

2023/24 ANNUAL REPORT

AM AHLATHI LOCAL MUNICIPALITY



1. VISION

A resilient, sustainable people-centred local municipality

2. MISSION

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

3. CORE VALUES

Accountability

Model

Accessibility

Healthy

Loyalty

Authentic

Trust

Honesty

Integrity

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ACRONYMS

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

DEDEAT- Department of Economic Development Environmental Affairs and Tourism

DRDAR- Department of Rural Development and Agrarian Reform

NGO- Non- Governmental Organisations

AFS- Annual Financial Statements

CIPC- Companies & Intellectual Property Commission

KPI- Key Performance Indicator

KPA- Key Performance Area

TCS- Traffic Contravention System

DPSA- Department of Public Services and Administration

VAT- Value Added Tax

AOPO- Audit of Predetermined Objectives

MTEF- Medium Term Expenditure Framework

SMART - Specific Measurable Assignable Realistic Time-related

HODs- Head of Departments (HO-Ds)

ICT- Information Communication Technology

PPE- Property Plant & Equipment

FAR- Fixed Asset Register

AC- Audit Committee

MPRA- Municipal Property Rates Acts

AG- Auditor General

FY- Financial Year

COGTA- Cooperative Governance and Tradition Affairs

KKH- Keiskammahoek

SLA- Service Level Agreement

DR- Disaster Recovery

IT- Information Technology

MEC- Member of Executive Council

Q1- Quarter 1

Q2- Quarter 2

Q3- Quarter 3

Q4- Quarter 4

AO- Accounting Officer

IA- Internal Audit

PPP- Private Public Partnership

N/A- Not Applicable

ALM- Amahlathi Local Municipality

EPWP- Extended Public Work Programme

GSFPA- Greater Stutterheim Fire Protection Association

UIF- Unemployment Insurance Fund

CA- Chartered Accountant

SA- South Africa

SPU- Special Programs Unit

LTO- Local Tourism Organisation

CTO- Community Tourism Organisation

LED- Local Economic Development

SALGBC- South African local Government Bargaining Council

CWP- Community Works Programme

MCCP- Mlungisi Community Commercial Park

DSRAC- Department of Sport Recreation Arts and Culture

EAP- Employment Awareness Programme

HRD- Human Resource Development

YTD- Year to Date

EEP- Employment Equity Plan

WSP- Workplace Skills Plan

LGSETA- Local Government Sector Education Training Authority

NERSA- National Energy Regulation South Africa

BTO- Budget and Treasury Office

MVR- Motor Vehicle Registration

SDI- Service Delivery and Infrastructure Development

MFV- Municipal Financial Viability

MTI- Municipal Transformation and Institutional Development

GGP- Good Governance and Public Participation

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

MAYOR'S FOREWORD

It is 30 years since the advent of democracy, in South Africa, which established the constitution that provides for the establishment of local government as a distinct sphere of government. Local Government consist of municipalities that must provide a democratic and accountable government for local communities. Our municipality come from a past characterised with violent community protest related to service delivery. The financial year of 2023/2024 provided a fresh start for the municipality reconcile the service delivery gap between expectations of our communities and the actual delivery by the municipality. We began by rolling out a program for the needs' identification as part of mandatory consultations that must be done with communities. In this regard it is communities themselves that identified the projects to be implemented in 2023/24.



The year 2023/24 was also a year for national and provincial elections. Our people headed to voting stations to mark in favour of their political parties and yielded results that saw no one political party leading the Republic of South Africa but resulted in the Government of National Unity. Once again, the people of Amahlathi participated in good numbers during the elections. We are left with only two full financial year, and we land to another local government elections. The delivery of goods and services to the people of Amahlathi Local Municipality proves beyond reasonable doubt that their vote was worth it. This report gives an account to the electorate that gave mandate to the council. This report is also required by law.

The Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA) commands municipalities to prepare an annual report for each financial year. Section 127(2) of the Act requires that the Mayor, within seven months after the end of a financial year, to table in the municipal council the annual report of the municipality. The Annual Report is an account of how the municipality has taken up the challenge to grow the Amahlathi area, effectively engage the community and develop partnerships with the business sector. Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out the performance of the municipality and its external service providers. The report should measure current performance against targets and performance in the previous financial year and outline measures to improve performance in the year ahead. The annual performance report must form part of the annual financial report. It is therefore my pleasure to present this Annual Report of Amahlathi Municipality for the period of 2023/24 to Council, the people of Amahlathi, the National and Provincial Treasury, the Local Government, Auditor General and other stakeholders.

As the municipality we were presented by our communities to deliver basic services including electricity, internal road and public infrastructure. Our role was to identify, budget for, implement, and measure performance on projects against targets using Service Delivery and Budget Implementation Plan (SDBIP). The performance of the municipality has remained above 80% since the beginning of the term. This is all achievable because of our committed and dedicated employees and competent administration. In the process we have seen significant improvements in service delivery on the ground. Amahlathi is not the same as last term. The locality is a construction site and job opportunities are created. It is in this regard that the Office of the Mayor applauds the dedication displayed to accomplish this good work when as if challenges did not mount as high.

We take pride of our territory's natural beauty featuring the Amathole Mountain Range with its natural forests and planted timber, the friendly N6 and the palatable vegetation of the Dohne Sourveld. The Amathole Mountain Range has provided an important feature throughout history of the Xhosa as a nation. These are mountains and shrubs which provided cover for the troops of iNkosi Jongumsobomvu Maqoma. Today these mountains and shrubs provide hiking trails from our which our people derive sustainable livelihoods. We have no choice but to use our natural resources sustainable as factors of production in our pursuit of local economic development. Doing so will establish a good foundation for an increased socio-economic emancipation to obviate the economic scourge of

unemployment and thus unlock potential for competitive production in forestry, agriculture, tourism and manufacturing.

I would like to thank the community of Amahlathi for continuously believing in the municipality, participating in the programmes, their willingness to be part of the collective. I would also like to extend my gratitude to my fellow Councillors, the Audit Committee, Senior Management and labour for their undivided commitment to collectively participate in Municipality's developmental Agenda. My sincere gratitude also goes to the provincial government for their unwavering support provided to the Amahlathi Municipality. Going forward the council in solid partnership with its community and stakeholders is taking a centre stage in providing a conducive environment for development and job creation. The aim is to build and grow a resilient, sustainable and people centred Amahlathi Local Municipality.

Thank you.


Cllr. N Nongqayi
Her Worship, the Mayor
Amahlathi Municipality

B: STATEMENT OF THE MUNICIPAL MANAGER

This Annual Report captures Amahlathi Local Municipality's strategic focus, provides an overview on its performance and sets out Council's financial position for the 2023/2024 financial year. The report also outlines the details of the various programmes managed by the Directorates of Amahlathi Local Municipality and how the municipality has performed towards meeting the set targets. The municipality firmly believe that it is on track towards meeting the growth and its set development targets although this year's challenges impacted negatively on the overall performance of the Municipality.



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

As we present the annual report for the 2023/24 financial year, I confirm that the report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000 as amended, the Local Government: Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations as well as National Treasury Circular No. 63 that outlines Annual Report Guidelines.

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

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

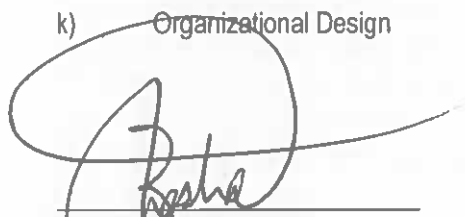
The key priority areas of the institution during the year under review find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:

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

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

- a) Institutionalisation of outcomes approach
- b) Accelerating and improving access to basic services

- c) Internal implementation of infrastructure projects using internal plants
- d) Continuing to review and improving financial systems and procedures.
- e) Address issues emanating from the Auditor-General's report for 2023/24 financial year.
- f) Development of municipal by-laws
- g) Public safety and law enforcement
- h) Improving reporting, monitoring and evaluation
- i) Capacitation of councillors and municipal employees.
- j) Revenue Enhancement
- k) Organizational Design

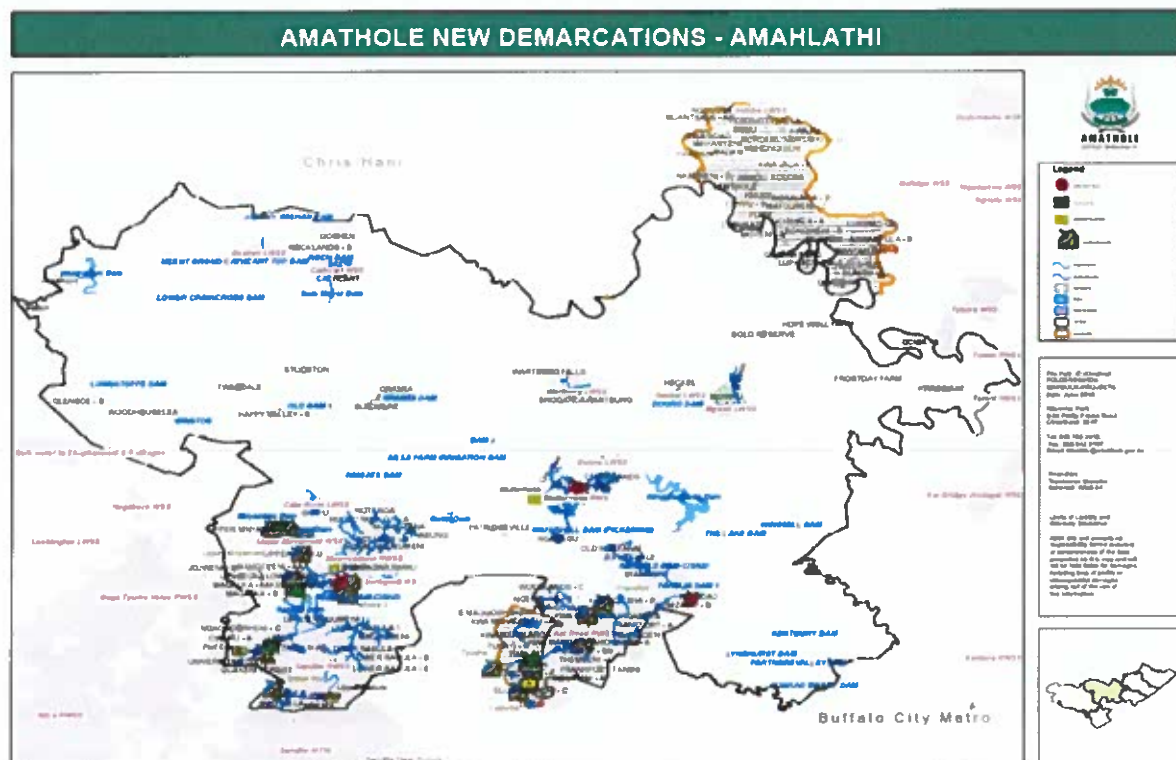


MUNICIPAL MANAGER
DR. Z. SHASHA

C: EXECUTIVE SUMMARY

1.1 Municipal Manager's overview

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

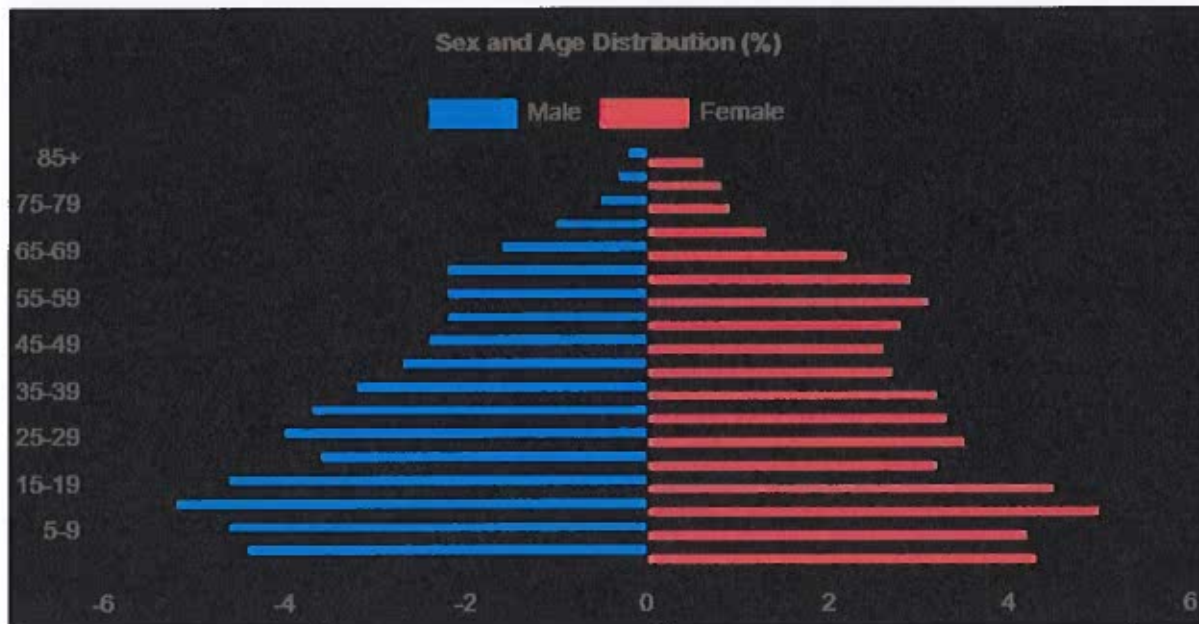


1.2 Population & Household dynamics

The population of Amahlathi has increased from **101 035 (2011)** to **115 703** as per the 2022 Census by Statistics SA. 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 number of households increase from **29 994** to **33 621** households. The population is unevenly distributed among the 15 wards.

Age and Gender Distribution

- i. The gender distribution analysis of Amahlathi population reflects a similar pattern to that of the country with females accounting for 51.2% and males only 48.8%. Since females form the greater portion of the economically active population age groups 15 to 64 years, it will be strategic for the municipality to increase their participation in local governance issues.
- ii. The population 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 2022

1.3 Household Income distribution

It was estimated that in 2023 7.07% of all the households in the Amahlathi Local Municipality, were living on R30,000 or less per annum. In comparison with 2013's 24.23%, the number is more than half. The 72000-96000 income category has the highest number of households with a total number of 4 260, followed by the 54000-72000 income category with 4 020 households. Only 1.7 households fall within the 0-2400 income category.

1.4 Access to basic services

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%
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 2022 and about 39.70% that have access to refuse removal at least weekly which is a great improvement compared 14.0% in 2011.

1.5 Financial Overview

Financial Overview: Year 2023/24			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants (excluding Capital)	138 420	138 309	138 142
Taxes, Levies and tariffs	78 418	82 438	86 977
Other	23 611	29 331	40 391
Sub Total	240 449	250 078	265 510
Less: Expenditure	305 538	309 641	307 441
Net Total*	(65 089)	(59 563)	(41 931)
* Note: surplus/(deficit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	45%
Repairs & Maintenance	1%
Finance Charges & Depreciation	12%
T 1.4.3	

Total Capital Expenditure: Year -2021/22 to Year 2023/24			
			R'000
Detail	Year 2021/22	Year 2022/23	Year 2023/24
Original Budget	31 130 100,00	39 791 000,00	33 877 200,00
Adjustment Budget	39 667 600,00	41 341 171,00	65 649 950,00
Actual	27 192 520,00	32 713 152,39	50 310 960,00
T 1.4.4			

1.6 Auditor General Report 2024/25 Financial Year

The Amahlathi Local Municipality received an unqualified audit opinion in 2023/2024 audit and the following matters were identified.

Material uncertainty relating to going concern- note 48 to the financial statements, indicates that the municipality is unable to pay creditors within due dates and has negative key financial ratios, and that net current liabilities were realised. As stated in note 48, these events or conditions, along with the other matters as set forth in note 48, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

- Restatement of corresponding figures - As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024
- Material losses – electricity - As disclosed in note 53 to the financial statements, material electricity losses of R18,36 million (2022-23: R18,16 million) were incurred, which represents 35,31% (2022-23: 42,07%) of total electricity purchased. The total losses are attributable to normal losses and illegal connections.
- Material impairments – receivables - As disclosed in note 4 and 5 to the financial statements, material cumulative allowance for impairment losses of R89,01 million (2022-23: R73,69 million) and R53,72 million (2022-23: R47,19 million) was incurred as a result of a provision for impairment of consumer debtors.

Report on the annual performance report

The report was evaluated on the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives. AG performed the procedures to report material findings only; and not to express an assurance opinion or conclusion and did not identify any material findings on the reported performance information for the selected indicators.

A detailed report on the AG's findings is attached as part of Annual report for 2023/2024 financial period

1.7 Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year Annual Report to Internal Audit and Auditor-General	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August

No.	Activity	Timeframe
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public, and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

CHAPTER 2: GOVERNANCE

COMPONENT A. POLITICAL AND ADMINISTRATIVE GOVERNANCE

Institutional Structure of Amahlathi Local Municipality

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

2.1. Political Structure of Amahlathi Local Municipality

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



Cllr N Nongqayi (Mayor)



Cllr N Mlahleki (Speaker)



Cllr P Qaba (Whip of Municipal Council)

The municipality has a total number of 30 Councillors where in 15 are ward councillors and 15 are proportional representative Councillors. The list and attendance of Council Meeting is appended as annexure A of this report.

The total number of Council Resolutions taken for the 2023/2024 financial year is 325

Resolutions	Total Number	Percentage
Implemented and Noted Resolutions	206	63,4%
In Progress	72	22,1%
Not Implemented	47	14.5%

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

i. **Executive Committee.**

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

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

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

iii. **Municipal Public Accounts Committee (MPAC).**

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

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

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

iv. **Standing Committees**

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

Section 79 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. The meetings are held monthly meaning 12 sittings per year.

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

a. Infrastructure Service delivery Committee

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

b. Corporate Services Committee

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

c. Community Services Committee

No.	Names
1.	Cllr T. Balindlela – Chairperson
2.	Cllr A. Hobo

3.	Cllr N.Z. Klaas
4.	Cllr N.O. Sidinana
5.	Cllr M. Nqini
6.	Cllr N.V. Mjandana

d. Planning and Development Committee

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

e. Budget and Treasury Committee

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

v. Other Committees**Whips Committee**

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

Rules, Ethics and Integrity Committee

No.	Names
1.	Cllr. Phakama Budaza - Chairperson
2.	Cllr Ngenamazizi Orsmond Sidinana
3.	Cllr Mbeko Neku
4.	Cllr Nonkanyiso Charlie
5.	Cllr Ntombizonke Vivian Mjandana
6.	Cllr. Moslina Nqini

Local Labour Forum Committee

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

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

The Local Labour Forum is established with equal representation from trade unions and the employer with the trade union's representation divided in proportion to their respective membership. In the year (23/24) under review the Local Labour Forum was functional. 4 LLF meetings were held as follows:

No.	Dates of Local Labour Forum
1.	19 September 2023
2.	08 November 2023
3.	11 February 2024
4.	08 May 2024

a. COMPOSITION OF LOCAL LABOUR FORUM COMMITTEE

No.	Names
1.	Cllr. P. Qaba – LLF Chairperson
2.	Cllr. L. Sidinana
3.	Cllr. N. Manyika
4.	Cllr. R. Pickering
5.	Chief Financial Officer
6.	Ms. N. Nqulo
7.	Ms. A. Noholoza
8.	Ms. T. Ndlamhlaba
9.	Mr. V. Msindwana – Labour Relations Officer
10.	Ms. T. Magwangqana -SAMWU Rep

11.	Mr. L. Nkongo -SAMWU Rep
12.	Mr. X. Roji-SAMWU Rep
13.	Mr. B. Sokrowa (Imatu Rep
14.	Mr. V.Bambatha – SAMWU Rep
15.	Ms. A. Matiwane- SAMWU Rep
16.	Mr. Z. Mkosi- SAMWU Rep
17.	Mr. X. Njaba – Admin Officer

b. Audit and Performance Committee

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

NUMBER	SURNAME AND INITIAL	QUALIFICATION
1.	Smith L - AC Chairperson	CA (SA), Registered Auditor
2.	Mdani M - AC Member	Masters in Business Administration Post Graduate Diploma Management B.Tech HRM National Diploma in HRM
3.	M. Manxiwa - AC Member	Attorney (Registered with Legal Practice Council) Bachelor of Law Corporate Law Certificate
4.	N. Hermanus-Mabuza - AC Member	Professional Internal Auditor (PIA) – (IIA) Masters in Business Administration Certificate: Advanced Business Program

		National Diploma: Internal Auditing Certificate: Information System Computer Auditing Accredited: Internal Quality Assurance Review (IIA)
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The Audit Committee had the following meetings during the year:

Audit Committee Meetings
25 th July 2023 – Ordinary AC
29 th August 2023– Special AC
24 th October 2023 – Ordinary AC
23 rd January 2024 – Ordinary AC
26 th February 2024 – Ordinary AC
21st May 2024 - Special AC

c. Training and Employment Equity Committee

In terms of the regulations to the Skills Development Act, every organisation with more than 50 employees must establish an institutional forum (Training & Employment Equity Committee) for purposes of consultation with regards to skills development. The Training & Employment Equity Committee consists of the following Councillors and Officials, and it sit bi-monthly. In the year (2023/24) under review the Training and Employment Equity Committee was functional and meetings were held as follows:

No.	Dates of Training & Employment Equity
1.	19 September 2023
2.	08 November 2023
3.	06 March 2024

d. COMPOSITION OF TRAINING AND EMPLOYMENT EQUITY COMMITTEE

No.	Names
1.	Cllr. P. Qaba – TEEC Chairperson
2.	Cllr. N. Ngxakangxaka
3.	Cllr. NC. Mkiva
4.	Cllr. NA. Kato-Manyika
5.	Cllr. MA. Busakwe
6.	Cllr. Mlahleki N
7	Cllr R. Pickering

7.	Chief Financial Officer
8.	Ms. N. Nqulo – Director: Corporate Services
9.	HR Officer
11.	Skills Development Facilitator/Training Coordinator
12.	Occupational Levels: Representatives: - Senior Management - Professionally qualified & experienced Specialists & Middle Management - Skills -technical - Semi-skilled - Unskilled
13	• Imatu Representative
14.	• Samwu Representative
15.	• Non Union member representative
16.	Mr. X. Njaba – Admin Officer/Secretariat

2.2 Administrative Structure of Amahlathi Municipality

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



DR SHASHA (MUNICIPAL MANAGER)



MS NOZUKO NQULO – CORPORATE SERVICE



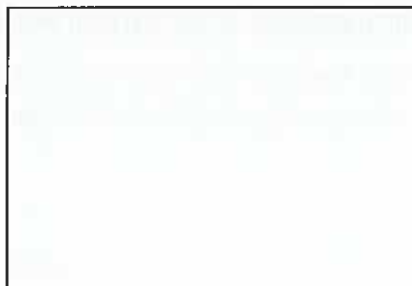
MS N DLOVA – ENGINEERING DIRECTOR



MS ANDISWA NOHOLOZA – COMMUNITY SERVICES



MR S MNWEBA (DIRECTOR DEVELOPMENT AND PLANNING)



VACANT (CHIEF FINANCIAL OFFICER)

ROLES AND RESPONSIBILITIES OF DIRECTORATES

Role of the Chief Financial Officer:

- Is administratively in charge of the budget and treasury office.
- Must advise the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of this Act.
- Must assist the accounting officer in the administration of the municipality's bank accounts and in the preparation and implementation of the municipality's budget.
- Must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79.
- Must perform budgeting, accounting, analysis, financial reporting, cash management, debt management and supply chain management.
- Financial management, review and other duties in terms of section 79 as delegated by the accounting officer.
- The chief financial officer of a municipality is accountable to the accounting officer for the performance of the duties referred to in subsection.

Role of the Director Engineering Services

- Responsible for the maintenance of all Municipal roads and storm water with the limited funding and machinery that is available. This does not include roads that fall under the Department of Roads and Public Works and South African National Road Agency Limited (SANRAL).
- The goal of the Building Control Unit is to enable the Amahlathi Municipality to fulfil its role as a controller of all Building activities & maintenance of all buildings, Engineering Planning aspects of services provision of new settlement areas and ensure that municipal buildings are continuously and adequately maintained.
- The goal of the PMU Unit is to ensure the successful implementation and management of all capital infrastructure projects within Amahlathi Municipality. The unit oversees projects which are mostly funded by grants such as Municipal Infrastructure Grant (MIG) / INEP /DMRE. The MIG programme is aimed at

providing all South Africans with at least a basic level of service. INEP/DMRE programme aims for all households to be provided with an electricity supply.

- Electricity provided in Stutterheim, Cathcart & Amabele Village Station under the NERSA Distribution Licence NER/D/124EC. Eskom is responsible to provides electricity supply and connections to villages not covered in terms of NERSA Distribution Licence NER/D/124EC terms and conditions.
- Distribution & Reticulation: The goal is to maintain the systems in order to provide a safe, reliable and efficient electricity supply. Meter readings & monitoring of consumption with assistance of BTO to ensure efficiency in electricity service provided.
- Public Lights (Street & High masts): All Public lights funded through the municipal rates component, the electricity section responsible for planning, installation of new lights as well as the maintenance of public lights.
- Municipal Buildings: Ensure electrical supply to premises as a customer. Guidance with compliance in terms of SANS electricity wiring of premises. Monitoring of work quality in compliance with the Occupational Health & Safety Legislation. HVAC (Air Conditioners) – guidance to other units, monitoring quality and compliance in terms of Occupational Health & Safety requirements and Legislation.

Role of the Director Development Planning

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

Role of the Director Corporate Services

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

- To develop a departmental vision and strategy and ensure implementation to provide effective service delivery.
- Manages performance of employees in the Department to ensure optimal work performance. Plans and manages utilisation of resources in order to perform activities. Develops and monitor systems, policies, procedures and processes to ensure correct working operations and practices.

- Manage the Human Resources department of the Amahlathi Council to ensure compliance with the corporate services directorate strategic plan.
- Develop, Manage and administer the recruitment and selection policy to ensure compliance with Recruitment and selection policy of the Municipality.
- Promote good and sound industrial relations environment to ensure labour stability in the municipality.
- Administer the implementation of the Employment Equity to ensure compliance with the Employment Equity Plan.
- Manage the Training and Development Function to ensure effective training system in the Municipality.
- Overall management of the Occupational Health and safety to ensure compliance with the OHS Act.
- Manage the use of Council resources to ensure economic, effective and efficient service delivery.
- Management of an administration system that is efficient and facilitates decision making and service delivery throughout the Amahlathi Municipality
- Manage the Municipality's administration in accordance with the constitution, local government municipal structures act and other applicable legislation.
- The effective management of Human Resources in order to ensure that transaction and implementation of skills development, employment equity, performance management and fleet management.

Role of the Director Community Services

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

B. INTER GOVERNMENTAL RELATIONS

2.3 INTER GOVERNMENTAL RELATIONS COMMITTEE

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

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

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

Quarter	Date
Q1	13 September 2023
Q2	05 December 2023
Q3	13 March 2024
Q4	19 June 2024

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

C. PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 Public Accountability

In the 2022/2023 financial year a Public Participation Strategy has been developed and it has been approved by council on the 29th of June 2023. 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 inform people of new services, tariffs, developments and policies. The strategy will ensure full and proper accountability to the people of Amahlathi Local Municipality and create an enabling environment for civil society to find a platform upon which they can voice their concerns and take part in the fundamental decision-making issues that affect them and communities at large.

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

The following forms are used in calling the interested parties

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

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

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

English

Xhosa

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

PURPOSE	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	• St Joseph's Church	10:00	Stutterheim Cluster
IDP/Budget/PMS Rep Forum	19/03/2024	• Library Hall- Stutterheim	10:00	Stutterheim Cluster
IDP/Budget Public Hearings	17/04/2024	• Mgwali Community Hall	10:00	Stutterheim Cluster
	17/04/2024	• Kwazidenge Community Hall	10:00	Stutterheim Cluster
	07/04/2024	• Toise-Ndumangeni Community Hall	14:00	Cathcart Cluster
	08/04/2024	• Springbok Hall	10:00	Keiskammahoek Cluster
	08/04/2024	• Frankfort Hall	10:00	King Kei Cluster
IDP/Budget/PMS Rep Forum	15/05/2024	• Library Hall- Stutterheim	10:00	Stutterheim Cluster

2.4.2 Ward Committees

In line with Chapter 4 of the Municipal Structures Act 1998, the municipality is committed to enhance democratic, open, transparent and participatory system of local governance within its area of jurisdiction. The municipality is mandated by the Municipal Structures Act to elect Ward Committees within 90 days after the local government elections. After the inauguration of the new Council on 22 November 2021, the establishment of ward committees commenced on 5 January and a total of 150 ward committees were elected 10 in each ward of the 15. Ward Committees were inducted by the municipality and COGTA on 10 and 11 May 2022. From 12 May the 150 ward committees commenced with their duties.

There were 141 functional ward committees from 1 July 2023 to 30 June 2024, whereas there are supposed to have about 150 ward committees. The deficit of nine ward committee members is for various wards due to the resignations of other members. The ward committees were functional for the duration although the lack of tools of

trade hampered the reporting of ward committees. The ward boundaries differ in nature from those that are vast, congested and those that are in the middle. The sittings differ from few to many however the number of meetings were not satisfactorily. The minimum expected for each ward was 12 meeting one in each month. The ward councillors should submit the reports and attendance registers as well as the payroll registers for the ward committees.

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

2.5 IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

D. CORPORATE GOVERNANCE

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

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

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

During risk assessment the strategic risk register, and operational risk register were developed, and the action plans were developed. The municipality identified and prioritized the following strategic risks in 2023/24 financial year:

1. Ineffective provision of sustainable public facilities by 2027.
2. Inadequate implementation of integrated Waste Management Plan.
3. Insufficient development, maintenance and monitoring of electricity infrastructure.
4. Inadequate provision and maintenance of road network infrastructure.
5. Inadequate revenue collection and declining revenue sources.
6. Inability to meet current and future financial obligations.
7. Inability to maintain sound labour relations, conducive work environment & inadequate training of employees.
8. Inability to leverage on fleet as a strategic resource for service delivery.
9. Ineffective implementation of communication strategy.
10. Inability to render services in the event of a disaster.
11. Inability to stimulate local economic growth.

Existence of the committee and functionality.

The municipality has Risk Management Committee which consists of all Section 56 managers and is supported by the appointed departmental risk champions. Risk management reports are reviewed quarterly by the Risk Management Committee. Both strategic and operational risk assessments were performed for 2023/24 financial year.

The session was conducted from 16-17 May 2023. Risk Committee Meetings for monitoring risk implementation process were held on the following dates:

- 20 July 2023
- 18 October 2023
- 19 January 2024
- 17 May 2024

2.6 Anti- Corruption and Fraud

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

Financial Disciplinary Board is established to investigate alleged financial misconducts.

MPAC and Audit Committee are the oversight committees to investigate irregularities in contravention with MFMA. Legal advice and handles fraudulent matters and other related financial misconducts.

The Internal Audit Unit conducted Fraud Awareness Campaigns within the municipality twice in 2023/24 financial year.

Fraud Risk Register is in place.

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

Code of Conduct is signed by employees and Councillors

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

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

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

- 20 September 2023 and
- 14 March 2024

2.7 Supply Chain Management

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

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

Range of procurement processes

STRUCTURE OF APPROVAL		
GOODS/SERVICE VALUE	PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY
R0 – R2 000	Petty Cash	Head of Department or Delegated Authority
R2 001 – R5 000	Three Quotes	Head of Department or Delegated Authority
R5 001 – R30 000	Three Quotations	Head of Department or Delegated Official
R30 001-R300 000.00	1 Week Bulletin Notice and Advertisement via Website: Three Quotations	Chief Financial Officer
R300 001 – R2 Million	Competitive Bidding Process	Bid Adjudication Committee
R2 Million – R10 Million	Competitive Bidding Process	Bid Adjudication Committee
Above R10 Million	Competitive Bidding Process	Accounting Officer

2.8 Websites

Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (Year -2022 /23)	Yes
The annual report (Year 2023/24) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2023/24) and resulting scorecards	Yes
All service delivery agreements (Year 2024/25)	No
All long-term borrowing contracts (Year 2024/25)	Not Applicable
All supply chain management contracts above a prescribed value (give value) for Year 2023/24	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2023/24	No
Contracts agreed in Year 2023/24 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in Year 2023/24	Not Applicable
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2013/24	Yes

2.9 BYLAWS

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

		1668
12.	Community fire safety By-Law	1668
13.	Standing rules for council By-Law	1668
14.	Credit control By-Law	1668
15.	Indigent support By-Law	1668
16.	Rates policy By-Law	1668
17.	Tariff policy By-Law	4076

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

2.10 Public Satisfaction on Municipal Services

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

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

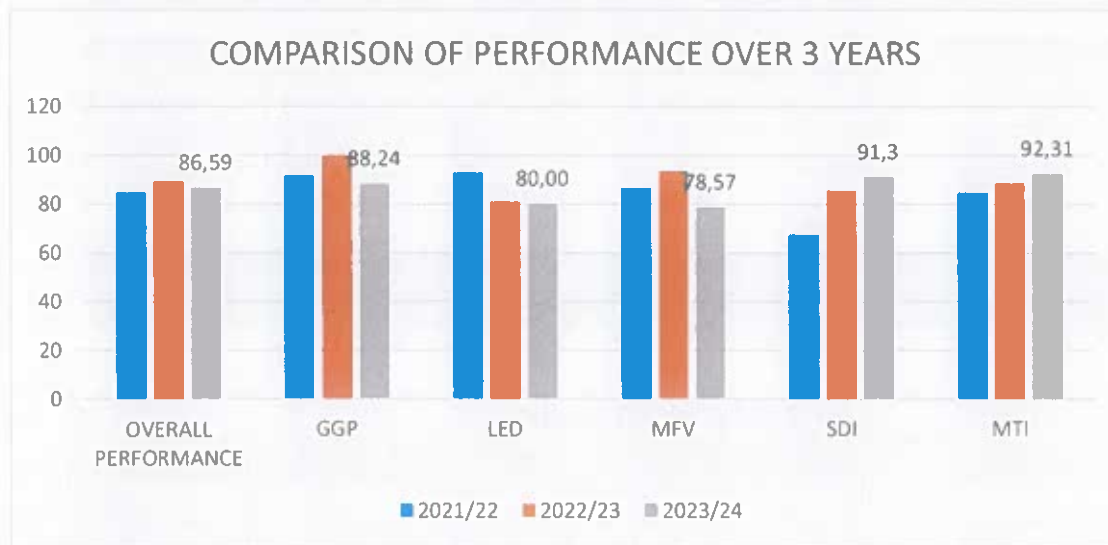
3.1 2023/24 PERFORMANCE PER KEY PERFORMANCE AREA

INSTITUTIONAL PERFORMANCE				
KPA	Total targets	Met	Not Met	ANNUAL REPORT
SDI	23	21	2	91,30
MFV	14	11	3	78,57
GGP	17	15	2	88,24
LED	15	12	3	80,00
MTI	13	12	1	92,31
Overall Performance	82	71	11	86,59

COMPARISONS OVER THREE FINANCIAL YEARS

KEY PERFORMANCE AREA	2021/22	2022/23	2023/24
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	92%	100%	88.24%
LOCAL ECONOMIC DEVELOPMENT	92,9%	81.25%	80.00%
MUNICIPAL FINANCIAL VIABILITY	86.7%	93.75%	78.57%
SERVICE DELIVERY AND INSTITUTIONAL DEVELOPMENT	67,9%	85.71%	91.30%
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	91,30%	88.89%	92.31%
OVERALL PERFORMANCE	84.8%	89.69%	86.59%

Graphical presentation of Organizational performance



DEPARTMENTAL PERFORMANCE

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

ENGINEERING SERVICES				
KPA	Total targets	Met	Not Met	%
SDI	13	11	2	84,62
MFV	1	1	0	100,00
GGP	1	1	0	100,00
LED	2	2	0	100,00
Overall Performance	17	15	2	88.24

COMMUNITY SERVICES				
KPA	Total targets	Met	Not Met	%
SDI	7	7	0	100,00
MFV	4	4	0	100,00
GGP	1	1	0	100,00
LED	1	1	0	100,00
Overall Performance	13	13	0	100,00

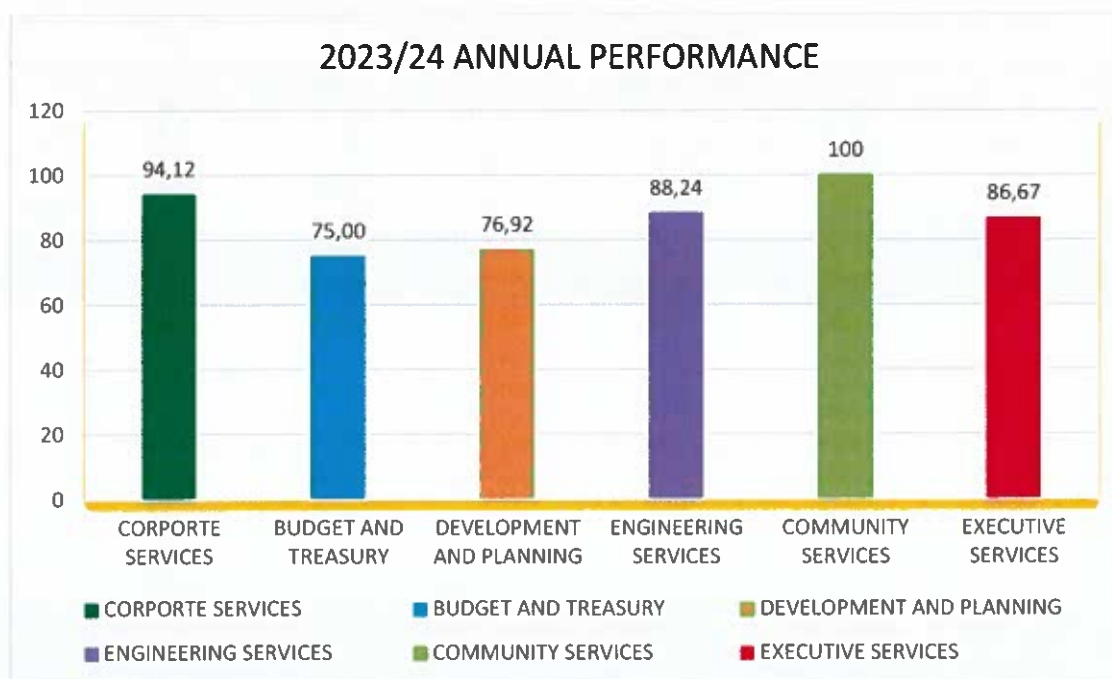
BUDGET AND TREASURY				
KPA	Total targets	Met	Not Met	%
MFV	8	6	2	75,00
GGP	3	2	1	66,67
LED	1	1	0	100,00
Overall Performance	12	9	3	75,00

EXECUTIVE SERVICES				
KPA	Total targets	Met	Not Met	%
SDI	1	1	0	100,00
MFV	1	0	1	0,00
GGP	12	11	1	91,67
LED	1	0	1	0,00
Overall Performance	15	12	3	80,00

PLANNING AND DEVELOPMENT				
KPA	Total targets	Met	Not Met	%
SDI	2	2	0	100,00
LED	10	7	3	70,00
GGP	1	1	0	100,00
Overall Performance	13	10	3	76,92

CORPORATE SERVICES				
KPA	Total targets	Met	Not Met	%
GGP	4	4	0	100,00
MTI	13	12	1	92,31
Overall Performance	17	16	1	94,12

Graphical presentation



In 2023/24 financial year the performance of Amahlathi Local Municipality reflects a performance rate of 86.59% indicating a decrease of 3.1% when compared to 89.69% achieved in 2022/23.

Financial Constraints, Service provider performance, wind, under collection were amongst challenges which could have led to more improvement in institutional performance. Two targets have been identified as not SMART, 1 under Good Governance and Public Participation and 1 on Municipal Transformation and Institutional Development (MTI) and posed challenges in measuring the target. The departments should also ensure that the information provided is reviewed by the head of departments to ensure credibility and accuracy.

3.2 INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

In the 2023/2024 financial year, attempts were made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives enshrined in the IDP. The municipality has continued to maintain the effective operation of the following mechanisms:

- The 2022-2027 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- The 2023/2024 budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies. The development of the SDBIP was informed by below planning and reporting cycle in the quest to create a balance between integrated planning, reporting and accountability.

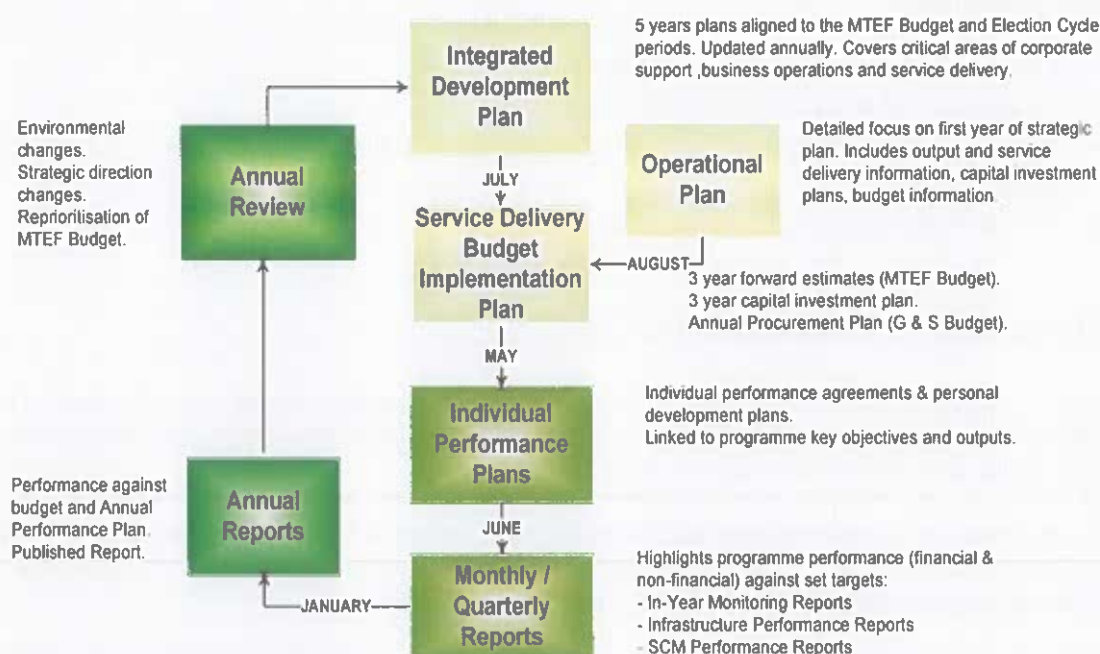


Figure 2: Planning & Reporting Cycle

- Adoption of the 2023/2024 Organizational Performance Management System and score card for monitoring and review of performance;
- Performance agreements with performance plans were developed, signed and approved by the Honorable Mayor as required by the Municipal Performance Regulations, 2006;

- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM); and
- Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports.

3.3 CHALLENGES FACED BY THE MUNICIPALITY

The following challenges were encountered in the period under review:

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

3.4 STRATEGY TO OVERCOME THE CHALLENGES AND AREAS OF UNDER PERFORMANCE

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

3.5 CHANGES TO PLANNED TARGETS

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

In preparation for the mid-year review of performance, management prepared quarterly reports, measured and analysed performance of the first six months of 2023/24. During the review management reviewed performance for the first and second quarter and also anticipated the last six months of the 2023/24 financial year incognisance of the feasibility to implement certain programmes based on priority and budget availability.

This process culminated to a mid-year performance report which highlighted achievements, non-achievements with reasons for non-achievement and corrective measures. The process also emerged with targets having to be amended going into the last six months of the financial year and 18 target be removed from the strategic SDBIP as they were operational, and these amendments were duly approved by all requisite authorities including Council. The table below depicts the changes made on 2023/24 SDBIP financial year as alluded above.

(a) REGISTER FOR KPIs REMOVED/ AMENDED ON THE 2023/24 SCORECARD AS APPROVED ON THE 28/02/2024

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Actual Achievement as at Mid-year	Custodian	Approved /Not Approved
1	"To ensure provision of a sustainable road network within Amahlathi LM by 2027."	Implementation and monitoring of maintenance plan for the Municipal Road Network Servicing the Amahlathi Local Municipal Area that was commissioned by ADM in April 2020.	No. of Kms of gravel internal roads bladed	Remove targets to operational	It's an operational target that depends on own funding	Target met 24,8kms gravel access and internal roads bladed	Director Engineering	Approved 28/02/2024
2			20 kms of municipal roads re-graveled annual	Remove targets to operational	It's an operational target that depends on own funding	"Target met 10,79 km of municipal roads re-graveled	Director Engineering	Approved 28/02/2024
3			8 kms of roads with potholes patched annual	Remove targets to operational	It's an operational target that depends on own funding	7,44 kms of roads with potholes patched annual	Director Engineering	Approved 28/02/2024
4			4 kms of storm water drainage unblocked annual	Remove targets to operational	It's an operational target that depends on own funding	"Target met 22,56 km's of storm water drains unblocked To provide expenditure report	Director Engineering	Approved 28/02/2024
5			% progress towards development of designs	Reduce annual target of 100% to 50 % Progress towards development of	Budget exhausted due to additional studies to EIA	"Target met 50% progress towards development of designs	Director Engineering	Approved 28/02/2024

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Actual Achievement as at Mid-year	Custodian	Approved /Not Approved
	e road network within Amahlathi LM by 2027.	Municipal Road Network Servicing the Amahlathi Local Municipal Area that was commissioned by ADM in April 2020.	for izidenge internal roads	designs for izidenge internal roads		for Izidenge internal roads *		
8	To ensure provision of a sustainable road network within Amahlathi LM by 2027.	Implementation and monitoring of maintenance plan for the Municipal Road Network Servicing the Amahlathi Local Municipal Area that was commissioned by ADM in April 2020.	% progress towards paving of Xholorha Main Road	Change from 20% construction to appointment of contractor Q3 – Tender Advert Q4 – Contractor appointment	Reduction in MIG Allocation	"Target not met Bid for contractor has been advertised."	Director Engineering	Approved
11	To promote safety and security in the municipality by 2027	Reduce electricity system losses & elimination of illegal connections Repair and maintenance of Streetlights and Highmast Lights	No of reports on repairs and maintenance of electrical infrastructure Number of streetlights maintained	Remove targets to operational	It's an operational target that depends on own funding	"Target met 2 reports on repairs and maintenance of electrical infrastructure"	Director Engineering	28/02/2024
13				Remove targets to operational	It's an operational target that depends on own funding	"Target met 108 streetlights maintained"	Director Engineering	Approved

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Actual Achievement as at Mid-year	Custodian	Approved /Not Approved
14			Number of highmast lights maintained			"Target met 13 highmast lights maintained"		28/02/2024
17		Implementation of the Integrated Fire Management Plan	No. of Fire belts inspected and prepared	Remove target	Target operational	Target met 4 fire belts inspected and prepared.	Director: Community Services	Approved
18			No. of Fire Hydrant inspected	Remove target		Target met 5 fire hydrants inspected	Director: Community Services	28/02/2024
19		Compliance with building regulations	% of complying submitted building plans approved	Target moved to IDP REF# 1.7 Objective To facilitate a balanced spatial development form for the Municipality	Indicator was not aligned to the Strategic objective.	100% of complying submitted building plans approved submitted.	Director Engineering	Approved
21		Implementation of National Road Traffic Act	No. of tickets issued on law enforcement	Remove target	Target is reported under revenue strategy implementation (Revenue generation in implementation of law enforcement)	Target met 295 tickets issued on law enforcement	Director: Community Services	28/02/2024
22		Provision of proper road marking and signage	% of inspected damaged road markings and signs maintained	Change unit of measurement from percentage to number. No. of paintable streets with faded road markings painted .	Target was referred as not smart during 2022/23 Audit	Target met 100% of inspected damaged road markings and signs maintained. Unit of measure changed number of paintable	Director: Community Services	Approved

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KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Actual Achievement as at Mid-year	Custodian	Approved /Not Approved
24	To ensure provision of sustainable public facilities by 2027	Facilitate maintenance and upgrade of sport, community halls, hawker stalls, cemeteries and recreational facilities	% progress towards construction of Keiskammah Recreation Centre	Amend targets as Q3 60% (Roof structure) reduced to 50% (Brickwork) Q4 80% (Installation of finishes) reduced to 60% (roof installation)	Project has suffered delays due to weather and delays in material supply delays The project budget has been adjusted downwards for the current financial year and catered for in the next financial year	streets with faded road markings painted "Target not met"	Director Engineering	28/02/2024
28	To ensure provision of sustainable public facilities by 2027	Facilitate maintenance and upgrade of sport, community halls, hawker stalls, cemeteries and recreational facilities	% Progress on upgrades of sport facilities (Mlungisi)	Change from 100% construction to No of partially completed sites with no contractors on sites provided with security services	Limited budget in the current financial year	Target not met Target changed to "1 partially completed sites with no contractors on sites provided with security services (Mlungisi Sport Field)"	Director Engineering	Approved
32	To facilitate a balanced spatial development for the Municipality	Finalize and Implement the Spatial Development Framework (SDF)	No of reports on Spluma Compliance	Revision of strategy to ensure Compliance to Spatial Planning and Land Use Management Act		"Target met 2 reports on Spluma Compliance"	Director Development and Planning	28/02/2024
38	To ensure 100% reporting on the	Monitoring and reporting on the	% expenditure	Remove target	This expenditure reflects on the reports	"Target met"	Director Engineering	Approved

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Actual Achievement as at Mid-year	Custodian	Approved /Not Approved
	expenditure of capital budget annually	spending (MIG/INEP grants)	of electricity repairs and maintenance budget		for KPI 10,11,12. This is also an operational budget funded by own funding.	73% expenditure of capital budget"		
67	To improve implementation of the government intervention programme to eliminate poverty by 2027	Implementation of the EPWP and municipal job creation programme especially linked to areas of scarce skills and temporal local jobs created during the roll out of capital projects.	No. of work Opportunities created through Community and Youth Development Programmes (CYDP) Change indicator to KPI 69(No of Temporary local jobs created)	Merge KPI 67 (176 EPWP) and KPI 69 (97 Capital Projects) to create 345 work opportunities.	Budget is exhausted due to increased number of employees employed in Quarter 1 and 2.	"Target not met 172 Work Opportunities created through Community and Youth Development Programmes (CYDP) "	Director Engineering	28/02/2024

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KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Actual Achievement as at Mid-year	Custodian	Approved /Not Approved
69	To improve implementation of the government intervention programme to eliminate poverty by 2027	Temporary local jobs created during the rollout Capital Projects	No of Temporary local jobs created.	To eliminate target	Target is the same as KPI 67	Target met 60 Temporary local jobs created	Director Engineering	Approved
97	To develop and implement effective and compliant frameworks to	Integrated Planning and Development	Date on which the 2024/25 IDP is submitted to Council for approval	Remove the targets from SDBIP	The implementation of IDP/PMS process plan will be monitored through the council structures quarterly reporting. Report on implementation of approved process plan.	Target met IDP Process plan was approved by Council and the report on its implementation is reported to the Standing Committee on a quarterly basis.	Municipal Manager	28/02/2024
98	improve planning and performance management by 2022.	Create high performance throughout the organization	No. of days by which the 2024/25 SDBIP is submitted to the Mayor for approval			Target met SDBIP was approved within 28days by Mayor.	Municipal Manager	Approved
99			Date on which departmental			Target met All HODs submitted reports and files within 6	Municipal Manager	28/02/2024

KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Actual Achievement as at Mid-year	Custodian	Approved /Not Approved
100			quarterly reports with evidence files submitted to IDP/PMS Unit			working days after the end of the quarter.		
			No. of individual performance reviews coordinated by each HOD (Task grade 12 and upwards)					
			No. of quarterly organizational performance reports submitted to Council					
101						Target met All HODs were coordinating Individual Performance Reviews for all employees from task grade 12 upwards	Municipal Manager	Approved
						Target met 2 Organizational performance report submitted to Council	Municipal Manager	28/02/2024

3.6 PROGRESS REPORT AUDITOR GENERAL'S FINDINGS: PREDETERMINED OBJECTIVES

Refer to attached AG Action Plan in Chapter 6

3.6 FINANCIAL PERFORMANCE INFORMATION - CAPITAL EXPENDITURE 2023/24

Account Description	Funding	Original Budget	2nd Adjustment	YTD Exp (Excl. Vat)
Amabele Roads	Disaster Grant	-	3 000 000,00	1 005 687,13
Bridge Rhawini and Bongweni	Disaster Grant	-	1 200 000,00	337 765,32
Forestway Project	Disaster Grant	-	3 450 000,00	2 997 018,54
Kubusie Roads	Disaster Grant	-	6 900 000,00	3 061 963,54
Mandlakapheli Village Roads	Disaster Grant	-	4 750 000,00	1 745 980,30
Mlungisi Township Roads	Disaster Grant	-	3 862 000,00	1 611 431,55
Sutterheim - Landfill Site Road	Disaster Grant	-	1 250 000,00	110 422,91
Toise Road and Storm water Project	Disaster Grant	-	1 250 000,00	1 085 760,00
Upper and Lower Ngqumeya	Disaster Grant	-	4 550 000,00	1 874 416,52
Border Post Internal Roads	MIG Grant	-	-	74 400,00
Frankfort Internal Roads	MIG Grant	2 500 000,00	2 700 000,00	2 522 762,52
Izidenge Internal Roads	MIG Grant	500 000,00	376 974,00	350 573,05
KKH Paving	MIG Grant	244 758,00	-	-
KKH Recreation Center	MIG Grant	10 351 000,00	7 938 005,00	6 482 637,18
Langdraai Community Hall	MIG Grant	500 000,00	157 710,00	137 139,82
Lower Kologha Internal Roads	MIG Grant	1 557 492,00	-	-
Mbaxa Community Hall	MIG Grant	2 000 000,00	3 959 377,00	1 241 078,03
Mlungisi Sportfield	MIG Grant	1 000 000,00	239 189,00	326 500,00
Nqenqe Internal Roads	MIG Grant	-	149 431,00	129 940,00
Paving of Xholorha Internal Roads	MIG Grant	-	765 484,00	665 638,00
Phumlani Community Hall	MIG Grant	500 000,00	267 748,00	232 824,36
Stutterheim Recreation Center	MIG Grant	11 550 000,00	11 593 626,00	10 665 748,42
Surfacing of Cathcart Street	MIG Grant	623 950,00	1 083 956,00	1 098 380,60
Buildings	Own Funding	1 000 000,00	600 000,00	785 188,34
Computer Equipment	Own Funding	350 000,00	910 000,00	365 077,37
Furniture & Office Equipment	Own Funding	500 000,00	500 000,00	4 097,06

<i>Account Description</i>	<i>Funding</i>	<i>Original Budget</i>	<i>2nd Adjustment</i>	<i>YTD Exp (Excl. Vat)</i>
Front end Loader	Own Funding	1 500 000,00	-	-
Lower Kologha Internal Roads	Own Funding	-	940 000,00	935 259,15
Upgrade Cathcart Substation	Own Funding	-	173 040,00	173 040,00
Vehicles	Own Funding	700 000,00	557 301,00	557 301,00
Landfill Site	Waste Grant	-	2 561 008,00	1 046 003,47
		35 377 200,00	65 684 849,00	41 624 034,18

3.7 PERFORMANCE OF SERVICE PROVIDERS FOR THE YEAR ENDING 30 JUNE 2024

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

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

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

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

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

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

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

3.8 DETAILED 2023/24 PERFORMANCE RESULTS PRESENTED PER KEY PERFORMANCE AREA (KPA)

3.8.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (SDI - 20)

Outcome Response	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	K8 PI NO
Output 2: Improving access to Basic Services	To ensure provision of a sustainable road network within Amahlathi LM by 2027.	Implementation and monitoring of maintenance plan for the Municipal Road Network Servicing the Amahlathi Local Municipal Area that was commissioned by ADM in April 2020.	% progress towards development of designs for izidenge internal roads	50% progress towards development of designs for izidenge internal roads	New Indicator	Target met 100% progress towards development of designs for izidenge internal roads submitted	N/A	Director: Engineering Services	1
			% progress towards development of designs for Ngqeqe internal roads	100% progress towards development of designs for Ngqeqe internal roads	New Indicator	Target met 100% progress towards development of Ngqeqe internal roads submitted	N/A	Director: Engineering Services	2
			% progress towards roads constructed at Frankfort	100% progress towards road construction at Frankfort	Target met 100% progress towards road construction at Khayelitsha, Upper Gxulu, Mthwaku, Toise	Target met 100% progress towards road construction at Frankfort	N/A	Director: Engineering Services	3

Outcome e 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodia n	K8 PI NO
	To ensure sustainable supply of electricity by developing new infrastructure while upgrading and maintaining existing networks by 2027.	Monitoring Implementation of 3year capital plan	No of Tender document for Xhologha internal roads compiled and submitted to SCM	1 Tender document for Xhologha internal roads compiled and submitted to SCM	New Indicator	Target met 1 tender document for Xhologha internal roads compiled and submitted to SCM	N/A	Director: Engineering Services	4
			No of reports on implementation of capital projects	4 reports on implementation of capital projects	New Indicator	Target met 4 reports on implementation of capital projects signed by MM	N/A	Municipal Manager	5
		Reduce electricity system losses & elimination of illegal connections	% of Faulty reported meters repaired per query form	100% of Faulty reported meters repaired as per inspection report	Target met 100% of Faulty reported meters repaired as per inspection report	Target met 100% of Faulty reported meters repaired as per inspection report	N/A	Director: Engineering Services	6
			No of electricity meters installed	200 meters electricity installed	New Indicator	Target met 439 meters electricity installed	N/A	Director: Engineering Services	7
		To promote safety and security in the municipality by 2027	Implementation of the Community Safety Plan	Number of progress reports on reported disaster incidents	4 Progress reports on reported disaster incidents.	New Indicator	Target met 4 Progress reports on reported disaster	N/A	Director: Community Services

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Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	K8 PI NO
			submitted to Development and Planning .			minutes submitted to Development and Planning			
		Implementation of the Integrated Fire Management Plan	No of fire awareness campaigns conducted	08 Fire Awareness Campaigns conducted	Target met 7 fire awareness campaign conducted	Target met 12 fire awareness campaign conducted	N/A	Director: Community Services	9
		Conduct road blocks	No. of road blocks conducted	40 road blocks conducted	Target met 45 road blocks conducted	Target met 41 road blocks conducted	N/A	Director: Community Services	10
		Provision of proper road marking and signage	No. of paintable streets with faded road markings painted	15 paintable streets with faded road markings painted	New Indicator	Target met 15 paintable streets with faded road markings painted	N/A	Director: Community Services	11
		Facilitate maintenance and upgrade of sport, community halls, hawker stalls, cemeteries and recreational facilities	% progress towards construction of Stutterheim Recreation Centre	80% progress towards construction of Stutterheim Recreation Centre	Target met 15% progress towards construction of Stutterheim Recreation Centre	Target met 100% progress towards construction of Stutterheim Recreation Centre	N/A	Director: Engineering Services	12
		To ensure provision of sustainable public facilities by 2027	% progress towards construction of Keiskammahoek	60% progress towards construction of Keiskammahoek	Target met 15% progress towards construction of	Target not met 46% progress towards construction of	Delays were suffered when working out quantities for	Director: Engineering Services	13

Outcome e 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	K8 PI NO
			Recreation Centre	Recreation Centre	Keiskammah ek	Keiskammah ek Recreation Centre	special items(electrica l and roof)covered under provisional sums. Provisional sums include the roof and electrical works. The roof caused delays due to the designs that needed to be done by the supplier and quantify it before it is manufactured and delivered to site. The electrical works required a development of a separate Bill of quantities for pricing by the suppliers. Further delays		

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	K8 PI NO
							were incurred while sourcing quotes for electrical works from the specialized contractors. This delayed the project by approximately 2 months. The contractor developed a turnaround plan which will complete the installation of the roof by end September 2024. September 2024 will be meeting of the June 2024 target. The project will be completed by December 2024.		

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	K8 PI NO
			% progress towards development of designs for construction of Phumlani Community Hall	100% progress towards development of designs for Phumlani Community Hall	New Indicator	Target met 100% progress towards development of designs for Phumlani Community Hall achieved	N/A	Director: Engineering Services	14
			% progress towards development of designs for construction of Laangdraai Community Hall	100% progress towards development of designs for Laangdraai Community Hall	New Indicator	Target met 100% progress towards development of designs for Laangdraai Community Hall	N/A	Director: Engineering Services	15
			% progress towards construction of Mbaxa Community Hall	75% progress towards construction of Mbaxa Community Hall	New Indicator	Target not met 50% progress towards construction of Mbaxa Community Hall achieved	The contractor had cashflow challenges as they had to reconstruct the walls brought down by the disaster winds at their cost. The disaster occurred on the 5th March 2024. Delays were suffered	Director: Engineering Services	16

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Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	K8 PI NO
							due to the contractor's insurer did not speedily pay out for the damage due to the winds. The contractor was offsite for a period of 2 months waiting for the insurer to pay. The contractor however sourced funding elsewhere while they were waiting for insurance payout, and works will be completed at the end of September 2024		
			No of partially completed sites with no contractors on sites provided	1 partially completed sites with no contractors on sites provided	New Indicator	Target met 1 partially completed sites with no contractors on	N/A	Director: Engineering Services	17

Outcome e 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	K8 PI NO
			with security services	with security services (Mlungisi Sport Field)		sites provided with security services (Mlungisi Sport Field)			
	To promote the culture of reading and effective use of library resources	Conduct library activities that promote the culture of reading and effective use of library resource	No. of library awareness campaigns conducted	08 library awareness campaigns conducted	Target met 11 library awareness campaigns conducted	Target met 12 Library awareness campaigns conducted	N/A	Director: Community Services	18
	Ensure that solid waste is managed in an Integrated environmentally friendly and sustainable manner	Review and Implement the Integrated Waste Management plan	Number of Reports on of solid waste programmes implemented by June 2024	4 reports on solid waste programmes implemented by June 2024 (street cleaning , waste collection and disposal)	Target met 2 reports on solid waste programmes implemented by June 2023 (street cleaning , waste collection and disposal)	Target met 4 reports on solid waste programmes implemented by June 2024 (street cleaning , waste collection and disposal) obtained	N/A	Director: Community Services	19
		Conduct waste management campaigns	No of waste awareness campaigns conducted per cluster	4 waste awareness campaigns conducted	Target met 6 Waste awareness campaigns conducted	Target met 13 Waste awareness campaign conducted	N/A	Director: Community Services	20

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Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	K8 PI NO
	To facilitate a balanced spatial development form for the Municipality	Finalize and Implement the Spatial Development Framework (SDF)	No of reports on Spluma Compliance	4 reports on Spluma Compliance	Target not met 75% Implementation of SDF (year 1) The department was still waiting for response from the service provider regarding gazetting LUMS hence could not achieve the 100%. Target deferred to 1st quarter	Target met 100% compliance reported by 1-02-2023	N/A	Director Development and Planning	21
		Compliance with building regulations	% of complying submitted building plans approved	80% of complying submitted building plans approved	100% of complying submitted building plans approved	Target met 100% Complying submitted building plans approved	N/A	Director: Engineering Services	22
	To facilitate access to housing relief	To monitor the progress and implementation on housing applications submitted to Department of	No of progress reports on housing applications submitted to department of housing	4 progress reports on housing applications submitted to department of housing	Target met 4 progress reports on housing applications submitted to	Target met 4 progress reports on housing applications submitted to	N/A	Director Development and Planning	23

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	K8 PI NO
		Human Settlements			department of housing	department of housing			

3.8.2 KPA 2 MUNICIPAL FINANCE VIABILITY (MFV - 20)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
Output 6: Administrative and Financial Capacity	To continuously ensure an equitable, economical, transparent, fair and value – add supply chain management system/function	Monitoring and reporting on the performance of service providers	No. of quarterly Service Provider performance reports submitted to the Mayor by the 15th day after end of the quarter	4 quarterly Service Provider performance reports submitted to the Mayor by the 15th day after end of the quarter	Target met 4 quarterly Service Provider performance reports submitted to the Mayor by the 15th day after end of the quarter	Target met 4 quarterly Service Provider performance reports submitted to the Mayor by the 15th day after end of the quarter	N/A	Chief Financial Officer	24
		Strict adherence to SCM Regulations	No. of quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after end of the quarter	4 quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the	Target met 4 quarterly reports on (tenders awarded, deviations report, contract management report)	Target met 4 quarterly reports on (tenders awarded, deviations report, contract management report)	N/A	Chief Financial Officer	25

					submitted to the Mayor by the 15th day after end of the quarter	Submitted to the Mayor by the 15th day after end of the quarter		
To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2024	Maintain a fixed asset register that complies with GRAP	No. of material audit queries raised on the updated asset register by the AG.	Zero material audit queries raised on the updated asset register by the AG.	15th day after end of the quarter	Target met Zero material audit queries raised on the updated asset register by the AG	Target not met 1 material finding on calculation of depreciation on 2022/23 asset register.	Chief Financial Officer	26
To ensure 100% expenditure of capital budget annually	Monitoring and reporting on the spending (MIG/INEP grants)	% expenditure of capital budget	100% MIG expenditure of capital budget (% applied cumulatively)		Target met 104% expenditure of capital budget (% applied cumulatively)	Target met 100% MIG expenditure of capital budget (% applied cumulatively)	Director: Engineering Services	27
To improve collection of income due from consumer debtors annually.	Collect 90% of billed income	% of billed income collected	85% of billed income collected		Target not met 72% average of billed income collected due to under collection across all customer categories.	Target not met 73% of billed income collected	Chief Financial Officer	28
						The municipality is unable to collect revenue in the Eskom Electricity distribution areas. This is due to the municipality not being able to disconnect the electricity and using this as a tool to collect		

[illegible]

								needs to be reviewed and be merged with the Financial Recovery Plan. This contributed to some activities rendered not implemented.		
								N/A	Director: Community Services	30
	Ensure collection of income due from consumer by 2027	No of monthly reports on revenue collected on learners and driver licenses, motor vehicle registration and Road worthy approved by HOD	12 monthly reports on revenue collected on learners and driver licenses, motor vehicle registration and Road worthy approved by HOD	Target met 100% collection of revenue on motor vehicle registration and licenses	Target met 12 monthly reports on revenue collected on learners and driver licenses, motor vehicle registration and Road worthy approved by HOD					
		No of quarterly reports on municipal forestry management signed by MM	1 progress report on municipal forestry management signed by MM	Target met 100% Collection of revenue from Municipal Forest activities	Target met 1 progress report on municipal forestry management signed by MM			N/A	Director: Community Services	31
		No of quarterly reports on revenue collection from Cemetery	4 quarterly reports on revenue collection from	Target met 100% collection of revenue on	Target met 4 quarterly reports on revenue			N/A	Director: Community Services	32

			Management signed by HOD	Cemetery Management signed by HOD	cemetery management	collection from Cemetery Management signed by HOD		
To ensure effective, compliant and credible financial planning, management and reporting by 2027.	Adherence to all applicable financial legislation and regulations	No. of Monthly financial reports (Sec 71 and sec 52 reports) submitted to Mayor and Treasury on the 10th working day of each month	12 Monthly financial report submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury)	Target met 12 Monthly financial report submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury)	Target met 12 Monthly financial report submitted to Mayor and Treasury on the 10th working day of each month 4 sec 52 reports within 30 days to Mayor and Treasury)	N/A	Chief Financial Officer	33
	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	GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 2023	Target met GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 2022	Target met GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 2023	N/A	Chief Financial Officer	34

	Financial Viability as expressed by ratios	% Cost coverage (B+C)÷D B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	To maintain a cost average ratio of 0,1% by June 2024	Target met 0,07% cost coverage maintained during 2022/23 financial year.	Target met 0,13% cost coverage maintained during 2022/23 financial year. B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	N/A	Chief Financial Officer	35
	Adherence to Service Level Agreement signed with Department of Transport	No of weekly reports on motor vehicle registration submitted to Department of Transport within 3 working days after the end of each week	46 weekly reports on motor vehicle registration submitted to Department of Transport within 3 working days after the end of each week	New Indicator	Target met 46 weekly reports on motor vehicle registration submitted to Department of Transport within 3 working days after the end of each week	N/A	Director: Community Services	36
To prepare a realistic budget in line with the objectives and strategies in the IDP based on a three-	Coordinate and develop Amahlathi municipality's budget in line with developmental imperatives in the IDP	2024/2025 budget prepared and submitted to council for approval on by 31st May each year	2024/2025 budget prepared and submitted to council for approval by 31st May 2024	Target met 2023/2024 budget prepared and submitted to council for approval by 31st May 2023	Target met 2024/2025 budget prepared and submitted to council for approval	N/A	Chief Financial Officer	37

the 23rd May
2024

3.8.3 KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION DETAILED PERFORMANCE (GGP-20)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
Output 5: Deepen democracy through a refined ward committee model.	To strengthen democracy through improved public participation.	Public Participation Action Plan	% Implementation of Public Participation Action Plan	100% Implementation of Public Participation Action Plan	Target met 1 x Comprehensive Public Participation Strategy (CPPS) submitted to Council for approval	Target met 100% Implementation of Public Participation Strategy	N/A	Municipal Manager	38
		Implementation of Public Participation Policies	No. of quarterly petition Management status reports submitted to Council	4 Quarterly reports on the status of petitions received and submitted to Council	Target met 4 Quarterly reports on the status of petitions received and submitted to Council	Target met 4 Quarterly reports on the status of petitions received and submitted to Council	N/A	Municipal Manager	39
	To capacitate Satellite offices as one stop shops for service delivery by 2027.	Implementation of Annual program of action for Satellite offices	% Implementation of Annual Program of Action for Satellite Offices	100% Implementation of Annual Program of Action for Satellite Offices (Cathcart and Keiskammahok)	Target met 100% implementation of Satellite model program of action	Target met 100% Implementation of Annual Program of Action for Satellite Offices (Cathcart and Keiskammahok)	N/A	Municipal Manager	40

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
	To regularly coordinate provision of a comprehensive and integrated package of services by all spheres of government.	Strengthening of IGR structures	No. of IGR meetings Convened	4 IGR meetings Convened	Target met 4 reports on implementation in IGR resolutions submitted to IGR Forum	Target met 4 IGR meetings convened	N/A	Municipal Manager	41
	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	4 quarterly risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting	Target met 4 quarterly risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting	Target met 4 quarterly risk management reports submitted by HODs to Internal Audit in preparation for Risk Committee Meeting	N/A	Municipal Manager	42
			% implementation of the 2023/2024 risk-based internal audit plan (all scheduled audits implemented)	80% implementation of the 2023/2024 risk-based internal audit plan	Target met 88.24% implementation of the 2022/2023 risk-based internal audit plan	Target met 92.37% implementation of the 2023/2024 risk-based internal audit plan	N/A	Municipal Manager	43

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
			No. of Anti- corruption and Fraud programmes conducted per annum	2 Anti- corruption and Fraud programmes conducted per annum	Target met 2 Anti- corruption and Fraud programmes conducted per annum	Target met 2 Anti- corruption and Fraud programmes conducted per annum	N/A	Municipal Manager	44
			No. of audit committee meetings convened	4 audit committee meetings convened	Target met 4 reports submitted to the Audit Committee regarding implementatio n of AC resolutions	Target met 4 audit committee meetings convened	N/A	Municipal Manager	45
	Ensure effective & efficient resolution of legal matters	Develop of compliance register and compliance plan	% Implementatio n on developed governance compliance plan	100% Implementatio n on developed governance compliance plan	Target met 100% Implementatio n of compliance plan	Target not met	Governance Compliance Plan adopted does not show a clear check list of activities to be measured. At midterm it was recommended that a check list be done so that a numerator and	Municipal Manager	46

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
							the denominator can be determined for the remainder of the quarters. The development of the checklist was not completed owing to staff shortages by the end of the financial year.		
		Develop litigation management Strategy	No. of reports on legal matters and their status with financial implications submitted to council	4 reports on legal matters and their status with financial implications and legal opinion presented to Council	Target met 4 reports on legal matters and their status with financial implications and legal opinion		N/A	Municipal Manager	47
	To ensure quality life through integrated welfare services for the children, women, youth, elderly, people with	Development and Implementation of Strategy on Special Programmes	% Implementation of annual special programs action plan	100% implementation of special programmes action plan	Target met 100% implementation of special programmes action plan		N/A	Municipal Manager	48

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
	disability, HIV and AIDS by 2027				hoc programs implemented in quarter 4				
	To ensure proactive and effective communication	Development and Implementation of an effective communication policy	% Implementation of Communications Program of Action	100% implementation of Communications Program of Action	Target met 100% implementation of Communications Program of Action	Target met 100% implementation of Communications Program of Action	N/A	Municipal Manager	49
	Strengthening Amathlathi ICT systems and networks for future generations by 2027	Improvement of ICT infrastructure for efficiency and data recovery	% information for municipal users back upped	80% information for municipal users back upped	Target met 84.67% of information for municipal users back upped	Target met 84.67% of information for municipal users back upped	N/A	Director Corporate Services	50
		Modernize the telephone system for customer care and productivity improvement	Turnaround time to attend to logged faults by users	5 working hours to attend to logged faults users	Target met 1:24 min to attend to logged faults users	Target met 1:12 min to attend to logged faults users	N/A	Director Corporate Services	51
	To ensure compliant, effective and efficient customer management by 2027 and beyond.	Implementation and monitoring of controls to ensure security of information	No of ICT systems implemented with itemized usage and expenditure reports	2 ICT systems implemented with itemized usage and expenditure reports	Target met 100% ICT systems implemented with itemized usage and expenditure reports	Target met 2 ICT systems implemented with itemized usage and expenditure reports	N/A	Director Corporate Services	52

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
		and business continuity							
		Provide on-going support to users on system related queries	% of reported system related queries resolved	95% of reported system related queries resolved	Target met 95% of reported system related queries resolved	Target met	N/A	Chief Financial Officer	53
	To ensure business continuity in the event of a disaster by 2022 and beyond	Implementation and monitoring of controls to ensure security of information and business continuity	Daily backups done on Financial system, Payroll and HR system	Daily backups done on Financial system, Payroll and HR system	Target met Daily backups done on Financial system, Payroll and HR system	Target not met Report on Daily backups cannot be verifiable if performed from the 01st May until the 12th May 2024	The report for the 12 days were overwritten by new backups. This was due to backups for this period not being printed on time (retention period of backups). Report will be printed monthly to ensure that there's PoE for all backups that took place.	Chief Financial Officer	54

3.8.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT (LED-20)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
Output No 3: Implementation of Community Work Programmes	To improve implementation of the government intervention programme to eliminate poverty by 2027	Implementation of the EPWP and municipal job creation programme especially linked to areas of scarce skills and temporal local jobs created during the roll out of capital projects	No. of temporal work Opportunities created	345 temporal work Opportunities created	Target met 382 CYDP participants (Graduates, Interns, Learners and Apprentices)	Target met 415 temporal work Opportunities created	N/A	Director: Corporate Services	55
		Subcontracting of the work to SMMEs residing at Amahlati LM during the roll out of Capital Projects	No. of Sub-contract agreements signed by the main contractor and sub-contractor	4 Sub-contract agreements signed by the main contractor and sub-contractor	Target met 4 SMMEs subcontracted and progress report reflecting on each subcontractor	Target met 4 Sub-contract agreements signed by the main contractor and sub-contractor	N/A	Director Engineering Services	56

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
	To ensure holistic and economic growth and development by 2027	Support and development of SMMEs around Amahlathi Local Municipality.	% of Amahlathi procurement expenditure should benefit SMMEs	30% of Amahlathi procurement expenditure should benefit SMMEs (Average % of the 4 quarters)	Target met 55% of Amahlathi procurement expenditure should benefit SMMEs	Target met 31% % of Amahlathi procurement expenditure should benefit SMMEs	N/A	Chief Financial Officer	57
			No of SMMEs supported through various Programmes	40 SMMEs supported through various Programmes	Target met 111 SMMEs supported to access SMME support program	Target met 152 SMMEs supported through various Programmes	N/A	Director: Development and Planning	58
			% of business with trading permits	75% of business with trading permits	Target met 36 businesses issued with trading permits	Target not met 16.4% of business with trading permits	Business do not comply with Land Use Scheme therefore trading permits target could not be achieved. To conduct awareness campaigns with Local Business in line with the New Land Use Scheme in 2024/25	Director: Development and Planning	59

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Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
	Promotion of Tourism through identification of Tourist areas.	Strengthen relationship with other Strategic Partners Finalize the tourism Infrastructure Improvement Process Plan	No. of recycling initiatives undertaken	02 recycling initiatives undertaken	Target met 2 Recycling initiatives conducted	Target met 1/3 Recycling initiatives completed	N/A	Director: Community Services	60
			No. of reports on implementation of signed twinning agreements with strategic institutions	4 reports on implementation of signed twinning agreements with strategic institutions	Target met 4 reports on implementation of signed twinning agreements with strategic institutions	Target met 4 reports on implementation of signed twinning agreements with strategic institutions	N/A	Director: Development and Planning	61
			No. of funding proposal for tourism access infrastructure Improvement Plans submitted to suitable funders	4 Funding proposal for tourism access infrastructure Improvement Plans submitted to suitable funders	Target not met 3 funding proposal for tourism access infrastructure improvement plans submitted to suitable funders	Target met 4 Funding proposal for tourism access infrastructure improvement plans submitted to suitable funders	N/A	Director: Development and Planning	62
			No. of tourist attractions promoted	8 tourist attractions promoted	Target met 8 tourist attractions promoted	Target not met 8 tourist attractions promoted	The information collected for the tourist attractions needed to be verified and those delays have led to some not being	Director: Development and Planning	63

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
							promoted. Target will be implemented in 1 st quarter of 2024/25 financial year.		
			No. of trainings conducted for LTOs and CTOs	3 support interventions for LTOs and CTOs	Target met 5 support interventions for LTOs and CTOs	Target met 4 Support interventions for LTOs and CTOs	N/A	Director: Development and Planning	64
	To Stimulate local economy through Agricultural development by 2022	Provision of capacity building programs to support existing farmers	No. of farmers supported with capacity building	40 farmers to be supported with capacity building	Target met 62 farmers trained for the year	Target met 83 farmers supported with capacity building.	N/A	Director: Development and Planning	65
	To ensure value-maximization of the forestry natural resource in line with local economic development by 2027.	Implementation of a forestry strategy in a Co-ordinated manner	Number of support interventions on timber cooperatives	6 support interventions on timber cooperatives	Target met 6 support interventions on timber cooperatives	Target met 6 support interventions on timber cooperatives	N/A	Director: Development and Planning	66
	To ensure development of the economic infrastructure	Source funding for a catalytic project	No. of funding applications submitted	4 funding applications submitted	Target met 4 funding applications submitted	Target met 4 Funding applications submitted	N/A	Director: Development and Planning	67

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
	required to enable increased Economic growth	Develop a 10 to 20 yr. Economic Growth and Development Strategy	Develop Economic Development and Growth Strategy submitted to Council for approval by May 2024	Developed Economic Development and Growth Strategy submitted to Council for approval by May 2024	Draft Economic Development and Growth Strategy has been developed and still work in progress	Target not Met Draft Economic Development and Growth Strategy still work in progress	The municipality have financial constraints to implement the project. Cogta is assisting the municipality to develop the strategy and is currently on draft phase which will be adopted in 2024/25 financial year.	Director: Development and Planning	68
	To building resilient smart towns	Implementation on Master & Precinct Plans for the 4 towns	No. of Economic Development Programs Implemented	2 Economic Development Programs Implemented	Target not met Draft process plan was submitted to MANCO and will be submitted EXCO during 1st quarter of 2023/24.	Target met 2 Economic Development Programs Implemented	N/A	Director: Development and Planning	69

3.8.5 KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (MTI - 20)

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
Output 1: Implement and differentiate approach to Municipal Finance, Planning and support	To attract, retain, build capacity and maximize utilization of Amahlathi Human Capital by 2022 and beyond	Implementation of the approved organizational structure.	No of Completed Job Descriptions	322 Completed Job Descriptions	Target not met Awaiting for confirmation from Cogta within the month end of July on the submitted Organogram, the target deferred to 1st quarter of 2023/24	Target met 322 Job Descriptions completed	N/A	Director: Corporate Services	70
					Target met 4 implemented programmes per Human Resource Strategy implementation plans (Recruitment Plan; Institutional & HR Policies and Employee Verification)	Target met 4 implemented programmes per Human Resource Strategy implementation plans			

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
		Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of EAP programmes implemented as per approved plan	4 EAP programmes implemented per approved plan (Cancer awareness, World Aids day, Sexual health and TB awareness and Candle Light)	Target met 4 EAP programmes implemented per approved plan (Cancer awareness, World Aids day, Sexual health and TB awareness and Candle Light)	Target met 4 EAP programmes implemented per approved plan	N/A	Director: Corporate Services	72
			No. of reports on health and productivity of the municipality	4 Reports on health and productivity of the municipality	Target met 4 Reports on health and productivity of the municipality	Target met 4 Reports on health and productivity of the municipality	N/A	Director: Corporate Services	73
		Implementation of the approved EEP	No. of quarterly reports prepared on compliance with EEP annual targets	4 quarterly reports prepared on compliance with EEP annual targets	Target met 4 quarterly reports prepared on compliance with EEP annual targets	Target met 4 quarterly reports prepared on compliance with EEP annual targets	N/A	Director: Corporate Services	74

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
	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	No of LLF meetings	4 LLF meetings	Target met 4 LLF meetings	Target met 5 LLF meetings held	N/A	Director: Corporate Services	75
			No of LR information sessions / training held	4 LR information sessions / training held	Target met 4 LR information sessions / training held	Target met 4 LR information sessions / training held	N/A	Director: Corporate Services	76
	To ensure cost efficient and economical use of council resources commensurate to effective IDP implementation	Develop and implement a blended learning and development programme strategy Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No of trainings organized for employees	4 trainings organized for employees	Target met 13 trainings conducted and 4 online	Target met 13 trainings organized for employees	N/A	Director: Corporate Services	77
			No. of reports on the implementation of Vehicle Pound and Municipal Mechanical Workshop / Garage	4 Reports on the implementation of the Vehicle pound and Municipal Mechanical Workshop	Target not met EXCO deferred the Draft Business Plan to the MANCO for further discussions which were completed on 22 June 2023.	Target met 4 Reports on implementation of the vehicle pound and Municipal Mechanical Workshop obtained	N/A	Director: Corporate Services	78

Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
	n by 2022 and beyond				The MM directed that the item be submitted in the July 2023 Council.				
			4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Target met 4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	Target met 4 reports on fleet management systems with logistics management, fuel utilization, accidents and maintenance submitted to fleet management committee	N/A	Director: Corporate Services	79
	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	4 implemented projects with file plan for active and archived documents	Target met 4 reports prepared on implementation with the file plan	Target met 4 projects implemented for the year	N/A	Director: Corporate Services	80

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Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2023/24	Annual Actual 2022/23	Annual Actual 2023/24	Comment and Corrective Action	Custodian	KPI NO
	To optimize and improve data security by 2027	Implementation of digital Transformation Strategy	% utilization of domain emails by Staff	100% utilization of domain emails by Staff	New Indicator	Target not met Could not determine % utilization of domain emails by Staff from the information submitted	Variance report be provided	Director: Corporate Services	81
			No of Implemented Internet projects in all Municipal Office Buildings	2 Implemented Internet projects in all Municipal Office Buildings	New Indicator	Target met 2 Implemented Internet projects in all Municipal Office Buildings / N/A R. Installation and Fast Internet service provider including (WIFI)	N/A	Director: Corporate Services	82

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION

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

All the Director positions have been filled except for the Chief Financial Officer whose position is currently advertised.

The 6 section 56 managers lead the following departments:

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

Full time staff complement per functional area

Employees				
	Employees	2022/2023	Current year 2023/24	Total No
	No.			Employees
Corporate Services	21	29	32	32
Development and Planning	19	16	13	13
Engineering Department	81	63	75	75
Community Services	106	99	85	85
Executive Services	37	29	20	20
BTO	27	30	32	32
Totals	291	266	257	257

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

Vacancy Rate: Year 2023/24			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	1	100%
Other S56 Managers (excluding Finance Posts)	4	0	0%
Senior Manager Levels 17-19	4	1	6.65%
Highly skilled supervision levels 12-16	64	3	24%
Skilled Technical & Academically Qualified Workers, Junior Management 9-11	38	3	14%
Total	112	7	42%

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

TERMINATION REPORT AS AT 30 JUNE 2024

DEPARTMENT	RESIGNED	CONTRACT EXPIRED	RETIREMENT	DISMISSAL	DEATH	MEDICAL BOARD	TOTAL
ENGINEERING	0	0	0	0	0	1	1
CORPORATE SERVICES	0	0	0	0	0	0	0
COMMUNITY SERVICES	1	0	1	0	2	0	4
BUDGET AND TREASURY	4	0	0	0	0	0	4
DEVELOPMENT & TOWN PLANNING	2	0	0	0	0	0	2
EXECUTIVE SERVICES OFFICE	5	0	0	0	1	0	6
TOTAL	12	0	1	0	3	1	17

Note: *The Municipality had a total of 257 employees in the 2023/24 financial year and seventeen (17) exited largely due to resignations, followed by death, retirement and medical boarding. No dismissals were experienced indicating a stable workforce. The average South African benchmark for employee attrition is 10% and the municipality was able to contain its attrition rate to (17/257) 7%.

4.2 MANAGING THE MUNICIPAL WORKFORCE

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%		
1	Code of conduct for councillors	100	June 2022	29 June 2024
2	Council Rules of order	100	June 2022	29 June 2024
3	Delegations of Authority	100		29 June 2024
4	Expanded Public Works Programme Policy	100		29 June 2024
5	Petitions Policy	100	June 2022	29 June 2024
6	Code of conduct for ward committees	100	June 2022	29 June 2024
7	Career Management policy	100	June 2022	29 June 2024
8	Experiential training policy	100	June 2022	29 June 2024
9	Scarce Skills Policy	100	June 2022	29 June 2024
10	Employee study assistance policy	100	June 2022	29 June 2024
11	Training and development policy	100	June 2022	29 June 2024
12	Acting allowance policy	100	June 2022	29 June 2024
13	Bereavement Policy	100	June 2022	29 June 2024
14	Leave Policy	100	June 2022	29 June 2024
15	Policy on policy development	100	June 2022	29 June 2024
16	Fleet management Policy	100	June 2022	29 June 2024
17	Subsistence and Travelling Policy	100	June 2022	29 June 2024
18	Official transport to attend Funerals (Bereavement Policy)	100	June 2022	29 June 2024
19	Job Evaluation review policy	100	June 2022	29 June 2024
20	Occupational health and safety policy	100	June 2022	29 June 2024
21	Overtime and shift allowance policy	100	June 2022	29 June 2024
22	Performance Management and Development	100	June 2022	29 June 2024
23	Recruitment and Selection policy	100	June 2022	29 June 2024
24	Code of conduct for staff members	100	June 2022	29 June 2024
25	Long Service Allowance Policy	100	June 2022	29 June 2024

26	Code of conduct for councillors	100	June 2022	29 June 2024
27	Grievance procedure	100	June 2022	29 June 2024
28	Skills Development policy	100	June 2022	29 June 2024
29	Staff retention policy	100	June 2022	29 June 2024
30.	Telephone usage and cellular allowance phone	100	June 2022	29 June 2024
31.	Records Management Policy	100	June 2022	29 June 2024
32.	Uniforms and Protective Clothing (Health and Safety Policy)	100	June 2022	29 June 2024
32.	Placement Policy	100	June 2022	29 June 2024
33.	Covid 19 Management Policy	100	June 2022	29 June 2024
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

4.3 SICK LEAVE

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

The claim was lodged with department of Labour and there was no compensation as there was no permanent or temporary disablement.

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled /Unskilled (Levels 2-5)	146	9.7%	24	78	12.8	R45 692.03
Semi-Skilled (Levels 6-11)	393	61%	49	99	12.3	R171 121.33
Highly skilled production (levels 12-19)	370	28%	37	69	6.9	R122 544.66
Interns	79	0.2%	5	5	0.3	R 950.10
Other (task grade pending)	0	0%	0	0	0	R0.00
MM and S57	13	0.1%	3	5	1.5	R11 211.12
Total	989	99%	118	256	33.8	R 351 519.24

256 Number of employees in post at the beginning of the year

T 4.3.2

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	
Senior Traffic Officer	Fraud	26 March 2024	Pending	
Senior Enquiries Clerk	Fraud	26 March 2024	Pending	
Enquiries Clerk	Fraud	26 March 2024	Pending	
General Worker	Fraud	03 April 2024	Pending	
There were four disciplinary matters that were reported for the 2023/2024 financial year. Three out of the four matters are nine months old and one is 8 months old. The reason for exceeding the three months is because we had to use external personnel to resolve the matters and we had to wait for the department of transport reports.				

4.4 CAPACITATING THE MUNICIPAL WORKFORCE - SKILLS DEVELOPMENT AND TRAINING

SKILLS DEVELOPMENT MATRIX

Skills Matrix											
Employees in post as at 30 June Year 2024											
Management Level	Gender	No.	Learnerships			Skills programmes & other short courses					Year of Target
			Actual: End of Year 2024	Actual: End of Year 2024	Year Target	Actual: End of Year 2024	Management	Gender	No.	Actual: End of Year 2024	Actual: End of Year 2024
MM and s56	Female	0	0	0	0	0	MM and s56			2	2
	Male	0	0	0	0	0				1	1
Councillors, senior officials and managers	Female	0	0	0	0	0	Councillors, senior officials and managers			0	0
	Male	0	0	0	0	0				1	1
	Female	0	0	0	0	0	Technicians and			17	17

Technicians and associate professionals*										associate professionals*							
	Male	0	0	0	0	0	0	0	0								9
Professionals	Female	0	0	0	0	0	0	0	0	Professionals							1
	Male	0	0	0	0	0	0	0	0								9
Semi-Skilled and Unskilled	Female	0	0	0	0	0	0	0	0	Semi-Skilled and Unskilled							0
	Male	0	0	0	0	0	0	0	0								0
Sub total	Female	0	0	0	0	0	0	0	0	Sub total			40			40	40

	Male														
		0	0	0	0	0	0	0	0	0	0		0	0	0
Total		0	0	0	0	0	0	0	40	40	40		40	40	40
*Registered with professional Associate Body e.g. CA (SA)															

4.5 MANAGING THE WORKFORCE EXPENDITURE

Designation	Wages and benefits 2022/23	Wages and benefits 2023/24
Municipal Manager	R 1 032 837	R 1 527 034
Corporate Services Manager	R 1 098 242	R 1 307 865
Planning and Development Manager	R 769 102	R 1 233 017
Engineering Services Manager	R 698 037	R 1 228 183
Community Services Manager	R 381 631	R 1 203 136
Finance Manager (CFO)	R1 337 302	R 350 911

EMPLOYEE RELATED COSTS	2022/23	2023/24
Basic	R92 128 934	93 124 703
Bonus	8 101 741	6 854 435
Medical aid contributions	6 011 442	4 897 665
UIF	R558 379	595 676
Cellphone and other allowances	939 008	1 937 292
Overtime payments	R1 113 025	1 621 769
Acting allowance	R262 962	224 734
Travel allowance	R5 544 098	5 863 362
Housing benefit and allowances	R2 641 761	2 522 375
Industrial Council Levy	35 317	35 812
Employee benefits and contribution plans	2 174 160	3 061 781
Pension fund contributions by Council	R15 742 697	15 466 467

REMUNERATION OF COUNCILLORS	2022/23	2023/24
Mayor	R 951 259	R 1 033 383
Speaker	R 811 550	R 819 300
Council Salaries	R 7 157 703	R 7 823 444
Councilor allowances	R 4 741 803	R3 919 144

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 INTRODUCTION

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

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

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Reconciliation of Table A1
Budget Summary

Description	Year 2023/24										Year -2022/23				
	Original Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	24 424	-	24 424	-		24 424	24 169		-2%	98%	98%				23 331
Service charges	53 994	400	58 014	-		58 014	62 808		-17%	85%	86%				51 747
Investment revenue	1 158	15	3 710	-		3 710	3 456		35%	153%	155%				1 613
Transfers															
recognised – operational	138 420	261	138 309	-		138 309	138 142		-1%	99%	99%				130 339
Other own revenue	22 453	3 592	25 620	-		25 620	38 609		5%	105%	125%				21 664
Total Revenue (excluding capital transfers and contributions)	240 449	4 268	250 078	-	-	250 078	267 184								228 694
Employee costs	134 985	3 304	134 985	-		134 985	136 138	25 929	19%	124%	127%	-	-	-	135 794
Remuneration of councillors	14 329	1 505	14 329	-		14 329	13 595	161	1%	101%	114%	-	-	-	13 662
Debt															
impairment		-				27 000	25 872	2 142	0%	108%	112%	-	-	-	29 142
Depreciation & asset impairment	26 000	-	26 000			26 000	25 940	-	-7%	94%	609%	-	-	-	23 641
Finance charges	4 500	500	14 155	-		14 155	15 523	5 547	55%	223%	26%	-	-	-	13 901

Financial Performance of Operational Services						
R '000						
Description	Year -2022/23	Year 2023/24			Year 2023/24 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
Operating Cost						
Electricity	12 969	(24 260)	15 326	12 461	294%	-22%
Waste Management	608	(5 910)	8 908	1 072	651%	-730%
Housing	40	(52)	(90)	(305)	82%	70%
Component A: sub-total	13 617	(30 222)	(24 144)	(26 761)		
Roads	39 500	49 957	46 631	52 104	4%	11%
Component B: sub-total	39 500	49 957	46 631	52 104		
Planning & Development	22 529	11 007	9 680	8 735	-26%	-11%
Component C: sub-total	22 529	11 007	9 680	8 735		
Community & Social Services	(3 755)	928	1 650	2 591	64%	36%
Public Safety	1 418	(1 712)	(1 271)	(728)	-135%	-174%
Sport and Recreation	2 201	8 158	6 911	2 271	-259%	-204%
	(135)	(6 803)	(6 313)	(135)		

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.1.2

Grant Performance						
R' 000						
Description	Year -2022/23	Year 2023/24			Year 2022/23 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adj Budget (%)
Operating Transfers and Grants						
National Government:	130 340	136 692	136 582	136 582		
Equitable share	124 987	131 533	131 533	131 533	0%	0%
FMG Grant	2 200	2 200	2 200	2 200	0%	0%
EPWP Grant	1 568	1 310	1 310	1 310	0%	0%
PMU 5%	1 585	1 649	1 539	1 539	-7%	0%
Disaster Relief Grant	–	–	–	–	0%	0%
Provincial Government:	1 335	1 200	1 200	1 311		
Sports and Recreation	1 200	1 200	1 200	1 200		
Human Settlements	135	–	–	111	0%	0%
District Municipality:	–	–	–	–	–	–
Other grant providers:	248	528	528	249		

<i>Seta Grant</i>	248	528	528	249	-112%	-112%
				-	0%	0%
Total Operating Transfers and Grants	131 923	138 420	138 309	138 142		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						
						T 5.2.1

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -2023/24	Actual Grant Year 2023/24	Year 2023/24 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Foreign Governments/Development Aid Agencies						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Private Sector / Organisations						
A - "Project 1"	-	-	-	N/A	N/A	N/A
<i>Provide a comprehensive response to this schedule</i>						T 5.2.3

5.2. ASSET MANAGEMENT

The Amahlathi Local Municipality believes that an Asset Management Policy is essential to ensure effective and efficient utilization of public monies and accountability thereof is heavily dependent on accurate recoding and accounting with the compilation of the Asset Register that is GRAP compliant. The policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The prime 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
- Affecting adequate insurance of all assets
- Maintenance of Council's Assets

The policy is reviewed and amended by council annually during IDP and Budget process. The last review was done in May 2024.

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

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2023/24				
Asset 1				
Name	Stutterheim Recreation Centre			
Description	Construction of Stutterheim Multi-Recreation Centre			
Asset Type	Road Infrastructure			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
Asset Value				Year 2023/24
				14 860 797,00
Capital Implications				
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Surfacing of Carthcart Streets			
Description	Construction of Carthcart Streets			
Asset Type	Road Infrastructure			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
Asset Value				Year 2023/24
				13 858 113,00

Capital Implications				
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Forest Way Projects			
Description	Construction of Road and Storm Water Structures Forest Way Road			
Asset Type	Roads Infrastructure			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
				Year 2023/24
Asset Value				2 996 799,00
Capital Implications				
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy, Roads Maintenance Policy			
T 5.3.2				

Repair and Maintenance Expenditure: Year 2023/24				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	5 675	4 670	3 938	16%
				T 5.3.4

Financial Ratios

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2024	As at 30 June 2023
Expenditure management			
1.1	Creditor-payment period	726,6 Days	684,3 Days
Revenue management			
2.1	Debt-collection period (after impairment)	240,35 Days	204,87 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	71,4%	74,2%
	· Amount of debt-impairment provision	R142 731 001,00	R120 879 560,00
	· Amount of accounts receivable	R200 004 603,00	R163 019 653,00
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	No	No
	· Amount of the surplus / (deficit) for the year	R5 929 929	(R39 691 251)
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	R136 961 931	R126 513 195
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	· Amount of the net asset / (liability) position	R255 323 098,00	R249 393 169,00
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)	R22 980 213,00	R15 637 585
4.2	Net cash flows for the year from operating activities were negative	No	No
	· Amount of net cash in / (out)flows for the year from operating activities	R57 942 083,00	R38 310 313
4.3	Creditors as a percentage of cash and cash equivalents	760,90%	993,06%
	· Amount of creditors (accounts payable)	R174 857 971,00	R155 291 487,00
	· Amount of cash and cash equivalents / (bank overdraft) at year-end	R22 980 213,00	R15 637 585
4.4	Current liabilities as a percentage of next year's budgeted resources **	102,20%	116,80%
	· Amount of current liabilities	R229 458 093,00	R196 068 532,00
	· Amount of next year's budgeted income	R325 710 233,00	R312 047 394,00

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital Expenditure - Funding Sources: Year -2022/23 to Year 2023/24							
R' 000							
Details		Year -2022/23	Year 2023/24				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adj to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies	31 327	31 327	61 970	28 576	49%	-9.6%
	Other	4 665	2 550	3 680	1 601	30%	-129%
Total		32 713	33 887	65 650	50 311	10%	-10%
Percentage of finance							
	External loans	-	-	-			
	Public contributions and donations	-	-	-			
	Grants and subsidies	85,7%	92,5%	94,4%	94,7%	2%	2,3%
	Other	14,3%	7,5%	5,6%	5,3%	-34,3%	-41,9%
Capital expenditure							
	Waste Projects	482	1 550	2 578	917	0%	0%
	MIG Projects	27 566	31 327	29 232	25 782	0%	-11%
	Other	4 665	1 010	33 840	23 612	-100%	57%
Total		32 713	33 887	65 650	50 311	-100%	47%
Percentage of expenditure							
	Electricity	0,5%	0,3%	0,3%	0,3%	0%	0%
	Roads	68,6%	7,4%	31,6%	35,9%	76,6%	79,4%
	Other	30,8%	82,3%	68,1%	63,8%	-20,9%	-29%
T 5.6.1							

COMPONENT C: CASH FLOW STATEMENT

Cash Flow Outcomes				
Description	Year -2022/23	Current: Year 2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	228 274	251 762	291 156	265 885
Ratepayers and other	48 583	80 857	87 167	69 544
Government - operating	130 339	138 420	138 309	138 142
Government - capital	36 401	31 326	61 969	54 743
Interest	12 952	1 040	3 710	3 455
Dividends	-			
Payments	(189 964)	(214 139)	(220 615)	(207 943)
Suppliers and employees	(179 917)	(209 639)	(213 369)	(207 897)
Finance charges	(10 047)	(4 500)	(7 246)	(46)
Transfers and Grants	-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	38 310	37 623	70 541	57 942
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(32 713)	(38 599)	(75 497)	(50 310)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(32 713)	(38 599)	(75 497)	(50 310)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	191	-	-	(288)
NET CASH FROM/(USED) FINANCING ACTIVITIES	191	-	-	(288)
NET INCREASE/ (DECREASE) IN CASH HELD	(5 405)	(1 335)	(4 956)	7 343
Cash/cash equivalents at the year begin:	10 232	10 232	15 702	15 637
Cash/cash equivalents at the year end:	15 637	8 897	10 746	22 890

Source: MBRR A7

T 5.9.1

Actual Borrowings: Year -2021/22 to Year 2023/24			
			R' 000
Instrument	Year 2021/22	Year 2022/23	Year 2023/24
Municipality			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit	-	-	-
Financial Leases	-	-	-
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	-	-	-
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	-	-	-
			T 5.10.2

Municipal and Entity Investments			
			R' 000
Investment* type	Year 2021/22	Year 2022/23	Year 2023/24
	Actual	Actual	Actual
Municipality			
Securities - National Government			

Listed Corporate Bonds			
Deposits - Bank	9 753	15 637	22 981
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	9 753	15 637	22 981
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	-	-	-
Consolidated total:	9 753	15 637	22 981
			<i>T 5.10.4</i>

5.3 SUPPLY CHAIN MANAGEMENT

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

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

5.4 GRAP COMPLIANCE

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

CHAPTER 6: AUDITOR GENERAL FINDINGS

6.1. AUDITOR GENERAL OPINION 2022/23

The Amahlathi Local Municipality received a qualified audit opinion in 2022/2023 audit and the following issues were raised.

Property, plant, and equipment

The municipality did not depreciate property, plant, and equipment in accordance with GRAP 17, *Property, plant and equipment*. Useful lives that were inconsistent with the municipality's accounting policy were applied and, in some instances, prior year revisions of useful lives were not considered in the current year depreciation calculation. Consequently, property, plant and equipment disclosed in note 10 to the financial statements and statement of financial position was overstated by R4.3 million and depreciation understated by R4.3 million, respectively. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

General expenses

The municipality did not record invoices in the accounting system when the transactions occurred in accordance with GRAP 1, *Presentation of financial statements*. As a result, general expenses were also recorded in the incorrect financial period. Consequently, general expenses disclosed in note 33 to the financial statements and statement of financial performance were overstated by R6.5 million, and trade payables understated by R6.5 million, respectively. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

AUDIT ACTION PLAN TO ADDRESS 2022/23 FINDINGS

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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 all progress report and supporting working schedules requested. 3. Management has not provided adequate evidence of having performed verification on the validity of all progress reports submitted.	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 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.	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 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 performance reporting to avoid recurring findings.	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	Engineering and PMS will meet on the 29th of January 2024 to review the SOPs and develop Technical Indicator Descriptions which will outline the calculation of progress	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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.	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 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.	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 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 performance reporting to avoid recurring findings.	1. Develop TIDs 2. Review of SOP to be aligned with the TID 3. Identify the numerator and denominator when using averages	Engineering and PMS will meet on the 29th of January 2024 to review the SOPs and develop Technical Indicator Descriptions which will outline the calculation of progress	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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.	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	General Manager
COAF 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 required by IIA standard 1312, and this assessment has not been performed in the past 5 years	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 compliance with quality requirements.	1. Obtain assistance from Provincial Treasury on the quality assurance review 2. Submit the internal audit reports to the audit committee for review.	Engagement of Provincial Treasury Transversal audit for support before 29 February 2024 and for performance of QAIP audit before 30 June 2024.	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 002	Non-compliance with the Public Sector Audit Committee Forum regulations	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 adequacy of resources of the municipality's finance function as required by the PSACF regulations	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 resources of the finance function is not included in the audit committee charter as part of the audit committee's responsibilities.	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 prioritised. The audit committee should further ensure that every year, the audit committee considers and satisfies itself of the appropriateness of the expertise and adequacy of resources of the auditees finance function.	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 the auditees finance function on an annual basis	Combined assurance framework will be prepared and submitted to Management for consideration, and Audit Committee for review and approval during the policy review period.	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 002	Unauthorised 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 unauthorised 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.	Management should take reasonable steps to ensure that where unauthorised 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 unauthorised 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.	General Manager
COAF 003	Information Technology Control Environment	1. IT Steering committee only met from the third quarter of the financial year.	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 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.	1. Ensure IT Steering committee meets regularly, at least once in a quarter.		

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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.	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 to ensure continued availability of ICT systems. in the event of power outages.	1. Ensure that there is one document template for all ICT related systems	This finding was resolved with the AG	

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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.	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 to ensure continued availability of ICT systems. in the event of power outages.	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	

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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).	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 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		

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 003	Information Technology Control Environment	5. No alternative power sources were identified in the event of power outages to ensure continued availability of ICT systems.	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 to ensure continued availability of ICT systems. in the event of power outages.	1. Consider the viability of alternative power source is sourced to ensure continued availability of ICT systems. in the event of power outages. 2. Procure UPS		
COAF 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	The job description process was not completed within the designated timeframe. Management did not review the organogram due to the resolution to refrain from appointment of additional personnel beyond senior managers.	The organogram 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 organogram 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	This finding was resolved with the AG	

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COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
					completed and approved by the municipal manager.		

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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).	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. KPI 17 - % of complying submitted building plans approved 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.	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 strategies will be reviewed during mid-year review and on the 2024/25 IDP and SDBIP review.	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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)	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. KPI 17 - % of complying submitted building plans approved 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.	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 strategies will be reviewed during mid-year review and on the 2024/25 IDP and SDBIP review.	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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	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. KPI 17 - % of complying submitted building plans approved 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.	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 strategies will be reviewed during mid-year review and on the 2024/25 IDP and SDBIP review.	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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 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.	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.	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.	1. Develop TIDs 2. Review of SOP to be aligned with the TID 3. Ensure that if pictures are taken, that it be electronic date stamped	Initial inspections are conducted on the route to be maintained on road marking and signed off by the Manager - Traffic Services. Business process has also been amended.	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 007	1. Difference between Age Analysis and Trial Balance	The consumer debtors per the Age Analysis do not agree with that per the Trial Balance	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		CFO
COAF 008	None submission	Information requested as part of RFI 43 was not fully submitted	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.	1. A proper filing system should be maintained and record keeping improved. 2. Scanning of documents (Electronic copies)		CFO
COAF 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	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		CFO

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COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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	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		CFO
COAF 011	Non submission of information	All journals were not submitted by due date	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.	1. A proper filing system should be maintained and record keeping improved. 2. Scanning of documents (Electronic copies)		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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 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	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.	CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
		year end as well as to align billing to consumption. We are therefore unable to determine whether the amount recognised as service charges for the population affected can be reliably measured.					

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 013	General Expenditure recognised on payment basis	Management has recognised expenditure on the payment basis for Municipal Services, Fuel and Oil, Insurance, Subscriptions and Membership fees, Telephone and taxes	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 recognise these transactions. Electricity – ADM The municipality struggles obtaining statements from ADM as such have opted to debtors age analysis as a source to record transactions in the general ledger. Insurance and Subscriptions The expenditure items were recognised in full upon receiving the invoice.	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 ADM are received monthly. The billings for each month as reflected in the statements should be the expense recorded in the general ledger Management should exercise oversight over application of the accrual basis in recognising 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 currently in place for fuel and oil. The authorisation 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.	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		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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	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 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.		CFO
COAF 015	SARS interest recorded inaccurately	Interest recorded for two months was in relation to the total amount payable and not only interest charged.	There has been inadequate review of transactions recorded in the general ledger by senior supervisors, resulting in errors made not being detected.	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. 3. Print SARS statements on a monthly basis		CFO
COAF 016	Non submission of information	All journals information requested was not submitted by due date	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.	1. A proper filing system should be maintained and record keeping improved.		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
					2. Scanning of documents (Electronic copies)		
COAF 017	Difference between GL and Billing Report	Differences were identified between the Billing report and General Ledger in respect of electricity.	The cause of the finding is due to a duplicating of adjustments recorded in the GL and also the inclusion of expenditure for Vending Management fees included on revenue.	Management should ensure that the proper reviews are conducted for all adjustments made to the billing report. Management should further put measures to insure only items that relate to the sale of electricity are recorded on the ledger account for the sale of electricity	Prepare monthly billing reconciliations that are reviewed and signed by manager.	This finding was resolved with the AG	CFO
COAF 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.	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 to ensure accuracy of the notes presented on the annual financial statement.	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		CFO
COAF 018	2. Difference between GL and Billing Report	Differences were identified between the Billing report and General Ledger.	The cause of the finding is due to unaccounted for journal passed on for property rates.	Management should ensure that the proper reviews are conducted for all adjustments made to the billing report.	Prepare monthly billing reconciliations that are reviewed and signed by manager.	Recons to be done and reviewed monthly effective January 2024.	CFO
COAF 019	Licences and permits	It has been identified that not all transactions have been recorded accurately	The cause of the finding is inadequate controls in the transfer of transactions from	A recommendation is for management to put adequate controls in the transfer of transactions from the eNatis system to the	Prepare monthly eNatis (agency fees,	This finding was resolved with the AG	CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
	revenue is not complete	(completeness in wording of the finding)	eNatis system to the accounting system which results in errors	accounting system to ensure that all transactions that occurred are recorded on the accounting system	Licences and permits) reconciliations that are reviewed and signed by manager.		
COAF 020	Leave Accrual	Differences were identified when performing a recalculation of the leave accrual balance	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 to timely identify any system errors to reduce the extent of errors.	1. Prepare quarterly leave accrual reconciliations to the General Ledger 2. Conduct leaves audits		CFO
COAF 021	1. Cathcart Waste Landfill and Transfer Station findings and impacts reported	The Amahlathi 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	Poor site management and design.	(1) Amahlathi 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; (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; (3) The serious challenges and discrepancies at the Cathcart Waste Landfill Site and Transfer Station needs to be address and continually monitored to ascertain compliance to all legislative conditions. The municipality should ensure	1. Source funding for advertising - Conduct basic assessment towards closure of Cathcart waste disposal site. 2. Commence operation of Transfer station. 3. Closure and rehabilitation of the Cathcart waste disposal site	1. Consultant fees sourced internally, and advert prepared 2. Sessions are ongoing with recyclers in Cathcart on recycling requirements , skip bins being repaired at MD Engineers for temporal storage of	Ms A Noholoza

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
		disposed of in an environmentally sound manner & (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		that their landfill sites and transfers are properly manage, 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 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.		waste ... Training to be conducted by DEDEAT on 20th February 2024. 3. Closure and rehabilitation of the waste site	
COAF 022	Prior period error misstatements	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	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		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 022	Prior period error misstatements	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 disclosed in the AFS. This is in contravention with GRAP 3 paragraph 51(a)	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.	AFS Development Plan. 2. Adherence to the AFS Development Plan 3. Submission of AFS to 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.		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 022	Prior period error misstatements	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 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.	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.		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 023	Cash on hand not supported by Bank Confirmation	During the audit of cash and cash equivalents it was identified that there in an amount of cash on hand that is not supported with cash in the bank. And when the bank confirmations were received, these amounts were not included by the bank and therefore were not confirmed by the bank. This issue was raised in the prior year audit cycle and management committed to reclassify to this cash on hand to other debtors.	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 minimise transactions		CFO
COAF 024	Casual workers were paid more than approved wages	EPWP workers was paid at a rate in excess of the EPWP rate	The cause of the finding is due to lack of reviews on the payments made to EPWP casual workers to prevent errors in the payment of wages.	Management should ensure that payments made to EPWP wages are reviewed prior to processing the payments so as to ensure that the casual workers are paid for the correct number of hours worked and thus reducing any errors in the salaries paid to the casual workers.	1. Ensure that EPWP workers are paid in terms of the rate 2. Ensure that the EPWP expenditure items are reconciled and	This finding was resolved with the AG	CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 025	AOPO - Listings do not agree with APR	1. Actual performance for KPI has not been provided	An omission was made in preparation of the annual report and there has been lack of adequate review of the APR to enable detection and correction of such omissions	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 between listings and the APR be done by management and any differences noted be properly followed up on and addressed accordingly.	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 date by department to allow sufficient time of review of information.	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 025	AOPO - Listings do not agree with APR	2. Differences between APR and listings have been noted	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 APR and ensuring this is in line with the evidence file.	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 between listings and the APR be done by management and any differences noted be properly followed up on and addressed accordingly.	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 date by department to allow sufficient time of review of information.	General Manager
COAF 026	VAT: Fair presentation of Annual Financial Statements	The disclosure per note 49 was incorrect	Inadequate AFS reviews and lack of review of compliance with legislation. The same information from prior year AFS was carried over without validation checks.	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		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
					Plan. 2. Adherence to the AFS Development Plan 3. Submission of AFS to Internal Audit for review.		
COAF 027	Consumer debtors: Impairment error	Classification differences were identified on reconciliation of the trial balance with the financial statements.	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		CFO
COAF 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. The current classification results in the overstatement of the VAT Receivable line item and understatement of the VAT	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.		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
		input and VAT output accruals.					
COAF 029	Inappropriate application of GRAP 25- Employee benefits classification	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.	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 Internal Audit for review.		CFO
COAF 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	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		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
		line item "defined contribution plans", even though not meeting the definition of defined contribution plans.			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.		
COAF 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.	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.		General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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 ageing analysis/impairment listing that was used to audit the impairment.	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		CFO
COAF 032	Incorrect treatment of long-term receivables written off	During testing performed on Consumer debtors, it was identified that long-term receivables were written off due to lack of supporting documentation available to corroborate the debt. The contracts in respect of this debt were lost as a result of an office fire that occurred in October 2018. Payments are however still being recovered from the customers on monthly basis. Once the payment is	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.		CFO

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COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
		made by the customer for this respective debt, the municipality raises a receivable which offsets the payment rather than reducing the original debt.					
COAF 033	1. VAT returns not submitted and paid on time	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 proceeding business day of the month. Input VAT was recognized on retention values withheld by 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.	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		CFO
COAF 033	2. Incorrect recognition of input VAT on retentions	Input VAT was recognized on retention values withheld by 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.	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 on retentions is correctly accounted for.		CFO
COAF 034	Segment Reporting - Differences between the	Differences were noted on the amounts presented in the segment information disclosure - Note 49 and	This is due to lack of adequate review of segment reporting.	Management should ensure adequate review of segmental reporting in the annual financial statements is adequately done to ensure that segment information is	1. Adequate time for the review of Annual		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
	segment reporting note and the face of the AFS	balances/totals in the face of the financial statements submitted for audit.		accurately reconciled to the amounts in the face of the financial statements.	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.		
COAF 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	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 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	GRAP 108 reviewed and training scheduled	CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
					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.		
COAF 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	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 the correct classification of Unspent Conditional Grants and ensure correct disclosure in the financial statements (Statement of financial position and notes) 2.	GRAP 104 reviewed and training scheduled	CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
					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 4. Submission of AFS to Internal Audit for review.		
COAF 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.	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	GRAP 104 reviewed and training scheduled	CFO

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COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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.	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. 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	CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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	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 to the AFS Development	GRAP 104 reviewed and training scheduled	CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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	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.	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 4. Submission of AFS to	GRAP 104 reviewed and training scheduled	CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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 has been noted there are projects that have been in progress for a time in the register and there are also ones where there has been no expenditure incurred on them in the financial year audited. The above creates an indication that there are assets within the register whose completion has been delayed and some	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.	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)		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
		that may have been halted either in the current or prior periods.					
COAF 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	There have been inadequate reviews of the statement of changes in net assets which resulted in the error made not being detected	It is recommended that adequate reviews of the statement of changes in net assets are made by management and those charged with governance before final approval of AFS.	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. Review completed AFS to the Trial balance 4. Submission of AFS to Internal Audit for review.	This finding was resolved with the AG	CFO
COAF 038	KPI 2: Misstatements of No of km of	1. Pictures not showing location 2. Duplicated reported kms 3. Reported kms with no	There have been inadequate reviews of performance information that would have enabled early detection of	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	Quarterly reviews are conducted by all HODs.	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
	roads re-gravelled	supporting evidence 4. Reported kms with no supporting pictures 5. Reported kms with no inspection reports	identified issues and ensuring corrective actions are in place		appropriately supported 2. Raise challenges during the Audit engagement meeting and Steering Committees	IDP/PMS and Internal Audit prior submitting to Council Structures. Review of PMS policy to consider changes of submission date by department to allow sufficient time of review of information.	
COAF 039	KPI 1: Misstatements no. of kms 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	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	RFQ has been developed for the supply of cameras which are not dependent on the cell phone network for the tracking of coordinates	General Manager

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 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 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.	Management has not disclosed the actual performance for the indicators whose actual performance were equivalent to the planned target	It is recommended that the annual performance report includes the actual annual performance for each indicator. This will result in performance information that is understandable to the end-users and consistency with the prior year reporting will be achieved.	1. Ensure that actual performance reported are appropriately supported 2. Raise challenges during the Audit engagement meeting and Steering Committees	RFQ has been developed for the supply of cameras which are not dependent on the cell phone network for the tracking of coordinates	General Manager
COAF 041	PPE: Differences between Trial Balance and Annual Financial Statements	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 errors made during the preparation and finalisation of AFS.	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 GRAP compliant	The annual performance report was adjusted and submitted to AG.	CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 042	Depreciation: Differences recalculated depreciation expense	1. Differences were identified when recalculating the Depreciation	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.		CFO
COAF 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	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.		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
COAF 043	Contingencies: Differences between Legal register and Annual Financial Statements	Differences were noted when comparing the Legal Register to the Contingable liabilities note disclosure per the Annual Financial Statements	There has been inadequate review of the Legal register 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 errors made during the preparation and finalisation of AFS.	1. Clear the litigation register. 2. Ensure appropriate reconciliation between the disclosure notes and the relevant supporting documents 3. Ensure firms are aware of the information to disclose.	This will be prepared at year-end when the 2023/24 legal register will be considered.	CFO
COAF 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 benefits thereof have not been disclosed in the note. Further, there has been no disclosure made of the	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 utilise the GRAP Disclosure Checklist to ensure all the required disclosures have been made in the AFS	1. Review GRAP 109 and ensure that completeness of notes presentation and disclosure. Management should utilise the GRAP Disclosure checklist in order to ensure the completeness of disclosure 2. Adequate		CFO

COAF No.	Audit Finding	Nature of the Finding	Cause	Recommendation	Action Plan	Progress	Responsible Director
		significant terms and conditions of the arrangement and whether any changes in these occurred during the reporting period.			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 4. Submission of AFS to Internal Audit for review.		

5.2 AUDIT REPORT OF THE AUDITOR GENERAL 2023/24 FINANCIAL YEAR

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Amahlathi Local Municipality set out as annexure volume II, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Amahlathi Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

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

Material uncertainty relating to going concern.

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 48 to the financial statements, which indicates that the municipality is unable to pay creditors within due dates and has negative key financial ratios, and that net current liabilities were realised. As stated in note 48, these events or conditions, along with the other matters as set forth in note 48, indicate

that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

Restatement of corresponding figures

9. As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Material losses - electricity

10. As disclosed in note 53 to the financial statements, material electricity losses of R18,36 million (2022-23: R18,16 million) were incurred, which represents 35,31% (2022-23: 42,07%) of total electricity purchased. The total losses are attributable to normal losses and illegal connections.

Material impairments – receivables

11. As disclosed in note 4 and 5 to the financial statements, material cumulative allowance for impairment losses of R89,01 million (2022-23: R73,69 million) and R53,72 million (2022-23: R47,19 million) was incurred as a result of a provision for impairment of consumer debtors.

Other matter

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

Unaudited disclosure notes (section 125)

13. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

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

Responsibilities of the auditor-general for the audit of the financial statements

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

Report on the annual performance report

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I selected the following material performance indicators related to basic service delivery and infrastructure development presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Percentage progress towards development of designs for Izidenge internal roads
 - Percentage progress towards development of designs for Ngqeqe internal roads
 - Percentage progress towards roads constructed at Frankfort
 - Percentage of faulty reported meters repaired and replaced per query form
 - Number of electricity meters installed.
 - Number of paintable streets with faded road markings painted
 - Percentage progress towards construction of Stutterheim recreation centre
 - Percentage progress towards construction of Keiskammahoek recreation centre
 - 100% progress towards development of designs for Phumlani community hall
 - Percentage progress towards development of designs for construction of Langdraai community hall
 - Percentage progress towards construction of Mbaxa community hall
 - Number of partially completed sites with no contractors on sites provided with security services.

20. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
21. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
22. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
23. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

24. I draw attention to the matter below.

Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement's.
26. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages xx to xx.

Basic Service Delivery and Infrastructure Development

Targets achieved: 83.33%.

Budget spent 100%

Key service delivery indicator not achieved	Planned target	Reported achievement
Percentage progress towards construction of Keiskammahoek recreation centre	60%	46%
Percentage progress towards construction of Mbaxa community hall	75%	50%

Report on compliance with legislation

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual Financial Statements

31. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of general expenses, cash flow statement and commitments identified by the auditors in the submitted financial statement were subsequently corrected and, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

32. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
33. Reasonable steps were not taken to prevent irregular expenditure amounting to R23,95 million as disclosed in note 52 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused standardization of salaries.

34. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R10,68 million, as disclosed in note 51 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties.

Utilisation of conditional grants

35. Performance in respect of programmes funded by the Municipal Infrastructure Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 5 of 2023).

Consequence management

36. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

Procurement and contract management

37. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a).
38. The preference point system was not applied in some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
39. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

Other information in the annual report

40. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the development priority presented in the annual performance report that have been specifically reported on in this auditor's report.
41. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
42. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
43. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

44. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
45. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
46. Leadership did not adequately discharge its oversight responsibilities of the implementation and monitoring of internal controls to ensure sound financial management and compliance with legislation. This resulted in the material findings identified during the audit of the annual financial statements and the audit of compliance with laws and regulation.
47. The municipality did not effectively monitor the implementation of corrective actions to address internal control deviations and compliance requirements.

Material irregularities

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

Material irregularities identified during the audit.

49. The material irregularity identified is as follows:

Cathcart Waste Landfill site: Non-compliance with environmental management legislation

50. The municipality is operating a landfill site in Cathcart without a valid licence. The site was licensed for closure on 18 July 2013, with closure and rehabilitation required within a period of two years. This means that the license has lapsed, requiring a new closure license application for and upon closure. The site continues to be used for waste disposal and treatment.
51. This resulted in a material non-compliance with section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and section 16 (1) of the National Environmental Management: Waste Act 59, of 2008 (NEMWA) which resulted in pollution of the environment, mainly due to the following:
 - No signs to and from the site observed.
 - No access control (nor security) – no official after hours (only a spotter during day to monitor the waste dumping that incur).
 - Waste disposal still incur.
 - No or ineffective control over waste receive / disposed.
 - Scavenging / recycler activities on site – burning of waste and smoke pollution.
 - No proper treatment / compaction / closure of waste.

- No yellow assets – vehicles and equipment needed to compact / close – treat the waste upon disposal.
 - No dust suppression.
 - No weighbridge or billing system (or waste recording).
 - Serious windblown litter / pollution of the areas on / surrounding the site.
 - No gas, water, leachate monitoring.
 - No ablution facilities / guard house or other equipment / needs
 - Perfect breeding ground for vermin, vector and other unwanted elements (health and safety concerns)
52. There is a clear indication of significant air pollution, the degradation of the environment and other nuisances caused by improper landfilling. The pollution could cause serious health, safety and injury risks to the surrounding communities, including workers using the site or communities in nearby areas and substantial harm to the public.
53. The accounting officer was notified of the material irregularity on 28 March 2024 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded, and it was concluded that appropriate actions have been taken. The actions taken and planned are as follows:
- The municipality compiled and submitted an action plan to the Department of Economic Development Environmental Affairs and Tourism (DEDEAT) on 26 January 2024, for the activities towards closure of the site and operationalisation of the transfer station.
 - The municipality managed to source funding for conducting the basic assessment, this being the first step to outline the following processes.
 - The tender advertisement for conducting the basic assessment of the site towards closure and rehabilitation closed on 19 April 2024.
 - A draft transfer station operational plan was submitted to DEDEAT for inputs and comments. Two skip bins were procured and delivered on 15 April 2024, however these still need to be adjusted to properly fit onto the skip bin truck.
 - A concept document was developed requesting further intense training of identified recyclers around the area of Cathcart, who are going to operate the transfer station was submitted to the DEDEAT.
54. Most of the actions taken by the accounting officer that are expected to bring improvement have been effected and some are still in progress. This includes the appointment of the service provider that will undertake the basic assessment as part of the waste management licence application for the closure and rehabilitation of the site on 10 March 2025, the training sessions conducted for recyclers on 7 June 2024 and the waste disposal statistics from 1 May 2024 to 30 June 2024 to monitor the disposal of waste on site.
55. I will follow up on the implementation of the planned actions during my next audit.

Status of previously reported material irregularities

Interest and penalties charged by SARS due to late payments.

56. The municipality did not pay the employees' tax deducted from employees over to the South African Revenue Services (SARS) within seven days after the end of the month during which the amount was deducted. This was in contravention of section 2(1) of the Fourth Schedule of the Income Tax Act and section 210 of Tax Administration Act. The municipality was required to pay penalties to SARS due to non-compliance with the Income Tax Act.
57. The non-compliance resulted in a material financial loss of R3,8 million in the form of interest, which was disclosed as fruitless and wasteful expenditure in the financial statements.
58. The accounting officer was notified of the material irregularity on 26 November 2021 and was invited to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer responded by providing evidence of investigation concluded on 22 January 2022. The investigation concluded that there were insufficient funds to make the payment on time and no persons were identified as being responsible. The investigation also found that there had been no breakdown in controls and that the unavailability of funds was the main root cause.
59. The following actions are planned to respond to the material irregularity:
 - Continuous implementation of the financial recovery plan, revenue enhancement strategy and cost containment policy to mitigate the municipality's financial sustainability challenges.
60. The accounting officer improved compliance in this regard, resulting in a significant decrease in losses suffered. This is evidence that the actions taken by management to respond to the material irregularity are effective.
61. Based on my evaluation of the information and evidence provided, the steps taken by the accounting officer are appropriate and the material irregularity is therefore resolved.

Interest paid to Eskom due to late payment of invoices.

62. The municipality paid interest to Eskom on invoices that were not paid within 30 days. The payments not made within 30 days constitute non-compliance with section 65(2)(e) of the MFMA, which requires the accounting officer to take all reasonable steps to ensure that all money owing by the municipality is paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.
63. The non-compliance resulted in a material financial loss of R5 million in the form of interest.
64. The accounting officer was notified of the material irregularity on 18 November 2021 and was invited to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer responded by providing evidence of an investigation concluded on 15 December 2021. The investigation found that there were insufficient funds to make the payment on time and no persons were identified as being responsible. The investigation further found that there had been no breakdown in controls and that the unavailability of funds was the main root cause.
65. The following actions have been taken to respond to the material irregularity:

- The municipality proposed a payment arrangement with Eskom in July 2023 and further applied for a debt relief in accordance with circular 124 of the MFMA in August 2023.
 - The municipality has approached the high court to set aside (as it considered to be invalid), the council decision for standardisation of salaries. The case was set down on 10 May 2024, with the court ruled in favour of the municipality. The outcome of this case is expected to significantly improve the municipality's cash flows.
66. The municipality's debt relief application was approved. The municipality enrolled in the debt relief programme during the year under review in terms of which debt accumulated until 31 March 2023 will be written off over three years, subject to adherence to the conditions outlined in MFMA circular 124. For the first eight months following the cut-off date (31 March 2023), compliance scoring was reported as nil leading to an accumulation of the new debt. The municipality undertook to commence payment to Eskom regarding their new debt upon receipt of their equitable share in December 2024.
67. A slight positive progress was made whereby Eskom reversed interest charged between 1 April 2023 and 24 November 2023, amounting to R11,9 million. This benefit remains permanent even if the municipality later fails to meet the conditions for the debt write-off.
68. Based on my evaluation of the information and evidence provided, the steps taken by the accounting officer are appropriate and the material irregularity is therefore resolved.

East London

29 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance.

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements.

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)

Legislation	Sections or regulations
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(8), 7(1), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(4), 5(1), 5(4)

AUDIT ACTION PLAN TO ADDRESS 2023/24 FINDINGS

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
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COAF 006	AFS	1. Electricity – Classification on issue	For the General expenditure – Electricity amount recorded on the financial statements amounting to R4 178 562 as illustrated on note 39, it was identified that the transaction included expenditure for water and sanitation amounting to R3 849 540,93. Therefore, this means that the amount recorded on the financial statements is misleading to the users of the financial statements	This is due to failure to separate the expenditur es for water and sanitation from the electricity expenditur e on the financial statements or to be aligned with the vote for ‘ Electricity, Water and sanitation’ as per the general ledger	Misstate me nt in Annual Financial Statement	Management should ensure that the amounts presented on the financial statement are accurate, appropriately presented and are not misleading to the users of the financial statements	1. Adequate time for the reviewal of Annual Financial Statements to Lead Schedules and supporting documents with sign- off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan	Expenditur e Classificati on on Annual Financial Statement s corrected.	18-Jul-25	Budget and Treasury	Implement ed
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COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
COAF 009	SOM	1. Commitments - Inaccurate amount recorded	Commitments were identified to have been inaccurately calculated in the commitments register as follows	The cause was due to management incorrectly allocating payments made to suppliers for services rendered, therefore resulting in an inaccurate balance	Misstatements in financial statements	Management should ensure that adequate reviews are performed on the Commitments Register and the inputs in the calculation relating to the contract value, payments made to suppliers and variation orders have been accurately recorded	Compare commitments Register to WIP and Retentions Registers		15/08/2025	Budget and Treasury	

COAF 009	AFS	2. Cash Flow Statement Differences	The following differences were identified in the Cash Flow Statement	Lack of reviews on the calculation of cash flows included in the statement of cash flows and making sure that GRAP standard is complied with. Further, it was noted that VAT was not separated between revenue (VAT payable) and expenditure (VAT receivable) the same way it has been separated in the	Misstatements in financial statements	Management should ensure that calculations relating to receipts and payments is properly done taking into account all elements relating to cash flow items. Further to that, management should make the necessary adjustments to the annual financial statements to ensure that the annual financial statements are fairly presented by the MFMA.	1. Adequate time for the review of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Reviewal AFS in the Audit Plan	22-Aug-25	Budget and Treasury
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2023/24 ANNUAL REPORT

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
COAF 009	AFS	4. Prior Period Error – Note 46	It was noted that the prior period Note 46 omitted to disclose the previously reported amount per the prior year for unspent conditional grants restated as follows	Through enquiry with management it was noted that the differences were due to omitting to include appropriate amounts as required by GRAP 3	Misstatements in financial statements	Management should ensure that Prior Period Error Note completely and accurately disclosed in that it correctly includes the amount previously reported, the correction of the error and the restated figure.	1. Adequate time for the review of Annual Financial Statements to Lead Schedules and supporting documents with sign-off. 2. Submission of AFS to Internal Audit for review. 3. Allow sufficient time to for Review AFS in the Audit Plan		22-Aug-25	Budget and Treasury	

COAF 018	Purchases and Payables	1. Supplier invoices not paid within 30 days from invoice receipt date	Supplier invoices were not paid within 30 days from date of receipt of the invoices, refer to the tables below for details	This is due to manage nt lack of oversight in ensuring that invoices are paid within the legislated 30 days	Non- compliance	Before undertaking any procurement processes the municipality must first confirm that sufficient funds have been allocated and cash is available for the procurement of the required goods, works or services. This must be confirmed in writing by the Chief Financial Officer. If this is not confirmed, then no orders must be placed, or no such procurement must be allowed to proceed. Accordingly, it is incumbent on the accounting officer, chief financial officer and head of	In instances, where supplier invoices will not be paid within 30 days, contact suppliers and make relevant payment arrange nts	On going	30/06/20 25	Budget and Treasury
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procurement to ensure municipal officials are aware of the control measures and service providers informed before any orders are placed or approved

Material Irregularity	Environmental Audit	1. Cathcart Waste Landfill and Transfer Station findings and impacts reported	The Amahlathi 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	Material Irregularity	1. Comment on operation of Transfer station. 2. Closure and rehabilitation of the Cathcart waste disposal site	30 June 2025 30 June 2026	Community Services

[illegible]

COAF No.	CAT	Audit Finding	Nature of the Finding	Cause	Classification	Recommendation	Action Plan	Progress	Time Frame	Department	Status
Material Irregularity	Eskom	Eskom	The Amahlathi Local Municipality incurred excessive interest on outstanding Eskom Debt		Material Irregularity		1. Finalise and approve Eskom Repayment plan 2. Comply with Eskom Debt relief programme		30/06/2025	Budget and Treasury	

REPORT OF THE AUDIT COMMITTEE

1. PURPOSE

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

2. LEGAL / STATUTORY REQUIREMENTS

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

- Municipal Structures Act
- Municipal Systems Act 32 of 2000

3. BACKGROUND

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

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

4. Carry out such investigations into the financial affairs of the municipality or municipal entity as the council of the municipality, or in the case of a municipal entity, the council of the parent municipality or the board of directors of the entity, may request; and
5. Perform such other functions as may be prescribed.

4. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

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

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

During 2023/24 financial year, the AC held 6 meetings, 4 Ordinary AC and 2 Special AC Meetings.

Name of Member	Number of Ordinary Meetings Attended	Number of Special AC meetings attended
Ms L. Smith - AC Chairperson	4	2
Ms N. Mabuza – Hermanus	4	2
Mr M. Mdani	3	2
Mr M. Manxiwa	4	1

5. DATES OF AC MEETINGS FOR 2023/24

Ordinary Meetings	Special Meetings
25 July 2023	29 August 2023
24 October 2023	26 February 2024
23 January 2024	
21 May 2024	

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

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

6. EFFECTIVENESS OF INTERNAL CONTROLS

Audit Committee has assessed the internal controls for the municipality through a review of Internal Audit reports and close monitoring on implementation of 2023/24 Approved Risk- Based Internal Audit Plan.

7. RISK MANAGEMENT REPORTS

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

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

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

8. REVIEW OF ANNUAL FINANCIAL STATEMENTS

- 2023/24 Annual Financial Statements were reviewed by both Audit Committee and Internal Audit and submitted to Council in August 2024.
- 2023/24 Interim Annual Financial Statements as at 31 December 2023 were also reviewed by both AC and Internal Audit.

9. PERFORMANCE MANAGEMENT

- 2023/24 Annual Performance was reviewed by both Audit Committee and Internal Audit and submitted to Council in August 2024.
- 2023/24 Mid-Term Performance as at 31 December 2024 was also reviewed by both AC and Internal Audit and tabled to Council.
- All Quarterly Performance reports are reviewed by AC and Internal Audit and submitted to Council.
- It was noted that the Municipality has not fully implemented the Performance Management System.

10. FOLLOW-UP ON AG ACTION PLANS

Management reports quarterly on the implementation of AG Action Plans.

Action plans as at 30 June 2024 were submitted to Internal Audit for review.

11. FOLLOW-UP ON IA ACTION PLANS

42 Findings were followed up during 2023/24 from previous audit reports that were issued by Internal Audit.

12. REVIEW OF MANAGEMENT REPORTS

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

7.1 ICT Performance Report

7.2 Legal Matters

7.3 Finance Reports

7.4 Performance Reports

7.5 Report on the filing of critical vacant and funded posts

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

13. OVERALL CHALLENGES RELATING TO INTERNAL AUDIT UNIT

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

- Lack of office spaces for officials since the offices burnt during the October 2018 community protests.
- The Municipality does not have Risk Management Unit or Risk Management Personnel, risk management activities are performed by Internal Auditors.
- Three unfilled vacant positions for 2x internal auditors and Risk and Compliance Officer positions
- Lack of adequate tools of trade for internal audit function.

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

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

CHAPTER 7 APPENDICES

APPENDIX A: COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Council Members	27-Jul 2023	01-Aug 2023	24-Aug 2023	31-Aug 2023	26-Oct 2023	14-Nov 2023	30-Nov 2023	14-Dec 2023	25-Jan 2024	28-Feb 2024	27-Mar 2024	25-Apr 2024	07-May 2024	23-May 2024	06-June 2024	28-June 2024	no of meetings	percentage of council meetings	percentage of council meetings	percentage of council meetings
1. Cllr. Nomakhosazana Nongqayi	P	P	APO LOG Y	P	P	P	P	P	P	P	P	P	P	P	P	P	16	94	6	0
2. Cllr. Nokuzola Mhaleki	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16	100	0	0
3. Cllr. Onke Mgunculu	P	P	P	APO LOG Y	P	P	P	P	P	P	APO LOG Y	P	P	P	P	APO LOG Y	16	81	19	0
4. Cllr. Pateka Qaba	P	P	p	P	P	P	P	P	P	P	P	P	P	P	P	LEAVE	16	94	6	0
5. Cllr. Nobathembu Manyika	P	P	P	P	P	APO LOG Y	APO LOG Y	P	P	P	ABS ENT	P	P	APO LOG Y	ABS ENT	P	16	69	18	13
6. Cllr. Xola Moses Tokwe	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16	100	0	0
7. Cllr. Busisa Xongwana	P	P	p	P	P	P	APO LOG Y	P	P	P	P	P	P	P	P	P	16	94	6	0

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

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

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

APPENDIX C: THIRD TIER STRUCTURE

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

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

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

APPENDIX E: WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward Committees 2023-2024	Name of Ward Councillor and elected Ward Committees June 2024	Committee established (Yes /NO)	Number of Committee meetings held during the year	Number of quarterly reports submitted to the Speaker on time	Number of quarterly public meeting held during year
WARD 1	Cllr N.Mkiva 1.Phila Zini 2.Sandla Soka 3.David Nkosinathi Mzili 4.Loyiso Bazi 5.Yoliswa Fikelepi 6.Noluthando Gwane 7.Nosibusiso Vumindaba 8.Ovayo Ndlangalavu 9.Sandisiwe Nzwana 10.Thembakazi Gege	Cllr N.Mkiva 1.Phila Zini 2.Sandla Soka 3.David Nkosinathi Mzili 4.Loyiso Bazi 5.Fikiswa Lugwali 6.Noluthando Gwane 7.Nosibusiso Vumindaba 8.Ovayo Ndlangalavu 9.Sandisiwe Nzwana 10.Thulani Magingxa	YES	10	0	4
WARD 2	Cllr Z.Qonto 1.Khanyisa Khumbaca 2.Nobesuthu Zolidayi 3.Nomalulama Manyika 4.Sophumelela Mfecane 5.Gcobani Matutu 6.Simphiwe Kulati 7.Aviwe Rolisisu 8.Kwakhanya Mpange 9.Mongameli Rode 10.Athenkosi Ganjana	Cllr Z.Qonto 1.Khanyisa Khumbaca 2.Nobesuthu Zolidayi 3.Nomalulama Manyika 4.Sophumelela Mfecane 5.Gcobani Matutu 6.Simphiwe Kulati 7.Aviwe Rolisisu 8.Kwakhanya Mpange 9.Mongameli Rode 10.Athenkosi Ganjana	YES	10	0	4
WARD 3	Cllr N.Nyangwa 1.Ayanda Faniso 2.Thozama Sweetness Mhluzi 3.Nompumezo Socishe 4.Nomakhholwa Petronela Zotsha 5.Kwandiwe Gida 6.Zimasa Mti 7.Mfuyo Jumba 8.Nkosabantu Busika 9.Nandipha Sweetness Nyovane 10.Luleka Nonzame Matsoyiyane	Cllr N.Nyangwa 1.Ayanda Faniso 2.Thozama Sweetness Mhluzi 3.Nompumezo Socishe 4.Nomakhholwa Petronela Zotsha 5.Thembisa Gida 6.Zimasa Mti 7.Mfuyo Jumba 8.Nkosabantu Busika 9.Nandipha Sweetness Nyovane 10.Luleka Nonzame Matsoyiyane	YES	10	0	4
WARD 4	Cllr N.Charlie 1.Nocwaka Nonyongo 2.Bongeka Phendu 3.Wandile Lalo	Cllr N.Charlie 1.Nocwaka Nonyongo 2.Bongeka Phendu 3.Wandile Lalo	YES	10	0	4

	4.Thobela Qoto 5.Yongama Feni 6.Sibusiso Nojoko 7.Melikhaya Nqaba 8.Kholiwe Mabunzane 9.Thabiso Mohautse 10.Wanga Lihleli Dlai	4.Thobela Qoto 5.Yongama Feni 6.Sibusiso Nojoko 7.Melikhaya Nqaba 8.Kholiwe Mabunzane 9.Thabiso Mohautse 10.Wanga Lihleli Dlai				
WARD 5	Cllr N.Klaas 1.Thobeka Mevi 2.Dumisa Khepu 3.Mninawa Richard Mbolekwa 4.Yoliswa Mancam 5.Zukile Tadeus Madolwana 6.Mlindeli Thandiwe 7.Ntombekhanyo Rululu 8.Sihle mpahla 9.Zinzi Ngalo 10.Nomakhosazana Sili	Cllr N.Klaas 1.Thobeka Mevi 2.Dumisa Khepu 3.Mninawa Richard Mbolekwa 4.Yoliswa Mancam 5.Zukile Tadeus Madolwana 6.Makuthulwe Gerrard Vellem 7.Ntombekhanyo Rululu 8.Sihle mpahla 9.Zinzi Ngalo	YES	10	0	4
WARD 6	Cllr M.Busakwe 1.Zimasa Patricia Sokuyeka 2.Lukhanyo Jaji 3.Ntombekhaya Manoni 4.Marlon Curtis Jacobs 5.Gavin Ignatius Jacobs 6.Nontekelelo Josephine Xinkuluwe 7.Ntomboxolo Gqwaka 8.Gudiswa Matomela 9.Zoliswa Mpangise 10.Zukiswa Jongilanga	Cllr M.Busakwe 1.Lukhanyo Jaji 2.Ntombekhaya Manoni 3.Marlon Curtis Jacobs 4.Gavin Ignatius Jacobs 5.Nontekelelo Josephine Xinkuluwe 6.Ntomboxolo Gqwaka 7.Gudiswa Matomela 8.Zoliswa Mpangise 9.Zukiswa Jongilanga	YES	10	0	4
WARD 7	Cllr Z.Mfulana 1.Akhona Geza 2.Babalwa Bhuqekile 3.Fundile Gebe 4.Nozipho Manyonga 5.Phumza Jaji 6.Zuziwe Lwana 7.Neliswa Nyhwagi 8.Mandilakhe Ngcukana 9.Sondezwa Mxayiya 10.Zoleka Mabetha	Cllr Z.Ngozi 1.Akhona Geza 2.Babalwa Bhuqekile 3.Fundile Gebe 4.Nozipho Manyonga 5.Phumza Jaji 6.Zuziwe Lwana 7.Neliswa Nyhwagi 8.Mandilakhe Ngcukana 9.Sondezwa Mxayiya 10.Zoleka Mabetha	YES	10	0	0
WARD 8	Cllr X.Neti 1.Bulelwa Tela 2.Sydney Mbekeni 3.Londoza Lillian Cengani 4.Nelson Kondile 5.Thobeka Veronica Songololo 6.Nomasixole Ngangelizwe 7.Nosiphiwo Mvolontshi 8.Bayanda Mketshana	Cllr X.Neti 1.Bulelwa Tela 2.Sydney Mbekeni 3.Londoza Lillian Cengani 4.Nelson Kondile 5.Thobeka Veronica Songololo	YES	10	0	4

		6.Nomasixole Ngangelizwe 7.Nosiphiwo Mvolontshi 8.Bayanda Mketshana				
WARD 9	Cllr M.Nqini 1.Nonkosi Sibawu 2.Thozama Dyosi 3.Zukisani Tshudu 4.Veliswa Lwana 5.Xolani Mpingelo 6.Ziyanda Butsha Sinyamba 7.Nandipha Maneli 8.Busisiwe Miranda Mzondi 9.Zoleka Mbekeni 10.Zameka Sotyantsi	Cllr M.Nqini 1.Nonkosi Sibawu 2.Thozama Dyosi 3.Zukisani Tshudu 4.Veliswa Lwana 5.Xolani Mpingelo 6.Ziyanda Butsha Sinyamba 7.Nandipha Maneli 8.Busisiwe Miranda Mzondi 9.Zoleka Mbekeni 10.Zameka Sotyantsi	YES	10	0	4
WARD 10	Cllr M Neku 1.Simphiwe Majiki 2.Sinxolo Wilberforce Dya nty 3.Bukelwa Sooi 4.Buntu Masonwabe Mpondo 5.Thabisa Mhlahlo 6.Nomalizo Mkhefe 7.Phumzile Mbaza 8.Mamela Makhongolo 9.Nomfusi Sthetho 10.Siphamandla Qaba	Cllr M Neku 1.Simphiwe Majiki 2.Sinxolo Wilberforce Dyantyi 3.Bukelwa Sooi 4.Buntu Masonwabe Mpondo 5.Thabisa Mhlahlo 6.Nomalizo Mkhefe 7.Phumzile Mbaza 8.Mamela Makhong 9.Siphamandla Qaba	YES	10	0	4
WARD 11	Cllr N.Sidinana 1.Cordelia Nosipho 2.Makuzeni 3.Mhleli Hejane 4.Mazande Ndesi 5.Cornia Nontando Kasba 6.Nomsebenzi Gloria Lantu 7.Zamekile Blom Simon Feni 8.Yandiswa Ngemntu 9.Nozuko Ngamlana 10.Thandiwe Virginia Magwaca	Cllr S.Mqwebedu-Matini 1.Cordelia Nosipho.Makuzeni 2.Mazande Ndesi 3.Cornia Nontando Kasba 4.Nomsebenzi Gloria Lantu 5.Yandiswa Ngemntu 6.Nozuko Ngamlana 17.Thandiwe Virginia Magwaca	YES	6	0	0
WARD 12	Cllr P.Simandla 1.Khanyiswa Mazosiwe 2.Anele Tole 3.Mandla Victor Mditshwa 4.Norah Ntshante 5.Thembelani Makisi 6.Velisani Dumezweni 7.Charles Sibuyile Maqaqa 8.Nopinki Gloria Skeyi	Cllr P.Simandla 1.Aviwe Mbekeni 2.Gcinumzi Sloko 3.Mandla Victor Mditshwa 4.Norah Ntshante 5.Velisani Dumezweni 6.Charles Sibuyile Maqaqa 7.Nopinki Gloria Skeyi	YES	10	0	4

	9.Yandiswa Mhanya 10.Thozamile Ascension K Humbaca	8.Yandiswa Mhanya				
WARD 13	Cllr N.Ncevu 1.Sivuyile Cetwayo 2.Monde Mzimba 3.Lindelwa Mbandezi 4.Sipho Patric Ntuthu 5.Bonelwa Nikani 6.Yandiswa Thembani-Siswana 7.Vuyelwa Veronica Nyamakazi 8.Vuyo Jakuja 9.Akhona Sontaba 10.Melikhaya Gladman Goniwe	Cllr N.Ncevu 1.Sivuyile Cetwayo 2.Lindelwa Mbandezi 3.Sipho Patric Ntuthu 4.Bonelwa Nikani 5.Yandiswa Thembani-Siswana 6.Vuyelwa Veronica Nyamakazi 7.Vuyo Jakuja 8.Akhona Sontaba 9.Melikhaya Gladman Goniwe	YES	10	0	4
WARD 14	Cllr M.Maweni 1.Caciswa Portia Mjali 2.Zandile Mavela 3.Mangaliso Bhatayi 4.Thembile David Tyelentombi 5.Siphokazi Sinxolo Hlanganise 6.Desmond Dyosi 7.Luxolo Magalela 8.Nomthandazo Mbolani 9.Fundiswa Patricia Sofatsha 10.Zukiswa Silere	Cllr M.Maweni 1.Caciswa Portia Mjali 2.Zandile Mavela 3.Mangaliso Bhatayi 4.Thembile David Tyelentombi 5.Siphokazi Sinxolo Hlanganise 6.Desmond Dyosi 7.Luxolo Magalela 8.Nomthandazo Mbolani 9.Fundiswa Patricia Sofatsha 10.Zukiswa Silere	YES	10	0	4
WARD 15	Cllr N.Salaze 1.Luxolo Ncumani 2.Zola Gavini 3.Gcobani Gwebushe 4.Nobuntu Mbende 5.Thembisile Mavela 6.Babalwa Kwanini 7.Makhwenkwe Gwebani 8.Prince Qinga 9.Thembisa Nkangala 10.Nombulelo Mbekeni	Cllr N.Salaze 1.Luxolo Ncumani 2.Zola Gavini 3.Gcobani Gwebushe 4.Nobuntu Mbende 5.Thembisile Mavela 6.Babalwa Kwanini 7.Makhwenkwe Gwebani 8.Prince Qinga 9.Thembisa Nkangala 10.Nombulelo Mbekeni	YES	10		4

APPENDIX F: MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
1	<u>Financial Recovery Plan (FRP) and Revenue Enhancement Strategy (RES)</u> Upon review of Internal Audit Reports relating to implementation of Financial Recovery Plan and Revenue Enhancement Strategy, Audit Committee recommended that Management must develop a plan to address POE challenges.	24 April 2024	Municipal Manager - ALL HODs	Not yet implemented Management will work on this project, management anticipates to have a draft consolidated document by December 2024. Once the strategy has been consolidated, management will also ensure that the plan with clear actions and portfolio of evidence will be developed.	31 December 2024
2	<u>Financial recovery plan and Revenue Enhancement Strategy</u> AC recommended that Management should look at consolidating the FRP and RES	24 April 2024	Municipal Manager - ALL HODs	Not yet implemented Management will work on this project, management anticipates to have a draft consolidated document by December 2024.	31 December 2024

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Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
	because they serve one purpose (Revenue Enhancement) and some activities are duplicated.				
3	<u>Review of Performance Information</u> During review of 3rd Quarter Performance information, AC recommended that Management should include column for expenditure when reporting	24 April 2024	General Manager	Not yet implemented Management will include the column for expenditure during 1st Quarter PMS Reviews	31 October 2024
4	<u>Review of Performance Information</u> AC recommended that the Internal Audit Unit should consider tracking remedial actions for previous quarters during Performance Information reviews. It was agreed that going forward	24 April 2024	Internal Audit Manager	Implemented Internal audit has included the resolution as part of the corrective and scope of the Quarterly Review	n/a

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Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
	the Internal Audit Unit will enhance its scope of work and include the expenditure and tracking of remedial actions.				
5	<u>Annual Performance Report</u> <u>Preparation Plan</u> This item was introduced to the Audit Committee Meeting as per the recommendations made by Provincial Treasury during session that was held regarding implementation of the Annual Financial Statements Preparation Plan, it was advised that the municipality should also have Annual Performance Report Preparation Plan to minimise risk of non-compliance. The plan was not presented in the last AC Meeting.	24 April 2024	General Manager	Implemented Council approved IDP Budget and FMS process plan on the 31st August 2024.	n/a

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
6	SECTION 52D REPORTS - EMPLOYEE COSTS AC recommended that the Municipality needs to cut costs in terms of employee costs. AC clarified the resolution relating to employee costs. AC suggested that the municipality should have a strategic plan in place regarding this matter which will indicate how much the municipality can afford and what actions the municipality will take to achieve that.	24 October 2023 25 July 2023	Director : Corporate Services Municipal Manager	Not possible to implement After the Reversal of Standardisation, the Municipality will be able to budget properly for Employee Costs and determination shall be made as to how far the municipality is at with regards to the 40% determined by the National Treasury.	S

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
7	<u>2023/24 SDBIP</u> AC recommended that during planning for 2024/25 financial year, the municipality need to develop its own municipal outcomes that are linked to the National Outcomes. AC reviewed 2023/24 SDBIP and some discrepancies were noted during review. *Some indicators were still not clearly defined. *Baseline should inform target not the vice versa. AC recommended that during Mid-Term reviews, the municipality should adjust the areas highlighted by AC during review.	24 October 2023 25 July 2023	General Manager	In Progress The planning process is still taking place before the IDP is presented to council it will reflect on the expected outcomes derived from the 2024 strategic planning session.	23 May 2024

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
8	<u>NEW STAFF AT IDP/PMS UNIT</u> <u>TO BE CAPACITATED</u> AC recommended that the new staff members that are assisting at IDP/PMS Unit should be capacitated on the following areas; *Requirements of a good indicator *SMART Principles *4Es	25 July 2023	GM Director Corporate Services	In Progress Due to the need to cascade Performance Management to all levels of operation in the Municipality, Corporate Services will take upon this responsibility and training of both staff at IDP/PMS and Corporate Services shall be prioritised in Q2 of 2024/25 financial year.	Not provided
9	<u>REPORT ON FILING OF</u> <u>CRITICAL VACANT FUNDED</u> <u>POSITIONS</u> AC recommended that the position of CFO and Manager Budget & Reporting should be filled urgently. On the 24 October 2023 the Management advised the Committee that recruitment processes for the CFO are on final stages, and interviews for Manager Budget & Reporting will be on the 30 October 2023. Progress will be	24 October 2023 25 July 2023	Director : Corporate Services Municipal Manager	In progress CFO position has been re-advertised and X5 candidates shortlisted in the month of July 2024, Interviews are scheduled for the same month. Manager: Budget position is filled together the critical position of Manager: Roads and Stormwater.	

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
	reported in the next AC. Position of CFO has been vacant since 01 September 2023.				
10	<u>QUALITY ASSURANCE AND IMPROVEMENT PLAN</u> Target for implementation of Quality Assurance & Improvement Plan was not achieved by Internal Audit during 2022/23 financial year. After lengthy deliberations with regards to this item, AC recommended that the Municipality should make a formal request for assistance from Treasury, because of financial implications attached to conducting External Quality Assurance Reviews.	24th May 2023	Municipal Manager Internal Audit	In progress PT EC has been approached, and we have been advised that the unit that provides quality assurance reviews to municipalities is not fully functional as there is a vacancy at senior management level.	

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
11	<u>REVENUE ENHANCEMENT</u> AC recommended that the Municipality should do research and findout if Stutterheim can benefit on the roll-out for Car-Charging Stations by Government in order to enhance municipal revenue (Electricity sales) Existence of Car-charging site within Amahlathi will boost the electricity sales.	24th May 2023	CFO Planning and Development	In progress Correspondence was sent to Winstone Jordan on the 24 April 2024 by Director Development and Planning to enquire about EV Charging points. Virtual session to engage on the matter was scheduled for 29 April 2024. Municipality was advised on 2 options, either to buy the charger and make extra profit on electricity sales or wait for roll out to take place.	Ongoing

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
12	<u>MMs REPORT</u> <u>MUNICIPAL RE-ENGINEERING (ORGANOGRAM REVIEW)</u> It was indicated that the Organogram is in the process of being reviewed by the Council and the process of municipal re-engineering will continue afterwards.	24 May 2022	Municipal Manager Director Corporate Services	In progress The Municipality Council approved the Organogram and COGTA also responded positively to the Organogram of the Municipality. The implementation is now at finalisation of Job Descriptions for Evaluation purposes	01 June 2025
13	<u>MUNICIPAL RE-ENGINEERING (CAR ALLOWANCES)</u> It was indicated that the car allowance is going to be taken but the process will be discussed with the Legal Office.	24 May 2022	Municipal Manager Director Corporate Services	In progress Due to the standardisation case being Won by the Municipality, Of the 19 participants paid a total of R353 990,70 per month, only 08 shall remain with R169 846,50 as a total paid per month. (Cost Savings of R184 144,20) per month.	Not provided

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Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
14	<u>MUNICIPAL RE-ENGINEERING</u> <u>(STANDARDISATION OF SALARIES)</u> With regards to reversal of Standardization, the Acting MM advised the Committee that the matter was taken to Court and the appointed Lawyers will submit the report to the Acting MM who will then report to Council on the 28 July 2022.	24 May 2022	Municipal Manager Director Corporate Services	In progress The Municipality Won the Standardisation case in the High Court. Implementation plan has been drawn and to be consulted with Labour for implementation.	01 August 2024
15	<u>FINANCE REPORTS</u> With regards to Revenue Collection, AC recommended that the municipality should have meetings and engage the Attorney that is part of panel to write letters of demand to businesses and households so that they can sign letter of Debt Acknowledgement so that those who do not comply with	24 October 2023	Acting CFO Legal Manager	Implemented REVENUE deals with this. This process would have place if we didn't have REVENUE as a debt collector. REVENUE receives Debt from its debts more than 60 days - check email. Please to check email dated 12 May 2023. Handover to REVENUE doing on standing basis.	

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
	Debt Acknowledgement Arrangement be referred to Legal Manager for Litigation and recovery of such Debt.				
16	<u>FINANCE REPORTS</u> AC further recommended that the appointed Debt Collectors should prepare monthly reports and submit the reports to the CFO.	24 October 2023	Acting CFO	Implemented Monthly reports are submitted within 10 working days after the month end.	
17	<u>FINANCIAL RECOVERY PLAN (FRP) & REVENUE ENHANCEMENT STRATEGY (RES)</u> On the 24th May 2023, AC recommended that implementation of both Financial Recovery Plan & Revenue Enhancement Strategy should form part of 2023/24 SDBIP.	24 October 2023 25 July 2023 24 May 2023	Municipal Manager General Manager	Implemented Revenue enhancement is addressed through a number of indicators in the SDBIP. Apart from that each Directorate on a quarterly basis reports to MM on the areas of revenue enhancement allocated to them.	

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Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
18	<u>SERVICING OF MUNICIPAL VEHICLES</u> AC recommended that servicing of municipal vehicles should be prioritised. AC further advised that the municipality should do research and look at Government Fleet Management Services as they have cheaper ways of fixing their vehicles. They have their own Mechanics.	24 October 2023 25 July 2023	Director : Corporate Services	Implemented The Municipality has appointed a Service Provider to maintain all the Municipal Fleet	
19	<u>INTERNAL AUDIT MANAGER'S VACANCY</u> With regards to vacancy of Internal Audit Manager which has been open since 01st November 2022, AC recommended that the Municipality should give a positive feedback on the next AC meeting which will be held on the	24th May 2023 23rd January 2023	MM Director Corporate Services	Implemented The Internal Audit Manager was appointed and assumed duty on 01 January 2024	

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
	24th May 2023, its either the municipality co-source the functions of Internal Audit Manager or permanently employ the Internal Audit Manager. Feedback was given by Management on the 24th May 2023 and it was indicated that the bids were closing on the 26th May 2023. Feedback was given by Management on the 25th July 2023 and Management advised the Committee that they have resolved to advertise the permanent position of Internal Audit Manager.				
20	<u>MONITORING & EVALUATION</u> <u>POLICY</u> AC recommended that Monitoring & Evaluation Policy should include 3 monitoring variables; Cost, Time & Quality	23rd January 2023	GM	Implemented Subject to policy workshop on council approval	

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Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
21	<u>ANNUAL REPORT</u> AC recommended that members of management and those that received the Annual Report confirm via signoff that indeed they are happy with the Annual report in terms of validity of the content and in terms of the quality procedure that have been done. It was recommended that management should ensure that the AC resolutions will form part of the Annual report that is to be published.	24 January 2024	Municipal Manager	Implemented The management is happy the annual report 2022/23 as such the accounting officer has signed the report. The AJJ had cancelled herself on the Annual Report and confirmed via email that the final version of the annual report is valid and ready to be signed and thereafter be published. The email was from Eugene Fikay the Senior Manager of AJJ and was sent to management at 1:02:23 on the 24 January 2024	

2023/24 ANNUAL REPORT

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
22	<u>Internal Audit Reports</u> AC recommended that issues relating to audit finding disagreements should be dealt with by the MM and his team (Internal Audit Unit and Management). AC advised the Management that in terms of the revenue enhancement and the issue of lease agreements, the bylaws, the implementation and enforcement thereof and the lease policy it should approach the office of the Premier, the office of the state law advisor.	24 January 2024	Municipal Manager	Implemented Pre AC meeting set on the 21 April 2024 for Internal Audit and Management to discuss Internal Audit reports before AC.	
23	<u>VALIDATION OF FMCMM</u> AC recommended that the municipality should appoint the FMCMM Champion before the next AC Meeting (to be held in January 2024).	24 October 2023	Municipal Manager / CFO	Implemented Mr Samuels - Budget and Reporting Manager is currently championing FMCMM Reporting	

2023/24 ANNUAL REPORT

Item #	MATTERS RAISED	DATE OF AC MEETING	RESPONSIBILITY	PROGRESS by MANAGEMENT	IMPLEMENTATION DATE
24	<u>CONTINGENT LIABILITIES</u> AC recommended that Contingent Liabilities should be updated Quarterly. It was resolved that reporting template should be sent to lawyers so that contingent liabilities will be reported on Quarterly Basis.	24th May 2023	CFO	Implemented Contingent liabilities are now being reported on a quarterly basis.	n/a
25	<u>FINANCE REPORTS AC</u> recommended that the municipality should reduce its creditors and avoid late payments. AC further recommended that creditors should be prioritised before payment of salaries. AC advised that when the report is given to council, there should be an actual summary at the end where a pdf document stipulates the total budget vs the actual.	23rd November 2022	CFO	Implemented The 2023 report for 2022 has been updated and includes the summary as per its commitments.	

APPENDIX G: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2023 to 30 June of Year 2024		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cllr N Nongqayi	Nil
Member of EXCO	Cllr. P Qaba	Nil
	Cllr. NP Mlahleki	Nil
	Cllr. B Xongwana	Nil
	Cllr. XM Tokwe	Nil
	Cllr. NA Kato-Manyika	Nil
	Cllr. T Balindlela	Nil
Councillor	Cllr. ZA Qonto (MPAC Chair)	Nil
	Cllr. PM Onceya-Sauti	Nil
	Cllr. A Hobo	Nil
	Cllr. N Ngxakangxaka	Nil
	Cllr. RB Pickering	Nil
	Cllr. N Mbulana	Nil
	Cllr. M Gantsho	Nil
	Cllr. NV Mjandana	Nil
	Cllr. NC Mkiva	Nil
	Cllr. N Nyangwa	Nil
	Cllr. N Charlie	Nil
	Cllr. NZ Klaas	Nil
	Cllr. M Busakwe	Nil
	Cllr. ZE Mfulana	Nil
	Cllr. X Neti	Nil
	Cllr. M Nqini	Nil
	Cllr. M Neku	Nil
	Cllr. NO Sidinana	Nil
	Cllr. PA Simandla	Nil
	Cllr. N Ncevu	Nil
	Cllr. ME Maweni	Nil
	Cllr. N Salaze	Nil
	Cllr. O Mgunculu	Nil
	NJ Ulana	Nil
Municipal Manager	Dr. Z Shasha	Nil
Chief Financial Officer	Mr. L Manjingolo	Nil
Directors	Mr. S Mnweba	Nil

	A Noholoza	Nil
	N Nqulo	Nil
	N Dlova	Nil
Other S57 Officials		
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		
T J		

APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year 2021/22	Current: Year 2023/24			Year 2023/24 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
Vote 1 - Executive & Council	127 287	139 976	142 657	145 234	4%	2%
Vote 2 - Budget & Treasury Office	39 758	27 631	28 423	43 298	36%	34%
Vote 3 - Corporate Services	-	-	-	-	0%	0%
Vote 4 - Planning & Development	33 129	32 991	61 041	48 975	33%	-25%
Vote 5 - Community & Social Services	-	1 380	1 428	6 120	77%	77%
Vote 6 - Housing	4 728	53	53	505	90%	90%
Vote 7 - Public Safety	117	5 001	5 001	4 959	-1%	-1%
Vote 8 - Sport & Recreation	-	-	-	-	0%	0%
Vote 9 - Waste Management	5 047	17 346	21 627	12 613	-38%	-71%
Vote 10 - Road Transport	35 562	5 512	6 182	5 232	-5%	-18%
Vote 11 - Electricity	11 661	41 674	45 307	46 291	10%	2%
Vote 12 - Environmental Protection	-	212	328	144	-47%	-128%
Total Revenue by Vote	257 289	271 776	312 047	257 647		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						
T K.1						

APPENDIX I: LONG TERM CONTRACTS

Long Term Contracts (20 Largest Contracts Entered into during Year 2023/24)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
None					
					TH.1

Public Private Partnerships Entered into during Year 2023/24					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2023/24
None					
					TH.2

APPENDIX J: MUNICIPAL ENTITY

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	Year 0		Year 1		Year 2	Year 3		
	(b) Service Targets	Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
N/A									

Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. ** 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.

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APPENDIX K: REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	R '000					
	Year 2021/22		Year 2023/24		Year 2023/24	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adj Budget
Property rates	22 178	24 424	24 424	24 168	-1%	-1%
Property rates - penalties & collection charges	38 857	41 674	45 307	45 966	9%	1%
Service Charges - electricity revenue	-	-	-	-	0%	0%
Service Charges - water revenue	-	-	-	-	0%	0%
Service Charges - sanitation revenue	-	-	-	-	0%	0%
Service Charges - refuse revenue	10 856	12 320	12 707	11 558	-7%	-10%
Service Charges - other	-	5 634	5 841	5 238	-8%	-12%
Rentals of facilities and equipment	171	100	291	500	80%	42%
Interest earned - external investments	366	1 158	3 710	3 445	66%	-8%
Interest earned - outstanding debtors	8 182	11 849	14 527	15 177	22%	4%
Dividends received	-	-	-	-	0%	0%
Fines	12	27	27	12	-125%	-125%
Licences and permits	1 780	2 252	2 922	2 481	9%	-18%
Agency services	1 059	1 829	1 829	1 343	-36%	-36%
Transfers recognised - operational	121 995	138 420	138 309	138 142	0%	0%
Other revenue	5 037	862	474	19 154	95%	98%
Gains on disposal of PPE	1 005	-	-	-	0%	0%
Total Revenue (excluding capital transfers and contributions)	211 499	240 449	250 078	267 184	10%	6%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						

T K.2

APPENDIX L: CONDITIONAL GRANTS EXCLUDING MIG

Conditional Grants: excluding MIG						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adj Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
<i>Other Specify:</i>						
FMG Grant	2 200	2 200	2 200	0%	0%	Yes
MSIG Grant	–	–	–	0%	0%	Yes
EPWP Grant	1 310	1 310	1 310	0%	0%	Yes
Equitable Share	131 533	131 533	131 533	0%	0%	Yes
PMU 5%	1 649	1 539	1 539	- 7%	0%	Yes
Disaster Relief Grant	–	–	–	-	-	
<i>Provincial</i>						
Library Grant	1 200	1 200	1 200	0%	0%	Yes
Seta Grant	528	528	249	-112%	-112%	Yes
Waste Grant	–	2 526	1 054	0%	-139%	Yes
Total	138 420	140 836	139 085			
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.						

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APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							R '000
Description	Year 2023/24			Planned Capital expenditure			
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2023/24	FY + 2024/25	FY + 2025/26	
Capital expenditure by Asset Class							
Infrastructure - Total	33 877	65 477	50 310	-	-	-	
Infrastructure: Road transport - Total	5 426	36 228	19 147	-	-	-	
Roads	5 426	36 228	19 147				
Capital Spares							
Infrastructure: Electricity - Total	-	-	-	-	-	-	
Power Plants							
LV Networks	-	-	-				
Capital Spares	-	-	-				
Infrastructure: Water - Total	-	-	-	-	-	-	
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	-		-	-	-	-	
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	-	2 526	7 867	-	-	-	
Waste Management	-	2 526	7 867				
Transportation							
Gas							
Other							

<u>Community - Total</u>	25 901	24 156	20 789	-	-	-
Halls						
Centres	25 901	24 156	2 487			
Crèches			17 976			
Clinics/Care Centres						
Fire/Ambulance Stations						
Testing Stations						
Museums						
Galleries						
Theatres						
Libraries						
Cemeteries/Crematoria						
Police						
Purfs						
Public Open Space			326			
<i>Table continued next page</i>						

Table continued from previous page

Capital Expenditure - New Assets Programme*						R '000
Description	Year 2023/24			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2023/24	FY + 2024/25	FY + 2025/26
<u>Capital expenditure by Asset Class</u>						
<u>Heritage assets - Total</u>	-	-	-	-	-	-
Buildings						
Other						
<u>Investment properties - Total</u>		600		-	-	-

Housing development									
Other		600							
Other assets	2 550	1 967	2 332	-	-	-	-	-	-
General vehicles	2 200	557	557						
Specialised vehicles									
Plant & equipment			1 368						
Computers - hardware/equipment	350	910	403						
Furniture and other office equipment		500	4						
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other		-							
Agricultural assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Biological assets	-		-	-	-	-	-	-	-
<i>List sub-class</i>									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									

Total Capital Expenditure on new assets	33 877	65 477	50 135	-	-	-
Specialised vehicles	-	-	-	-	-	-
Refuse						
Fire						
Conservancy						
Ambulances						

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

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Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	Year 2023/24			Planned Capital expenditure			
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2023/24	FY + 2024/25	FY + 2025/26	
Capital expenditure by Asset Class							
Infrastructure - Total	175	175	175	-	-	-	
Infrastructure: Road transport - Total	-	-	-	-	-	-	
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	175	175	175	-	-	-	
Power Plants							
LV Networks							
Capital Spares	175	175	175	-	-	-	
Infrastructure: Water - Total	-	-	-	-	-	-	
Dams & Reservoirs							
Water purification							

[illegible]

Table continued next page						
Table continued from previous page						
Capital Expenditure - Upgrade/Renewal Programme*						R '000
Description	Year 2023/24			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2023/24	FY + 2024/25	FY + 2025/26
Capital expenditure by Asset Class						
Investment properties						
Housing development	-	-	-	-	-	-
Other						
Other assets						
General vehicles	-	-	-	-	-	-
Specialised vehicles						
Plant & equipment						
Computers - hardware/equipment						
Furniture and other office equipment						
Abattoirs						
Markets						
Civic Land and Buildings						
Other Buildings						
Other Land						
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-
Other						
Agricultural assets						
List sub-class	-	-	-	-	-	-

Biological assets	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on renewal of existing assets	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse									
Fire									
Conservancy									
Ambulances									

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

APPENDIX N: CAPITAL PROGRAMME

Capital Programme by Project: Year 2023/24						R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %	
Executive & Council						
Vehicles	750	752	558	-35%	-34%	
Budget & Treasury						
Furniture and Office Equipment	-	150	4	-3650%	0%	
Corporate Services						
Computer Equipment	150	727	404	-80%	63%	
Waste Managemnt						
Landfill Site	1 550	2 578	7 867	67%	80%	
Road Transport						
Machinery and Equipment	50	254	1 367	81%	96%	
Electricity						
Electricity Projects	-	173	-	0%	0%	
Project Management Unit						
MIG Projects	30 377	29 231	25 419	-15%	-20%	
Other Projects	-	30 285	14 692	-106%	0%	
Town Halls and Municipal Buildings						
Buildings	1 000	1 500	-			
	33 877	65 650	50 311			

APPENDIX O: Capital Programme by Project by Ward:

Capital Programme by Project by Ward: Year 23/24		
R60 970 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Border Post Internal Roads Phase 2	8	Yes
Rehabilitation of Lower Kologha Road	13	Yes
Surfacing of Cathcart Streets	4 and 5	Yes
Stutterheim Recreational Centre	13	Yes
Frankfort Internal Roads	12	Yes
Forest Way Roads and Stormwater	13	Yes
Toise (Ngqanda) Roads and Stormwater	5	Yes
Keiskammahoek Recreational Centre	1	No
Mbaxa Community Hall	7	No
Mandlakapheli, Langdraai Roads and Stormwater	4	No
Rhawini to Bhongweni Roads and Stormwater	5	No
Stutterheim Landfill Road and Storm water	13	No
Mlungisi Township (Mbulelo Ndondo, Old Location and Mzamomhle) Roads and Stormwater	14	No
Amabele, Gasela, Stanhorpe and Jerseyvale Roads and Stormwater	9	No
Kubusie and Ohlsen Roads and Stormwater	6	No
Upper and Lower Ngqumeya and Tshoxa Roads and Stormwater	10	No
Revamping of Amahlathi Municipal Offices in Stutterheim	13	No
Mlungisi Sports-field Phase 2	15	No
Xholorha Paving	13	No
Phumulani Community Hall	2	No

Langdraai Community Hall - Design	4	Yes
Ngqeqe Internal Roads - Design	10	Yes
Izidenge Internal Roads – Planning (EIA Application)	6	Yes
Capital Programme by Project by Ward: Year 22/23 R31 701 000		
	Ward(s) affected	Works completed (Yes/No)
Capital Project	Ward(s) affected	Works completed (Yes/No)
Gxulu Internal Roads	2	Yes
Mthwaku and Dontsa Internal Roads	3	Yes
Toise Internal Roads	5	Yes
Mgwali Internal Roads	9	Yes
Mzamomhle Paving	14	Yes
Khayelitsha Internal Roads	8	Yes
Border Post Internal Roads Phase 2	8	No
Rehabilitation of Lower Kologha Road	13	No
Surfacing of Cathcart Streets	4 and 5	No
Stutteheim Recreational Centre	13	No
Keiskammahoek Recreational Centre	1	No
Revamping of Amahlathi Municipal Offices in Stutterheim	13	No
Mrungisi Sports field Phase 2	15	No
Capital Project	Ward(s) affected	Works completed (Yes/No)
Gubevu Internal Roads	12	Yes
Sophumelela Internal Roads	1	Yes
Cata Internal Roads	2	Yes
KKH Paving	1	Yes
Gxulu Internal Roads	2	No
Border Post Internal Roads Phase 1	8	No
Fencing of Cemeteries	1, 8 and 4	No
Keiskammahoek Fire station	1	No

Nothenga Community Hall	11	No
Mlungisi Sport field Phase 2	15	No
Surfacing of Cathcart Street	4 and 5	No
Paving of Amatolaville Streets	6	No
Ngcamngeni Access Roads/Rabe	10	No
Amabele Internal Roads	9	No
Mlungisi Access Roads	14 and 15	No
Covid Electricity Repairs	13	No
Water		
Sanitation/Sewerage		
Electricity		
Housing		
Refuse removal		
Storm water		
N/A		
Economic development		
Sports, Arts & Culture		
Mlungisi Sports field Phase 2	15	No
Environment		
Health		
Safety and Security		
ICT and Other		
T O		

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

[illegible]

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

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

ANNEXURE R: COGTA KEY PERFORMANCE INDICATORS**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS****IN THE ANNUAL REPORT FOR 2023/24 FINANCIAL YEAR**

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

CHAPTER: ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT –KPA 1

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

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	8	4	50%	Positions that appeared on 2023/2024 financial year were eight (8) and four (4) have been filled the other four (4) that is left is currently on recruitment process.
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	5	4	80%	All positions that were vacant due to Expired contract have been filled and only one (1)resignation is in the recruitment process
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development	0	0	0	Due to financial constraints no training was conducted for section 57 including Municipal Manager

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	training course within the FY				
4	Percentage of Managers in Technical Services with a professional qualification	4	0	100%	There are no gaps identified
5	Level of effectiveness of PMS in the LM -- (LM to report)	PMS has been cascaded to employees from TG12 and above.			
6	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5-year term	68	None		Submission was done by 68 Employees and 13 Councillors
7	Percentage of councillors who attended a skill development training within the current 5-year term	None	None		No training has been conducted internally in the current financial year. COGTA and SALGA assisted the municipality with other workshops conducted for councillors in their respective sections as department Portfolio heads

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
9	Percentage of staff complement with disability	1	3	33.33%	No changes
10	Percentage of female employees	87		35.94%	1 female employee in electricity department have been appointed and 3 female employees as interns financial management
11	Percentage of employees that are aged 35 or younger	44		16.5%	
12	Adoption and implementation of a District Wide/ Local Performance Management System				

CHAPTER: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

Annual performance as per key performance indicators in Electricity services

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

2	Percentage of indigent households with access to basic electricity services	24 269	3 429	24 269	20 840	86
3	Percentage of indigent households with access to free alternative energy sources	24 269	886	886	886	100

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

Annual performance as per key performance indicators in road maintenance services

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

	infrastructure actually constructed					
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	R 522 m	R 522m	R 26.2 m	R 26.2 m	100

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customers expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
	Percentage of households with access to refuse removal services	29 994 House Holds	23 536 households and businesses with access to basic waste. (29 994- 6458 =23 536)	6458 household s and businesse s with access to basic waste	21,53% in the Amahlathi Municipality (6458 / 29 994 X 100= 21.53%)	Percentage of households with access to refuse removal services 21.53%
2	Existence of waste management plan	Integrated Waste Management Plan (2022 – 2027) was approved by Council on the 25th of January 2023 and submitted to DEDEAT for endorsement by the MEC.				

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

	Indicator name	Total number of household/customers expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	4,4%	1527	N/A	N/A	0%
2	Percentage of informal settlements that have been provided with basic services	N/A	N/A	N/A	N/A	N/A
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	57%	19950	N/A	N/A	N/A
4	Existence of an effective indigent policy	There is Indigent policy that has been adopted, and it is reviewed annually.				
5	Existence of an approved SDF	Amahlathi Local Municipality Draft SDF has been gazetted in November 2022.				
6	Existence of Land Use Management System (LUMS)	The development of a SPLUMA compliant Wall to Wall Land Use Scheme has been conducted during the 2022/23 financial year.				

CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)**Annual performance as per key performance indicators in LED**

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	None	- No new recruitments	0%
2	Percentage of LED Budget spent on LED related activities.	None	None	None
3	Existence of LED strategy	LED strategy is under review with the assistance of Cogta		
4	Number of LED stakeholder forum meetings held	8	- 2 LED Forum meetings - 3 Contractors meeting held - 4 Agricultural Forum Meeting held - 2 CTO's and LTO's meetings - 2 Hawkers meeting held - 3 Cooperative meeting held (Amahlathi Wethu Secondary Co-Op). - 3 meetings Amahlathi Farmers Association	100%
5	Plans to stimulate second economy	-3 business plans developed for 3 cluster towns - Target 2 twinning agreements with Strategic-Institutions in the EC	- Cathcart small town revitalisation by ADM - Developer for the Keiskammahoek shopping complex has been appointed - MOU has been concluded with Lamsprunge Municipality. - The municipality has entered into twinning agreements with African Sun Holdings.	50%

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			- MOU has been concluded with Fort Cox College - Stutterheim Master and Precinct Plan Developed and adopted by Council. - Action plan for Implementation of Stutterheim Master and Precinct Plan developed.	
6	Percentage of SMME that have benefited from a SMME support program	-Sub-contracting resolution has been taken by Council and is being implemented - 30% of Amahlathi budget allocated to local SMME's 3 trainings conducted for Community Tourism Organisation (CTO) and Local Tourism Organisations (LTO'S) -3 contractors subcontracted and benefited.	- Quarter 1 – 88 - Quarter 2 – 105 - Quarter 3 – 70 - Quarter 4 – 57 - 320 SMME's benefited on SMME Support Programs from all clusters - 55% of Amahlathi budget allocated to local SMME's - 4 training session conducted for CTOs & LTOs from the following - Quarter 1 – Mlungisi 19 CTOs - Quarter 2 – Cathcart 08 CTOs - Quarter 3 – KKHhoek 05 CTOs - Quarter 4 – Zidenge 51 CTOs Annual Total number were trained = 83 CTOs	80%

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		- 5 farmers to be supported with capacity building 4 tourism events attended to provide access to market for Crafters	- Quarter 1 – KKHOEK 31 Farmers - Quarter 1 – Mlungisi 5 Farmers - Quarter 2 – Cathcart/Goshen 15 farmers - Quarter 3 – Stutt/Umtiza 20 farmers - Quarter 4 – Stutt/Toise 44 farmers on Rabbits Annual Total number of Farmers 115 - Quarter 1 – Chief Jongumsobomvu Maqoma's grave event craft work was exhibited - Quarter 1 - Heritage Celebration event 2023 (7km Hiking Trail) crafters were invited for the exhibition of the craft work - Quarter 2 – Revival of Mgwali Cultural Village includes the craft work from the crafters - Quarter 3 – The visiting of the Germans crafters were invited to exhibit their craft work assurance - Quarter 4 – Amahlathi crafters have an opportunity to take part in the Grahamstown Arts Festival	

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			- Quarter 1 – need analysis of forestry activities - Quarter 2 – opportunities for funding by DFFE were 31 primary cooperative - Quarter 3 – ASH display opportunities on marketing on the Biomass production 25 primary cooperative - Quarter 4 – Influence of strategies on biomass production market strategy 17 cooperative were presented	
7	Number of job opportunities created through EPWP	200 CYDP participants (Graduates, Interns, Learners and Apprentices)	382 CYDP participants (Graduates, Interns, Learners and Apprentices)	191%
8	Number of job opportunities created through PPP	n/a	n/a	n/a

CHAPTER: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	R 65 649 950	R 50 310 960	76.6%
2		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget

3	Salary budget as a percentage of the total operational budget (Including Councillor Allowances)	R149 313 610 / R309 640 890	R149 801 312 / R305 243 484	49%
4		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
5	Total municipal own revenue as a percentage of the total actual budget	R111 768	R122 575	109.7%
6		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
7	Rate of municipal consumer debt reduction	10 000	-R15 134	-151%
8	Percentage of MIG budget appropriately spent	R30 770	R30 770	100%
9	Percentage of MSIG budget appropriately spent	R 0	R 0	0%
10	AG Audit opinion	Unqualified	Unqualified	
11	Functionality of the Audit Committee	4 meetings	4 meetings	100%
12	Submission of AFS after the end of financial year	30 August 2024	30 August 2024	100%

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

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% war room	12 meetings	12	100%
3	Existence of an effective system to monitor CDWs	Currently there is no tool to monitor CDWs. Only assisting them administratively (i.e. venue and communicating their meetings to relevant stakeholders)		
5	Effective of IGR structural meetings	Amahlathi Political IGR forum meetings sit on a quarterly basis and are led by the Honourable Mayor. All the Executive Committee members of the Council also form part of the forum as required by the terms of reference of the committee. The IGR is currently coordinated in the Office of the MM and is attached to the Office Administrator.		
6	Existence of an effective communication strategy	Communication Strategy adopted by council February 2015, and it is reviewed on an annually basis by reviewing the Communication Action Plan		

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
6	Existence of an effective communication strategy	Communication Strategy adopted by council February 2015, and it is reviewed on an annually basis by reviewing the Communication Action Plan		
7	Number of mayoral imbizo conducted	2	2	100%
8	Existence of a fraud prevention mechanism	The Internal Audit Unit is conducting Fraud Awareness Campaigns within the municipality on quarterly basis and those awareness programs are included on the Approved Risk Based Internal Audit Plan for 2015/16 financial year. Employees are workshopped on what constitutes Fraud and what they should do when they suspect that fraud is happening within the municipality. The Internal Audit Unit has also developed Fraud Prevention Plan and Whistle-blowing policy for protection of the Whistle blowers. Policy was submitted to the Council and was adopted in April 2015.		

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