shall at all times take due cognizance of the tariffs applicable elsewhere in the economic region, and the impact which tariffs may have on local economic development.

3.2.1.3 Rates Policy

In developing and adopting the rates policy, the Council has sought to give effect to the sentiments expressed in the preamble of the Property Rates. The Council shall as part of each annual operating budget component impose a rate in the rand on the market value of all rate-able properties as recorded in the municipality's valuation roll and supplementary valuation roll. Rate-able property shall include any rights registered against such property, with the exception of a mortgage bond. The Council pledges itself to limit each annual increase as far as practicable to the increase in the consumer price index over the period preceding the financial year to which the increase relates, except when the approved Integrated Development Plan of the municipality provides for a greater increase.

3.2.1.4 Debt Write -off Policy

This policy aims to set down procedures and principles to be carried out when all debt deemed irrecoverable is to be written off. It is set to identify all bad debts during the course of the financial year.

3.2.1.5 Cash management and Investment Policy

The Council of the municipality is the trustee of the public revenues, which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently. The objectives of the Cash Management and Investment Policy of the Amahlathi Local Municipality are as follows:

- Ensuring that cash resources are managed efficiently and effectively,
- Ensuring that investments are placed with reputable institutions, for the purpose of safety of capital investment, and diversification of the investment Portfolio,
- Ensuring that adequate liquidity is maintained at all times, for management of cash flows,
- Ensuring that the municipality receives optimal yield / interest on its investments with financial institutions, at minimal risk,
- Striving for reasonable growth on capital investments in addition to interest earned on investments,
- Ensuring that monies due to Council are collected and banked appropriately as soon as they are received,
- Ensuring that payments to creditors are made by due dates.

3.2.1.6 Asset Management Policy

The 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 for those assets 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 objective 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
- Ensuring adequate insurance of all assets
- Maintenance of Council's Assets

The municipality make use of asset management system which allows for more regular updates of the register as well as ensuring that the audit process is smooth. The municipality conducts a conditional assessment of its assets

and prepares an asset register. These assets are rated from Good, Fair, Poor to Very Poor in the GRAP compliant asset register. The municipality budgeted a sum of R4.4m (2024/25) and R4.6m (2023/24) respectively for maintenance of a wide variety of its assets from movable to immovable. During the planning period the municipality prioritize which assets to be maintained through allocation of budget.

3.2.1.7 Petty Cash Policy

The use of a petty cash float (a float may not exceed R600-00) is strictly confined to individual cash purchases of up to a maximum of R100-00, unless authorized by the Chief Financial Officer; The expenditure with regard to petty cash purchases shall not be deliberately split into more than one transaction to avoid the said limit. Currently the policy (petty cash issued) is not being enforced due to logistical (office space, safety etc.) challenges in the office.

3.2.1.8 Budget Policy

The objective of this policy is to secure sound and sustainable, management of the budgeting and reporting practices of the municipality by establishing requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes and other relevant matters as required by Municipal Finance Management Act 56 of 2003. The objectives of the policy are set out on the foundation of the following legislative prescripts:

- Constitution of 1996
- MFMA Circulars.
- MFMA Act 56 of 2003; and
- Municipal Budget and Reporting Regulations, Government Gazette no. 32141 dated 17 April 2009
- Municipal gazette on remuneration of office bearers
- Municipal gazette on remuneration of senior managers

3.2.1.9 Customer Care Policy

Customer Care Policy was developed and adopted by council with the following objectives:-

- To provide quality service to all stakeholders interacting with the Municipality, i.e. public service providers, contractors, fellow staff members in every department and other Government agencies.
- To ensure that customers are provided with relevant information as and when is needed in the appropriate format.
- To ensure customer complaints are addressed promptly, timeously and to the full satisfaction of the client.
- To ensure that customers, both internal and external to the Municipality receive consistent and fair treatment at all times.

- To reduce the financial and time cost incurred arising from poor customer service due to repeat calls from and to customers.
- To equip municipal staff with knowledge and competencies to continually enhance the service standards according to changing customer needs.

3.2.2. Revenue Enhancement Strategy

The municipality is implementing a Revenue Enhancement Strategy to ensure that all possible avenues are explored to maximize the receipt of monies available to Council by way of assessment rates, service charges, intergovernmental transfers and grants and donations and to ensure that monies owed to the municipality are duly collected. There is an urgent need by the municipality to look at other revenue generating strategies as in the past years there has been a constant decrease in equitable share as well as a decline in own revenue. This is in contrast to the significant increase in employee related costs, operating costs and contracted services which have a negative effect in the provision of basic services and honoring of obligations by the municipality. The municipality developed and adopted a policy on cost containment measures which addresses what should the institution spend its monies on.

3.2.3 Annual Financial Statements and GRAP Asset Register

The 2022/23 Annual Financial Statements and Asset Register were prepared in accordance with Generally Recognized Accounting Practice Standards, National Treasury formats. It is the responsibility of the accounting officer to make sure that the Annual Financial Statements and Asset Register are prepared based on the prescribed format and submitted to Auditor General of South Africa, Provincial and National Treasury on time as prescribed by the MFMA, and the documents were prepared in line with mSCOA requirements. An Annual Financial Statement Preparation Plan is annually developed to guide the process and ensure adherence to the submission on or before 31 August.

3.2.4 Bank Accounts

The Municipal Finance Management Act Section 7 and 8 requires that the municipalities must open and maintain at least one primary bank account in the name of the municipality and that all monies received by a municipality must be paid into its primary bank account. The municipality has one primary bank account and uses that account to receive allocations paid to the municipality and all other monies flowing in and out of the institution. There are separate accounts for conditional grants as well as call accounts for different purposes.

3.3 EXPENDITURE MANAGEMENT

3.3.1 Subsidies and Grants

The municipality manages and reports on conditional grants in line with division of revenue act requirements. The table below reflects the percentage expenditure spent on grants gazetted in the Division of Revenue Act (Dora) for

2022/23 financial year. The reports are prepared monthly and quarterly, submitted to the transferring officers in line with Dora requirements and conditions.

Grant	Percentage
Municipal Infrastructure Grant	100%
Finance Management Grant	100%
Expanded Public Works Grant	100%
Library Grant	100%

3.3.2 Payment of Creditors

The Municipality strives to pay its creditors within 30 days; however, there are some delays experienced when the procurement process is not adequately followed and due to the weakening cash flow position. The turnaround time relating to payment of creditors has since been negatively affected by the current cash flow challenges.

3.4 REVENUE MANAGEMENT

3.4.1 Billing and Credit Collection System

The municipality bills its debtors on a monthly basis and procedures are in place to regularly update and monitor the correctness of debtor's information. Council has adopted a debt collection and credit control policy which outlines procedures for the collection of arrear debt. The municipality has established a unit to assist in the implementation of the policy. The average collection rate inclusive of long outstanding debt was about 72% in 2022/23 financial year. Debt collection has also been negatively affected by various factors which among them include; culture of non-payment by debtors and the weak economic growth.

3.5 VALUATION ROLL

The current Valuation roll is effective till 30 June 2025. The valuation roll was published to allow for objections as required by MPRA. It will be maintained through supplementary valuations to give effect to the changes that occur in properties. The Rates By-Law being promulgated in line with MPRA (Provincial Gazette No 4076)

3.6 SUPPLY CHAIN MANAGEMENT

The municipality has an established Supply Chain Management unit. In the preamble of the SCM Policy it is stated that "the Supply Chain Management Policy seeks to encourage socio-economic transformation" within its region. To achieve this, empowerment goals have been set, which aim to redress the skewed distribution of wealth and therefore contribute to the alleviation of poverty. Immediately after the approval of budget, departments are required to prepare procurement plans that guide sitting of the bid committees. In trying to implement the policy the municipality has the following filled positions a Senior Manager; Contract Management Officer; Demand Management Officer and Acquisition Management Officer. The functions or duties of the officers includes ensuring

that goods and services are procured in line with the SCM regulations and the policy, management of contracts management of stores to mention a few.

3.8 FINANCIAL REPORTING

Municipalities were expected to comply with the MFMA: mSCOA Regulations, (Gazette No.37577) as issued by National Treasury. The municipality became live on 1 July 2017 and strives to compile and submit financial reports in line with Municipal Finance Management Act section 71; 52d; 72 and yearly. The municipality has been submitting reports in-line with the mSCOA requirements. Annual budgets are prepared and submitted in the correct versions and their associated data strings. 2024/2025 budget was also be prepared using the latest version 6.8 of A schedule as guided by treasury.

3.3 KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.3.1 PROCESS FOLLOWED

On 31/08/2023 the Amahlathi Local Municipality Council adopted its IDP and Budget process plan. The IDP/Budget process plan outlines in detail the way in which the municipality embarked on its 2023/24 IDP from its commencement in July 2023 to its completion June 2024.

ORGANISATIONAL STRUCTURES & PUBLIC PARTICIPATION

The IDP of Amahlathi has been compiled through an interactive process, which has been overseen by a Council and the Amahlathi Representative Forum.

Amahlathi Municipality's IDP Participatory Structure

The Amahlathi IDP roadshows were convened by the Amahlathi Municipality during the second quarter of 2023/24, and they serve as the primary vehicle for consultation and public participation during the IDP's reviewal.

This body comprised of numerous stakeholders, including political parties, ward committees, youth and women's organizations, individuals, Government structures, NGO's and other organizations of civil society.

3.3.2. THE PLANNING PROCESS UNDERTAKEN

Phase 1 – Analysis Update & Review of Progress- Community Consultation on priority needs identification was during the second quarter of 2023/24 financial year. There were departmental and technical strategic planning sessions were convened to review the strategies, indicators and targets. The Institutional strategic planning was held with other stakeholders i.e. Councilors, Traditional Leaders, Executive Management and Labor representatives in preparation for IDP review. The other round of roadshows will be conducted during the month of April and May 2023 to all clusters for the presentation of the draft IDP and Budget to solicit inputs from the community. The inputs will therefore be incorporated to the IDP and discussed in Council and the Rep forum earmarked for the 4th quarter.

Phase 2 – Revised Objectives and Strategies- wherein a participatory process contributed to the formulation of revised development objectives and strategies in relation to the broad priority development issues identified based on the Analysis work and the outputs of a number of Sector Plans undertaken by the Amathole District Municipality and sector departments. Set objectives have been broken down into yearly phases.

These Priority Issues are arranged into revised development clusters, in line with recommendations made by the Amathole District Municipality, which acted in its capacity of setting an appropriate Framework for the IDP Process. Intergovernmental Relations forum were conducted during the review of this IDP however the Cluster IGRs were resuscitated during quarter 3 of 2022/23 financial year,

Phase 3 – Project Planning - wherein technical and participatory processes were undertaken to identify priority projects within sectoral clusters, which were identified in Phase 2.

Project Prioritization was undertaken with the overriding objective being to identify Year 1 priority projects to fit within a realistic budget framework.

The prioritization process was informed by identified development needs per sector. Suggested project priorities for Year 1 were compiled and presented to the Representative Forum, Ward structures and civil society stakeholders, and, finally, the Amahlathi Municipal Council.

Phase 4 – Integration - projects were assessed in order to determine their impact on or potential integration within sectoral programmes (e.g. Land Reform Programme etc.).

Phase 5 – Approval, the final IDP will be publicized for perusal, as required in law. This will follow after its adoption subject and substantive comments by the Amahlathi Municipal Council of May 2024.

3.3.3. PUBLIC PARTICIPATION

3.3.3.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Account Committee (MPAC) was established on the 07th December 2021, in terms of Section 79 of the Municipal Structures Act and as a committee of Council for the efficient and effective performance of its functions. The MPAC Terms of Reference (TOR's) were established in 2016 which states the purpose of the committee and its specific responsibilities. The TORs are reviewed regularly to incorporate developments in the area.

MPAC enables the Council, in respect of financial management, to fulfill its constitutional obligation to scrutinize and oversee executive action with regards to financial administration and non- financial activities.

Members were appointed from Councilors, and it was agreed that none of these appointed Councilors should serve in any other committee and standing committee.

The appointed members are as follows:

- Cllr Zukisa Anda Qonto (Chairperson)
- Cllr Xoliswa Neti
- Cllr Masixole Gantsho
- Cllr Phathuxolo Able Simandla
- Cllr Nichola Ncevu
- Cllr Zonke Mjandana

The role of MPAC is to serve as an oversight Committee and to review Amahlathi Local Municipality's Annual Report with specific focus on the financial aspects as contained in the Auditor-General's Report and also when instructed by the Council to advise Council in respect of unauthorized, irregular or fruitless and wasteful expenditure in terms of Section 32(2) of the Municipal Financial Management Act (MFMA).

The Committee (MPAC) is a link in the accountability chain and plays accountability role at the local sphere of government. It enhances the accountability process by ensuring that there is objective political oversight in addition to the other governance committees, such as Council Executive, Executive Committee (EXCO), Finance Portfolio and the Audit Committee.

3.3.3.2 HUMAN RESOURCES DEVELOPMENT TRAINING COMMITTEE

In terms of the regulations to the Skills Development Act, every organization with more than 50 employees must establish an institutional forum (Training and Employment Equity Committee) for purposes of consultation with regard to skills development. At Amahlathi Municipality, we have an existing Training and Employment Equity Committee (TEEC) which sits as a LLF sub-committee on a quarterly basis and chaired by the Corporate Services Portfolio Head, consisting of the same Councilors that participate in the LLF. It is composed of the following people;

- Portfolio Head Corporate Services
- Portfolio Head Finance
- Cllr for LLF (X4)
- Director Corporate Services
- CFO
- Manager Finance
- Manager Engineering
- Manager SPU
- Human Resources Manager
- Designated Group X3
- Skills Development Facilitator
- Community and Youth Development Administrator (EPWP)
- SAMWU Rep
- IMATU Rep
- Labour Relations Officer
- Training Coordinator

3.3.3.4 LOCAL LABOUR FORUM

The Local Labour Forum is a consultative structure where employer and employee discuss matters of mutual interest. The main collective agreement confers to the L.L.F 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 that individual Local. For Amahlathi, we do have an established Local Labour Forum and it sits on a quarterly basis and when there is a need. The committee representatives are as follows;

NUMBER	EMPLOYER COMPONENT	NUMBER	LABOUR COMPONENT
1.	Portfolio Head Corporate Services	9	SAMWU
2.	Portfolio Head Finance	10	SAMWU
3.	Any three (02) Councilors	11.	SAMWU
4.	Director Corporate Services	12.	SAMWU
5.	Chief Financial Officer	13.	SAMWU
6.	Director Community Services	14.	SAMWU
7.	HR Manager	15.	SAMWU
8.	Director Engineering	16.	IMATU

3.3.3.5 WARD COMMITTEES

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

The dates for establishment of ward committees were advertised at a local community radio station (Forte FM) and Amahlathi Facebook Page. The process of electing Ward Committees commenced 5 January 2022 to 8 April 2022. About 150 ward committee members were elected however to date we have 146 ward committees as others have resigned.

The ward committee are assisting the ward councilors in caring out their mandate in particular with respect to community engagements such as general meetings, steering committees and area meetings. They also attend the municipal programs and give feedback to the community, programs like IDP Roadshows/Mayoral Imbizos, Annual Reports, Public Participation programs, municipal hearings and the door-to-door campaigns organized by the municipality and other sector departments.

Ward Committees submit and table the reports addressing the needs and priorities of the ward through the ward councilors to the office of the Speaker. The Speaker submits the reports to the Council.

In terms of White Paper on Local Government 1998, ward committees should be given stipend and that has been implemented from November 2011. The new council has added R350, and the ward committee stipend is now R1 350.

Community Development Workers (CDWs)

Community Development Workers attend and provide support and reports to ward committee meetings. CDWs assist in ward profiling and stakeholder mobilization for the municipality. They support the work of councilors where possible. They sit with the Office of the Speaker quarterly, tabling their reports and challenges they face in the wards. They also form part of Operation Masiphathisane (War Room) as secretaries.

Not all wards have CDWs, six wards (ward 1, 3, 7,8,14 and 15) out of fifteen are operating without CDWs. There are ten CDWs in our municipality, two are residing in the same ward due to the demarcation.

Traditional Leaders

There are two traditional leaders representing the traditional councils in the jurisdiction of Amahlathi to give support to the council and advice when necessary. They attend all municipal programs and council meetings to give feedback to their traditional councils. One of the key elements of Councilor welfare is the capacitation of councilors through various programmes. Traditional leaders also receive the same benefits and receive sitting allowance and tools of trade as the contribution of the municipality, as stated in the policy.

3.3.3.6 PERFORMANCE AUDIT COMMITTEE

The functions of the Audit and Performance Committee (hereinafter 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 and the preparation of financial reports and statements as well as assisting in performance management systems. The Audit and Performance Committee has 4 members listed hereunder and meet 4 times per annum as per its approved terms of reference.

NUMBER	SURNAME AND INITIAL
1.	Ms. Loren Smith - Chairperson
2.	Mr. Mlulami Mdani
3.	Mr. Mxolelanisi Manxiwa
4.	Ms. Nosipho Mabuza Hermanus

The Municipality has a functional Performance Audit Committee with 4 members. Contracts for AC Members will expire on the 31st August 2025.

AUDIT COMMITTEE CHARTER

The Audit Committee does have charter that sets out the specific responsibilities assigned to the Committee by the Act and the Local Government: Municipal Planning and Performance Management Regulations, 2001 and details the manner in which the Committee will operate.

The charter is to ensure that the Audit Committee will consider matters relating to management and the Council in the discharge of its duties to safeguard assets, operate adequate systems and controls, and review Annual Financial Statements, and on matters relating to performance management and performance evaluation. The charter is under review. The revised charter will be presented in the council of May 2024.

The quarterly audit committee meetings are convened quarterly, and special meetings are convened when necessary.

3.3.4 INTERGOVERNMENTAL RELATIONS (IGR)

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underlie the relations between the spheres of government. IGR meetings will sit on a quarterly basis and are an information-sharing vehicle where government departments and the municipality give light of their experiences and challenges with regards to service delivery. IGR forum is regarded as a strategic planning body with emphasis and updates on current financial year programs and projects. It therefore serves as a feeder to both the IDP Rep forum & District Communicator's Forum (DCF).

During 2016/17 financial year Amahlathi Local Municipality developed and adopted an IGR Policy Framework. The purpose of this framework is to provide procedures by which mechanisms, processes and procedures should be developed and implemented to ensure sound intergovernmental relations between the Amahlathi Local Municipality (ALM), National and Provincial Governments, Amathole District Municipality, Organized Local Government (SALGA) and other strategic stakeholders. This framework serves as an Internal Procedure of the Amahlathi Local Municipality IGR Forum giving effect to the recently Reviewed Provincial IGR Strategy as a mechanism to foster coherent, integrated and aligned service delivery in the province.

TERMS OF REFERENCE FOR THE INTERGOVERNMENTAL RELATIONS FORUM AS OUTLINED IN POLICY FRAMEWORK

Objectives of the Amahlathi IGR Forum

The main objective of the Amahlathi Local Municipality IGR Forum is to enhance coordinated, integrated and aligned development and consider priorities in the entire municipal area. Additional objectives include the following:

- a) Development of a Local Government Programme of Action in relation to the National and Provincial Programmes.
- b) To facilitate the coordination, integration and alignment of provincial and municipal strategic planning and to put in place mechanisms and procedures that will ensure that provincial strategic planning informs and is informed by the IDP of the Amahlathi Local Municipality.
- c) To consult on policy issues that materially affects Local Government.
- d) To develop and provide mechanisms to engage Provincial Government and the Office of the Premier on IGR related matters and/or challenges.
- e) To consider such other matters of mutual interest as either party may place on the agenda of a meeting from time to time.
- f) To promote economic growth and development through trade, investment and tourism.
- g) To share knowledge and expertise in local governance generally or in agreed functional areas.

The goal of the Amahlathi Local Municipality IGR Forum is to ensure that the decisions reached are implemented by:

- a) Sharing of information on/and understanding of the respective programmes of all stakeholders.
- b) A clearer understanding of mutual strategic priorities and how these complement each other.
- c) A commitment to collaborate, engage continually and share information on policy implementation, success stories and co-ordinate activities.

Role of Amahlathi Local Municipality in the IGR Forum

The Amahlathi Local Municipality IGR Forum is a consultative forum for Amahlathi Local Municipality to discuss and consult with stakeholders on matters of mutual interest, including:

- a. Coordinating, overseeing and monitoring the implementation of national, provincial and district governance policies and legislations relating to matters affecting local government interests in Amahlathi Local Municipality;
- b. Matters arising in the District Mayors Forum (DIMAFO), Provincial MuniMEC and the Premier's Coordinating Forum affecting Amahlathi Local Municipality;
- c. Mutual support in terms of the section 88 of Local Government Municipal Structures Act 117 of 1998;
- d. The provision of services in Amahlathi Local Municipality as well as the performance of the Amahlathi Local Municipality in the provision of services in order to detect failures and to initiate supportive, preventive or corrective action when necessary;

- e. Coherent planning and development in Amahlathi Local Municipality;
- f. The coordination and alignment of the strategic and performance plans and priorities, objectives and strategies between the Amahlathi Local Municipality, District Municipality and other spheres of government.
- g. Any other matters of strategic importance which affects the interests of Amahlathi Local Municipality
- h. Coordination of IGR cluster forums that are aligned to Key Performance Areas of local government

THE IGR CLUSTERS

It is critical to note the importance of clarity in the allocation of powers and functions to role players and a keen understanding of specific roles and responsibilities within the realm of service delivery. The IGR System functions more effectively when the role players share a very specific objective that needs to be achieved within a non-negotiable period of time.

- a. The Amahlathi Local Municipality IGR Forum established Clusters to assist and advise it in the performance of its functions and exercise of its powers.
- b. The Amahlathi Local Municipality IGR Forum appointed the members of such Clusters.
- c. The members of the Clusters are members of the IGR Forum as well as other partners/stakeholders of the Amahlathi Local Municipality.
- d. The Amahlathi Local Municipality IGR Forum developed the Terms of Reference of Clusters established by it but may not delegate any decision-making powers to these Committees.
- e. The composition of clusters internally is determined by the respective functional areas.
- f. Each cluster may establish sub-clusters within the cluster to ensure that details of planning, coordination, implementation, monitoring and evaluation are discussed.

The established Clusters meet quarterly or as determined by the cluster established so as to consolidate reports to the Amahlathi Intergovernmental Relations Forum which also sit quarterly.

Allocation of the clusters is aligned to the five (5) KPAs of Local Government as well as the 5 Pillars of the Back-to-Basics Approach.

3.3.5 INFORMATION TECHNOLOGY

To align Information Communication Technology (ICT) with Amahlathi local municipality business goals and strategies for ICT to become a supporter and enabler for departments to achieve their business goals and targets.

To manage the Information Communication Technology and oversee the stability of business systems within the organization, which require constant performance monitoring.

The IT governance framework was approved by the council in September 2015, and it was reviewed in 2017. The purpose of the framework is to institutionalize corporate governance of ICT and governance of ICT as an integral part of corporate governance, within the Amahlathi Local Municipality (ALM). IT master plan was developed with the assistance of the Amathole District Municipality and Ceenex to further strengthen the governance and planning of IT. The recommendations of the IT governance framework and IT master plan are being implemented but due to budget constraints are not fully implemented.

IT Master plan review needs to be budgeted, performed, and updated to reflect the changes and progress that has been made over the years.

The digital transformation strategy has been adopted and approved by the Amahlathi Local Municipality Council. The ICT strategy is being reviewed.

The ICT Steering Committee has been resuscitated and sits quarterly to discuss ICT governance. Amahlathi Local Municipality appointed an independent Chairperson for the ICT Steering Committee.

The IT department has an adopted and approved policy by the municipal council and the policies are reviewed annually.

Adopted/Approved IT policies:

- ICT acceptable policy
- IT Governance
- Change Management policy
- Password policy
- Email Acceptable policy.
- Software Installation policy
- 3G Data Card policy
- Backup procedure manual
- IT master plan
- Digital Transformation Strategy

The ICT unit has a staff complement of two permanent staff members and one intern who has been recruited. The intern commenced his duties on 1 July 2023 and the appointment of the 2nd intern has been advertised.

The ICT office has the sole responsibility of managing ICT resources and therefore provides access to computer networks and maintenance of the ICT equipment supporting all the Municipal employees and Municipal Council. All the municipal buildings are connected to the Amahlathi LM network and have access to the Internet and Voice over Telephone Internet Protocol (VoIP) telephone system.

The ICT unit provides support in all the municipal sites in Stutterheim and the satellite offices although LAN connectivity has proven to be of low bandwidth over the years, its service offering has been revised and proposed to include an installation of WIFI Network connectivity. The Wi-Fi hotspot has been installed on all Amahlathi Local Municipal buildings except for Keiskammahoek, the issue at Keiskammahoek is the infrastructure security at the building and they will relate to a mobile (3g card) connection.

The municipality does have an approved disaster recovery plan. Cibecs backup software is deployed in the municipality to be able to back up and restore data of the municipality inclusive of the 3rd party service providers for the hosting of servers and business continuity. In the revised service offerings, it has been established that Cibecs backup software provides sufficient management of the data and storage of the data as long as the LAN connectivity is at its optimum performance.

For productivity, we have procured Microsoft O365 and migrated the emails to the M365 platform, and the servers are hosted at a data center in East London for business continuity.

Uninterrupted Power Supply (UPS) will be procured and installed in for the 2024 financial year on all the municipality's network cabinets to provide continuous power supply and connectivity during load shedding and power outages.

3.3.6 IDP Previous assessment

Comments from the MEC in the previous years and from the table below shows that the municipality has consistently retained an overall HIGH rating score for five years in succession. However still improvement on 2 KPA's namely Spatial Development Framework and Service Delivery was recommended or encouraged.

KPA	RATING 2019/20	RATING 2020/21	RATING 2021/22	RATING 2022/23	RATING 2023/24
Spatial Development Framework	High	Medium	High	Medium	Medium
Service Delivery	Medium	Medium	High	Medium	Medium
Financial Viability	High	High	High	High	High
Local Economic Development	High	High	High	High	High
Good Governance & Public Participation	High	High	High	High	High
Institutional Arrangements	Medium	High	High	High	High
Overall Rating	High	High	High	High	High

CHALLENGES AND REMEDIAL ACTION

- The results of the assessment were circulated to departments so as to take note of the issues that need to be addressed in the next review of the IDP.
- The Strategic Services department there after held a session looking at the extent in which the assessment result was implemented and further circulated to all departments to attend areas identified as not clearly addressed by departments.

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

ACTION PLAN FOR 2023/24 IDP ASSESSMENT

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
KPI 1 SPATIAL PLANNING					
1.1 Compliance a) Has the council adopted an SDF? If so, when was it adopted?	Page 45 of the IDP document. The IDP document is mentioning the 2013 SDF whereas the municipality is currently having a review for the 2022 SDF which was adopted in September 2022	Amahlathi Local Municipality has adopted the SDF in September 2022.	The SDF has been adopted by Council and has since been Gazetted	Done	Director: Planning and Development
b) Has the SDF been developed according to the requirements of the SDF Guidelines?	The new review SDF will include the 2017 SDF guidelines	Yes	SDF in place	Done	Director: Planning and Development
c) Has the authorised officials been appointed? If not what impediments?	The information has been received and the AO has been appointed by the council.	Yes	Yes, the Council has appointed the Authorised official		Director: Planning and Development
1.4 ACCESS TO LAND AND HUMAN SETTLEMENT DEVELOPMENT. a) Is there a credible land audit report for the municipality, if	The municipality is currently developing one.	The municipality relies on ADM Shared Services	ADM has since 2022 been updating the Land Audit of her Local Municipalities, including Amahlathi	In progress	Director: Planning and Development

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
<p>not is there a plan conduct one</p> <p>b) Does the Municipality have an operational Geospatial information system (GIS) If not, are there plans to establish one.</p> <p>If yes, what type of information that has been captured?</p>	<p>The municipality uses the ADM share-services centre</p>	<p>The municipality uses the ADM share-services centre</p>	<p>The municipality uses the ADM share-services centre</p>	<p>Done</p>	<p>Director: Planning and Development</p>
<p>1.5 ENVIRONMENT MANAGEMENT:</p>					
<p>1.5.1 AIR QUALITY MANAGEMENT</p> <p>Does the IDP reflect the presence of an air quality management plan (AQMP) as contemplated in Section 15(2) of the</p>	<p>The LM must develop an AQMP</p>	<p>To request the district on support to localise the Air Quality Management Plan</p>	<p>A session to discuss plan is scheduled for 26th March 2024 with ADM – Environmental Management unit. Critical is also to do a role clarification in terms of the functions to be performed</p>	<p>31 March 2024</p>	<p>Director: Community Services</p>

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
NEMA: Air Quality Act 39 of 2004	The LM must identify Climate change strategies and activities to respond.	The Municipality with the assistance of the District Municipality will request support from ADM	Session of the 26th of March 2024 will also discuss on coordination of activities that respond to Climate Change best practise as activities are being done by the LM although not recorded.	31 March 2024	Director: Community Services
1.5.2 CLIMATE CHANGE Does the municipality have a climate change response strategy or activities that respond to climate change?	The LM does not define the natural environment, and this should be addressed. In the structure an environmental official must be created. The current situation has persisted for a number of years	The Municipality has a vacant post of Environmental Officer on the Organogram however it is not funded due to the financial challenges.	More will be included on the natural environment including assets and threats.	31 March 2024	Director: Community Services
1.5.3 NATURAL ENVIRONMENTAL ANALYSIS: a) Is there a summarized analysis of the natural environment including assets and threats? b) Are there mechanisms to capacitate local communities on environmental issues	There is no Environmental Official that can capacitate communities, and this should be addressed.	The Municipality has a vacant post of Environmental Officer on the Organogram however it is not funded due to the financial challenges.	Through waste management activities and fire services local communities are capacitated	Ongoing	Director: Community Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPIS	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
c) Is there a plan to address land degradation and revitalization?	The LM must develop a plan to address land degradation and revitalization	The Municipality will request support from ADM	Session of the 26th of March 2024 will also discuss.	Ongoing	Director: Community Services
d) Are there any environmental by-laws in place? How are they enforced?	The LM must develop environmental by-laws.	The Municipality must appoint Environmental Management Officer	The Municipality has the following environmental related By-Laws although need to be reviewed: <ul style="list-style-type: none"> By-law relating to solid waste disposal. By-law relating to the prevention of nuisances 	Ongoing	Director: Community Services
e) Is there an indication of the capital projects that will require environmental authorization to comply with an EIA process?	Izidenge Internal Roads needs EIA and will be submitted in Q1 of 2023/24. The LM have listed only 1 project however there are more in the pipeline.	The EIA application was submitted to DEDEAT in the first quarter of the 2023/24 financial year.	Application submitted. We are waiting the response from DEDEAT.	End 2 nd Quarter 2024/25 FY	Director: Infrastructure Services
f) Is there evidence indicating an attempt to develop environment planning tools such as SOER, EMFs, Coastal	The LM must appoint an Environmental Official to address development of environmental tools	The Municipality will request support from ADM	Session of the 26th of March 2024 will also discuss issues applicable to the LM.	Ongoing	Director: Community Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
Management Plans, aquatic ecosystem, ecological infrastructure, wetlands bioregional plans and associated EMPS?					

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
2. SERVICE DELIVERY AND INFRASTRUCTURE PLANNING					
2.1 Does the municipality have Rural Roads Asset Management (RRAMS)?	Municipality does not have RRAMS and there is engagement with DM for assistance.	Amathole District has developed a RAM'S system for its LMs	Completed	Done	Director: Services Infrastructure
a) Is there an approved storm water management plan?	The storm water plan was commission by ADM years ago	Amathole District has reviewed the roads and storm water plan maintenance	Completed	Done	Director: Services Infrastructure
b) Do municipalities have coordinated forums towards Road's planning?	There is no roads forum in the municipality	Municipality will resuscitate the roads forum and sit quarterly.	In progress	June 2024	Director: Services Infrastructure
c) Have the municipalities and budgeted for non-motorised facilities?	The municipality must reflect in the IDP	Non-motorised facilities projects will be identified and accommodated in Stutterheim Master Plan Precinct. The municipality is busy applying for its funding.			Director: Services Infrastructure
d) Do municipalities have coordinated forum towards Transport planning?		Municipality will resuscitate the roads forum and sit quarterly to			Director: Services Infrastructure

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

			assist with coordinated transport planning			
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DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
WASTE MANAGEMENT SERVICES					
e) Does a municipality have a formally appointed and designated waste management officer?	Assuming duties on the 1st of August 2023		Yes		Director: Community Services
f) Does the Municipality have a Trade Effluent Policy?	There is no Trade Effluent Policy		Not yet		Director: Community Services
g) Is there a budget for Operations and maintenance being ring fenced for the above purpose?	No budget	Are there any plans for this purpose in terms of budgeting for it, estimated time frame if yes?	No budget		Director: Community Services
h) Are there any coordinated fora for waste management?	No forums locally, but we attend Provincial Waste Management forum.	Local Waste Management Forum is in the process to be convened.	Municipality is currently working on terms of reference	30 June 2024	Director: Community Services
2.5 DISASTER MANAGEMENT / EMERGENCIES AND FIRE					Director: Community Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
SERVICES					
a) Has the Municipality adopted a disaster management plan?	The municipality does not have a disaster management plan.		Contingency plan in place as ALM forms part of the District Disaster Plan	30 June 2024???? Is this time frame for review?	Director: Community Services
b) Is the municipal Spatial Development Plan informed by disaster vulnerability and risk assessment reports?		Performing minor SDF Review	Ongoing	30th June 2024	Director: Community Services and Director Planning and Development
c) Are emergency procurement measures stipulated in the disaster management plan?			Stipulated in the Contingency plan		Director: Community Services
d) Are disaster management by-laws adopted?		To request assistance from ADM			Director: Community Services
2.6 ENERGY					
Does the municipality have electricity backlogs?	2016 backlog reflecting in the IDP document.	The backlog is within ESKOM areas. Eskom has an annual allocation for electrification	In progress	Annually	Director: Infrastructure Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
3. FINANCIAL PLANNING AND BUDGETS					
3.2 Expenditure					
a) Does a municipality have a Repairs and Maintenance Plan in place and budgeted for as per MFMA Circular 51?	The municipality does a plan in place; however, it is below the 8% norm (as per circular 51)	Implementation of Financial Recovery Plan, Revenue Enhancement Strategy and Cost Containment policy.	The municipality currently has payment arrangements with some of its creditors including Eskom. Sitting of Revenue Enhancement Committee resuscitated.	30 June 2027	Chief Financial Officer
b) Does the municipality service its creditors in terms of financial norms and standards?	No	Implementation of Financial Recovery Plan, Revenue Enhancement Strategy and Cost Containment policy.	The municipality currently has payment arrangements with some of its creditors including Eskom. Sitting of Revenue Enhancement Committee resuscitated.	30 June 2027	Chief Financial Officer
5. GOOD GOVERNANCE & PUBLIC PARTICIPATION					
a) Were the recommendations of the previous year's IDP assessments taken into account through the implementation of	The municipality must develop an action plan on the recommendations of the previous year's IDP and include that in the IDP	Action Plan has been developed and progress is updated quarterly by user departments.	Implemented		General Manager

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
the IDP Assessment Action Plan					
b) Is the municipality engaged in inter-municipal planning programmes? (be explicit) Programmes/project in respect of inter-municipal planning to be indicated					Director: Planning and Development
6. INSTITUTIONAL ARRANGEMENTS					
c) Does the Municipality have mechanisms for proper management of satellite offices?	The municipality needs to mention proper management of satellite offices	The municipality develops a template for the reporting of satellite offices. Currently there are two satellite office that are required to report in that fashion and those are Cathcart and Keiskammahok. Kei Road Satellite is still used as extension of the Head Office. There are few functions that are discharged there, and	The two satellites are functional and submit reports on a quarterly basis.	Quarterly	General Manager

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
<p>ORGANISATIONAL DEVELOPMENT</p> <p>a) Does the IDP contain a council approved organisational structure/organogram that aligns to the long-term development plans of the municipality as reflected in the IDP, as well as powers and functions of the municipality? If yes, is the vacancy rate indicated? (Provide brief analysis of the structure and indicate filed and funded vacancies))</p>	<p>IDP does not contain an approved organisational structure reflected on the approval</p>	<p>they are reported in Stutterheim</p> <p>The structure has been finally approved by council on 25 January 2024. COGTA recommendations were also received, and no changes are to be affected in the approved structure. IDP unit shall reflect the approved organogram in the IDP document of the institution.</p> <p>Employees are yet to be placed onto the new organogram, therefore vacant funded and unfunded positions cannot be calculated, more especially because the municipality has a moratorium of filling of non-critical positions</p>	<p>Done</p>		<p>Director. Corporate Services</p>
<p>b) Does your IDP reflect on the critical and scarce skills that</p>	<p>Indicated not yet identified critical and scarce skills</p>	<p>The municipality has filled most of its critical and scarce skills</p>	<p>Candidates resumed duties on 01 January 2024</p>	<p>January 2024</p>	<p>Director. Corporate Services</p>

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

EVIDENTIAL CRITERIA KPI'S	COMMENT FROM COGTA	REMEDIAL ACTION BY MUNICIPALITY	PROGRESS	TIMEFRAME	CUSTODIAN
are a challenge to your municipality?		positions for the municipality, namely the positions of Manager electricity, Internal Audit Manager and Manager budget, financial reporting and asset Management			

3.3.7 PUBLIC PARTICIPATION

a. Public Participation

The Municipality has a Public Participation Strategy that was adopted 29 June 2023 and a Public Participation Policy that was first adopted by Council in September 2015. The policy 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 convened quarterly in preparation of each phase.

The following forms are used in calling the interested parties,

- Website to publish our notices.
- Amahlathi Local Municipality Facebook Page notices
- Community Radio Stations to reach those parts of our community that do not read newspaper.
- Posters, pamphlets, ward councillors 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 are held in community halls the preferable languages that we use are:

- English
- Xhosa

b. Petition Management

The policy framework has been developed to assist Amahlathi Local Municipality with Petition management process. It is the understanding that a petition is a request, representation, submission or complaint lodged by member/s of the public to Amahlathi Local Municipality about an issue that the petitioner/s would like the municipality give attention to. It is further envisaged to enable communities to actively participate in matters that concern them.

The purpose of this policy framework is:

- To provide for the right to submit petitions to Amahlathi Local Municipality.
- To provide for the general principles and procedures for submission of petitions.
- To provide for consideration of petitions by a Committee of Council assigned to deal with petitions.
- To provide for incidental matters

Received petitions are acknowledged within 7 working days. A petitioner submits a petition in any of the official languages of the Republic of South Africa. After acknowledgement of receipt, the petition is logged on the register. Petitions Committee considers the submission and then the petition is directed to the affected department. The

petitioner/s is informed of every progress made till the matter is resolved. A status report on Petitions received is submitted to Council on a quarterly basis. The reports are extended over to cover for the preceding quarter.

c. COMMUNICATION STRATEGY

There is a Communication Strategy and a Communication Action Plan that determine the order of annual communications. The strategy is reviewed by council on an annual basis and the action plan developed annually with to reflects targets of each year. The strategy was first adopted Council in February 2014. Communication Policy was approved by council in 2016 to assist with implementing the Communication Strategy.

The purpose of the strategy is to communicate priorities of the IDP to communities, to encourage open, honest, and accountable two-way dialogue with all stakeholders, to strengthen and improve internal and external communication, to promote a consistent corporate identity, to build meaningful partnerships with the Farmers Association, Rate Payers and the Business Sector and to bridge information gap between Amahlathi and its stakeholders through the established war rooms.

Customer care complaints are received through the Presidential Hotline via the Office of the Premier and received complaints are resolved through liaising with the relevant internal department working together with the complainant. In instances where the complaint cannot be resolved the complainant is advised. Municipal Account related customer care enquiries and complaints are received through the Budget and Treasury Office.

3.3.8 Special Programs

In the municipality there's a unit dealing with special programs with three officials. There is SPU strategy in place developed and approved by council in 2017. It is partially implemented due to financial constraints. The document is due for reviewal in line with its 5-year term of relevance. The Amahlathi Local Municipality SPU has a responsibility for the co-ordination and mainstreaming of Historically Designated individuals to the agenda of the Municipality in general. This includes ensuring service delivery impacts in a manner that enhances the capacity of these groups to be part of the society as opposed to being a subject that is the periphery.

As a way of mainstreaming the designated groups, SPU has the responsibility of establishing structures that are meant to be the voice of these groups in influencing the Municipality to ensure that these groups participate at all levels of setting the agenda for service delivery. The Municipality has a responsibility of establishing Women structures, advocate for capacitation/developmental programmes for women in our jurisdiction. The Municipality has an established GBV rapid response team inclusive of our vulnerable groups that provides support to victims with various Government and Non-Government partners in our Municipality. The youth have a fully functional Youth Council which coordinate with SPU to what bring about Youth Development programmes such as Youth Celebration, Youth in Sport Career preparedness and Skills training programmes. The Municipality also has a fully fledge forum of people with disabilities which advocates and gives direction to the Municipality on programmes that target People with Disabilities ensuring that their rights are protected in our society. Below is the Action plan that details the activities undertaken and or scheduled for 2023/24 financial year and it will be reviewed by June for implementation in 2024/25.

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

Special Programmes	PROGRAMME	DEPARTMENT RESPONSIBLE	TIME FRAME	BUDGET
events targeting the 4 of the 7 Groups.	Women's Day Celebrations	SPU	1 st Quarter	n/a
	Sport related programme	SPU	2 nd Quarter	n/a
	Disabled People's Programme	SPU	2 nd Quarter	n/a
	World Aids Day Commemoration	SPU	2 nd Quarter	n/a
	16 Days of Activism	SPU	2 nd Quarter	n/a
	HIV&AIDS PROGRAMME	SPU	3 RD Quarter	n/a
	Child Protection Month	SPU	4 th Quarter	n/a
	Youth Celebrations June	SPU	4 th Quarter	n/a
	Mayoral Cup	SPU	4 th Quarter	n/a

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

3.3.9 AMAHLATHI MUNICIPALITY AUDIT ACTION PLAN 2023/24 FINANCIAL YEAR

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
1	COA F 001	1 AOPO - Inadequate documentation	1. It has been noted in the Standard Operating Procedures (SOPs) that the municipality planned to measure the achievement of the indicators listed in the table below, on the average percentage achieved on activities or milestones towards project completion. There is, however, no clear indication in the SOPs of the planned activities or milestones to clearly determine how this average progress would be measured. 2. Management has not submitted	Lack of Technical Indicator Descriptors (TIDS), proper coordination of supporting documents.	For the projects whose progress is measured by the consulting engineers, management does not have sufficient details of how the consulting engineers measure the progress on the relevant projects. It appears that validation by management is not performed and not supported. For the in-house project management has not submitted adequate	Management and those charged with governance should ensure that proper systems and processes are in place to support reliable reporting of performance information. It is further recommended that when the monthly progress reports are submitted by the consulting engineers, management should request all the supporting working schedules which shows in detail how each activity % have been computed and further verify the reported progress with the	1. Develop TIDs 2. Review of SOP to be aligned with the TID 3. Ensure that appropriate supporting documents are submitted as part of the POEs	1. Technical Indicator descriptions have been developed for Engineering services's key performance indicators, they were submitted to Internal Audit for review and currently being finalised for approval. 2. Management will prepare report over and above the consultant report confirming the progress reported.	01-Mar-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
			<p>all progress report and supporting working schedules requested.</p> <p>3. Management has not provided adequate evidence of having performed verification on the validity of all progress reports submitted.</p>		<p>supporting documentation that were used to calculate the % progress reported in the APR. There appears to be inadequate processes to support information reported in the APR.</p>	<p>supporting schedules prior to acceptance of the report. In respect of the in-house project, it is recommended that management maintains a system of recording in detail the progress for each activity on site and each activity progress to be supported by pictures. This working document should be submitted together with the progress report for further reviews. Thorough, timely reviews should be conducted to enable early detection, correction and monitoring of</p>				

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
						performance reporting to avoid recurring findings.				

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
2	COA F 001	2. AOPO - Overall project progress could not be determined	The calculation of the average progress towards completion of the projects could not be determined for KPIs 10, 14 and 15.	Lack of Technical Indicator Descriptors (TIDS), proper coordination of supporting documents.	For the projects whose progress is measured by the consulting engineers, management does not have sufficient details of how the consulting engineers measure the progress on the relevant projects. It appears that validation by management is not performed and not supported. For the in-house project management has not submitted adequate supporting	Management and those charged with governance should ensure that proper systems and processes are in place to support reliable reporting of performance information. It is further recommended that when the monthly progress reports are submitted by the consulting engineers, management should request all the supporting working schedules which shows in detail how each activity % have been computed and further verify the reported progress with the supporting	1. Develop TIDs 2. Review of SOP to be aligned with the TID 3. Identify the numerator and denominator when using averages	Technical Indicator descriptions have been developed for Engineering services's key performance indicators, they were submitted to Internal Audit for review and currently being finalised for approval.	01-Jul-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
					<p>documentation that were used to calculate the % progress reported in the APR. There appears to be inadequate processes to support information reported in the APR.</p>	<p>schedules prior to acceptance of the report. In respect of the in-house project, it is recommended that management maintains a system of recording in detail the progress for each activity on site and each activity progressed to be supported by pictures. This working document should be submitted together with the progress report for further reviews. Thorough, timely reviews should be conducted to enable early detection, correction and monitoring of performance</p>				

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
						reporting to avoid recurring findings.				

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
3	COA F 002	Inadequate frequency of meetings	Risk Committee convened fewer times than recommended per the terms of reference	It was noted that the last meeting for the committee was cancelled due to management commitments, however never rescheduled to a different date, still within the financial year.	It was noted that the last meeting for the committee was cancelled due to management commitments, however never rescheduled to a different date, still within the financial year.	Management and those charged with governance should ensure that the risk management committee meets at least once quarterly to ensure regular risk assessments are periodically conducted and monitored.	1. Ensure that the Risk Committee convene per the terms of reference 2. Include Risk Committee meeting in the institutional calendar	Inclusion of Risk Committee Meetings to institutional calendar. Invitation of Risk Committee member to attend Risk Committee Meetings well ahead of the scheduled date and subsequent email reminders of the	30-Mar-24	Executive Services
4	COA F 002	External Assessment for internal Audit not conducted	During the assessment of the internal audit function, it was noted that an external quality assurance review/assessment was not performed on the internal audit function as	The assessments were not done due to capacity constraints. Vacancy of internal audit manager from 01st November 2022.	The assessments were not done due to capacity constraints. Vacancy of internal audit manager from 01st November 2022.	Management should ensure that an external quality assurance review/assessment of the internal audit unit is performed as required by the Institute of Internal Auditors to ensure	1. Obtain assistance from Provincial Treasury on the quality assurance review 2. Submit the internal audit reports to the audit	Engagement of Provincial Treasury Transversal audit for support before 29 February 2024 and for performance of QAIP audit	30-Jun-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
5	COA F 002	Non-compliance with the Public Sector Audit Committee Forum regulations	required by IIA standard 1312, and this assessment has not been performed in the past 5 years It was noted through the work done on understanding the audit committee that there was no review and approval of the combined assurance plan by the audit committee. Further, we could not obtain evidence from the submitted minutes of the audit committee meetings that the audit committee considered and satisfied itself of the appropriateness of the expertise and	No combined assurance plan in place. Review and approval of the combined assurance plan is not included in the audit committee charter as part of the audit committee's responsibilities. Review and approval of the expertise and adequacy of the resources of the finance function is not included in the audit committee charter as part of the audit	No combined assurance plan in place. Review and approval of the combined assurance plan is not included in the audit committee charter as part of the audit committee's responsibilities. Review and approval of the expertise and adequacy of the resources of the finance function is not included in the audit	It is recommended that the audit committee should ensure that there is a combined assurance plan in place adopted by the municipality which should then be reviewed and approved by the audit committee. In addition, combined assurance plan should be included in the audit committee charter so that it is prioritized. The audit committee should further ensure that every year,	1, Management to develop a Combined Assurance Plan. 2. Revise and amend Audit Committee Charter in order to ensure that the audit committee reviews the combined assurance plan, considers and satisfies itself of the appropriateness of the expertise and adequacy of resources of	Combined assurance framework will be prepared and submitted to Management for consideration, and Audit Committee for review and approval during the policy review period.	31-May-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
			adequacy of resources of the municipality's finance function as required by the PSACF regulations	committee's responsibilities.	committee charter as part of the audit committee's responsibilities.	the audit committee considers and satisfies itself of the appropriateness of the expertise and adequacy of the resources of the auditees finance function.	the auditees finance function on an annual basis			
6	COA F 002	Unauthorized expenditure has not been investigated	There was no evidence of investigations done to determine if any person was liable for the expenditure, in order to recover prior year unauthorized expenditure as required by section 32(2)(a) of the MFMA.	The cause of the issue is lack of implementation of consequence management policy and adherence to requirements of section 32(2)(a) of MFMA.	The cause of the issue is lack of implementation of consequence management policy and adherence to requirements of section 32(2)(a) of MFMA.	Management should take reasonable steps to ensure that where unauthorized expenditure is identified, it is promptly investigated so that it can be recovered or certified irrecoverable and written off by the council.	1. To ensure that where unauthorized expenditure is identified, it is promptly investigated so that it can be recovered or certified irrecoverable and written off by the council. 2. Submit UIFW report to MPAC	Training of MPAC members took place during the 2022/23 FY. Investigations into UIFW Expenditure took place during the current financial year.	30-Jun-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
7	COA F 003	Information Technology Control Environment	1. IT Steering committee only met from the third quarter of the financial year.	The ICT Steering Committee was non-functional, it sat from the 3rd quarter as a result of being resuscitated.	Inadequate monitoring over the municipality's IT environment.	It is recommended that: IT Steering committee meets regularly, at least once in a quarter. There is formal access change request documentation being completed for termination of access on all financial / performance information systems. Financial data is backed up on a regular basis according to an established schedule and frequency. IT department is adequately staffed, and all vacancies are filled. Alternative power source is sourced	1. Ensure IT Steering committee meets regularly, at least once in a quarter.		30-Mar-24	Corporate Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
8	COA F 003	Information Technology Control Environment	2. There is no formal access change request documentation being completed for termination of access on all financial / performance information systems.	Inadequate monitoring over the municipality's IT environment.	Inadequate monitoring over the municipality's IT environment.	to ensure continued availability of ICT systems. in the event of power outages. It is recommended that: IT Steering committee meets regularly, at least once in a quarter. There is formal access change request documentation being completed for termination of access on all financial / performance information systems. Financial data is backed up on a regular basis according to an established schedule and frequency.	1. Ensure that there is one document template for all ICT related systems	This finding was resolved with the AG	None	Corporate Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
9	COA F 003	Information Technology Control Environment	3. Financial data is not backed up on a regular basis according to an established schedule and frequency.	Inadequate monitoring over the municipality's IT environment.	Inadequate monitoring over the municipality's IT environment.	IT department is adequately staffed, and all vacancies are filled. Alternative power source is sourced to ensure continued availability of ICT systems. in the event of power outages. It is recommended that: IT Steering committee meets regularly, at least once in a quarter. There is formal access change request documentation being completed for termination of access on all financial / performance information systems. Financial data is	1. Ensure financial data is backed up on a regular basis according to an established schedule and frequency.	This finding was resolved with the AG	None	Corporate Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
10	COA F 003	Information Technology Control Environment	4. IT department is not fully resourced as two of the four available positions reflect as vacant on the organogram (Desktop Technician and WEB & Network Administrator).	The organogram used with the stated positions is no longer in use and these positions do not exist in the newly approved organogram. They therefore would not be filled in the	Inadequate monitoring over the municipality's IT environment.	backed up on a regular basis according to an established schedule and frequency. IT department is adequately staffed, and all vacancies are filled. Alternative power source is sourced to ensure continued availability of ICT systems. in the event of power outages.	1. Ensure that the IT department is adequately staffed, and all vacancies are filled		31/01/2024	Corporate Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
				middle of organogram change.		access on all financial / performance information systems. Financial data is backed up on a regular basis according to an established schedule and frequency. IT department is adequately staffed, and all vacancies are filled. Alternative power source is sourced to ensure continued availability of ICT systems. in the event of power outages.				
11	COA F 003	Information Technology Control Environment	5. No alternative power sources were identified in the event of power outages to ensure continued	Municipal Network cabinets have old and nonfunctional UPS batteries. At budget	Inadequate monitoring over the municipality's IT environment.	It is recommended that: IT Steering committee meets regularly, at least once in a quarter.	1. Consider the viability of alternative power source is sourced to ensure continued		30-Jun-24	Corporate Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
			availability of ICT systems.	review, the UPS will be procured and put in place in Q4		There is formal access change request documentation being completed for termination of access on all financial / performance information systems. Financial data is backed up on a regular basis according to an established schedule and frequency. IT department is adequately staffed, and all vacancies are filled. Alternative power source is sourced to ensure continued availability of ICT systems. in the event of power outages.	availability of ICT systems. in the event of power outages. 2. Procure UPS			

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
12	COA F 004	Payroll and performance management internal control deficiencies identified	The staff establishment was not approved for the 2022/23 financial year. Also, job descriptions were not provided for each post on the staff establishment	2021/22 staff establishment was approved by Council but was impossible to implement because it contained information that could only be inserted once the person to post matching had taken place. 2022/23 was the year of organizational re-engineering where most of the senior leadership exited the organization.	The job description process was not completed within the designated timeframe. Management did not review the organization due to the resolution to refrain from appointment of additional personnel beyond senior managers.	The organization should be approved on a yearly basis and tabled to council as per legislative requirements and municipality's policies. Job descriptions for each available post should be completed and approved by the municipal manager.	1. The organization should be reviewed annually and tabled to council as per legislative requirements and municipality's policies. 2. Job descriptions for each available post should be completed and approved by the municipal manager.	This finding was resolved with the AG	None	Corporate Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
13	COA F 005	AOPO - Indicators not relevant	1. The Key Performance Indicators (KPIs) noted on the table below are not logically and directly related to the Key Performance Area (KPA) and strategic objective as contained in municipality's Service Delivery and Budget Implementation Plan (SDBIP).	Adequate review of planning documents	KPI 16 - % progress towards renovating the municipal offices Management has linked municipal offices to provision of service delivery as they are used by municipal officials who render services to the public. However, there is a difference between administrative work done and service delivery from which the public derives a direct benefit.	Management and those charged with governance should ensure thorough review of performance information to ensure that each indicator is linked to a relevant key performance area and strategic objective.	1. Ensure adequate review of the IDP and SDBIP during the mid-year adjustment 2. Ensure that KPIs are aligned to the KPAs and Strategic Objectives	The SDBIP and strategies were reviewed during mid-year adjustment, the indicator for building compliance was then aligned with the following strategies "To facilitate a balanced spatial development form for the Municipality"	01-Mar-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
					<p>KPI 17 - % of complying submitted building plans approved</p> <p>Management has linked complying building plans approved to service delivery, with the motivation that the public stands to benefit from ensuring that only complying buildings are approved. However, complying building plans do not constitute service delivery.</p>					

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
14	COA F 005	AOPO - Indicators not relevant	2. The strategy to achieve the strategic objective does not include the nature of the structure measured by the KPI (16)	Adequate review of planning documents	<p>KPI 16 - % progress towards renovating the municipal offices</p> <p>Management has linked municipal offices to provision of service delivery as they are used by municipal officials who render services to the public. However, there is a difference between administrative work done and service delivery from which the public derives a direct benefit.</p>	<p>Management and those charged with governance should ensure thorough review of performance information to ensure that each indicator is linked to a relevant key performance area and strategic objective.</p>	<p>1. Ensure adequate review of the IDP and SDBIP during the mid-year adjustment</p> <p>2. Ensure that KPIs are aligned to the KPAs and Strategic Objectives</p>	<p>The SDBIP and strategies were reviewed during mid-year adjustment the indicator for building compliance was then aligned with the following strategies "To facilitate a balanced spatial development form for the Municipality"</p>	01-Mar-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No.	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
					<p>KPI 17 - % of complying submitted building plans approved</p> <p>Management has linked complying building plans approved to service delivery, with the motivation that the public stands to benefit from ensuring that only complying buildings are approved. However, complying building plans do not constitute service delivery.</p>					

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
15	COA F 005	AOPO - Indicators not relevant	3. Some KPIs could also not be linked to the focus areas, included in chapter 3.1 of the municipality's Integrated Development Plan (IDP) integral to basic service delivery and infrastructure development	Adequate review of planning documents	<p>KPI 16 - % progress towards renovating the municipal offices</p> <p>Management has linked municipal offices to provision of service delivery as they are used by municipal officials who render services to the public. However, there is a difference between administrative work done and service delivery from which the public derives a direct benefit.</p>	<p>Management and those charged with governance should ensure thorough review of performance information to ensure that each indicator is linked to a relevant key performance area and strategic objective.</p>	<p>1. Ensure adequate review of the IDP and SDBIP during the mid-year adjustment</p> <p>2. Ensure that KPIs are aligned to the KPAs and Strategic Objectives</p>	<p>The SDBIP and strategies were reviewed during mid-year adjustment.</p>	01-Mar-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
					<p>KPI 17 - % of complying submitted building plans approved</p> <p>Management has linked complying building plans approved to service delivery, with the motivation that the public stands to benefit from ensuring that only complying buildings are approved. However, complying building plans do not constitute service delivery.</p>					

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
16	COA F 006	AOPO - Target not SMART	The target for the indicator is stated as 100% of road markings and signs maintained per inspection report. However, it has been noted that management does not maintain or keep any inspection reports. Further per inspection of the pictures taken as evidence of maintenance done, it has been noted that the before and after pictures have the same dates and therefore were taken on the same day as the repairs were done. Consequently, it was noted that the before pictures taken do not serve as evidence of inspections (but	<p>1. Inspections that are not conducted at the beginning of the quarter to identify areas need maintenance prior repairs.</p> <p>2. Limited number of cameras that lead to employees using phones.</p>	<p>There are deficiencies in process involved in executing the indicator as the officers do not compile written reports of inspections done and submit these to senior officials for approval prior to work being done as detailed in the standard operating procedures.</p>	<p>Management and those charged with governance should ensure thorough review of performance information is done to ensure that the SMART criteria is applied when setting targets for the indicators.</p>	<p>1. Develop TIDs</p> <p>2. Review of SOP to be aligned with the TID</p> <p>3. Ensure that if pictures are taken, that it be electronic date stamped</p>	<p>The target has been revised during the MID-year adjustments and SMART principle applied, furthermore the technical Indicator has been developed and will be finalised and approved.</p>	15-Apr-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
17	COA F 007	1. Difference between Age Analysis and Trial Balance	rather as proof of work done). We are therefore unable to conclude that 100% of inspected road markings have been repaired as the pictures are taken on the same day as the job is done. The consumer debtors per the Age Analysis do not agree with that per the Trial Balance	Reconciling differences identified within debtors were not relocated with journals at period end	Inadequate controls over the preparation and reconciliation of the accounting records.	Management should ensure that the sources of information utilized in the preparation of the annual financial statements are reconciled and reviewed on a regular basis. Any variances identified should be resolved in a timely manner.	1. Perform monthly reconciliations. 2. Review reconciliations and investigate the reasons for differences. 3. Correct differences identified 4, Review of transaction codes		30/04/2024	Budget & Treasury
17	COA F 008	No submission	Information requested as part of RFI 43 was not fully submitted	Part of information requested were housed at Human	There is no adequate filing system that allows easy access	A proper filing system should be maintained by the municipality. It is recommended	1. A proper filing system should be maintained and record		29/02/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
18	COA F 009	Inadequate documentation to support the performance monitoring of appointed service providers.	1, All Progress Reports were not submitted 2. All supporting evidence of appointed project managers were not submitted	Resources and did not form part of initial submission	and retrieval of information	that listings for achievements in the various indicators be kept and properly filed to enable easy access and retrieval of information.	keeping improved. 2. Scanning of documents (Electronic copies)		29/02/2024	Budget & Treasury
				Inadequate review of supporting documents	This has resulted in a limitation of scope on assessing performance monitoring of suppliers in terms of the deliverables stipulated in each of the affected contracts.	Management and those charged with governance should ensure that proper systems and processes are in place to support reliable reporting of performance monitoring of suppliers. Copies of monthly progress reports should be submitted to contracts management within the Supply Chain Management.	1. Review SOP for contract management 2. Monthly submission and review of contract evaluation forms			

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F.No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
19	COA F 010	GL vs Payroll Reconciliation	Undefined differences were identified on reconciliation between the Payroll report and GL, refer to the below table for a breakdown of these differences	Reconciling differences identified within Employee related costs and Salary Control were not relocated with journals at period end	Inadequate controls over the preparation and reconciliation of the accounting records.	Management should ensure that the sources of information utilized in the preparation of the annual financial statements are reconciled and reviewed on a regular basis. Any variances identified should be resolved in a timely manner.	1. Review reconciliations between the payroll report and General Ledger and investigate the reasons for differences on a monthly basis 2. Make the relevant corrections, classifications and/or appropriately disclose relevant reconciling items		30/04/2024	Budget & Treasury
20	COA F 011	Non submission of information	All journals were not submitted by due date	All journals were not appropriately supported	There is no adequate filing system that allows easy access and retrieval of information	A proper filing system should be maintained by the municipality. It is recommended that listings for achievements in the various indicators be kept and properly filed to enable easy	1. A proper filing system should be maintained and record keeping improved. 2. Scanning of documents (Electronic copies)		29/02/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
						access and retrieval of information.				

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
21	COA F 012	Revenue on the sale of electricity cannot be reliably measured	It has been noted that the meter readings, as per the meter reading book, used in determining the sale of electricity on the KVA meters are the same for each month of the current year under audit. On enquiry of the matter from the Municipality it was confirmed that these meters are faulty, and readings cannot be performed and as a result the consumption used for determining the amount of electricity to be charged to the KVA meter customers is the last consumption taken before the	Faulty KVA meters	This has been caused by lack of timely action by management to repair the faulty KVA meters so that correct meter reading is used to charge electricity.	Management should ensure that timely action is taken to repair or replace faulty meters to ensure that the correct consumption is used in billing and recognition of sale of electricity.	1. Report on faulty meters identified to Engineering. 2. Ensure that all faulty meters are replaced, and consumption estimates are according to the accounting policy	The faulty meters are currently being replaced. A service provider has been appointed to supply meters and the installation is done in house.	30/04/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
			<p>KVA meters became faulty. This method is not in line with the municipality's accounting policy and management has not assessed the impact of applying an estimate to determine whether significant adjustments are not required to reverse excessive estimates at year end as well as to align billing to consumption.</p> <p>We are therefore unable to determine whether the amount recognized as service charges for the population affected can be reliably measured.</p>							

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
22	COA F 013	General Expenditure recognized on payment basis	Management has recognized expenditure on the payment basis for Municipal Services, Fuel and Oil, Insurance, Subscriptions and Membership fees, Telephone and taxes	Cut off procedures were not properly executed for Insurance premiums and expenditure paid via debit order.	Electricity – Eskom, Fuel and Telephone The debit orders as reflected in the bank statements are used to capture the expense items in the general ledger, resulting in cash basis of accounting being applied to recognize these transactions. Electricity – ADM The municipality struggles obtaining statements from ADM as such have opted to	Transactions should be recorded in the general ledger when they have actually occurred, that is when the services have been rendered or/and goods have been received. It is recommended that monthly invoices and/or statements from suppliers be used to record the expense in the general ledger With respect to ADM electricity, water and sanitation, it is recommended that management and those charged with governance intervene and ensure statements from	1. Ensure transactions are captured in the correct period. 2. Perform year-end procedures to ensure proper cut-off of transactions. 3. Create SOP on debit orders		31/03/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F. No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
					<p>debtors age analysis as a source to record transactions in the general ledger. Insurance and Subscriptions</p> <p>The expenditure items were recognized in full upon receiving the invoice.</p>	<p>ADM are received monthly. The billings for each month as reflected in the statements should be the expense recorded in the general ledger</p> <p>Management should exercise oversight over application of the accrual basis in recognizing expenses in the general ledger by reviewing the transactions processed and confirming that transactions are recorded when they occur as opposed to when they are paid. Further, it is recommended that management reviews the controls that are</p>				

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F.No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
						currently in place for fuel and oil. The authorization forms and receipt in respect of each use of a car and its petrol card should be filed separately, to enable effective monitoring of use of municipal assets.				

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
23	COA F 014	Limitation on refuse removal	On testing the accuracy of services charges on refuse removal, supporting documentation was requested to substantiate the bins used to calculate the refuse removal revenue for business properties. The verification list submitted was deemed not to be accurate or complete.	During the skin bin verification, officials did not identify that units identified did not match the volume charged	The cause of the finding is that bins used to determine refuse removal are not accurately verified to ensure that the correct number of bins is used in the calculation of refuse removal.	Recommendation is that management should conduct accurate verification of refuse removal bins to ensure that the correct number of bins are used in determining the refuse removal revenue.	Management should conduct annual verification of refuse removal bins to ensure that the correct number of bins are used in determining the refuse removal revenue.		30/04/2024	Budget & Treasury
24	COA F 015	SARS interest recorded inaccurately	Interest recorded for two months was in relation to the total amount payable and not only interest charged.	Interest not recorded on time, resulting in accumulated invoice/stateme nt used	There has been inadequate review of transactions recorded in the general ledger by senior supervisors, resulting in errors made	Management should ensure that there are adequate reviews of transactions captured in the general ledger.	1. Ensure that SARS are paid on time. 2. In instances when SARS were not paid on time, please ensure that the interest and penalties are accurately accounted for.		30/04/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F. No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
25	COA F 016	Non submission of information	All journals information requested was not submitted by due date	All journals were not appropriately supported	There is no adequate filing system that allows easy access and retrieval of information.	A proper filing system should be maintained by the municipality. It is recommended that listings for achievements in the various indicators be kept and properly filed to enable easy access and retrieval of information.	3. Print SARS statements on a monthly basis 1. A proper filing system should be maintained and record keeping improved. 2. Scanning of documents (Electronic copies)		29/02/2024	Budget & Treasury
26	COA F 017	Difference between GL and Billing Report	Differences were identified between the Billing report and General Ledger in respect of electricity	The finding was resolved with the AD	The cause of the finding is due to a duplicating of electricity payments recorded in the GL and also the inclusion of expenditure incurred by Management in respect of electricity.	Management should ensure that the proper systems are established in all departments to make it possible to determine Management's Standing Order and ensure that there are no errors in the calculation of the electricity bill.	Ensure electricity billing responsibilities with the AD are established and signed off properly.	The finding was resolved with the AD	30/04/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
27	COA F 018	1. The narration for Note 22 - Property Rates is not accurate	Differences were identified between the Valuation roll and Property rates disclosure per note 22.	Reconciliation differences item was not properly communicated	The cause of the finding is that the reconciliation between the narration presented on the annual financial statement and the 2020 General Valuation roll are not performed.	Recommendation is for management to ensure that reconciliation between the narration presented on the annual financial statement and the 2020 General Valuation roll are not performed to ensure accuracy of the notes presented on the annual financial statement.	1. Perform valuation roll reconciliations 2. Perform reconciliation to the disclosure note		31/07/2024	Budget & Treasury
28	COA F 018	2. Difference between GL and Billing Report	Differences were identified between the Billing report and General Ledger.	Reconciling differences identified within Employee related costs and Salary	The cause of the finding is due to unaccounted for journal	Management should ensure that the proper reviews are conducted for all adjustments	Prepare monthly billing reconciliations that are reviewed and	Recons to be done and reviewed monthly effective January 2024.	30/04/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
29	COA F 014	Leaves and property revenues are not complete	It has been identified that not all transactions have been recorded accurately resulting in wrong amount of the finding	Control were not relocated with journals at period end	The cause of the finding is inadequate control on the transfer of transactions from system to the accounting system which results in errors	Management should ensure that system is regularly maintained to prevent errors. Further measures should be implemented by managers so as	System monthly checks weekly leave balances and property reconciliations that are reviewed and signed by manager.	The finding was resolved with the dip	31/03/2024	Budget & Treasury
30	COA F 020	Leave Accrual	Differences were identified when performing a recalculation of the leave accrual balance	Review of supporting documents	The finding is due to system error which resulted in errors in leave balances and incorrect formulas to calculate the leave accrual.	Management should ensure that system is regularly maintained to prevent errors. Further measures should be implemented by managers so as	1. Prepare quarterly leave accrual reconciliations to the General Ledger 2. Conduct leaves audits		31/07/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
						to timely identify any system errors to reduce the extent of errors.				

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
31	COA F 021	1. Cathcart Waste Landfill and Transfer Station findings and impacts reported	The Amahiathi Local Municipality's waste management and disposal activities sometimes contravene or failed to comply with the requirements of section 28 (1) (Duty of Care) of the NEMA, section 19 (Prevention and remedying effects of pollution) of the NWA, 1998 (Act No. 36 of 1998. Requirements within the NEMWA, sections 16(1) (c) where waste must be disposed of, ensure that the waste is treated and disposed of in an environmentally sound manner &	<ol style="list-style-type: none"> Internal and external audits that are not being conducted as required by Waste site permits. Funding to carry out the closure and rehabilitation 	Poor site management and design.	<p>(1) Amahiathi Local Municipality needs a NEW application for a Closure License in order for the activity (closure and rehabilitation) to be undertaken. Paragraph 13.1 of the license conditions refers;</p> <p>(2) The Transfer Station, already licensed in 2011, whereas operations did not commence within the stipulated timeframe of two years, has lapsed and a new licensing process needs to be followed (new license obtained); Paragraph 14.4 of the License Conditions refers;</p> <p>(3) The serious challenges and discrepancies at</p>	<ol style="list-style-type: none"> Source funding for advertising - Conduct basic assessment towards closure of Cathcart waste disposal site. Commence operation of Transfer station. Closure and rehabilitation of the Cathcart waste disposal site 	<ol style="list-style-type: none"> Consultant fees sourced internally, and advert prepared Sessions are ongoing with recyclers in Cathcart on recycling requirements, skip bins being repaired at MD Engineers for temporal storage of waste ... Training to be conducted by DEDEAT on 20th February 2024. Closure and rehabilitation of the waste site 	31/07/2024	Community Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
			(d) manage the waste in such a manner that it does not endanger health or the environment or cause a nuisance through noise, odor or visual impacts, are not always adhered to. The NEMWA, section 26(1)(a) prohibits disposing waste, or knowingly, or negligently causing or permitting waste to be disposed in or on land, water body unless disposal of that waste is authorized and (b) disposing of waste in a manner that is likely to harm the environment or harm to the health or well-being			the Cathcart Waste Landfill Site and Transfer Station needs to be addressed continually monitored to ascertain compliance to all legislative conditions. The municipality should ensure that their landfill sites and transfers are properly managed, maintained and always comply with the license conditions and other legislative requirements. Management should develop a combined plan or strategy to identify, address and monitor all general- and control weaknesses				

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
						<p>relating to environmental activities that may impact on the environment, public and AFS; The budget should be adequately funded to address the environmental resource constraints and priorities listed in the IDP, SDBIP and other environmental related plans at provincial-, district-, and local authority level. This should also include improve safeguarding of assets.</p>				

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
32	COA F 022	Prior period errors	1. The prior period errors disclosed in the statement of financial performance and statement of financial position that have a direct impact on the statement of cash flows from operations have not been included correctly	Inadequate review of Disclosure notes	There has been inadequate review of the note disclosure which resulted in the errors and omissions that were made during preparation of AFS not being detected.	It is recommended that adequate reviews of the note disclosure be done by management and those charged with governance to ensure compliance of disclosure with GRAP requirements.	1. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS Development Plan. 2. Adherence to the AFS Development Plan 3. Submission of AFS to Internal Audit for review.		31-Mar-24	Budget & Treasury
33	COA F 022	Prior period errors	2. The nature giving rise to the correction of prior period error of R32 915 affecting administration and management fees received and long-term receivables have not been	Inadequate review of Disclosure notes	There has been inadequate review of the note disclosure which resulted in the errors and omissions that were	It is recommended that adequate reviews of the note disclosure be done by management and those charged with governance to ensure	1. Adequate time for the review of Annual Financial Statements compliance with Legislation should be		31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
34	COA F 022	Prior period errors	disclosed in the AFS. This is in contravention with GRAP 3 paragraph 51(a)	Inadequate review of Disclosure notes	made during preparation of AFS not being detected.	compliance of disclosure with GRAP requirements.	included in the AFS Development Plan. 2. Adherence to the AFS Development Plan 3. Submission of AFS to Internal Audit for review.		31-Mar-24	Budget & Treasury
		3. There has been a correction of prior period error of R32 915 that resulted in long term receivables having a restated opening balance of R32 915. However, the restated opening balance in the account could not be traced to the face of the statement of financial position. Further, there is no line item that relates to long		There has been inadequate review of the note disclosure which resulted in the errors and omissions that were made during preparation of AFS not being detected.	It is recommended that adequate reviews of the note disclosure be done by management and those charged with governance to ensure compliance of disclosure with GRAP requirements.	1. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS Development Plan. 2. Adherence to the AFS Development Plan 3. Submission of AFS to				

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
			term receivables in the face of the statement of financial position. As such the comparative figure has not been restated as required by paragraph 44 of GRAP 3.				Internal Audit for review.			
35	COA F 023	Cash on hand not supported by Bank Confirmation	During the audit of cash and cash equivalents it was identified that there is 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. This issue was	Inadequate review of supporting documents	The management has applied the definition of the cash and cash equivalents incorrectly.	Management should ensure that the amounts that are disclosed in cash and cash equivalents meet the definition of cash and cash equivalents as per GRAP 2.	1. Ensure that line items are correctly classified. 2. Clear all bank suspense accounts. 3. Ensure Bank reconciliation are timeously completed and supported. 4. Ensure that Cash on hand are supported. 5. Engage system vendor on the month end processes in order to		31/03/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
			raised in the prior year audit cycle and management committed to reclassify to this cash on hand to other debtors.				minimize transactions			
			<p>Employee wages were paid at a rate in excess of the EPWP rate.</p> <p>Employee wages</p>	<p>Review of supporting documents</p>	<p>The cause of the finding is due to lack of reviews of the payments made to EPWP staff members to ensure that the EPWP wage rate is applied.</p> <p>Ensure that the EPWP wage rate is applied to all EPWP staff members.</p>	<p>Management should ensure that payments made to EPWP staff members are reviewed prior to processing the payments to ensure that the correct EPWP wage rate is applied to the relevant staff members.</p>	<p>Ensure that EPWP wages are paid in line with the EPWP rate.</p> <p>Ensure that the EPWP wage rate is applied to all EPWP staff members.</p> <p>Remove any incorrect EPWP wages from the monthly wage roll.</p>	<p>This finding was resolved with the AGS</p>	<p>None</p>	<p>Executive Services</p>
37	COA F 025	AOPO - Listings do not agree with APR	1. Actual performance for KPI has not been provided	Review of supporting documents	An omission was made in the preparation of the annual report and there has been lack of	It is recommended that proper and adequate reviews of the APR be conducted together with the supporting	1. Quarterly reviews of the APR together with the supporting evidence files	Quarterly reviews are conducted by all HODs, IDP/PMS and Internal Audit prior	15-Apr-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
					adequate review of the APR to enable detection and correction of such omissions	evidence files should be conducted by management and those charged with governance. Further, reconciliations between listings and the APR be done by management and any differences noted be properly followed up-on and addressed accordingly.	should be conducted	submitting to Council Structures. Review of PMS policy to consider changes of submission date by department to allow sufficient time of review of information.		
38	COA F 025	AOPO - Listings do not agree with APR	2. Differences between APR and listings have been noted	Review of supporting documents	the manual listings were initially not kept, thus no reconciliation was done between the listings and APR. Further, there has been lack of adequate reviews over reporting made in the	It is recommended that proper and adequate reviews of the APR together with the supporting evidence files should be conducted by management and those charged with governance. Further, reconciliations	1. Quarterly reviews of the APR together with the supporting evidence files should be conducted	Quarterly reviews are conducted by all HODs, IDP/PMS and Internal Audit prior submitting to Council Structures. Review of PMS policy to consider changes of submission	15-Apr-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
39	COA F 026	VAT: Fair presentation of Annual Financial Statements	The disclosure per note 49 was incorrect	Inadequate review of Disclosure notes	APR and ensuring this is in line with the evidence file.	Management should perform a thorough review of the financial to ensure that they are prepared in a manner consistent with the requirements of the applicable financial reporting standards, laws and regulations.	1. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS Development Plan. 2. Adherence to the AFS Development Plan 3. Submission of AFS to Internal Audit for review.	date by department to allow sufficient time of review of information.	31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
40	COA F 027	Consumer debtors: Impairment error	Classification differences were identified on reconciliation of the trial balance with the financial statements.	Reconciling differences identified Receivables were not relocated with journals at period end	Inadequate controls over the review and reconciliation between the accounting records and financial statements.	Management should perform a thorough review of the financial statements before they are released to the users to ensure that they are prepared in a manner consistent with the requirements of the applicable financial reporting standards, laws and regulations.	1. Review of the impairment calculation and reconciliations		31/07/2024	Budget & Treasury
41	COA F 028	Incorrect classification of VAT	During our assessment of VAT Receivable, it was identified that the municipality is registered for VAT in terms of the payment basis however does not appropriately apply the GRAP classification criteria applicable to vendors on payment basis.	Review of supporting documents	The cause of the finding is inadequate AFS reviews.	Management should ensure that VAT is accounted for in terms of the classification requirements applicable to vendors reporting on the payment basis.	1. Clear up monthly VAT reconciliations. 2. Provide a breakdown of the VAT receivable. 3. Ensure compliance with GRAP 108.		30/04/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
42	COA F 029	Inappropriate application of GRAP 25- Employee benefits classification	The current classification results in the overstatement of the VAT Receivable line item and understatement of the VAT input and VAT output accruals. 1. Note 16- Employee benefit obligations, states that "defined benefit plans consist of post-retirement medical aid and long service bonus". However, only the post-retirement medical aid meets the definition of benefit plans.	Inadequate review of Disclosure notes	The cause of the finding is inadequate AFS reviews.	Recommendation is that management should put measures in place to ensure that proper processes are in place for the preparation of Annual Financial Statement by applying relevant standard as per GRAP requirements.	1. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS Development Plan. 2. Adherence to the AFS Development Plan 3. Submission of AFS to	31-Mar-24	Budget & Treasury	

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
43	COA F 029	Inappropriate application of GRAP 25- Employee benefits classification	2. As part of Note 24-Employee related costs disclosure, leave accrual and post-employment medical aid were incorrectly included in the line item "defined contribution plans", even though not meeting the definition of defined contribution plans.	Inadequate review of Disclosure notes	The cause of the finding is inadequate AFS reviews.	Recommendation is that management should put measures in place to ensure that proper processes are in place for the preparation of Annual Financial Statement by applying relevant standard as per GRAP requirements.	Internal Audit for review. 1. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS Development Plan. 2. Adherence to the AFS Development Plan 3. Submission of AFS to Internal Audit for review.		30-Jul-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
44	COA F 030	Non-submission of information	Not all bill of quantities information for projects transferred to infrastructure assets was submitted by the due date.	There is no adequate filing system that allows easy access and retrieval of information.	There is no adequate filing system that allows easy access and retrieval of information.	A proper filing system that allows easy retrieval of information should be maintained by the municipality.	1. A proper filing system should be maintained and record keeping improved. 2. Review SOP for assets: Ensure that the unbundling process is included.		31/07/2024	Executive Services
45	COA F 031	Incorrect disclosure of Consumer debtors past due but not impaired	During our assessment of Consumer debtors' presentation and disclosure requirements, it was identified that the ageing amount that is 1 month past due and not provided for impairment and one that is impaired and provided for does not agree with the amount per the	Review of the corresponding notes of the Annual Financial Statements	Inadequate review and reconciliation of the information presented in the financial statements.	Management should perform a thorough review of the financial statements before they are released to the users to ensure that they are prepared in a manner consistent with the requirements of the applicable financial reporting standards, laws and regulations and the best practice.	1. Review and cross reference related note disclosures 2. Perform reconciliation of consumer debtors accounts		31/07/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
46	COA F 032	Incorrect treatment of long-term receivables written off	ageing analysis/impairment listing that was used to audit the impairment.	Review of supporting documents	The cause is that management does not want to reflect a receivable balance in respect of this debt as the contracts are not available to support the debt. This was further caused by inadequate information backup and recovery policies.	Management should ensure that regular information backup is carried out and recovery policies are in place and working effectively.	Review the transactions relating to receipts of long-term debt previously written-off as Recoveries of previously written off debt.		31/03/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
47	COA F 033	1. VAT returns not submitted and paid on time	recovered from the customers on monthly basis. Once the payment is made by the customer for this respective debt, the municipality raises a receivable which offsets the payment rather than reducing the original debt. The monthly VAT returns were not submitted and paid on or before the 31st day of the month following the month in which a VAT period ends or on or before the last preceding business day of the month.	Cashflow challenges	Lack of knowledge surrounding the correct application of principles stipulated within the VAT Act as well as lack of prioritization of payments due to financial constraints.	Management should ensure that returns are submitted and reviewed by a predetermined date to ensure that compliance with the submission deadlines are consistently met.	Ensure that VAT returns are submitted and paid on time		29/02/2024	Budget & Treasury
48	COA F 033	2. Incorrect recognition of input VAT on retentions	Input VAT was recognized on retention values withheld by	Review of supporting documents	Lack of knowledge surrounding the correct	Management should ensure that returns are submitted and	Ensure that VAT on retentions is		31/03/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
49	COA F 034	Segment Reporting - Differences between the segment reporting note and the face of the AFS	suppliers which is in contravention of section 9(3)(b)(ii) of the VAT Act, which allows for the recognition of input VAT at the earlier of the time that the retention payment is invoiced; or is received. As these amounts have neither been invoiced nor paid, recognition is not appropriate. Differences were noted on the amounts presented in the segment information disclosure - Note 49 and balances/totals in the face of the financial statements submitted for audit.	Inadequate review of Disclosure notes	application of principles stipulated within the VAT Act as well as lack of prioritization of payments due to financial constraints.	reviewed by a predetermined date to ensure that compliance with the submission deadlines are consistently met.	correctly accounted for.		31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
50	COA F 035	1. Financial Instruments- Incorrect inclusion of statutory receivables and unspent grants in financial instruments	1. It has been noted that statutory debtors, which is specifically excluded from the application of GRAP 104, is included as Financial Instruments	Lack of understanding of GRAP Standard 104	The cause is due to incorrect interpretation of the complex financial instrument's requirements.	financial statements. Management should ensure adequate reviews of financial instruments in the annual financial statements.	the AFS Development Plan 3. Submission of AFS to Internal Audit for review. 1. Review GRAP 108 and ensure that Statutory receivables are correctly disclosed in the financial statements (Statement of financial position and notes) 2. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS	GRAP 108 reviewed and training scheduled	31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
51	COA F 035	1. Financial Instruments- Incorrect inclusion of statutory receivables and unspent grants in financial instruments	1. It is noted that unspent grant, which does not satisfy the definition of financial liability, is included as financial statement	Review of disclosure to Presentation and Disclosure per GRAP Standard 104	The cause is due to incorrect interpretation of the complex financial instrument's requirements.	Management should ensure adequate reviews of financial instruments in the annual financial statements.	Development Plan. 3. Adherence to the AFS Development Plan 4. Submission of AFS to Internal Audit for review. 1. Review GRAP 104 and ensure that the correct classification of Unspent Conditional Grants and ensure correct disclosure in the financial statements (Statement of financial position and notes) 2. Adequate time for the review of Annual Financial Statements	GRAP 104 reviewed and training scheduled	31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No.	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
52	COA F 035	2. Risk Management - Inadequate disclosure in the note	1. The analysis of the age of financial assets for both the financial assets there are impaired and those that are not impaired has not been prepared for identified financial assets.	Review between corresponding disclosure notes	The cause is due to incorrect interpretation of the complex financial instrument's requirements.	Management should ensure adequate reviews of financial instruments in the annual financial statements.	compliance with Legislation should be included in the AFS Development Plan. 3. Adherence to the AFS Development Plan 4. Submission of AFS to Internal Audit for review.	GRAP 104 reviewed and training scheduled	31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
53	COA F 035	2. Risk Management - Inadequate disclosure in the note	2. There is no quantitative summary of the municipality's exposure to liquidity risk as it pertains to financial instruments.	Review of disclosure to Presentation and Disclosure per GRAP Standard 104	The cause is due to incorrect interpretation of the complex financial instrument's requirements.	Management should ensure adequate reviews of financial instruments in the annual financial statements.	1. Review GRAP 104 and ensure that completeness of notes presentation and disclosure. 2. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS	GRAP 104 reviewed and training scheduled	31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No.	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
54	COA F 035	2. Risk Management - Inadequate disclosure in the note	3. In terms of liquidity risk, the maturity analysis that shows the remaining contractual maturities has not been disclosed	Review of disclosure to Presentation and Disclosure per GRAP Standard 104	The cause is due to incorrect interpretation of the complex financial instrument's requirements.	Management should ensure adequate reviews of financial instruments in the annual financial statements.	Development Plan. 3. Adherence to the AFS Development Plan 4. Submission of AFS to Internal Audit for review. 1. Review GRAP 104 and ensure that completeness of notes presentation and disclosure. 2. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS Development Plan. 3. Adherence	GRAP 104 reviewed and training scheduled	31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
55	COA F 035	2. Risk Management - Inadequate disclosure in the note	4. A description of how the municipality manages the liquidity risk inherent in financial instruments has not been disclosed	Review of disclosure to Presentation and Disclosure per GRAP Standard 104	The cause is due to incorrect interpretation of the complex financial instrument's requirements.	Management should ensure adequate reviews of financial instruments in the annual financial statements.	to the AFS Development Plan 4. Submission of AFS to Internal Audit for review. 1. Review GRAP 104 and ensure that completeness of notes presentation and disclosure. 2. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS Development Plan. 3. Adherence to the AFS Development Plan	GRAP 104 reviewed and training scheduled	31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
56	COA F 036	Incomplete disclosure notes	It has been noted from disclosure note 10: Property, plant and equipment that there has been no disclosure made of carrying value of work in progress (WIP) projects that are taking significantly longer to complete than expected and/or have been halted in the current or prior period(s) and the reasons thereof. However, per inspection of the WIP register, it	Review of disclosure to Presentation and Disclosure per GRAP Standard 17	There has been inadequate work done in ensuring all disclosures as required by the standard are made in the AFS	Management should revisit the work in progress register and identify all projects that are taking significantly longer and those whose construction or development has been halted either in the current or prior period(s). The disclosure of these projects should be made in the AFS, together with reasons thereof.	4. Submission of AFS to Internal Audit for review. 1. Ensure that comments are provided for WIP that takes longer than expected. 2. Ensure that the notes the annual financial statements are appropriately reviewed from compliance with the relevant standards (GRAP 17 paragraph 88)		31/03/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
57	COA F 037	Statement of changes in net assets: Error identified	The surplus for the year in respect of the June 2022 financial period has been incorrectly recorded in the statement of net changes in assets	Inadequate review of correct transfers between Statements in the Annual Financial Statements	There have been inadequate reviews of the statement of changes in net assets which resulted in the error	It is recommended that adequate reviews of the statement of changes in net assets are made by management and those	1. Adequate time for the review of Annual Financial Statements compliance with Legislation	This finding was resolved with the AG	31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
58	COA F 038	KPI 2: Misstatements of No of km of roads re-gravelled	1. Pictures not showing location 2. Duplicated reported kms 3. Reported kms with no supporting evidence 4. Reported kms with no supporting pictures 5. Reported kms with no inspection reports	Review of supporting documents	There have been inadequate reviews of performance information that would have enabled early detection of identified issues and ensuring corrective	It is recommended that adequate reviews of the performance information be implemented by management and those charged with governance	1. Ensure that actual performance reported are appropriately supported 2. Raise challenges during the Audit engagement meeting and Steering Committees	Quarterly reviews are conducted by all HODs, IDP/PMS and Internal Audit prior submitting to Council. Structures. Review of PMS policy to consider changes of submission	15-Apr-24	Executive Services
					made not being detected	charged with governance before final approval of AFS.	should be included in the AFS Development Plan. 2. Adherence to the AFS Development Plan 3. Review completed AFS to the Trial balance 4. Submission of AFS to Internal Audit for review.			

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
59	COA F 039	KPI 1: Misstatements of municipal roads bladed	1. Pictures not showing location 2. Reported kms with no supporting evidence 3. Reported kms with no supporting pictures 4. Reported kms with no inspection reports	Review of supporting documents	There have been inadequate reviews of performance information that would have enabled early detection of identified issues and ensuring corrective actions are in place	It is recommended that adequate reviews of the performance information be implemented by management and those charged with governance.	1. Ensure that actual performance reported are appropriately supported 2. Raise challenges during the Audit engagement meeting and Steering Committees	date by department to allow sufficient time of review of information. RFQ has been developed for the supply of cameras which are not dependent on the cellphone network for the tracking of coordinates	15-Apr-24	Executive Services
60	COA F 040	KPA 1: Presentation issue noted in the APR	There are indicators in the Annual Performance Report (APR) whose target has been met, however, the actual performance in these indicators	Management has not disclosed the actual performance for the indicators whose actual performance were equivalent to the planned target	Management has not disclosed the actual performance for the indicators whose actual performance were equivalent to	It is recommended that the annual performance report includes the actual annual performance for each indicator. This will result in performance information that is	1. Ensure that actual performance reported are appropriately supported 2. Raise challenges during the Audit engagement	RFQ has been developed for the supply of cameras which are not dependent on the cellphone network for the tracking of coordinates	15-Apr-24	Executive Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
61	COA F 041	PPE: Differences between Trial Balance and Annual Financial Statements	has not been explicitly stated in the report. Furthermore, it has been noted this presentation is inconsistent with the prior years as the actual performance in all indicators were explicitly stated whether or not the actual performance is equal to the planned target.	Reconciling difference between Buildings and Work in progress, not processed by journal before period end	the planned target	understandable to the end-users and consistency with the prior year reporting will be achieved.	meeting and Steering Committees	The annual performance report was adjusted and submitted to AG.	31/03/2024	Budget & Treasury
			Differences were noted between the carrying values for Buildings and Work in Progress as classified per the Trial Balance and Annual Financial Statements		There has been inadequate review of the trial balance that supports the information in the AFS which would have resulted in the error identified being detected and corrected.	The difference should be investigated by management and necessary corrections should be made. Further, adequate reviews should be done by management and those charged with governance in order to detect and correct any and correct any	1. Ensure adequate review of the Annual Financial Statements and reconciliation between the Trial Balance and General Ledger 2. Ensure that the Asset Register is			

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
62	COA F 042	Depreciation: Differences recalculated depreciation expense	1. Differences were identified when recalculating the Depreciation	Transfer of opening balance useful lives to the following period	It has been noted for some assets in the fixed asset register (FAR) that the remaining useful life was revised in one of the prior periods(s). However, the number of days by which the remaining useful life of the assets have been adjusted is not reflected in the FAR	errors made during the preparation and finalization of AFS.	GRAP compliant		31/03/2024	Budget & Treasury
						The calculation of the depreciation expense at year end should be reviewed by management to ensure it has been accurately calculated and the accounting policy in place has been adequately applied.	1. Review the depreciation calculation and ensure that the correct methods and estimates are used for depreciation. 2. Reconcile and review monthly depreciation.			

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No.	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
63	COA F 042	Depreciation: Differences recalculated depreciation expense	2. It has been noted that the estimated useful life for the below asset that was used by management to calculate the depreciation expense is not consistent with the useful life of the asset per the accounting policy on disclosure note 1.7 of the Annual Financial Statements (AFS). As such, the maximum estimated useful life for the class of the asset as per the accounting policy was used to recalculate the depreciation expense	Inadequate review of Accounting policies to the supporting documents	It has been noted for some assets in the fixed asset register (FAR) that the remaining useful life was revised in one of the prior periods(s). However, the number of days by which the remaining useful life of the assets have been adjusted is not reflected in the FAR	The calculation of the depreciation expense at year end should be reviewed by management to ensure it has been accurately calculated and the accounting policy in place has been adequately applied.	1. Review the depreciation calculation and ensure that the correct methods and estimates are used for depreciation. 2. Reconcile and review monthly depreciation. 3. Review the FAR regularly to ensure that the EULs are consistent with the Asset Management Policy and the AFS.		31/03/2024	Budget & Treasury
64	COA F 043	Contingencies: Differences between Legal register	Differences were noted when comparing the Legal Register to	Inadequate review of supporting documents	There has been inadequate review of the	The difference should be investigated by management and	1. Clear the litigation register. 2. Ensure	This will be prepared at year-end when the 2023/24	31/07/2024	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

No	COA F No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
		and Annual Financial Statements	the Contingable liabilities note disclosure per the Annual Financial Statements		Legal register that supports the information in the AFS which would have resulted in the error identified being detected and corrected.	necessary corrections should be made. Further, adequate reviews should be done by management and those charged with governance in order to detect and correct any errors made during the preparation and finalization of AFS.	appropriate reconciliation between the disclosure notes and the relevant supporting documents 3. Ensure firms are aware of the information to disclose.	legal register will be considered.		
65	COA F 044	Accounting by principals and agents: Incomplete disclosure note	It has been noted on disclosure note 50: Accounting by principals and agents, that the description of the arrangement, including description of the transactions undertaken and an explanation of the purpose of the principal-agent relationship including the	Inadequate review of supporting documents	There has been inadequate review of the accounting by principals and agents note disclosure that would have detected the omissions made with the disclosure	The note disclosure should be updated by management to include all disclosure required by GRAP 109. Further, management should utilize the GRAP Disclosure Checklist to ensure all the required disclosures have	1. Review GRAP 109 and ensure that completeness of notes presentation and disclosure. Management should utilize the GRAP Disclosure checklist in order to ensure the completeness of disclosure		31-Mar-24	Budget & Treasury

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

No.	COA F.No.	Audit Finding	Nature of the Finding	Root Cause	Cause	Recommendation	Action Plan	Progress	Time Frame	Department
			<p>benefits thereof have not been disclosed in the note.</p> <p>Further, there has been no disclosure made of the significant terms and conditions of the arrangement and whether any changes in these occurred during the reporting period.</p>			<p>been made in the AFS</p>	<p>2. Adequate time for the review of Annual Financial Statements compliance with Legislation should be included in the AFS Development Plan.</p> <p>3. Adherence to the AFS Development Plan</p> <p>4. Submission of AFS to Internal Audit for review.</p>			

3.3.10 FRAUD MANAGEMENT

The Municipality has developed a Fraud Prevention Plan which was adopted by Council. The Fraud Prevention Plan was last reviewed in October 2023. The main objectives of the Fraud Prevention Plan are as follows:

- To create a culture that is ethical and intolerant to fraud and corruption;
- To prevent fraud and corruption which cannot be deterred;
- To ensure that the municipality detects fraud and corruption;
- To ensure that the municipality investigates detected fraud and corruption;
- To ensure that the municipality takes appropriate action in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution, etcetera;

The municipality also developed an Anti-Corruption and Fraud Policy which was adopted by the Council in May 2015 and is reviewed on annual basis or when the need arises. Last review was October 2023.

The following areas are being addresses by the Fraud Prevention Plan and the Anti-Corruption and Fraud Policy

- Forms of Fraud and Corruption.
- Actions constituting fraud, corruption, theft and maladministration.
- Responsibility to conduct investigations.
- Protection of Whistle Blowers.
- Application of prevention controls and detection mechanisms.
- What should an employee do if he/she suspects fraud.
- Fraud Hotline.
- Media.
- Confidentiality.

The Internal Audit Unit is conducting Fraud Awareness's twice a year and action plans responding to the issues raised at the fraud awareness's are developed as well and are updated quarterly basis.

The municipality is currently using the Presidential Fraud Hotline where members of the communities can report fraud related issues. The Presidential Fraud Hotline number is **0860 701 701**.

RISK MANAGEMENT

The Municipality does not have a Risk Management Unit yet. The strategic planning session resolved to put on wheels the process to establish a capable risk management unit. Risk Management Activities currently are done by Internal Audit Staff. The municipality does have a Risk Management committee consisting of Directors and Managers. The Risk Management Committee sits on a quarterly basis and is chaired by the Independent

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

Chairperson from Amathole District Municipality. Risk Assessments are conducted on an annual basis and the Risk Registers are updated on a quarterly basis.

The municipality does have a Risk Management Policy which was adopted by the Council. The Risk Management Policy has been reviewed in October 2023. Risk Management Policy assists the municipality in the following:

- It provides management with proven risk management tools that support their decisions-making responsibilities and processes, managing key risks impacting on their goals and objectives.
- It also ensures that risk management processes exist in an environment of continuous feedback and improvement.
- It enables the Municipality to effectively deal with uncertainty and associated risk and opportunity to enhance the capacity to build value.

TOP 10 RISKS RELATING TO THE MUNICIPALITY

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
1	Failure to develop and maintain a positive relationship with the internal and external stakeholders	1. Limited financial and non-financial (lack of human capacity) resources 2. Departments working in silos. 3. Non-compliance to the communication strategy, communication policy, Public Participation Policy and Petition Framework. 4. Lack of integrated Municipal calendar 5. Absence of business continuity plan 6. Ineffective implementation of internal business planning cycles	1. Poor communication of information between external stakeholders and the community 2. Service delivery and/ or staff protests 3. Business and service delivery negatively impacted 4. Reputational and brand risk 5. Dysfunctional war rooms 6. Instability within the municipality and community 7. Loss confidence from community and other stakeholders 8. Inadequate public participation	1. Ensure distribution of information to the satellite office and communities. 2. Implementation of the Communication Plan 3. Monthly monitoring of corrective actions to address issues raised in Petitions 4. Solicit funding from government to improve Communication Technology 5. Development of Business Continuity Plan 6. Source funding and reduce Municipal Programs

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
		(IDP, SDBIP etc.) 7. Ineffective communication plan 8. Poor communication technology 9. Lack of Customer Care/Unresolved Customer Queries 10. Ineffective communication		
2	Failure to comply with legislative and other requirements	1. Non-payment of WCA 2. Ineffective OHS Committee 3. Non-compliance with COIDA	1. Negative audit outcome 2. Litigations 3. Compromised service delivery	1. Payment arrangement with DOL 2. Risk assessment for OHS 3. Training of HOD's
3	Inability to continue as a going concern	1. Underperformance in revenue collection 2. Political interference and instability. 3. Dilapidating infrastructure. 4. By-passing of electricity meters 5. Ineffective implementation revenue enhancement strategy	1. Financial loss. (Bankruptcy) 2. Non-compliance with the Revenue management policies. 3. Poor service delivery. 4. Slow economic development 5. Loss of investor confidence or potential donors' opportunities. 6. The going concern of the municipality might be compromised. 7. Inability to maximize collection from existing revenue streams	1. Report on the implementation of revenue enhancement strategy measured on a percentage basis. 2. Municipal rebranding and repositioning. 3. Development of a municipal customer care strategy 4. Establishment of Customer Care Centre. 5. Automation of the credit control processes in order to achieve the full value chain. 6. Review of RES and FRP. 7. Strengthening of public participation programmes.

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
4	Inability to facilitate economic growth within Amahlathi	<ol style="list-style-type: none"> Limited capacity to implement the programme Limited funding for capacity building 	<ol style="list-style-type: none"> Negative impact on the subsequent funding for the programme Participants leave the programme without acquiring necessary skills 	<ol style="list-style-type: none"> Basic skills assessment of participants per project Full implementation of approved policies
5	Failure to plan for, develop and maintain a sustainable infrastructure Inadequate provision of sustainable road network within Amahlathi and Technical and financial losses in electricity supply	<ol style="list-style-type: none"> Limited Resources (Tools Trades and funding) Ageing construction plan & machinery Absence of electricity losses reduction plan Aging electrical infrastructure Electricity Theft Lack of implementation of meter audit recommendations to address shortcomings identified and non-compliance Inaccurate estimations of non-metered or measured supplies (public lighting, municipal facilities, park facilities). Inaccurate programming of power limits (e.g. 20A customer meter programmed 60A power limit) Ineffective customer 	<ol style="list-style-type: none"> Service delivery protest Loss on public confidence Lack of accessibility Liabilities Inadequate provision of sustainable road network within Amahlathi Total collapse of the entire electrical distribution network Loss of revenue Increased criminal activities Irregular expenditure due to Eskom penalties for overreaching the electricity load capacity. Revenue loss Loss of confidence (service users) Inaccurate billing Technical and financial losses in electricity supply 	<ol style="list-style-type: none"> Review and implement infrastructure maintenance plan Independent review of contracts / SLA Purchasing of smart meters Upgrading of electricity load capacity Develop customer care

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
		care / Customer care not institutionalized		

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
6	Failure to be prepared for a Municipal Emergency and Recovery	<ol style="list-style-type: none"> 1. Inadequate funding 2. Capacity constraints in terms of human capital 3. Disaster contingents plan (to be institutionalized) 4. Tools of trades 5. Lack of business continuity plan (BCP) and Disaster Recovery Plan (DRP) 6. Inadequate disaster management plan 7. Absence of information protection strategies/plans 8. Nonalignment of ICT strategies with business objectives and sustainability 9. BCP not embedded in the organization's culture 10. There is no individual delegated to coordinate BCP 11. Absence of BCP Committee 12. Incident and corporate crisis management plans/programme 	<ol style="list-style-type: none"> 1. Service delivery protest 2. Loss of potential revenue 3. Compromised service delivery 4. Loss on public confidence 5. Collapse infrastructure 6. Loss of life 7. Failure to respond and recover on disaster incident 8. Fatalities or loss of lives 9. Loss of municipal valuable information 10. Financial loss 11. Tarnished reputation and brand image 12. Regressed audit opinion 13. Going concern impact 14. Municipal business instability due to disaster 	<ol style="list-style-type: none"> 1. To appoint Panel of Professional Services Providers 2. Budget for Disaster Management 3. Review of the Disaster Contingent Plan (to be institutionalized) 4. Develop Disaster Management Policy 5. To review BCP and (DRP) 6. To review and report on Disaster Management Plan 7. Communicate BCP to raise awareness within the organization 8. The Municipal Manager to delegate an individual or office to coordinate BCP 9. To establish BCP Committee 10. To integrate BCP into departmental and organizational plans 11. Reviewed ICT Master Plan and report the Implementation Plan 12. Revive ICT Steering Committee

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
7	Governance Failure	<ol style="list-style-type: none"> 1. Non implementation of the recommendations made by governance structures 2. Lack of consequence management within the Institution 3. Inconsistence in application of controls 4. Lack of standard operating procedure on how the Oversight / other Governance structures should operate 5. Ineffective governance structures 6. Failure to address internal and external audit findings 7. Noncompliance to policies and laws 	<ol style="list-style-type: none"> 1. Inability to achieve core mandatory municipal obligations 2. Reputational damage 3. Reduced public confidence 4. Staff low morale 5. Dysfunctional municipality 6. Instability among the political and administration head/s 7. Dysfunctional performance management system 8. Ineffective accountability 9. Debt certificate issued by AG to the accounting officer or accounting authority 10. Inability to comply with regulated deadlines 11. High litigations 12. Governance failure 	<ol style="list-style-type: none"> 1. To coordinate sittings of Financial Disciplinary Board when required to 2. To appoint an Independent FDB Chairperson 3. To develop annual work plan of Governance Structures 4. Training of MPAC and Management on Governance Issues 5. Monthly monitoring of Internal Audit Action Plans 6. Prepare quarterly risk management reports 7. Review ICT risk register and implement risk action plans 8. Establish ICT Steering Committee and appointment of an independent Chairperson 9. Training Risk Committee and ICT Steering Committee on ICT governance 10. Develop compliance risk register 11. Litigation risk assessment 12. Litigation management strategy 13. Reduction in litigations

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
8	Failure to provide information technology systems and controls and to secure records	1.Information Technology systems inadequate or ineffective 2.Unauthorised use of copyright material 3.Improper use of social media 4.Failure of data security measures	1. Ineffective project management. 2. Inability to make accurate decisions 1.Breach of copyright resulting in legal action against Council. 2. Financial loss arising from damages claims 3.Loss of reputation from adverse publicity 4.Unauthorised information/opinion published on social media 5.Incorrect information published on social media 6.Unauthorised access to programs and data. Data held for ransom 7.Non-compliance with statutory requirements. 8. Harm to reputation and public confidence. 9.Significant financial risk	1.Establish Electronic Records Management System 2.Ensure cyber insurance 3.Cyber Risk Training

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
9	Fraud and Corruption	<ol style="list-style-type: none"> 1. Lack of robust monitoring of and adherence to legislation, laws and financial policies 2. Absence of control loss management control framework 3. Ineffective revenue management (cash management) 4. Lack of consequence management 5. Abuse of SCM processes and procedures 6. Absence or non-enforcement of municipal by-laws and law enforcement 7. Inadequate fraud detection, prevention and reporting control mechanism 	<ol style="list-style-type: none"> 1. Fruitless & wasteful expenditure and irregular expenditure. 2. Regressed audit opinion. 3. Reputational risk 5. High legal costs 	<ol style="list-style-type: none"> 1. Review finance and risk management policies 2. Ensure that Fraud Hotline is established 3. Established and sitting of Disciplinary Board 4. UIF (W) expenditure identified to be escalated to the MM for submission to Audit Committee and Financial Disciplinary Board 5. Management to implement resolutions of Disciplinary 6. Develop Fraud risk register and Fraud Awareness Campaigns for the municipality 7. Monitor and report fraud risks control monitoring checklist 8. To develop irregular expenditure control monitoring checklist 9. To report progress in implementing MPAC resolutions relating to UIF(W)
10	Ineffective Performance management Systems	<ol style="list-style-type: none"> 1. Human and financial constraints 2. Non- implementation of PMS policy and regulations <p>Failure to report accurately on service delivery. Failure to implement and monitor corrective action</p>	<ol style="list-style-type: none"> 1. Non-compliance with relevant laws and regulations 2. Poor service delivery 3. Service delivery protests 4. Fraud and corruption 5. Lack of consequence management 	<ol style="list-style-type: none"> 1. Develop Monitoring and evaluation framework 2. Monitoring of corrective actions to address poor performance 3. Bi-annual recognition of the most performing department 4. Formulating task team to recognize and reward most 12 performing employees. 5. Promote monthly sittings of departmental meetings with SDBP Performance monitoring

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

#	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES	MGT ACTIONS
				6. Develop and submit Draft SDBIP together with IDP and budget 7. Quarterly IDP/PMS Forums 8. To consider having designated person of individual performance management 9. Consequence management on late submission of quarterly performance reports by departments 10. Site visits by the Executive Management 11. Monitor performance of the service providers 12. Combined assurance on performance management

INTERNAL AUDIT CHARTER

The purpose of the Charter is to provide the Internal Audit Manager and the management of ALM with a broad framework of understanding which, once approved by the Audit Committee and Municipal Manager, will serve as a mandate for the Internal Audit function.

The objective of Internal Audit Charter is to provide independent, objective assurance and consulting services designed to add value and improve the Municipality's operations. It helps the Municipality accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Auditor General reports for the previous three years were as follows:

2020/21	2021/22	2022/23
UNQUALIFIED	UNQUALIFIED	QUALIFIED

3.3.11 LEGAL SERVICES

The municipality has established a unit that is strategically located within the office of the Municipal Manager. Through its supportive and advisory role, the legal services unit strengthen the capacity of the municipality to fulfill its constitutional and legislative mandate. This is done by providing legal advice, settling documents, support to committees and Council, also to ensure that the municipality adheres to all legislations which govern the municipalities.

Co-functions of the unit

- Provide Legal Advice and guidance to the Council, Mayor, Speaker, and Municipal Manager
- Handle all legal matters arising from Directorates
- Manage all legal risk
- Monitor and ensure legal Compliance
- Manage litigations for and against Municipality
- Consult with municipal Attorneys (with approval of MM)
- Attend to Court Orders
- Provide general legal advice

The Litigation register is updated on monthly basis and the litigation reports are prepared and submitted quarterly to the Management, Legal Advisors Forum, Audit Committee and to the Council.

2.9 By Laws

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

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

3.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT

The review of Local Economic Development Strategy has unfortunately been delayed due to financial constraints hence the intervention from ECCOGTA. A new Local Economic Development Strategy is being developed in conjunction with ECCOGTA, 2022/23 Financial Year. Central to this strategy is the post-Covid 19 Economic Resuscitation and the issue of Fourth Industrial Revolution.

However, existing but outdated LED strategy is aligned with the National, Provincial and District objectives and continues to be a resource for economic development facilitation efforts.

Economic factors affect the purchasing power of potential customers and the municipality's cost of capital. The following are examples of factors in the macro-economy: economic growth, interest rates, exchange rates, inflation rate. The municipalities should be encouraged to spend locally within the municipality. The lack of economic infrastructure is hampering development and job creation. The achievement of the Small-Town Revitalization Project and the various plans and generation studies are being revisited, updated and progressively implemented in line with availability of the requisite resources.

SWOT ANALYSIS

The envisioned strategy should be built on the analysis of its predecessor which had outlined key Strengths to develop the economy as resident within the natural resource base within Amahlathi that is the forest (wood related products), the Eco-tourism and the large water masses suitable for water sports (ranging from sports tourism to the manufacture of water craft and accessories). The large water masses also lend themselves to Amahlathi becoming a major national and even international player in aqua farming.

STRENGTHS	WEAKNESSES	OPPORTUNITY	THREATS
Availability of primary resources	Lack of access to economic opportunities	Improved Stakeholder engagement	Red tape.
Local Economic Development Section is contributing to capacity building of the SMMEs.	High rate of community/political unrest.	Availability of opportunities such as Irrigation schemes and tourist attractions	Some leave ALM to big cities because their skills are underutilized.

Amahlathi Municipality is rich in forest and agriculture	Silo Mentality.	Creating opportunities around both timber and agriculture to contribute towards resilient local economic development.	Lack of Support from relevant government department.
There is an availability of big business	Lack of collaboration between business spheres and government spheres	Investor Confidence	Poor infrastructure especially roads and electricity

In short, development of the tourist potential in eco - sports, adventure, and historical tourism will not only attract the local tourist but also appeal to the overseas visitors as well. The link to the German past should be exploited to the maximum.

The above, coupled with the development of sustainable human settlements and the ability of each household to produce food can have a major positive impact on the communities. The municipality should consider supplying all households with a home garden. This includes fencing, soil, fertilizer and seeds.

The provision of driver training and computer training programme will greatly enhance the job opportunities in the short term.

People between 19 – 35 years old should be involved in skills training or community building programmes. The needs of the housing programmes should be supplied by organized primary, secondary and tertiary co-operatives.

RECOMMENDATIONS

- Primary, Secondary and Tertiary co-operatives and small businesses must be established to supply the basic requirements for the housing programme, e.g. from timber : manufacture of doors / door frames, window frames, roofing trusses, concrete products: lintels for above doors and windows, pavement curbing for the roads, concreted reinforced poles and concrete storm water pipes.
- Mining within Amahlathi must be managed as illegal mining damages the environment and compromises the sustainability aspect of the environment.
- The tourism products available must be linked to sporting events that would bring visitors to and past these special historical and cultural stations. The municipality must have sponsored cross country runs (fun, half marathons, marathon runs), mountain biking races. These trails will pass and stop at tourist points allowing for sales by local co-operatives of their goods
- The timber industry owners and the municipality should market and celebrate the following: Arbor Day, International Day of Forests, World Forestry Congress, Amahlathi Lumberjack Championship, Stihl Timber sports Series, Wood chopping championship , and Amahlathi Logging Championship
- To re-establish a partnership driven local Timber Incubation facility, a feasibility study funded by ECDC is in place.

- The vast dams should also be used for promoting water sports e.g. Amahlathi Mile, sailboat and power boat racing.
- Given the huge forest reserves a deeper collaborative effort with other state actors e.g. SAFCOL and the Private Sector needs to be put in place, to better understand ownership and how the forest can be used to benefit the economy much better. At face value not all the resources are fully benefited.
- **Primary Aquaculture Operations** (Brood stock operations; Seed production operations; Juvenile (spat, fry, fingerling) operations, including hatchery and nursery facilities; On-growing operations, including but not limited to rafts, net closures, net pens, cages, tanks raceways and ponds and
- **Secondary Aquaculture Operations:** Primary processing for aquaculture (post-harvest handling, eviscerating, packing, quick freezing); Secondary processing for aquaculture (filleting, portioning, packaging); Tertiary processing for aquaculture (value adding such as curing, brining, smoking, further value adding such as terrines, roulades, pates, patters); Waste stream handling for aquaculture (extraction of fish oils, protein beneficiation, organic fertilizers, pet feeds, animal feeds). Ancillary Aquaculture Operations; Aquaculture feed manufacturing operations; Research and Development projects related to aquaculture; Privately-owned aquaculture veterinary services (farm inspections, disease surveillance and control, histo-pathological analysis, etc. specifically for the aquaculture industry).
- The above could supply the complete protein needs of the entire municipality and could create opportunities for about 500 and 5000 people depending on the scale of the operation
- It is noted that Sports, Adventure and Eco – Tourism be the drivers to get visitors into Amahlathi and then the cultural and historical places can be viewed. Sports Tourism is a huge attraction especially if the municipality could lobby for sponsorship of few key events for the next 5 years.

COMPETITIVE AND COMPARATIVE ADVANTAGE

Agriculture:

1. Amahlathi is an agricultural area where forestry is the main sector that has employed many people.
2. Commercial farmers are also contributing to the GDP of the area in areas like poultry farming, there are big businesses like ANCA chicks.
3. There are two big irrigation schemes at Keiskammahoek which are also major players in the economy of Amahlathi and the Eastern Cape Province at large.
4. Forestry sector is also a major play in the economy of the area.
5. Amahlathi is the only area at Amathole where forestry is the major role player in the economy.

Livestock Production

Animal stock numbers	Total at Amahlathi	Programs conducted by DRDAR
Large stock	33215	Dipping Blantrax Brucellosis Test for TB and CA

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

Sheep	19489	Sheep scab Testing of rams from NWGA
Goats	19723	No program except when need attention
Domestic animal	12000	Rabbis vaccine
Horses	878	No program except out breaks Castration Deworming
Animal stock numbers	Total at Amahlathi	Programs conducted by DRDAR

Poultry

Number of poultry project	Current status	Challenges
There are 15 broiler projects at Amahlathi, that is both Stutterheim and Keiskammahoek	The project is still producing broilers and the most broiler farmer is Nolist project that is raising about 750 broilers every 6-week cycle	<ul style="list-style-type: none"> • The challenge is the structure. • Market • Abattoir

Piggery

Amahlathi Piggery projects	Current status	Challenges
There is 5 Piggery project at Amahlathi	The projects are raising and sell the pigs to the community	<ul style="list-style-type: none"> • Market price versus communal price • Recommended piggery structure- as swine fever is a threat

Tourism:

1. Amahlathi has beautiful hiking trails at Xholorha and which are not maintained.
2. The greater part Amathole hiking trail is at Keiskammahoek which is part of Amahlathi Local Municipality.
3. There are graves of Xhosa Chiefs and German descendants which are a tourist attraction.
4. Friendly N6 passes through Stutterheim which became an advantage to show case what Amahlathi has to offer.
5. Craft mania annual event is used by the municipality to showcase crafters talent, performing art and other art forms and has changed lives our community because B&B 's and local hotels benefit.

6. Tourism structures are also playing a major role in tourism promotion, structures like Local Tourism Organisation and Community Tourism Organisation.
7. Small town's regeneration has benefited tourism because a larger number of municipalities visit Amahlathi to view the development which has been implemented through the programme.

Small Medium Micro Enterprises:

1. Formation of Timber Co-ops could potentially alleviate exploitation by big timber companies of community members who are harvesting wattle. This will require a more targeted implementation of the Forestry Strategy, which was originally formulated as a response to this particular challenge.
2. Training intervention to SMME's and Co-ops to access funding from various institution has improved their opportunities for funding support.
3. Technical support to local SMMEs towards accessing various government offered COVID-19 related and other Department of Small Business Development offered support instruments.
4. Lead the implementation of a sub-contracting programme to benefit local Contractors, which now has a standing Council resolution.

Economic Potential:

1. Natural expression of economic zones
2. Agriculture
 - High value crops
 - Fish Farming
 - Honey production
 - Beef Production for export,
 - Feed,
 - Chicken,
 - Deep soils and rainfall reliability in King Kei and area between Keiskammahoek & Stutterheim
3. Manufacturing (i.e. paving)
4. Timber
5. Processing
 - Agro-processing in KKH
 - Medicinal plants and processing
6. Small Towns with a large number of villages (i.e. Shopping Centers)

STREET TRADING BY-LAW

The Amahlathi has the street trading By-law that was developed and adopted by Council in 2014. The purpose of this by-law is to enforce a single act of selling or offering services in a public place to constitute trading.

3.5 KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

3.5.1 FUNCTIONS AND POWERS AS LEGISLATED

FUNCTION	YES	NO
Administration of indigenous forests	Yes	
Agriculture	Yes	
Animal control and diseases		No
Cultural matters		No
Education at all levels, excluding tertiary education		No
Environment	Yes	
Health services		No
Regional planning and development	Yes	
Road traffic regulation	Yes	
Soil conservation		No
Tourism	Yes	
Trade		No
Traditional leadership, subject to Chapter 12 of the Constitution	Yes	
Urban and rural development	Yes	
Vehicle licensing	Yes	
Welfare services		No
Air pollution		No
Building regulations	Yes	
Child care facilities		No
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal planning	Yes	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law		No

Pontoons, ferries, jetties, piers and harbors, 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	
Amusement facilities		No
Billboards and the display of advertisements in public places		No
Cemeteries, funeral parlors and crematoria	Yes	
Cleansing		No
Control of public nuisances		No
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals		No
Fencing and fences		No
Licensing of dogs		No
Licensing and control of undertakings that sell food to the public		No
Local amenities		No
Local sport facilities		No
Markets		No
Municipal abattoirs		No
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution		No
Pounds	Yes	
Public places		No
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	

3.5.2 ORGANIZATIONAL AND ESTABLISHMENT PLAN

Section 66 of the Local government Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to develop a policy framework determined by the Municipal council and subject to any applicable legislation, establish a mechanism that will regularly evaluate the staff establishment of a municipality and, if the staff establishment requires amendment the approval of council shall be obtained.

Institutional Structure

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

- **Political Structure**

The Principalship of Amahlathi Municipality lies with the council under the chairperson of the Speaker, and it operates a number of controls that assist in the realization of the council's mandates. Listed below are the committees that assist Council in carrying out its responsibilities; -

- a) Municipal Public Accounts Committee
- b) Audit & Performance and Audit Committee
- c) Rules Committee

INSTITUTIONAL CALENDAR

The Institutional Calendar that is a guide for Council, EXCO and Standing Committee Meetings is existing. It was adopted by the Council during the Council Meeting held on the 31 May 2023. A new council calendar is to be tabled by the Speaker in the council meeting of May 2024.

MEETINGS AS SCHEDULED

- All **Council Meetings** are convened according to the Calendar. There is a provision for Special Council Meetings that are not provided for in the calendar that will deal with urgent matters that cannot wait for the ordinary council meeting.
- Executive Committee Meetings are convened quarterly to discuss quarterly reports that are submitted to the Standing Committees, however special Executive Committee meetings are convened as and when necessary.

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

MEETING	DATE CONVENED	COMMENT
Ordinary Council Meeting	27 July 2023	Consider reports of the 4 th quarter of 2022/23 Financial Year.
Special Council Meting	01 August 2023	Declaration of Disaster
Special Council Meeting	24 August 2023	Consideration of 2022/2023 Upper Limits of Salaries, allowances, and benefits of Different members of Municipal Councils
Ordinary Council Meeting	31 August 2023	Consideration and adoption of Special Adjustment Budget 2023/2024 FY and Approval of 2024/2025 IDP/Budget Process Plan
Council Meeting	26 October 2023	Consideration of Compliance matters
Special Council Meeting	30 November 2023	"In Committee"
Ordinary Council	25 January 2024	2 nd Quarter Reports and Midterm Assessments.
Special Council	28 February 2024	SDBIP and Budget Adjustments

MEMBERS OF THE COUNCIL

The Council has got 30 members (PR and Ward Councilors) but owing to the passing of one PR Councillor only 29 councillors and 2 Traditional Leaders are active.

STRUCTURES OF THE COUNCIL

The executive committee consist of 6 standing Committees.

Following are the Standing Committees and their representatives:-

- 1) *BUDGET AND TREASURY*

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

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

2) CORPORATE SERVICES

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

3) COMMUNITY SERVICES

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 O. Mgunculu

4) SERVICE DELIVERY

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

5) DEVELOPMENT AND PLANNING

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

6) EXECUTIVE SERVICES

No.	Names
-----	-------

1.	Cllr B. Xongwana - Chairperson
2.	Cllr N. Ngxakangxaka
3.	Cllr M. Busakwe
4.	Cllr M.E. Maweni
5.	Cllr. N. Salaze

Other committees

- a) Executive Committee
- b) Intergovernmental Relations Committee
- c) Labour Forum Committee
- d) Affirmative Action/Training Steering Committee
- e) Women Caucus
- f) Rules, Ethics and Integrity Committee

The committees listed above are established in terms of Sections 79 and 80 of the Local Government: Municipal Structures (Act no 117 of 1998)

- **Administrative Structure**

The Municipal Manager leads the Management Committee composed of the Section 56 HODs and General Manager whose primary role also encompass the political advisory and administration.

Out of the functions identified, the Council approved the creation of the following six departments:

1. The Engineering Services.
2. The Corporate Services.
3. The Budget and Treasury Office.
4. The Development and Planning.
5. The Community Services
6. The Executive Services

3.5.2 ORGANIZATIONAL AND ESTABLISHMENT PLAN

Section 66 of the Local government Municipal Systems Act (Act No 32 of 2000) requires a Municipal Manager to develop a policy framework determined by the Municipal council and subject to any applicable legislation, establish a mechanism that will regularly evaluate the staff establishment of a municipality and, if the staff establishment requires amendment the approval of council shall be obtained.

Institutional Structure

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

- **Administrative Structure**

The Municipal Manager leads the Management Committee composed of the Section 56 HODs.

The current functions of the municipality are as follows:-

1. The Executive Services (Municipal Manager's Office).
2. The Corporate Services.
3. The Budget and Treasury Office.
4. The Community Services
5. The Engineering Services.
6. The Development and Planning.

These functions identified by the municipality are in direct compliance with Chapter 2 of the Municipal Staff Regulations on the establishment of a category B municipality. The same broad functions are part of the currently approved proposed organogram by Council which awaits submission to the MEC for COGTA before the end of the financial year. The organogram considers both the short and medium term IDP as a result of the unique financial constraints experienced by the municipality with regards to the Cost of Employment budget and expenditure that currently sits at 67%.

The municipality took a decision to place a moratorium on filling vacant positions below the section 56 managers in await of the migration and placement of employees into the new organogram. Critical and scarce skills positions are therefore not identified for immediate filling from external candidates until the municipality has "rationalized" and placed existing employees in positions that they mostly fit into. A vacancy rate has therefore not been applied because of the moratorium and the state of the municipality's 67% cost of employment expenditure which is 27% above the National Treasury threshold.

All section 56 and 54 positions are filled at a 50% by 50% African males and females.

3.5.3. HUMAN RESOURCES PLAN

HR Planning is an inclusive and dynamic process that involves the identification of both current and future human resources needs as well as potential challenges for the municipality to consistently achieve its objectives. An HR Plan entails short term organizational establishment of the Municipality mainly for the effective implementation of the **Service Delivery and Budget Implementation Plan (SDBIP)**. Ordinarily the HR Plan must accompany the IDP and Budget to Council each year since it is the enabler of the ***SDBIP***.

As a result of the moratorium on recruitment, staffing needs at departmental levels await the migration and placement of employees onto the approved organizational structure and the ***Annual Recruitment Plan*** of the

municipality for the 2023/2024 financial year consisted of the section 56 managers and community and youth development programmes that are both internally and externally funded.

INSTITUTIONAL COHESION

The staff turnover has increased in the first and second quarter of 2023/24 financial year. The three vacant managerial positions were filled in the third quarter whilst the vacant position of Chief Financial Officer is undergoing various stages of recruitment. The municipality is also recruiting Manager for Roads and Stormwater. The institution is still operating under a moratorium for recruitment on the basis of cost savings and implementation of the council approved re-engineered 2023/24 organogram.

SOME INITIATIVES IN SUPPORT OF INSTITUTIONAL COHESION

(a) Improved Policy Regime

New policies are developed some reviewed and submitted to council for approval after LLF consultation especially for HR and ICT policies. Workshops for councillors and employees are conducted on a yearly basis by the HR unit. These have facilitated decision making and smooth running of the municipality. Technical policy workshop was held in February 2024 and the Institutional policy workshop is earmarked for 30 April 2024.

(b) Sound Employee Relations

Amahlathi Local Labour Forum consists of 16 members (8 for labour component and 8 for employer component) LLF meetings are convened on a quarterly basis as reflected in the Council calendar and as and when required by mutual agreement of both parties. Any party, for reason of urgency, may call special meetings of the Local Labour Forum over a period of 48 hours.

There is a sound relationship between Employer and employees which is facilitated by the LLF seating's, training interventions by the HR unit and tabling of standard reports by the Corporate Services unit and those that the employee component deem necessary for engagements, should they not be a part of the Training and Employment Equity Committee standard agenda.

(c) Well Established EAP/Wellness Unit

The EAP Unit is well grounded and performs all related functions in improving employee's health status as well promoting occupational health and safety within the institution. Services includes a number of limited primary health functions and services including screening of employees for chronic medical conditions. Routine visits to satellite Offices are also being performed by the unit to render same services. EAP unit is also responsible for capacitating of employees with relevant updates on health conditions as well conducting health awareness campaigns and wellness activities/events thus promoting physical health and activeness. The Unit is well resourced with relevant basic medical equipment to render such services including basic medical supply for employees on suffering on chronic conditions and performing routine management for such conditions to promote compliance and adherence so as to gain control of such conditions. The unit is also responsible for ensuring and

maintaining communication including referral system with other relevant stakeholders when seemed to be necessary or for further care.

(d) Sound Fleet Management

The Municipality is in the process to renovating the municipal pound yard in order to be able to have a central place that is safeguarded to keep the municipal fleet. The Institution has an effective vehicle's tracker system for all its fleet including a comprehensive reporting mechanism for petrol utilisation per fleet on a monthly basis. The Fleet management Officer is appointed as an investigator of all fleet policy misuse occurrences. Control and allocation of vehicles to employees is under strict control and monitoring through the signed fleet authorisation form. Accountability for servicing and maintenance of municipal fleet has previously been compromised by the municipal financial constraints, however budget to maintain fleet has been prioritised in the 2023/24 financial year, resulting is elevated municipal services to the community, especially in the community and engineering services departments.

(e) Employment Equity Plan

The 3-year EEP (2022-2024) has been developed and is currently being implemented. Barriers have been identified and they will receive attention. Some of these include challenges faced in getting the existing employees to declare their disability through education of what is legally termed as a disability instead of the visible physical disabilities. A challenge is however foreseen in the declarations, which would be the need for financial resources to ensure compliance with reasonable accommodation needs of employees whose declarations would require financially resources accommodation.

(f) Records Management

The municipality has a File Plan aligned to the requirements of the Department of Sports, Recreation, Arts and Culture in place to manage and control the municipal records which has been revised with the assistance of the **Provincial Archivist** in 2022. The Record Management unit has completed revision of the file plan although challenges are still experienced in fully implementing it due to its manual nature and training required. Scanning of all the municipal records is underway and expected to be fully realised once the ICT network of the municipality is fully operational and an automated file plan is introduced.

(g) Staff Retention

The municipality has experienced a high rate of resignations, and this is a clear demonstration of the municipality's financial instability. The municipality distributed employee satisfaction survey questionnaire to all employees which assists the municipality to know exactly what the challenges are facing the employees in the workplace and to improve the workforce practices.

(h) Consistent Attendance of Corporate Services Forums

All forums convened by COGTA, SALGA and ADM throughout the year were all attended by Councillors and Officials. In these platforms of engagement, cooperative learning and networking has been found empowering for participants particularly on contemporary challenges facing local government, legislation and the future state crafted to steer around the local space.

(i) Occupational Health and Safety committee

Committee is made up of two (2) nominated employee(s) from each directorate and one (1) trade union representative of the recognized unions within the Amahlathi Local Municipality. Employees who are on contract of less than a year are not eligible for nomination to this committee.

The purpose is to promote awareness of safety issue and develop a collaborative relationship between management and employees of the Amahlathi Local Municipality to identify and resolve health and safety challenges. The committee has been trained by the Department of Employment and Labour to ensure that it executes its functions in compliance with the Act and the Department of COGTA has been invited to assist with compliance to the Act for optimum safe and healthy municipal operations.

SOME INSTITUTIONAL CHALLENGES

(a) Cascading of PMS to lower levels

Performance has been cascaded to employees from Task Grade twelve (12) and above and reviews are co-ordinated by each Head of Department then submitted to IDP/PMS office within six (6) working days of the next month after the end of each quarter. It has not yet been cascaded to employees below task grade 12.

(b) Escalating Wage Bill

An observation has been noted that the monthly salary bill is drastically increasing due to a range of reasons including Standardisation.

The standardisation case has been filed with the high court and set down for the 08 June 2023 after the municipal lawyers completed servicing all the affected employees, excluding those that exited the municipality.

To combat the negative effect of the escalating wage bill which currently sits at 67%, placing a moratorium on new appointments was put in place in the 2022/23 financial year, organisational re- engineering is in progress before posts may be job evaluated to ascertain the correct task grades of the municipal positions and placement of employees onto the 2023/24 approved organogram.

(c) Inadequate training budget

The available budget each year is not sufficient to cover what is contained in the Workplace Skills Plan (WSP) and skills audit. Training is therefore offered to staff on a prioritised basis as determined by each Department. Failure to submit the SETA grant funding applications on a yearly basis has crippled the municipality's ability to train its employees despite internal financial constraints.

WORKSPACE SKILLS PLAN

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

A Workplace skill plan (WSP) is developed, submitted to Council and LGSETA on an annual basis. An Annual training plan is developed based on the WSP. The implementation of the WSP is an ongoing activity and progress reports are presented to Council via the Corporate Services Standing committee timeously.

STAFF PROMOTIONS

There were no promotions in 2023/2024 FY

STAFF COMPLEMENT

The following is the breakdown of staff complement per Department:

STAFF COMPLEMENT

The following is the breakdown of staff complement per Department:

DEPARTMENT	BREAKDOWN OF POSTS	NO OF FILLED POSITIONS	NO OF VACANT POSITIONS
Municipal Manager's Office	Municipal Manager	1	0
	Office Support M.M	18	11
TOTAL		19	11

Corporate Services	Director	1	0
	Support Staff	30	10
TOTAL		31	10

Budget and Treasury	Chief Financial Officer	0	1
	Support Staff	42	
TOTAL		42	0

Development and Town Planning	Director	1	0
	Support Staff	16	-
TOTAL		17	0

Community Services	Director	1	0
	Support Staff	97	0
TOTAL		98	0

Engineering Services	Director	1	0
	Support Staff Electricity	53	6
TOTAL		54	6

TOTAL NO OF PERMANENT EMPLOYEES = 258

INSTITUTIONAL ORGANOGRAM

The municipality had an approved 2021/2022 organogram whose review commenced from the 29th of April 2022 after deliberations in the organizational strategy session to develop the 2022/23 IDP and SDBIP. It was recommended that a re-engineered organizational structure be crafted to yield a Lean organizational Structure in response to the municipal strategic direction and COGTA organogram assessment report which stated that the 2021/2022 organogram was bloated.

The municipality designed a process plan to direct the crafting of the proposed organogram and as a result, various stakeholders were consulted in the process, up to the Council draft approved organogram which was submitted to COGTA for recommendations on 03 August 2023. In terms of Local Government, Municipal Staff Regulations Chapter 2 sub-section (8) (a) Staff establishment " if the MEC does not provide comments within the period referred to in subsection (8), the municipal council may finally approve the municipality's staff establishment. The draft approved organogram was submitted to Council for approval as a result on non-responsiveness by the MEC for COGTA. After (5) months of waiting for COGTA recommendations, past the one (1) month waiting period as stipulated in the regulations, Council finally approved the draft approved organogram on 25 January 2024 with an additional position to strengthen the Internal Audit Unit.

COGTA recommendations dated 22 February 2024 were received for Council presentation to note areas of emphasis by COGTA. It has been noted that the COGTA recommendations do not contradict the approved organogram by Council. Areas of recommendations are legislative, and process related.

3.6 MUNICIPAL PRIORITIES NEEDS

PRIORITIES	DESIRED OUTCOMES
Youth Centre	<ul style="list-style-type: none"> • Development of youth
Fencing and bridges	<ul style="list-style-type: none"> • Constructed bridges • Access to villages
Roads	<ul style="list-style-type: none"> • Increase infrastructure funding for provinces for the maintenance of provincial roads • Invest in broadband network infrastructure • Improve maintenance of municipal road network
Water and Sanitation	<ul style="list-style-type: none"> • losses • Ensure effective maintenance and rehabilitation of infrastructure. • Run water and energy saving awareness campaigns. • Maintain and expand Develop and implement water management plans to reduce water purification works and wastewater treatment works in line with growing demand
Job Creation	<ul style="list-style-type: none"> • Access to decent employment • Strategy to reduce youth unemployment • Support small business and co-operatives
Health	<ul style="list-style-type: none"> • Revitalize primary health care • Increase early antenatal visits to 50%. • Increase vaccine coverage. • Improve hospital and clinic infrastructure

	<ul style="list-style-type: none"> • Accredit health facilities
Education	<ul style="list-style-type: none"> • Building of school premises for children
Community Halls	<ul style="list-style-type: none"> • Building of community halls • Renovation of Community halls
High Mast Lights	<ul style="list-style-type: none"> • Installation and energizing existing high mast lights to reduce the high level of crime in communities
Revitalization of Towns	<ul style="list-style-type: none"> • Beautification of Amahlathi small towns
Site allocation	<ul style="list-style-type: none"> • Allocation of sites to reduce land invasion

TOP 10 PRIORITY NEEDS

- Construction and Maintenance of Roads
- Water and Sanitation
- Houses
- Electricity
- Recreational Centers (Job creation and youth development programmes)
- Sport Facilities
- Community halls
- Revitalization of towns (Beautification of Amahlathi small towns)
- Fencing and bridges (graveyards, veld and camps)
- Health care and security services

WARD BASE PLANNING ISSUES

WARD	COMMUNITY NEEDS
1	<ul style="list-style-type: none"> • Internal roads of Masincedane, town, Lower Gxulu, Upper Zinguka,, Ngxonderheni, Sophumelela and Peter's Farm • Storm water drainage in town • High mast lights in town, Sophumelela and Masincedane • Pound in town • Dust bins in the town main road • Bridge between Masincedane and Lower Gxulu • Bridge that join Ngxonderheni and Burnshill (For learners to HH Majiza Secondary) • Revitalisation of town • Masincedane, Lower Gxulu,, Upper Zinguka, Pep to Sophumelela access roads • RDP houses in all wards • Electricity (in wards) of Masincedane, Ngxondorheni, Upper eZingcuka, Esixhotyeni • Paving of internal roads of town and Sophumelela • Community halls at Ngxondorheni, Sophumelela, Masincedane, Upper Zingcuka • Any Programs for youth of the wards • Water at upper Zingcuka & Esixhotyeni, Ngxondorheni • Masincedane, Lower Gxulu, Upper Zingcuka, Pep to Sophumelela access roads
2	<ul style="list-style-type: none"> • Access & Internal roads for all villages • Community halls in all villages

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Water in all villages also Bumbane tanks are leaking • High mast lights in all villages • Fencing of graveyards • Development programs for youth such as learnerships & internships
3	<ul style="list-style-type: none"> • Water supply to be also linked to Dontsa • Request for access roads • Bridge in Gwiligwili & Mthwaku • Provision of toilets in all villages • Fencing of graveyards in Ndlovini villages • Job creation for the youth • Request of RDP houses in all villages • High mast lights request for all villages • Scholar transport for Gwili-gwili children • Request of a community hall for Dontsa village
4	<ul style="list-style-type: none"> • High mast lights and streetlights must be operational • Construction of speedhumps on the sides of the paving • Job creation the municipality to engage Rance with regards to the utilization of the forest • A caretaker for graveyards must be hired • Roads in all villages • RDP houses • Sport field in Goshen • Fencing of Cemeteries in Goshen • Roads to channel water pipes in Goshen

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Renovations of hall in Goshen • Supply of water in Daliwe • Fencing and security of the hall in Daliwe location to avoid vandalism • 15 units of free basic electricity supply
5	<ul style="list-style-type: none"> • Street lights to be operational in Toise village • Supply of water in all villages • RDP houses
6	<ul style="list-style-type: none"> • RDP houses in Amatolaville • School to be built Amatolaville • Clinic in Amatolaville • Job creation in Amatolaville • Street lights in Amatolaville • Community hall at Kubusie • Internal roads in Kubusie • RDP houses in Kubusie • Electricity for Kubusie informal settlements • Kubusie street lights • Dip in Kubusie • Job creation for Kubusie community member • Kubusie Sport field • Facing of grazing land at Kubusie • Clinic request in Bhongolwethu • Roads in Bhongolwethu • RDP houses in Bhongolwethu • Maintenance of Bhongolwethu Community hall • Bhongolwethu sportfields • Houses for Bhongolwethu informal settlements • Water & stand taps in Bhongolwethu • Fencing on grazzland and graveyards in Bhongolwethu • Roads in Joe Lentz • Creation of jobs for Joe Lentz residents

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Request of Water in Joe Lentz • Title deeds for Joe Lentz residents • Roads in Ohlson • Request of Water in Joe Lentz • Fencing of grazzland in Ohlson
7	<ul style="list-style-type: none"> • Community hall in Mbaxa • Access and Internal roads in all villages • Bridge in KwaNciya & Nonesi • Clinic request for Mbaxa village • RDP houses in both villages • EPWP employment for all unemployed people in all villages • Maintenance of sports grounds/fields in all villages • Entertainment centre for youth (facilities) • Fencing of velds in all villages • Dumping sites • Maintenance of water pipes in all villages • Electric transformers at Ethembeni & Mbaxa
8	<ul style="list-style-type: none"> • Community halls in Khayelitsha & Nompandlana • Maintenance of roads at Nompandlana Nompumelelo • Clinic request at Boarder post • RDP houses in boarder post & Nompandlana (Squashville & Emthonjeni) • Sewer/Sanitation in Emthonjeni • Electricity transformer at Nompandlana, Huddon Nonkululeko extension, Border post, Khayelitsha, Emthonjeni Kei road town • Sportsfield in Emthonjeni

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Fencing of camps in Border post, Khayelitsha, Kei road • Commonage to be managed in Kei road • Dip for all 3 wards (7,8, & 12) • Maintenance of road in Khayelitsha • Humps • Cleaning of dams
9	<ul style="list-style-type: none"> • Internal roads in all villages • Bridge in between the villages for school children • Clinic for Ndakana residents • Police station for Ndakana residents • Paving at Amabele • High mast lights in Amabele • Job creation for Amabele residents • Access & Internal roads in all villages Gasela • RDP houses in Gasela • Police station in Gasela
10	<ul style="list-style-type: none"> • Access & Internal roads • Provision of RDP houses in all villages • Request for a community halls in all villages • Fencing of grave yards in all villages • Fencing of camps • Revitalization of dams • Water & Sanitation • Playgrounds/Sport fields
11	<ul style="list-style-type: none"> • High mast Lights for each village • Internal roads • Request for RDP houses • Fencing of camps • Fencing of graveyards

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Fencing of velds • Water supply & sanitation treatment • Request for community hall in each village • Renovation of Tshoxa community hall • Electricity supply on each village • Maintenance of sports field/grounds • Entertainment programs such as horse racing
12	<ul style="list-style-type: none"> • Access & Internal roads • RDP houses • Community halls in Nompumelelo, Malindana, Gubevu • Bridge • Graveyards in Nothenga, Gubevu, Frankfort, Malindana • Extension of water • Clinic at Nothenga, Hokwana, Nompumelelo • High mast lights in all villages • Maintenance of electricity poles • Eskom to provide electric transformers in all villages • Provision of water pumps in all village
13	<ul style="list-style-type: none"> • Roads in town need attention (gravel roads and tar roads) • Fix speed cameras on the N6 roads • Streetlights improvement in town • Development of N6/King Williams town junction site • Water and sewer pipe replacement in town • Recreation park upliftment • Tourism initiatives • Promotion Local Economic Development

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> • Development of industrial sites • Development of progress bylaws • Housing development for middle income bracket • Roads in Kologha • RDP houses in Kologha • Sewer pipe replacement • Community hall in Kologha • Street lights • Recreation park in Kologha • Cemeteries in kologha • Sportfield in Kologha • Forest way waterfall and hiking trail maintenance • Roads in Dohne (Station) • Streetlights in Dohne • Refuse collection and maintenance • Internal roads in Mgwali • RDP houses in Mgwali • Dipping tank in Mgwali • Fencing and food security program • Creche in Mgwali 1,2,6 • Recreation facilities i.e sport fields and a park • Tarring of roads between Tsomo Keiskammahoek • Internal roads in Heckel • Roads between Stutterheim and Heckel • RDP houses in Heckel • Clinic in Heckel • Fencing of Heckel cemeteries • Sustainable food security program in Heckel • Maintenance and fencing of the community hall in Heckel
14	<ul style="list-style-type: none"> • Internal roads in all areas • High mast lights and Street lights

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

WARD	COMMUNITY NEEDS
	<ul style="list-style-type: none"> RDP houses in Mzamomhle Clinic in Mzamomhle Community hall in Mzamomhle
15	<ul style="list-style-type: none"> Internal roads in all areas Clinic in Cenyulands Toilets Drains in Jongile avenue Sport fields construction/ Maintenance High mast lights in Cenyu village, cenyulands, White city, Bongweni, Khayelitsha Fencing of cemeteries Paving from the main road to Jongile Nompondo High School

CHAPTER 4: MUNICIPAL DEVELOPMENT OBJECTIVES AND STRATEGIES

This section reports on the work undertaken to address in a strategic manner the key areas of need identified during the Analysis Phase of the IDP process. In this regard, six key components have guided the formulation of the Municipality's development strategies and associated project identification. These are:

4.1 GUIDING PRINCIPLES

In carrying out its functions the Amahlathi Municipality has been committed to:

- Co-ordination with other spheres of government.
- Maximise participation of the community,
- Recognise the social needs of all communities.
- Sustainable Socio-economic, Environmental and Political Development.
- Provide necessary infrastructure within its means.
- Build investor confidence.

4.2 DEVELOPMENT OBJECTIVES

The Municipal Development Objectives are classified in terms of the **revised** Development Sector Clusters established through the mediation of the Amathole District IDP Framework Committee.

The process of identifying objectives was founded on the objectives developed by Amathole District Municipality and made use of the Representative Forum to ensure that the objectives identified would enable communities to attain the maximum benefit from all subsequent processes. The following objectives, per sector development cluster, were identified.

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP 1.1 To ensure provision of a sustainable road network and public infrastructure within Amahlathi LM by 2027.	Implementation and monitoring plan for the Municipal Road Network Servicing the Amahlathi Local Municipal Area	% progress towards roads constructed at Izidenge	R5 000 000	50% progress towards annual roads construction	50% progress towards annual roads construction	N/A	Director Engineering Services
		% progress towards roads constructed at Ngqeqe	R3 000 000	50% progress towards annual roads construction	50% progress towards annual roads construction	N/A	Director Engineering Services
		% progress towards surfacing (paving) of Xholotha Main Road	R 13 232 850	100% progress towards road surfacing (Paving)	N/A	N/A	Director Engineering Services
	Implementation of Monitoring and Evaluation Policy	No of reports on implementation of MIG funded projects	MIG budget	4 reports on implementation of MIG Funded projects	4 reports on implementation of MIG Funded projects	4 reports on implementation of MIG Funded Projects	Municipal Manager

KPA:1 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP Key Area	Local Strategic Outcomes for the 2024-25 Financial Year	Local Strategic Objectives for the 2024-25 Financial Year	Key Performance Indicators (KPI)	Target 2024/25	Target 2025/26	Target 2026/27	Responsible Department
1.2	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing networks by 2027	Reduce electricity system losses & elimination of illegal connections	% of Faulty reported meters repaired and replaced per query form	100% of Faulty reported meters repaired and replaced as per inspection report	100% of Faulty reported meters repaired and replaced as per inspection report	100% of Faulty reported meters repaired and replaced as per inspection report	Director Engineering Services
			No of reports on repairs and maintenance of electrical infrastructure	4 reports on repairs and maintenance of electrical infrastructure	4 reports on repairs and maintenance of electrical infrastructure	4 reports on repairs and maintenance of electrical infrastructure	Director Engineering Services
1.3	To promote safety and security in the municipality by 2027	Repair and maintenance of Streetlights	No of electricity meters installed	200 meters electricity installed	200 meters electricity installed	200 electricity meters installed	Director Engineering Services
		Repair and maintenance of High mast Lights	Number of streetlights maintained	120 streetlights maintained	120 streetlights maintained	120 streetlights maintained	Director Engineering Services
			Number of high mast lights maintained	20 high mast lights maintained	20 high mast lights maintained	20 high mast lights maintained	Director Engineering Services
				R150 000			

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP DEF	Local Strategic Cooperative for the 5 Years and Beyond	Key Performance Indicators (KPI)	Budget	2024/25	2025/26	2026/27	Responsible Officer
	Implementation of the Community Safety Plan	Number of progress reports reported disaster incidents.	Opex	4 Progress reports on reported disaster incidents.	4 Progress reports on reported disaster incidents.	4 Progress reports on reported disaster incidents.	Director Community Services
	Implementation of the Integrated Fire Management Plan	No of fire awareness campaigns conducted	Opex	4 Fire Awareness Campaigns conducted	4 Fire Awareness Campaigns conducted	4 Fire Awareness Campaigns conducted	Director Community Services
	Conduct road blocks	No. of road blocks conducted	Opex	40 road blocks conducted	40 road blocks conducted	40 road blocks conducted	Director Community Services
	Implementation of National Road Traffic Act	No. of tickets issued on law enforcement	Opex	500 tickets issued on law enforcement	500 tickets issued on law enforcement	500 tickets issued on law enforcement	Director Community Services
		No. of paintable streets with faded roadmaking's painted	Opex	15 paintable streets with faded roadmaking's painted	15 paintable streets with faded roadmaking's painted	15 paintable streets with faded roadmaking's painted	Director Community Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Direction for the 5 Years and Beyond	Strategy To Address The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Target 2026/27	Responsible AM	
1.4	To ensure provision of sustainable public facilities by 2027	Facilitate construction, maintenance and upgrade of sport fields, community halls, hawkker stalls, cemeteries and recreational facilities	% progress towards construction of Keiskammahoe Recreation Centre	R10 351 000	100% progress towards construction of Keiskammaho ek Recreation Centre	N/A	N/A	Director Engineerin g Services	
			% progress towards construction of Stutterheim Recreation Centre	R11 550 000	100% progress towards construction of Stutterheim Recreation Centre	N/A	N/A	Director Engineerin g Services	
			% progress towards construction of Phumlani Community Hall	R500 000	50% progress towards construction of Phumlani Community Hall	50% progress towards construction of Phumlani Community Hall	N/A	N/A	Director Engineerin g Services
			% progress towards construction of Laangdraai Community Hall	R500 000	N/A	N/A	100% progress towards construction of Laangdraai Community Hall	100% progress towards construction of Laangdraai Community Hall	Director Engineerin g Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP KPI	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Target 2026/27	Responsible Official
			% progress towards construction of Mbaxa Community Hall	R2 000 000	100% progress towards construction of Mbaxa Community Hall	N/A	N/A	Director Engineering Services
			% Progress on upgrades of sport facilities(Mlungisi)	R1 000 000	100% progress on upgrade of Sports Field	N/A	N/A	Director Engineering Services
1.5	To promote the culture of reading and effective use of library resources by 2027	Promote the culture of reading and effective use of library resource	No. of library awareness campaigns conducted	Opex	04 library awareness campaigns conducted	04 library awareness campaigns conducted	04 library awareness campaigns conducted	Director Community Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 3 Years and Beyond	Strategy to Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Responsible Officer
1.6	Ensure that solid waste is managed in an integrated environmentally friendly and sustainable manner	Implementation of the Integrated Waste Management Plan (IWMP)	Number of Reports on of solid waste programmes implemented	Opex	4 reports on solid waste programmes implemented (i.e. street cleaning, waste collection and disposal)	4 reports on solid waste programmes implemented (i.e. street cleaning, waste collection and disposal)	Director Community Services
			No of waste awareness campaigns conducted	Opex	4 waste awareness campaigns conducted	4 waste awareness campaigns conducted	Director Community Services
1.7	To facilitate a balanced spatial development form for the Municipality	Finalize and ensure compliance to the Spatial Development Framework (SDF)	Number of MPT Reports on the compliance to the municipal SDF	Opex	4 MPT Reports on the compliance to the municipal SDF	4 MPT Reports on the compliance to the municipal SDF	Director Development and Planning

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP Key Performance Indicator	Strategic Objective	Key Performance Indicator	Target 2024/25	Target 2025/26	Responsible Official
1.8	To facilitate access to housing relief	Implementation of Forestry Strategy	No of quarterly reports on municipal forestry management signed by MM	Opex	Director Community Services
		To monitor the progress and implementation on housing applications submitted to Department of Human Settlements	No of progress reports on housing applications submitted to department of human settlements.	Opex	Director Development and Planning
			4 progress reports on municipal forestry management signed by MM	4 progress report on municipal forestry management signed by MM	4 progress report on municipal forestry management signed by MM
			4 progress reports on housing applications submitted to department of human settlements.	4 progress reports on housing applications submitted to department of human settlements.	4 progress reports on housing applications submitted to department of human settlements.
KPA 2: MUNICIPAL FINANCIAL VIABILITY					
2.1	To continuously ensure an equitable, economical, transparent, fair and value – add supply 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	Opex	Chief Financial Officer
			4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to	4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to	4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP SIZE	Local Strategic Objective for the 5 Years and Beyond	To My Performance Budget The Indicator (KPI)	Target 2024/25	Target 2025/26	Target 2026/27	Responsible AG	
2.2	To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2027	Maintain a fixed asset register that comply with GRAP	No. of material audit queries raised on the updated asset register by the AG.	Opex	the Mayor by the 15th day after end of the quarter	Zero material audit queries raised on the updated asset register by the AG.	Chief Financial Officer
2.3	To ensure 100% expenditure of capital budget by 2023	Monitoring and reporting on the spending (MIG/INEP grants)	% expenditure of capital budget % expenditure of electricity repairs and maintenance budget	Opex Opex	the Mayor by the 15th day after end of the quarter	100% expenditure of capital budget % expenditure of electricity repairs and maintenance budget	Director: Engineering Services Director: Engineering Services
2.4	Ensure 90% collection of income due from consumer debtors by 2023	Collect 90% of billed income Implementation of Revenue	% of billed income collected No. of reports outlining achievements on	Opex Opex	the Mayor by the 15th day after end of the quarter	90% of billed income collected 4 quarterly reports and 1 annual report	Chief Financial Officer Municipal Manager

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP KPI	Local Strategic Objective for the 5-Year and Beyond	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	EUSF/AM AM
	Enhancement Strategy	implementation of Revenue Enhancement Strategy		outlining achievements on implematio n of Revenue Enhancement Strategy	achievements on implementation of Revenue Enhancement Strategy	
2.6	To ensure effective, compliant and credible financial planning, management and reporting by 2027.	No. of Monthly financial reports (Sec 71 and sec 52 reports) submitted to Mayor and Treasury on the 10th working day of each month	Opex	12 Monthly financial reports submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury)	12 Monthly financial reports submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury)	Chief Financial Officer
	Adherence to all applicable financial legislation and regulations	No weekly reports on motor vehicle registration submitted to Department of	Opex	46 weekly reports on motor vehicle registration submitted to	46 weekly reports on motor vehicle registration submitted to Department of	Director Communit y Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Target 2026/27	CUSTODIAN
		Department of Transport	Transport within 3 working days after the end of each week		Department of Transport within 3 working days after the end of each week	Department of Transport within 3 working days after the end of each week	Transport within 3 working days after the end of each week	
		Preparation and submission of credible and GRAP compliant annual financial statements	Date on which GRAP compliant annual financial statements prepared and submitted to the Auditor-General	Opex	GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August each year	GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August each year	GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August each year	Chief Financial Officer
		Financial Viability as expressed by ratios	% Cost coverage (B+C)+D	Opex	To maintain a cost average ratio of 3% by June 2025	To maintain a cost average ratio of 4% by June 2026	To maintain a cost average ratio of 4% by June 2027	Chief Financial Officer

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP SIP	Local Strategic Objective for the 5 Years and Beyond	Strategic Outcome The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	Responsible AM
2.7	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 developmental imperatives in the IDP	2023/2024 budget prepared and submitted to council for approval on by 31 st May each year	Opex	2025/2026 budget prepared and submitted to council for approval by 31 st May 2025	2026/2027 budget prepared and submitted to council for approval by 31 st May 2026	2027/2028 budget prepared and submitted to council for approval by 31 st May 2027	Chief Financial Officer	
KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
3.1	To strengthen democracy through improved public participation	Implement Public Participation Strategy	No. of reports analyzing public participation trends	Opex	4 quarterly reports analyzing public participation trends on the municipal programmes.	4 quarterly reports analyzing public participation trends on the municipal programmes.	4 quarterly reports analyzing public participation trends on the municipal programmes.	Municipal Manager	
			% Increase on social media following by the		10% Increase on social media following by	15% Increase on social media following by	20% Increase on social media following by the	Municipal Manager	

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Target 2026/27	CDS/Obj/ AW
		Management of Petitions and Rapid Response and submission of Petitions Management Status Reports to council	end of the financial year No. of quarterly petition Management status reports submitted to Council	Opex	the end of the financial year 4 Quarterly reports on the status of petitions	the end of the financial year 4 Quarterly reports on the status of petitions	end of the financial year 4 Quarterly reports on the status of petitions	Municipal Manager
3.2	To capacitate Satellite offices as one stop shops for service delivery by 2027.	Ensuring Cluster Wide Comprehensive Development	No. of Ward Based Service Delivery Plans	Opex	5 Ward Based Service Delivery Plans Developed	5 Ward Based Service Delivery Plans Developed	5 Ward Based Service Delivery Plans Developed	Municipal Manager
3.3	To ensure a clean administration by 2027	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting	Opex	4 risk management reports submitted by HODs to Internal Audit in preparation for Risk	4 risk management reports submitted by HODs to Internal Audit in preparation for Risk	4 risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting	All HODs

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 2024/25 Financial Year and Beyond	To Address The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2026/27	Responsible Party
3.5	Ensure effective & efficient resolution of legal matters	annual compliance plan Status Reports on Resolution of legal matters	No. of reports on legal matters and their status with financial implications submitted to council	Opex	compliance plan 4 reports on legal matters and their status with financial implications submitted to council	4 reports on legal matters and their status with financial implications submitted to council	Municipal Manager
3.6	To ensure quality life through integrated welfare services for the children, women, youth, elderly, people with disability, HIV and AIDS by 2027	Implementation of Strategy on Special Programs	No. of SPU Forums Established, Supported and Capacitated	Opex	7 SPU Forums Established and Capacitated	7 SPU Forums Capacitated and Supported	Municipal Manager
3.7	To ensure proactive and effective communication	Building and positioning well the municipality brand	No. of newsletters developed and published on website and	Opex	4 quarterly newsletters developed and published on website and	4 quarterly newsletters developed and published on website and	Municipal Manager

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve The Objective	Key Performance Indicators (KPI)	Target 2024/25	Target 2025/26	Target 2026/27	SUSTOOP AN
3.8	Strengthening Amahlathi ICT systems and networks for future generations by 2027	Improvement of ICT infrastructure for efficiency and data recovery	municipal facebook page % information for municipal users back upped	municipal facebook page 90% information for municipal users back upped	municipal facebook page 100% information for municipal users back upped	municipal facebook page 100% information for municipal users back upped	Director Corporate Services
3.9	To ensure compliant, effective and efficient customer management by 2027 and beyond.	Modernize the telephone system for customer care and productivity improvement Implementation and monitoring of controls to ensure security of information and business continuity Provide on-going support to	Turn-around time to attend to logged faults and system related queries by users No. of ICT systems implemented with itemized usage and expenditure reports No. of reports on unresolved	Opex Opex Opex	Opex Opex Opex	Opex Opex Opex	Director Corporate Services Director Corporate Services Chief Financial Officer

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Year and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	CUSTODY
3.10	To ensure business continuity in the event of a disaster by 2027 and beyond	users on system related queries Implementation and monitoring of controls to ensure security of information and business continuity	system related queries Daily backups done on Financial system, Payroll and HR system	Opex	system related queries Daily backups done on Financial system, Payroll and HR system	system related queries Daily backups done on Financial system, Payroll and HR system	Chief Financial Officer
KPA 4: LOCAL ECONOMIC DEVELOPMENT							
4.1	To improve implementation of the government intervention program 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 Temporary local jobs created	R1 310 000	450 Work Opportunities created	550 Work Opportunities created	Director Corporate Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP SIP	Local Strategic Objective for the 3 Years and Beyond	Strategy to Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	2025/26 MA
		Subcontracting of the work to SMMEs residing at Amahlathi LM during the rollout of Capital Projects	No. of Sub-contract agreements signed by the main contractor and sub-contractor	Opex	5 Sub-contract agreements signed by the main contractor and sub-contractor	6 Sub-contract agreements signed by the main contractor and sub-contractor	Director Engineering Services
		At least 25% of procurement expenditure to benefit SMMEs.	% of Amahlathi expenditure to benefit SMMEs	Opex	25% of Amahlathi expenditure to benefit SMMEs	25% of Amahlathi expenditure to benefit SMMEs	Chief Financial Officer
4.2	To stimulate growth of the local economy through robust long-term planning & programming by 2026.		No of SMMEs supported to access government Support Programs	Opex	50 SMMEs supported to access SMME Support Programs	60 SMMEs supported to access SMME Support Programs	Director Development & Town Planning
			No. of businesses issued with new trading permits	Opex	50 business issued with new trading permits	60 business issued with new trading permits	Director Development & Town Planning

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy To Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Target 2026/27	CUSTOM APP
			No. of business that renewed their trading permits	Opex	72 businesses renewed their trading permits	122 business		
4.3	Promotion of Tourism through identification of Tourist arrears	Promoting tourism	No. of tourist attractions promoted		8 tourist attractions promoted	8 tourist attractions promoted	8 tourist attractions promoted	Director Developm ent & Town Planning
			No. of trainings conducted for LTOs and CTOs		2 support interventions for LTOs and CTOs	2 support interventions for LTOs and CTOs	2 support interventions for LTOs and CTOs	Director Developm ent & Town Planning
4.4	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	Opex	40 farmers to be supported with capacity building	40 farmers to be supported with capacity building	40 farmers to be supported with capacity building	Director Developm ent & Town Planning

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP 2024/25 Key Strategic Outcome for the Municipality & Towns and Sustainable Development	Key Performance Indicator The Indicator will	Budget	Target 2024/25	Target 2025/26	Target 2026/27	Responsible Party
4.5 To ensure value-maximization of the forestry natural resource in line with local economic development by 2022.	% Implementation of a forestry strategy in a Co-ordinated manner	Opex	6 support interventions on timber cooperatives	6 support interventions on timber cooperatives	6 support interventions on timber cooperatives	Director Development & Town Planning
4.6 To ensure development of the economic infrastructure required to enable increased economic growth	Source funding for a catalytic project	Opex	No. of funding applications submitted	4 funding applications submitted	4 funding applications submitted	Director Development & Town Planning
To building resilient smart towns	Facilitate investment on the revitalization of Amahlathi Towns		No of LED investor summit coordinated	1 Business Breakfast coordinated	1 Business Breakfast coordinated	Municipal Manager
KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT						

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP Item	Local Strategic Objective for the 5 Years and Beyond	Strategy To Address The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Responsible
5.1	To attract, retain, build capacity and maximize utilization of Amahlathi Human Capital by 2027 and beyond	Implementation of the approved organizational structure	% Completion of the organization implementation plan	Opex	75% Implementation of the Re-Engineered and Council Approved Organogram	100% Implementation of the Employee Satisfaction Survey and Action Plan	Director Corporate Services
			No of implemented programmes per Human Resource Strategy implementation plans	Opex	4 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)	Director Corporate Services
		Strengthening systems and mechanisms relating to governance	No. of EAP programmes implemented as per approved plan	Opex	4 EAP programmes implemented per approved plan	4 EAP programmes implemented per approved plan	Director Corporate Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP EEP	Local Strategic Objective for the 5 Year and Strategic Outcomes	Key Performance Indicators (KPI)	Target 2024/25	Target 2025/26	Key Role	Responsible M
	processes, risks management and internal controls	No. of reports on health and productivity of the municipality	4 Reports on health and productivity of the municipality	4 Reports on health and productivity of the municipality	4 Reports on health and productivity of the municipality	Director Corporate Services
	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	4 quarterly reports prepared on compliance with EEP annual targets	4 quarterly reports prepared on compliance with EEP annual targets	Director Corporate Services
5.2	Promote sound Labour Relations for a conducive work environment through education and legislative compliance	Local Labour Form (LLF) meetings and Labour Relations information sessions held	Opex	4 LLF meetings	4 LLF meetings	Director Corporate Services
		No of LR information sessions / training held	Opex	4 LR information sessions / training held	4 LR information sessions / training held	Director Corporate Services
		No of trainings organized for employees	Opex	4 trainings organized for employees	4 trainings organized for employees	4 trainings organized for employees
	Develop and implement a blended learning and development programme strategy					

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP REF	Local Strategic Objective for the 5 Years and Beyond	Strategy to Achieve The Strategic Objective	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Target 2026/27	Customer
5.3	Efficient and economical utilization of council resources	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	Opex	4 Reports on implementation of the Vehicle Pound and Municipal Mechanical Workshop	4 Reports on implementation of the Vehicle Pound and Municipal Mechanical Workshop	4 Reports on implementation of the Vehicle Pound and Municipal Mechanical Workshop	Director Corporate Services
			No. of reports on implementation of fleet management systems with logistics management, fuel utilisation, accidents and maintenance submitted to fleet management committee	Opex	4 reports on fleet management systems with logistics (on-line fleet booking management), management, fuel utilisation, accidents and maintenance submitted to fleet management committee	4 reports on fleet management systems with logistics (on-line fleet booking management), management, fuel utilisation, accidents and maintenance submitted to fleet management committee	4 reports on fleet management systems with logistics (on-line fleet booking management), management, fuel utilisation, accidents and maintenance submitted to fleet management committee	Director Corporate Services

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

IDP Key	Local Strategic Objective for the 5 Years and Beyond	Key Strategy Actions	Key Performance Indicator (KPI)	Budget	Target 2024/25	Target 2025/26	Target 2026/27	Responsible
5.4	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	No. of implemented projects on the file plan for all active and archived documents	Opex	4 implemented projects with file plan for active and archived documents	4 implemented projects with file plan for active and archived documents	4 implemented projects with file plan for active and archived documents	Director Corporate Services
5.5	To optimize and improve data security by 2027	Implementation of digital Transformation Strategy	% utilization of domain emails by Staff	Opex	100% utilization of domain emails by Staff	100% utilization of domain emails by Staff	100% utilization of domain emails by Staff	Director Corporate Services
			No. of implemented internet projects in all municipal office buildings	Opex	2 implemented internet projects in all municipal office buildings	2 implemented internet projects in all municipal office buildings	2 implemented internet projects in all municipal office buildings	Director Corporate Services

CHAPTER 5: PROJECTS

Grant (Source of Funding)	Project Name	Ward No.	Total MTEF Project Allocation	2024/25 Allocation	2025/26 Allocation	2026/27 Allocation
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	Stutterheim Recreation Centre	13	R 13 299 621			
	Keiskammahoek Recreation Centre	1	R 12 538 005	R 4 600 000,00		
	Surfacing of Cathcart Streets	4,5	R 1 083 956			
	Mbaxa Community Hall	7	R 4 553 382	R 2 300 000,00		
	Frankfort Internal Roads	12	R 2 700 000			
	Paving of Xhologha Internal Roads	13	R 13 998 334	R 13 232 850,00		
	Izidenge Internal Roads	6	R 5 376 974		R 5 000 000,00	
	Pumulani Community Hall	2	R 5 429 856	R 2 000 000,00	R 3 162 108,00	
	Langdraai Community Hall	4	R 157 711			R 5 500 000,00
	Ngqeqe Internal Roads	11	R 149 431		R 1 605 242,00	

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

Mlungisi Sports field	15	R 5 639 189	R5 400 000,00		
Waste Collection Compactor Truck		R 3 476 600		R3 476 600,00	
Municipal Offices	13	R 16 000 000	R8 000 000,00		
Stutterheim Streets Paving	13	R 3 500 000		R3 500 000,00	R10 830 650,00
Keiskammahoek Town Paving	1	R 3 500 000		R3 500 000,00	R10 000 000,00
Amabele Paving	9	R 1 000 000		R1 000 000,00	R3 000 000,00
Stutterheim Recreational Park Revamping	13	R 0			
Keilands Roads	5	R 1 605 242		R3 000 000,00	
Khayelitsha Community Hall	8	R 2 700 000			R5 500 000,00
TOTAL PROJECT COST		R 97 008 300	R35 532 850,00	R32 243 950,00	R34 830 650,00
PMU Costs		R5 105 700,00	R1 870 150,00	R1 697 050,00	R1 787 350,00
MTEF Total Allocation			R 37 403 000	R 33 941 000	R 36 618 000

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

2023/24 TO 2026/27 DISASTER CAPITAL PLAN

Grant (Source of Funding)	Project Name	Ward No.	Total MTEF Project Allocation	2023/24 Allocation	2024/25 Allocation	
Municipal Disaster Recovery Grant	Mandiakaphell Village roads, Langdraai Village Road and Culvert from upper to Ematyotyombeni in Cathcart	4	R 4 750 000	R 4 750 000,00		
	Sutterheim - Landfill Site Road	13	R 1 250 000	R 1 250 000,00		
	Upper & Lower Ngqumeya road and Tshoxa road in Keiskammahoek	11	R 4 550 000	R 4 550 000,00		
	Kubusie road from area 5 to Mahanjane] & Ohlson farm road in Stutterheim	6	R 6 375 000	R 6 375 000,00		
	Bridge between Rhawini and Bongweni	5	R 1 200 000	R 1 200 000,00		
	ds, Stanhope Road, Jersey vale Roads & in Stutterheim	9	R 3 000 000	R 3 000 000,00		
	Mlungisi township roads (old location, Mbulelo Ndondo & Mpelazwe) in Stutterheim	14	R 4 375 000	R 4 375 000,00		
	Allocation Appearing on DoRA - Not allocated to projects				R 19 145 000,00	
	TOTAL PROJECT COST			R 63 790 000	R 25 500 000,00	R 19 145 000,00
	PMU Costs					
	MTEF Total Allocation				R 25 500 000	R 19 145 000

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

2023/24 TO 2026/27 INEP THREE YEAR CAPITAL PLAN

Grant (Source of Funding)	Project Name	Ward No.	Total MTEF Project Allocation	2023/24 Allocation	2024/25 Allocation	2025/26 Allocation
INEP	3-5MVA 22/11kV Cathcart Substation Upgrade	4	R 4 750 000	R4 750 000,00		
	11kV Stutterheim Main intake SWS uPGRADE Phase 2	13	R 360 000	R360 000,00		
	Indicative as per DoRA			R1 500 000,00		
	Indicative as per DoRA				R8 250 000,00	
	TOTAL PROJECT COST		R 22 313 000	R 6 610 000,00	R8 250 000,00	R 7 453 000,00
	PMU Costs					
	MTEF Total Allocation			R 6 610 000	R 8 250 000	R 7 453 000

Pipeline of Catalytic Projects														
No.	Project Name	Project Description	Location	Budget										
1.	Furniture Incubation	<ul style="list-style-type: none"> Inspired by the defunct Abenzi-wood house initiative but now focused on the concept rather the failed business A collaboration between the ALM,DEDEAT & the ECDC Will also contribute to the strengthening the local forestry value-chain – manufacturing focus ECDC has committed to assisting with the Feasibility Study and is in the process of appointing a Service Provider for this. 	Stutterheim	None										
2.	Keiskammahoek Rural Market Centre	<ul style="list-style-type: none"> DRDAR/ADM/ALM collaboration Pilot for an EC wide Initiative, KKH chosen site in line with the KKH STR – Agricultural node ALM has availed Ervin 140 & 141 in KKH ADM has set aside R1m DRDAR has set aside R8m for the project 	Keiskammahoek	R9m										
3.	Middle Income Housing	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">110 plots</td> <td style="text-align: center;">New Town</td> </tr> <tr> <td style="text-align: center;">65 plots</td> <td style="text-align: center;">Keiskammahoek (Next to Magistrate Court)</td> </tr> <tr> <td style="text-align: center;">54 plots</td> <td style="text-align: center;">Cathcart (next to hospital)</td> </tr> <tr> <td style="text-align: center;">54 plots</td> <td style="text-align: center;">Next to Stutterheim Hospital</td> </tr> <tr> <td colspan="2">Included in the support proposal to the EC-COGTA's Municipal Support Programme's PMU. This is towards completing various township establishment related activities and bringing this project to bankability</td> </tr> </table>	110 plots	New Town	65 plots	Keiskammahoek (Next to Magistrate Court)	54 plots	Cathcart (next to hospital)	54 plots	Next to Stutterheim Hospital	Included in the support proposal to the EC-COGTA's Municipal Support Programme's PMU. This is towards completing various township establishment related activities and bringing this project to bankability			None
110 plots	New Town													
65 plots	Keiskammahoek (Next to Magistrate Court)													
54 plots	Cathcart (next to hospital)													
54 plots	Next to Stutterheim Hospital													
Included in the support proposal to the EC-COGTA's Municipal Support Programme's PMU. This is towards completing various township establishment related activities and bringing this project to bankability														
	Stutterheim Master & Precinct Plan	<p>This will entail the following:</p> <ul style="list-style-type: none"> A master plan for the regeneration of town and its surrounding areas 	Various Stutterheim based location being considered for the Municipal Office	None										

		<ul style="list-style-type: none"> • A precinct plan for a retail facility and new offices for the Municipality • A Business Plan towards mobilising resources for the implementation of the Precinct Plan 	and Retail precincts	
	SA Fine-Tuned Wildlife Project	<p>It's a Department of Environmental Affairs funded Wildlife Farming project, which entails the following:</p> <ul style="list-style-type: none"> • Improvement of livelihoods and the environment through job creation and biodiversity awareness creation • Rehabilitation of degraded agricultural land • Utilisation of underutilised renewable natural resources to stimulate the local economy • Empowerment of Communities adjacent to the project site 	Bolo, in Ward 5	R20m
	Amathole Biosphere Reserve	It is a program implemented by Department of Forestry, Fisheries and Environment. It traverses three Local Municipalities: Ngqushwa, Raymond Mhlaba, and Amahlathi.	Ward 1	DFFE

1. DEPARTMENT OF HUMAN SETTLEMENTS PROJECTS

Human Settlements development is the prerogative of the Provincial Department of Human Settlements. The only thing that the municipality does is to avail land for housing development.

Below is the list of projects (in various stages) that are implemented across Amahlathi Local Municipality.

1. RUNNING PROJECTS

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	PROJECT BUDGET	EXPENDITURE	CHALLENGES	PROGRESS TO DATE
PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	PROJECT BUDGET	EXPENDITURE	CHALLENGES	PROGRESS TO DATE
CENYU VILLAGE	450	Completion of 150 outstanding units	Running	R 80,162,861.56	R 45,904,252.62	Delay in NHBRC Enrolment due to lack of stormwater drainage on the internal Roads.	300 units are complete 150 are still not started
CENYULANDS	692	Completion of 343 outstanding units	Running	R 128,035,138.00	R 54,490,827.00	Delay in NHBRC Enrolment due to lack of stormwater drainage on the internal Roads.	349 units are complete 343 are still not started
FRANKFURT	300	Completion of all 300 units	Running	R 48,082,200.00	R 11,529,699.00	None	25 units are complete 45 units are roofs 1 unit is at wall plate 64 units are at foundations 165 are still not started

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MASINCEDANE 200 DESTITUTE	200	Completion of all 79 outstanding units	Running	R 34,176,056.00	R 1,871,681.00	Slow pace of progress on site.	121 completed units, 6 at foundations and 62 are not yet started. 11 units were completed by beneficiaries
KUBUSI 304	304	Completion of 152 outstanding units, 289 VIP toilets,	Running	R 16,324,418.72	R 171,260.00	Delayed NHBRC Enrolment.	152 completed houses, 139 units are at foundations, 13 still not yet started and 15 VIP toilets (281 vandalised).
Kei Road Northern Node	421	Installation of internal services to 421 new erven and construction of 200 houses.	Unblocked	R 49 835 437.00	R 8 575 483.00	Delay in conclusion of the Payment Cession by the Department of Human Settlements.	Water installation is complete. Installation of roads is almost complete. Installation of stormwater drainage is underway.
Gasela 75	75	Construction of 75 new units	New	R 15 741 195.00	R 151 500.00	Delay in conclusion of the Contract by the Department of Human Settlements. Delayed approval on Approval of Designs by Municipality.	Site Establishment is underway. Project Enrolment with NHBRC is underway.

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

2. BLOCKED PROJECTS

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	CHALLENGES	INTERVENTION	PROGRESS TO DATE
MLUNGISI 270	169	Construction of 25 new units	Blocked	Contractor left the site because of outstanding payment. Items being claimed appear to have been paid before.	The Department is still making various attempts to find a solution to the matter.	No progress has been achieved yet.
NDAKANA	1300	Construction of 35 units	Blocked	Progress is stalled by the NHBRC Enrolments of replacement beneficiaries.	Contractor procurement is underway	1265 units are complete

3. PLANNED PROJECTS

PROJECT NAME	NO. OF SUBS.	DELIVERY PLANNED	STATUS	PROJECT BUDGET	EXPENDITURE	CHALLENGES	PROGRESS TO DATE
KATIKATI 300	300	Installation of internal services to 300 new erven. Construction of 100 units.	New	R 68 336 138.95	R 1,311,857.33	No contractor on site	Contractor Procurement is at BEC stage .
Gasela 75	75	Construction of 75 new units	New	R 15 741 195.00	R 151 500.00	None	Project planning is underway. Contractor Procurement is at BEC stage.

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

Squashville 467	153	Complete Planning and Design Stage. Construction of 100 new units.	New	R 86 187 334.44	R143,400	Availability of building space within the plots	Project planning is underway.
Mthonjeni 201	80	Complete Planning and Design Stage. Construction of 80 new units.	New	R 37 095 619.32	R0	Availability of building space within the plots	Project planning is underway.
Goshen	100	Complete Planning and Design Stage	New	R 21 478 266.00	0.00	None	Funding Application is approved. Procurement of a Professional Service Provider is at BSC stage.

4. CLOSEOUT PROJECTS

PROJECT NAME	NO. OF SUBS.	CHALLENGES	PROGRESS TO DATE	INTERVENTION
XHOLORHA	700	Lack of information	Conditional Approval issued	Will be closed when all the required Project Information becomes available

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

MIG AND WATER SERVICE INFRASTRUCTURE GRANT (WSIG) PROJECTS BY AMATHOLE DISTRICT MUNICIPALITY

MIG THREE YEAR CAPITAL PLAN 2023/24 TO 2025/26	VAT excl PROJECT BUDGET 2023/24	VAT excl PROJECT BUDGET 2024/25	VAT excl PROJECT BUDGET 2025/26
Amahlathi Area Wide Sanitation Phase 2	-	R377 612,00	R377 612,00
Amahlathi Area Wide Sanitation Region 3A: Phase 2	R309 408,00	R682 230,00	R4 981 360,00
Cathcart Bulk Services Upgrade	R28 469 577,00	R18 787 913,00	R18 787 913,00
Stutterheim Sewer Pipe Replacement Programme	R2 475 094,00	R904 494,00	R5 203 624,00
Stutterheim Water Pipe Replacement Programme	R9 327 127,00	R9 881 504,00	R9 881 504,00
Zingcuka Water Supply (Adjustment)	R419 657,00	R200 786,00	R612 472,00
Repairs and Refurbishment of Water Infrastructure: Amahlathi LM	R447 826,00	-	-
Amahlathi LM: Emergency interventions at sewage systems in the Amathole District Municipality (COVID	R1 998 757,00	-	-
TOTAL	R43 447 446,00	R30 834 539,00	R39 844 485,00

Water Services Infrastructure Grant (Wsig) Three Year Capital Plan - Budget 2023/24 To 2025/26

PROJECT NAME	REGION	VAT EXCLUSIVE PROJECT AMOUNT 2023/24	VAT EXCLUSIVE PROJECT AMOUNT 2024/25	VAT EXCLUSIVE PROJECT AMOUNT 2025/26
Non-Revenue Water Loss Control Project: Amahlathi	EC124 Amahlathi		-R4 413 043,00	R4 413 043,00
Dontsa Water Supply	EC124 Amahlathi	R3 530 435,00	R2 647 826,00	-
Refurbishment of Amahlathi & Ngqushwa water retaining structures	EC124 Amahlathi		-R4 413 043,00	R4 413 043,00
TOTAL		R3 530 435,00	R11 473 912,00	R8 826 086,00

DEPARTMENT OF FORESTRY FISHERIES AND THE ENVIRONMENT

PRIORITY AREA	NDP OUTCOME	TARGET: 23/24	Budget	MUNICIPALITY
Biodiversity Economy	Economic Growth and Employment	Fine Tune: To establish Game ranching facility through the erection of a game fence, water supply, admin building and a lodge	20 000 000 00	Amahlathi
		Construction of Lappia Javanica processing facility in partnership with UFS	10 000 000 00	Amahlathi
		Establishment of Game breeding/ ranching facility with a game meat processing plant. Rehabilitation of water supply infrastructure, roads, fencing and lodge	8 000 000 00	Amahlathi

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

PROJECTS BY ESKOM

2023/2024 ELECTRIFICATION PLAN – AMAHLATHI LM

PROJECT NAME	PROJECT TYPE	Original plan 23/24	TOTAL PLANNED CONNECTIONS 2023/24	BENEFICIARIES/ VILLAGE NAMES
Amahlathi Ward Ext. 23/24	Household	R22 671 429	835	Mlungisi, KwaZidenge and Jerseyvale
Link line	Infrastructure	R4 968 944		
Amahlathi Ward Exts Pre-engineering (2024/25 Plan)	Pre-Eng	R1 658 422		
Total Amahlathi		R 29 298 795	835	

2024/2025 ELECTRIFICATION PLAN – AMAHLATHI LM

PROJECT NAME	PROJECT TYPE	Final submission (05 Feb 2024)	Proposed Connections	Final Connections
Amahlathi Ward Exts Pre-engineering (2025/26 Plan)	Pre-Eng	R 1 200 000		
Amahlathi Schedule 5B Pre-engineering	Pre-Eng	R0		
Amahlathi Housing Development	Household	R0	50	0
Amahlathi Type 1 Infills	Infills	R1 560 000	200	200
Amahlathi Ward Ext. 24/25	Household	R17 655 555	1500	535
Amahlathi Link line 24/25		R12 500 000		
Total Amahlathi		R32 915 000	1750	735

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

PROJECTS FOR 2020/21-2022/23 FY BY DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AFFAIRS AND TOURISM (DEDEAT) ROLLOVER TO 2023/24

PROJECT NAME	BUDGET R '000	Total expenditure to date R '000
Rehabilitation of waste sites	R20 million over a period of 3 years	R6.6MILLION

DEPARTMENT OF TRANSPORT

DEPARTMENT OF TRANSPORT- URGENT RESPONSE ON (ROUTINE MAINTENACE)

Local Municipality	ROAD NO	ACTIVITY	Quantity	Cost
Amahlathi	DR07261	Patch gravelling	3	R 1 500 000,00
	DR02778	Patch gravelling	4	R 2 000 000,00
	DR02798	Patch gravelling	4	R 2 000 000,00
	DR02806	Patch gravelling	2	R 1 000 000,00
	DR07300	Reshaping	10	R 400 000,00
	DR07375	Patch gravelling	3.2	R 1 600 000,00
	DR07265	Patch gravelling	3	R 1 500 000,00
TOTAL			29.2	R10 000 000.00

PUBLIC TRANSPORT: 2024 SCHOLAR TRANSPORT

MUNICIPALITY	PROJECTS	NATURE OF SUPPORT	BENEFICIARIES	SCHOOLS	BUDGET
Amahlathi	Contacted services	Scholar Transport	1 307	23	R8,681,339.59

PUBLIC TRANSPORT: BUS SUBSIDY

MUNICIPALITY	PROJECTS	NATURE OF SUPPORT	BENEFICIARIES	ROUTES	BUDGET
Amahlathi	Bus subsidy(Mayibuye Transport Corporation)	Subsidy	2 832	7	R 1 661 370

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

TRAFFIC LAW ENFORCEMENT

MUNICIPALITY	PROJECTS	NATURE OF SUPPORT	BUDGET
All LM's	Reduced road traffic crashes and fatalities	<ul style="list-style-type: none"> ➤ Speed Ops ➤ Drunken Driving ➤ Stop and check ➤ Pedestrian Operations ➤ Selective Law enforcement, namely:- ✓ Public Transport ✓ Warrant of Arrest ✓ K78 Roadblock Stray Animal	R223 113

PROGRAMS BY COMMUNITY SAFETY AND LIAISON

ACTIVITY	VENUE	STATUS
Social Crime prevention programme (crime awareness programmes)	Cathcart Keiskammahoek	Done
Implement EPWP (placement of two Safety Patrollers at schools to maintain order during teaching and learning)	Steve Tshwete: Keiskammahoek and Jongile Nompondo: Stutterheim	Ongoing
Unannounced visits (assess service delivery at the Client Service Centres)	Stutterheim, Steve Tshwete, Kubusie Drift, Thomas River, Kei Road, Cathcart	Done
Domestic Violence Act Audit (assess compliance to Domestic Violence Act by SAPS)	Kei Road, Stutterheim and Cathcart	Done
Policing Accountability Engagement (imbizo focusing of police service delivery)	Stutterheim and Bolo	Done
Support municipality with functioning of CSF	Amahlathi CSF is supported as per invitation from the municipality.	

EXPANDED PUBLIC WORKS PROGRAMME 2024-2025

MUNICIPALITY	PROJECT NAME	NO. OF PARTICIPANTS PER PROJECT	PROJECT DESCRIPTION	ANNUAL BUDGET
	Household Contractors	360	Routine Road Maintenance	4 285 440,00

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

AM AHLATHI	Scholar Transport Monitors	25	Safety of Learners	744 000,00
	Transport Facilitators	4	safety of bus users	119 040,00
	Community Development Support	1	Administration	60 000,00
	Supervisors	26	supervision and M&E	1 241 760,00
	Road Rangers	25	Safety of road users	842 400,00
	Road Maintenance Youth Brigades	35	Routine Road Maintenance	1 283 520,00
TOTAL		476		8 576 160,00

CHAPTER 6: PERFORMANCE MANAGEMENT SYSTEM

6.1 INTRODUCTION:

Amahlathi Local Municipality is committed (in line with the Local Government: Municipal Systems Act No 32 of 2000) to pursuing its vision through meeting the municipal objectives framed in its IDP document. In so doing, it seeks to harvest synergies through aligning the activities and developing the relevant competencies of its employees through the setting, monitoring, assessment and rewarding of the achievement of municipal objectives. The municipality seeks to maximize, in a sustainable way, delivery in terms of these set outcomes, the growth of talent and capabilities and fairly rewarding exceptional performance while taking corrective measures where set performance standards are not met. The Municipality commits itself to providing a fair and transparent mechanism to guide the activities of each employee, identifying and creating opportunities for staff development, and implement a seamless performance measurement structure through which performance shall be assessed at all three levels, namely, municipal, departmental as well as individual levels.

Amahlathi Local Municipality shall at the outset of each performance cycle which shall coincide with the financial year, develop and/or populate an institutional balanced score card with municipal objectives derived from the municipality's IDP and/or SDBIP. The objectives shall include timeframes, quality requirements and measurable milestones. The measured deliverables will be clustered under Balanced Score Card dimensions. Section 56 Managers shall account individually and collectively for progress on the set objectives. While performance bonuses for employees on fixed-term contract shall primarily be based on their individual performance contracts, institutional performance shall be an important factor in the final determination of the employees' performance bonuses. The municipality has developed Performance Management System Policy Framework which was adopted in 2011 and is reviewed annually in line with IDP processes.

6.2 Performance Agreement and Accountability Agreements

A Performance Agreement is a strategic document signed on by the performing employee and the employer. It shall reflect the linking of an individual performance plan to the goals of Amahlathi Local Municipality and an analysis of what will be required to achieve effective performance.

Once organizational objectives and targets have been set, these will be cascaded down to the relevant departments and subsequently to individuals.

- Section 56 Managers shall develop and sign performance agreements and plans that will contribute towards the achievement of the municipality's objectives and targets.
- Employees from Task Grade 12 upwards shall sign Accountability Agreements (AA), Performance Plans as well as Personal Development Plans (PP).
- Employees from Task Grade 1 to 11 shall sign Performance Promises (PP), Action Plans as well as Personal Development Plans.

6.3 Purpose of the Performance Management System:

This Performance Management System seeks to establish a systematic way through which both organizational and individual performance appraisal is to be done. The municipality is under pressure to perform due to scarcity of resources, community accountability and customer expectations. While the organizational performance is to be assessed, it is in fact the people inside the organization, working together towards a common goal who are responsible for the achievement of the organizational targets.

These are components of the same system that have to complement each other, failing which the system will not be stable and will not hold together.

The municipality performance targets are cascaded to constitute the performance targets of the municipal manager who by order of delegation develop these into performance targets of each manager.

The adopted approach of Score Cards will make use of the following perspectives: -

- ♦ Municipal Transformation and Institutional Development
- ♦ Service Delivery and Infrastructure Development
- ♦ Municipal Financial Viability
- ♦ Good Governance and Public Participation.
- ♦ Local Economic Development.

The scorecard approach will be used at the municipal / organizational level, which will level the strategic priorities, as determined by the council from year to year.

At the second level the scorecard will capture the performance of the relevant Department, and this will be a service scorecard. The service scorecard will show a comprehensive picture of the performance of the department.

At the municipal level it will be more a governance perspective that will be portrayed while at department level will be stakeholder related to simplify the reporting system to the Manager. The components of the service scorecards will be:

1. Service outcomes, which sets out the developmental outcomes that the department is to impact upon.
2. Service deliverables, which sets out the products and services that the department will deliver.
3. Resource management, which sets out how the department will manage its human and financial resources, information and infrastructure.
4. Stakeholder relations, which set out how the department will improve its relationship with the stakeholders.

6.4 Performance Assessment

Performance review meetings are an integral part of the monitoring process. These reviews must take place as often as is practical and or required by circumstances. Performance at the individual level must be continuously monitored to enable the identification of performance barriers and changes and to address development and improvement needs as they arise, as well as to:

- a) Determine progress and/or identify obstacles in achieving objectives and targets;
- b) Enable supervisors and employee to deal with performance-related problems;
- c) Identify and provide the support needed;
- d) Modify objectives and targets; and
- e) Ensure continuous learning and development.

1. The Assessment shall be performed as follows: Section 56 Managers

- a. Quarterly performance assessment shall be conducted for all contracted employees within 14 working days after the end of the last month of the quarter for which the assessment is being done – in accordance with the following schedule:

INTERVAL	PERIOD	ASSESSMENT DEADLINE
Mid-Term	(July – December)	18 of January
Annual	(January – June)	18 of August

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

- b. In cases of section 56 Managers, the midterm and annual assessments shall be performed between the Employee and the Municipal Manager (or Mayor in the case of MM), IDP/PMS unit to provide technical support during the session, HR unit to provide secretariat services on the session.
- c. The assessment shall be based on actual achievement of the Indicators agreed for each deliverable or output.
- d. The standard of performance of each employee shall be assessed from the evidence of delivery, defined as the Indicator, on the following scale:

II. The Assessment shall be performed as follows: Employees below Section 56 Managers

- i. Quarterly performance assessment shall be conducted for all employees from task grade 12 upwards within 3 working days after the end of the last month of the quarter for which the assessment is being done – in accordance with the following schedule:

INTERVAL	PERIOD	ASSESSMENT DEADLINE
First quarter (July	(July – September)	04 of October 2023
*Second quarter	(October – December)	04 of January 2024
Third quarter	(January – March)	04 of April 2024
*Fourth (last) quarter	(April – June)	04 of July 2025

- ii. The quarterly assessment shall be performed between the Employee and his/her immediate superior, Human Resource unit to provide technical support during the session, departmental PMS Champion to provide secretariat services on the session.
- iii. The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified as per **SDBIP/JOB DESCRIPTION**, which are linked to the Key Performance Areas (KPA's), and relevant Competency Requirements respectively
- iv. The standard of performance of each employee shall be assessed from the evidence of delivery, defined as the Indicator, on the following scale:

PERFORMANCE SCORING SUGGESTED BY THE REGULATIONS (2006)

Level	Performance Rating Score	Terminology	Description
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DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

5	166	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
4	133	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	100	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	66	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and Indicators as specified in the PA and Performance Plan.
1	33	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

6.5 LINKING PERFORMANCE TO A REWARD SYSTEM

6.5.1 Rewarding Employee Performance – Municipal Manager and section 56 Managers

A performance bonus, based on affordability may be paid to the employees, after:

1. the annual report for the financial year under review has been tabled and adopted by the municipal council
2. an evaluation of performance in accordance with the provisions of the Regulation
3. approval of such evaluation by the municipal council as a reward for a level of performance deserving of a performance bonus in terms of the bonus criteria

The evaluation of the manager's performance shall form the basis for rewarding outstanding performance and correcting below par performance.

- a. In recognition of outstanding performance, a performance bonus ranging from **5% to 14%** of the all-inclusive remuneration package **may** be paid to a Municipal Manager and Managers directly accountable to him or her.
- b. The performance bonus percentages are determined by calculating the overall rating using the applicable assessment rating calculator.
- c. The quantum of the bonus payable shall be as follows:

If (Bonus Score > = 130 - 133) bonus = 5%
If (Bonus Score > = 134 -137) bonus = 6%
If (Bonus Score > = 138 -141) bonus = 7%
If (Bonus Score > = 142 - 145) bonus = 8%
If (Bonus Score > = 146 - 149) bonus = 9%
If (Bonus Score > = 150 - 153) bonus = 10%
If (Bonus Score > = 154 - 157) bonus = 11%
If (Bonus Score > = 158 - 161) bonus = 12%
If (Bonus Score > = 162 - 165) bonus = 13%
If (Bonus Score > = 166 - plus) bonus = 14%

The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment of the individual manager's score. Where the KPA portion is the organizational

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

performance score from the Organizational scorecard, and CCR is the result of an assessment on its own. The following table depicts the split as follows:

Component	Weighting	Source
Score for departmental performance	80%	SDBIP scorecard score
CCR score of a manager	20%	CCR appraisal result

A. Core Competency requirements

- The competency framework further involves six (6) core competencies that act as drivers to ensure that the leading competencies are executed at an optimal level.
- There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. All competencies must therefore be considered as measurable and critical in assessing the level of a senior manager's performance.
- The competency framework is underscored by four (4) achievement levels that act as benchmark and minimum requirements for other human capital interventions, which are, recruitment and selection, learning and development, succession planning, and promotion.

COMPETENCY FRAMEWORK FOR SENIOR MANAGERS					
LEADING COMPETENCIES :		Achievement Level	Weight	SELF SCORING SCORE (HOD)	FINAL SCORE MM
Strategic Direction and Leadership	• Impact and Influence	Superior	8.3		
	• Institutional Performance Management	Advanced			
	• Strategic Planning and Management	Competent			
	• Organisational Awareness	Basic			
People Management	• Human Capital Planning and Development	Superior	8.3		

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

	• Diversity Management	Advanced			
	• Employee Relations Management	Competent			
	• Negotiation and Dispute Management	Basic			
Programme and Project Management	• Program and Project Planning and Implementation	Superior	8.3		
	• Service Delivery Management	Advanced			
	• Program and Project Monitoring and Evaluation	Competent			
Financial Management	• Budget Planning and Execution	Superior	8.3		
	• Financial Strategy and Delivery	Advanced			
	• Financial Reporting and Monitoring	Competent			
Change Leadership	• Change Vision and Strategy	Superior			
	• Process Design and Improvement	Advanced			
	• Change Impact Monitoring and Evaluation	Competent			
Governance Leadership	• Policy Formulation	Superior	8.3		
	• Risk and Compliance Management	Advanced			
	• Cooperative Governance				

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

CORE COMPETENCIES	Achievements Levels	Competent	SELF-SCORING-HOD	FINAL SCORE MM
		Basic		
Moral Competence	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Planning and organising	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Analysis and Innovation	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Knowledge and Information Management	Superior	8.3		
	Advanced			
	Competent			

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

	Basic			
Communication	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Results and Quality focus	Superior	8.3		
	Advanced			
	Competent			
	Basic			
Total	100%			

1.1 Achievement Levels: CCRs

- The achievement levels indicated in the table below serve as a benchmark for appointments, succession planning and development interventions.
- Individuals falling within the Basic range are deemed unsuitable for the role of senior manager, and caution should be applied in promoting and appointing such persons.
- Individuals that operate in the Superior range are deemed highly competent and demonstrate an exceptional level of practical knowledge, attitude and quality. These individuals should be considered for higher positions and should be earmarked for leadership programs and succession planning.

ACHIEVEMENT LEVELS	RATING	ACHIEVEMENT LEVELS
Basic	1-2	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	3	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses

Advanced	4	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in- depth analyses
Superior	5	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods

B. Performance Evaluation Committee for S57/56 Managers

The Evaluation Panel Committee evaluates Section 56 employees' (including the Municipal Manager's) performance through approval of their final performance ratings, based on the Performance Evaluation Committee's recommendations.

The 2006 Municipal Performance Regulations prescribe the composition of the Evaluation Panel and also stipulates in detail how the evaluation process should be undertaken.

For purposes of evaluating the annual performance of the Municipal Manager (Organization), The Honorable Mayor must establish an evaluation panel, herein referred to Honorable Mayor's Review Panel, constituted of the following persons:

- Honorable Mayor;
- Chairperson of the Audit committee
- Member of the Executive Committee
- Mayor and/or municipal manager from another municipality; and
- Member of a ward committee as nominated by the Honorable Mayor.

For purposes of evaluating the annual performance of managers directly accountable to the municipal manager (HoD /Department), the Municipal Manager must establish an evaluation panel, herein referred to Municipal Manager's Review Panel, constituted of the following persons:

- Municipal Manager;
- Chairperson of the Performance audit committee
- Member of the Executive Committee
- Municipal Manager from another municipality.

The Evaluation Panel committee will then prepare a report with the recommendations to the Honorable Mayor for the payment of Bonuses of the Municipal Manager and S56 Managers.

6.5.2 Rewarding Employees below Section 56 Managers

The Employee's assessment will be based on his or her performance in terms of the outputs / outcomes (performance indicators) identified as per **SDBIP/JOB DESCRIPTION**, which are linked to the Key

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

Performance Areas (KPA's), and relevant Competency Requirements respectively. The combined KPA and CCR assessment scores, weighted 80% and 20% respectively, will make up the overall assessment of the individual manager's score. Where the KPA portion is the organizational performance score from the organizational scorecard, and CCR is the result of an assessment on its own.

a. Exceeding Expectation

Employees who consistently exceed the set standards and deliver exceptional work shall be rewarded in the manner to be determined by the Municipal Council as follows:

Rating (score)	Rating (%)	Rating Definition	Non-financial rewards
1-2	100%	Basic	Bronze Medal and 2 special leave days
3	101-116	Competent	Silver Medal and 3 special leave days
4	117-132	Advanced	Gold Medal and 4 special leave days
5	132+	Superior	Platinum Medal and 5 special leave days

b. Performing Below Expectation

Employees who consistently perform below the required standard which in this case is below 100% shall be assisted in boosting their competence through training, close coaching, supervision etc. Should their performance not improve, counselling shall be undertaken.

c. Dealing with Unacceptable Performance

In the case of unacceptable performance, the municipality shall:

- a. Provide systematic remedial and/or developmental support to assist the employee to improve his/her performance; and
- b. If after appropriate performance counselling has been undertaken, the necessary guidance and/or support provided and reasonable time allowed for improvement, performance still does not improve, the municipality may consider invoking incapacity proceedings against the employee which may result in the termination of the employee's contract of employment.

6.6 DISPUTE RESOLUTION MECHANISM

Any dispute about the nature of the employee's Performance Agreement, whether it relates to the key responsibilities, priorities, methods of assessment and/or salary increment in the agreement, must be mediated as follows:-

In the event that consensus between the parties cannot be reached, the fact of non-consensus together with the necessary evidence shall be referred as follows:

- a. In the case of the Municipal Manager, the MEC for Local Government in the province within thirty (30) days of receipt of a formal dispute from the employee.
- b. In the case of Section 56 Managers reporting directly to the Municipal manager, the Mayor, within thirty (30) days of a formal dispute from the employee.
- c. The MEC for Local Government and the Mayor, respectively, shall have the final say with regard to the Municipal Manager's and the Section 56 Managers' assessment respectively.
- d. In the case of staff other than the Municipal Manager or the Section 56 Managers, the fact of non-consensus together with the necessary evidence shall be escalated in line with the municipality's dispute resolution mechanism as embodied in the relevant Collective Agreement.

6.7 INPUT TO INDIVIDUAL DEVELOPMENT PLAN

- a. The gaps between actual performance and the expected level of performance shall be reviewed by the employee and immediate superior from the perspective of identifying opportunities for training and skills development.
- b. Where such opportunities are identified, they shall be documented and submitted to the Director of Corporate Services, who shall make recommendations to the immediate superior for suitable training interventions to address such skills gaps.
- c. These recommendations will then be processed in terms of the Municipality's Training Policy.

6.8 INPUT TO SUCCESSION PLAN

- a. Each Department will be required to compile a Succession Plan, identifying those employees with the demonstrated potential to advance to more senior positions and estimated timeframes within which the

identified employees will be suitably skilled and experienced to take on the additional responsibility of more senior positions.

- b. Only employees whose performance scores are either 4 or 5 must be put on a succession planning programme.
- c. The relevant Section 56 Manager shall liaise with the Corporate Services Director to identify areas where the skills of the employee concerned can be utilized, and strategies to be followed in accommodating the aspirations of the employee within the municipal requirements.

6.9 ROLE OF COUNCIL

In line with the Municipal Systems Act (Act No. 32 of 2000), the Municipal Council commits to participating in the development of its performance management system through the Executive Committee and shall:

- a. Oversee the development of the municipality's performance management system.
- b. Assign responsibilities in this regard to the Municipal Manager who shall submit the proposed system to the Municipal Council for adoption and establish mechanisms to monitor and review the performance management system.

6.10 MONITORING, REVIEW AND REPORTING

Entails reporting Quarterly to the Audit Committee, Council and the public. In addition, a quarterly report and evidence files are also prepared and sent to Internal Audit to be audited, prior it being sent to council and the performance audit committee.

Reviews/auditing - is a key element of the monitoring and evaluation process. This involves verifying that the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance. According to section 45, of the Systems Act, results of the performance measurement must be audited as part of the municipality's internal auditing process and annually by the Auditor-General. The Municipality will therefore have to establish frameworks and structures to evaluate the effectiveness of the municipality's internal performance measurement control systems.

CHAPTER 7: PROGRAMME INTEGRATION

7.1 SECTORAL PLANS & PROGRAMMES

There are a number of sector plans, policies and by laws that have been developed for the Municipality which have been adopted by the council of Amahlathi municipality. An analysis that was done found others to be still relevant and the municipality is in the process of reviewing those which were found to be outdated.

List of Adopted Sector Plans

Department	Plan	Status	
		Year Adopted	Review Year
Budget Treasury and Office	Budget Policy	28 May 2015	23/24
	Credit Control Policy	28 May 2015	23/24
	Indigent Policy	28 May 2015	23/24
	Rates Policy	28 May 2015	23/24
	Virement Policy	28 May 2015	23/24
	Tariff Policy	28 May 2015	23/24
	Petty Cash Policy	28 May 2015	23/24
	Housing and Rental Policy	28 May 2015	23/24
	Customer Care Policy	28 May 2015	23/24
	Financial Systems back-up Policy	28 May 2015	23/24
	Supply Chain Management Policy	28 May 2015	23/24
	Asset Policy	28 May 2015	23/24
	Cash Management and Investment Policy	28 May 2015	23/24
	User Account Management Policy	28 May 2015	23/24
	Fruitless and Wasteful Expenditure	28 May 2015	23/24
Irregular Expenditure Policy and Procedure Manual	28 May 2015	23/24	
Corporate Services	1. Long Service Allowance Policy	31 May 2021	22/23
	2. Bereavement Policy	31 May 2021	20/21

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

	3. Standby Allowance	31 May 2021	22/23
	4. Smoking Policy	31 May 2021	20/21
	5. Records Management Policy	31 May 2021	20/21
	6. Travel Allowance Scheme for Managers	31 May 2021	19/20
	7. Employee Assistant Policy	31 May 2021	20/21
	8. Occupational Health and Safety Policy	31 May 2021	20/21
	9. Leave Policy	31 May 2021	22/23
	10. Telephone and Cellular Phone Usage Policy	31 May 2021	22/23
	11. Staff Retention Policy	31 May 2021	20/21
	12. HRD Strategy	31 May 2021	20/21
	13. Scarce Skills Policy	31 May 2021	20/21
	14. Civic Funeral Policy	31 May 2021	20/21
	15. Subsistence and Travel Policy	31 May 2021	22/23
	16. Fleet Management Policy	31 May 2021	20/21
	17. Recruitment and Selection Policy	31 May 2021	22/23
	18. Exit and Retirement Policy	31 May 2021	20/21
	19. Change Management Policy	31 May 2021	20/21
	20. Job Evaluation Review Policy	31 May 2021	20/21
	21. Policy on Policy Development		19/20
	22. Acting Allowance Policy	31 May 2021	22/23
	23. Housing Rental Allowance Policy		19/20
	24. Code of Conduct for staff members	31 May 2021	20/21
	25. Induction Training and staff orientation		19/20
	26. Disciplinary Procedure and Code	31 May 2021	22/23
	27. Substance Abuse Policy		20/21
	28. Employment Equity Plan	June 2007	19/20

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

	29. Workplace Skills Plan	June 2011	19/20
Community Services	30. Environmental/Commonage Management Plan	2015	Adopted
	31. Integrated Waste Management Plan	May 2006	2023
	32. Cemetery Policy	2015	Adopted
	33. Pauper Burial Policy		20/21
	34. Vehicle Impounding Policy		17/18
Development And Planning	35. Amahlathi Spatial Development Framework (2022	2027
	36. Tourism Master Plan	2008	Currently being reviewed.
	37. Led Strategy	2012	2023
	38. Housing Sector Plan	2013	2023
	39. Land Invasion Prevention Policy and By-law	2014	2015
	40. Agricultural Plan	2011	-
	41. SMME Strategy	2016	-
	42. Street Trading Policy	2013	-
	43. Tourism Master Plan	2008	Currently being reviewed.
Strategic Management Services	44. Performance Management Systems Policy Framework	June 2011	22/23
	45. Communication Strategy	2015	22/23

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

	46. Communication Policy	2016	22/23
	47. Public Participation Policy	June 2014	22/23
	48. Petitions Framework	June 2014	22/23
	49. Petitions Policy	2016/17	22/23
	50. Social Media Policy	Currently being developed	22/23
	51. Functionality of Ward Committes		22/23
	52. Special Programmes Strategy Covering; <ul style="list-style-type: none"> • Youth • Children • Disabled • Women • Elderly • HIV/AIDS 	16/17	
	53. Sport Policy	Currently being developed	
Office Of The Municipal Manager	54. Audit Committee Charter	May 2011	22/23
	55. Internal Audit Charter		22/23
	56. Risk Management Policy		22/23
	57. ALM Fraud Prevention & Anti-Corruption Policy		22/23
	58. Fraud Prevention Plan		22/23
	59. Amahlathi Draft Governance Framework	Currently being developed	20/21
Engineering Services	60. Private Protection Equipment (PPE) for Electricity	Currently being reviewed	20/21
	61. Electricity By Law		
	62. Bush Clearance & Maintenance Within Power line & Servitudes		
	63. By-law Standard Bush Clearance		
	64. Planting, Pruning, Removal and Treatment of Street Trees		

	65. Roads Maintenance Policy		
	66. Building Control Policy	Currently being developed	20/21
	67. OHS Toolkit PPE Policy		20/21

This chapter outlines the key strategic priorities of the Amahlathi Municipality, as they have been "translated" into priority projects and programmes for implementation.

It is important to understand that these sectoral plans and programmes relate directly to the main developmental issues of concern to the Amahlathi Municipality (as outlined in Chapter Two), and the Objectives and Strategies for development that were formulated in response to the identified issues. Of note, too, is the fact that the Municipal Performance Management System is guided by the Municipality's Objectives and Strategies in structuring assessments, as well as the achievement / implementation of projects and programme actions.

The following Programmes and Sector Plans are addressed in this Chapter: -

1. Housing sector Plan
2. Disaster Management Plan
3. Integrated waste Management Plan

7.2 HOUSING SECTOR PLAN

The Amahlathi Housing Sector Plan 2013-2018, Currently the Housing Sector Plan is being reviewed by Department of Human Settlements.

The housing sector plan indicates land parcels that are under claim but at present none of these land parcels shall hinder the planned human settlement projects. The plan also makes acknowledgement of the household socio-economic standing of the ALM population in that the majority of residents depend highly on state grants and similarly in terms of housing demand the majority of housing demand is on the RDP programme. It is perceived that should there be growth in economic development of the towns and the household incomes and social standings improve then the housing product that is required would differ accordingly and the municipality together with the department of human settlements would have to acknowledge such and seeks to implement.

7.3 INTEGRATED WASTE MANAGEMENT PLAN

Amahlathi Municipal Integrated Waste Management Plan (2022 – 2027) was approved by Council in January 2023 and endorsed by the MEC – DEDEAT in August 2023. The IWMP is a strategic document that will then guide municipal waste operations to ensure compliance with waste Regulations. The municipality has a designated Waste Management Officer (WMO) as required by the National Environmental Management Waste Act to perform waste management functions and ensure implementation and reporting on the IWMP. Waste Management forum stakeholders have been identified and currently terms of reference are being developed in preparation for the first sitting in May 2024.

There are 3 landfill sites and one transfer station which are as follows:

- Stutterheim is licensed and operational.
- Keiskammahoek is licensed and operational.
- Cathcart Transfer Station is licensed and in the process of being operationalized through local recyclers.
- Cathcart Waste site is not permitted and the license for closure and rehabilitation lapsed and issued compliance notice for illegal operations. The Municipality has initiated the closure process with a call for professional Service Providers to conduct a basic assessment as part of the waste management license application for the closure and rehabilitation of the site.

In all waste disposal sites hazardous waste is not permitted.

The Municipality has developed operational plans for all waste disposal sites to monitor and ensure compliance with permits. The Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) supported the Municipality by providing funding for waste management interventions over a three-year cycle period i.e. 2020 – 2022. A total of 6.6 million was allocated for the Restoration of Stutterheim waste disposal facility in the 2020/201 financial year and was registered under the Expanded Public Works Programme Abantu Environmental Consultants were appointed in October 2020 for implementing the project which was completed in June 2021. An amount of R 3.3 million was allocated for continuation of the Stutterheim waste site which is currently underway with 30 beneficiaries in the 22/23 financial year. Due to a constant breakdown in refuse collection vehicles, there is non-adherence to collection schedule and as such the service is interrupted resulting in illegal dumping which negatively impacts on the environment. A recommendation to procure specialised waste vehicles through MIG was received from DEFF in September 2023 .

There is a by-law relating to solid waste disposal currently implemented by the Solid waste section, enforced by the Waste officer which is due for reviewal. It addresses the issue of illegal dumping and compliance with the National Environmental Management Waste Act No.59 of 2008.

There Municipality conducts awareness campaigns, which focus on conducting recycling and awareness and/ or Clean-up campaigns to address the waste management challenges in Amahlathi Municipality.

The Municipality is a beneficiary to cleaning programs by COGTA though the town beautification program participants and DEFF through the cleaning and mopping programme with 123 EPWP participants in all

clusters. Both programs have had a positive impact as the general cleanliness and outlook of our towns has improved. In collaboration with the limited number of municipal employees, street sweeping is being conducted, clearing of illegal dumping area and vegetation around pavements and cleaning of street gutters. Grass cutting is done in all clusters although not to satisfaction due to limited resources.

There are SALGA, Provincial and District waste forums attended by the waste management section.

7.4 DISASTER MANAGEMENT PLAN

In terms of the current assignment of powers and functions, the Amahlathi Municipality is required to administer and manage the disaster management function. However, given the current capacity constraints, the Amahlathi Municipality actively participates in disaster management processes and procedures within the framework of disaster management support provided by the Amathole District Municipality. Communication between the two Municipalities is therefore a critical element in the current disaster management procedures.

In line with the District Municipality's role to capacitate Local Municipalities, a Sub-Regional Disaster Control Centre is to be developed in Amahlathi Municipality. Premises for this Centre have been identified in Stutterheim. In the interim, the Amathole District Municipality has completed the 1st Phase of a District Disaster Management Plan, which will point the way forward for the Amahlathi Municipality in this regard. Due to budget constraints the Municipality will rely on the plan to be developed by the district. However, a disaster risk management all hazards contingency plan is in place and is reviewed periodically. Disaster Management Fora is functional and sits on a quarterly basis.

7.5 POVERTY ALLEVIATION PROGRAMME

It is noted that a number of initiatives are critically to the essence of poverty alleviation in the local area. These include the implementation of the Consolidated Land Restitution Programme in Keiskammahoek and the resuscitation of irrigation schemes in the Amahlathi Municipal area. It is important to note that Local Economic Development within Amahlathi is currently greatly improved in the implementation of economic development initiatives.

CHAPTER 8: FINANCIAL PLAN

The purpose of this chapter is to outline the financial plan that supports the long-term financial sustainability of the Amahlathi Municipality. The financial plan is necessary to ensure that the municipality is able to effectively and efficiently implement its mandate; it is prepared to assist in the planning of operating and capital expenditure within the municipality and in so doing, maintain financial stability and sustainability. The municipality must make use of its available financial resources in an effective, efficient and economical manner when achieving the targets and objectives of the IDP.

The IDP is the guiding document for the 2024/25 budget planning process. The outcome of this Integrated Development Plan is the alignment of the planning process and resource allocations to the imperatives of the strategic direction. Thus, compilation and approval of the 2024/25 Medium-term Revenue and Expenditure Framework (three-year budget) was a direct product aligned to the imperatives and strategic direction of the Amahlathi. The link between Government's priorities and spending plans is not an end in itself, but the goal should be to enhance service delivery aimed at improving the quality of life for all the people within the municipality.

In terms of National Treasury's Municipal Budget and Reporting Regulations, the budget of a municipality is required to encompass 3 years of audited information; the current year; the next financial year and the two outer financial years. The funding of the annual budget has been calculated taking into account the following:-

- Rates and Service Charges
- Interest on outstanding debtors
- Interest expected to be received from investments
- Grants as guided by the division of revenue act (DORA).

8.1 FINANCIAL FRAMEWORK

The uniqueness of the area in which the municipality has jurisdiction, in comparison to other municipalities, must be considered when assessing its financial viability and sustainability. The Amahlathi can be categorized as a rural municipality and thus requires significant additional resources and funding to accomplish expected development and service delivery. From a financial perspective the financial viability and sustainability of the municipality remains priority.

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

8.1.1 Sufficient Revenue base

The ALM requires access to sufficient revenue sources from both its own operations and from government transfers and subsidies in order to perform its duties and responsibilities. The timing of the receipt of the revenue resources is of critical importance as it has a direct impact on the cash flows of the municipality. Without the receipt of revenue, suppliers cannot be paid for services rendered and goods received. The DORA sets out the funding that will be received from National Government for the 2024/25 to 2026/2027 financial years. The debtors' collection rate is monitored on a monthly basis. This information assists the municipality in determining its financial position more accurately and can be used to make decisions pertaining to levels of borrowing if required. Below is the table showing anticipated operating revenue:

(Revenue by source)

EC124 Amahlathi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	37 467	38 857	35 582	41 674	45 307	45 307		48 025	50 907	53 961
Service charges - Water	2	-	-	-	-	-	-		-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-		-	-	-
Service charges - Waste Management	2	12 115	10 856	11 107	12 320	12 707	12 707		13 460	14 278	15 134
Sale of Goods and Rendering of Services		541	5 031	5 355	5 634	5 841	5 841		6 185	6 548	6 932
Agency services		1 282	1 059	1 266	1 829	1 829	1 829		1 918	2 007	2 097
Interest		-	-	-	-	-	-		-	-	-
Interest earned from Receivables		7 057	8 182	5 438	5 531	7 338	7 338		7 779	8 245	8 740
Interest earned from Current and Non Current Assets		1 001	366	1 613	1 158	3 710	3 710		3 892	4 071	4 254
Dividends		-	-	-	-	-	-		-	-	-
Rent on Land		-	-	-	-	-	-		-	-	-
Rental from Fixed Assets		44	171	221	196	347	347		366	384	404
Licence and permits		2 500	1 795	2 349	2 252	2 922	2 922		3 066	3 207	3 351
Operational Revenue		1 637	5	1 610	667	127	127		133	139	152
Non-Exchange Revenue											
Property rates	2	20 798	22 178	23 331	24 424	24 424	24 424		25 890	27 443	29 090
Surcharges and Taxes		-	-	-	-	-	-		-	-	-
Fines, penalties and forfeits		6	12	20	27	27	27		29	30	31
Licences or permits		-	-	-	-	-	-		-	-	-
Transfer and subsidies - Operational		144 141	121 995	130 054	138 420	138 309	138 309		144 851	140 683	135 628
Interest		-	-	5 900	6 318	7 189	7 189		7 620	8 077	8 582
Fuel Levy		-	-	-	-	-	-		-	-	-
Operational Revenue		-	-	-	-	-	-		-	-	-
Gains on disposal of Assets		-	1 005	1 208	-	-	-		-	-	-
Other Gains		-	-	-	-	-	-		-	-	-
Discontinued Operations		-	-	-	-	-	-		-	-	-
Total Revenue (excluding capital transfers and contributions)		228 590	211 513	225 034	240 449	250 078	250 078		263 223	266 019	268 336

(Expenditure by Type)

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

EC124 Amahlathi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure											
Employee related costs	2	132 726	123 339	135 383	134 985	134 985	134 985	-	141 531	147 978	154 575
Remuneration of councillors		11 599	11 533	13 662	14 329	14 329	14 329	-	15 031	15 722	16 430
Bulk purchases - electricity	2	35 884	42 658	43 194	51 433	51 433	51 433	-	57 965	60 631	63 360
Inventory consumed	8	300	404	174	247	247	247	-	258	265	273
Debt impairment	3	26 485	(7 489)	29 142	27 000	27 000	27 000	-	26 000	25 500	25 000
Depreciation and amortisation		25 570	26 049	25 858	26 000	26 000	26 000	-	26 186	26 548	26 895
Interest		3 802	2 536	10 047	4 500	14 155	14 155	-	4 339	3 309	2 300
Contracted services		16 221	10 882	14 238	18 230	18 356	18 356	-	16 183	15 156	8 699
Transfers and subsidies		-	-	10	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		21 717	24 369	26 157	28 815	23 137	23 137	-	20 877	21 832	16 820
Losses on disposal of Assets		1 662	-	-	-	-	-	-	-	-	-
Other Losses		-	-	196	-	-	-	-	-	-	-
Total Expenditure		275 965	234 280	298 062	305 538	309 641	309 641	-	308 369	316 941	314 351

(Grants and subsidies)

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

EC124 Amahlathi - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		136 385	120 478	128 755	136 692	136 582	136 582	143 651	140 683	135 628
Local Government Equitable Share		131 642	115 504	124 987	131 535	131 533	131 533	138 370	136 786	131 397
Finance Management		2 200	2 100	2 200	2 200	2 200	2 200	2 200	2 200	2 400
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
EPWP Incentive		1 000	1 263	1 568	1 310	1 310	1 310	1 211	-	-
PMU 5%		1 399	1 478	-	1 649	1 539	1 539	1 870	1 697	1 831
Disaster Relief Grant		145	134	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		7 756	1 517	1 448	1 728	1 728	1 728	1 200	-	-
Sport and Recreation		1 200	1 200	1 200	1 200	1 200	1 200	1 200	-	-
LED Promotions		-	-	-	-	-	-	-	-	-
Waste Grant 2m		-	-	-	-	-	-	-	-	-
Waste Grant 770k		234	-	-	-	-	-	-	-	-
Capacity		-	-	-	-	-	-	-	-	-
Recycling		122	-	-	-	-	-	-	-	-
Vuna Awards		-	-	-	-	-	-	-	-	-
Seta		-	97	248	528	528	528	-	-	-
Waste Grant 6m		-	220	-	-	-	-	-	-	-
Donation		6 200	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	144 141	121 995	130 203	138 420	138 309	138 309	144 851	140 683	135 628
Capital Transfers and Grants										
National Government:		52 932	28 080	36 401	31 327	59 444	59 444	59 538	59 639	46 240
Municipal Infrastructure Grant (MIG)		52 932	28 080	31 701	31 327	29 232	29 232	35 533	32 244	34 787
INEP Grant		-	-	-	-	-	-	1 860	8 250	7 453
Waste Grant		-	-	-	-	-	-	-	-	-
Disaster Grant		-	-	4 700	-	30 212	30 212	19 145	19 145	-
Energy Efficiency & Demand-Side Management Grant		-	-	-	-	-	-	3 000	-	4 000
Provincial Government:		-	-	-	-	2 526	2 526	-	-	-
Waste Grant R6m (DEDEAT)		-	-	-	-	2 526	2 526	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	52 932	28 080	36 401	31 327	61 970	61 970	59 538	59 639	46 240
TOTAL RECEIPTS OF TRANSFERS & GRANTS		197 073	150 076	166 604	169 747	200 279	200 279	204 389	200 322	181 868

8.1.2 Cash flow position and sustainability

The availability of cash and sound cash management is critical for the short-, medium- and long-term existence of the municipality. Amahlathi operates in an environment of limited resources and must therefore make use of the available resources in an effective, efficient and economical manner. The debtors' turnover days has a significant impact on the liquidity/availability of the cash of the municipality as suppliers are to be paid within 30 days of receipt of the invoice in terms of Section 65(2)(e) of the MFMA, while the average debtors' days

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

exceeds 90 days. This implies that cash is flowing out at a faster rate than it is flowing into the municipality.

The following depicts the audited financial ratios for the past two years:

Financial Ratios:-

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2023	As at 30 June 2022
Expenditure management			
1.1	Creditor-payment period	492 Days	362 Days
Revenue management			
2.1	Debt-collection period (after impairment)	58 Days	57 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	74.8%	70.9%
	· Amount of debt-impairment provision	R 121 116 831,00	R 91 737 790,00
	· Amount of accounts receivable	R40 836 069,00	R37 589 503,00
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	Yes	No
	· Amount of the surplus / (deficit) for the year	R40 773 363	R5 313 433
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	R131 140 059	R141 601 000
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	· Amount of the net asset / (liability) position	R244 370 676,00	R285 144 038,00
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)	R15 702 466,00	R10 231 906,00
4.2	Cash plus investments less applications	R11 935 494,00	R6 448 398,00
	Amount of total investments (short and long term)	R0,00	R0,00
	Less: Amount of cash applications/commitments	R27 637 960,00	R16 680 304,00
4.3	Cash coverage	0.6	0.5
	Amount of monthly expenditure	R24 838 524,00	R19 523 310,00

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

Budgeted Cash Flow Table:-

EC124 Amahlathi - Table A7 Budgeted Cash Flows											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		11 549	12 057	10 733	19 890	21 943	21 943	-	23 259	30 818	32 668
Service charges		31 553	53 954	34 854	49 212	52 910	52 910	-	56 085	74 313	78 771
Other revenue		12 250	3 296	2 997	11 756	12 315	12 315	-	12 987	13 677	14 405
Transfers and Subsidies - Operational	1	137 729	121 776	130 339	138 420	138 309	138 309	-	144 851	140 683	135 628
Transfers and Subsidies - Capital	1	53 144	28 300	36 401	31 327	61 970	61 970	-	59 538	59 639	46 240
Interest		8 059	8 548	12 952	1 158	3 710	3 710	-	19 291	20 393	21 556
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(229 048)	(203 054)	(179 852)	(209 639)	(213 369)	(213 369)	-	(238 790)	(265 893)	(272 209)
Finance charges		(3 802)	(2 536)	(10 047)	(4 500)	(7 247)	(7 247)	-	(4 339)	(3 309)	(2 300)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		21 433	22 340	38 375	37 623	70 541	70 541	-	72 882	70 322	54 759
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(54 762)	(26 160)	(32 713)	(38 959)	(75 497)	(75 497)	-	(70 079)	(68 585)	(53 176)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(54 762)	(26 160)	(32 713)	(38 959)	(75 497)	(75 497)	-	(70 079)	(68 585)	(53 176)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(177)	625	(191)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(177)	625	(191)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(33 505)	(3 195)	5 471	(1 335)	(4 956)	(4 956)	-	2 803	1 737	1 582
Cash/cash equivalents at the year begin:	2	46 931	13 426	10 232	10 232	15 702	15 702	-	15 702	18 505	20 242
Cash/cash equivalents at the year end:	2	13 426	10 232	15 702	8 897	10 746	10 746	-	18 505	20 242	21 825

In an ideal situation, the operating budget should produce annual operating surpluses so as to improve the cash reserves. However, the municipality is currently experiencing financial challenges as the weakening financial situation, adoption of unfunded mandates remains a financial strain on Amahlathi's revenue sources. The current budget is not fully funded and is not cash-backed. However, there is a financial turnaround plan and financial strategies that are being implemented to improve the current financial position. Services are to be provided at an affordable and sustainable level.

8.1.3 Accountability and transparency

The Amahlathi is accountable to the taxpayers and communities, who are the providers of the resources, of how resources are utilized, managed and safeguarded. Hence the IDP and budget processes are open to public participation. The Amahlathi has reporting procedures to produce accurate financial information for both management and oversight decision purposes.

8.1.4 Development and investment

Below is a table depicting the extent of the investment made by the municipality in terms of capital projects to be implemented in the 2024/2025 financial year:-

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

PROJECT	FUNDING	ADJUSTMENT 2024	2024/25	2025/26	2026/27
Frankfort Internal Roads	MIG Funding	2 700 000	-	-	-
Izidenge Internal Roads	MIG Funding	376 974	-	5 000 000,00	-
KKH Paving	MIG Funding	-	-	-	-
KKH recreation Centre	MIG Funding	7 938 005	4 600 000,00	-	-
Langdraai Community Hall	MIG Funding	157 710	-	-	5 500 000,00
Mbaxa Community Hall	MIG Funding	3 959 377	2 300 000,00	-	-
Mlungisi Sportfield	MIG Funding	239 189	5 400 000,00	-	-
Nqenge Internal Roads	MIG Funding	149 431	-	1 605 242,00	-
Paving of Xholorha Internal Roads	MIG Funding	765 484	13 232 850,00	-	-
Phumlani Community Hall	MIG Funding	267 748	2 000 000,00	3 162 108,00	-
Stutterheim Recreation Centre	MIG Funding	11 593 626	-	-	-
Surfacing of Cathcart Street	MIG Funding	1 083 956	-	-	-
Waste Compactor Truck	MIG Funding	-	-	3 476 600,00	-
Municipal Offices	MIG Funding	-	8 000 000,00	8 000 000,00	-
Stutterheim Street Paving	MIG Funding	-	-	3 500 000,00	10 787 100,00
KKH Town Paving	MIG Funding	-	-	3 500 000,00	10 000 000,00
Amabele Paving	MIG Funding	-	-	1 000 000,00	3 000 000,00
Keilands Roads	MIG Funding	-	-	3 000 000,00	-
Khayelitsha Community Hall	MIG Funding	-	-	-	5 500 000,00
Total MIG Project		29 231 500	35 532 850	32 243 950	34 787 100
Toise Road and Storm water Project	Disaster Grant	1 250 000	-	-	-
Forestway Project	Disaster Grant	3 450 000	-	-	-
Mandlakapheli Village roads, Langdraai Village Road and Culvert from upper to Ematyotyombeni in Cathcart	Disaster Grant	4 750 000	-	-	-
Sutterheim - Landfill Site Road	Disaster Grant	1 250 000	-	-	-
Upper & Lower Ngqumeya road and Tshoxa road in Keiskammahoek	Disaster Grant	4 550 000	-	-	-
Kubusie road from area 5 to Mahanjane] & Ohlson farm road in Stutterheim	Disaster Grant	6 900 000	-	-	-
Bridge between Rhawini and Bongweni	Disaster Grant	1 200 000	-	-	-
Amabele Roads, Stanhope Road, Jersey vale Roads & Gasela Road in Stutterheim	Disaster Grant	3 000 000	-	-	-
Mlungisi township roads (old location, Mbulelo Ndongdo & Mpelazwe) in Stutterheim	Disaster Grant	3 862 000	-	-	-
Disaster Project	Disaster Grant	-	19 145 000,00	19 145 000,00	-
Total Disaster Grant Project		30 212 000	19 145 000	19 145 000	-
11kv Upgrade Electricity Project	INEP Grant	-	1 860 000	8 250 000	7 453 000
		-	1 860 000	8 250 000	7 453 000
Demand Side Project	Demand Side Grant	-	3 000 000	-	4 000 000
		-	3 000 000	-	4 000 000
Landfill Site	Waste Grant	2 526 108	-	-	-
		2 526 108	-	-	-
Buildings	Own Funding	600 000	-	-	-
Computer Equipment	Own Funding	910 000	-	-	-
Furniture & Office Equipment	Own Funding	500 000	400 000,00	-	-
Mayor's Vehicles	Own Funding	557 301	-	-	-
Vehicles	Own Funding	-	1 000 000,00	-	-
Front End Loader	Own Funding	-	-	-	-
Upgrade Cathcart Substation	Own Funding	173 040	-	-	-
Lower Kologha Internal Roads	Own Funding	940 000	-	-	-
Total Own Funded Project		3 680 341	1 400 000	-	-
		65 649 949	60 937 850	59 638 950	46 240 100

8.2 FINANCIAL STRATEGIES

The financial plan of the municipality is intended to enhance the financial sustainability and viability through the following strategic financial objectives:

- Revenue raising strategies;
- Asset management strategies;

- Financial management strategies;
- Capital financing strategies; and
- Operational financing strategies.

8.2.1 Revenue Raising Strategies

Some of the significant programs and projects that the municipality is implementing are as follows:

The implementation of the reviewed and approved Rates Policy, Tariff policy, Debt collection and Credit Control policy, Indigent Policy, Budget policy Investment policy etc. These policies outline the relevant procedures of levying tariffs, credit control, debt collection and indigent support. The indigent policy also defines the qualification criteria for indigent status. The tariff policy endeavors to levy affordable and sustainable service charges for services rendered to all consumers within the municipal area. The municipality has also developed a Revenue Enhancement Strategy which is currently being implemented.

8.2.2 Asset Management Strategies

The municipality continues to ensure the safe guarding of its assets as well as sound management of its assets. This is mainly achieved by the following:

- Implementation of the reviewed Asset Management Policy. This policy outlines the processes for the recognition, measurement and disposal of assets, including the preparation of a GRAP compliant asset register.
- With regards to safe guarding of assets the municipal assets are insured in an effort to transfer and share the risk in the event of an occurrence.

8.2.3 Financial Management Strategies

Some of the more significant programmes include the following:

- Integration of all computerized systems to ensure accurate, relevant and timely reporting to all stakeholders.
- Continue the implementation of public participation in the budget process.

8.2.4 Capital Financing Strategies

The grant funding received from the national government has a significant influence on the capital investment programs of the municipality. Improved planning is required to ensure that municipal projects are implemented as planned and that spending is fast-tracked in order to increase the allocation. The table below indicates the percentages of capital expenditure for the past two years.

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

Detail	Year 2022/23	Year 2021/22
Capital Expenditure	73%	69%

8.2.5 Operational Financing Strategies

At the end of the 2022/2023 financial year, the payroll costs excluding remuneration of councillors were 45% of the total expenditure. The total expenditure, excluding capital expenditure, amounted to R309m for 2024 and R308m in the 2025 budget. The repairs and maintenance expenditure as a percentage of total operating expenditure remains below 8%. The municipality remains grant dependent with its revenue base comprised of 37% grant income and 63% own revenue. The municipality implemented a new general valuation roll effective 1st July 2020. The valuation roll which is effective for a period of 5 years will be updated through supplementary rolls.

8.3 THREE (3) YEAR FINANCIAL PLAN

Budgeting is primarily about the priorities and choices that the Municipality has to make in deciding how to meet the agreed set of policy objectives through better service delivery. With the compilation of the 2024/25 MTREF, each strategic department had to review the business planning process, setting of priorities and targets. The extensive business planning process as undertaken with the compilation of the 2024/25 MTREF has essentially been refined and further aligned incorporating key measurable objectives and targets to ensure the planning process translates into actual performance.

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

EC124 Amahlathi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	37 467	38 857	35 562	41 674	45 307	45 307	-	48 025	50 907	53 961
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	12 115	10 856	11 107	12 320	12 707	12 707	-	13 469	14 278	15 134
Sale of Goods and Rendering of Services		541	5 031	5 355	5 634	5 841	5 841	-	6 185	6 548	6 932
Agency services		1 282	1 059	1 266	1 829	1 829	1 829	-	1 918	2 007	2 097
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7 057	8 182	5 438	5 531	7 338	7 338	-	7 779	8 245	8 740
Interest earned from Current and Non Current Assets		1 001	366	1 613	1 158	3 710	3 710	-	3 892	4 071	4 254
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		44	171	221	196	347	347	-	366	384	404
Licence and permits		2 500	1 795	2 349	2 252	2 922	2 922	-	3 066	3 207	3 351
Operational Revenue		1 637	5	1 610	667	127	127	-	133	139	152
Non-Exchange Revenue											
Property rates	2	20 796	22 178	23 331	24 424	24 424	24 424	-	25 890	27 443	29 090
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		6	12	20	27	27	27	-	29	30	31
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		144 141	121 995	130 054	138 420	138 309	138 309	-	144 851	140 683	135 628
Interest		-	-	5 900	6 318	7 189	7 189	-	7 620	8 077	8 562
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	1 005	1 208	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		228 590	211 513	225 034	240 449	250 078	250 078	-	263 223	266 019	268 336
Expenditure											
Employee related costs	2	132 726	123 339	135 383	134 985	134 985	134 985	-	141 531	147 978	154 575
Remuneration of councillors		11 599	11 533	13 662	14 329	14 329	14 329	-	15 031	15 722	16 430
Bulk purchases - electricity	2	35 884	42 658	43 194	51 433	51 433	51 433	-	57 965	60 631	63 360
Inventory consumed	8	300	404	174	247	247	247	-	258	265	273
Debt impairment	3	26 485	(7 489)	29 142	27 000	27 000	27 000	-	26 000	25 500	25 000
Depreciation and amortisation		25 570	26 049	25 858	26 000	26 000	26 000	-	26 186	26 548	26 895
Interest		3 802	2 536	10 047	4 500	14 155	14 155	-	4 339	3 309	2 300
Contracted services		16 221	10 882	14 238	18 230	18 356	18 356	-	16 183	15 156	8 699
Transfers and subsidies		-	-	10	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		21 717	24 369	26 157	28 815	23 137	23 137	-	20 877	21 832	16 820
Losses on disposal of Assets		1 662	-	-	-	-	-	-	-	-	-
Other Losses		-	-	196	-	-	-	-	-	-	-
Total Expenditure		275 965	234 280	298 062	305 538	309 641	309 641	-	308 369	316 941	314 351
Surplus/(Deficit)		(47 375)	(22 767)	(73 028)	(65 089)	(59 563)	(59 563)	-	(45 146)	(50 922)	(46 015)
Transfers and subsidies - capital (monetary allocations)	6	52 932	28 080	32 255	31 327	61 970	61 970	-	59 538	59 639	46 240
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
		5 557	5 313	(40 773)	(33 762)	2 407	2 407	-	14 392	8 717	225
Surplus/(Deficit) after capital transfers & contributions											
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		5 557	5 313	(40 773)	(33 762)	2 407	2 407	-	14 392	8 717	225
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
		5 557	5 313	(40 773)	(33 762)	2 407	2 407	-	14 392	8 717	225
Surplus/(Deficit) attributable to municipality											
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	5 557	5 313	(40 773)	(33 762)	2 407	2 407	-	14 392	8 717	225

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

EC124 Amahlathi - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		11 549	12 057	10 733	19 890	21 943	21 943	-	23 259	30 818	32 668
Service charges		31 553	53 954	34 854	49 212	52 910	52 910	-	56 085	74 313	78 771
Other revenue		12 250	3 296	2 997	11 756	12 315	12 315	-	12 987	13 677	14 405
Transfers and Subsidies - Operational	1	137 729	121 776	130 339	138 420	138 309	138 309	-	144 851	140 683	135 628
Transfers and Subsidies - Capital	1	53 144	28 300	36 401	31 327	61 970	61 970	-	59 538	59 639	46 240
Interest		8 059	8 548	12 952	1 158	3 710	3 710	-	19 291	20 393	21 556
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(229 048)	(203 054)	(179 852)	(209 639)	(213 369)	(213 369)	-	(238 790)	(265 893)	(272 209)
Finance charges		(3 802)	(2 536)	(10 047)	(4 500)	(7 247)	(7 247)	-	(4 339)	(3 309)	(2 300)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		21 433	22 340	38 375	37 623	70 541	70 541	-	72 882	70 322	54 759
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(54 762)	(26 160)	(32 713)	(38 959)	(75 497)	(75 497)	-	(70 079)	(68 585)	(53 176)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(54 762)	(26 160)	(32 713)	(38 959)	(75 497)	(75 497)	-	(70 079)	(68 585)	(53 176)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(177)	625	(191)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(177)	625	(191)	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		(33 505)	(3 195)	5 471	(1 335)	(4 956)	(4 956)	-	2 803	1 737	1 582
Cash/cash equivalents at the year begin:	2	46 931	13 426	10 232	10 232	15 702	15 702	-	15 702	18 505	20 242
Cash/cash equivalents at the year end:	2	13 426	10 232	15 702	8 897	10 746	10 746	-	18 505	20 242	21 825

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

Capital Budget

EC124 Amahlathi - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional											
Governance and administration		205	227	2 286	900	1 609	1 609	-	1 400	-	-
Executive and council		-	-	528	750	752	752	-	1 000	-	-
Finance and administration		205	227	1 758	150	857	857	-	400	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	693	-	600	600	-	-	-	-
Community and social services		-	-	693	-	600	600	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		41 534	24 772	28 336	31 427	60 690	60 690	-	54 678	51 389	34 787
Planning and development		41 389	24 772	16 683	31 377	60 436	60 436	-	54 678	51 389	34 787
Road transport		145	-	11 653	50	254	254	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		7 069	2 193	217	1 550	2 751	2 751	-	4 860	8 250	11 453
Energy sources		576	2 002	217	-	173	173	-	4 860	8 250	11 453
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		6 493	191	-	1 550	2 578	2 578	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	48 808	27 192	31 531	33 877	65 650	65 650	-	60 938	59 639	46 240
Funded by:											
National Government		41 389	24 772	28 727	31 327	59 444	59 444	-	59 538	59 639	46 240
Provincial Government		6 493	-	-	-	2 526	2 526	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	47 882	24 772	28 727	31 327	61 970	61 970	-	59 538	59 639	46 240
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		926	2 420	2 804	2 550	3 680	3 680	-	1 400	-	-
Total Capital Funding	7	48 808	27 192	31 531	33 877	65 650	65 650	-	60 938	59 639	46 240

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

EC124 Amahlathi - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		136 385	120 478	128 755	136 692	136 582	136 582	143 651	140 683	135 628
Local Government Equitable Share		131 642	115 504	124 987	131 533	131 533	131 533	138 370	136 786	131 397
Finance Management		2 200	2 100	2 200	2 200	2 200	2 200	2 200	2 200	2 400
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
EPWP Incentive		1 000	1 263	1 568	1 310	1 310	1 310	1 211	-	-
PMU 5%		1 399	1 478	-	1 649	1 539	1 539	1 870	1 697	1 831
Disaster Relief Grant		145	134	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		7 756	1 517	1 299	1 728	1 728	1 728	1 200	-	-
Sport and Recreation		1 200	1 200	1 200	1 200	1 200	1 200	1 200	-	-
LED Promotions		-	-	-	-	-	-	-	-	-
Waste Grant 2m		-	-	-	-	-	-	-	-	-
Waste Grant 770k		234	-	-	-	-	-	-	-	-
Capacity		-	-	-	-	-	-	-	-	-
Recycling		122	-	-	-	-	-	-	-	-
Vuna Awards		-	-	-	-	-	-	-	-	-
Seta		-	97	-	528	528	528	-	-	-
Waste Grant 6m		-	220	-	-	-	-	-	-	-
Donation		6 200	-	-	-	-	-	-	-	-
Human Settlements		-	-	99	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		144 141	121 995	130 054	138 420	138 309	138 309	144 851	140 683	135 628
Capital expenditure of Transfers and Grants										
National Government:		52 932	28 080	31 701	31 327	59 444	59 444	59 538	59 639	46 240
Municipal Infrastructure Grant (MIG)		52 932	28 080	31 701	31 327	33 932	33 932	35 533	32 244	34 787
INEP Grant		-	-	-	-	-	-	1 860	8 250	7 453
Waste Grant		-	-	-	-	25 512	25 512	-	-	-
Disaster Grant		-	-	-	-	-	-	19 145	19 145	-
Energy Efficiency & Demand-Side Management Grant		-	-	-	-	-	-	3 000	-	4 000
Provincial Government:		-	-	554	-	2 526	2 526	-	-	-
Waste Grant R6m (DEDEAT)		-	-	554	-	2 526	2 526	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		52 932	28 080	32 255	31 327	61 970	61 970	59 538	59 639	46 240
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		197 073	150 076	162 309	169 747	200 279	200 279	204 389	200 322	181 868

CHAPTER 9: AMAHLATHI DEVELOPMENT PLANS

THERE ARE FOUR SPATIAL DEVELOPMENT PLANS:-

1. Amahlathi Spatial Development Framework was adopted in 2022, Gazetted in November 2022
2. SPLUMS By-Law which was adopted and Gazetted in 2016
3. Stutterheim Master and Precinct plan developed in 2022
4. Amahlathi Land Use Scheme gazetted in 2023

CHAPTER 10: IDP & BUDGET PROCESS PLAN

SECTION ONE: IDP PROCESS PLAN

1. INTRODUCTION

On the 25th May 2023, Amahlathi Municipality adopted its 2023/24-2026/27 Integrated Development Plan (IDP) for the municipality which will be reviewed annually. The IDP was developed in accordance with requirements set out in the Municipal Systems Act (32 of 2000) and Local Government Municipal Planning and Performance Management Regulations (2001).

Section 28 (1) of the Municipal Systems Act no. 32 of 2000 states that each municipal council must, within a prescribed period after the start of council's elected term, adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP. The way in which the IDP process will be undertaken is outlined in Process Plans which all municipalities must prepare. These Process Plans need to comply with this Framework Plan to ensure alignment and co-ordination between district and local municipalities as stipulated in the Municipal Systems Act.

The Local Government: Municipal Planning and Performance Management Regulation, 2001 provides elaborately on the contents of the Integrated Development Plan and the processes the Municipality must subject the IDP process into when doing its development or review.

1.1 Legal context

According to Section 27(2) of the Municipal Systems Act, the framework plan binds both the district municipality and the local municipalities. The Act states that the framework plan must at least cover the following issues:

- Identify plans and planning requirements binding in terms of national and provincial legislation on the district municipality and the local municipalities or on any specific municipality.
- Identify matters to be included in the integrated development plans of the district municipality and the local municipalities that require alignment.
- Specify the principles to be applied and co-ordinate the approach to be adopted in respect of those matters; and
- Determine procedures:
 - i) For consultation between the district municipality and the local municipalities during the process of drafting their respective integrated development plans; and
 - ii) To effect essential amendments to the framework.

The Municipal Finance Management Act (MFMA) is very clear in respect to timeframes for the IDP and the budget. The MFMA requires the budget and IDP schedule (or the IDP Process Plan) to be adopted by Council by the end of August, the

DRAFT IDP/BUDGET PROCESS PLAN 2024/2025

budget and IDP to be tabled before the council in March and Budget and IDP to be adopted by council in May (section 21 and 24).

1.2 Elements of IDP Reviewal Process

The IDP reviewal process is mainly geared towards picking up on early-warning signs for corrective action whenever it is required. The Performance Indicators are flowing from the IDP and constitute the heart of the Performance Management System. The above lays the basis for the review of the Integrated Development Plan.

Aside from the statutory imperative, it is necessary for Amahlathi Municipality to review its IDP in order to:

- Ensure the IDP's relevance as the municipality's strategic plan
- Inform other components of the municipal business processes, including institutional and financial planning and budgeting.
- Inform the cyclical inter-governmental planning and budget processes.

In the IDP review cycle changes to the IDP may be required from these main sources:

- Comments from the MEC, if any.
- Incorporation of the most recent descriptive data
- Review and refinement of the objectives and strategies
- Review and refinement of the projects
- Amendments in response to changing circumstances; and
- Improving the IDP process and content.

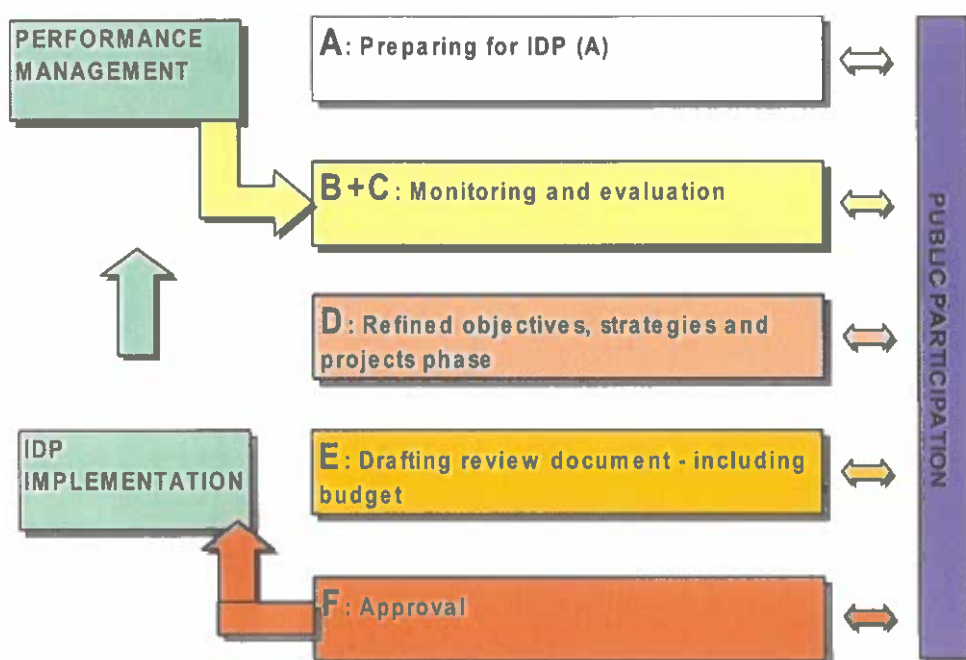
The significant development, which in all probabilities will have a huge impact on the IDP, is Community Based Planning. The Community Based Planning is a planning instrument, which is geared towards the enhancement of the community participation component of the IDP. Of particular concern has been the inability of the IDP to translate community participation into an organic process.

The main output is a 5-year strategic document. This strategic document is likely to comprise a number of components, including:

- Institutional Plan
- Financial Plan
- Spatial Development Framework,
- Performance Management Framework
- Various Sector Plans,
- List of programs and projects,
- Service Delivery and Budget Implementation Plan

1.3 IDP Process

This process describes a continuous cycle of planning, implementation and review as can be seen in the figure below. During the year new information becomes available and unexpected events may occur. Some of the information can make immediate changes to the planning and the implementation of the IDP. After the developed IDP has been adopted, implementation as well as situational changes will continue to occur, which is again monitored throughout the year and evaluated for consideration in the next IDP review (DPLG, IDP Guide Pack, Guide IV).



Each of these steps is reflected in the Action Plan which outlines the time frames and activities within which these steps should take. Because the roll out of the PMS is part of the review process, it is also included in the Action Plan.

2. ORGANISATIONAL ARRANGEMENTS

Three structures will guide the IDP Process within the Amahlathi Municipal Area

- 2.1 IDP & Budget Steering Committees
- 2.2 Inter-Governmental Relations
- 2.3 IDP Representative Forums

2.1 IDP & Budget Steering Committee

The Mayor of a municipality must establish a Budget Steering committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act (MFMA). The Budget Steering Committees shall be comprised as follows guided by MBRR.

- (a) the councilor responsible for financial matters;
- (b) the municipal manager;
- (c) the chief financial officer;
- (d) the senior managers responsible for at least the three largest votes in the municipality;
- (e) the manager responsible for budgeting;
- (f) the manager responsible for planning and any technical expects on infrastructure.
- (g) The manager responsible for internal auditing.

An IDP & Budget Technical Working Committee (Task Team) that would function as a technical working team consists of the following members:

- Municipal Manager – Chairperson
- General Manager office of the MM
- Director Planning & Development
- Chief Financial Officer
- Director Engineering Services
- Director Corporate Services
- Director Community Services
- Senior Manager Budget
- IDP & PMS Manager
- Senior Accountant Budget and Reporting, to provide secretariat
- IDP Officer to assist secretariat
- Senior and middle management

The steering committee would provide a technical support to the IDP Driver to ensure a smooth planning process. It is supposed to guide the process. This means that amongst other things it will be responsible for:

- Establishment of the Representative Forum
- Define criteria to choose members of the Forum
- Inform public about the establishment of the forum, request submissions of applications from stakeholders and communities (indicate objectives, activities and number of members)
- Identify additional stakeholders from unorganized groups, e.g. potential academics, advocates, doctors and resource persons.

- Submit proposed groups/ members to the Council for consideration

2.2 Inter-Governmental Relations

The main objective of the Amahlathi Local Municipality IGR Forum is to enhance coordinated, integrated and aligned development and consider priorities in the entire municipal area. Additional objectives include the following:

- h) Development of a Local Government Program of Action in relation to the National and Provincial Programs.
- i) To facilitate the coordination, integration and alignment of provincial and municipal strategic planning and to put in place mechanisms and procedures that will ensure that provincial strategic planning informs and is informed by the IDP of the Amahlathi Local Municipality.
- j) To consult on policy issues that materially affects Local Government.
- k) To develop and provide mechanisms to engage Provincial Government and the Office of the Premier on IGR related matters and/or challenges.
- l) To consider such other matters of mutual interest as either party may place on the agenda of a meeting from time to time.
- m) To promote economic growth and development through trade, investment and tourism.
- n) To share knowledge and expertise in local governance generally or in agreed functional areas.

The goal of the Amahlathi Local Municipality IGR Forum is to ensure that the decisions reached are implemented by:

- d) Sharing of information on/and understanding of the respective programs of all stakeholders.
- e) A clearer understanding of mutual strategic priorities and how these complement each other.
- f) A commitment to collaborate, engage continually and share information on policy implementation, success stories and co-ordinate activities

Role of Amahlathi Local Municipality in the IGR Forum

The Amahlathi Local Municipality IGR Forum is a consultative forum for Amahlathi Local Municipality to discuss and consult with stakeholders on matters of mutual interest, including:

- i. Coordinating, overseeing and monitoring the implementation of national, provincial and district governance policies and legislations relating to matters affecting local government interests in Amahlathi Local Municipality;
- j. Matters arising in the District Mayors Forum (DIMAFO), Provincial MUNIMEC and the Premier's Coordinating Forum affecting Amahlathi Local Municipality;
- k. Mutual support in terms of the section 88 of Local Government Municipal Structures Act 117 of 1998;
- l. The provision of services in Amahlathi Local Municipality as well as the performance of the Amahlathi Local Municipality in the provision of services in order to detect failures and to initiate supportive, preventive or corrective action when necessary;
- m. Coherent planning and development in Amahlathi Local Municipality;

- n. The coordination and alignment of the strategic and performance plans and priorities, objectives and strategies between the Amahlathi Local Municipality, District Municipality and other spheres of government.
- o. Any other matters of strategic importance which affects the interests of Amahlathi Local Municipality
- p. Coordination of IGR cluster forums that are aligned to Key Performance Areas of local government.

2.3 Integrated Development Plan Representative Forum

The most critical structure established for this process, especially for purposes of ensuring maximized participation of different interest groups and sectors, is the IDP Representative Forum. The rationale behind the establishment of this committee is to ensure that communication channels are kept smooth and efficiently.

The function of the IDP Representative Forum includes the following:

- To ensure that every activity and decisions taken in the IDP development process are communicated to the communities.
- To monitor and ensure that all decisions that are taken with regards to routes that the IDP must take from time to time are followed to the latter.
- To reflect and safeguard the community inputs. This means that they are the mouthpiece of the communities.
- To represent the interests of their communities.
- To provide an organizational mechanism for discussion, negotiation and decision making between stakeholders including the municipal government.
- To participate in the process of setting and monitoring key performance indicators.

Ward/PR Councilors, Traditional Leaders and Ward Committees:

Their responsibility is to ensure that at all times their mandate in the Integrated Development Forum comes from communities which they represent particularly on issues affecting them. The Ward/PR Councilors, Traditional Leaders and ward Committees are further expected to communicate deliberations of the IDP Representative Forum and always ensure that feedback is given to the communities on progress registered. The minutes on the forums convened are always reported to the Council for considerations.

District Municipality:

The main role of the Amathole District Municipality is to provide technical inputs and assistance on the processes.

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

2.4 Schedule of activities

In addition, various activities are required for the IDP Review Process:

2024/25 IDP, BUDGET & PMS PROCESS ACTION PROGRAM			
PHASE	Activities	Timeframe	Responsible Department
A	Preparation phase / Pre-planning		
IDP AND BUDGET			
1.	Signing of Performance Agreements	31 July 2023	Executive Services- IDP/PMS
2.	Development of Framework Plan Process Plan (IDP & Budget), later submitted to the Council for Approval	31 August 2023	Executive Services / BTO / Corporate Services
3.	Submit adopted Framework and Process Plans with Council resolution to MEC - COGTA	04 September 2023	Executive Services-IDP/PMS
4.	Advertise IDP Framework and IDP/Budget Process Plan	04 September 2023	Executive Services-IDP/PMS
5.	IDP REP Forum Meeting	20 September 2023	Mayor's Office
PERFORMANCE MANAGEMENT			
6.	Submit 4th quarter report for 21/22 financial year to Council	Within 30 days after the end of each Quarter 27 July 2023	Executive Services-IDP/PMS
7.	Signing and Publicize Performance Agreements no later than 14 days after approval Submission to MEC COGTA	31 July 2023	Executive Services-IDP/PMS
8.	Development and Consolidation of Draft Annual Report (Section 127 report) and submit to Internal Audit for review	18 August 2023	Executive Services-IDP/PMS
9.	Submit annual performance report to Internal Audit Committee	04 August 2023	Executive Services-IDP/PMS
10.	Mayor tables the Draft 2022/23 Annual Report in Council	31 August 2023	Office of the Mayor/ Municipal Manager
11.	Council to submit tabled draft annual report to MPAC for vetting and verification of councils' directive on service delivery and the committee to evaluate Senior Managers' performance against agreement entered	31 August 2023	Executive Services-IDP/PMS
12.	Annual Evaluations sessions: Head of Departments and Accounting Officer	23 August 2023	Executive Services-IDP/PMS
B+C	Analysis Phase / Monitoring and evaluation		

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

IDP AND BUDGET			
13.	*Assessment of existing level of development - Situational analysis *Prepare analysis information on existing services, current backlogs and identification of development priorities *Collect data from other sources, analyze impact of new information and unexpected events *Evaluate achievement of objectives and strategies *Get inputs from Sector Plan information *Assess implementation progress, overview of funding available per department (both from savings as well as internal budget and external funds)	September- November 2023	All Departments
14.	Ward based planning (Mayoral Imbizo's for priority needs identification)	17-24 October 2023	Executive Services-IDP/PMS Mayor's Office
15.	Intergovernmental Relations (IGR) Meeting	22 November 2023	MM's office - IGR
16.	IDP REP Forum Meeting	29 November 2023	Executive Services-IDP/PMS Mayor's Office
PERFORMANCE MANAGEMENT			
17.	Quarter 1 Performance reporting (July - Sept)	Within 6 working days of the next month after the end of each Quarter 09 October 2023	Heads of Departments
18.	Submit Quarter 1 Performance Report to Council (Section 52d)	Within 30 days after the end of each Quarter. 26 October 2023	Executive Services – IDP/PMS
19.	Annual Report public hearings	01-03 November 2023	Mayor's Office & MPAC
ANNUAL REPORT			
20.	Mayor tabled Annual Report and Audit Report to Council	14 December 2023	Office of the Mayor/MM/
21.	Council adopts Oversight report	25 January 2024	MPAC/ Executive Services
22.	Annual Report and Oversight report made public e.g. posted on municipality's website	25 January 2024	Executive Services
23.	Oversight report is submitted to Legislator, Provincial /National Treasury and COGTA	30 January 2024	Executive Services
MID TERM PERFORMANCE ASSESSMENT			

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

24.	Quarterly & Mid-term Performance Report	Within 6 working days of the next month after the end of each Quarter 05 January 2024	Heads of Departments
25.	Consolidated Directorates Quarterly & Mid-Year Performance Reports and later submitted to Internal Audit	Within 10 working days of the next month after the end of the Quarter 12 January 2024	Executive Services-IDP/PMS
26.	Mid-year Evaluations sessions: Head of Departments and Accounting Officer	18 January 2024	Executive Services-IDP/PMS
27.	Submit Quarter 2 and mid-year performance assessment report for 2022/23 to Council	25 January 2024	Municipal Manger/Strategic Planning/BTO/Corporate Services
IDP AND BUDGET			
D	Strategies Phase / Refined objectives, strategies, programs and projects phase		
28.	Refine strategies, programs and draft projects as necessary for MTREF period, with key performance indicators and targets (as per strategic plan outcome)	Dec 2023- Jan 2024	All Departments
29.	Budget hearings to be held between HODs and MM to assess budgets that exceed funding envelopes	January 2024	Municipal Manager
30.	Technical Strategic Planning Session	06-09 February 2024	Executive Services-IDP/PMS
31.	Consolidate all inputs including sector plan information and prepare draft IDP and Budget	February - March 2024	Executive Services / BTO
32.	Budget Steering Committee to consider adjustment Budget allocations (IDP/ Budget link)	16 February 2024	Budget & Treasury Office
33.	Institutional Strat Plan. Adopt proposed programs and projects - agree on key financial issues	21-23 February 2024	Executive Services- IDP/PMS
34.	Mid-year Performance engagements with Treasury	15 February 2024	Executive Services/Budget & Treasury Office
35.	Council to adopt Budget and SDBIP adjustments	28 February 2024	Executive Services/Budget & Treasury Office
36.	Finalize Parameters for MTREF using guidelines from Treasury and outer year budgets	28 February 2024	Budget & Treasury Office
37.	Intergovernmental Relations (IGR) Meeting	13 March 2024	Executive Services - IGR
38.	Budget Steering Committee to present the draft IDP and Budget	14 March 2024	Executive Services/Budget & Treasury Office

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

39.	IDP REP Forum Meeting to present the draft IDP	19 March 2024	Mayor's Office/ Executive Services- IDP/PMS
40.	Council approval of the draft IDP & Budget and noting of the SDBIP	27 March 2024	Executive Services/BTO/ Corporate Services
41.	Draft IDP and Draft Budget published - Advertise for public comment (21days)	03 April 2024	Executive Services- IDP/PMS
42.	Budget and Benchmarking Engagements with Treasury	26 April 2024	Budget & Treasury Office
PERFORMANCE MANAGEMENT			
43.	Quarterly Performance Report submitted to IDP/PMS unit	Within 6 working days of the next month after the end of each Quarter 08 April 2024	Heads of Departments
44.	Consolidated Directorates Quarterly Performance Reports and later submit to Internal Audit	Within 10 working days of the next month after the end of the Quarter 12 April 2024	Executive Services- IDP/PMS
45.	Submit Quarter 3 Performance Report to Council (Section 52d)	Within 30 days after the end of each Quarter. 25 April 2024	Executive Services – IDP/PMS
E	Reviewed IDP document (Integration/ program implementation and operational plan)		
IDP AND BUDGET			
46.	IDP/Budget Public Hearings	16-17 April 2024	Executive Services/ Budget & Treasury Office Mayor's Office
47.	Incorporate relevant comments to the Draft final reviewed IDP	April- May 2024	Executive Services- IDP/PMS
48.	Intergovernmental Relations (IGR) Meeting	15 May 2024	Executive Services - IGR
49.	Budget Steering Committee (Considering Final IDP and Budget)	16 May 2023	Executive Services/ Budget & Treasury Office
F	Approval phase		
IDP AND BUDGET			
50.	IDP REP Forum Meeting	21 May 2024	Mayor's Office/ Executive Services-IDP/PMS

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

51.	Council Approval of IDP & Budget	30 May 2024	Executive Services/BTO/ Council Support Services
52.	Submit IDP and Budget to MEC - COGTA, Provincial and National Treasury	05 June 2024	Executive Services- IDP/PMS
53.	Final IDP and Budget published	Within 14 days of approval) (20 June 2024)	Executive Services- IDP/PMS

3. MECHANISMS AND PROCEDURES FOR PUBLIC PARTICIPATION

The following public participation mechanisms are proposed for each and every milestone.

Preparation Phase

Notices on the Municipal Website
 Notices on Municipal Facebook Page
 Notices on Notice Boards
 Flyers
 Announcements on Local Radio Stations

Monitoring and Evaluation Phase

Representative Forum Meetings
 Public Hearings

Objectives, strategies and Projects Phase

Representative Forum Meetings

Reviewed IDP Phase

Public Hearings
 Representative Forum Meetings

Approval Phase

Notices on the Municipal Website
 Notices on Municipal Facebook Page
 Announcements on Local Radio Stations
 Representative Forum Meetings

3.1 Public Participation Strategy

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 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

4. SECTOR PLANS

The Municipality have identified and developed a number of strategies and plans as reflected in the IDP. New sector plans are developed and/or existing ones reviewed during the IDP process.

It is important to note that all Sector Plan studies were conducted on the local space and as such covers the entire Amahlathi local area.

Following is the list of sectors that the municipality has developed:

ECONOMIC DEVELOPMENT	LAND CARE DEVELOPMENT	SOCIAL AND HEALTH SERVICES	GOVERNANCE OPERATIONS	FINANCIAL VIABILITY
<ul style="list-style-type: none"> • Local Economic 	Spatial Development Framework	Integrated Waste Management Plan	Employment Equity Plan	

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

Development Strategy • Forestry Strategy • SMME Strategy • Tourism Master Plan • Agricultural Plan		Community Safety Plan	Communications Strategy	Revenue Enhancement Strategy
		Employee Assistance Plan	Performance Management and Development	Financial Recovery Plan
	Disaster Management Plan: All Hazard Contingency Plan	Occupational Health and Safety Plan	Fraud Prevention Plan	
		Special Programme Strategy	Recruitment Plan	
	Housing Sector Plan	Integrated Fire Management Plan	Human Resources Development Strategy	
			Fleet Management Strategy	
			Workplace Skills Plan	

5. BINDING PLANS AND LEGISLATION

National legislation can be distinguished between those that deal specifically with municipalities arising from the Local Government White Paper on the one hand and sector planning legislation on the other.

The Municipal Structures and Systems Acts are specific to municipalities. The Systems Act has a specific chapter dedicated to IDPs and is the driving piece of legislation for the development of IDPs. Arising from the Systems Act, the IDP Regulations need to be complied with.

National sector legislation contains various kinds of requirements for municipalities to undertake planning. Sector requirements vary in nature in the following way:

- Legal requirements for the formulation of a district sector plans (e.g. a water services development plan).
- A requirement that planning be undertaken as a component of, or part of, the IDP (like a housing strategy and targets).
- Links between the IDP and budget process as outlined in the Municipal Finance Management Bill.
- Legal compliance requirement (such as principles required in the Development Facilitation Act – DFA – and the National Environmental Management Act – NEMA).
- More a recommendation than a requirement, which is deemed to add value to the municipal planning process and product (in this case, Local Agenda 21).

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

CATEGORY	SECTOR REQUIREMENT	NATIONAL DEPT	LEGISLATION/POLICY
Legal requirement for a district/local plan	Water Services Development Plan	Department of Water Affairs and Forestry	Water Services Act
	Integrated Transport Plan	Department of Transport	National Transport Act
	Waste Management Plan	Department of Environmental Affairs & Tourism	White Paper on Waste Management
	Spatial planning requirements	Department of Rural Development and Land Reform	Land Use Management Act
Requirement for sector planning to be incorporated into IDP	Housing strategy and targets	Department of Human Settlements	Housing Act (Chapter 4, Section 9)
	Coastal management issues	Department of Environmental Affairs & Tourism	
	LED	Department of Economic Development, Environmental Affairs and Tourism, Department of Local Government and Traditional Affairs	Municipal Systems Act
	Integrated Infrastructure Planning	Department of Local Government and Traditional Affairs	
	Spatial framework	Department of Rural Development and Land Reform, Department of Local Government and Traditional Affairs	Municipal Systems Act, Land Use Management Act Bill
	Integrated Energy Plan	Department of Minerals & Energy	White Paper on Energy Policy, December 1998
Requirement that IDP complies with	National Environmental Management Act (NEMA) Principles	Department of Economic Development Environmental Affairs & Tourism	National Environment Management Act (107 of 1998)
	Development Facilitation Act (DFA) Principles	Department of Rural Development and Land Reform	Development Facilitation Act
	Environmental Implementation Plans (EIPs)	Department of Economic Development, Environmental Affairs & Tourism	National Environment Management Act (107 of 1998)

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

CATEGORY	SECTOR REQUIREMENT	NATIONAL DEPT	LEGISLATION/POLICY
	Environmental Management Plans (EMPs)	Department of Economic Development Environmental Affairs & Tourism	National Environment Management Act (107 of 1998)
	IDP/ budget link	National Treasury	Municipal Finance Management Act
Value adding contribution	Local Agenda 21		

The National Development Plan should be also considered during the review phase.

Each local municipality and the district municipality needs to include those planning documents that have been approved by Council or other strategies that might be relevant to the IDP process in their process plans.

6. PROGRAMME OF ACTION

The action program will be broken into five phases

- Preparation phase
- Monitoring and evaluation phase
- Objectives, Strategies, Projects phase and Scorecards
- Consolidate Reviewed IDP and Budget
- Approval phase

7. MECHANISM AND PROCEDURE FOR ALIGNMENT

The District framework plan was provided as the guiding document to the municipality. The municipality was part of the process of drawing up the framework plan together with other Municipalities that are under the Amatole District Municipality. The municipality participates in the District Wide Planning Forum that aims to strengthen Intergovernmental planning through mechanisms to ensure the full participation of local municipalities in IDP processes. The Inter-Governmental Forum will also be used to ensure that beneficial alignment of programs and projects occur with other spheres of government.

8. EXISTING DOCUMENTS

- Legally Binding Documents
 - Municipal Systems Act
 - Municipal Finance Management Act
- Other Documents

- Spatial Development Framework
- Amahlathi LED Strategy
- Tourism Strategy
- Indigent Policy
- Integrated Waste Management Plan
- Agricultural Plan
- Housing Sector Plan
- Employment Equity Plan
- Workplace Skills Plan
- Employee Performance Management Policy Framework
- Community Safety Strategy
- Disaster, Risk Management and All Hazards Contingency Plan
- Tariffs Policy
- Rates Policy
- Credit Control and debt write-off Policy
- Cash Management and Investment Policy
- Asset Management Policy
- Budget Policy
- Customer Care Policy
- Supply Chain Management Policy
- Communication Strategy
- Petition Policy
- Public Participation Policy

SECTION TWO: BUDGET PROCESS PLAN

1. INTRODUCTION

The concept of a 3-year budget is now well-entrenched in the Council's budgeting process and has been improved upon over the last number of years. Guidelines issued on budget processes by National Treasury from time to time have helped to refine and improve our systems.

The budget proposals for the 2021 MTREF should be informed by Council's Integrated Development Planning Process, particularly in terms of objectives, outputs and targets envisioned for the next 3 years. In this way, budget proposals and the Integrated Development Plan will be properly aligned.

Better budgeting enhances service delivery. This is the main message underlying the Municipal Finance Management and Budgeting Reform Program. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthens the link between the services that departments provide and the benefits and costs of these services. The performance management system gives effect to the emphasis on improved transparency and accountability for the management and use of public resources.

The *Budget Process Plan* is issued to the Council, Executive Committee, Municipal Manager and various departments for the preparation of their 2024 MTREF budget proposals. It sets out the tasks to be performed and timeframes for each process. It is imperative that the timeframes are strictly adhered to in order to finalize the budget on time.

2. BUDGET PROCESS

The Medium-Term Revenue and Expenditure Framework (MTREF) details 3-year rolling expenditure and revenue plans for Amahlathi Municipality. The MTREF budget process is designed to match the overall resource envelope, estimated through 'top-down' macroeconomic and fiscal policy processes, with the bottom-up estimation of the current and medium-term cost of existing departmental plans and expenditure programs

The budget process allows Council to:

- **Strengthen and evaluate the alignment between medium and long-term plans and funding proposals**
- **Revise its policy priorities, macroeconomic framework and resource envelope**
- **Evaluate departmental plans and allocate available resources in line with policy priorities**
- **Obtain the required authority from Council to spend [service delivery]**
- **Align parameter setting with budget outcomes and resource allocations.**
- **Link the Integrated Development Planning Process with the budget process**

The purpose of the 2024 budget process will be the completion of a medium-term expenditure framework that apportions resources in line with Council's policy priorities for the next three years. How this will be achieved is described below.

2.1.1 Matching policy priorities and resources

Deciding and agreeing on the best allocation of scarce resources to fund Council's many social, economic and political goals is the main purpose of the budget process.

Drafting these three-year plans will guide the policy prioritization and budgeting process for the 2023/2024 to 2025 MTREF.

Formulating an MTREF that has a three-year outlook will be put together by various role-players who interact at various stages of the budget process.

2.1.2 Medium term policy review

The budget process starts early in the year with a review of the IDP and budget processes of the previous year. Additional resources for funding new priorities arise from a review of the overall budget framework, including fiscal policy considerations, overall spending growth, inflation assumptions, and debt interest projections [if applicable at this stage].

The allocation of resources to the different sections and departments will be largely determined by Council's policies and priorities, which are reviewed during the process of developing the MTREF/budget and will take into account the various departments responsibilities for service delivery.

The timeline for critical budget decisions in the policy review stage of the process is outlined in table 1.

Table 1: Process plan timeline

July – August	Establishment of Budget Steering Committee, IDP and budget process plan review and table to council before 31 August
November - December	Setting budget parameters Consideration of the revision of the Council's establishment plan – meeting the HR capacity needs and the cost application of such capacity (functions to be considered)
December - January	Mid-year review process, Costing of personnel requirements, Submission of Budget Proposals
January	Mid- year review approved by council not later 25th January , Consolidate Adjusted Budget Proposals
February	Revised Budget approved by council not later than 28th February
February	Consolidation Draft Budget Inputs and Prepare Draft Budget
March	Tabling the Draft budget to Council not later than 31st March
April – May	Public Consultation on the IDP and Budget; Council Approval not later than 30th May
June	Submission to National Treasury within 10 days

3. COMPILING MTREF BUDGET PROPOSALS

3.1.1 Budget Principles

Budgeting within the Medium-Term Revenue and Expenditure Framework is based on a set of core principles that relate to:

- Fiscal policy and the budget framework
- Policy priorities and public expenditure
- Political oversight of the budget process

Budgeting for service delivery

3.1.2 Fiscal policy and the budget framework2

Medium-term spending plans of the various clusters for the period 2023/24 to 2024/2025 will be prepared within the context of Council's macroeconomic and fiscal framework.

As part of a three-year rolling budget process, the budget framework is revised each year. Additional resources for new expenditure will form part of the macroeconomic forecast. Growth in external funding, particularly for capital projects, is important if the Council is to meet the objectives established in the IDP. The council is dependent on Equitable Share to provide free basic services and support to the indigent in terms of the council's Indigent support Policy.

The various role-players will have to examine the fiscal implications of new spending pressures and match them to available resources.

3.1.3 Policy priorities and public expenditure

Strengthening the link between Council policy priorities and expenditure is at the core of medium-term budgeting. Expenditure allocation translates policy priorities into the delivery of services to communities and is therefore a key tool for accomplishing Council's goals.

3.1.4 Political Oversight of the Budget Process

The key to strengthening the link between priorities and spending plans lies in enhancing political oversight of the budget process. The Mayor has established a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA.

Political oversight of the budget process is essential to ensure that:

- The political executive is responsible for policy and prioritization

Policy priorities are linked to cluster spending plans and the delivery of quality services

The Budget process commences with parameter and policy assessment and formulation.

Budgeting is primarily about the choices and trade-offs that the Council has to make in deciding how to meet the agreed set of policy objectives through better service delivery. Political oversight of the budget process allows the Council to manage the tension between competing policy priorities and fiscal realities.

3.1.5 Budgeting for Service Delivery

Strengthening the link between Council's priorities and spending plans is not an end in itself. The goal is to improve delivery of services and ultimately the quality of life of people throughout Amahlathi.

Better budgeting, as mentioned in the introduction, leads to enhanced service delivery. In particular, integrated planning, budgeting and monitoring of service delivery performance strengthens the link between the services that departments provide and the benefits and costs of these services. It is important to emphasize the role of performance management which serves to monitor performance against measurable performance objectives that are informed by service delivery targets as captured in the IDP.

The municipality must develop and approve measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's IDP. These measurable performance objectives must inform the Service Delivery and Budget Implementation Plan which must be approved by the Mayor within 28 days after the approval of the budget.

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

ACTION PLAN FOR IDP/PMS/BUDGET

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
AUG 2023	<ul style="list-style-type: none"> Preparation of the Draft IDP and PMS Process Plan. Present IDP Process Plan to IDP/Budget Steering Committee IDP Process Plan tabled to Council for approval. Self-assessment to identify gaps in the IDP process. Council Meeting (Budget & IDP Process Plan, Annual Performance Report, Financial Statements and Draft Annual Report) Submissions to AG, MEC and Treasury etc. (Annual Performance Report, Annual Financial Statements and Draft Annual Report) 	<ul style="list-style-type: none"> Publicizing Approved SDBIP for inspection and information Signing of new performance contracts for Section 57 Managers 2022/23 Final S57 Managers' Performance Assessments. Submission of Q4 SDBIP Reports Quarter 4 performance report submitted to Council Submission of Performance Agreements to EC-Cogta Submission of the Annual Performance Reports prepared in terms of s46 of MSA 2000 to Council Quarterly Audit Committee meeting (for the last quarter of 16/17) MFMA Sect 166 & MPPR Reg. 14(3)(a) Evaluation Panel Audit Committee meeting (for the last quarter of 2022/23) MFMA Sect 166 & MPPR Reg. 14(3)(a) 	<ul style="list-style-type: none"> Preparation of the Draft Budget Process Plan. Present the Budget Process Plan to the IDP/Budget Steering Committee Budget Process Plan tabled to Council for approval

DRAFT 2024/25 INTEGRATED DEVELOPMT PLAN (IDP)

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
		<ul style="list-style-type: none"> • Evaluation Panel/Audit Committee meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14(3)(b) • Submission of draft annual report (MFMA Circular 63) 		
SEPT 2023	<ul style="list-style-type: none"> ▪ Advertisement of the IDP and PMS Process Plan ▪ Review and updating of the IDP Vision, Mission and Objectives. ▪ IDP/Budget Steering Committee Meeting ▪ Advertise to resuscitate the IDP Rep Forum ▪ IDP Rep Forum meeting 	<ul style="list-style-type: none"> ▪ Reminder to be sent to HOD's to submit their Q1 SDBIP Reports in terms of s41 MSA 	<ul style="list-style-type: none"> ▪ Advertisement of the Budget Process Plan and submission to Provincial and National Treasury. 	
OCT 2023	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee Meeting ▪ Process Plan and the role of the Steering Committee ▪ Develop agenda for Rep forum ▪ Priority needs assessment (Ward Community visits) 	<ul style="list-style-type: none"> ▪ Submission of Q1 Reports by HOD's ▪ Q1 Reports tabled to Council (for first quarter of 23/24) MPPR Reg. 14 ▪ Sect 57 Managers' quarterly informal assessments 		

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
NOV 2023	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee Meeting ▪ Rep forum meeting ▪ Budget Assumptions & Strategies ▪ Identification of priority needs. ▪ Departments to submit situation analysis and or status quo for IDP review ▪ Commencement of Departmental Strat plans 	<ul style="list-style-type: none"> ▪ Quarterly Audit Committee meeting (for the first quarter of 23/24) MFMA Sect 166 & MPPR Reg. 14(3)(a) ▪ Annual Report Public hearings 	<ul style="list-style-type: none"> ▪ Set parameters for the next three years based on market trends and circular issued by National Treasury. ▪ Determine the funding/revenue potentially available for next three years in Dora. ▪ Review and update pricing strategies of National Regulators e.g. NERSA
DEC 2023	<ul style="list-style-type: none"> ▪ Submit Situation Analysis to Council with Community priority needs 	<ul style="list-style-type: none"> ▪ Reminder to be sent to HOD's to submit their Q2 SDBIP Reports in terms of s41 MSA ▪ Council adopts Final Annual Report and Oversight report ▪ Final Annual report and oversight report submitted to Treasury and Cogta 	<ul style="list-style-type: none"> ▪ Departments to submit Budget proposals for Adjustment and next 3-year MTREF Budget.
JAN 2024	<ul style="list-style-type: none"> ▪ Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. 	<ul style="list-style-type: none"> ▪ Submission of Q2 Reports by HOD's ▪ Sect 57 Managers' formal quarterly assessments (for second quarter of 22/23 on the 10th of January) 	<ul style="list-style-type: none"> ▪ Review Tariffs and Charges and develop options for changes to be included in draft budget. ▪ Prepare and submit Mid-year performance review to council by <u>25th January.</u>

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee Meeting ▪ 	<ul style="list-style-type: none"> ▪ Municipal Manager submits Midterm/Midyear Report to the Mayor with recommendations (in terms s72 MFMA) ▪ Midyear Reports submitted to Treasury (provincial and National) ▪ Midterm/Midyear Report is published ▪ 	<ul style="list-style-type: none"> ▪ Consolidate Adjusted Budget Proposals and prepare Adjustment Budget. 	
FEB 2024	<ul style="list-style-type: none"> ▪ Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. ▪ Institutional Strategic Planning Session ▪ IDP/Budget Steering Committee Meeting ▪ Technical Strategic Planning Session 	<ul style="list-style-type: none"> ▪ Quarterly Audit Committee meeting (for the second quarter of 21/22) MFMA Sect 166 & MPPR Reg. 14(3)(a) ▪ Review PMS policy framework ▪ Review SDBIP and publicize any amendments 	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee for Adjustment Budget ▪ Submit Adjustments Budget for current year to Council not later than the 28th February. ▪ Submit Adjustment Budget to National and Provincial Treasury. ▪ Publicize Adjustment Budget within 10 working days of approval. ▪ Consolidate Draft Budget proposals and prepare Draft Budget 	
MARCH 2024	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee ▪ IDP Rep Forum ▪ Submission of draft IDP and Budget 2024/25 to council ▪ Submit Strategic Session Report to Council 	<ul style="list-style-type: none"> ▪ Draft SDBIP's for 2024/25 developed and for incorporation into draft IDP 2024/25 FY ▪ Reminder to be sent to HOD's to submit their Q3 SDBIP Reports in terms of s41 MSA 	<ul style="list-style-type: none"> ▪ Review and workshop all budget related policies ▪ IDP/Budget Steering Committee for Draft Budget ▪ Table Draft Budget to Council by 31 March. 	

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
APR 2024	<ul style="list-style-type: none"> ▪ Publicize tabled IDP (Invite Local Community to make written comments in respect of the IDP) ▪ IDP/Budget Steering Committee ▪ Public participation process launched through series of public hearings on the IDP and Budget ▪ Review written comments in respect of the Budget and IDP 	<ul style="list-style-type: none"> ▪ Submission of Q3 Reports by HOD's ▪ Sect 57 Managers' informal quarterly assessments ▪ Quarter 3 performance report submitted to Council 	<ul style="list-style-type: none"> ▪ Publicize tabled Budget, inviting comments and undertake community consultation on tabled Budget. ▪ Receive and analyze additional inputs from community and other stakeholders. ▪ Incorporate feedback from community and other stakeholders and if required revise the budget previously tabled to Council. 	
MAY 2024	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee ▪ Rep forum meeting ▪ Adoption of the 2024/25 IDP by Council. 	<ul style="list-style-type: none"> ▪ Community input into organization KPIs and targets 	<ul style="list-style-type: none"> ▪ IDP/Budget Steering Committee for Final Budget ▪ Municipal council approves budget, tariffs and revised budget related policies by 31 May. 	
JUNE 2024	<ul style="list-style-type: none"> ▪ Publicize Approved IDP ▪ Submission of the Final IDP to EC- Cogta, Treasury (National and Provincial) 	<ul style="list-style-type: none"> ▪ Reminder to be sent to HOD's to submit their Q4 SDBIP Reports in terms of s41 MSA ▪ Submission of final SDBIP to The Honorable Mayor for approval s53 MFMA 	<ul style="list-style-type: none"> ▪ Publicize Approved Budget and Tariffs ▪ Submission of Final Budget to National and Provincial Treasury ▪ Complete and submit the budget returns required by National Treasury. 	

DRAFT 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP)

MONTH	ACTIVITIES			BUDGET
	IDP	PMS		
				▪ Email Approved Budget to All Departments

