



2020-21 ANNUAL REPORT



WINNIE MADIKIZELA – MANDELA LOCAL MUNICIPALITY

TABLE OF CONTENTS

MAYORS FOREWORD AND EXECUTIVE SUMMARY.....	6
COMPONENT A: MAYOR'S FOREWORD.....	6
COMPONENT B: EXECUTIVE SUMMARY.....	8
1.1 THE MUNICIPAL CONTEXT AND DEMOGRAPHIC PROFILE.....	13
1.1.1 POPULATION TRENDS AND CONCERNS.....	13
1.1.2 GENDER DISTRIBUTION.....	14
1.1.3 POPULATION DISTRIBUTION BY RACE.....	15
1.1.4 POPULATION DISTRIBUTION BY AGE GROUPS.....	16
1.1.5 EDUCATIONAL PROFILE AND LITERACY LEVELS.....	17
1.1.6 EMPLOYMENT PROFILE.....	18
1.1.7 TENURE STATUS.....	19
1.1.8 HOUSEHOLD ACCESS TO INFRASTRUCTURE SERVICES.....	20
1.2 REPORT OF THE AUDITOR-GENERAL TO EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE WMM LOCAL MUNICIPALITY.....	22
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS.....	22
REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT.....	24
REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION.....	25
OTHER INFORMATION.....	25
INTERNAL CONTROL DEFICIENCIES.....	25
 2 GOVERNANCE.....	 28
2.1 POLITICAL GOVERNANCE.....	28
POLITICAL OFFICE BEARERS.....	29
2.2 ADMINISTRATIVE GOVERNANCE.....	30
2.3 AUDIT PERFORMANCE.....	34
AUDIT COMMITTEE CHAIRPERSON REPORT.....	34
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	40

2.4 INTERGOVERNMENTAL RELATIONS.....	40
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION.....	41
2.5 PUBLIC MEETINGS.....	41
2.6 IDP PARTICIPATION AND ALIGNMENT.....	42
COMPONENT D: CORPORATE GOVERNANCE.....	45
2.7 RISK MANAGEMENT.....	45
RISK TOLERANCE TABLE.....	46
2.8 ANTI CORRUPTION AND FRAUD MANAGEMENT.....	47
2.9 WEBSITES.....	49
2.10 SUPPLY CHAIN MANAGEMENT.....	50
2.11 MUNICIPAL BY LAWS.....	56
2.12 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC).....	60
2.13 DRAFT ANNUAL REPORT PUBLIC COMMENTS.....	62
 3. SERVICE DELIVERY PERFORMANCE.....	 83
COMPONENT A: BASIC SERVICE DELIVERY.....	83
3.1 ELECTRICITY.....	83
3.2 WASTE MANAGEMENT AND REFUSE REMOVAL.....	86
3.3 HOUSING.....	100
3.4 FREE BASIC SERVICES.....	102
COMPONENT B: ROADS.....	104
3.5 ROADS AND STORM WATER DRAINAGE.....	104
COMPONENT C: PLANNING AND DEVELOPMENT.....	108
3.6 PLANNING.....	108
3.7 LOCAL ECONOMIC DEVELOPMENT.....	116
ECONOMIC GROWTH FORECAST.....	118
3.8 LIBRARIES AND COMMUNITY FACILITIES.....	121
3.9 CEMETERIES.....	124
3.10 AQUATIC SAFETY.....	125
3.11 SPECIAL PROGRAMMES.....	125

3.12 POLLUTION CONTROL, BIODIVERSITY, LANDSCAPE AND COASTAL PROTECTION.....	126
COMPONENT F: SAFETY AND SECURITY.....	130
3.13 FIRE AND DISASTER MANAGEMENT.....	130
3.14 PROTECTION SERVICES.....	131
3.15 DRIVERS LICENSING AND TESTING CENTRE.....	135
COMPONENT G: SPORT AND RECREATION.....	145
3.16 SPORT DEVELOPMENT.....	145
COMPONENT H: CORPORATE POLICY OFFICERS AND OTHER SERVICES.....	145
3.17 EXECUTIVE AND COUNCIL.....	145
3.18 FINANCIAL SERVICES.....	146
3.19 HUMAN RESOURCES AND SKILLS DEVELOPMENT.....	152
3.20 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES.....	154
COMPONENT I: ORGANISATIONAL SCORECARD.....	156
 4. ORGANISATIONAL DEVELOPMENT PERFORMANCE.....	 310
COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL.....	310
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	310
4.2 POLICIES.....	311
4.3 SUSPENSIONS.....	312
4.4 PERFORMANCE REWARDS.....	312
4.5 SKILLS DEVELOPMENT AND TRAINING THIS MUST ALSO INCLUDE SKILLS DEVELOPMENT EXPENDITURE.....	312
 5. FINANCIAL MANAGEMENT.....	 317
5.1 STATEMENT OF FINANCIAL PERFORMANCE.....	317
5.2 GRANTS.....	317
5.3 ASSET MANAGEMENT.....	318
5.4 CAPITAL EXPENDITURE.....	318
5.5 SOURCES OF FINANCE.....	319
5.6 CAPITAL EXPENDITURE ON 5 LARGEST PROJECTS.....	320

5.7 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS.....	320
5.8 THREE-YEAR CAPITAL PLAN FOR ADDRESSING INFRASTRUCTURE BACKLOGS IN TERMS OF THE MUNICIPAL INFRASTRUCTURE GRANT (MIG) FRAMEWORK.....	320
5.9 FIVE LARGEST PROJECTS IN THE CURRENT IS LISTED TOGETHER WITH THEIR START DATE, END DATE, THEIR TOTAL VALUE AND PROGRESS.....	320
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT.....	320
5.10 CASH FLOW.....	320
5.11 BORROWING AND INVESTMENT.....	321
COMPONENT D: OTHER FINANCIAL MATTERS.....	321
5.12 GRAP COMPLIANCE.....	321
 6. AUDITOR GENERAL'S AUDIT FINDINGS.....	 321
COMPONENT A: AUDITOR'S OPINION ON THE FINANCE STATEMENT FOR PRIOR YEAR.....	321
6.1 PRIOR YEAR COMMENTS.....	321
6.2 CURRENT YEAR.....	322
6.3 APPENDIXES.....	323
6.4 WARD REPORTING.....	338
6.5 PURPOSE OF COUNCIL COMMITTEES.....	339
6.6 AUDIT ACTION PLAN.....	341
VOLUME 2: ANNUAL FINANCIAL STATEMENTS.....	345
CoGTA EC STANDARDISED PERFORMANCE INDICATORS	
ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT – KPA1.....	575
BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA2).....	576
MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK (KPA3).....	578
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA4).....	580
GOOD GOVERNANCE AND PUBLIC PARTICIPATION (KPA5).....	581
 COUNCIL EXTRACT.....	 582
OVERSIGHT REPORT.....	583
MPAC REPORT.....	584

CHAPTER 1

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Component A: Mayor's Foreword

It is with special honour to present this report on behalf of the Municipal Council to the community of Mbizana, the people we serve and to all the stakeholders as well as the people of South Africa and beyond. This is the fifth (last) Annual Report produced by the Municipal Council that was elected in August 2016. It is a record of service delivery activities undertaken during the period starting on the 01 July 2020 to the 30 June 2021. This report records service delivery work undertaken during the mentioned period.

The highlights of work done on our key service provision work is summarised below: -

- Constructed 23.1 new kilometres of access roads;
- Connected 99 rural households to grid electricity system;
- Maintained 52.8 kilometres of rural access roads, and
- Collected refuse from 1255 households and businesses.

Despite this positive progress recorded, we are still faced with unacceptable high backlog levels of basic service provision. Having said so, the Municipal Council is determined to progressively extend the provision of basic services to each deserving community and each deserving household. The major challenge that we continue to face is that of improving the state of our rural access roads to a level far beyond what we have achieved. Our progress in this regard gets limited by a huge backlog on roads maintenance which is exacerbated by the topography, climate change coupled with heavy rains and limited funding. However, the municipality is progressively increasing its roads maintenance machinery in order to respond much quicker.

The financial year 2020/21 continued to experience the difficult conditions due to the Covid19 pandemic. More evidently, COVID-19 pandemic reversed our economic growth projections and led to a huge decline of our revenue due to the difficulties of our customers to continue to pay for services. The municipality had to effect changes on planned public participation mechanisms and introduce mechanisms compliant with the Covid19 health protocols. We truly appreciate the cooperation received from all our 31 Wards, our public participation mechanisms were indeed successful including compliance to the Covid19 health protocols for reducing the spread of the virus. We managed to conduct our Mayoral Imbizo programme for all the 31 Wards in an effort of ensuring people participation in the affairs of the municipality and to report progress on government projects and programmes.

Moreover, our public participation meetings are an attempt to get further development needs of the communities as well as feedback on the quality of services the municipality provides. We have enhanced our social media platforms and the municipal website for easy usage by all our readers. We have also dedicated a staff member to provide quick responses to all enquiries and public comments posted on our social platforms.

The Municipal Council reiterated its resolve to enhance electricity connections to the remaining un-electrified households. This we will do by also introducing an improved solar power system to the areas that are still far from connection to the grid, this we will do as a stop-gap measure. This is meant to ensure that by 2022/2023 financial year, all current households have a form of electricity in their homes for a better life.

We are also implemented partnerships for growth and development through increased support for our Small, Medium and Micro Enterprises (SMMEs). We have seen growth in implementing a partnership with a municipality in Canada called Strathroy-Caradoc on Building Inclusive Green Municipalities (BIGM) programme. This was a programme focusing on enhancing our local economic development with special emphasis on supporting vulnerable groups such as women, people living with disabilities and the youth. To easily measure our progress with the programme, the Municipal Council agreed to prioritise three (3) sub-programmes, the first being the Local economic development institutional review, secondly the Business Incubator and thirdly, the replication of the Rural Economic Development hub model in order to develop agro-processing hubs. We are pleased to report positive progress with this programme with details in our performance status. We again extend our appreciation to our national government, SALGA, government of Canada and the Federation of Canadian Municipalities for the opportunity given to us.

In conclusion, we know the difficulties faced by our communities and we are responding to the best of our ability, this annual report is our recorded evidence. We are determined to do more through partnerships with our communities and other development partners and funders. We are continuously improving our institutional systems and reporting obligations in line with the expected legal prescripts, our Unqualified Audit Report (Clean Audit) from the Auditor-General bears testimony. We are here to serve you better!!



Cllr TD Mafumbatha
Honourable Mayor

Component B: Executive Summary

Municipal Overview and background

Winnie Madikizela – Mandela LM covers an area of 2806 km² with 31 wards. The municipality falls under the Alfred District Municipality in the Eastern Cape Province. The municipality is 98% rural with a population of 319 943 people (StatsSA: CS: 2016). The Municipality is characterized by the youthfulness of its population with 47% of the total population less than 35 years of age and 48% of the population economically active. Consistent with the national trends, 55% of the population is women. The statistics tell us that we have to develop policies and programmes that will address the plight of the young people and women in the main.

Local Economic Development

The key economic drivers as prioritised in the LED strategy are agriculture, tourism and mining and are still underdeveloped. The municipality has implemented various interventions in support of Small, medium and Micro Enterprises (SMME) development and has invested in establishing the LED forum, Local Tourism Organisation and Contractor development programme for information sharing, capacity development and marketing. The Municipality in collaboration with other key stakeholders supported SMMES in all sectors through provision of training, funding, marketing, and creating access to markets and information. The Municipality has also assisted SMMEs to apply for government support funds during the national state of disaster as a result of the implementation of national lockdown for the purposes of controlling the spread of the virus. The tourism plan was adopted and is currently under implementation and the mining potential assessment was done for the local investors to tap into available opportunities. Our sectoral economic plans also seek to attract and retain investors to invest in Mbizana for sustainable job creation and further develop the area as economically viable. There are compounding environmental challenges coupled with lack of internal capacity to undertake key responsibilities in terms of our powers and functions. It is worth mentioning that the legislated powers and functions are being satisfactory implemented with some short comings that require continuous improvement.

The municipality has progressed in implementing the signed Memorandum of Understanding (MoU) with Ray Nkonyeni municipality a municipality in KwaZulu Natal Province, this MoU is on sharing best practices and acting collaboratively on the identified LED initiatives which include business licencing and business incubation. The municipality is also in partnership with Strathroy-Caradoc Municipality of Canada through the facilitation and the support of the South African Local Government Association (SALGA) and the Federation of Canadian

Municipalities (FCM). The main objective of this international partnership is to enhance Local Economic Development with special emphasis on the most vulnerable groups such as the youth, women and people with disabilities. The municipality is implementing three identified projects for Building Inclusive Green Municipalities (BIGM) being the LED Institutional review; Business Incubator programme and Replication of the Rural economic Development Hub as the agro-processing initiative.

Institutional Development & Transformation

The municipality operates with Collective Executive System combined with a ward participatory system. It has 31 wards and 62 Councillors with an Executive Committee consisting of 10 members. There are 12 Traditional Leaders participating in the Municipal Council. Ward Councillors are chairpersons of ward committees which are responsible for discussing local development issues and concerns. The Municipal Council meets once a quarter to consider recommendations from the Executive Committee and/or the Standing Committees through the Executive Committee report that gets tabled at Council by the Honourable Mayor. The Executive Committee meets on a monthly basis to consider matters tabled to it by the Municipal Manager together with the management team.

The Organisational Structure for 2020/2021 was designed to achieve the strategic objectives of the municipality and was reviewed and adopted by Council with a total of 282 positions and 243 positions filled and 39 vacant positions. The administration is clustered into six areas of service delivery or departments. There are five Section 56 Managers reporting to the Municipal Manager, all were appointed on a fixed term performance based employment contract to lead municipal administration. All senior managers meet the minimum competency requirements as prescribed by National Treasury.

The municipality has developed, adopted and is implementing a skills plan and an equity plan to guide our capacity building and training interventions. All the necessary policies to guide the functioning of the municipality and its employees were developed and adopted by Council.

Financial Viability and Management

Winnie Madikizela - Mandela Local Municipality is one of the rural municipalities with a small revenue base, we only have one small urban area comprising of the town and surrounding settlements. The municipality has a limited revenue generating base where it can levy rates and other taxes. The reliance on grant funding then becomes unavoidable. The 2020/21 Annual adjusted budget was funded by both grant and own generated funding. The

point about a limited revenue base is then demonstrated by the fact that of the total budget has only 20.4% of it as own funding and the remaining 79.6% as grant funding.

The municipality has reliable accounting systems that are able to produce reports as and when they are needed. The current accounting systems have translated into Unqualified audit outcomes over the past four years as improvements are done consistently. The improvements are both on accounting systems as well as the operational systems within the institution. The Budget and Treasury Office is established and is satisfactory staffed, and efforts are made to ensure that the finance personnel are trained on a regular basis to ensure that they are always informed of the changes that are happening within the local government financial management framework. The municipality is working hard to see more improvements in the management of public finances and public assets. The Auditor-General alerted the municipality to the concerning financial health as evidence by the declining revenue collection.

Risk registers were developed for all departments within the municipality detailing the risks identified on all the strategic objectives outlined in the Integrated Development Plan, root causes and the rating of the effectiveness of the existing internal controls for the risks identified was performed.

The top ten (10) risks faced by the municipality were identified.

1. Failure to comply with COVID-19 occupational health and safety measures in workplaces as envisaged in the directive issued by the Minister of Employment and Labour leading to business closure;
2. COVID 19 Infections;
3. Poor performance of contractors;
4. Inability to collect revenue owed to the Municipality;
5. Misuse of municipal vehicles;
6. Ageing infrastructure;
7. Delayed implementation of electricity infrastructure plan due to COVID-19;
8. Inability to create sustainable employment;
9. Inability to attract investment; and

10. Climate Change.

The mitigating factors have been effectively implemented and that has seen a reduction in the number of risks identified in our risk profile. However, the municipality is mindful of the fact that some of the risks identified are inherent to the nature of the functions performed.

Basic Service Delivery

More work still needs to be done to reduce high levels of backlogs on basic services whereas more work is being done. The Alfred Nzo District municipality as a water services Authority and Provider has revived most of the water schemes in rural areas and plans are in place to reticulate water from the Ludeke dam. Our Water provision backlog is at 73.6% whilst that of Sanitation services provision backlog is at 27%.

The urban households and all businesses (urban & rural) including rural business hubs receive refuse collection services from the municipality. Electricity backlog is currently sitting at 9701 (13%) households pending completion of the current running projects, however, we estimate an additional 16000 growth of households that need electricity due to new households and newly established villages/ extensions. About 28% of households have no access to any form of telecommunications system. Those who have access are largely assisted by cell phone connectivity which is often hampered by poor network and signal coverage in some of the rural areas.

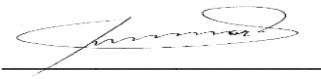
Approximately 431.8 km of roads network has been created using Municipal Infrastructure Grant (MIG) funding by end June 2021 as from 2013/2014 financial year. The municipality is targeting to complete 13.2kms of roads at the end of the 2021/22 with a budget of R12 669 828 Million. We have a high roads maintenance backlog due to topography that compels a recurring need for road maintenance. The municipality has also increased its roads maintenance plant in order to improve the state of our roads. The municipality has managed to maintain 249.5 km of roads as from 2016/2017 to date.

Good governance & Public Participation

The municipality during the year under review extensively consulted and worked closely with communities and their various organs of civil society. The institution implemented new ways of undertaking public participation in the light of the difficulties caused by the Covid19 pandemic. The municipality used electronic platforms such as municipal Facebook page, the municipal website, talk radio slots, this was done in order to enhance public information sharing and participation in municipal affairs. The municipality implemented the assigned Powers and

Functions in terms of the Constitution of the Republic of South Africa and the Local Government Municipal Structures Act. The municipality enhanced the legislative framework through developing and implementation of the approved municipal bylaws.

We have seen improvements in providing social amenities, community services, public health, improved road network, transport services, social development services. The municipality does involve all sector departments' participation in the IDP Representative Forum and the Intergovernmental relations forum in order to integrate infrastructure plans. This integration of work has led to notable improvement though more work still needs to be done in order to attain total alignment of work programmes / projects. The current limitation is that the municipality does not have a Comprehensive Infrastructure Plan that will see the municipality having a well-coordinated infrastructure roll-out. However, the office of the Mayor has been mandated to improve IGR relations with sector departments so as to provide the municipality with their specific infrastructure rollout plans.



Mr. L. Mahlaka

Municipal Manager

1.1 The Municipal Context and Demographic Profile

Winnie Madikizela - Mandela Local Municipality (EC443) was established in terms of Section 155 (1) (b) of the Constitution of the Republic of South Africa. WMM LM is one of the four category B municipalities falls within the Alfred Nzo District Municipality (DC44). It is located within the Wild Coast Region of the Eastern Cape Province along R61 connecting kwaZulu Natal South coastal boundary to the N2 highway. To the west and south the municipality shares common boundaries with the Umzimvubu, Ntabankulu and Ngquza Hill local municipalities. The Mtamvuna and Mtentu rivers form the northern and southern boundaries of the municipality. Dominant land users within WMMLM Municipality are mostly rural with a large emphasis on subsistence agriculture in the interior and some tourism development along the coast. The natural environment in the coastal belt of the area is in an unspoiled condition and has exceptionally high conservation value. The conservation value of the inland areas is significantly lower than the coastal areas due to human activities.

1.1.1 Population Trends and Concerns

The total population of WMMLM municipality has increased from 281 905 in 2011 to 319 948, living in 61, 383 households which represent an estimated household's average of 5.2 persons per household (**CS: 2016**). MLM accounts above 35% of the total district population which makes it the largest in population size within ANDM

Population by Households Census 2011 – CS 2016			
2011		2016	
Total Households	48, 447	Total Households	61, 383
Average Household size	5,8	Average Household size	5,2

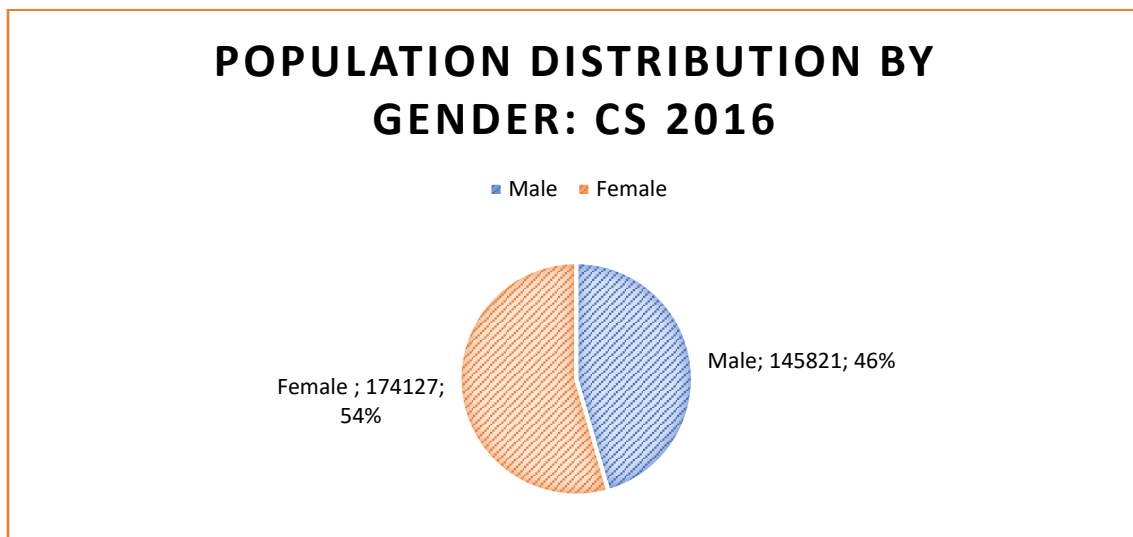
There are also factors such as migration of people into the municipality particularly in the urban area of Bizana for better employment opportunities and services this exerts pressure to the municipality as it has to increase its budget for service provision in town and mainly for indigent households. As the municipality is a boarder municipality there has been also a great noticeable migration of young people to Kwazulu Natal for employment some drop out of school this also affects education levels of the municipality. The municipality also experiences high HIV/AIDS prevalence rate due to migration of teenagers from Kwazulu Natal. Interventions have been developed by the municipality and NGOs to overcome this strategy.

The table below illustrates population growth between 2011 Census and 2016 Community survey:-

Population Trends Census 2011 – CS 2016											
Census 2011						Community Survey 2016					
Total Population		Total (15-34years)	Youth Proportion	Persons aged 20 years		Total Population		Youth (15-34years)	Youth Proportion	Sex ratio	Persons aged 20
Male	128332	Male	43053	32,9	21278	Male	145821	Male	57176	83,7	0,0296
Female	153573	Female	49789			Female	174127	Female	66390		
Total Population	281905	Total Youth	92842			Total Population	319948	Total Youth	123567		

1.1.2 Gender Distribution

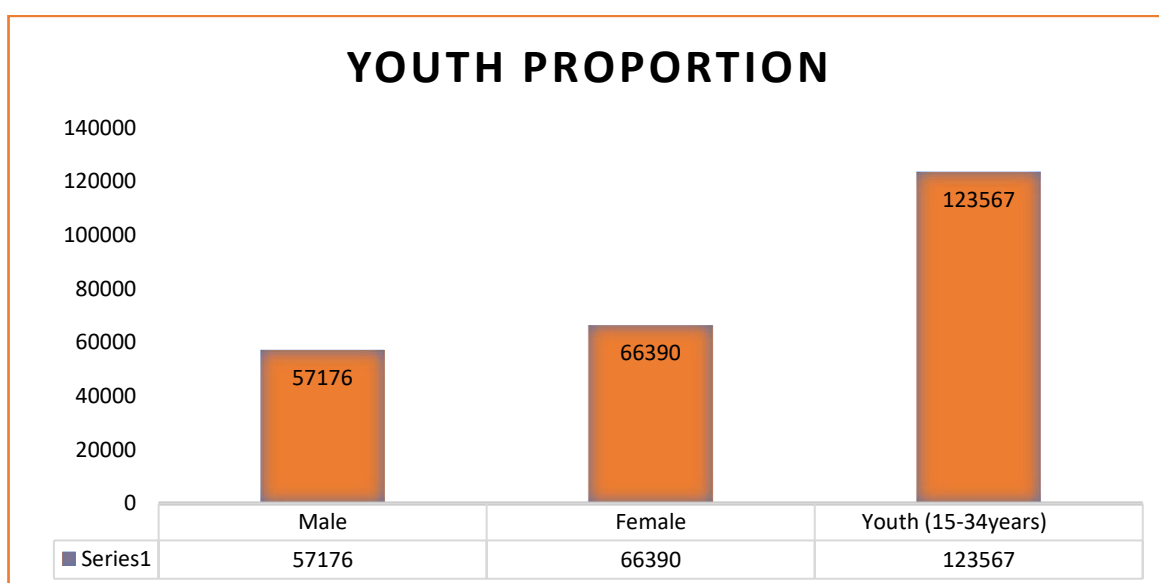
The **Census 2011 and 2016 Community survey by Stats SA** simultaneously indicates the population of Mbizana is dominated by females at about 54% of the total population compared to 46% of males. The table below shows that about 174 127 (54%) of the total population of Mbizana is women against 145 821 (46%) which are males: CS 2016.



This indicates that there should be dedicated programs of integration and incorporation of women in key planning and decision making roles of the municipality. Moreover there is need for consideration of the following

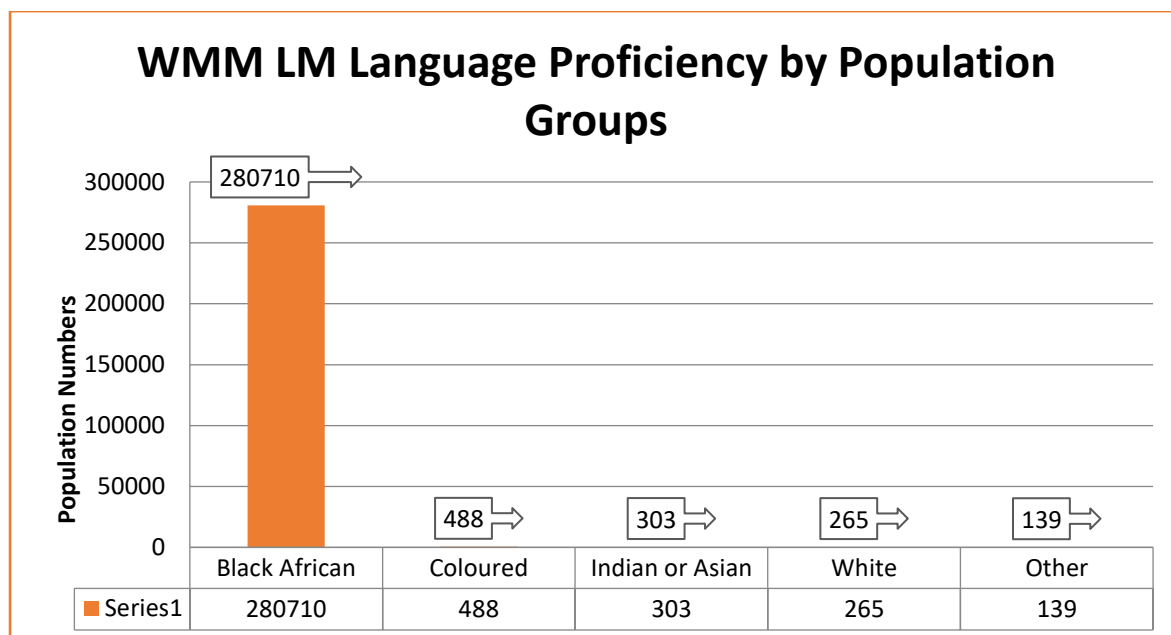
- ⇒ Promoting participation of women in policy making and development.
- ⇒ Ensure involvement of women in economic development activities.
- ⇒ Improving women's earning power and reducing vulnerability of women to poverty.

The following table indicates that the according to Community Survey of 2016 by Stats SA about 123 567 of the total population is the youth ages between 15 to 34 years, of which 66 390 are women against 57 176 which are male.



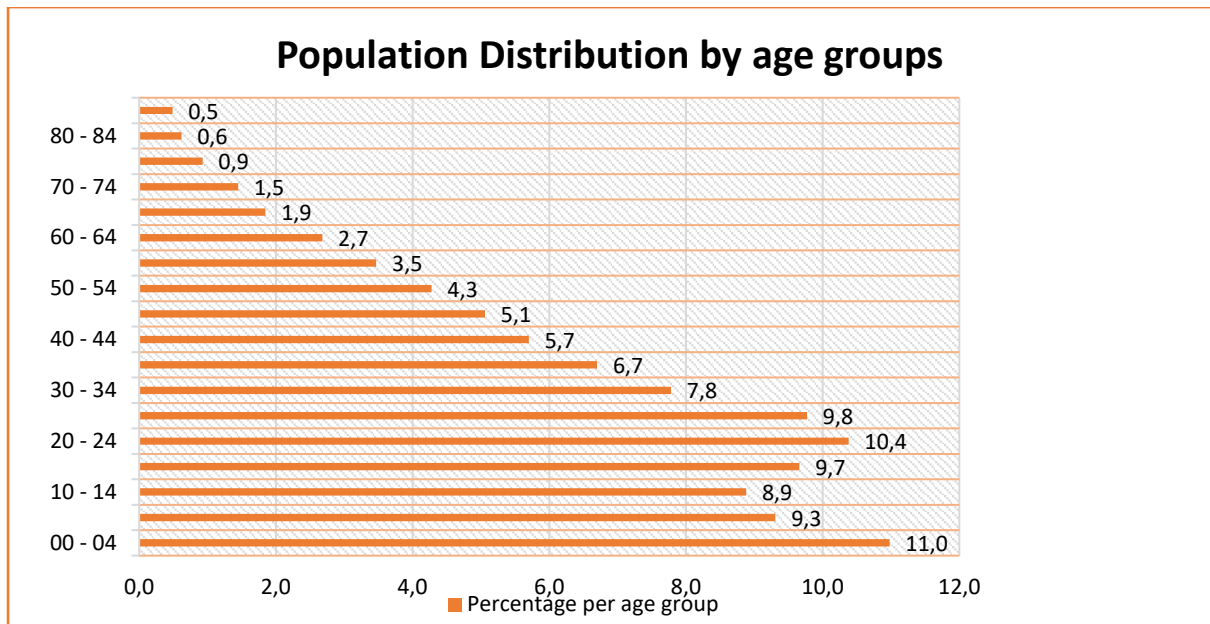
1.1.3 Population Distribution by Race

The largest population group in Mbizana is Black Africans at 99, 58% of the total population followed by Coloureds at 0, 17%, Indians / Asians at 0, 11%, Whites at 0, 09% and others at 0, 04% as demonstrated in the chart below:-



1.1.4 Population Distribution by age groups

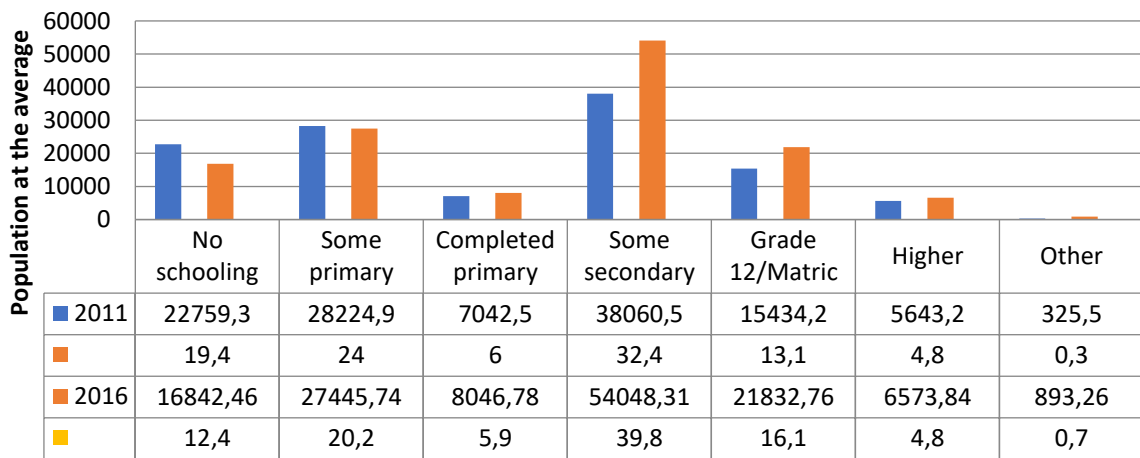
The age profile below shows that approximately 66% of Mbizana population is young people between 0 to 34 years old. These population trends oblige government in all levels to ensure that a large percentage of the budget is allocated to youth development and learner support programmes in order to deal with the needs of this majority section of our populations. The elderly people age group 60 and over accounts for 8% of the total population.



1.1.5 Educational Profile and Literacy Levels

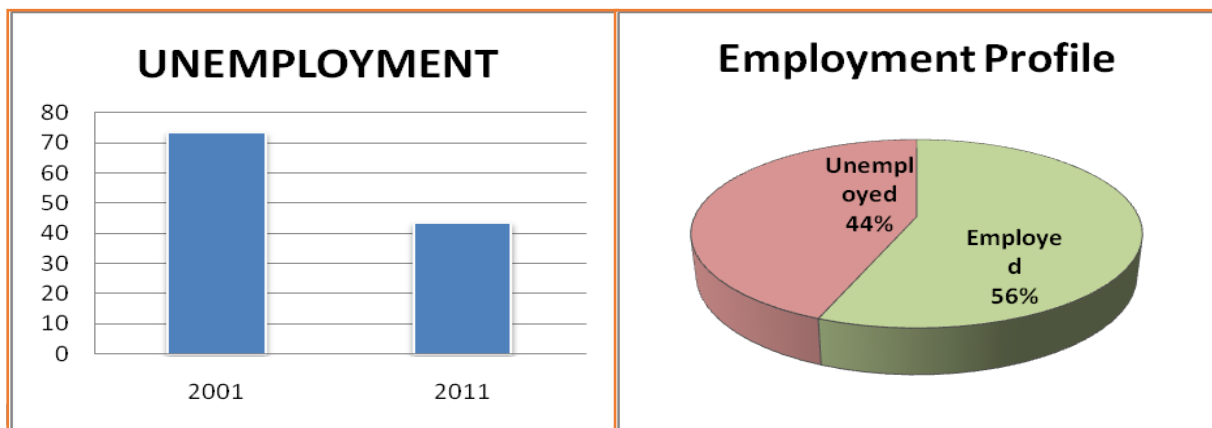
Education plays a fundamental role in community development as it provides a set of basic skills for development, creativity and innovative abilities within individuals. The South African Constitution states that everyone has a right to education. Educational levels for Mbizana are low with less than 50% of people attending at pre-school, primary schools and secondary school level. Only few people attend post matric studies and that calls for the government to have enough resources allocated for education as primary factor.

Educational Profile Comparing Census 2011 and CS 2016

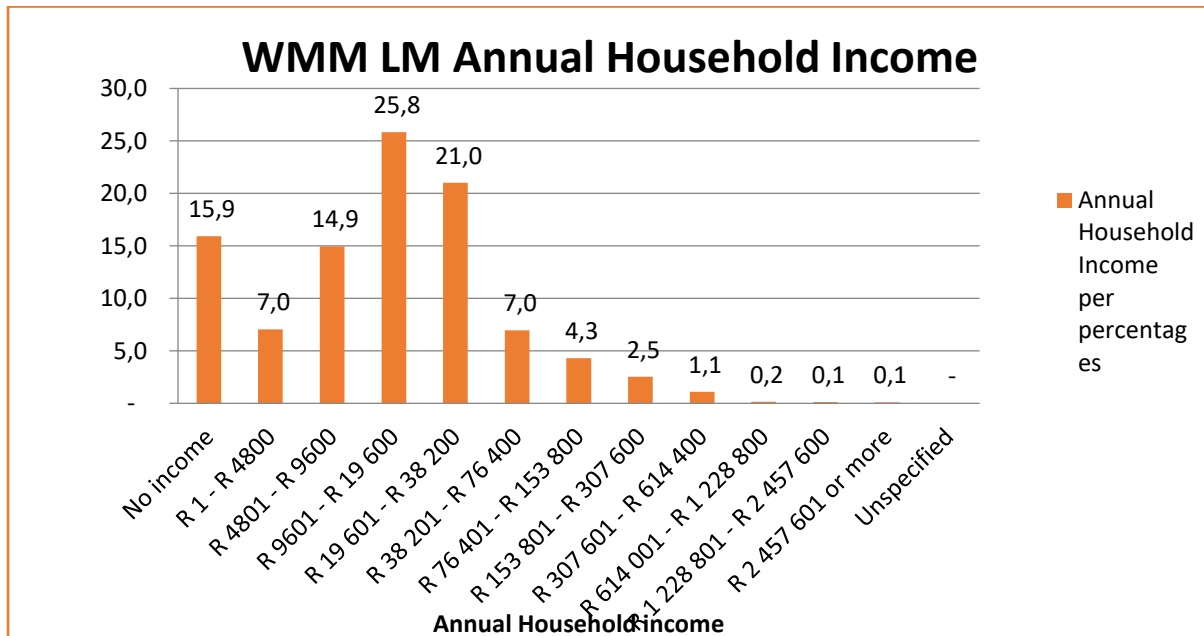


1.1.6 Employment Profile

The employment profile of WMMLM Local Municipality shows that unemployment rate declined between 2001 and 2011. In 2001 unemployment was 73.5% which dropped to 44% in 2011. Likewise, figure shows that people who were employed in 2011 were 56% compared to 44% of unemployed. This indicates that Mbizana has made significant strides in creating new job opportunities.

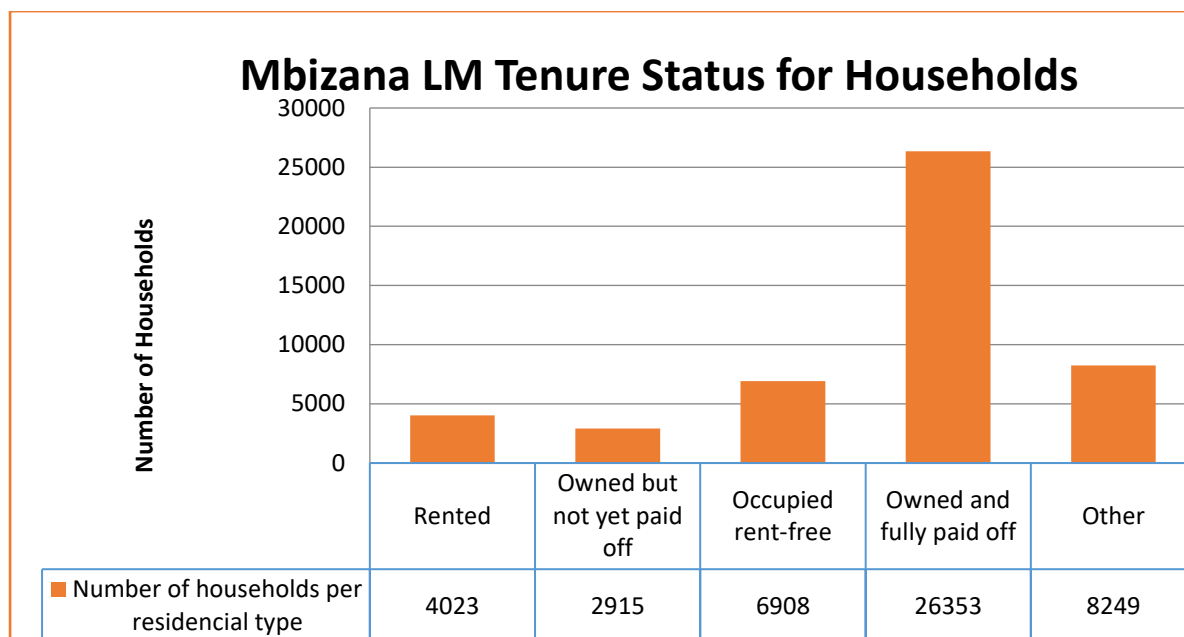


According to Census 2011 by Statistics South Africa, approximately only 15,9% of people have no income and that shows another improvement as compared to 2007 community survey where 76% of the total population had no income. As shown in chart below the highest number of population which is at 25,8 is earning between R9 601 – R19 600 and the lowest number of population which is 0,1% is earning R2 457 601 or more .



1.1.7 Tenure Status

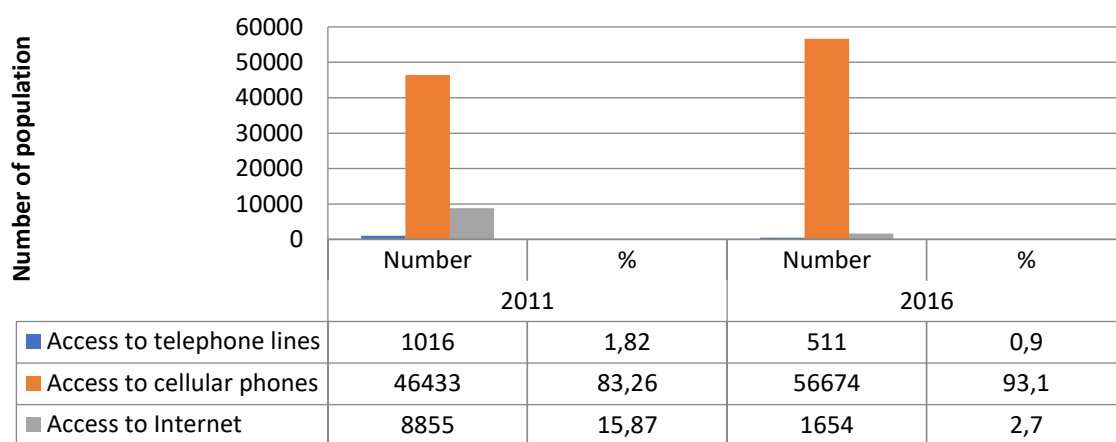
There are different tenures within the municipality. However it is encouraging that the majority of households either own or have paid off their houses. By 2011, the number of households that owned and fully paid off their houses were 54, 4%. This is encouraging houses are regarded as an asset for households.



1.1.8 Household Access to infrastructure services

According to 2016 CS, the majority of the total population of Mbizana depends on cellular phones for tele – communication and internet access as only 0,9% of the population have access to telephone lines and only 2,7% have access to internet services. The graph below illustrates the comparison between 2011 Census and 2016 CS.

Access to Infrastructure Comparing Census 2011 & CS 2016



Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Winnie Madikizela-Mandela Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Winnie Madikizela-Mandela Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the 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 Winnie Madikizela-Mandela Local Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's 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.

Emphasis of matter

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

Irregular Expenditure

7. As disclosed in note 52 to the financial statements, irregular expenditure to the amount of R1,6 million (2020: R5,7 million) was incurred, due to non-compliance with SCM regulations.

Restatement of corresponding figures

8. As disclosed in note 57 and 58 to the financial statements, the corresponding figures for 30 June 2020 have been restated as a result of errors and reclassifications of accounts in the financial statements of the municipality for the year ended, 30 June 2021.

Material impairments

9. As disclosed in note 11 and 14 to the financial statements, impairments of R12,1 million (2020: R9,1 million) relating to statutory receivables and R17,3 million (2020: R15,1 million) relating to receivables from exchange transactions were incurred as a result of irrecoverable debtors.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the Accounting Officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of Grap and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. 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 accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

14. 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 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.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2021:

Objectives	Pages in the annual performance report
Basic services: engineering services	x – x

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected objective.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on page(s) x to x for information on the achievement of planned targets for the year and explanations provided for the under or overachievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.
26. My opinion on the financial statements and on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report on that fact.

Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Other reports

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

Investigation

31. The Directorate for Priority Crime Investigation (HAWKS) was conducting an investigation regarding possible procurement irregularities at the municipality covering the 2018 financial year when the award was made. This investigation was still in progress at the date of this auditor's report.

Auditor - General

East London

1 December 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

CHAPTER 2

GOVERNANCE

Component A: Political and Administration governance

2.1. Political Governance

Municipality is governed by council which has mandated the Executive committee to exercise oversight over the administration as well as the Speaker and the Chief whip overseeing constituency work.

Name of Councillor	Portfolio	Committee
Councillor T.D. Mafumbatha	Hon Mayor	Chairperson of Executive Committee
Councillor S. Magini	Hon Speaker	Chairperson of the Council
Councillor M.C. Mpetshwa	Chief Whip	Council Chief Whip
Councillor L. Makholosa	Chairperson	Budget and Treasury
Councillor N. Dlamini	Chairperson	Engineering Services
Councillor L.T. Somadlangathi	Chairperson	Spatial Planning and LED
Councillor M.S. Maphetshana	Chairperson	Corporate Services
Councillor Z. Mhlwazi	Chairperson	Good Governance, SPU and Intergovernmental Relations
Councillor N.N. Mhlembana	Chairperson	Community Services
Councillor R.T. Nkomo - Khwela		Executive Committee Member
Councillor I.M. Sabuka		Executive Committee Member
Councillor A.M. Specman		Executive Committee Member

Political Office Bearers



Executive Committee Members



2.2. Administrative Governance

At high level the municipality has six directorates each managed by a senior Manager

Heads of Departments including Municipal Manager	
Municipal Manager: Mr L.Mahlaka	<ul style="list-style-type: none">• Head of Administration and as accounting officer, takes responsibility of the overall performance of the organization, including: the transformation of the organization to one that is developmentally focused;• The development of an economical, effective, efficient and accountable administration equipped to carry out the task of implementing the municipality's Integrated Development Plan, operating in accordance with the Municipality's Performance Management System, responsive to the needs of the local community to participate in the affairs of the municipality;• Implementation of the Municipality's Integrated Development Plan and monitoring the progress with regard to implementing the plan;• Administering and implementing the Municipality's by-laws and other legislation;• Advising the political structure and political office bearers of the Municipality;• Rendering support to the office of the Mayor, Speaker and the Office of the Chief Whip.
Chief Finance Officer: Mr. Z.A. Zukulu	<ul style="list-style-type: none">• Manages budget and treasury department• Implements integrated development plan and strategic goals of the budget and treasury• Provides support and advice to the Council and municipal manager• Implements service delivery budget implementation plan• Prepares and implement municipal budget• Prepares annual financial statements and other legislative financial management reports• Performs duties and functions delegated to CFO by the Finance Management Act• Manage efficient provision of municipal service• Establish, operate and maintain the support structures, processes and systems• Leads and directs staff in the department to ensure that they meet the objectives in line with the municipality's requirements and resources.

Senior Manager: Community Services: Mr M.M. Khuzwayo	<ul style="list-style-type: none"> • Ensures the development of appropriate Strategies, Policies and plans for all relevant areas • Directs the implementation of specific procedures, systems and controls associated with key functional areas embodied in the Community Services departmental Structure • Provides Strategic leadership and planning for the department, Community development Management • Responsible for public safety, which amongst other things includes traffic management, security management and Law Enforcement. • Responsible Management of Community Facilities e.g. Community Halls, Cemeteries, Sports Fields, Libraries, and other Municipal properties. • Responsible for environmental management in general and the coordination of disaster management. • Coordinates and Monitors development of Sports , Arts and Cultural Programmes and development of social programmes • Alignment , creating awareness, capacity and relationship management in all stakeholder forums
Senior Manager: Corporate Services: Mr Z. Gwala	<ul style="list-style-type: none"> • Leading and directing the corporate Services Directorate • Ensures the Municipality is provided with an effective support services regarding corporate administration, human resources, information technology and legal services • Manages corporate administration functions which relate to the provision of record managements • Managing the directorates budget planning, implementation and budget review to support priorities and deliveries in the context of IDP • Advising the Municipal Manager timeously and effectively on matters pertaining the Directorate • Provides visionary and innovative leadership to diverse workforce, to ensure optimal utilisation of the Council's resources in terms of implementing its strategic objectives articulated in the IDP and in the fulfilment of its legislative mandate • Manages Human Resource portfolio in accordance with labour legislation and collective agreement
Senior Manager: Development Planning: Ms N. Mafumbatha	<ul style="list-style-type: none"> • Develops, co-ordinate and manage the operations of the planning and Development department, integrated Development Planning, Local Economic Development and Tourism sub-sections • Develops methodologies and approaches to guide specific urban design investigations and research processes

	<ul style="list-style-type: none"> • Manages developmental project management processes associated with scoping, resourcing, implementation, monitoring and communication • Manages the IDP implementation and review process, advise the Municipal Manager on planning and development matters • Prepares reports on the activities of the component, as and when required to do so.
Senior Engineering services: Mr L. Gwala	<ul style="list-style-type: none"> • Manages complex civil infrastructure project from conceptualization, design, contract management, quality assurance and compliance, and ensure their proper integration to the local municipality's overall plan (IDP) • Performs financial monitoring through commissioning, operations and maintenance to ensure effective and efficient functioning of the department within the budgetary constraints of the municipality • Provides professional advisory services to the municipality • Manages all the department's contracts and tenders according to the approval of SLAs, council requirements, ensuring adherence to the SLAs, terms of reference, letter of appointment and contracted project time lines as per specification • Ensures that projects reflecting to IDP are registered in accordance with CIDB requirements

Senior Management.



Municipal Manager

Mr L. Mahlaka



Senior Manager Engineering

Mr L. Gwala



Chief Finance Officer

Mr Z. Zukulu



**Senior Manager
Development Planning**

Miss N. Mafumbatha



**Senior Manager
Community Services**

Mr M. Khuzwayo



**Senior Manager Corporate
Services**

Mr Z. Gwala

2.3 AUDIT PERFORMANCE

Winnie Madikizela Mandela Local Municipality

Audit Committee Report for the year ended 30 June 2021

We are pleased to present our report for the financial year ended 30 June 2021.

Audit committee members and attendance

The audit committee consists of the following members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 6 meetings were held.

Name of member	Number of meetings attended
Mr. A.D. Gonzalves (Chairperson)	5/6
Dr. T. Mjekevu	4/6
Ms. N. Mungwane	6/6
Mr. S. Mbalekwa	4/6

Audit committee meetings

During the financial year under review the audit committee held its meetings as follows:

Meeting	Date	Type of meeting
1.	19 August 2020	Ordinary
2.	26 August 2020	Ordinary
3.	28 September 2020	Special
4.	15 October 2020	Ordinary
5.	03 March 2021	Ordinary
6.	03 June 2021	Ordinary

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166 of the MFMA.

The audit committee also reports that it has adopted formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal controls

In line with the MFMA, the internal audit function provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the in-year reports of the internal audit function, it was noted that there was an improvement within the municipality's control environment as compared to prior years.

The quality of the in-year management and monthly/quarterly reports submitted in terms of the MFMA, MSA, and the Division of Revenue Act improved in comparison to prior years. Management is encouraged to implement continual focus on the recoverability of outstanding statutory and trade receivables to avoid the potential burden on future cashflows from operating activities. Management must guard against individuals that may purport their indigent status to exploit the municipality and for this purpose the effectiveness of internal controls must be improved in terms of the recommendations of internal audit.

The audit committee recommends that management diligently implement preventative controls to ensure that compliance with year-end financial reporting GRAP standards is maintained to avoid potential material audit adjustments. Management is encouraged to sustain adequate and proper

oversight over the effective implementation of preventative controls with respect to supply chain management to prevent unauthorized, irregular, and wasteful expenditure. It is further recommended that management continue to place acute focus on the preventative controls to ensure that the performance management in-year reporting is credible. Consequence management must continually be implemented to ensure that internal controls remain effective throughout the year.

Internal audit

The audit committee executed the following functions in respect of the internal audit function:

- ✦ reviewed and approved the internal audit charter and the risk based annual Internal audit plan,
- ✦ evaluated the independence and effectiveness and performance of the internal audit function, and
- ✦ Reviewed the work performed by internal audit on a quarterly basis and the implementation of internal audit recommendations.

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality. From the in-year reports of the internal audit function, it was noted that there was an improvement within the municipality's control environment as compared to prior years.

The following management disciplines were reviewed by internal audit during the year:

No.	Description
1.	Asset management
2.	Good governance
3.	Human resources management
4.	Information, communication, and technology
5.	Inventory management
6.	Loss control
7.	Performance management
8.	Revenue management
9.	Risk management
10.	Supply chain management
11.	Year-end reporting: annual financial statements and annual performance report

The audit committee will continue to monitor implementation of management corrective action and the enhancement of the control environment in the 2021/2022 financial year.

The internal audit function played a critical role in assisting management in addressing findings related to its compliance reviews over supply chain management, revenue management, performance management and year-end financial reporting. The work of internal audit contributed to the clean audit outcome of the year under review. The audit committee recommends that management response to internal audit findings be completed in a timely manner.

The internal audit function maintained its independence and objectivity throughout the year under review.

Risk management

The Audit Committee recommends that a risk management official be recruited to carry out the function of risk management independently of the internal audit function. The Audit Committee will continue to exercise its advisory and oversight function in respect of risk management.

Performance management

The audit committee reviewed the in-year performance reports and performance results reported by management. Considerable improvements were noted in the effectiveness of the processes and the quality of information reported however room for improvement exists.

External audit

The audit committee reviewed, and discussed the audit report, management letter and engaged the Auditor General (South Africa) on the audit report and management letter. The audit committee is satisfied with the independence of the Auditor General (South Africa).

Evaluation of the annual financial statements

The audit committee has:

- ✦ reviewed and discussed the audited financial statements to be included in the annual report, with the Auditor General South Africa,
- ✦ reviewed the Auditor General South Africa's management report and managements responses thereto,
- ✦ reviewed the entities compliance with legal and regulatory provisions,
- ✦ reviewed significant adjustments resulting from the audit.

The audit committee concurs with and accepted the Auditor General of South Africa's audit report on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor General of South Africa.

Conclusion

The clean audit outcome achieved by the municipality bears testament to the commitment of the Municipal Manager, the Chief financial officer, the internal audit function, management and staff to their diligent effort, strong work ethic and the exercise of due care. The fruits of their labour over the past years are now being reaped. The audit committee is pleased with this and is optimistic that council and management will sustain this outcome into the foreseeable future. As a final recommendation to the incoming council, stability amongst senior key administrative positions should be preserved to sustain the clean audit outcome in future years. The clean audit outcome is a step closer to ensuring effective, fair, and transparent service delivery to the electorate. For this purpose, council and management must embrace this challenge and commit itself to sustaining the clean audit outcome.

The audit committee thanks council, her worship the mayor, the chairperson of MPAC, the Municipal Manager, the Chief financial officer, senior management and the administrative staff for their

outstanding commitment, purposeful efforts, and cooperation with the audit committee throughout the year. The audit committee relies extensively on the work of internal audit. The work undertaken by internal audit has paid off. The audit committee expresses its gratitude to the Manager: Internal Audit and his team for assisting the audit committee throughout the year under review.

A handwritten signature in black ink, appearing to read 'A. D. Gonzalez', is written over a horizontal line. The signature is stylized with a large 'A' and 'D' circled together.

CHAIRPERSON

OF THE AUDIT COMMITTEE

02 December 2021

COMPONENT B: Intergovernmental Relations

2.4 Intergovernmental relations

As per the IGR Framework Act No 13 of 2005 is to establish the framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations, to provide for mechanism and procedures to facilitate the settlement if intergovernmental disputes, and to provider for matters connected therewith. WMM municipality developed and adopted IGR terms of reference during 2017/18 financial year which serve as a guidelines for managing local intergovernmental relations for quarterly meetings were planned for the year and all four set, mostly all were in discussion of Integrated development planning matters.

Challenges noted revolves around non attendance by some senior mangers both from the municipality and other government departments

The Mayor of WMM local Municipality and the Municipal Manager participate in District Mayor's Forums and make inputs on issues Mbizana needs the attention of the District Mayors Forum. Issues discussed in the Mbizana IGR forum find expression in the DIMAFO agenda

Both the Mayor and municipal manager attend MUNIMEC meetings in which issues of relations across spheres of government are discussed

Except participation in Mbizana IGR forum relations of WMM local municipality with other social partners takes place through Operation Masipathisane at local war rooms. Here local sector departments and the municipality work together in facilitation of service delivery through joint problem solving. Some of the issues that face our Communities which are critical are in Education, Health, and Human Settlements.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.5. Public Meetings

PUBLIC COMMENTS FROM DRAFT IDP AND BUDGET THROUGH RADIO SLOT – May 2020

WARD NO.	DATE	SERVICE DELIVERY NEEDS / PRIORITIES	UNFINISHED PROJECTS	GENERAL SERVICE DELIVERY COMPLAINTS
1				<ul style="list-style-type: none"> Youth of Mbizana would like to have a meaningful participation in the compilation of draft document. The Municipality is encouraged to create more jobs especially for the Youth.
03				<ul style="list-style-type: none"> Proposal for an O.R Tambo University to be built at Ku Bha
05			Electrification of infills in Mbhobheni Village	
09		<p>Request for the electrification of infills that were left at Mpetshwa Village in 2006.</p> <p>Electrification of Masebeni Village.</p>		
12		Request for provision of clean running water in Mzambana Village		
13		Request for the maintenance of Didi Access Road	.	

2.6. IDP Participation and alignment

The 2020 - 2021 IDP process plan was developed with scheduled activities and time frames as per Section 28 of the Local Government Municipal Systems Act of 2000 and it was approved by council on the 30th August 2019. The review process has followed the legislative prescripts with regards to the community involvement and participation in the development of IDP and the 2020 – 2021 IDP document have conformed to the core components of the IDP as prescribed in Section 26 of the Local Government Municipal Systems Act of 2000.

In compliance with section 17 of the Municipal Systems Act, during the year under review the municipality has established the following appropriate mechanisms, process and procedures to enable the local communities to participate in the affairs of the municipality: -

- IDP Representative Forum;
- Mayoral Outreaches to communities and Stakeholders;
- Mayor's conversations with different stakeholders;
- Ward Community & Ward Committee meetings convened by Councillors;
- Newspaper advertisements and notices;
- Making the IDP document available to all members of the public;
- Information dissemination through the MLM quarterly newsletter;
- Sector specific for a, namely, LED Forums, Local Communicators Forum.

The role of stakeholders is outlined as follows:

STAKEHOLDER	COMPOSITION AND RESPONSIBILITY
Winnie Madikizela Mandela Local Council	<p>The WMMLM Council is the ultimate political decision-making body of the municipality and the Council has the responsibility to:</p> <ul style="list-style-type: none">• consider and adopt the IDP Process Plan & time schedule for the preparation, tabling & approval of the annual budget;• consider and adopt the IDP and annual Budget;• ensure the municipal budget is coordinated with and based on the IDP;• adopt a Performance Management System (PMS)

STAKEHOLDER	COMPOSITION AND RESPONSIBILITY
	<ul style="list-style-type: none"> • Monitor progress and IDP implementation
The Executive Committee of WMM Local Municipality	<p>The Executive Committee of WMM Local Municipality have the ultimate responsibility for the preparation and implementation of the IDP, Budget & Performance Management. The EXCO is responsible for:</p> <ul style="list-style-type: none"> • for the overall oversight, development and monitoring of the process or delegate IDP & PMS responsibilities to the Municipal Manager; • ensure that the budget, IDP & budget related policies are mutually consistent & credible; • Submit the revised IDP & the Annual Budget to the municipal Council for adoption.
Ward Councilors, Traditional & Ward Committees	<p>Ward Councillors are the major link between the municipal government and the residents. As such, their role is to: -</p> <ul style="list-style-type: none"> • link the planning process to their constituencies and/or wards; • ensure communities understand the purpose and the key mechanisms of the IDP, Budget process, Performance Management and are motivated to actively participate; • facilitate public consultation and participation within their wards. • provide feedback to their communities on the adopted IDP and Budget.
The IDP, PMS & Budget Steering Committee	<p>The IDP/PMS Steering Committee will be established to provide technical guidance over the IDP/Budget & PMS review. An IDP Steering Committee that would function, as a technical working team shall be composed of the following members:-</p> <ul style="list-style-type: none"> • Municipal Manager (Chairperson) • Municipal Management Team • Senior Managers from Sector Departments • Secretariat from IDP & PMS Unit

STAKEHOLDER	COMPOSITION AND RESPONSIBILITY
The Municipal Manager	The Municipal Manager has the responsibility to provide guidance and ensure that the administration actively participates and supports the development and review of the IDP and Budget and works towards its implementation.
Directorates & Departments	<p>Directorates and Departments are responsible for sector planning and for the implementation of the IDP. The participation of all Departments is thus critical and they: -</p> <ul style="list-style-type: none"> • provide technical / sector expertise and information, throughout the IDP Budget process; • ensure that the review process is participatory, integrated, strategic, implementation-oriented, budget linked and aligned with and satisfies sector planning requirements;
Representative Forum and Community Stakeholders	<p>The IDP/ PMS/ Budget Representative Forum constitutes the structure that institutionalizes sectoral participation in the IDP Process. The members of the IDP Representative Forum include Business, Traditional leaders Government& NGO sectors (as well as political and technical leaders of the IDP Clusters).</p> <p>The Mayor or her nominee chairs the Forum. The Forum represents the interests of their constituents in the IDP processes.</p>
<p>Budget Steering Committee: Shall be constituted as follows:</p> <p>The Mayor</p> <p>The Chairperson – Finance Standing Committee</p> <p>The Municipal Manager</p> <p>All Senior managers</p> <p>Managers IDP & PMS</p>	<p>The primary aim of the Budget Steering Committee is to ensure: -</p> <ul style="list-style-type: none"> • that the process followed to compile the budget complies with legislation and good budget practices; • that there is proper alignment between the policy and the service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of the municipality; • that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and • that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

The IDP document for the 2020 – 2021 financial year was adopted by council on the 28th May 2020.

The alignment of the 2020 - 2021 IDP document with the performance contracts of section 57 managers as well as the Provincial Key Performance Indicators on the 12 outcomes particularly outcome 9 is tabulated in the table below: -

NO.	CRITERIA	N/Y	COMMENTS
1	Does the Municipality have Impact, outcome, input Indicators	Yes	Municipality doesn't have Impact Indicators
2.	Does the IDP have Priorities, objectives, KPIs and Development Strategies	Yes	
3.	Does the IDP have Multi Year targets	Yes	
4.	Are the above aligned and calculate into a score	Yes	
5.	Does the budget align directly to the KPIs in the IDP	Yes	
6.	Do IDP KPI's align to Section 57 managers contracts	Yes	
7.	Do KPIs lead to the functional area KPIs as the SDBIP	Yes	
8.	Do the IDP KPIs align with Provincial KPIs on 12 outcomes particularly outcome 9	Yes	
9	Were the Indicators communicated with the public	Yes	
10	Were the quarterly reports submitted to Council at stipulated time frames	Yes	

COMPONENT D: Corporate Governance

2.7. Risk Management

The risk management of Winnie Madikizela Mandela Local Municipality is under the internal audit unit. Risk management policy was adopted by the Council on the 25th of June 2021. Internal Audit Unit facilitates the risk assessment on regular basis together with the management. The internal audit unit has conducted the municipal

wide risk assessment during the year. Risk registers were developed for all departments within the municipality detailing the risks identified on all the strategic objectives as per Integrated Development Plan, root causes and by rating the effectiveness of the existing controls for the risks identified. This strengthens the risk management within the organisation and mechanisms to mitigate those risks are contained to an acceptable level. The top ten (10) risks faced by the municipality were identified.

1. Failure to comply with COVID-19 occupational health and safety measures in workplaces as envisaged in the directive issued by the Minister of Employment and Labour leading to business closure;
2. COVID 19 Infections;
3. Poor performance of contractors;
4. Inability to collect revenue owed to the Municipality;
5. Misuse of municipal vehicles;
6. Ageing infrastructure;
7. Delayed implementation of electricity infrastructure plan due to COVID-19;
8. Inability to create sustainable employment;
9. Inability to attract investment; and
10. Climate Change.

2.8. Anti Corruption and Fraud Management

Winnie Madikizela Mandela Local Municipality has the Anti-Corruption Policy and implementation plan which encompasses the whole range of activities. The objective of this policy is to ensure that all fraudulent activities are discouraged, mitigated and attended to in a coherent and integrated manner, and promoting ethical conduct or behaviour. An approved fraud & anti corruption strategy is in place.

The municipality has got Fraud & Anti-corruption banners that are displayed in all municipal events, ranging from Council meeting, awareness events, imbizo, and etc.

Poster with theme of fraud & anti-corruption in senior managers offices are displayed. Fraud & anti-corruption awareness campaign will be done bi-annually to the councillors and employees in Winnie Madikizela Mandela Local Municipality.

Winnie Madikizela Mandela Local Municipality is committed to fighting fraudulent behaviour at all levels within the organisation for the promotion of ethical conduct and early warnings of fraud and corruption. All fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the mighty law and the implementation of appropriate prevention and detection controls.

The scope of the Anti-Corruption policy applies to all fraud, corruption, theft, maladministration or suspected irregularities involving the following persons or entities: -

- All employees of the municipality;
- Consultants, suppliers, contractors and other providers of goods or services to the Municipality; and Any other parties receiving benefits from the Municipality.

The Winnie Madikizela Mandela Local Municipality Fraud Prevention Plan comprises of five pillars, namely;

- Prevention of Fraud and Corruption;
- Detection of Fraud and Corruption;
- Investigation of Fraud and Corruption;
- Resolution of Fraud and Corruption; and
- Maintenance and evaluation of the Fraud Prevention Plan.

Internal Audit / Audit committee and Compliance.

The audit committee; an independent advisory committee is required in terms of s166 of the Municipality Finance Management Act; MFMA s56 of 2003 to among others perform functions required by the Act in line with the terms of reference; the audit Committee Charter.

As provided for in terms of section 166(2) of the MFMA, the municipality had an audit committee established to address matters relating to the municipality. These matters include amongst others the following:

- Governance; Ethics; and policies and procedures
 - Assessment of the effectiveness of Internal Controls;
 - Performance management
 - Risk Management
- Effectiveness of Internal and External Auditors

The Council appointed five independent members. Audit Committee is functional with 5 independent members selected from different areas of expertise to enhance the audit committee's overall knowledge of the municipality or entity and the ability to discharge its obligations and provide appropriate recommendations to the council. However, one member resigned during the 2019 financial year and another member was sadly passed away during 2021 financial year. The municipality has full complement of 5 members. During September 2021, the Municipality has appointed two more additional members specialising in accounting and auditing as well as performance. The remaining three members their term of office ends in January 2022.

Winnie Madikizela Mandela local municipality Audit Committee members possess the following skills:

- Financial Management
- Legal
- Admin and Governance (i.e. Internal Audit, Risk Management, IT, Human Resources, Planning, etc.
- Performance Management
- Medical practitioner,

Audit Committee terms of reference was adopted by Council and Audit committee.

The Audit opinion over the last two years was unqualified opinion in 2018/19 and 2019/20 financial year. After the final audit report received from the Office of the Auditor General, follow up procedures were implemented by internal audit to ensure the implementation of action plans prepared to address issues raised by Auditor General and the audit committee played a major role in this regard.

Name	Designation	No of meetings attended
Ashley Gonzalves	Audit Committee Chairperson	4 of 5
Thobekile Mjekevu	Audit Committee Member	4 of 5
Wiggett Mbalekwa	Audit Committee Member	3 of 5
Noncedo Mungwane	Audit Committee Member	5 of 5

2.9. Websites

Winnie Madikizela Mandela Local Municipality website is up and running, URL:<https://www.winniemmlm.gov.za>. ICT is responsible for compliance on the website in terms legislations and laws applicable to municipal websites. The role of Winnie Madikizela-Mandela website, as platform for information dissemination, participation and disclosure has been significantly catered for in various pieces of legislation, including:

The Local Government Municipal Systems Act No 32 of 2000 ("the Systems Act");

The Local Government Municipal Financial Management Act No 56 of 2003 ("the MFMA"); and

The Municipal Property Rates Act, no 6 of 2004 ("the MPRA").

ICT is responsible for uploading compliance documents in terms of s75 of the Municipal Finance Management Act No. 56 of 2003 and all applicable laws of the republic of South Africa. With the collaboration with Municipal directorates, ICT is able to maintain fresh content on the website including social media platforms.

2.10. Supply chain Management

The Municipal Finance Management Act No 56, of 2003, section 80, directs the establishment of a Budget and Treasury Office by all municipalities. The established Budget and Treasury Office is then required to be headed by the Chief Financial Officer with a number of responsibilities assigned to him/her. One of the responsibilities assigned to the Chief Financial Officer also include supply chain management.

Winnie Madikizela-Mandela Local Municipality has established the Budget and Treasury Office, within which a Supply Chain Management Unit has further been established. This unit is responsible for all demand management, procurement, logistics and disposals within the municipality.

The unit is headed by a Supply Chain Management Manager, who reports directly to the Chief Financial Officer. The unit also has two Supply Chain Management Officers who report to the manager. Further to this, there are three Supply Chain Management Clerks who report to the officers, making it a total of Six members of the unit. These personnel are further enhanced by financial management interns who rotate within all sections within the Budget and Treasury office. As part of their rotation plan, Supply Chain Management unit forms part of their programme. Our records indicate that all the Supply Chain Management officials meet the minimum competency levels required for SCM officials.

As part of the section 71 reports that are tabled to the Mayor through the council committees at the end of each month, Supply Chain Management issues are also reported. This means that there are twelve (12) reports that are tabled to the Mayor through council committees on an annual basis.

The supply chain management policy is reviewed on a yearly basis and forms part of the budget related policies. This review therefore also happened for the 2020/21 financial period. The following thresholds are outlined in that policy:-

STRUCTURE OF APPROVAL		
GOODS/SERVICE VALUE	PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY
R0 - 200	Petty Cash	Head of Department
R201 – R2 000	One Written Quotation	Head of Department
R2 001 – R30 000	Three Written Quotations	Head of Department
R30 001 – R200 000	7 days advert on the Notice Board and the Website	Accounting Officer or delegated

STRUCTURE OF APPROVAL		
GOODS/SERVICE VALUE	PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY
R200 001 – R50 Million	Competitive Bidding Process	Accounting Officer
Above R50 Million	Competitive Bidding Process	Accounting Officer

The bid committees are appointed for specific projects with the following principle applied at all times:

- The Bid Specification committee is chaired by the Senior Manager of the procuring department, a Supply Chain Management Officer (Practitioner), a member from Engineering Services department as well as any members deemed necessary
- The Bid Evaluation Committee is composed of at least three managers reporting to senior managers, and each committee always has a Supply Chain Management Officer (Practitioner).
- The Bid Adjudication Committee is composed of at least four Senior Managers (of which one is considered a technical expert), a senior Supply Chain Management official, the scribe and is chaired by the Chief Financial Officer

The performance of the committees and their commitment to their sitting is central to the achievement of all targets that have been set by the municipality. It is essential therefore that these committees convene as often as required to ensure delivery of much needed services to our communities.

As per our tender register and other documentation, the following is the number of awards that have been made throughout the financial year:-

	SUCCESSFUL TENDERER	AWARDED AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
1	The Mane's Pty Ltd	R 880,484.00	MBIZ LM 0051 LAP	Procurement of Laptops and Desktops	10 September 2020	Corporate Services
2	Ndlela Mhlophe Trading	R 805,000.00	MBIZLML0058 WEB	Website Revamp	25 September 2020	Corporate Services
3	Isivuno Esihle Construction	R 8,888,452.90	MBIZ LM 002 LAR	Construction of Lubekelele Access Road	29 September 2020	Engineering Services
4	Isipho Capital Motors	R 2,101,507.91	MBIZLM 0067 VEH	Procurement of Three Vehicles (3)		Corporate Services
5	Mabozela Trading and Enterprise	R 3,399,739.95	MBIZLM 005 SMM	Upgrading to Gravel of 5.5 KM Sijingi to Mangunga via Methodist Church	13 October 2020	Engineering Services
6	Mabozela Trading and Enterprise JV Boboshe	R 16,323,851.70	MBIZ LM 00057 EMV	Electrification of Mabhekuteni Village (Ward 15)	13 October 2020	Engineering Services
7	Thabo Ntlangula JV Ubuntu Bam Rural Developers	R 2,980,028.81	MBIZ LM 003GML	Contruction of Gabisa via Makhosonke to Lukhwewini access Road (Ward 15)	13 October 2020	Engineering Services
8	ODG Technologies PTY Ltd	R 0.00	MBIZ LM 0055 CON	Pannel of consultants for perion of 3 months	09 October 2020	Engineering Services
9	Restsam Engineering PTY Ltd	R 0.00	MBIZ LM 0055 CON	Pannel of consultants for perion of 3 months	09 October 2020	Engineering Services
10	Ambrose Civils	R 3,296,658.31	MBIZ LM 0006 EWB	Extension 4 Bridge Ward 01	06 November 2020	Engineering services
11	Masilo JV Mbawula	R 1,962,743.31	MBIZ LM 00058IHML	Supply and installation of 2 solar powered high mast lights	16 November 2020	Engineering services
12	Vitsha Trading	R 13,335,739.54	MBIZ LM 00056 UBTR	Refurbishment of Mbizana Taxi rank phase 1	16 November 2020	Engineering services
13	MAT Trsdng Enterprise	R 990,000.00	MBIZ LM 0062 SSB	Deliver and servicing of skip bins	18 November 2020	Community Services

	SUCCESSFUL TENDERER	AWARDED AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
14	Ingqayi Design Economic Partnership	R 395,000.00	MBIZ LM 00071 MDPV2030	Vision 2030	26 November 2020	Municipal Manager
14 (a)	Isipho Capital Motors	R 1,328,789.85	Transversal contracts	Purchasing of skip loader truck	27 November 2020	Community Services
15	Stira Construction and Projects (Pty) Ltd	R 516,650.00	MBIZ LM 19/05/20/01ART	Supply and delivery of Arts Craft Material & Equipment	04 December 2020	Development Planning
16	Siphosakhe Trading	R 1,146,537.00	MBIZ LMZM 20/05/20/03	Supply and delivery of material, Equipment and machinery for SMMEs	04 December 2020	Development Planning
17	Siphosakhe Trading	R 865,000.00	MBIZ LM 49 MAR	Supply and installation of market stalls and no walking double sided board mbiz lm 49 MAR	04 December 2020	Development Planning
18	Thake Electrical cc	R 15,795,175.57	MBIZ LM 00057 EMV	Electrification of Sigidi Village	04 December 2020	Engineering Services
19	YG Solutions (Pty) Ltd	R 2,098,308.13	MBIZ LM 00066 E SV	Electrification of Sidanga Village	04 December 2020	Engineering Services
20	Denasa Civils and Construction	R 8,478,910.44	MBIZ LM 001MGA	Construction of Mqonjwana to Greenville Access Road	17 December 2020	Engineering Services
20 a	IPM Plant Hire Pty Ltd	R 0.00	MBIZ LM 00060 DMP	Disposal of Municipal Sites for Business and Government Use	17 December 2020	Development Planning
	Thake Electrical cc Jv ubuntu Bam Rural Developers Pty Ltd	R 0.00	MBIZ LM 00060 DMP	Disposal of Municipal Sites for Business and Government Use	17 December 2020	Development Planning
21	Mvi Construction and Maintanance	R 7,134,908.66	MBIZ LM 004 ENS	Construction of Ebumnandini to Nqabeni Access Road	17 December 2020	Engineering Services
22	Moya Trading and Projects	R 377,260.00	MBIZ LM 0065 EPU	Supply and Delivery EPWP Uniform	14 December 2020	Social Environment
22 (a)	Banana Boat Business Enterprise	R 1,992,000.00	MBIZ LM 0063 WMS	Extension of Waste Management Service	09 December 2020	Community Services

	SUCCESSFUL TENDERER	AWARDED AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
22 (b)	Mayenziwe Holdings PTY LTD	R 620,000.00	MBIZ LM 00072 MN12M	Maintance of nurseries for a period of 12 months	27 January 2021	Community Services
23	Lulo Investment PTY LTD	R 1,437,738.75	MBIZ LM 0082 MMMB	Maintanance of municipal building	01 February 2021	Engineering Services
24	Lulo Investment PTY LTD	R 733,425.00	MBIZ LM 0080 MCV	Maintanance of cultural village	01 February 2021	Engineering Services
25	Lulo Investment PTY LTD	R 663,390.00	MBIZ LM 0081 MYC	Maintanance of Youth centre	01 February 2021	Engineering Services
26	Isigidimi Solutions	R 2,100,000.00	MBIZ LM 00050 IAU	Co-Sourcing arrangements for internal auditing	08 February 2020	Municipal Manager
27	Matshathula JV Sibukwa	R 0.00	MBIZ LM	Hiring of Construction plant	15 February 2021	Corporate Services
27 (a)	Siti Cargo	R 0.00	MBIZ LM	Hiring of Construction plant	15 February 2021	Corporate Services
28	Siti Cargo	R 3,799,187.15	MBIZ LM 0048RTAR	Tshayingca Road Habilitation	08 March 2021	Engineering Services
29	MAT Trading	R 1,590,000.00	MBIZ LM 00083 S&D EM	Supply and delivery Electricity Materials	26 February 2021	Engineering Services
30	Langenithemba Construction	R 1,943,324.94	MBIZ LM 0047 CBD	CBD Road Maintanance	03 May 2021	Engineering Services
31	YG Solutions Pty Ltd	R 1,997,310.57	MBIZ LM 04/02/21/02 SVL	Electrification of Sidanga Village (Ward 28) link line	16 March 2021	Engineering Services
32	ATS Civils and Trading PTY LTD	R 585,000.00	MBIZ LM/20/05/20/02 FSH	Supply and delivery of equipment and material to capacitate fisheries	22 April 2021	Economic development
33	Bern and Willie Projects PTY LTD	R 290,000.00	MBIZ LM 00072 IRMP	Implementantion of records management programme	14 April 2021	Corperate services

	SUCCESSFUL TENDERER	AWARDED AMOUNT	TENDER NO	DESCRIPTION	DATE AWARDED	END USER DEPARTMENT
35	Nikhwe Group PTY LTD	R 642,628.24	MBIZ LM 03/03/21/03 FEN	DLTC Palisade fencing	26 May 2021	Protection Services
36	Masinyane and Son	R 945,000.00	MBIZ LM 03/02/21/04 AGR	Supply and delivery of agricultural inputs	23 May 2021	Local Economic Development
37	Show love T/A alutha holdings 82 PTY LTD	R 350,000.00	MBIZ LM 0009 MLF	Maintanace of Mbizana Libraries	31 May 2021	Community services
38	Emerald Metering and Utility Management Pty Ltd	R 2,129,902.23	MBIZ LM 0085 AMR'S	Supply and maintainance of automated meter reading system for 3 years	28 May 2021	Budget and Treasury
39	Emerald Metering and Utility Management Pty Ltd	R 107,023.70	MBIZ LM 0090 PMBG	Procurement of 350 KVA municipal backup generator	28 May 2021	Engineering Services
40	Ukuzama kwethu Trading	R 396,774.40	WMM LM/04/21 RST DLTC	Replacement of septic tank at DLTC	23 June 2021	Engineering Services
41	Mabozela Trading JV Boboshe Trading enterprise	R 2,603,711.60	WMM LM 00059 LV&MVL	Replacement of LV & MV LINES	23 June 2021	Engineering Services
42	Techseeds	R 372,127.35	WMM LM 0071 SR-UPS	Procurement of Server Room-UPS	22 June 2021	Corporate Services
43	YG Solutions	R 641,603.26	WMM LM 0091 MBM&C	Maintenance of Bulk Metering and Cables	25 June 2021	Engineering Services
44	Masilo Projects	R 1,152,032.62	WMM LM 04/05/21 ICT	Procurement of Laptops, Desktops and Communicaions System	22 June 2021	Corporate Services
		R 120,553,608.89				

2.11 Legal Services

- Legal Services is tasked with the following Areas of Operations:

1. Litigation Management
2. By Law Development
3. Contract Management
4. Legislation Regulation and Policy Compliance
5. Ad hoc support to departments

Litigation Management

The municipality developed and adopted legal risk management policy and has a functional legal section. A panel of attorneys for a three (3) period is in place wherein the Municipality selects members of the panel to attend to various matters that the Municipality has such as, litigation, obtaining legal opinions etc.

Currently the Municipality has 28 cases on the litigation register of which the majority of the cases are mostly dormant. Cases instituted against the Municipality have drastically declined in the last financial year as claims that appear to be litigious are promptly dealt with internally before gaining the litigation momentum. For this financial year there has been a record 1 matter that has been included in the register which the Municipality is defending.

Litigation Risk Reduction Action Plan

Every action of the Municipality is potentially litigious and complicated by the requirement for compliance to all Local Government related legislative prescripts, whilst also requiring compliance with other general legislation as may become pertinent, depending on the activity which has resulted in the litigation at hand.

Legal Services created the Litigation Risk Management Strategy by introducing a Litigation Reduction Monitoring Tool. The strategy is aimed at identifying the various areas of litigation risk, develop an action plan to mitigate those risks.

The Litigation Risk Management Strategy of the Winnie Madikizela-Mandela Local Municipality aims to:

- identify, manage, monitor and mitigate risks of litigation throughout the Municipality.
- actively mitigate these risks by identifying them, setting minimum standards for their management and allocating clear responsibility for such management to Management
- ensure that sound legal principles and legislative compliance is mainstreamed into operational activities
- ensure a reduction of litigation against the Municipality through proactive monitoring.

Mitigation Processes

Litigation risk reduction will be implemented through:

- Identification of and continuous review of areas where litigation risk exists
- Documented advisory service aimed at mitigation
- Allocation of responsibility for the development of procedures for management and mitigation of these risks
- Installation of appropriate segregation of duties, so that legal documentation is reviewed and executed with the appropriate level of independence from the persons involved in proposing or promoting transaction
- Ongoing examination of the relationship between litigation risk and other areas of risk management, so as to ensure that there are no gaps in the risk management process¹
- Establishing of minimum standards for mitigating and controlling each risk, including the nature and extent of work to be undertaken by internal and external legal resources
- Establishing of procedures to monitor compliance, taking into account the required minimum standards
- Continuous awareness of legal reform and development in order that current compliance is continuously observed

The litigation risk reduction plan and schematic process was developed to ensure that the municipality complies with the strategy. The plan is disseminated quarterly for departments to populate and indicate compliance to the strategy where applicable.

Municipal By-Laws

The legal support services office is tasked with ensuring that the municipality has all the required by-laws and policies in place in order to have the proper and effective controls to ensure that the services to the community are carried out in compliance with the framework of the by-laws as anticipated by the legislation that creates these by-laws. The municipality continuously researches the areas where by-laws must be developed and periodically reviews and where applicable amends the by-laws

It is imperative that consumers and the community at large familiarize themselves with the by-laws. This will help the consumer to be aware of not only their rights but equally important their responsibilities.

For this financial year the section has been focusing on reviewing the municipal gazetted by laws to ensure alignment to legal prescripts and to ensure that the By Laws are implementable and enforceable.

Extensive consultative processes were embarked on during the review such as consultation the relevant stakeholders for input prior to regazetting (SAPS for enforcement and Department of Justice for prosecution of By Laws in cases of infringements) and the community at large.

The By Laws which are under review and/or developed are:

- Street Trading now to be renamed Informal Trading (By Law re-drafted);
- Liquor By Law;

an extensive stakeholder engagement session was held with all stakeholders to ensure that they have input on both the Street Trading and liquor By Laws. The By Laws are now ready for their final tabulation for the final adoption by

Council prior to gazetting which is scheduled for the year 2022.

- Rules and Orders of Municipal Council and Committees By Law – To be tabled to the relevant Portfolio Committee for input;
- Waste Management By Law – The draft was tabled to the relevant Portfolio Committee for input subsequently to be tabled to EXCO;

- Beach By Law – to be tabled to the relevant Portfolio Committee

Institutional Compliance

The municipality is a creature of statute and such it operates within the ambit of a vast number of legislation. An Institutional Compliance checklist has been developed for the municipality wherein all the issue of legislative compliance are listed, the persons responsible, the actions require, the time frame and the evidence for compliance with same. The legal support services are tasked with ensuring that the compliance checklist is disseminated to departments to populate and provide evidence to show compliance on prescribed legislative provisions. This exercise is to done quarterly with each quarter being guided by the applicable legislative provisions.

Contract Management

The municipality procures services through it, amongst other, SCM processes in compliance with the SCM policy, SCM regulations. The municipality is required by law to conclude contracts for certain services and for the most part this speaks to the majority of the services that the municipality requires.

It is the prerogative of the municipality to ensure that such contracts are compliant, legally binding and implementable. The section is working closely with SCM and various departments to ensure that contracts entered into by the Municipality are sound by either drafting or vetting such contracts.

Ad hoc support to Departments

Legal Services is also tasked with the duty to provide ad hoc support to departments as and when required to ensure legal compliance to legislation on engagements that departments engage in. These include but not limited to legal assistance in respect of transactional advises that departments engage in on behalf of the Municipality, special projects etc.

2.12. Municipal Public Accounts Committee (MPAC)

MPAC was established and is functional sitting according to the adopted schedule by council and following the reporting procedures are followed and reports with recommendations are received by Council for resolution. Names of member of the MPAC and number of meetings attended.

Municipal Public Accounts Committee Attendance

Initial & Surname	FT / PT	Political Org/Prop – PR /WC	Total meetings planned	Number of attended including special	Absent
1. Cllr N.E Cengimbo	F T	ANC/PR	05	04	00
2. Cllr N. Sikibi	P/T	ANC /PR	05	03	01
3. Cllr R.N Madikizela	P/T	ANC /PR	05	04	00
4. Cllr A. I. Guqaza	P/T	ANC/WC	05	03	02
5. Cllr S. Ngonini	P/T	APC/PR	05	03	02
6. Cllr M. Ndovela	P/T	ANC/PT	05	04	01
7. Cllr M. Bhenxa	P/T	TL	05	03	02

MPAC conducted Oversight on Four reports during the financial year 2020/2021 FY

Report on Irregular, fruitless and wasteful expenditure not dealt with between 2011/12 to 2019/20

Recommendations

- **These amounts be written-off due to the following reasons:**
 - Some were incorrectly classified as there was no expenditure incurred
 - Ilitha Lelizwe no longer exists

- Some are more than 10 years making it impossible to find supporting information
 - The cost of investigating these further outweighs the benefit to the municipality.
- Fruitless Expenditure from 2010/11 to 2017/18 amounting R 4 224 066 that was never dealt with to be written-off
- Irregular expenditure from 2010/11 and carried to date amounting to R1 060 619 never dealt with to be written-off

Report on Irregular, Unauthorized, Fruitless and Wasteful expenditure for 2018/19 and 2019/20

- The amount R19 002 568.45 that occurred as irregular expenditure because of no procurement process be written-off since the contract was taken long time ago and that the municipality realised the intended value from the contract.
- The deviation of an amount R85 750-00 that was caused by irregular expenditure incurred because of split procurement process followed be written-off as this was done to meet disaster obligations.
- Other portions of the report be deferred back to MPAC for further investigation and report back to Council.

Report on Irregular and Unauthorised Expenditure

- Irregular expenditure of R 797 000.00 be written off based on the motivations made by management.
- The fruitless Expenditure of R76 298 incurred due to none signing of attendance register be
- Mphuthumi Mafumbatha Stadium expenditure of R 6 438 076.45 incurred as a result non- recognition of expenditure incurred by the funder (Cogta) be written off.
- Ebumnandini Access Road unauthorised expenditure of R1 646 680.00 be written off.

Fruitless Expenditure Due COVID -19 Catering

- The fruitless Expenditure of R76 298 incurred due to none signing of attendance register be written off by Council.
- End user department should be encouraged to ensure of the paper work to prove work done is collected and kept for accountability of expenditure.

2019/2020 FY DRAFT ANNUAL REPORT PUBLIC COMMENTS

WARD NO.	SERVICE DELIVERY NEEDS / PRIORITIES	UNFINISHED PROJECTS	GENERAL SERVICE DELIVERY COMPLAINTS AND COMMENTS
1,6,13,30,17 &19	<ul style="list-style-type: none"> In ward 6 Tarring of the road from Bargain to Mhlanga Village is requested. Mhlanga Access Road must be provided with speed humps. Usage of In-house plant must be done in the maintenance of Jali Access Road. Didi access road has pothole, it must be maintained. Flood lights must be installed at Didi Location to eliminate crime cases. 		<ul style="list-style-type: none"> Monitoring of projects done must be done in all projects in ward 1
5,7 & 26	<ul style="list-style-type: none"> In ward 5 Khethwa to Mtamvuna need heavy maintenance. Gwala Access Road must be maintained by the in-house plant In ward 26 Nomlacu Village ,700 destitute housing project must be implemented as a matter of urgency. •Provision of speed humps at Skotoyi area. . 	<ul style="list-style-type: none"> •Fencing of the hall was not done in ward 7 •Destitute houses at Manxiweni have not yet been constructed. Maintenance of Mzamba Access road was not completed 	<ul style="list-style-type: none">

WARD NO.	SERVICE DELIVERY NEEDS / PRIORITIES	UNFINISHED PROJECTS	GENERAL SERVICE DELIVERY COMPLAINTS AND COMMENTS
2,3,9,8,10&11	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Ward 03 RDP Housing project Completed. • Ward 11 RDP Housing project Completed • All Wards agreed with the contents of the Annual report.
12,31,4&27	<ul style="list-style-type: none"> • R61 to Mazweni needs serious intervention as when it rains it floods into people's homes. • Request for Speed humps in Nkantolo Village ward 27 • 	<ul style="list-style-type: none"> • Unfinished Houses in ward 27, contractor left the site long time ago . • MPYC in ward 27 was left unfinished • 	<ul style="list-style-type: none"> • They all agree with the contents of the 2019/2020 Annual report • Appreciates the Siwisa access road. • The Municipality is requested to do monitoring on its projects •
18,21 ,20& 22	<ul style="list-style-type: none"> • The are no projects that have been done to the ward in the previous financial year. • Ward 18 is worried about the state of roads in the ward • Dept of health has made a request to have the roads going to the hospital and vaccination sites for Covid 19 maintained as they will have a difficult time accessing them . • 	<ul style="list-style-type: none"> • Even though the ward 18 Hall was done in 2017 , The Community wants the Municipality to do something about it as it has big cracks and the ceiling is falling off .sooner rather than later it is going to collapse. 	<ul style="list-style-type: none"> • Ward 18 Agrees with the contents of the 2019/2020 Annual report. • The only concern are the RDP Houses that have not been finished in the light of the upcoming local government elections as projects usually fall through when there is a change of Leaders. • Ward 21 appreciates services delivery in the ward but would also like the Municipality to assisit in the issue of a road going to Greenville hospital.

WARD NO.	SERVICE DELIVERY NEEDS / PRIORITIES	UNFINISHED PROJECTS	GENERAL SERVICE DELIVERY COMPLAINTS AND COMMENTS
29,24&25	<ul style="list-style-type: none"> • In page 10 Ward 25 is requesting the re gravelling of R61 to Vulindlela. • The little Eden road in ward 29 is full of potholes, it was not properly done . • Unfair treatment of people by the ward Committees especially in ward 23 where they seem to prioritise their own people not those that are poor. • Request for the maintenance of Ngombane to Maqashe road • Grass cutting on the streets in Makewini is being requested • Request for water in all wards • 	<ul style="list-style-type: none"> • Unfinished road to Manteku • Request for the maintenance of Dumsi to Mtamvuna . • Sirhasheni to Mzamba mouth was not properly done last year. • 	<ul style="list-style-type: none"> • Ward 28 people are requesting their own RDP Housing. • Request for water in Gumzana Village people are suffering. Clarity is needed as to why there is no consistency in the allocation of RDP Houses in wards , why would ward 3 be given 1000 Units whilst some wards are only getting far less. • Clarity is needed on the Ntakana to Dangen road , what happened to it ? • •
16,25,15,	<ul style="list-style-type: none"> • Bazane Access road done but there are some farrows on the road. • In ward 15 100 destitute houses project not yet started. 	<ul style="list-style-type: none"> • At Matshezi Access Road, there is still an outstanding phase that was not done. • Makhwantini Sport field was completed • Nontlanga Access Road was done but not completed, completion of this mentainance must be treated 	<ul style="list-style-type: none"> • Monitoring of projects before and after the project has been completed must be done by the Municipality. • Mndiyatha family must be assisted with a shelter as they are living in a very bad condition In ward 15. •

WARD NO.	SERVICE DELIVERY NEEDS / PRIORITIES	UNFINISHED PROJECTS	GENERAL SERVICE DELIVERY COMPLAINTS AND COMMENTS
		<p>as a matter of urgency.</p> <ul style="list-style-type: none"> • Chrishlow sport field was not completed. • 	

2019/2020 FY DRAFT ANNUAL REPORT PUBLIC COMMENTS

WARD NO.	DATE	SERVICE DELIVERY NEEDS / PRIORITIES	UNFINISHED PROJECTS	GENERAL SERVICE DELIVERY COMPLAINTS
1	06/11/2020	<ul style="list-style-type: none"> - Pot holes in town be prioritised 	<ul style="list-style-type: none"> - Sewerage infrastructure incomplete - Taxi rank maintenance incomplete - Housing projects in Down town incomplete 	<ul style="list-style-type: none"> - Documents should be delivered on time so that they should have enough time to go through the document. - 2020/2021 projects on the document does not state how much that have been spent so far and how much is left - Poor Electricity in town - There is no communication when there is a load shedding
2	04/11/2020	<ul style="list-style-type: none"> - Request for an Access Road in Ntamonde Village. - Request for Access road from Mangqwetheni to Mfundambini. - No water at Mkhandlwini Village - Access road from Mdikisweni to Fort Donald needs re gravelling. - Maintenance of Mkhambathi to Gudlintaba Access Road. 	<ul style="list-style-type: none"> - 	

		<ul style="list-style-type: none"> - Maintenance of Nokhatshile to Mbuthweni Access road. 		
03	04/11/2020	<ul style="list-style-type: none"> - Bridge collapsed at Nombani Location, request for maintenance - Mwilini Access Road was requested at ward 3 	<ul style="list-style-type: none"> - Water taps 	<ul style="list-style-type: none"> - Asking for speed humps
4	03/11/2020	<ul style="list-style-type: none"> - Issue of a Ward 4 hall(hall) that was demolished due to cracks, Community is requesting a new one urgently hall is needed as a matter of urgency 		<ul style="list-style-type: none"> - Request for the intervention of the Hon Mayor in relation to the service delivery issues in ward 4 clinic, like shortage of medicine etc. - Covid 19 regulations that are not being adhered to in Mdikisweni Village. - The Municipality is being requested to assist the District Municipality in the issue of employment of casuals in Ludeke Dam. - Issue of broken taps in the ward by children is worrying. - Premier should refrain from these constant visits to the ward with no new developments in relation to the reticulation of water.
05	04 – 11 – 2020	<ul style="list-style-type: none"> • Caretaker and a security guard must be employed for the Nonqulana Community Hall. 		<ul style="list-style-type: none"> • Unemployment of youth in our area. • In future Councillors must be elected by community members.

		<ul style="list-style-type: none"> • Power failure in the whole ward must be considered, maintenance must be done. • Memela to Lucingweni Access Road must be constructed. • Lower Gwala to Nzala access Road must be constructed. • Ntombazana to Qwelela Access Road must be constructed. • The ward must be provided with RDP Houses. • Network pole is requested at Mthamvuna as there is no network in the area. • Mthamvuna via Mabheleni to Ndayingana Access Road must be maintained. • From Tshezi to Mbobeni Tar Road must be maintained as there are potholes. • At Mbobeni there were community members that were relocated during the construction of 		
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		<p>the dam but now they have no electricity and graves were dug but there is no progress.</p> <ul style="list-style-type: none"> • An access Road to the Mthamvuna grave yard must be constructed. • Youth must be provided with sport facilities during the Covid 19 period so as to avoid them moving up and down the streets. 		
06	05 /11/2020	<ul style="list-style-type: none"> • Msongelwa to Tshamathe needs maintenance. • Pot holes on the road from town Umhlanga village needs maintenance 		<ul style="list-style-type: none"> • Follow ups should be done on projects • People of ward 06 are not employed as EPWP workers.
7	13/11/2020	<ul style="list-style-type: none"> - No RDP Houses - Mzamba Access road needs to be graded - Fencing of the Mzamba Community hall was requested, and toilets needs to be maintained. 		<ul style="list-style-type: none"> - Speed humps were request at Skotoyi stop
08		<ul style="list-style-type: none"> • Reservoir should be prioritized • RDP houses should be prioritized 	<ul style="list-style-type: none"> • Incomplete pre school 	<ul style="list-style-type: none"> • Small businesses should be assisted

		<ul style="list-style-type: none"> • Bukuveni and Matyeni are in a very bad condition 		
9		<ul style="list-style-type: none"> - Request for speed humps in Envis and Mpetshwa Villages. - Request for a new ward 9 hall gate as the old one was stolen - Request for stronger chairs inside the hall - Mpetshwa to Mfundambini road has been severely damaged, an urgent intervention is needed. - What is the estimated project time for the construction of Tshuze road? - No toilets in Masebeni Village - Request for a new road from Mavundela stop to the Clinic 	<ul style="list-style-type: none"> - Installation of water not finished at Masebeni Village - 	<ul style="list-style-type: none"> - Status of Municipal games versus Covid 19 was questioned by community members - Update was required on the RDP houses that were to be built in Tshuze Village many years ago ? - Clarity was also needed on Lima projects - WMM L M was requested to assist by providing overalls/reflector jacket to the man who is helping kids to cross the road to school. - Very slow pace of service delivery in ward 9, No ablution facilities, No RDP houses, - The Municipality was requested to assist the unemployed people in the ward especially the youth. - Meeting appreciated the feedback that was given by the ward Councillor in relation to the pending speed humps.
10	13/11/2020	<ul style="list-style-type: none"> - No water access in the whole ward - Street lights are requested in Ntlenzi to avoid crime - Maintenance of Ntlenzi to Mcetheni Access road, it is 	<ul style="list-style-type: none"> - Infills 	<ul style="list-style-type: none"> - Members of Inkciyo feel they are neglected, they are requesting the municipality to support them.

		badly damaged and construction of a Bridge next to Mtshezi.		
11	16/11/2020	<ul style="list-style-type: none"> - Request for the electrification of Manjoba Village Hall - Request for the electrification of Siphanqeni village and Pelepele village. - No electricity in Diphini village. 		<ul style="list-style-type: none"> - Mandlobe School needs a security guard. - There was a request for a cleaner at Ngqindilili Community Hall.
12	13/11/2020	<ul style="list-style-type: none"> • RDP houses should be prioritized for all residents of ward 12 • Road maintenance should be done seasonal • Toilets should be prioritized for Ntlanezwe to Mfundambili • Mbumbazi to Mapheleni road should be done • No water at some parts of Dayimani village • Sizabonke to Ndinomntu Access Road to be prioritized 		
		<ul style="list-style-type: none"> • Ngcingo Community Hall 		<ul style="list-style-type: none"> • DEDEA to visit Ward 13 about their presentation

13		<p>must be maintained.</p> <ul style="list-style-type: none"> • The whole ward to be provided with toilets. • Thwangu Pre-school to be renovated. • Matwebu to be provided with water. • Street lights at Didi Village must be installed. • Access Road from Didi School to R61 must be maintained 		
14		<ul style="list-style-type: none"> • Magino access road to Mtheshwana should be prioritized • Maqedeni AR needs re-gravelling. 		
15	17/11/2020	<ul style="list-style-type: none"> - Water Crisis - Maintenance of Goxe Access road - RDP Houses - Construction of a slab for Mbhekuteni A/R next to kwa Mehlo 		<ul style="list-style-type: none"> - Community Confirmed the projects on the document, they also appreciated the construction of Mabhekuteni Access road, Siwisa Access road. - They also requested to be considered as Local Contractors.
16	17/11/2020	<ul style="list-style-type: none"> - Request for Mbhekwa access road. - Request for the electricity Infills in 		<ul style="list-style-type: none"> - Amajuba village requested a mobile clinic. - Request for an old age home in Dlangezwa.

		<p>Manzamnyama village.</p> <ul style="list-style-type: none"> - Ntlaka access road was requested. - Request for the maintenance of Daweda to Mthayise. - Request for a road to Cangci high. - Mthayise access road needs water pipes. - There is no water at Amajuba village - Amajuba no access road. - Request for water in Entlalo village. 		
17		<ul style="list-style-type: none"> - Londobezi bridge is collapsing children do not go to school when raining. - Local sports ground in need of maintenance. - Ngwengwe Pre-school asking for 		<ul style="list-style-type: none"> - Some of the spaza shops are selling expired food. - Asking for speed humps and road rangers. - No network coverage asking for network poles.

		<p>toys and educational tools for pre-school children. Also flushing toilets.</p> <ul style="list-style-type: none"> - Access Road at Ntlakhwe location has no drain pipes 		
18	05 – 11 – 2020	<ul style="list-style-type: none"> • Plangweni to Ntangani provincial road must be tarred. • Sports grounds must be maintained. • Provision of houses and water for the disabled people. • Requested the road from Mqutsalala to Londobezi AR 	<ul style="list-style-type: none"> • Municipality to intervene on the uncompleted Themba Mzize School construction. • Water pipes were installed but there is no water in the area. 	<ul style="list-style-type: none"> • Drastic measures must be taken equally on the issue of stray animals in town. • Community members must benefit on feeding schools programme. • Employment in town projects must be transparent.
19		<ul style="list-style-type: none"> - Requested to have Monti access road maintained as it was done in 2003. - Requested for the Electrification of Ntabezulu Community Hall - The maintenance of the road going to the project (Madikizela) from white city to Thokozani kwa Tshazi. 	<ul style="list-style-type: none"> - Work that was done on T116 is not satisfactory. - Borehole that was done in Thokozani still not working since its installation. - Maintenance of Thokozani to Tshazi last year was never completed 	<ul style="list-style-type: none"> - Does the Municipality have any kind of supervision plan for the work that is being done in wards with the internal plant? - How is the prioritisation of wards done in terms of roads to be maintained? - There's a general shortage of water in ward 19. - The report says Mngomazi road has been completed which isn't true, clarity is needed in this regard.

		<ul style="list-style-type: none"> - Requested for maintenance of Monti to Maswazini access road. - Request for the RDP Houses that were promised ward 19 - Request of a new road from kwa Nyandeni, Lubala Village to Nxila - Request for the following new roads , Lubala Access road . - Tshukuma Village road. - Smakadeni Access road - Jerico emaswazini to Ntsimbini - Mxinga next to kwa Daza a slab is requested there. - Re gravelling of the main road T116 was requested. - Request for water in Nonja Village. - No water in Vuyisile Village anymore, supervisors came for the inspection and they never returned. 	<p>Municipal workers left promising to come back and they never returned .</p>	<ul style="list-style-type: none"> - Community maintains they still do not want Cllr Dekede as their ward Councillor. - EPWP Contracts how are they rotated to ensure maximum beneficiation. - Update was needed on the proposed construction of Thokozani road. - None monitoring of appointed contractors was worrying the residents of ward 19. - Mayor promised to visit Thokozani school and that has never happened.
20	03/11/2020	<ul style="list-style-type: none"> • Road not in a good condition • Electrification of infills 	<ul style="list-style-type: none"> • Water project incomplete because there is no water 	<ul style="list-style-type: none"> • All citizens of ward 20 should receive RDP houses

		<ul style="list-style-type: none"> • Bridge to Stanford School be prioritized 	<ul style="list-style-type: none"> • Toilets project incomplete 	<ul style="list-style-type: none"> • Youth at ward 20 was trained as artisan for skills development and are doing nothing with that skill • Mobile police station should be located at post office • Workshop should be done with department of health to educate community on COVID 19 • Municipality should prioritize to employ people from 36 years to 56
21	13/11/2020	<ul style="list-style-type: none"> - Request for the maintenance of Greenville access road. - Request for the construction of Langaletu to Mobeni access road. - Request to have Cwaka, Mobeni to Langaletu roads maintained. - In Greenville 1, there is a request for a bridge to assist learners go to school when its raining. - A request to do maintenance on Nobamba access road. - There is a request to maintain 	<ul style="list-style-type: none"> - Unfinished toilets in Langaletu village. - Request for the electrification of Infills 	<ul style="list-style-type: none"> - Greenville 1 Pre-school needs funding from Social development - High rate of Unemployment in ward 21 . - RDP houses needed in ward 21 for the whole ward. - A need for speed humps has been noted in Greenville Junior and they also do not have scholar transport. - Greenville two village need mobile clinic

		<p>Langaletu 2 access road .</p> <ul style="list-style-type: none"> - Request for water in Langaletu Village . - A request for the maintenance of Hlolweni bridge. - Request for water in Ntika 1 village. 		
22	06/11/2020	<ul style="list-style-type: none"> - Requested for Lukholo to Marazula access road. - Requested for maintenance of Dinizulu to Jayiva access road. - Requested for maintenance of Gwexe to Mthonjeni access road. - Mjaji to Mjikankatha need electricity and access road. 		<ul style="list-style-type: none"> - There is only one outlet in Lugwijini village that sells electricity for the new metre boxes (Nyamezela)
23	12/11/2020	<ul style="list-style-type: none"> - Road to Vulindlela Comprehensive should be done and tar road be removed and replaced with gravel road. - Dumping site for pampers should be prioritized 		-

		<ul style="list-style-type: none"> - Sport field at ward level should be prioritized - Gender based violence victim empowerment centre at Garhane be considered. 		
24	06/11/2020	<ul style="list-style-type: none"> - No water in ward 24 	<ul style="list-style-type: none"> - Sirhasheni access road that was said to be done was not completed - 	<ul style="list-style-type: none"> - Victim centre is not in seaview as per the report but in Garane Village. - There's a lot of flooding in Sirhasheni road - Community wants clarity on how LED Projects are funded by the Municipality.
25	12 – 11 – 2020	<ul style="list-style-type: none"> • Mosco Access Road be constructed. • Access road from Gobodweni to Vumani must be constructed. • Part of Matshezi to Makhwantini Access Road to be provided with slab and grading. • Maintenance of Jama Access Road is required by the community members. • Jama must be provided with toilets. • Maintenance of Dumasi Access Road. 	<ul style="list-style-type: none"> • 14 Households at Phandulwazi Village that were left without electricity must be attended urgently. • Mnyameni Bridge was not completed, Municipality must consider the completion of the bridge. 	<ul style="list-style-type: none"> • Community of Dumasi Village are complaining about lack of medication at Baleni Clinic as there are a number of community members who some of them die because of snake bite as there are dangerous snakes in that area • Shortage of nurses be considered. • Provision of Scholar transport for learners from Mgwede and Matshezi to Maqongwane School

26	03 – 11 – 2020	<ul style="list-style-type: none"> • The rank next to Multi-Purpose Youth Centre must be constructed. • Construction of Pre-school and fencing. • Community library must be constructed • Extension the whole ward must fast tracked. • Isikelo clinic must be provided with an ambulance. 	<ul style="list-style-type: none"> • Malola Access Road must be bladed and be provided with gravel. 	<ul style="list-style-type: none"> • Pre-schools must be removed from Social Dev to Department of Education. • Mr Tshezi of Sunnyside Village be assisted with a temporal structure as he is disabled. • Measures must be taken to doctors who steal medication from public hospitals for their surgeries.
27	13 – 11 – 2020	<ul style="list-style-type: none"> • Tarring from Nkantolo to Qobo Clinic is required urgently. Or gravelling • Thaleni Bridge to be constructed. • There must a Slab at Sizindeni Access Road. • A bridge to Ludeke Dam crossing to ward 5 must be constructed. • Cabane to Crestu Access Road must be constructed. • Dam and pipes are there but there is no water supplied to communities at Clarkville and Qungebe. 	<ul style="list-style-type: none"> • RDP Houses incomplete the project must be finished. • Ndlolothi to Thaleni Access road not completed. • Municipality must take further steps as there is no progress at the Thusong Centre. • Mphuthumi Mafumbatha Stadium must be completed. • Silangwe SPS – construction not completed and there is no progress. 	<ul style="list-style-type: none"> • Employment of Youth must be considered in the ward projects.

		<ul style="list-style-type: none"> Provincial road from ward 27 joining Fort Donald be maintained. 		
28	12/11/2020	<ul style="list-style-type: none"> Sigidi village prioritized electrification. Request for a mobile clinic in the ward. No running water for the whole ward. Hlalanathi village has no electricity. No RDP houses in Hlalanathi village. No water in Lundini village. 	<ul style="list-style-type: none"> Electrification of Mngungu village was not Completed. Construction of Sidanga bridge was not finished 	<ul style="list-style-type: none"> No Scholar transport for kids in both Mdatya and Gumzana Villages.
29	12/11/2020	<ul style="list-style-type: none"> No Access to water in the ward Little Eden access road needs to be maintained. Removal of Alien plant & Grass cutting from Bulala onwards Houses for Destitute to be prioritised Loads of Quarry outside Community hall to avoid mud Toilets are very bad Construction of a Bridge to Mfolozi next to Mr Njoyini. 		<ul style="list-style-type: none"> Local businesses be considered for work opportunities. Request for Speed humps at Zikhuba Village. Students be provided with training by the Municipality

30	16 – 11 – 2020	<ul style="list-style-type: none"> • Gudlucingo, Machi Mvubini to Luchizweni Access Roads must be constructed. • Luchizweni must be electrified. • Mxinga and Nyanisweni Access Roads must be maintained. 		
31	03/11/2020	<ul style="list-style-type: none"> - Request for the provision of water tanks due to the shortage of water. - Request for RDP houses. - All access roads in the ward must be maintained. - Smakadeni to Sixaxeni AR to be maintained 	<ul style="list-style-type: none"> - Siwisa service Centre. - Electricity infills. 	<ul style="list-style-type: none"> - No Scholar transport in Nqabeni Village. - Noticeable improvement in Tambo and Adelaide Regional Hospital. - No work opportunities for youth.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

Component A: Basic Service Delivery

3.1. Electricity

The Winnie Madikizela – Mandela Local Municipality has a NERSA approved electricity distribution licence (NER/D/EC 132/2016/17) and is responsible for the provision and maintenance of electricity to the residents of the town which is the seat of the local municipality and Eskom provides the service of electricity to the rest of the municipal area starting from the outskirts of the town to the municipal boundary. The municipality also receives funds from the department of Energy through schedule 5b to do electrification on the rural areas. The municipality and Eskom did a 5-year electrification master plan which when completed the municipality would have reached a universal access within its area of jurisdiction. This electrification master plan has been adopted by council though the numbers per village are reviewed before the implementation of the project.

There is a general increase of electricity demand in Mbizana as new households are constructed. In conjunction with Eskom the Municipality has managed to reduce electricity backlogs from 19000 (39 %) households in 2011 to 1 836 (4%) in 2019 based on STATS 2011. This backlog will further reduce once the on-going projects are completed. In the current financial year 20/21 WMM municipality received INEP funding allocation of R 28 453 000.00 which will be utilised for the connection of 731 households in Ward 25 and 15. The new statistics as per the recent population survey shows an increase in households because of the new extensions that are created in the already electrified area.

WMM Local Municipality is working closely with the Department of Energy in the installation of solar backed electricity in villages where grid electricity will take more than three years to be installed and where the terrain makes it difficult for grid electricity. The backlog has decreased to 1836 with the completion of 2020/21 electrification projects which consisted of 1 667 households on both Schedule 5 and 5B. This backlog figure will further decrease to 679 on completion of the 2021/22 5A & 5B project schedules. In areas where the electricity will not be provided soon the municipality is currently providing solar system for these areas through assistance from Department of Minerals and Energy

Financial Performance Year 2020/2021: Electricity Services					
Details	2019/20	2020/21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance if any
Total Operational Budget	(59,438,104.84)	(63969012.00)	(67,190,601.00)	(67,708,793.53)	N/A
Expenditure					
Employees	4,338,619.23	4,863,864.00	4,863,864.00	4,343,720.60	
Repairs and Maintenance	1,946,305.23	4,960,380.00	4,960,380.00	433 678.00	
Other	90 563 249.90	68 102 640.00	83 384 917.00	74 899 085.09	
Total Operating Expenditure	96,848,174.36	77 926 884.00	93 209 161.00	79 676 483.69	
Net Operational Expenditure	37 410 069.52	13 957 872.00	26 018 560.00	11 967 690.16	

Capital Expenditure Year 2020/21: Electricity Services					
Capital Project	2020/21				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Electrification of Mabhenguteni Village	9,600,746.00	11,336,509.00	11,457,830.46	121 321	

Construction of 8 MVA (own funds)	2,856,254.00	2,054,368.44	2,054,368.44		
Electrification of Sigidi	11,057,000.00	13,559,500.00	13,319,613.67		
Electrification of Ludeke	1,177,172.00	804,802.00	804,802.00		
Supply and installation of High Mast lights	2,000,004.00	2,000,004.00	1 960 443		
Backup Generator (Institution)	700,000.00	1,072,370.00	1,072,370.00		

Employees :Electricity services					
Level	2019-20	2020/2021			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3	A0323, A0324, A0269	3	A0323, A0324, A0269		
4-6	A 0028	1	A 0028		
7-9					

10-12	A0209, A0041, A 0242	4	A0209, A0041, A0242		
13-15	A 0315A	1	A 0315		
Total		9			

3.2. Waste Management and Refuse Removal

Waste management service is being provided in the CBD and its 4 Extensions (01, 02, 03 & 04) and surrounding areas. The service is also being offered in rural areas such as Ward 13 (Mathwebu, Didi, & Ngcingo areas), Ward 23 (Izikhuba, Plangweni & Seaview areas) and Ward 24 (Ebenezer, Garhane & Mzamba Mouth areas) through service provider which was commissioned by the municipality. The other rural areas are serviced by the municipality through EPWP. The municipality is in a process of reviewing its refuse & sanitary bylaws which will serve as a platform/basis to monitor compliance. The municipality received a project from DFFE, which employed 15 General Assistance which assist in mostly cleaning the illegal dumping spots, and 07 Environmental Ambassadors which are responsible for waste and environmental education in all Wards. Our area has five public beach areas where waste collection is managed through a project called 'Working for the coast' which is funded by DFFE. The project caters for waste collection and removal of invasive alien plant species along the coast. The area is characterised by dongas due to illegal sand mining. These dongas are utilized as waste hot spots. The municipality is servicing all businesses, government institutions, NGO'S in town and a few rural areas. Most of these entities does not have storage areas for waste and make use of pedestrian bins on the pedestrian walkways. This causes various problems for the municipality like wind blowing litter, waste piling up in front of shops and on the roads, traffic blockages for pedestrians and general unsightliness. Ideally every shop should have storage for waste to reduce waste that is disposed on pedestrian's bins.

FOLLOWING ARE THE WASTE EQUIPMENT/FLEET USED FOR WASTE COLLECTION SERVICES BY THE MUNICIPALITY:

Reg. Number	Section/Division	Make
FWK 197 EC	Solid Waste	Hino Super F
FVW 815 EC	Solid Waste	Toyota Hilux SRX
CWG 481 EC	Solid Waste	Massey Ferguson MF 285 S Trekker
DTH 289 EC	Solid Waste	Mercedes-Benz Axor
JNG815EC	Solid Waste	Fuso
JNX120EC	Solid Waste	Hyundai
JTG283EC	Solid Waste	Nissan

SUCSESSES:

SKIP BIN SERVICES

In the previous years the municipality has been using cage system as means of collecting waste in busy areas. Employees had to physically off-load the cages to the refuse trucks, this system was reviewed as environmentally not friendly, time consuming, requires intensive labour workforce, high health hazard especially to the workers. It was then agreed that the cage system be replaced with a more convenient and environmentally friendly option, the skip bins. 30 skips bins were purchased during the financial year 2020/21, and were placed strategically in all identified waste hotspots in and around the town. This system requires a specific vehicle designed to collect and dispose waste from

skips other than the compactor trucks used by the municipality, and this led to the purchase of skip loader truck within the same financial year to execute all works.

Following are the areas where the skips are placed and serviced in the CBD, EXT 03, EXT 04 and very few rural illegal hotspots. They are monitored and cleaned daily by beneficiaries who were employed specifically for cleaning, monitoring around the skips to ensure a more user friendly by communities. Collection and disposal of skips is undertaken daily by the municipal skip truck.

The following pictures depict how the service of skip bin project is undertaken within the municipality





➤ **EXTENSION OF WASTE MANAGEMENT SERVICES TO RURAL AREAS**

As means of minimizing illegal dumping to un-serviced rural areas, extending waste management services to other wards within the municipal jurisdiction as per gaps identified in the Integrated Waste Management Plan (IWMP) developed in 2015, the new project: Extension of Waste Management Services to 5 Peri-Urban Areas was commissioned. The project was piloted in 3 Wards:

- Ward 13 (Mathwebu, Didi & Ngcingo Villages)
- Ward 23 (Plangweni , Seaview & Izikhuba Villages)
- Ward 24 (Mzamba Mouth, Garhane & Ebenezer Villages).

In each ward, 3 areas were chosen for establishment of waste collection sites/drop offs sites which is used by households closer to it. The project created 15 job opportunities for a period of 12 months.

Photos illustrate execution of the project:





WASTE MINIMIZATION AND RECYCLING PROGRAMMES

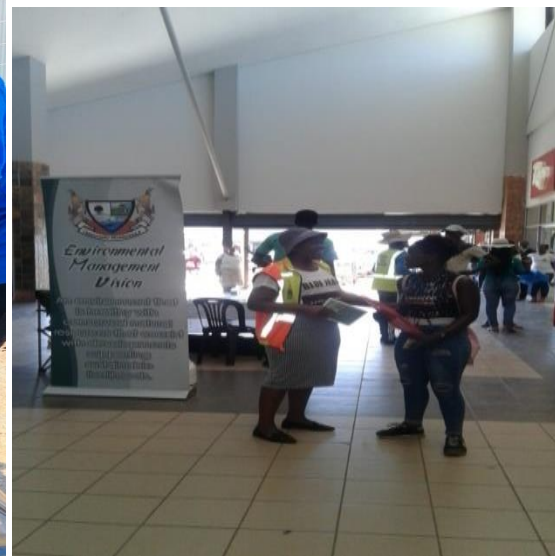
As means of minimising large volumes/amounts of waste taken for disposal, the section is working with a number of local registered and unregistered recyclers which deals with collection of cardboards, papers, plastic, tins and bottles/glasses for recycling. Currently, most of these local recyclers are at primary stage of recycling meaning that they sell their products to other companies such as Consol, Mondi, Collect A Can for processing and manufacturing. Their impact towards securing/increasing the life span of EXT 03 dumping site is indeed noticeable, as most of the recyclables (cardboards, papers, plastic, tins and bottles/glasses) are diverted from site for recycling, and this contributes a lot in preventing the site from reaching its carrying capacity before anticipated period. During 2020/21 FY we received incentives from Department of Environment, Forestry & Fisheries (DEFF) in supporting this program, and a number of 72 local recyclers benefited from the incentives.

The following photos confirm distribution of PPE from the Department to our local recyclers as means of motivating them as they contribute to integrated waste management in the country.



WASTE MANAGEMENT CAMPAIGNS/CLEAN UP CAMPAIGNS

Waste Management Awareness & cleaning Campaigns were conducted in surrounding areas where mostly illegal dumping had been noticed. This target was set purposed to encourage/motivate communities to take care of the environment for the present and the future generations.





TARIFF SETTING

The waste management tariffs are reviewed yearly to match the improved service to the communities. The Waste Management Tariff Policy is currently under review to be aligned with the reviewed Waste Management By-laws.

CHALLENGES:

- The municipality is currently operating in a dumping site at EXT 3, which is currently running out of air space for future burial of waste.
- Delays in endorsement of IWMP.
- Limited resources to service the entire municipality as required by legislation.
- Limited resources to put up required infrastructure for provision of better service.
- Uncontrolled sewage from some businesses & households around the town.
- Drainage system-uncontrolled run offs from the drains during rainy season further exacerbate the situation.
- Geographic landscape & bad roads in some areas of EXT 4 make it difficult to access some areas. Some businesses have not yet understood the municipal waste tariff strategy.

Solid Waste Service Delivery Levels:						
House Holds						
Description	2018/19	2019/20	2020/2021	Original Budget No	Adjusted No	Actual No
	Actual No	Actual No	Actual No			
Solid Waste Removal:	N/A	N/A	N/A			
Removed Once a week	1266	1266	1453			
Removed More than once a week	0	0	0			
Total Number of House holds	1266	1266	1453			

Employees :Waste Management and Refuse Removal services					
Level	2019/20	2020/2021			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3	A0009 A0064 A0071	39	A0009 A0064 A0071	08	17%

	A0072		A0072		
	A0073		A0073		
	A0102		A0102		
	A0128		A0128		
	A0129		A0129		
	A0130		A0130		
	A0133		A0133		
	A0141		A0141		
	A0142		A0142		
	A0143		A0143		
	A0146		A0146		
	A0147		A0147		
	A0148		A0148		
	A0191		A0191		
	A0272		A0272		
	A0273		A0273		
	A0274		A0274		
	A0275		A0275		
	A0276		A0276		
	A0277		A0277		
	A0278		A0278		

	A0279 A0282 A0294 A0295 A0296 A0297 A0298		A0279 A0282 A0294 A0295 A0296 A0297 A0298		
4-6	A0305 A0018 A0022 A0077	06	A0305 A0018 A0022 A0077	02	33%
7-9	A0251	02	A0251	01	50%
10-12	A0246 A0303	02	A0246 A0303	0	0
13-15	Nil	Nil	Nil	Nil	Nil
Total					

Financial Performance Year 2020/21: Waste Management and Refuse Removal					
Details	2019/20	2020/2021			
	Actual	Original Budget	Adjusted Budget	Actual	Variance if any
Total Operational Budget	(9,825,913.77)	(6 869 916.00)	(7 385 934.38)	(7,369,173.69)	
Expenditure					
Employees	3,252,816.02	10,682,796.00	10,682,796.00	7,870,910.22	
Repairs and Maintenance	438,289.71	2,428,716.00	1,849,716.00	716,059.84	
Other	14 580 391.51	13 299 133.00	14 219 049.00	14 669 019.65	
Total Operating Expenditure	18,271,497.24	26,410,645.00	26,751,561.00	23,255,989.71	
Net Operational Expenditure	8 445 583.47	19 540 729	19 365 626.62	15 886 816.02	

Capital Expenditure Year 2020/2021: Waste Management and Refuse Removal					
Capital Project	2020/2021				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Grass cutting Tractor and Refuse Truck	1,700,004.00	1,300,004.00	1 102 956.95		

Grass Cutting Machine	110,004.00	110,004.00	0		
Refuse Bakkie	0	450 000.00	0		

3.3. Housing

The majority of people (94%) in the municipal area reside in rural areas and in traditional housing. The bulk of the housing demand is therefore vested in rural areas. The exact housing need in the municipal area is 38747. The majority of people within the municipal jurisdiction are residing within self-built structures (traditional dwellings) within rural settlements. WMM local municipality is rural in nature and consists of dispersed, scattered rural unplanned settlements. The municipality is implementing rural housing subsidy programme, aiming in building houses within the rural communities. There is a huge demand of housing within the municipal jurisdiction in both Urban and Rural Areas.

The exact housing backlog and subsequent housing demand for the municipality is in rural areas compared to the urban. The settlements pattern of the municipal area reflects a predominantly rural character and the vast majority of the population resides in the traditional houses. There is a high demand of middle income houses within the urban area. The main issue is unavailability of land, due to unresolved claims between the municipality and communities as the municipal commonage is subject to land claims. The municipality has undertaken the formalisation of the Downtown informal settlement upgrading through the insitu upgrading. The scope of work entailed pre-planning and the layout plan was adopted by the council. The survey (pegging) is also completed, awaiting the Environment Impact Assessment (EIA) approval and the project will be handed over to the Department of Human Settlements for the construction of top structures.

In addition, the WMMLM Municipal Spatial Development Framework identifies land for future settlement development. The municipality adopted the review of Spatial Development Framework, aiming in guiding development within the municipal jurisdiction. According to the Spatial Development Framework, numerous land pockets are identified for human settlement development, proposing various housing densities and typologies. The SDF is aligned to the municipal Integrated Development Plan (IDP) and it contains the housing chapter extracted from the Housing Sector Plan for the purpose of housing development and delivery within the municipal jurisdiction.

There projects that were running in order to decrease the housing backlog within the financial year of 2020/21 are as follows:

Ward	PROJECT NAME
------	--------------

16	AmaMpisi 500
3	Bonda 1000
27	Silangwe 500
16, 28	Xholobeni 500
11	Mdikisweni 500
23	150 Houses
29	150 Houses
26	100 Houses
18	50 Houses
22	50 Houses
15	100 Houses
19	100 Houses
Temporal Shelter	Across all wards

Mbizana 1000

Mbizana 1000 is a rural housing project that is currently running since 2020-21 FY and is covering the following Wards:

14; 15; 18; 19; 20; 21; 22; 23; 25; 26; and 29.

116 housing units have been completed during the year 2020-21.

Bonda 1000

Bonda 1000 is a rural project with 1000 units that is situated in Ward 3, it started from 2014 and was completed during the year 2021-22.

Challenges:

- In Ward 23, the site was closed due to conflict amongst community members but was opened again in August but the contract for main contractors expired end of August.
- In Ward 22, there is an issue of terrain in four sites. These sites are inaccessible and beneficiaries are reluctant to relocate.
- In Ward 21 & 29, main contractor (GS United) does not assist SMME's by signing of cession in order to acquire building materials.

Temporal Shelters:

The service provider has put in place 167 temporal shelters. The project was not finished and the Department of Human Settlements needs to appoint another Service Provider to finalize the project.

Winnie Madikizela Mandela Local Municipality doesn't have developer status in terms of implementing the housing delivery, it only coordinates, facilitate and administer housing projects. The Department of human settlements is responsible for all housing related projects and is the implementing agent on behalf of the municipality. The municipality does not provide capital expenditure budget for housing section, except for employees.

3.4. Free Basic Services

Free Basic Services and Indigent support

Status of the provision of free Basic services, Indigent register, number of people benefiting, provision of free basic services to low income house holds

Free Basic Services to Low Income House holds						
Year	Number of House Holds					
	Total	House Holds Earning Less than R 1 100.00 Per month				
		Free Basic Electricity			Free Basic Refuse	
		Total	Access	%	Access	%

2019/2020		10345	1655	16%		
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Financial Performance 2020/2021: Cost to the Municipality Free Basic Services Delivered					
Services Delivered	2019/20	2020/2021			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Free Basic electricity and free Basic Alternative Energy		R 1 819 275, 00 for Free Basic Electricity R 2 500 000,00 for alternative energy	n/a	R 1 819 275, 00 for Free Basic Electricity R 2 500 000,00 for alternative energy	n/a
Indigent Burial Support		n/a	n/a	n/a	n/a
Indigent to rates		n/a	n/a	n/a	n/a
Catering Indigent		R 189 000	n/a	R 189 000	n/a
Indigent register review consultants		R 943 950	n/a	R 943 950	n/a
Indigent verification		R 500 0000	n/a	R 500 000	n/a
Protective clothing free basic services		R 31500, 00	n/a	R 31500, 00	n/a
Stationery free basic services		R 42000,00		R 4200,00	n/a

COMPONENT B: ROADS

3.5. Roads and Storm Water Drainage

Roads in the municipality are classified as Provincial, District & Access roads. Provincial & District roads are managed & maintained by the province while access roads are the responsibility of the municipality.

In the 2020/2021 financial year, the municipality constructed and completed four (4) new gravel access roads in various wards, namely, Gabisa via Makhosonke to Lukhewini Access Road in Ward 15, Sijingi via Mangunga to Methodist Church Voting Station Access Road in Ward 5, Lubekelele Access Road in Ward 25 & 28, Ebumnandini to Nqabeni Access Road in Ward 9, and also continued with the construction of Phase 3 of the two multi-year projects in Ward 1, namely, Mbizana Civic Centre and Mphuthumi Mafumbatha Sportsfield. The municipality also undertook the construction of Phase 1 Taxi Rank in Ward 1, Extension 4 Bridge in Ward 1 as well as Mqonjwana to Greenville Access Road in Ward 18.

Challenges faced during the financial year include the accessing of Borrow Pits in all wards as the communities expect the municipality to compensate them for the use of the Borrow Pits to construct or rehabilitate access roads. This is a challenge as it has financial implications that were not catered for during the planning stages, it also delays the implementation of the projects. The municipality should embark on intense programmes led by the Council to educate communities about how government works as they seem to lack full understanding of the government operations. Communities are engaged through Social Facilitation team during the planning stage to inform them of the planned project and are requested to lodge inputs but when the construction starts they delay the projects with issues that have been addressed prior the implementation of the project.

Gravel Road Infrastructure : Kilometres				
Years	Total gravel Roads(Km)	New Gravel Roads Constructed	Gravel Roads Upgraded to Tar	Gravel Roads Maintained
2018/19	60	32.8	1.5	43
2019/2020	22.8	24.6	0	50
2020/2021	27.9	23.1	0	60

Cost of Construction and Maintenance : Rand Per KM				
Year	Gravel Roads		Tarred Roads	
	New gravel road	Maintained Road	New	Maintained
2018/19	36 116 307.35	2 900 000.00	9 112 588.86	
2019/20	23 206 737.63	13 500 894.80	0.00	
2020/2021	23 992 414.41	14 176 629.29	N/A	N/A

Financial Performance Year 2020/2021: Roads					
Details	2019/20	2020/2021			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	(53,946,982.28)	(48,180,000.00)	(45,459,000.29)	(45,459,000.29)	(2,720,999.71)
Expenditure					
Employees	6,380,933.19	6,896,208.00	6,896,208.00	6,061,751.14	834,456.86
Repairs and Maintenance	9,899,502.79	23,511,285.00	23,511,285.00	2,298,263.31	21,213,021.69
Other	29 276 782.61	40 110 156.00	40 859 193.00	36 975 114.74	3,135,041.26
Total Operating Expenditure	45,557,218.59	70,517,649.00	71,266,686.00	45,335,129.19	25,182,519.81
Net Operational Expenditure	-8,389,763.69	22 337 649.00	25 807 686.00	123 871.00	22,213,778.00

Capital Expenditure Year 2020/2021: Roads and Maintenance					
Capital Projects	2020/2021				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Mphuthumi Mafumbatha Stadium	R8,920,788.00	R21,944,770.95	R11,328,153.48	-R2,407,365.48	R61,862,554.69
Mbizana Civic Centre	9,250,764.00	R23,557,334.47	R22,527,126.35	-R13,276,362.35	R86,092,861.16
Sijingi to Mangunga via Methodist Church Access Road	3,900,000.00	R0,00	R4,136,070.37	-R236,070.37	R3,896,703.46
Ebumnandini to Nqabeni S.S.S Access Road	R5,874,996.00	R6,025,193.00	R8,269,425.60	-R2,394,429.60	R8,347,447.59
Lubekelele Access Road	R8,100,000.00	R4,150,197.65	R8,261,532.71	-R161,532.71	R10,583,240.88
Mqonjwana to Greenville Access Road	R4,800,000.00	R5,851,420.28	R8,781,659.03	-R3,981,659.03	R9,681,001.48
Gabisa Via Makhosonke	R4,800,000.00	R0,00	R3,325,385.73	R1,474,614.27	R3,805,039.12

to Lukhewini Access Road					
Extension 4 Ward 1 Bridge	R999,996.00	R3,953,062.18	R2,299,156.75	-R1,299,160.75	R4,072,190.07
Upgrade of Taxi Rank	R6,000,000.00	R8,614,137.18	R14,476,205.09	-R8,476,205.09	R18,704,779.72
Upgrading of Tshayingca Street	R2 700 000.00	R4 800 000.00	R4 025 948.82	R774 051.18	R4 800 000.00

Employees : Project Management Unit and Operations and Maintenance					
Level	2020/2021				
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3					
4-6		8		2	25%
7-9		2		0	0%
10-12		8		1	14.29%
13-15		1		0	100%
Total		19		3	15.77%

ROAD MAINTENANCE

Over the past three years, the municipality decided to improve its internal capacity to maintain access roads. We have improved our road works machinery in order to continuously improve the state of our roads. The general state of our access roads is poor and hence the municipality has budgeted an amount of R 16 700 000.00 during 2021/22 financial year to rehabilitate some of the gravel access roads. The allocated budget is far less than the required funding in order to meaningfully eradicate roads maintenance backlogs. The municipality already has two (2) fully-fledged sets of construction plant (2 x Grader, 2 x Roller, 2 x water cart, 1 x Excavator, 1 x TLB, 1 x Diesel Tanker Truck, 1 x Lowbed Truck and 3 x tipper trucks), however these are not enough to rapidly deal with the current backlog as it is too high.

EPWP contract labourers to maintain the storm water drainage and also to fix the small to medium potholes within our CBD roads were utilized. The municipality has allocated R3 570 000.00 to create 400 new EPWP jobs by June 2022. An amount of R2 797 654.00 has been budgeted for a total of 200m² of pothole patching in the CBD for 2021/2022 financial year. The long-term strategy the municipality is developing is that of developing a comprehensive Roads Master Plan that incorporates the road maintenance plan for a period of three to five years. The mentioned plan shall enable the municipality to enjoy an informed roads maintenance programme. The Roads Master Plan shall further explore and introduce contemporary roads maintenance technologies as our competitive edge. The section is also responsible for the maintenance of municipal buildings.

COMPONENT C: Planning and Development

3.6. Planning

The Development Planning consists of two sections namely; Local Economic Development, Planning and Land Use. The two sections work closely to each, due to the nature of work in order to promote development and enhance local economic growth.

Location of the section

Planning and Land Use Section is located in the Development Planning Department. The section comprises of subsections namely; Town Planning, Building Control, Housing, Geographic Information System services (GIS) and Real Estate, as per the approved organogram structure.

Objectives and functions of the section

The main objectives of the section are to facilitate, coordinate, administer, implement as per the departmental mandate;

- To ensure controlled and coordinated urban development
- To ensure a reliable register of land and valuation of properties
- To ensure Development and Review of Spatial Development Framework, Nodal Plan, Precinct Plan and Local Spatial Development Framework
- To ensure availability of land for development
- To ensure a safe and planned built environment for the future
- To ensure development of integrated, sustainable human settlements
- To avail land for purposes of development, housing, commercial, industrial, social and recreational facilities.
- To ensure maximum use of space through infill planning/ densification
- To facilitate the formalisation/ upgrading of informal settlements
- To facilitate human settlement development, township establishment, street naming and numbering, small town revitalisation
- Ensure compliance of Building legislation, town planning scheme, legislation, act adhered to
- Facilitate the prevention of illegal occupation of municipal land
- Facilitate land acquisition and disposal

Functions

A function of the section is to enhance service delivery through planning, facilitating, coordinating, administering and implementing the following functions;

Spatial Planning

- To ensure an informed approach towards development in the future in developing of Spatial Development Framework, Nodal Development Plans, Precinct Plans and Review of Spatial Planning Plans.
- Development of a Town Planning Scheme and Zoning Plan, Integrated Land Use Scheme to promote development to occur in a harmonious and coordinated manner
- Development of a Land Use Management System in providing guide lines for land use management in an integrated approach.
- Development of Land Audits in identification of municipal, state and private land for purpose of acquisition, disposals, preservation for future development, proper billing.

Building Control

- Building Control to improve the built up area that all building plans submitted comply with building regulations by conducting site inspection, building development, management, control and demolishing.
- Facilitate the prevention of unauthorised building works and occupation of illegal buildings.

Valuation

- Develop a credible valuation roll that will improve the property valuation, billing and revenue enhancement for the municipality. Valuation of municipal land for possible disposal and supplementary valuation roll.
- Conducting of supplementary valuations

Town Planning

Land use management for effective, efficient use of land, development control, enforcement assessment of development applications received and processed for the following categories:

- Rezoning,
- Sub-division,
- Consent use,
- Removal of restrictive conditions
- Township establishments
- Permanent departures
- Temporary departures
- Consolidation
- Land Surveying

Land administration

The management and administering of council owned land, municipal buildings and investment properties for the following;

- Disposal of council land
- Property management of council land, houses and leases on land.
- Acquisition of land for development
- Dealing with land invasions on council land
- Encroachments in municipal properties

Geographic Information Services

Providing of Geospatial services and offering support within the municipal departments in the following services;

- Undertake municipal data capturing and update spatial planning
- Undertake capturing and update of municipal immovable assets (Assets Register)
- Maintenance of GIS Infrastructure

Human Settlement

- The Constitution of the Republic of South Africa, 1996 states that everyone should have access to adequate housing. The Housing Act, (of 1997 make provisions the compilation of Housing Sector Plans to be integrated with District Housing Sector Plan and aligned with the Integrated Development Plan. Provision of housing and services to guide human settlements, responsible for Beneficiary administration; facilitate the provision of housing and coordinating housing projects.

Key Stakeholders

The main players involved in development planning mainly in planning and land use

Stakeholder Role/ Responsibility

Department of Local Government and Traditional Affairs	Planning and Surveys, Formalisation of informal settlements, statutory applications approval, spatial planning and land use management
Department of Rural Development and Land Reform	Spatial Planning and Land Use Management, SPLUMA, Land Tenure, Land Claims, Deeds Office, Surveyor General Office.
Dept of Justice	Court Orders for enforcing of bylaws, regulations and municipal policies
South African Police Services	Law Enforcement and Crime prevention
Alfred Nzo District Municipality	GIS Support, spatial planning and land use management
Department of Public Works (provincial, national)	Small Town Revitalisation, Land Acquisition and Disposal
South African Local Government Association	Small Town Regeneration Programme, Land Use Management and Spatial Planning.

Challenges and Successes

The Planning and Land Use Section has challenges in delay of developmental approval of land use/ development applications. The municipality is using outdated Planning Ordinance of 1934 and the Transkei Standard Town Planning Scheme delegate powers to the Local Government and Traditional Affairs for the consideration of land use applications. Below are the challenges anticipated by the section on daily basis;

- Contraventions of town planning scheme regulations and building act standard.
- Delay in developmental approval
- Illegal land uses and unauthorised building
- Undeveloped residential, commercial sites,
- Land invasions, informal settlement development
- Land claims impeding development
- Dilapidated and deteriorating buildings
- Houses built along the R61 encroaching into the road reserve
- Non approval of subdivision by the Surveyor General Office as they require dual approvals
- The tribunal is non-functional due to the advert that was none responsive in order for the municipality to join the district the process has to start over by firstly obtaining the amended council resolution.

Successes

The section has developed the Integrated Land Use Scheme and Land Use Management System for the municipality and was adopted by the municipal council. The municipality has also developed the Spatial Planning and Land Use Management Bylaw that was adopted and gazetted.

The municipality has taken resolution for the implementation of SPLUMA such as the categorisation of development application, delegation framework approval, appointment of the authorised official and municipal planning tribunal and appeal authority.

Implementation of by-laws,

The section is experiencing slow implementation of bylaws due to the nature of the statutory policies require consultations, serving of notices and council resolutions, court orders prior implementation. The bylaws has been adopted by the council and gazetted.

Issues of land claims

Winnie Madikizela - Mandela Local Municipality has a number of land claims that were lodged in the past years. Various individuals, groups and communities lodged restitution claims for various portions of land around Bizana. The nature of the claims vary from one claim to the other, most of the claims are community claims which involve large portions of land. Some of the land claims fall within the Sustainable Rural Development Program (ISDRP) nodal point. They are as follows:-

- Betterment claims
- Commonage claims
- Forestry claims
- Conservation claims
- Sugar cane claims

The restitution claims in Mbizana are at various stages of the settlement process, including research, claimant verification, valuations, settlement and court referral as guided by Restitution of Land Rights Act 22 of 1994. Urban land claims including the municipal commonage, impeding development. Township Establishment south of Bargain wholesale and commercial development in Erf 10 is part of the land claims in Town.

Building control

The building control subsection is to ensure the built environment is according to the required standards as per building regulations. Any construction, amendments, renovations, demolitions of the site requires prior approval and monitoring on different levels for safe environment. Unauthorised buildings are the main challenge and debilitated, deteriorating buildings that pose danger to public/ communities.

Applications for Land Use Development										
Detail	Planning application received		Determination made in the year of receipt		Determination made in the following year		Applications Withdrawn		Applications outstanding at the year end	
	19-20	20-21	19-20	20-21	19-20	20-21	19-20	20-21	19-20	20-21
Subdivisions	1	2	1	2	1	2	0	0	1	0

Consolidations	0	0	0	0	0	0	0	0	0	0
Rezoning	4	3	4	3	4	3	0	0		0
Applications relating to land restrictions	2	3	2	3	2	3	0	0		3
Special consents	0	2	0	2	2	3	0		0	0
Other application must be mentioned										

Employees : Planning and Land use, Building control, and Housing					
Level	2019/2020	2020/2021			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3					
4-6	A0055	1		0	0
	A0302	1		0	0
7-9					

10-12	A0377	1		0	0
	A0306	1		0	0
	A0221	1		0	0
	A0373	1		0	0
	A0336	1		0	0
	A0245	1		0	0
13-15					
Total	8	8		0	0

Financial Performance Year 2020/2021: Planning and Land use , Building Control, and Housing					
Details	2019-20	2020-2021			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	(109,094.88)	(323,400.00)	(363,924.00)	(92,624.55)	
Expenditure					
Employees	2,735,718.19	2,200,848.00	2,200,848.00	1,403,056.18	
Repairs and Maintenance	0				
Other	865,921.55	2,127,216.00	2,407,216.00	350,165.59	
Total Operating Expenditure	3,601,639.74	4,328,064.00	4,608,064.00	1,753,221.77	
Net Operational Expenditure	3,492,544.86	4,004,664.00	4,244,140.00	1,660,597.22	

3.7 LOCAL ECONOMIC DEVELOPMENT AND TOURISM

The Local Economic Development Department mandate is to facilitate the economic activities for the improvement as well as development of the economy of the region. The National LED Framework acknowledges that to accelerate national economic growth, better economic planning and coordination with local governments will have to take place on a more frequent basis. The National LED framework also stipulates that government has a decisive and unapologetic role to play in shaping the economy of the country and that of the regions.

LED provides support in the following areas:

- Development and review of national policy, strategy and guidelines on LED
- Provide management and technical support to nodal economic development planning
- Facilitate coordinating and monitoring of SMMEs development programmes
- Assisting on LED capacity building programmes

The following are the key economic drivers/sector in Winnie Madikizela Mandela Local Municipality as per the LED strategy that was adopted and revised in 2016:

- Agriculture
- SMME Development
- Tourism
- Mining
- Forestry and Mari-Culture

Operating documents:

Integrated development plan, Local Economic Development Strategy, Agricultural Development Plan, Tourism Development Plan and SMME and Co-operative plan.

LED Strategy Implementation:

The LED strategy was adopted in 2009 and reviewed in 2016 and is being implemented by the municipality. In executing the LED Strategy, the Development planning Department involved other key stakeholders in economic

development, sector Departments and established key forums. Working with all business formations in Bizana in the implementation of LED strategy maximised value.

LED CHALLENGES HINDERING ECONOMIC DEVELOPMENT

- Poor infrastructure.
- Lack of product supply chain system to link producers to market
- Economic activities are dense in ward 01
- Law enforcement remains a challenge as a result they are struggling to control the movement of hawkers in town
- Poor implantation of by-laws.
- Limited resources are key challenges in Economic Development. This refers to the financial resources and skills to execute our bankable plans and do day to day business management.
- Land claims protract development in the area as in some areas there are financial resources allocated but the implementation cannot commence due to land claims.
- Poor Economic infrastructure is a challenge in the Municipality as it keeps investment at bay.
- Capital flights.

The above-mentioned challenges need to be taken into consideration as it may impact negatively in the broader economic development of the area. This is the cause for economic leakage to neighbouring municipalities and province.

LED Successes

- The municipality have done the EIA, Operation Plan, Consortium and MOU, for boat launching site.
- The municipality in partnership with Boxer have constructed 50 hawkers stalls and the municipality have renovated Bukuveni market stalls
- Department of Arts and Culture has completed the construction of Khananda Hill grave site and O. R. Tambo Garden of Remembrance and now they are in the process of procuring computer for the library and doing landscaping.

- National Department of Tourism has completed designed for beach infrastructure development and has done signage for Amampondo Hiking trails.
- Visitor Information Centre is well maintained and is well operating.
- The municipality has incubated 20 business SMMEs
- The municipality have received a funding for Bricks & Blocks Manufacturing Hubs.
- The municipality in partnership with the District Municipality is implementing a Resident Fashion Designer Program.

Economic Growth

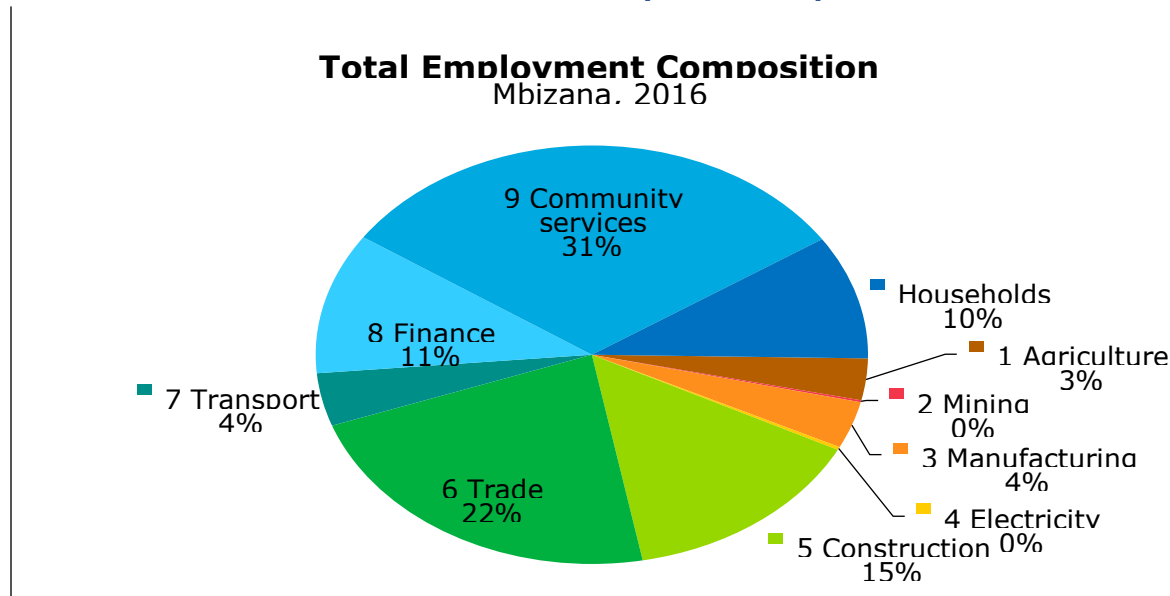
The Winnie Madikizela-Mandela Local Municipality had a total GDP of R 4.31 billion and in terms of total contribution towards Alfred Nzo District Municipality the Winnie Madikizela-Mandela Local Municipality ranked highest relative to all the regional economies to total Alfred Nzo District Municipality GDP. This ranking in terms of size compared to other regions of Bizana remained the same since 2006. In terms of its share, it was in 2016 (34.8%) very similar compared to what it was in 2006 (34.8%). For the period 2006 to 2016, the average annual growth rate of 0.5% of Mbizana was the second relative to its peers in terms of growth in constant 2010 prices.

It is expected that Winnie Madikizela-Mandela Local Municipality will grow at an average annual rate of 1.44% from 2016 to 2021. The average annual growth rate in the GDP of Alfred Nzo District Municipality and Eastern Cape Province is expected to be 1.58% and 1.62% respectively. South Africa is forecasted to grow at an average annual growth rate of 1.61%, which is higher than that of the Winnie Madikizela-Mandela Local Municipality.

Compensation of Employees

In WMM Local Municipality the economic sectors that recorded the largest number of employment in 2016 were the community services sector with a total of 8 250 employed people or 31.2% of total employment in the local municipality. The trade sector with a total of 5 930 (22.4%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 40 (0.2%) is the sector that employs the least number of people in WMM Local Municipality, followed by the electricity sector with 60.9 (0.2%) people employed.

CHART 23. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR – WINNIE MADIKIZELA – MANDELA LM LOCAL MUNICIPALITY, 2016 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1156

Jobs Created by LED Initiatives excluding EPWP				
Year (Top 3 Initiatives	No of jobs created	Jobs lost/ displaced by other initiative	Net Total jobs created in a year	
2018-19	46	0	46	
2019-20	49 Nkantolo		49	
2020/2021	15 life guards		15	
Jobs created by EPWP projects				
Year	No of EPWP projects		No of Jobs created	
2018-19	1 (EPWP Grant)		96	
2019-20	4 (EPWP Grant)		164	

2020-2021	0	0
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Financial Performance Year 2020-2021: LED and Tourism					
Details	2019-20	2020-2021			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	(1,330.82)	(108,708.00)	(17,127,550.00)	(20,533.02)	0
Expenditure					
Employees	5,485,880.88	6,429,060.00	6,429,060.00	6,491,137.36	
Repairs and Maintenance	0	150,000.00	150,000.00	150,000.00	
Other	6,002,012.09	11,815,572.00	17,948,801.00	6,119,729.80	
Total Operating Expenditure	11,487,892.97	18,394,632.00	24,527,861.00	12,760,867.16	
Net Operational Expenditure	11,486,562.15	18,285,924.00	7,400,311.00	12,740,334.14	

Employees : Local Economic Development and Tourism					
Level	2019-20	2020-2021			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a % of total posts)
0-3	N/A	N/A	N/A	N/A	N/A
4-6	A0365	1	N/A	N/A	N/A

7-9	N/A	N/A	N/A	N/A	N/A
10-12	A0160	1	0	0	0
	A0332	1			
	A0123	1			
	A092	1			
13-15	A0340	1	0	0	0
Total		06			

Capital Expenditure Year 2020-2021: Local economic Development						
Capital Projects	2020-2021					
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Value	Project
Market place	1,100,004.00	1,600,004.00	1 534 694.07			

COMPONENT D: Community and Social Services

3.8. Libraries and Community Facilities

Existence and functioning of libraries

WMMLM has 4 libraries and 3 are fully functioning with permanent staff. Nkantolo Public Library which is situated at ward 27 is based at Nkantolo JSS, Monwabisi Mfingwana Public Library is situated at ward 8 Dudumeni Village and its next to the Community Library, Mbizana Public Library at ward 1 next to Multi-Purpose Youth Centre and Ebenezer Classroom Library at ward 24 situated at Ebenezer JSS.

Number of MOU signed

MOU is signed annually between WMM LM and Department of Sport, Recreation, Arts and Culture. Only 1 signed MOU

Roles and Responsibilities of Stakeholders,

DSRAC responsible for capacity building programs, co-ordination and support establishment of library structures, provision of security services and Monitoring and evaluation. Build new libraries and provide modular library structures to rural areas and hand them to Municipality. Purchase library furniture. Purchase and process library materials. Provide security of library materials-detection systems and CCTV cameras. Municipality is responsible for maintaining existing library facilities, assist in supervision and administration of staff in public libraries, and establish library structures: Friends; committees, support awareness programs.

Library and Community Development

- Educational support
- Reading for leisure
- Personal development
- Community development initiatives support

Role of Library Committees:

- Ensure that government's goals and objectives are met
- Effective and efficient library service
- Provide support to libraries
- Mobilise resources for libraries
- Represent community in library related matters
- Library advocacy

Friends of the Library:

- Group of interested individuals that assist in library related matters
- Not necessarily legislated
- Formed with all the relevant structures that are necessary for its functioning

Community halls:

The municipality operates 32 Community halls with 63 job opportunities created and all these facilities are managed through hall management committees that are established as per the approved policy: Hire of Recreational facilities policy.

WMMLM Community Halls

NAME OF COMMUNITY HALL	WARD
1 M.P.Y.C.	01
2 FREEDOM SQUARE	01
3 MBUTHWENI	02
4 SITHUKUTHEZI	03
5 NTSHAMATHE	06
6 MAJAZI	07
7 MZAMBA	07
8 DUDUMENI	08
9 KUBHA	08
10 LUPHILISWEN	09
11 P.J.MHLANTI	10
12 MAMPINGENI	10
13 NGQINDILILI	11
14 NTABENDLOVU	12
15 NGCINGO	13
16 MEJE	14

17 MAKHOSONKE	15
18 SICELO BHANI	17
19 NOMANGESI MALUNGA MLOMO	18
20 NTABEZULU	19
21 ETYENI	21
22 LANGELETHU	21
23 GREENVILLE	21
24 LUKHOLO	22
25 IZIKHUBA	23
26 NOBUKHWE GWALA	24
27 THEOPHILUS NTSHANGASE	25
28 WAWA HLANGABEZO	26
29 NKANTOLO	27
30 MPUMELELWENI	28
31 MAJOLA SHUSHA	29
32 SIKHUMBA SIKA MZITSHANE	31

3.9. Cemeteries

The municipality is responsible for cemetery management for 1 grave site in Mbizana town. The current gravesite has been extended as it is almost full. The cemetery is used by residents of Ward 01 mostly as well as by residents of

WMMLM who do not have enough space to bury. The municipality has initiated controls for cemetery usage through drafting of access forms which users are required to submit requests for visitation, burial and exhumation which is done with municipal health services in the district municipality. The major challenge is burial space is unavailable in town which results to only residents from town being permitted to use the grave site. The municipality needs to review the cemeteries and crematoria by-laws whilst also approaching surrounding wards for grave sites.

3.10. Aquatic Safety

The municipality has 5 beaches which include Mtentu Beach, Skeit Bay Beach, Sikhombe Beach, Khwanyana Beach, Mnyameni Beach (with camp site), and Mzamba Beach. The municipality with Department of Environment, Forestry and Fisheries; and Department of Economic Development, Economic Affairs and Tourism are mandated to manage and protect these beaches through facilitation of projects which include Working for the Coast Project, awareness campaigns and enforcing policies and acts in place. Mzamba and Mtentu beach have attained a blue flag pilot status and the criteria for awareness campaigns, signage, bins and water quality sampling is achieved.

3.11. Special Programmes

Special Programmes Unit was able to achieve all thirty one set targets as per the Service delivery and budget implementation plan for the 2020-2021 financial year. Lobbying and advocating for mainstreaming of special groups (Children, People with disability, Elderly, Women and Youth) into all internal and sector departments programmes was the main focus of the unit. All the fora are functional and working well with the municipality. The municipality also managed to develop and adopt all special groups policies and all the special groups participated in the development of these policies. The municipality has also been visible in most programmes for the elderly from games to support to elderly centres also campaigns aiming at decreasing violence against elderly persons. Demographics show that population of WMMLM.

On HIV/AIDS the office of the Mayor champions the programme and are discussed at standing committee level before they are approved and implemented by Local AIDS council.

- Conduct an HIV and AIDS implementation plan
- Conduct twelve (12) support programmes on communicable diseases

An HIV and AIDS implementation plan was successfully developed at Hluma Lodge.

The following stakeholders were represented:

Dept of Social Development
Dept of Health
Dept of Education
NGOs
Youth formation
Council of Churches
Traditional leaders and
Business sector

The Twelve programmes were conducted in Cultural Village, Siteto, Ntukayi and Majavu SSS.

Component E: Environmental management and Signage Control

3.12. Pollution control, Biodiversity, Landscape and Coastal Protection

The Alfred Nzo District Municipality (ANDM) is located in the Eastern Cape Province. The Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) is the lead agent for environmental management in the Eastern Cape Province, and subsequently for air quality management in the province. The DEDEAT forms part of the provincial government's initiative to spearhead economic growth in the region. The goal being "Innovation for Sustainable Development", with a mission to "Lead economic development and environmental management in the Eastern Cape" (DEDEAT, 2013).

1. Air quality plan which is conducted by ANDM was presented to EXCO and will be presented to Council for approval. It is recommended that Council adopts this plan.
2. Management to facilitate signing of MOA with ANDM to assert sharing the implementation of the Air Quality Management Plan.

Public comfort facilities

The municipality comprises of 52 municipal facilities which includes; Community park, heritage sites, community halls, Community park is designed for recreational purposes such as picnics, sport facility, events and also, has children accommodation zone. The municipality comprises of 5 heritage sites namely; O.R Tambo Cultural Village, O.R Tambo garden of remembrance, Winnie Madikizela-Mandela Heritage Site, Ndlovu Heritage Site and Khananda Heritage Site. These heritage sites pride with greening & landscaping and also serves as tourist attraction areas. Grass cutting is done when required within Bizana town and it's also done in the above-mentioned public comfort facilities.

Nurseries

Currently, Bizana has two nurseries namely; uMthamvuna nursery and Luna nursery both located in Ward 18. They are maintained by a service provider appointed by the municipality; these nurseries comprise of medicinal plants (See images below showing nurseries).



Conducting of Environmental Management Campaigns

One of the targets on the approved SDBIP is to conduct 4 environmental awareness campaigns within Bizana and environmental clubs have been introduced in various schools. The objective of the environmental clubs is to basically empower different community through conducting awareness's i.e. environmental education. Four awareness's have been conducted namely;

- Arbor awareness that was conducted within Bizana Town (Ward 1), plantation of trees was done in Bizana town;
- Vulture Awareness campaign that was conducted in Nkantolo JSS;
- National plant a flower day which was done in municipal sites;
- River clean-up campaign was undertaken in Ward 24

(See figures below showing environmental awareness campaigns undertaken in various areas within Bizana).



Capital Expenditure Year 2020-2021: Environmental Management and Biodiversity					
Capital Projects	2020-2021				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
N/A	0	0	0	0	0

Financial Performance Year 2020-2021: Environmental Management and Biodiversity					
Details	2019-20	2020-2021			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	0	0	0	0	0
Expenditure					
Employees	2,333,017.36	1,632,468.00	1,632,468.00	1,330,129.94	
Repairs and Maintenance	0	0	0		
Other	256,178.10	720,972.00	725,204.00	242,282.51	
Total Operating Expenditure	2,589,195.46	2,353,440.00	2,357,672.00	1,572,412.45	
Net Operational Expenditure	2,589,195.46	2,353,440.00	2,357,672.00	1,572,412.45	

Employees: Environmental Management and Biodiversity					
Level		2020-2021			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3					
4-6					
7-9	A0253	01			
10-12	0	01			

13-15	0	0			
Total					

COMPONENT F: SAFETY AND SECURITY

3.13. Fire and Disaster Management

Fire Management:

Alfred Nzo District Municipality has stationed a satellite office in Winnie Madikizela Mandela CBD.

Challenges:

Not enough resources to fully service the municipality.

Disaster Management: -

Disaster Management plan was developed in 2016/17 financial year and budget has been put to review the plan. Provision of social relief material to the needy continued. More than 300 households were affected by heavy rains and left our communities homeless.

Assessed & responded to 195 reported & recorded disaster incidences within 72 hours. Conducted 4 Disaster awareness campaigns on the 28th September 2020 at Mzamba Community Hall in Ward 07 on the 09th December 2020, on the 1st December 2020 at Mkhandlwini, on the 24th March 2021 at Sithukuthezi Community hall in Ward 03 and on the 17th June at Mbhongweni J.S.S in Ward 14. Disaster Risk Management Plan has not been reviewed due to non – responsiveness of bidders.

Interventions: -

Provincial Department of Human Settlement approved 233 temporary structures. Alfred Nzo District Municipality assist our communities with eternal provision of social relief material sponges and blankets and Grocery for disaster affected households. Food parcels were provided by various businesses, NGO's, Community Trusts and individuals for COVID 19 affected households as thousands in Mbizana gone without food during lockdown.

Challenges:

- Inadequate resources to service this function.

3.14. PROTECTION SERVICES

Protection Services is subdivided into five sections that is; **Traffic law enforcement, Driving licence testing Centre, Registering Authority, Security Services and Pound.**

TRAFFIC SECTION



This section serves to ensure roadworthiness of public transport, the enforcement of Bylaws, Safety of road users, minimise carnages of road accident, to create free flow of traffic and encourage voluntary compliance to the Legislation (N.R.T.A 93/96).

SECURITY SECTION



Winnie Madikizela Mandela Local Municipality has thirteen sites that should be taken care of amongst others is the institution (Winnie Madikizela Mandela Local Municipality) with all the resources and assets. The Institution permanently employed 20 Security Officers working from Monday to Friday, covering mornings and afternoons with two Security Supervisors who are monitoring security personnel. Weekends and public holidays as well as night duties are covered by private security services.

This subsection further has a VIP protection unit with three fulltime officers. The main objective for this section is to secure all Municipal key points, Assets, Resources, staff and the unit as indicated is attached to the principals in terms of security to create safe working environment.

Traffic Police Service data				
Details	2019-20	2020/21		2021-2022
	Actual Number	Estimated Number	Actual Number	Number Estimated
Number of road traffic accidents during the year	624	490	552	470
Number of by-law infringements attended	91	280	308	260
Number of traffic officers on the field on an average day	14	14	13	14
Number of officers on duty on an average day	14	14	13	14

Employees : Protection Services including security services					
Level	2019-20	2020-2021			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3	2	2	2	0	
4-6	24	24	24	0	

7-9	10	10	10	0	
10-12	16	17	17	0	
13-15	1	1	1	0	
Total	53	54	54	0	

Capital Expenditure Year 2020-2021: Protection Services					
Capital Projects	2020-2021				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
CCTV Cameras	200,004.00	200,004.00	0		
Security Equipment 2505	200,004.00	200,004.00	105,227.29		
Financial Performance Year 2020-2021:					
Details	2019-20	2020-2021			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget

Total Operational Revenue	0	0	0	0	
Expenditure					
Employees	5,435,065.11	6,244,008.00	6,244,008.00	6,027,062.02	
Repairs and Maintenance	0	0	0	0	
Other	6,800,713.14	9,619,848.00	9,619,848.00	8,086,501.17	
Total Operating Expenditure	12,235,778.25	15,863,856.00	15,863,856.00	14,113,563.19	
Net Operational Expenditure	12,235,778.25	15,863,856.00	15,863,856.00	14,113,563.19	

3.15 Driver's Licensing and Testing Centre

Winnie Madikizela Mandela Local Municipality is providing drivers licence testing Centre Services where we produce credible learner's licence, new drivers licence application, renewal of drivers licence card and Application for professional driving licence where the centre is graded as grade B Driving licence testing centre.

This infrastructure benefits 32 wards of WMM Municipality and entire South Africa in promoting services delivery which is the mission and the vision of WMM Local Municipality.

Activities

The activities that are being conducted at the centre as scheduled as follows: Learners License bookings are done 3 days a week which is Monday, Wednesday and Friday. Learners License classes are conducted 2 days a week with 2 classes a day which is Tuesday and Thursday where each class consist of 9 applicants and that makes a total of 36 applicants a week. These figures were reduced from the previous financial year due to Covid 19 regulations in observing social distancing. Currently the DLTC is having 8 driving license appointments daily for driver's license test. The centre is having 2 live enrolment unit, 2 E-eNatis computer, 1 printer and face value documents. All the above mentioned assets are provided by the Department of Transport as the custodian of the system.

Success

The DLTC is performing its core functions successfully.

Challenges

The main challenge that hinders /hampers the services is the shortage of staff which makes it very difficult to maintain good service delivery standards. The test route is giving us a problem as it is badly damaged which makes the centre not to comply with the National Road Traffic Act Standards.

DRIVING LICENCE TESTING CENTRE: (Computerised learners licence test)



Winnie Madikizela Local Municipality is providing drivers licence testing Centre Services where we produce credible learner's licence, new drivers licence application, renewal of drivers licence card and Application for professional driving licence where the centre is graded as grade B Driving licence testing centre. Installation of computerised learners licence system to curb fraud and corruption.

REGISTERING AUTHORITY:



It serves the purpose to renew m/vehicle licences and registration of motor vehicles.

DLTC Data		
Details	2019-2020	2020-2021
	Actuals	Actuals
Total Number of learner's licences processed	2027	3546

Total Number of driver's licences processed	5193	6113
Average turnaround time – learner's licence	2weeks	2weeks
Average turnaround time – Drivers- licence	2weeks	2weeks

Employees : DLTC					
Level	2020-2021				
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3					
4-6	3	3	3	0	
7-9					
10-12	3	3	3	0	
13-15					
Total	6	6	6	0	

Capital Expenditure Year 2020-21: DLTC					
Capital Projects	2020-2021				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
DLTC Container	260,004.00	160,002.00	160,000.00		
DLTC Fencing	1,299,996.00	1,599,996.00	845 971.33		
Financial Performance Year 2020-2021: DLTC					
Details	2019-20	2020-2021			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	(5,257,981.72)	(4,647,180.00)	(4,549,412.00)	(4,270,438.31)	0
Expenditure					
Employees	9,137,594.76	10,116,852.00	9,816,852.00	8,819,553.27	
Repairs and Maintenance	1,085,050.28	1,400,208.00	1,850,208.00	980,708.51	
Other	1,712,691.42	2,092,392.00	1,930,953.00	849,371.88	
Total Operating Expenditure	11,935,336.46	13,609,452.00	13,598,013.00	10,649,633.66	

Net Operational Expenditure	6,677,354.74	8,962,272.00	9,048,601.00	6,379,195.35	
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INTRODUCTION

Winnie Madikizela Local Municipality entered into a memorandum of understanding with Department of Transport thereby signing a valid service level agreement which is based on total revenue collection from the Registering Authority. Department of Transport sets terms on the collection of revenue which stipulates well that the Department will supply prescribed Stationery such as; face value documents and provision of eNatis computers also mentioning dividends from the collection of licence fees where 19% goes to the Institution (WMM Local Municipality) and 81% to the Department of Transport.

The Registering Authority works effectively and efficiently with DLTC staff who work effortlessly at different levels producing good output.

BACKGROUND OF THE REGISTERING AUTHORITY

The Registering Authority rests with the responsibility of Registration and licensing of motor vehicles, issuing of both temporal & special permits and also motor trade numbers. This body(RA)is monitored by the Department of Transport (DOT) whereas employment of staff to ensure that service delivery is in smooth running to WMMLM Communities is the responsibility of Winnie Madikizela - Mandela Local Municipality.

REGISTERING AUTHORITY'S PERFORMANCE AND ACCESSIBILITY

The Authority is rendering a very good service, and it is more and easy accessible to customers.

ACTIVITIES CONDUCTED IN REGISTERNG AUTHORITY

- Registration of all types of motor vehicles

- Licensing of motor vehicles
- Notices of change of ownerships
- Handling all motor vehicles queries
- Issuing of temporal and special permits
- Issuing of motor trade numbers
- Attending to deregistration reasons whether it's because of theft or any other reasons
- Applications for documentations
- Filing and any other issues related to motor vehicles
- Issuing of forms for all transactions

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

The RA consists of 2 terminals system (ENatis computer system) and 1 HP printer which also ENatis connected printer serviced by RTMC.1 Cash drawer from the municipality

SUCCESSSES

- Correct transactions are done according to the regulations
- RA has managed to limit fraud, shortage of money.
- Filing is up to standard
- Meeting deadlines for submission of returns to the province
- Computerised Learners License System has been installed in the DLTC and it is operational.

CHALLENGES

- Shortage of staff that result on no leave for the person who is working in the RA.
- The department is having a problem with system that manage transactions, that makes it difficult for users to work because transaction just revoked overnight and that hinders service delivery.
- The new system has negatively affected the revenue collection on learners license side as the clients are running away on the new system.

Registering Authority Data		
Details	2019-2020	2020-2021
	Actuals	Actuals
Total amount collected for Department of Transport(DOT)	R 5 050 597.40	R 44 896 035.19
Total amount collected for the Municipality	R 2 266 093.20	R 2201 397.06
Total for registration and penalties	R 1 184 694.19	R 2408 374.77
Total for transaction fees (RTMC)	R 441 936.00	R458 640.00

Employees : DLTC					
Level	2020-21				
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3					
4-6	2	2	2	0	
7-9	1	1	1	0	
10-12	3	3	3	0	

13-15					
Total	6	6	6	0	

POUND SECTION:

Background:

WMM Local Municipality has established a Pound situated in Highland View which is fully operational. The pound aims at implementing the legal processes of impounding stray and trespassing animals within the CBD, public roads, and private properties within WMM Local Municipality jurisdiction thus fostering to communities a sense of responsibility for their livestock and also enforcing municipal bylaws.

ACTIVITIES

The activities that are presently conducted at Winnie Madikizela Mandela Pound is the collection and keeping of stray and trespassing animals within the CBD and Mbizana communities.

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

- Shearing Machine
- Captive Bolt (Gun)

SUCCESSSES

The Pound is performing its core functions successfully regardless of the challenges that are obstructing the service.

CHALLENGES

The main challenge is the access road to the Pound office

No Sewage system



Pound: Data		
Details	2019-20	2020-21
	Actuals	Actuals
Total number of animals impounded	350	323

Employees: Pound					
Level	2020-21				
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3	2	2	2	0	

4-6					
7-9					
10-12	1	1	1	0	
13-15					
Total	3	3	3	1	

COMPONENT G: Sport and Recreation

3.16. Sport Development

There were no sporting activities undertaken during the 2020/2021 financial year

COMPONENT H: Corporate Policy Offices and Other Services

3.17 Executive and Council

Council was functioning with 61 councillors both ward and proportional representatives as well as 12 traditional leaders elected from traditional councils and was fully functional and stable. all the members of the council serve in different standing committees with each standing committee headed by portfolio head. A schedule of meeting was developed and adopted by council for the optimal functioning of all council committees. The mayor heads the executive committee that has 10 members including her. Five members are full time and five are part time. The office of the Municipal manager as a department has seven units all head by a manager reporting to municipal manager. The mandates of the department include IDP and PMS, Internal Audit, Legal services, communications, IGR and customer care, public participation and council support and special programmes. The office of the municipal manager is also responsible for the administration support to all the offices of the political office bearers.

Employees: Office of the Municipal Manager Including SPU					
Level	2019-2020	2020-2021			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3	0	0	0	0	
4-6	11	1	11	1	
7-9	1	1	1	1	
10-12	13	7	13	7	
13-15	5	0	5	0	
Total	30	9	30	9	

3.18. Financial Services

Winnie Madikizela - Mandela Local Municipality has established a Budget and Treasury Office in terms of section 80 of the Municipal Finance Management Act. The office is headed by the Chief Financial Officer with four managers directly reporting to him. The four managers are Manager: Supply Chain Management, Manager: Budgeting and Reporting, Manager: Revenue and Expenditure and, Manager: Assets and Stores. The structure for the section is depicted below:-

	Post	Vacant or Filled
1.	Chief Financial Officer	Filled
2.	Secretary	Filled
3.	Manager: Supply Chain Management	Filled
4.	Manager: Revenue and Expenditure	Filled
5.	Manager: Budgeting and Reporting	Filled
6.	Manager: Assets and Stores	Vacant
7.	Asset Management Officer	Filled
8.	Stores Officer	Filled
9.	Supply Chain Management Officer X 2	Both Filled
10.	Asset Management Clerk	Filled
11.	Stores Clerk	Filled
12.	Procurement Clerk X 3	Both Filled
13.	Accountant: Budgeting	Filled
14.	Accountant: Reporting	Filled
15.	Accountant: Billing and Revenue	Filled
16.	Billing Clerk	Filled
17.	Meter Readers X 2	1 filled one vacant

	Post	Vacant or Filled
18.	Revenue Clerk	Filled
19.	Cashiers X 2	Filled
20.	Accountant: Payroll	Filled
21.	Payroll Clerk	Filled
22.	Accountant: General Expenditure	Filled
23.	Clerk: General Expenditure	Filled
24.	Accountant: Capital Expenditure	Filled
25.	Clerk: Capital Expenditure	Filled

The Budget and Treasury Office is made up of the following sections, all of which are functional and are able to perform at the expected levels: -

- **Revenue Management:** This section is responsible for ensuring that the revenue due to the municipality is collected and accurately accounted for. This includes ensuring that billing for all services and taxes is carried out on a monthly basis.
- **Expenditure Management:** This section is responsible for all expenditure incurred by the municipality and ensuring that all service providers are paid for services rendered and goods supplied.
- **Supply Chain Management:** As detailed in the SCM Section earlier, this section is responsible for demand management, acquisition, logistics and disposals. The supply chain management also has asset management as one component that it is responsible for.
- **Budgeting and Reporting:** This ensures that budgets and adjustment budgets are compiled according to the legislations and approved within the prescribed timeframes, all expenditure is spent within the approved budgets, reporting to the requisite structures at the prescribed timeframes. This section is also responsible for the compilation of the Annual Financial Statements which are part of annual reporting. These have been

prepared by our own municipal staff for the 2015/16, 2016/17, 2017/18, 2018/19, 2019/20 and, 2020/21 financial years.

Debt recovery						
Details of the types of account raised and recovered	2018-19		2019-20		2020-21	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in %	Actual for accounts billed in year	Proportion of accounts value billed that were collected in %	Estimated outturn for accounts billed	Estimated proportion of accounts value billed
Property rates	19 075 511.65	121%	24 796 261.73	95%	25 189 000	96%
Electricity	23 799 443.72	95%	37 474 645.44	100%	32 578 000	100%
Refuse removal	4 509 396.70	48%	4 592 042.07	95%	4 437 000	96%

Employees: Budget and Treasury					
Level	2019-20	2020-21			
	Employees No	Posts No	Employees No	Vacancies	Vacancies (As a % of total posts)
0-3	1	1	1	0	0%
4-6	12	12	12	0	0%
7-9	-	-	-	0	0%
10-12	9	9	9	0	0%
13-15	3	4	3	1	25%
Total	25	26	25	1	3.8%

Financial Performance Year 2020-21: Budget and Treasury					
Details	2019-20	2020-21			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	299 219 882	363 049 581	363 049 581	168 523 995	194 525 586
Expenditure					
Employees	11 147 415	13 052 978	13 052 978	11 641 832	1 411 146
Repairs and Maintenance	-	-	-	-	-
Other	7 723 781	13 143 850	13 143 850	5 953 031	7 190 819
Total Operating Expenditure	18 871 196	26 196 828	26 196 828	17 594 863	8 601 965
Net Operational Expenditure	280 348 686	336 852 753	336 852 753	150 929 132	185 923 621

3.19. Human Resources and Skills Development

The objective of the section is to ensure the effective utilisation and maximum development of human capital as well as maintaining a high morale among employees.

The following programmes were run by the sections in this financial year:

- **Organisational Structure**

The municipality has reviewed its organisation structure and was adopted by Council on the 28th of May 2020. The total number of approved positions in the Organizational Structure is 282 with 248 filled positions and 34 vacant positions.

- **Skills Management**

Employees are nominated for training according to Work place Skills Plan (WSP) which is informed by skill gaps in the Municipality. There are no challenges on Critical skills as all Critical positions are filled. The following is the progress report for the reporting period under review.

- 10 employees were granted study assistance for the 2019 study year.
- 07 employees were approved for the 2020 study year.
- 14 Councillors and employees are undergoing ad-hoc training.
- 3 interns are registered and studying CPMD.
- 2 senior managers are registered and studying CPMD.

Retention Policy

The WMMLM Employee Retention Policy provides guidance and information to Council, Management and Labour in order to effectively implement and promote the retention of staff. In the concerned financial year the Municipality has achieved the following:

- Retained six (6) employees by means of promotion to higher positions.
- Absorbed three (3) of the finance interns afforded by the Treasury Department into permanent positions.

- **Performance Management System**

- Performance management is implemented at the level of section 56 managers, middle managers and officers.
- Workshops have been conducted to all levels and we are in the process of formulating templates that are understandable and relatable mostly to lower levels in terms of the performance plan and reporting.
- Bi-annual assessments have been conducted to middle management and officers that have signed their performance agreement.
- The Municipality is in the process of procuring a PMS system which will incorporate the organisational as well as individual performance management. The main objective of the system is to sync Municipal information as well as to centralise the record management.

3.20 Employee Wellness

The function is guided mainly by the OHS Act 85 of 1993 and the Municipal Employee Wellness Policy.

The municipality is committed to promoting equal opportunities and fair treatment to all its employees, through the elimination of unfair discrimination and integrated wellness programmes and policies. The municipality has adopted a holistic approach to address social and work-related problems through awareness programmes for its employees on HIV and AIDS, Chronic illnesses, Disability and Occupational Health and Safety for its employees.

The Wellness section has had to drastically change its focus from its usual and planned programmes in order to accommodate the unforeseen hit of COVID-19. As an on-going concern, COVID-19 has been included onto Corporate Services' annual plan (SDBIP) for the year 2020/2021.

A Health & Safety Committee has been established as per the Occupational Health & Safety Act stipulations, members inducted with the aim of introducing them to their responsibilities and is currently fully functional.

The section has undertaken the following during the reporting year:-

- A total of two hundred and sixty five (265) employees have undergone medical surveillance in order to ascertain that they are still fit to conduct their duties.
- Counselling for all employees and executive members of the Council were afforded professional counselling after the Municipality experienced a loss of a number of employees due to the pandemic.
- The OHS Committee with the assistance of the service provider appointed to oversee the Occupational Risk Assessment have also conducted an inspection of all Municipal Buildings and vehicles and made recommendations on findings.

- An awareness programme of Gender Based Violence was conducted to all municipal employees in collaboration with Thuthuzela Care Support an NGO that is underwritten by the NPA.
- The Law Enforcement section was afforded the counselling services in order to deal with the trauma they are exposed to in their daily activities.

3.21. Information and Communication Technology Services

The Information and Communication Technology (ICT) section is responsible for the architecture, hardware, software and networking of computers. Information technology (IT) has become a vital and integral part in all government spheres in introducing efficiencies and ensuring data integrity. ICT supports a fibre backbone network with a server room in the main site. The network is supported by a backup Generator, Uninterruptible Power Supply (UPS) at the server room as well as all distribution cabinets.

The ICT section is anchored by 3 basic pillars

Demand - for information, processes and technology (Why ICT services are required and what functions they'll be performing)

Supply - of services by the ICT function (How to deliver the services and where from).

Governance - If and when investments in services should be made. Governance must be a shared activity between demand and supply to ensure the right investments are made and delivered, and the expected benefits are realised.

ICT Governance Framework

The municipality had several policies that were consolidated to policy manuals. The first step was for the council to adopt ICT Governance Policy Framework (ICTGPF) and then two policy manuals were adopted which are IT Policy Manual and ICT Security Manual. The ICT Security Policy Manual has 21 policy statements and the ICT Policy Manual has 20 Policy Statements including change control procedures.

The Municipality further adopted a Business Continuity Plan (BCP), Disaster Recovery Plan (DRP), ICT Governance Policy Framework, ICT Charter and ICT Strategy as part of the documentation that will assist with the governance of ICT.

ICT Infrastructure Projects

The Municipality procured a bigger Ups high powered UPS to supply clean power that protects the server room from power surges emanating from the power grid instabilities.

The rack mounted UPSs on all our cabinets

All our Distribution points (cabinets) have POE switches providing power to all IP phones. With the use of Redstor the municipality is able to back up all critical information from laptops and desktops and all servers.

A 20mb fibre (Metro-E) is also provided running Voice, VoIP, VIDEO and standard Data traffic. The Municipality has both physical and wireless Access points (Wi-LAN).

Municipal Website

Winnie Madikizela - Mandela Local Municipality website is up and running, URL:<https://www.winniemmlm.gov.za>. ICT is responsible for compliance on the website in terms legislations and laws applicable to municipal websites. The role of Winnie Madikizela-Mandela website, as platform for information dissemination, participation and disclosure has been significantly catered for in various pieces of legislation, including:

- The Local Government Municipal Systems Act No 32 of 2000 ("the Systems Act");
- The Local Government Municipal Financial Management Act No 56 of 2003 ("the MFMA"); and
- The Municipal Property Rates Act, no 6 of 2004 ("the MPRA").

ICT is responsible for uploading compliance documents in terms of s75 of the Municipal Finance Management Act No. 56 of 2003 and all applicable laws of the republic of South Africa. With the collaboration with Municipal directorates, ICT is able to maintain fresh content on the website including social media platforms.

Disaster Recovery


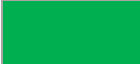

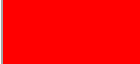
The Municipality has an adopted Disaster Recovery Plan to be implemented with the adopted Business Continuity Plan that has also been adopted by the Municipal council. This is to ensure smooth recovery with minimal negative impact when a disaster occurs. The municipality has two hosts with several Virtualized servers and a dedicated server hosting VEEAM with HYPER-V for back-up and replication. For offsite back up, the municipality has a service level agreement in a data center in Centurion, Gauteng province providing a cloud solution.















As part of recovery plans and archiving, the municipality procured a records management system specifically for the managing of Finance records that are growing at a higher rate.

Component I organisational Score Card

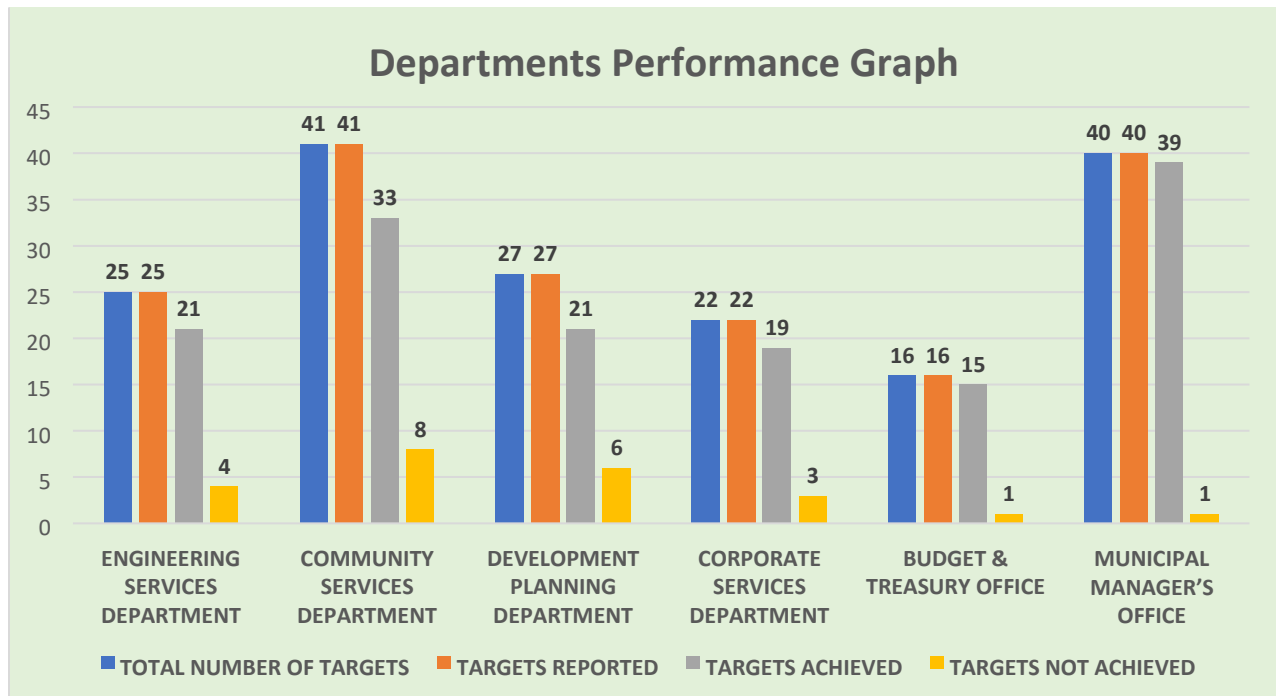
2020/2021 ANNUAL PERFORMANCE REPORT IN NUMBERS

Colour-coding

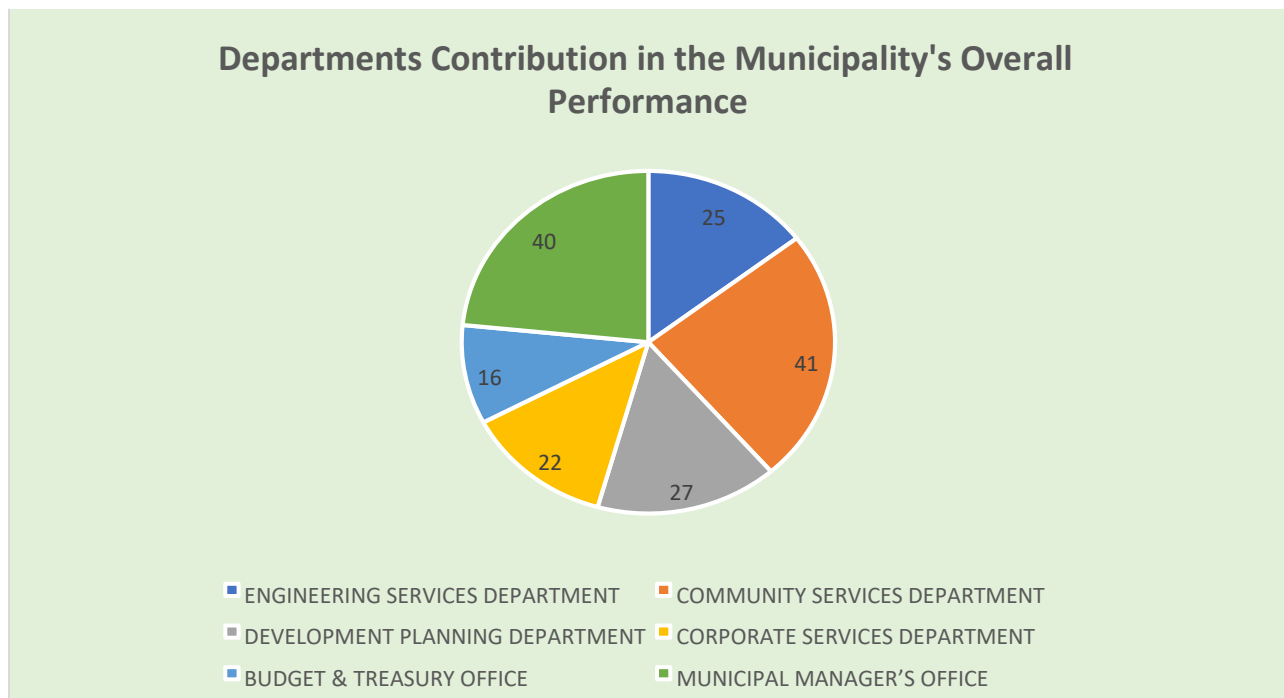
	101+%	Performing above the target
	96-100%	No deviation in plans – targets achieved
	67-95%	Minor deviation – targets not achieved
	0-66%	Major deviation – targets not achieved

DEPT/KPA	TOTAL NUMBER OF TARGETS	TARGETS REPORTED	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	ACHIEVEMENT PERCENTAGE	PERFORMANCE IMPROVED OR DROPPED COMPARED TO 2019/2020	COLOUR CODDING FOR OVERALL PERFORMANCE
ENGINEERING SERVICES DEPARTMENT	25	25	21	4	84		
COMMUNITY SERVICES DEPARTMENT	41	41	33	8	80		
DEVELOPMENT PLANNING DEPARTMENT	27	27	21	6	78		
CORPORATE SERVICES DEPARTMENT	22	22	19	3	86		
BUDGET & TREASURY OFFICE	16	16	15	1	94		
MUNICIPAL MANAGER'S OFFICE	40	40	39	1	98		
OVERALL PERFORMANCE	171	171	148	23	87		

Department's Performance Graph



Departments Contribution in the Municipality's Overall Performance



COMPARISONS BETWEEN 2019/2020 AND 2020/2021 FINANCIAL YEARS ANNUAL PERFORMANCE

DEPARTMENTS PERFORMANCE COMPARISON

DEPARTMENT	2019/2020 FY ANNUAL PERFORMANCE ASSESSMENT		2020/2021 FY ANNUAL PERFORMANCE ASSESSMENT	
	Achieved	Not Achieved	Achieved	Not Achieved
ENGINEERING SERVICES - BASIC SERVICE DELIVERY 1	58	42	84	16
COMMUNITY SERVICES - BASIC SERVICE DELIVERY 2	68	32	80	20
DEVELOPMENT PLANNING - LOCAL ECONOMIC DEVELOPMENT	39	61	78	22
CORPORATE SERVICES - INSTITUTIONAL TRANSFORMATION & DEVELOPMENT	65	35	86	14
BUDGET & TREASURY OFFICE - FINANCIAL VIABILITY	78	22	94	6
MUNICIPAL MANAGER'S OFFICE - GOOD GOVERNANCE & PUBLIC PARTICIPATION	53	47	98	2

MUNICIPALITY'S OVERALL PERFORMANCE COMPARISON

2019/2020 FINANCIAL YEAR PERFORMANCE					2020/2021 FINANCIAL YEAR PERFORMANCE				
ACHIEVED	NOT ACHIEVED	NOT REPORTED	TOTAL	PERCENTAGE	ACHIEVED	NOT ACHIEVED	NOT REPORTED	TOTAL	PERCENTAGE
98	67	0	165	59%	148	23	0	171	87%

The Municipality's Annual Performance for 2020/2021 Financial Year stands at 87% when compared to the preceding 2019/2020 Financial Year's 59% Annual Performance Assessment Review. Based on the Analysis of Annual Performance Report, the municipality performance has increased by 28% in its service delivery mandate when compared to the preceding 2019/2020 financial year.

KPA N0 1: Service Delivery (Engineering Services)																						
Outcome 9 Objective																						
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Year Performance 2019/2020		Actual Measurable Performance 2020/2021				Reasons for Variance	Remedial Action
													Internal	External	Annual Target	Actual measurable performance	Annual Target	Actual Performance Non Fin	Actual Financial	Achieved / Not Achieved		
Roads	Improved Access to basic services	To reduce access roads backlog by constructing 27,9kms by end June 2021	1,1	By constructing 27,9 kms of gravel access roads by end June 2021	731.4 kms in place	Tipping and processing of 2kms from Mqonjwana to Greeville Access Road	Number of kmsTipped and Processed from Mqonjwana to Greeville Access Road	1.1.1	1	Progress Report	R 4 800 000,00	R 5 851 420,28	N/A	MI G			Tipped and Processed 2kms of Mqonjwana to Greeville Access Road by end June 2021	Tipped and Processed 2kms of Access Road	R 8 781 659 ,03	Achieved	N/A	NA
						Construction of 5.5km Sijingi to Mangunga Access	Number of kms constructed from Sijingi to Mang	1.1.2	1	Signed practical completion certificate by Seni	R 3 900 000,00	N/A	N/A	MI G			Constructed 5,5kms Sijingi to Mangunga Access	Constructed 5,5kms Sijingi of Access Road	R 4 136 070 ,37	Achieved	N/A	N/A

						Road via Methodist Church Voting Station	unga Access Road via Methodist Church Voting Station			or Manager							Road via Methodist Church Voting Station by end June 2021						
						Tipping and Processing of 2,5km Ebumnandini to Nqabeni S. S. Access Road	Number of kms Tipped and Processed from Ebumnandini to Nqabeni S. S. Access Road	1.1.3	1	Progress Report	R 5 874 996,00	R 6 025 193,00	N/A	MI G			Tipped and Processed 2,5kms Ebumnandini to Nqabeni S. S. Access Road by end June 2021	Tipped and Processed 2,5kms of Access Road	R 8 269 425 ,60	Achieved	N/A	N/A	
						Tipping and Processing of 8km Lubekelele Access	Number of kms Tipped and Processed in Lubekelele	1.1.4	1	Progress Report	R 8 100 000,00	R 4 150 197,65	N/A	MI G			Tipped and Processed 8kms Lubekelele Access Road by	Tipped and Processed 8kms of Access Road	R 8 261 532 ,71	Achieved	N/A	N/A	

						ss Road	e Acce ss Road								June 2021							
						Tippi ng and Proc essin g of 5,1k m Gabi sa via Makh onson ke to Lukh ewini Acce ss Road	Num ber of kms Tippe d and Proc esse d from Gabi sa via Makh onson ke to Lukh ewini Acce ss Road	1.1 .5	1	Sign ed prac tical com pleti on certi ficat e by Seni or Man ager	R 4 800 000,00	N/A	N/ A	MI G		Tippe d and Proc esse d 5,1k ms Gabi sa via Makh onson ke to Lukh ewini Acce ss Road by June 2021	Tippe d and Proc esse d 5,1k ms of Acce ss Road	R 3 325 385 ,73	Ach iev ed	N/A	N/A	
						Const ructi on of 24m Exten sion 04- Ward 01 Bridg e (Low Level Cros sing)	Const ructe d 24m Exte nsion 04- Ward 01 Bridg e (Low Level Cros sing)	1.1 .6	1	Sign ed prac tical com pleti on certi ficat e by Seni or Man ager	R 999 996,00	R 3 953 062,18	N/ A	Eq uita ble Share	Const ructe d Exten sion 04 - Ward 01 Bridg e (Low level crossi ng) by June 2020	0 Exten sion 04 - Ward 01 Bridg e (Low level cross ing) comp leted Desig n	Const ructe d 24m Exten sion 04- Ward 01 Bridg e (Low Level Cross ing) by	Road bed and base slab done comp leted. Instal ation of Prefa bricat ed culve rts in	R 2 299 156 ,75	Not Ach iev ed	Delays in EIA approval, Com muni ty unre st Slow prod uctio n and deliv ery	Revi sed progr amme bein g impl emented. Proje ct to roll-over to the 2021

															approved	June 2021	progress			of material by suppliers due adverse impact of Covid - 19 pandemic	- 2022 FY
Roads Maintenance	Pothole Patching	To routinely maintain a better standard of our CBD Roads by June 2021	1.2	By appointing service providers to maintain CBD Roads and acquisition of small tools and equipment for maintenance	750m² potholes patched	Refurbishment of 0.5kms Tshayingca road	Number of kms road refurbished	1.2.1	1	Signed practical completion certificate by Senior Manager	R 2 700 000,00	R 4 800 000,00	N/A	Equitable Share		0.5kms Tshayingca road refurbished by June 2021	Site Establishment, Clear and Grubbing, Subsoil drainage, Mass Earth Works and G5 Layer works completed. Concrete Kerbing, Chalk	R 4 025 948,82	Not Achieved	Late appointment of the Service provider and Incident Weather	Project to be completed in Q1 of the 2021 - 2022 FY

				e by June 2021													nnelli ng and sprea ding of G2 layer under way					
Road s Maint ainan ces	Poth ole Patch ing	To routin ely maint ain a better stand ard of our CBD Road s by June 2021		By appo intin g servi ce provi ders to main tain CBD Roa ds and acqu isitio n of smal l tools and equi pme nt for main tanc	750m ² pothol es patch ed	Poth ole patch ing of 200m ²	Num bers of squar e mete rs of potho les patch ed	1.2 .2	1	Sign ed prac tical com pleti on certi ficate by Seni or Man ager	N/A	R 2 700 000,00	N/ A	Eq uita ble Share	150m ² potho les patch ed by June 2020	214m ² potho les patch ed	200m ² potho les patch ed by June 2021	294m ² potho les patch ed	R 1 880 911 ,81	Ach iev ed	N/A	N/A

				e by June 2021																		
Road s Maint ainan ces	Road rehab ilitatio n	To routin ely rehab ilitate 60km grave l acce ss roads by June 2021	1.3	By utilisi ng the servi ces of servi ce provi ders and inter nal plant to main tain grav el acce ss road s by June 2021	286 kms maint ained	Maint ainan ce of grave l acce ss roads	Num ber of kilom eters of grave l acce ss roads maint ained	1.3 .1	1	Sign ed prac tical com pleti on certi ficate by Seni or Man ager	R 14 700 000,00	R 16 085 972,00	N/ A	Eq uita ble Share	43 kms of grave l acce ss roads mant ained by June 2020	52.8 kms of grave l acce ss roads mant ained	60 kms of grave l acce ss roads mant ained by June 2021	71.7 kms of grave l acce ss roads mant ained	R 14 232 200 ,97	Ach iev ed	N/A	N/A

EPWP	High unemployment rate	To provide EPWP jobs to reduce unemployment by end June 2021	1.4	By facilitating recruitment of EPWP workers in all WM LM Wards by June 2021	300 EPWP Jobs created	Creating of 300 EPWP Jobs	Number of EPWP Jobs created	1.4	1	Proof of payment for EPWP Workers	R 2 389 000,00	N/A	N/A	EPWP	250 EPWP Jobs created by June 2020	678 EPWP Jobs created by end June 2020	300 EPWP Jobs created by June 2021	745 EPWP Jobs created	R 9 986 594 ,65	Achieved	N/A	N/A
Sport Fields	Improved Access to basic services	To provide sporting facilities for the community by end June 2022	1.5	By constructing Phase 3 of Mphuthumi Mafumbat ha Sportsfield through the services of service providers	One under developed sports field in the CBD	Construction of Phase 3 Mphuthumi Mafumbat ha Sport field	Constructed Phase 3 of Mphuthumi Mafumbat ha Sport field	1.5	1	Progress Report	R 8 920 788,00	R 21 944 770,95	N/A	MLG	Constructed Phase 2 of Mphuthumi Mafumbat ha Sport field by June 2020	Phase 2 of Mphuthumi Mafumbat ha Sport field not completed Layer swor ks on the running track and the field in progress.	Constructed Phase 3 of Mphuthumi Mafumbat ha Sport field by June 2021	Sewer, storm water , Grand Stand foundations for footings first lift columns, beams done. Soccer field and running	R 11 328 153 ,48	Not Achieved	Delays caused by the funders non-recognition of the 2020-2021 FY expenditure. Slow progress by cont	Municipality has resolved to fund the project through Equitable Share. Revised programme being implemented

				by June 2021												Sub soil drain age final layer on the soccer field in progr ess. Layer s on the tennis court and netball court in progr ess		g track layer work s at 80%. Tennis court at 75%.				ract or on site. Slow prod uction and deliv ery of mat erial by supp liers due adve rse impa ct of of Covi d - 19 pan demi c	nted. Sub- contr actor s in plac e to reco ver the lost time.
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Buildings	Improved Access to basic services	To construct one Civic Centre/Town Hall in Bizan a by end June 2022	1.6	By constructing Phase 3 of the Civic Centre through the services of service providers by June 2021	MPY C Hall	Construction of Phase 3 Civic Centre	Constructed Phase 3 of the Civic Centre	1.6 .1	1	Progress Report	R 9 250 764,00	R 23 557 334,47	N/A	MI G	Constructed Phase 2 of Civic Centre by June 2020	Phase 2 of Civic Centre not completed Electrical work and Plumbing works underway, HVAC ductings in progress, External works and sewer reticulation , Superstructure brick work, slabs and pillars in progress.	Constructed Phase 3 of Civic Centre by June 2021	Construction of Phase 3 underway. Electrical work, Plumbing and drainage, Slabs , Pillars, HVAC ductings, storm water , Roof slabs , Rammed Earth Wall, External works done.	R 22 527 126 ,35	Achieved	N/A	N/A
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Buildings	Building infrastructure not into accepted standards	To maintain rehabilitate and repair buildings structures and related infrastructure by June 2021	1.7	By employing services of service providers to maintain, rehabilitating and repairing municipal buildings and related infrastructure by June 2021	1 building infrastructure (MPY C) periodically repaired and maintained	Periodic repairs and maintenance of MPY C	Number of building infrastructure periodically repaired and maintained	1.7 .1	1	Signed practical completion certificate by Senior Manager	R 787 500,00	N/A	N/A	Equitable Share	1 building infrastructure (MPY C) periodically repaired and maintained by June 2020	1 building infrastructure (MPY C) periodically repaired and maintained	1 building infrastructure (MPY C) periodically repaired and maintained by June 2021	MPY C repaired and maintained	R 762 898 ,50	Achieved	N/A	N/A
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Buildings	Building infrastructure not into accepted standards	To maintain rehabilitate and repair buildings structures and related infrastructure by June 2021		By employing services of service providers to maintain, rehabilitating and repairing municipal buildings and related infrastructure by June 2021	1 building infrastructure (Main municipal building) periodically repaired and maintained	Periodic repairs and maintenance of Main Municipal buildings	Number of building infrastructure periodically repaired and maintained.	1.7.2	1	Signed practical completion certificate by Senior Manager	R 1 575 000,00	N/A	N/A	Equitable Share	1 building infrastructure (Main municipal building) periodically repaired and maintained by June 2020	1 building infrastructure (Main municipal building) periodically repaired and maintained	1 building infrastructure (Main municipal building) periodically repaired and maintained by June 2021	Main Building repaired and maintained	R 1 653 399,56	Achieved	N/A	N/A
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Buildings	Building infrastructure not into accepted standards	To maintain rehabilitate and repair buildings structures and related infrastructure by June 2021		By employing services of service providers to maintain, rehabilitating and repairing municipal buildings and related infrastructure by June 2021	1 DLTC	Replacement of the septic tank at DLTC	Number of septic tanks replaced at DLTC	1.73	1	Signed practical completion certificate by Senior Manager	R 861 996,00	N/A	N/A	Equitable Share	1 building infrastructure (DLTC) periodically repaired and maintained by June 2020	1 building infrastructure (DLTC) periodically repaired and maintained	1 Septick Tank replaced by June 2021	Septick Tank replaced	R 396 704 ,00	Achieved	N/A	N/A
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Buildings	Building infrastructure not into accepted standards	To maintain rehabilitate and repair buildings structures and related infrastructure by June 2021		By employing services of service providers to maintain, rehabilitating and repairing municipal buildings and related infrastructure by June 2021	1 building infrastructure (Cultural Village) periodically repaired and maintained	Periodic repairs and maintenance of Cultural village	Number of building infrastructure periodically repaired and maintained.	1.74	0.5	Signed practical completion certificate by Senior Manager	R 787 500,00	N/A	N/A	Equitable Share	1 building infrastructure (Cultural Village) periodically repaired and maintained by June 2020	1 building infrastructure (Cultural Village) periodically repaired and maintained	1 building infrastructure (Cultural Village) periodically repaired and maintained by June 2021	Cultural Centre repaired and maintained	R 843 438,75	Achieved	N/A	N/A
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Buildings	Building infrastructure not into accepted standards	To maintain rehabilitate and repair buildings structures and related infrastructure by June 2021		By employing services of service providers to maintaining, rehabilitating and repairing municipal buildings and related infrastructure by June 2021	1 BizaTaxi rank	Refurbishment of Taxi Rank	Number of Taxi Ranks Refurbished	1.75	0.5	Progress Report	R 6 000 000,00	R 8 614 137,18	N/A	Equitable Share	Taxi Rank Upgraded by June 2020	Taxi Rank Upgrade not completed Site investigation conducted, Architects and Engineers report completed. Design developed and Project cost finalised, Draft Tender document completed	1 Taxi Rank refurbished by June 2021	Monitored Refurbishment Works	R 14 476 205,09	Achieved	N/A	N/A
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Electricity	Infrastucture bulk services not available , Infills and new extensions not addressed	To ensure reliable provision of electricity to the rural community of Bizan a by June 2021	1.8	By facilitating the bulk infrastructure supply and connections to rural households by June 2021	42 103 households with electricity	Electrification of Mabhenguteni village	% of poles planted and backfilled with MV and LV Lines stringed at Mabhenguteni	1.8 .1	0.5	Progress Report	R 14 000 000,00	R 11 639 008,82	N/A	IN EP			100% of poles planted and backfilled. MV and LV Lines stringed at Mabhenguteni by June 2021	100% of poles planted and backfilled. MV and LV Lines stringed	R13 679 442 ,33	Achieved	N/A	N/A
Electricity	Infrastucture bulk services not available , Infills and new extensions not addressed	To ensure reliable provision of electricity to the rural community of Bizan a by June 2021		By facilitating the bulk infrastructure supply and connections to rural households by June 2021	42 103 households with electricity	Electrification of Sigidi	% of poles planted and backfilled with MV and LV Lines stringed at Sigidi	1.8 .2	0.5	Progress Report	R 12 600 000,00	R 13 257 000,00	N/A	IN EP			100% of poles planted and backfilled. MV and LV Lines stringed at Sigidi by June 2021	100% of poles planted and backfilled. MV and LV Lines stringed	R15 940 386 ,80	Achieved	N/A	N/A

Electricity	Infrastucture bulk services not available , Infills and new extensions not addressed	To ensure reliable provision of electricity to the rural community of Bizan a by June 2021		By facilitating the bulk infrastructure supply and connections to rural households by June 2021	42 103 households with electricity	Electrification of Sidanga village	% of poles planted and backfilled with MV and LV Lines stringed at Sidanga village	1.8 .3	0. 5	Progress Report	N/A	R 4 507 065,68	N/ A	IN EP			100% of poles planted and backfilled. MV and LV Lines stringed at Sidanga by June 2021	100% of poles planted and backfilled. MV and LV Lines stringed at Sidanga by June 2021	R4 676 861 ,51	Achieved	N/A	N/A
Electricity	Infrastucture bulk services not available , Infills and new extensions not addressed	To ensure reliable provision of electricity to the rural community of Bizan a by June 2021		By facilitating the bulk infrastructure supply and connections to rural households by June 2021	42 103 households with electricity	Energizing 412 households at Ludeke Village	Number of households energized with electricity in Ludeke village	1.8 .4	0. 5	Signed practical completion certificate by Senior Manager	R 1 177 171,72	N/A	N/ A	IN EP	396 households connected with electricity in Ludeke village by June 2020	0 Households connected All MV and LV poles holes excavated and backfilled. Households connected and	Energizing 412 households at Ludeke Village by June 2021	412 households Energised	R 845 431 ,95	Achieved	N/A	N/A

															project awaiting energisation.							
Electricity	Ageing LV infrastructure	Have a conductive and safe electricity network by June 2021	1.9	Installation of insulated conductor on Main and other bust streets in town by June 2021	1 km of LV lines replaced	Appointing the Service Provider and Site Establishment at the CBD	Appointment of Service Provider and Site Established at the CBD	1.91	0.5	Progress Report	R 3 500 004,00	N/A	Equitable Share	N/A			Appointment of Service Provider and Site Established by June 2021	Service Provider appointed and Site Established	R 691 669,00	Achieved	N/A	N/A
Electricity	Insufficient area lighting in town	Have safer streets by June 2021	1.10	By facilitating the bulk infrastructure supply to Town by June 2021	None	Installation of 2 High Mast lights	Number of High mast lights installed	1.10.1	0.5	Signed practical completion certificate by Senior Manager	R 2 000 000,00	N/A	Equitable Share	N/A			2 high mast lights installed by June 2021	2 high mast lights installed	R1 949 942,80	Achieved	N/A	N/A

Electricity	Insufficient electricity capacity in town	To ensure that there is enough electric capacity for the fast developing town by June 2021	1.1 1	By upgrading and energizing of 8MV a back bone line by June 2021	3MVA capacity available in town	Upgrade and energize 8MV a back bone line	Number of MVA back bone line upgraded and energized	1.1 1.1	0.5	Signed practical completion certificate by Senior Manager	R 2 856 253,67	R 2 054 369,44	Equitable Share	N/A	8 Mva back bone line upgraded and energised by June 2020	0 Mva back bone line upgraded and energised Project under construction	8MVA back bone line upgraded and energized by June 2021	8 MVA line upgraded but not energised	R2 331 708 ,18	Not Achieved	Delays in energization by Eskom.	Eskom to fast track the processes
Electricity	Ageing Infrastructure and frequent electricity outages	To ensure continuously supply of electricity during electricity black outs by June 2021	1.1 2	By procuring and installing new back up generator by June 2021	One generator with mechanical problem	Procuring and installing one 350KV A generator	Number of generators procured and installed	1.1 2.1	0.5	Delivery Note	R 700 000,00	R 1 072 369,52	Equitable Share	N/A			1 (one) 350KVA generator procured and installed by June 2021	400 Kva generator procured and installed	R 1 072 369 ,51	Achieved	The 350 Kva Generator was out of stock and had a 4 week lead time to be delivered hence 400	N/A

																					Kva was delivered and installed as it was readily available	
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Community Services																						
KPA N0 1: Service Delivery (Community Services)																						
Outcome 9 Objective																						
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Year Performance 2019/2020		Actual Measurable Performance 2020/2021				Reasons for Variance	Remedial Action
													Internal	External	Annual Target	Actual measurable performance	Annual Target	Actual Performance Non Fin	Actual Financial	Achieved / Not Achieved		
Free basic services	High number of indigent households	To ensure subsidization of poor households in order	1,13	By providing 2000 beneficiaries with free grid electricity	Subsidize 1739 beneficiaries with free grid electricity &	Subsidizes qualifying beneficiaries with 2000 grid electricity and 4150	Number of qualifying beneficiaries receiving grid electr	1.13.1	0.5	Beneficiary lists and Invoices	R4 461 360,00	R4 461 360,00	Yes	N/A	Subsidize 1770 qualifying beneficiaries with grid electricity and	Subsidized 1655 beneficiaries with grid electricity and 5150	Subsidize 2000 qualifying beneficiaries with grid electricity and	Subsidized 2093 qualifying beneficiary with grid electricity and	R5 199 956.81	Achieved	Nil	Nil

		r to receive basic services by June 2022		& 4150 FBAE by June 2021	5150 beneficiaries with FBAE.	icity and FBAE								5150 with FBAE by June 2020	with FBAE	4150 with FBAE by June 2021	5352 with FBAE				
Free basic services	Inconsistent indigent register	To ensure subsidization of poor households in order to receive basic services by June 2022		By facilitating process of applications for review of indigent register by June 2021	Adopted credible indigent register	Reviewed and adopted credible indigent register	1.1 3.2	0.5	Adopted credible indigent register & Council resolution	R582 132,00	R582 132,00	Yes	N/A	1 Reviewed and adopted credible indigent register by June 2020	1 Reviewed and adopted credible indigent register	Reviewed and adopted 1 credible indigent register by June 2021	Reviewed and adopted 1 credible indigent register by Council on 25 June 2021.	R578 443.00	Achieved	Nil	Nil

Free basic services	General lack of knowledge of Free basic services	To ensure subsidization of poor households in order to receive basic services by June 2022		By conducting awareness campaigns to assist process of applications for review of indigent register by June 2021	Conducted 5 indigent awareness campaigns	Conduct 4 Indigent awareness campaign	Number of indigent awareness campaigns conducted	1.1 3.3	0.5	Awareness campaigns report & 4 attendance registers	R336 096,00	R336 096,00	Yes	N/A	Conducted 4 indigent awareness campaigns by June 2020	Conducted 4 Indigent awareness campaigns	Conducted 4 indigent awareness campaigns by June 2021	4 Indigent awareness campaigns conducted, on the 22 July 2020 at MPYC, 10 December 2020 in Ward 25, 19 March 2021 at ward 16, 23 and 24 and 25 May 2021 at the Council Chamber.	R25 900.00	Achieved	Nil	Nil
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Disaster Management	Lack of systematic approach in responding to disasters	To establish a uniform approach in monitoring disaster risks by June 2022	1.14	By implementing council approved disaster management plan, responded to all reported disaster incidences	Council approved disaster management plan, responded to all reported disaster incidences	Record, assess all reported disaster management incidences & respond within 72 hours	Assessed & responded to reported & recorded disaster incidences within 72 hours	1.14.1	0.5	Disaster incidences register	R1399992,00	R1399992,00	Yes	N/A	Assessed & responded to reported & recorded disaster incidences within 72 hours by June 2020	Assessed and responded to all disaster incidences recorded within 72 hours	Assessed & responded to reported & recorded disaster incidences within 72 hours by June 2021	Assessed & responded to 195 reported & recorded disaster incidences within 72 hours	R102450,00	Achieved	Nil	Nil
Disaster Management	Lack of systematic approach in responding to disasters	To establish a uniform approach in monitoring disaster risks by June 2022		By conducting disaster awareness campaigns to all communities by June 2021	Conducted 4 disaster awareness campaigns	Conduct 4 disaster awareness campaigns	Number of disaster awareness campaigns conducted	1.14.2	0.5	Awareness campaigns report & attendance registers	R1135548,00	R1135548,00	Yes	N/A	4 Disaster awareness campaigns by June 2020	Conducted 4 Disaster awareness campaigns	4 Disaster awareness campaigns by June 2021	Conducted 4 Disaster awareness campaigns on the 28th September 2020 at Mzamba Community in Ward 07, on the 9th December	R122495.00	Achieved	Nil	Nil

																	2020, On the 24th March 2021 at Sithukuthezi Community hall in Ward 03 and on the 17th June at Mbhongweni J.S.S in Ward 14.					
Disaster Management	Lack of systematic approach in responding to disasters	To establish a uniform approach in monitoring disaster risks by June 2022		By reviewing the council approved disaster management plan by June 2021.	1 adopted Disaster Risk Management Plan	Review of Disaster Risk Management Plan	Number of Council reviewed documents	1.14.3	0.5	3 Monthly reports on the Reviewed Disaster Risk Management Plan	R200 000.00	R350 000,00	Yes	N/A			1 Reviewed Disaster Risk Management Plan by June 2021	Advertised twice in September 2020 and February 2021	0,00	Not achieved	Bidders were non responsive	Has been re-advertised

Park s, Cemetery & Municipal facilities	Irregular use of Parks, Cemetery & other Municipal facilities.	To provide sustainable services of municipal facilities to the communities by 2022	1.15	By maintaining proper functioning of cemetery and municipal facilities by June 2021	Operated & maintained 1 Cemetery & 49 municipal facilities.	Operate & Maintain 50 municipal facilities and supply & deliver grave numbers	Number of municipal facilities operated & maintained and grave numbers supplied and delivered	1.15.1	0.5	12 Monthly checklists, 3 progress certificates and completion certificate. Delivery note and completion certificate for grave numbers	R694 100,00	R694 100,00	Yes	N/A	Operated & maintained 50 Municipal facilities by June 2020	Maintenance was done in 3 forms: grass cutting, cleaning and replacement of broken/damaged facilities. 46 Recreational facilities were maintained and 50 were operated	Operated & maintained 50 Municipal facilities and 500 grave numbers supplied and delivered by June 2021	50 municipal facilities were operated and maintained and 500 grave numbers were delivered.	R39 132.17.00	Not achieved	Bidders for maintenance of recreational facilities were all non responsive	Has been re-advertised
Park s, Cemetery & Municipal facilities	Irregular care of nurseries	To provide sustainable services of municipal		By maintaining proper functioning of cemetery	Operated & maintained 50 Municipal facilities &	Maintenance of nurseries	Number of nurseries maintained	1.15.2	0.5	3 Monthly reports and delivery notes,	R600 000,00	R620 000.00	Yes	N/A			Maintained 2 nurseries by June 2021	2 nurseries were maintained	R206 668.00	Achieved	N/A	N/A

		cipal facilities to the communities by 2022		tery and municipal facilities by June 2021	1 cemetery					Appoint ment letter and completion certificate												
Parks, Cemetery & Municipal facilities	Unsecured facilities	To provide sustainable services of municipal facilities to the communities by 2021		By securing municipal facilities by June 2021	37 fenced municipal sites	Fencing of recreational facilities	Number of recreational facilities fenced	1.15.3	0.5	Appoint ment letter & Completion certificate	R1 200 000.00	R1 400 000,00	Yes	N/A	1 recreational facility fenced by June 2020	0 Recreational facility fenced Re-advertisement done	2 recreational facilities fenced by June 2021	Fenced Dudu meni Hall and Advertisement for Fencing of Mzamba and Dudu meni Extension	R696 507,90	Not achieved	Bidders were all non responsive	Re-advertisement in Q1

Library Services	High rate of illiteracy	To facilitate provision of library services to Biza na Community by June 2022	1.16	By instilling a culture of reading and lifelong learning through conducting awareness by June 2021	Conducted 4 library awareness campaigns	Conduct 4 library awareness campaigns	Number of library awareness campaigns conducted	1.16.1	0.5	4 Awareness reports & Attendance registers	R397 452,00	R397 452,00	N/A	Yes	4 library awareness campaigns conducted by June 2020	3 Library awareness campaigns conducted	4 library awareness campaigns conducted by June 2021	Conducted 4 Library awareness campaigns on the 30th September 2020 at Rhino Parking (Ward 1), 09th December Mbiza na Public Library (Ward 1) on the 16th March 2021 various taxi ranks (Ward 1) and on the 28th May at Dudu meni Community Hall	R246 200.00	Achieved	Nil	Nil
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																		(Ward 8) .				
Library Services	High rate of illiteracy	To facilitate provision of library services to Biza na Community by June 2022		By instilling a culture of reading and lifelong learning through provision of periodicals by June 2021	Supplied 3700 periodicals	Supply 2244 periodicals.	Number of periodicals supplied	1.16.2	0.5	Appointment letter and supply of periodicals register	R90 000,00	R90 000,00	Yes	N/A	4488 periodicals supplied by June 2020	Supplied 3884 periodicals	2244 periodicals supplied by June 2021	3592 Periodicals supplied and delivered	R60 000.00	Achieved	Nil	Nil

Library Services	High rate of illiteracy	To facilitate provision of library services to Biza na Community by June 2022		By upgrading the existing libraries and provision of PPE's by June 2021	Library signage and Library upgrade.	Maintenance of 3 libraries and procured PPE's for 15 employees	Number of Libraries maintained and number of employees procured for PPE's	1.1 6.3	0. 5	Appointment letter & completion certificate and delivery note and issue register	R300 000. 00	R350 000. 00	Yes	N/A	3 Libraries maintained by June 2020	0 Libraries maintained Advertisements were done	3 Libraries maintained and procured PPE's for 15 employees by June 2021	4 Libraries maintained and procured and provided 15 employees with PPE'S	R310 520.0 0	Not Achieved	The service provider completed work in July 2021 due to delays in supply of material due to covid.	Work completed in July 2021
Environmental Management	General lack of knowledge of importance of conservation	To ensure conservation and management of natural resources for sustainable use by	1.1 7	By conducting environmental awareness campaigns by June 2021	2 environmental awareness campaigns conducted	Conduct 4 environmental awareness campaigns.	Number of environmental awareness campaigns conducted	1.1 7.1	0. 5	4 awareness reports & attendance registers	R214 476	R192 680	Yes	N/A	2 Council adopted documents (1 Environmental Management Framework, 1 reviewed waste tariff	1 council adopted document (Environmental Management Framework), Waste tariff structure report and	4 environmental awareness campaigns conducted by June 2021	4 environmental awareness were conducted on 29 September 2020 at Mathwebu Street Ward 1, 03,4 & 9th Nove	R166 410.0 0	Achieved	Nil	Nil

		June 2022													policy & waste tariff structure) and 4 environmental awareness campaigns conducted by June 2020	conducted 2 environmental awareness campaigns		mber 2020 at Nkantolo JSS, 19th March 2021 at municipal sites and 27 May 2021 at Mzamba river (Ward 24).				
Environmental Management	Poor infrastructure in busy beaches	To ensure conservation and management of natural resources for sustainable use by June 2022		By facilitating application for blue flag beaches and provision of signage by June 2021	2 pilot blue flag beaches attained	Application & signage for 2 blue flag beaches	Number of blue flag beaches made for application & signage	1.1 7.2	0.5	Application for blue flag beaches, water Laboratory results & delivery notes	R68 220	78 220, 00	Yes	N/A	Application & signage for 2 blue flag beaches by June 2020	Application for 2 beaches, Installed signage at Mzamba and Mtentu beaches, Collected 10 water samples for Mzamba	Application & signage for 2 blue flag beaches by June 2021	Collected 10 water samples, Applied for 2 blue flag beaches and installed signage at Mzamba	R56 258.24	Not Achieved	Mthentu community members did not allow installation of sign board	To be installed in September 2021

																and Mtent u beach es.						
Envir onme ntal Mana geme nt	Inad equa te legal envir onm ental tools. Requ ired conti nuous maint enan ce of beach es	To ensu re cons ervat ion and man age ment of natural reso urces for sustaina ble use by June 2022		By review ing enviro nmental man age ment tools by June 2021	1 adop ted Clim ate Chan ge Strat egy	Review of Clim ate Chan ge Strat egy	Num ber of Coun cil review ed docu ments	1.1 7.3	0. 5	3 Mont hly repo rts on the Reviewe d Clim ate Chan ge Strat egy	R200 004	R350 004, 00	Yes	N/ A			1 Review ed Clim ate Chan ge Strat egy by June 2021	Advert ised twice in Octob er 2020 and Febru ary 2021	R0	Not achiev ed	All bidd ers were non-resp onsive	Re-adve rtise ment in Q1
Waste Mana geme nt	Poor provi sion of measures to reme diate contamin ated land	To collect man age dispose waste in an accept able	1.1 8	By reme diating land where contamin ation presents a	12 routine rehabilit ation of EXT 3 dumping site done	12 routine rehabilit ation of EXT 3 dumping site	Num ber of routine rehabilit ations of EXT 3 dum	1.1 8.1	0. 5	Appoint ment letter & progress certificates	R1 361 976,0 0	R1 161 976,0 0	Yes	N/ A	12 routine rehabilit ations of EXT 3 dumping site by	11 Routine rehabilit ations of EXT3 dumping site done.	12 routine rehabilit ations of EXT 3 dumping site by	12 routine rehabilit ations of Ext 3 dumping site were done.	R1 226 852.9 2	Achiev ed	N/A	N/A

		man by June 2021		signif icant risk of harm to healt h and the envir onm ent by June 2021			ping site							June 2020		June 2021						
Waste Management	Poor provi sion of meas ures to remi diate conta minat ed land	To colle ct man age dispo se waste in an acce ptabl e man ner by June 2021		By reme diatin g land wher e conta minat ion pres ents a signif icant risk of harm to healt h and the envir onm ent by June 2021	Revi ewed EXT 3 finan cial proje ction s & reha bilitat ion plan	Review of EXT 3 duumpin g site financial projectio ns & rehabilit ation plan	Revi ewed EXT. 3 dum ping site finan cial proje ction & reha bilitat ion plan	1.1 8.2	0. 5	App oint ment letter & 1 appr oved revie wed finan cial proje ction s	R579 072.0 0	R279 072,0 0	Yes	N/ A	Revie w of exten sion 3 dum ping site finan cial proje ctions & rehab ilitatio n plan by June 2020	EXT 3 dum ping site financia l projec tion & rehabi litation plan done.	Revie w of exten sion 3 dum ping site finan cial proje ctions & rehab ilitatio n plan by June 2021	Revie w of extens ion 3 dum ping site financi al project ions & rehab ilitatio n plan was done	R1 226 852.9 2	Ach iev ed	N/A	N/A

Waste Management	Poor provision of measures to remediate contaminated land	To collect manage dispose waste in an acceptable manner by June 2021		By remediating land where contamination presents a significant risk of harm to health and the environment by June 2021	160 environmental threatening obstacles attended.	Attend to 160 reported & recorded environmental threatening obstacles	Number of reported & recorded environmental threatening obstacles attended	1.18.3	0.5	complaints register and progress certificates	R177984,00	R522984,00	Yes	N/A	Attend to 160 reported and recorded environmental threatening obstacles by June 2020	Attend to 195 reported and recorded environmental threatening obstacles	Attend to 160 reported and recorded environmental threatening obstacles by June 2021	Attend to 233 environmental threatening obstacles reported and recorded	R469800.00	Achieved	N/A	N/A
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Waste Management	Lack of knowledge to communities about the importance of healthy environment	To collect manage dispose waste in an acceptable manner by June 2021		By conducting waste education programmes, supporting waste minimization programs and providing resources to employees and beneficiaries by June 2021	Conducted 3 waste management awareness campaigns and supported 2 waste minimization projects	Conduct 3 waste awareness campaigns and support 2 waste minimization projects	Number of waste awareness campaigns conducted and number of waste minimization projects supported	1.18.4	0.5	Awareness reports & Attendance registers and 3 progress certificates	R667 284,00	R276 344,00	Yes	N/A	3 waste awareness campaigns conducted by June 2020	3 waste awareness campaigns conducted	3 waste awareness campaigns conducted and supported 2 waste minimization projects by June 2021	3 Waste awareness campaigns were conducted on the 23 September 2020 at Main taxi rank, 20 November 2020 at Mbizana CBD and 26 March 2021 cleaning around Mbizana CBD and extended and supported 2 waste minimization	R 302 400,00	Achieved	Nil	Nil
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																		project s (Laph umikh wezi Primar y Coorp arative and Athan diw Nurser y & Pant Produ ction)				
Waste Management	Lack of knowledge to communities about the importance of healthy environment	To collect manage and dispose waste in an acceptable manner by June 2021		By providing PPE to all employees by June 2021	Provided protective clothing to 227 employees	Provide protective clothing to 299 employees	Number of employees provided protective clothing	1.1 8.5	0.5	Delivery notes and issue registers	R900 600.00	R732 396,00	Yes	N/A	Purchased Protective clothing for 344 employees by June 2020	Purchased & issued protective clothing to 350 employees	Provided Protective clothing for 299 employees by June 2021	Provided Protective clothing to 301 employees	R1 622 226.19	Achieved	Nil	Nil

Waste Management	Inadequate delivery of waste service	To collect manage and dispose waste in an acceptable manner by June 2021		By providing a variety of working tools & equipment by June 2021	provided 300 000 refuse bags issued to households and employees, 302 employees provided with cleaning equipment and 50 bins installed in CBD	Number of refuse bags issued to households and employees, and number of employees provided with cleaning equipment and number of bins installed in CBD	1.1 8.6	0.5	Appointment letter, Delivery notes and issue registers	R1 030 668.0 0	R1 631 020,0 0	Yes	N/A	600 000 refuse bags issued to households and employees, 302 employees provided with cleaning equipment and 50 bins installed in CBD by June 2020	615 000 refuse bags issued to household and employees, 302 employees were provided with cleaning equipment, and 33 bins were installed in the CBD	600 000 refuse bags issued to households and employees, 302 employees provided with cleaning equipment and 50 bins installed in CBD by June 2021	Issued 600 000 refuse bags to households and employees and issued cleaning equipment to 302 employees and issued 75 bins.	R 227 500,0 0	Achieved	Nil	Nil
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Waste Management	Inadequate delivery of waste service	To collect manage and dispose waste in an acceptable manner by June 2021		By extending waste collection fleet for service delivery by June 2021	Purchased 1 refuse bakkie, 1 refuse truck, 1 tractor with accessories & 6 grass cutting machines	Purchase of 1 refuse removal truck, 1 refuse bakkie & 5 grass cutting machines with accessories	Number of refuse removal trucks, refuse bakkie & grass cutting machines with accessories purchased	1.18.7	0.5	1 Appointment letter for grass cutting machine and 2 orders for Refuse Truck and Bakkie and 3 delivery notes	R170000.00	R180004.00	Yes	N/A	Purchased 1 refuse bakkie, 1 refuse truck, 1 tractor with accessories, 6 grass cutting machines with accessories and Installation of Rack and Cage on 1,3 ton truck by June 2020	Purchased 1 refuse bakkie, 1 refuse truck, 1 tractor with accessories, 6 grass cutting machines with accessories and Installation of Rack and Cage on 1,3 ton truck	Purchased 1 refuse removal truck, 1 refuse bakkie and 5 grass cutting machines with accessories by June 2021	Purchased 1 Refuse removal truck and 5 grass cutting machines with accessories	R 1328789,85	Not Achieved	Refuse bakkie was requested through transversal and both companies that were considered to purchase the bakkie declined due to non-availability of stock.	Available budget during budget adjustment
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Waste Management	Inadequate delivery of waste service	To collect manage and dispose waste in an acceptable manner by June 2021		By extending waste collection service to unsewered areas and manage illegal dumping by June 2021	Service provided to CBD only	Extension of waste management service to 5 peri-urban areas and illegal dumping in R61	Number of extended waste management service to peri-urban areas and illegal dumping in R61	1.1 8.8	0.5	Appointment letter, 6 monthly monitoring reports, and Requisition for appointment of service provider	R150000.00	R650000.00	Yes	N/A	Hired 4 ton truck and bakkie for disposal of waste from alien plant eradication project by June 2020	Hired 4 ton truck and bakkie for disposal of waste from alien plant eradication project not done	Extended waste management service to 5 peri-urban areas and illegal dumping in R61 by June 2021	Waste management service to 5 peri-urban areas and illegal dumping in R61 were extended	R941150,00	Achieved	Nil	Nil
Waste Management	Inadequate delivery of waste service	To collect manage and dispose waste in an acceptable manner by June 2021		By providing bulk waste receptacles for communal collection points by June 2021	Provision of 9 cages	Provide and service 10 skip bins in CBD	Number of skip bins provided and serviced in the CBD	1.1 8.9	0.5	Appointment letter and 4 monthly monitoring report and Requisition for appointment	R999996,00	R999996	Yes	N/A			Provided and serviced 10 skip bins in the CBD by June 2021	Provided and serviced 30 skip bins in the CBD	R878667.00	Achieved	Nil	Nil

										ent of servi ce provi der														
Secu rity Servi ces	Vuln erabil ity of muni cipal prop erties due to vand alism	To ensu re all Muni cipal key point s, asse ts and reso urce s are safe by June 2022	1.1 9	Visibi lity of Secu rity pers onnel , provi sion of equip ment and instal ling of CCT V Cam eras by June 2021	43 privat e secur ity pers onnel to safe guard 13 Muni cipal Sites	Provisio n of 44 security personnel to 13 Municipa l Sites	Num ber of secur ity pers onnel to safeg uard Muni cipal sites	1.1 9.1	0. 5	Sign ed SLA & Atte ndan ce regis ter, 12 Mont hly moni torin g repo rts	R7 010 260.0 0	R7 010 260.0 0	Ye s	N/ A	44 Secur ity Perso nnel to safeg uard 13 Muni cipal sites by June 2020	Paym ent and provisi on for 44 securi ty perso nnel to safeg uard 13 Mucip al sites availa ble for night, week ends and public holida ys(no n- accu mulati ve)	44 Secur ity Perso nnel to safeg uard 13 Muni cipal sites by June 2021	Provisi on of 44 securit y person nel to 13 Munici pal Sites and monthl y payme nts have been done every month.	R 7 241 456,0 4	Ach iev ed	N/A	N/A		

					Main building and DLTC with installed CCTV cameras.	Installation of CCTV cameras at the DLTC containers and the Pound	Number of CCTV cameras installed at the DLTC Containers and the Pound	1.1 9.2	0.5	Appointment letter & Completion Certificate	R200 004,00	R200 004,00	Yes	N/A	15 CCTV cameras installed at the Library by June 2020	Installation of 15 CCTV Cameras at Library has been done.	5 CCTV cameras installed at the DLTC containers and 5 installed at the Pound by June 2021	The project was advertised for 7 days on a notice board and the report is that the project will be re-advertised because all the bidders were non-responsive	N/A	Not Achieved	The project was advertised for 7 days on a notice board and the report is that the project will be re-advertised in January 2022 after the budget adjustment because the bidders were non-responsive	Manager protection services will make it a point that the project will be re-advertised in January 2022 after the budget adjustment because the project is not budgeted for this financial year
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					2 Night vision, 2 licence disc scanners, 1 camera, money counter, 04 breatherliser alcohol, 2 Accident scene light and 02 Cash Drawers	Purchasing of 04 breatherliser alcohol, 04 first aid medical kit and 01 machine for appointment cards and 1 camera	Number of breatherliser alcohol, first aid medical kit and machine for appointment cards and camera purchased	1.1 9.3	0.5	Appointment letter and Delivery Note	R200 004,00	R200 004,00	Yes	N/A	Purchased 2 Night vision, 2 licence disc scanners, 1 camera, 1 money counter, 04 breatherliser alcohol, 2 Accident scene light and 02 Cash Drawers by June 2020	Purchased 2 Night vision, 2 licence disc scanners, 1 money counter, 04 breatherliser alcohol, 2 Accident scene light and 02 Cash Drawers has been done.	Purchased of 04 breatherliser alcohol, 04 first aid medical kit and 01 machine for appointment cards and 1 camera by June 2021	Purchase of 04 breatherliser alcohol, 04 first aid medical kit and 01 machine for appointment cards and 1 camera has been done	R 114 800,00	Achieved	N/A	N/A
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				By facilit ating Acqu isitio n of equip ment by June 2021	Purc hase d 20 Rech arga ble Torc hes , 3000 roun ds for hand gun, 1000 roun ds for rifle and 3000 rubbe r bullet s and 100 pepp er spray s and 50 hand cuffs by June 2021	Purchas ed 20 Recharg able Torches , 3000 rounds for hand gun, 1000 rounds for rifle, 3000 rubber bullets, 100 pepper sprays, 50 hand cuffs and 50 Traffic cones	Num ber of Rech arga ble Torc hes, roun ds for hand gun, roun ds for rifle and rubbe r bullet s, pepp er spray s, hand cuffs and traffic cone s purc hase d	1.1 9.4	0. 5	App oint ment letter , deliv ery note	R170 244,0 0	R170 244,0 0	Ye s	N/ A	Purch ased 10 Torc hes , 3000 round s for hand gun, 1000 round s for rifle and 25 boxe s of round s for short gun and 100 traffic cone s by June 2020	Purch ased 10 Torc hes , 3000 round s for hand gun, 1000 round s for rifle and 25 boxes of round s for short gun and 100 traffic cones has been done	Purch ased 20 Rech argab le Torc hes , 3000 round s for hand gun, 1000 round s for rifle, 3000 rubbe r bullet s, 100 pepp er spray s, 50 hand cuffs and 50 Traffi c cone s by June 2021	Purch ase of 20 Recha rgeabl e Torc hes , 3000 rounds for hand gun, 1000 rounds for rifle, 3000 rubber bullets , 100 peppe r sprays , 50 hand cuffs and 50 Traffic cones has been done	R 187 000,0 0	Ach iev ed	N/A	N/A
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				By facilitating maintenance of robots, CCTV cameras and calibration of machinery by June 2021	Functional CCTV cameras, robots and calibration of machinery.	4 Sets of Maintained robots, CCTV cameras twice a year on 3 sites and 1 calibrated machine once a year	Number of Sets of Maintained robots, CCTV cameras twice a year on sites and calibration machine	1.1 9.5	0.5	Completion Certificate	R500 004,00	R250 000,00	Yes	No	Maintained robots, CCTV cameras twice a year and calibrated machine once a year by June 2020	Maintained robots and CCTV cameras twice a year	4 Sets of Maintained robots, CCTV cameras twice a year on 3 sites and 1 calibrated machine once a year by June 2021	Maintenance of robots, CCTV cameras and calibration of machine has been done	R 293 809	Achieved	N/A	N/A
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Traffic Services	Road users disobey rules of the road that contribute to road cam ages .	To ensure consistent safety of road users and improve by law enforcement by June 2022	1.20	By ensuring General law enforcement, improve road signage and supply of protective clothing by June 2021	2049 Traffic fines issued 19 road blocks conducted	1500 of traffic fines issued, 20 Road blocks conducted	Number of traffic fines issued and road blocks conducted	1.20.1	0.5	Tickets issued and road block authorisation from SAPS	N/A	N/A	Yes	No	2100 of traffic fines issued, 20 Road blocks conducted by June 2020	Issuing of 2655 traffic fines and 20 Road blocks conducted	1500 of traffic fines issued, 20 Road blocks conducted by June 2021	1625 traffic fines issued and 22 Road blocks conducted on the 10 August 2020 at R61 next to MzambaSA PS, 28 August 2020 at R61 road Masimini road, 18 September 2020 at R61 Nomlaku bus stop, 15 October 2020 at Fonozaba bus stop, 20 November	N/A	Achieved	N/A	N/A
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																		at R61 Ludek e bus stop, 31 Dece mber 2020 at Ntlakw e ,19 Febru ary 2021 at Masim ini bus stop,2 6 Febru ary 2021 at R61 Main road opposi te waysid e store, 23 March 2021 at Masim ini bus stop,2 9 March 2021 at Magus heni bus stop,				
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																	09 April 2021 at Redou bt , 23 April at Nyanis weni, 21 May 2021 at Ntsingi zi, 28 May 2021 at Nomla cu, 08 June 2021 at Mzam ba waysid e R61 and 25 June at Ntlakw e R61R oad.				
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				By ensuring General law enforcement, provision of equipment & improve road signage by June 2021	8 road signs erected and renewal of 22 kilometres of road markings	Erection of 8 road signs and road marking paint and renewal of 22 kilometres of road markings	Number of road signs and road marking paint to be erected and number of kms for renewal of road markings	1.2 0.2	0.5	Pictures and 4 Quarterly reports	R412 536,00	R200 000,00	Yes	No	8 Road signs erected and 22 kilometres road markings renewed by June 2020	Erected 8 Traffic signs and renewals 23 kilometres of road markings has been done.	Erected 08 Road signs and road marking paint and 22 kilometres road markings renewed by June 2021	Erection of 12 road signs and 34,2 kilometres of road markings has been done	R 291 120,00	Achieved	N/A	N/A
				By providing protective clothing to 48 employees by June 2021	48 personnel receiving protective clothing.	Supply of protective clothing for 48 employees.	Number of employees supplied by protective clothing	1.2 0.3	0.5	Issue register & Completion certificate	R506 544,00	R400 544,00	Yes	No	Supplied protective clothing to 48 employees by June 2020	48 Employees have been supplied with protective clothing	Supplied protective clothing to 48 employees by June 2021	48 Employees have been supplied with protective clothing.	N/A	Achieved	N/A	N/A

				By facilitating process of purchasing containers by June 2021	01 Storage container available at DLT C	Purchase of 02 storage containers	Number of Storage containers purchased	1.2 0.4	0.5	Appointment letter, delivery note & Completion certificate	R260 004,00	R160 004,00	Yes	No	02 storage containers purchased by June 2020	Purchase 02 storage containers has been done	02 storage containers purchased by June 2021	02 storage containers has been purchased	R 160 000,00	Achieved	N/A	N/A
				By facilitating registration & licensing of motor vehicle by June 2021	540 registrations and licensing of motor vehicles	Registration and licensing of 1800 vehicles	Number of Registered and licensed vehicles	1.2 0.5	0.5	List of registered and licensed motor vehicles from Natis system (RD 323)	N/A	N/A	Yes	No	1800 registered and licensed vehicles by June 2020	6841 vehicles were registered and licensed	1800 registered and licensed vehicles by June 2021	7947 Vehicles registered and licensed	N/A	Achieved	N/A	N/A
				By facilitating process of purchasing stationary by June 2021	10 000 professional driving permits & learners licence form	Supply of DLTC Stationery	DLTC stationery supplied	1.2 0.6	0.5	Delivery note	R509 532,00	R100 000,00	Yes	No	DLTC Stationery supplied by June 2020	Supply of DLTC Stationery has been done.	DLTC Stationery supplied by June 2021	Supply of DLTC Stationery has been done.	R 169 980,00	Achieved	N/A	N/A

				s and 1000 face value documents																		
				By facilitating application of learners licence, driving licence and PrDPs and provision of resources by June 2021	1500 learners licence, 480 driving licence and 25 PrDPs	1700 Learners licences, 2000 driving licences and 100 PrDP's issued	Number of learners licences, driving licences and PrDP's issued	1.20.7	0.5	List of learner licence, driving licence and PrDP's from Natis system (RD 323)	N/A	N/A	Yes	No	2000 learners licence, 2000 driving licence and 100 PrDPs by June 2020	2027 Learners licence, 5193 driving licence and 817 PrDPs were issued	1700 learners licence, 2000 driving licence and 100 PrDPs by June 2021	3546 learners licence, 6113 driving licence and 968 PrDPs were issued by June 2021	N/A	Achieved	N/A	N/A

				By Facilitating community education programs by June 2021	4 Community safety awareness campaigns conducted	Conduct 4 Community Safety Awareness campaigns	Number of community safety awareness campaigns conducted	1.20.8	0.5	2 Community safety Awareness campaigns report & attendance registers.	R345 492,00	R345 492,00	Yes	No	4 community safety awareness campaigns conducted and 4 pay parking meters project reports by June 2020	21st November 2019, 06th December 2019, 02 April 2020 at Mbizana Town and 16 June 2020 At Masi mini bus stop. and 4 pay parking meters project reports have been done	4 community safety awareness campaigns conducted by June 2021	4 awareness campaigns has been conducted on the 02 of December 2020 at Mpheni location (ward 2), 18th December 2020, 02nd of June 2021 at Ngojana JSS (ward 14) and 8th of June 2021 at Mzamba (road block)	R 199 545	Achieved	N/A	N/A
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				By securing municipal Driving Licence Testing Centre by June 2021	contrate palisade fenced municipal sites	galvanised palisade fence at the Municipal Driving Licence Testing Centre	Number of meters of galvanised palisade fence at the Municipal Driving Licence Testing Centre	1.2 0.9	0.5	Appointment letter & Completion certificate	R1 299 996,00	R300 000,00	Yes	N/A	Fenced 1.5 HA animal pound and provided equipment by June 2020	Fencing of 1.5 HA animal pound and purchase of pound equipment was done	275 metres galvanised palisade fence at the Municipal Driving Licence Testing Centre by June 2021	275 metres galvanised palisade fence at the Municipal Driving Licence Testing Centre was done	R 642 628,24	Achieved	N/A	N/A
Pound	Uncontrolled stray animals	To control stray animals both in the CBD and public roads by 2022	1.2 1	By upgrading the pound, daily operations to comply with required laws and provision of resources by	Completed animal pound.	Collection of trespassing and stray animals	Number of impounded animals	1.2 1.1	0.5	Entry register of impounded animals	N/A	N/A	N/A	No	140 Animals impounded by June 2020	collection of 350 impounded animals has been done.	200 Animals impounded by June 2021	collection of 323 impounded animals has been done.	N/A	Achieved	N/A	N/A

				June 2021																		
				By upgrading the pound, daily operations to comply with required laws and provision of resources by June 2021	No provision for remedies and feed	Purchasing of 1250 feed bales 220 crushed maize, 30 licks, 20 Pellets, 30 x50kg salt, 60 litres of remedies, consumables and equipment	Number of feed bales, crushed maize, licks, Pellets, salt, litres of remedies, consumables and equipment purchased	1.2 1.2	0.3	Delivery note	R320 004,00	R137 004,00	Yes	No	1250 feed bales 220 crushed maize, 30 licks, 20 Pellets, 30 x50kg salt and 60 litres of remedies purchased by June 2020	Purchase of 1250 feed bales 220 crushed maize, 30 licks, 20 Pellets, 30 x50kg salt and 60 litres of remedies by June 2020 has been done.	1250 feed bales 220 crushed maize, 30 licks, 20 Pellets, 30 x50kg salt and 60 litres of remedies, consumables and equipment purchased by June 2021	1250 feed bales 220 crushed maize, 30 licks, 20 Pellets, 30 x50kg salt and 60 litres of remedies, consumables and equipment purchased	R 397 172,00	Achieved	N/A	NLA

				By upgrading the pound, daily operations to comply with required laws and provision of resources by June 2021	Palisade fence d Pound	Maintenance of animal pound	Number of animal pound maintained	1.2 1.3	0. 2	Appointment letter , Completion Certificate	R207 900.0 0	R207 900.0 0	Yes	No	1 Maintained animal pound by June 2020	Maintenance of Pound has been done	2 Maintained animal pound by June 2021	Maintenance of 2 Pound shelters has been done	R 148 600,0 0	Achieved	N/A	N/A
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KPA N0 2: Local Economic Development & Spatial Planning																						
Outcome 9 Objective																						
S ub - R es ult A rea	Issue	Strat egic Obj ective	Obj ective No.	Strat egies	Base line Infor mation	Proje ct to be Imple mented	Outp ut - KPI	KPI No .	KPI Wei ght	Mean s of Verifi cation	Bud get	Adju sted Bud get	Budget Source		Preceding Year Performance 2019/2020		Actual Measurable Performance 2020/2021				Rea son s for Vari ance	Rem edial Acti on
													Int ernal	Ext ernal	Annu al Targe t	Actu al meas urabl e perfo mance	Annu al Targe t	Actu al Perfo rmance Non Fin	Act ual Fin ancial	Ac hie ved / Not Ac hie ved		
Spatial Development Framework	Redressin g past spatial imbalances	To Imple ment muni cipal SDF that will guide devel opme ntal progr amm es and proje cts by June 2021	2,1	By imple menti ng muni cipal SDF adopt ed by the coun cil by June 2021	Coun cil adopt ed SDF	Devel opme nt of Redo ubt precin ct plan	Numb er of Redo ubt precin t plans devel oped	2,1 ,1	0, 86	Progr ess Repor t on the Redo ubt precin t plan	R 274 308, 00	R 324 308, 00	Yes	No	Draft Munic ipal Spati al Devel opme nt Fram ework by June 2020	Draft SDF has been prepa red, public partici pation and consu ltation did not occur.	1 Redo ubt precin t plan devel oped by June 2021	Devel oped 1 Progr ess report on devel opme nt of Redo ubt princi ct plan	R 108 230 ,00	Not Ach ieved	Ten der adv ert was non resp onsi ve	The plan is being devel oped inter nally.

Integrated Land Use Scheme	No zoning Scheme Regulations in areas outside the urban edge	To regulate the use of land in an integrated manner within the municipal jurisdiction by June 2021	2.2	By implementing the council adopted integrated land use scheme by June 2021	Council Adopted Integrated Land Use Scheme	Mapping of agricultural and environmental sensitive areas	Implemented the Scheme focusing on agricultural land and protection of environmental sensitive areas	2,2,1	0.86	1 Draft Report and 2 Layout Plan	Nil	R 150 000,00	Yes	No	Approved amended integrated land use scheme by June 2020	Integrated Land Use Scheme has been amended now it's awaiting Council approval	Implemented the Scheme focusing on agricultural land and protection of environmental sensitive areas by June 2021	Close-out report and layout plans on agricultural land and protection of environmental areas produced	Nil	Achieved	N/A	N/A
Land Use Management System	Non-Conforming land uses, encroachments and land invasions	To ensure controlled land use management, development control and enforcement by June 2021	2.3	By implementing and enforcement on land usage by June 2021	Land Use Management System	Update Land Use Register, Serving contravention notices	Enforced Land Use Management Systems	2,3,1	0.86	4 Contravention Notices	N/A	N/A	No	No	4 contravention notices, fines and penalties adopted in terms of section 168 (4) of Land Use Bylaw by	4 contravention notices, fines and penalties adopted in terms of section 168 (4) of Land Use Bylaw were	Enforced Land Use Management System by June 2021	Enforced land use management system through serving 6 contravention notices	Nil	Achieved	N/A	N/A

														June 2020	prepared and served							
Land Audit	Unsurveyed, unregistered municipal land and properties	By ensuring that properties are registered and surveyed of, and to maintain and update the register of properties within municipal jurisdiction by	2.4	By implementing municipal land audit by June 2021	Land Audit Report	Land survey of municipal properties	Number of aligned municipal cadastral information with the zoning and valuation	2,4,1	0.86	2 Draft Subdivision Plans	R 367 500,00	R 672 036,00	Yes	No	10 subdivisions and surveyed municipal sites within the urban edge by June 2020	0 subdivisions and surveyed municipal sites within the urban edge Draft SG diagrams were prepared	1 aligned municipal cadastral information with the zoning and valuation by June 2021	2 draft Subdivision plans done and aligned 1 cadastral information with zoning and valuation	Nil	Achieved	N/A	N/A

		June 2021																				
Valuation Roll	Outdated property values to enable billing for property rates	To develop a credible valuation roll by June 2021	2,5	By formulating valuation, supplementary valuation roll to improve revenue collection by June 2021	Valuation roll	Compilation of Supplementary valuation roll	Number of Supplementary valuation rolls compiled	2,5,1	0.86	Supplementary valuation roll for 2020/21	R 786 288,00	R 486 288,00	Yes	No	Supplementary valuation roll compiled for 2020 - 2021 by June 2020	Compiled Final Supplementary Valuation Roll for 2020-2021 Financial Year	1 Final Supplementary valuation roll by June 2021	1 Final supplementary valuation roll developed	Nil	Achieved	N/A	N/A
Provision of human settlements	Housing backlog	To guide human settlements in ensuring access to housing is achieved	2,6	By providing land, beneficiary administration and applications for funding	Housing sector plan	Provision of Human settlement	Number of Maintained and updated housing needs register, signed	2,6,1	0.86	Signed Happy Letters, Updated Housing Needs Register	R 99 996,00	R 99 996,00	Yes	No	Updated housing needs register and 100 signed happy letters from	Housing needs register updated and 165 Happy letters signed	1 Maintained and updated housing needs register, 80 signed happy	Housing needs register maintained and updated, 80 happy	Nil	Achieved	N/A	N/A

		ved by June 2021		g by June 2021			happy letters and handi ng over of house s								benefi ciarie s by June 2020		letters and handi ng over of house s by June 2021	letter s signe d					
Building control	Illegal building construction	To ensure compliance with National Building Regulations by June 2021	2,7	By updating building plan register and conducting inspections on submitted building plans by June 2021	Building plans submitted for approval	Update building plan register and conducting routine inspection	Number of Updated building plan register and routine inspections conducted	2,7,1	0.86	Updated building plan register, 12 Routine Inspection Register	R 99 468,00	R 99 468,00	Yes	No	1 updated building plan register, 12 routine inspections and 1 workshop conducted by June 2020	1 Building Plan Register Updated, 12 Routine Inspections Conducted and 1 workshop conducted on the 04th September 2019	1 Updated building plan register and 12 routine inspections by June 2021	Bulding plan register updated and 12 routine inspections conducted	R 24 000,00	Achieved	N/A	N/A	

Geographic Information Systems	Outdated geospatial information	To ensure management and update of municipal geospatial information by June 2021	2,8	By implementation of GIS system as a tool to enhance service delivery through spatial information by June 2021	GIS strategy and policy	Updated municipal Geodatabase	Implemented GIS Strategy and Policy and Updated Municipal Geodatabase	2,8,1	0.86	Terms of Reference, 2 Reports and Attendance Register and Updated Municipal Geodatabase	R 169 860,00	R 269 860,00	Yes	No	Reviewed GIS Strategy and Updated municipal geodatabase by June 2020	Final GIS Strategy was not submitted to council for approval, Standing Committee has noted the strategy and policy. Municipal geodatabase updated	1 Implemented GIS Strategy and Policy and Updated Municipal Geodatabase by June 2021	GIS Strategy and Policy implemented and Municipal Geodatabase updated	Nil	Achieved	N/A	N/A
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Implementation of SPLUMA	Past Spatial Imbalances	To ensure compliance with SPLUMA by June 2021	2,9	By Facilitating the implementation of the SPLUMA by June 2021	Spatial Planning, Land Use Management Act and SPLUMA Regulations	Establishment of Municipal planning tribunal	Number of Appointed Municipal Planning Tribunal Members with the tribal authorities and stakeholders on the implementation of the act	2,9,1	0.86	4 Appointments, Notice	R 140 868,00	R 140 868,00	Yes	No	2 land use applications approved and 2 District Planning Tribunal Sitting by June 2020	4 Land Use applications were done, 3 out of the 4 applications were approved by the Authorised Official and 1 application was submitted to the District Planning Tribunal. 2 District Planning Tribunal Sittings were conducted	4 Appointed Municipal Planning Tribunal Members with the tribal authorities and stakeholders on the implementation of the act by June 2021	6 District Municipal Planning Tribunal members appointed	Nil	Achieved	N/A	N/A
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Land acquisition and disposal	Unutilised , undeveloped land	To facilitate acquisition of well located state land and disposal of council land by June 2021	2.1 0	By ensuring maximum utilisation of prime land by June 2021	Land Audit Report	Facilitation of lease agreements	Number of Disposal of available municipal land by means of leases	2.1 0.1	0.86	Final Signed Lease agreements	R 473 760,00	R 473 760,00	No	No	Disposal of 5 municipal sites and 1 signed letter for 4 land parcels to be acquired by June 2020	0 Disposal of 5 municipal sites 1 signed Letter to acquire land parcels was prepared to COGTA, valuation reports and terms of reference were done to facilitate transfers	1 Disposed available municipal land by means of leases by June 2021	2 available land disposed by means of leases	Nil	Achieved	N/A	N/A
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Township Establishment	Inadequate land parcels for development	To facilitate the creation of land parcels through township establishment for purpose of development by June 2021	2.1 1	By employing the services of service provider to design the layout plan by June 2021	Spatial Development Framework	Land Use Applications	Number of Approved Township Establishment Application	2.1 1.1	0. 86	Township Establishment Report, Council Resolution and proof of submission to Cogta	R 367 500, 00	R 367 500, 00	Yes	No	One approved layout plan by June 2020	0 approved layout plan Land Use Application was prepared for Township Establishment	1 Approved Township Establishment Application by June 2021	Township establishment not approved	R 40 000 ,00	Not Achieved	EIA not yet approved	Follow up on the progress of EIA from the department
Economic Development Plan	LED plan not aligned with the National LED framework and all applicable legislations	To grow the local economy to 20% by 2032	2.1 2	Facilitate integrated implementation of the LED strategy with other key stakeholders	LED Policy, Approved GBS Fund	Host Business Conference and Facilitation of N2 beneficiaries	Number of Hosted Business engagement and Facilitated N2 beneficiaries	2.1 2.1	0. 86	Concept Document; Attendance Register and Report	R1 1270 04 R8 018 842 R1 100 004	R 863 604, 00	Yes	No	SMM E beneficiary to N2 Wild Coast development by June 2020	Report on SMM E beneficiary to N2 Wild Coast development completed	1 Hosted Business engagement and Facilitated N2 beneficiary by June 2021	Business engagement hosted and N2 beneficiary facilitated	R 211 174 ,50	Achieved	N/A	N/A

				and Wild Coast Development plan by June 2021		Implementation of GBS Work plans	Number of facilitated GBS annual workplan	2.1 2.2	0.86	Terms of Reference; Draft Feasibility Report, Register, Progress Report	R 8 018 842, 00	R 4 254 710, 50	No	Yes	Consolidated SMM E data collected on all wards in line with BIGM workplan by June 2020	SMM E data in all wards created in line with BIGM workplan	1 Facilitated of GBS annual workplan by June 2021	GBS feasibility study not done	Nil	Not Achieved	Service Provider not appointed	The project to be done after the appointment of Panel of Professionals
						Installation of market stalls within the town	Number of market stalls installed	2.1 2.3	0.86	Terms of reference; Appointment letter, delivery note, Completion Certificate	R 1 100 004, 00	R 1 600 004, 00	Yes	No			32 Market stalls installed by June 2021	Installed 32 market stalls	R 1 447 342 ,67	Achieved	N/A	N/A
						Amendment and adoption of SMM E & Cooperative Plan	Number of Amended and adopted SMM E & Cooperative Plan	2.1 2.4	0.86	Council Adopted SMM E & Cooperative Plan	N/A	N/A	Yes	No			1 Amended and adopted SMM E & Cooperative Plan by	1 SMM E & Cooperative Plan amended and adopted	Nil	Achieved	N/A	N/A

																	June 2021					
Tourism	Tourists statistics is not prepared monthly	To grow the tourism industry & increase the number of tourists by 10% in 2032	2.13	Involvement of the private sector and other key stakeholders for integrated implementation of the Tourism plan by June 2021	Outdated Tourism Plan	Tourism plan review.	Number of Reviewed Tourism Plans	2.13.1	0.86	Terms of Reference, Inception Report, Progress Report and Draft Reviewed Tourism Plan	R 2012 760,00	R 1718 864,00	Yes	No	Council adopted Tourism Plan, Operator appointed for Mthamvuna by June 2020	Tourism Plan not adopted by Council, Operator appointed for Mthamvuna not done Developed Terms of reference for Operator of Mthamvuna nature reserve and Tourism Plan	1 Reviewed Tourism Plan by June 2021	1 Tourism Plan reviewed	R 580 738 ,95	Achieved	N/A	N/A

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																a natur e reser ve and Touri sm Plan not submi tted to Coun cil for Appro val						
Agriculture	Employment in agriculture not recorded	To grow and strengthen the agricultural sector by supporting local farmers by June 2021	2.14	Integrated Farmer support. Integrated support with access to markets for farmers by June 2021	Outdated Agricultural Development Plan, Adopted BIGM work plan	Agricultural development plan review.	Number of Draft Reviewed Agricultural development plan	2.14.1	0.86	Terms of Reference; Advert, Progress Report and Draft Reviewed Agricultural plan	R 1 134 588, 00	R 1 134 588, 00	Yes	No	Implementation of Agricultural development plan & Agri-parks program by June 2020	8 prioritised projects funded and Conducted 1 AWG Meeting and Red Hub PSC Meeting not conducted. Conducted 1 AWG	1 Draft Reviewed Agricultural development plan by June 2021	Draft reviewed Agricultural development plan not done	Nil	Not Achieved	Delay in SCM processes	To re-advertise the project

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															PSC Meeting not conducted							
Mariculture	Unavailability of boat launching site	To promote sustainable use of marine resources to contribute in the local economy by June 2021	2.15	Ensure support of small scale fishers with licenses and markets by June 2021	Underutilized coastal belt	Support 1 commercial and 1 small scale fisheries	Number of Supported commercial and small scale fisheries	2.15.1	0.86	Attendance Register & Delivery Note	R 284 472,00	R 639 212,00	Yes	Yes	1 small scale Fishing project supported by June 2020	Developed terms of reference for capacity development & support. Conducted 1 workshop for fishers and 1 meeting with fishers conducted	Supported 1 commercial and 1 small scale fisheries by June 2021	Supported 1 commercial and 1 small scale fisheries	R5 85 000.00	Achieved	N/A	N/A

Enterprise Development	Lack of mentoring and evaluation of SMMEs.	To promote enterprise development to contribute 10% to the local economy by June 2021	2.16	Execute Entrepreneur Development programs and capacity development by June 2021	SMM E & Cooperative Plan	Conduct capacity building for SMME's & Support 3 Anchor Projects	Number of SMME's capacitated & Anchor projects supported	2.16.1	0.86	Attendance Register; Terms of Reference and Delivery Note	R 2 644 689,00	R 4 073 704,00	Yes	No	15 SMME's capacitated and supported 9 Arts and Crafters by June 2020	15 SMME members capacitation not done and 9 Arts and Crafters were not supported	Capacitated 20 SMME's & Supported 3 Anchor projects by June 2021	20 SMMEs capacitated and 3 anchor projects supported	R 2 213 357,00	Achieved	N/A	N/A
					Adopted BIGM Work plan	Implementation of BIGM Work plan	Number of BIGM Annual workplan implemented	2.16.2	1,5	Terms of reference ; Advert and 2 Mentorship Reports and 2 Registers			Yes	No	20 BIGM incubatees capacitated and mentored by June 2020	Skills analysis for BIGM Incubatees conducted and Capacity Building and Mentoring of BIGM incubatees was not done	1 BIGM Annual workplan implemented by June 2021	BIGM annual workplan implemented		Achieved		

Stakeholder Consultation	Lack of stakeholder integration	To revive structures to contribute to local economic development initiatives by June 2021	2.17	Capacitate and Work in collaboration with Structures in all sectors by June 2021	There are a number of local formations and structures that are not fully operational and too much contestations in formations	Conduct stakeholder engagements	Number of stakeholder engagements conducted	2.17.1	1,5	4 Attendance Register	R 132 768,00	R 132 768,00	Yes	No	4 Continuous engagements with formations for intergration and collaboration by June 2020	2 Continuous engagements with formations for intergration and collaboration were conducted on the 23rd July 2019, 19&29 November 2019	4 stakeholder engagements conducted by June 2021	4 Stakeholder engagements conducted	Nil	Achieved	N/A	N/A
	Mining not fully supported	Coordination of Mining activities by June 2021	2.18	Integration of key industry players for mining activities by June 2021	Uncoordinated mining services	Conduct stakeholder engagements	Number of stakeholder engagements through support for mining activities in	2.18.1	1,36	2 Attendance Register	N/A	N/A	NA	NA	Support 2 mining activities in Mbizana by June 2020	1 Social Labour Plan meeting not conducted and 1 meeting has been conducted	Supported mining activities in Mbizana by implementing Social Labour Plan through	Mining activities supported by implementing SLP through conducting 2	Nil	Achieved	N/A	N/A

							Mbiza na by imple menti ng Social Labo ur Plan throu gh condu cting stake holde r enga geme nts									cted on the 26 Septe mber 2019	gh condu cting 2 stake holde r enga geme nts by June 2021	stake holde r enga geme nts				
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KPA N0 3: Municipal Transformation & Institutional Development (Corporate Services)																						
Outcome 9 Objective																						
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be Implemented	Output - KPI	KPI No.	KPI Weight	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Year Performance 2019/2020		Actual Measurable Performance 2020/2021				Reasons for Variance	Remedial Action
													Internal	External	Annual Target	Actual measurable performance	Annual Target	Actual Performance Non Fin	Actual Financial	Achieved / Not Achieved		
Employee Wellness	Low Staff Morale	To ensure that Employee Wellness is effective by 30 June 2021	3.1	By developing and implementing Employee Wellness Programmes by June 2021	One (1) employee wellness awareness campaign	To conduct one(1) employee wellness event	Number of Employee Wellness Awareness Campaigns conducted	3.1.1	0,5	Signed concept document, Attendance register and Campaign Report signed by Senior Manager	R 169 824.00	R 169 824.00	Yes	N/A	2 Wellness Employee Wellness Awareness Campaigns by June 2020.	Wellness day was scheduled for 20 September but had to be postponed to 30 September due to unfavourable conditions on the 20/09/2019.	1 Wellness Employee Awareness Campaign by June 2021	GBV campaign was conducted on 18/03/2021 at Youth Centre	N/A	Achieved	N/A	N/A

															Covid 19 Awareness campaign conducted on 290 employees on the 01-02 June 2020,							
					Medical check ups conducted on 113 employees	Medical check ups conducted for 100 employees.	Number of employees referred for medical check-ups.	3.1 .2	0,5	2 Medical practitioner Formal reports	R 1 09 8 88	R 598 888	Yes	N/A	Medical check ups for 45 employees by June 2020.	Medical check up conducted on 138 people on 11/09 /2019 . Medicals check up conducted on 97 people on the 23/10 /2019 . Medical	Medical check ups for 100 employees by June 2021.	266 employees were referred for medicals (176 on the 28/10 /2020 and 90 on the 20/04 /2021	R21 0 504, 00	Achieved	N/A	N/A

															al check up cond ucted on 48 peopl e on the 09/03 /2020 .							
					1 site inspe ction done in 2019/ 20	3 site inspe ction	Numb er of site inspe ctions cond ucted .	3.1 .3	0,5	3 site Inspe ction report	N/ A	N/A	N/ A	N/A	3 site inspec tions condu cted by June 2020.	Site inspe ction cond ucted on 24/09 /2019 , Site asses smen t done on 14/11 /2019 and Site asses smen t on 30/05 /2020	3 site inspec tions condu cted by June 2021	Three site inspe ction cond ucted on the 01/05 /2021	R31 905, 00	Achi eve d	N/A	N/A

					Functional OHS Committee in place	OHS awareness programme to be conducted	Number of OHS awareness programmes conducted	3,14	0,5	Signed concept document, Report and 2 Attendance registers	R 228 000	R 292 908	Yes	N/A	2 OHS programmes conducted by June 2020	1 OHS awareness conducted on 24-25/09/2019. Another OHS planned in quarter 4 could not be conducted	2 OHS programmes conducted by June 2021	Two OHS awareness were done on the 11/12/2020 and 23 June 21	N/A	Achieved	N/A	N/A
					All Municipal buildings fumigated and installation of sanitiser stands conducted	Co-ordinating the disinfection of all Municipal Buildings	Number of Municipal Buildings Disinfected	3,15	0,5	Concept document and proof of submission to SCM, Completion Certificate	R 200 000,400	R 205 478	Yes	N/A			06 Municipal Buildings Disinfected by June 2021	06 municipal buildings disinfected on 26/06/2021	R 111 000,00	Achieved	N/A	N/A

Performance Management System	Instill a culture of higher performance management and accountability	To implement and sustain a functional and effective Performance Management System (PMS) by June 2021	3.2	By cascading PMS to lower level employees through workshops by June 2021	PMS Policy in place . Conducted workshops for T16-T10	Conduct PMS workshops for tasks grade s 12-07 employees	Number of PMS workshops conducted for task grade s 12--07	3.2 .1	0,5	Concept Document and 2 Attendance register	93 00 0.0 0	R93 000 ,00	Yes	N/A			2 workshops conducted for task grade 12-07 by June 2021	Workshops for task grade 11 conducted on from 24/02 /2021 to 30/03 /2021 and task grade 07 on 14/06 /2021	N/A	Achieved	N/A	N/A
					Fourty (40) employees signed performance agreements and work plans	55 PMS agreements signed and work plans formulated for employees below senior managers, 1 Mid Year Assessment by June 2021	Number of PMS agreements signed and work plans formulated for employees below senior managers, 1 Mid Year Assessment and number of Asse	3.2 .2	0,5	55 Signed Performance agreements & work plans , Mid-Year Assessment report and Annual Assessment report	N/A	N/A	Yes	N/A	40 PMS agreements signed and work plans formulated for employees below senior managers, 1 Mid Year Assessment and 1 Refresher	40 Performance agreements signed. But mid year assessment and refresher training not done.	55 PMS agreements signed and work plans formulated for employees below senior managers, 1 Mid Year Assessment for 45 employees	58 PMS agreements signed and work plans formulated for employees below senior managers, 1 Mid Year Assessment for	N/A	Not achieved	Variance caused by the number of terminations in the 19/20 FY	The numbers have been revised for the year 2020 /21

							ssme nts cond ucted								Traini ng by June 2020.		and 1 Annua l Asses sment for 45 emplo yees by June 2021.	46 empl oyees and 1 Annua l Asses sme nt for 37 empl oyees instea d of 45 empl oyees				
Huma n Capit al Devel opme nt	Conti nuous capac itation of empl oyees and counc illors	To Provid ing compr ehensi ve educat ion, trainin g and human resour ce develo pment by June 2021	3,3	By Capa citatin g Coun cellors and Empl oyees throu gh Skills Devel opme nt progr amm es by June 2021	WSP subm itted to LGS ETA in the 2020/ 2021 Finan cial Year.	Traini ng for Coun cellors	Numb er of Coun cillors train ed	3.3 .1	0,5	Atten denc e regist er and report	R 1 12 9 28 4.0 0	R46 6 212 .00	Ye s	N/A			Traini ng condu cted for 10 counc illors by June 2021	Trani ng for 10 counc illors not cond ucted	N/A	Not achi eved	Could not secu re a quali fied provi der to cond uct the traini ng	Targ et has been revis ed to a more suita ble and more relev ant qualif icatio n.
					Study assist ance offere d to 35 officia ls and 2 Coun cillors	Provi de study assist ance to intern al staff	Numb er of officia ls provi ded with study assist ance.	3.3 .2	0,5	Adver t, Atten danc e regist er, 7 contr acts signe	R 42 7 50 0	R 427 500	Ye s	N/A	Provid ed 07 official s with study assist ance by June 2020	7 empl oyees provi ded with study assist ance.	07 official s provi ded with study assist ance by	10 officia ls provi ded with study assist ance on the	R 196 992, 00	Achi eve d	N/A	N/A

					since 2016/17					d and report							June 2021	11/02/2021				
					30 students offered with experiential learning from 2016-2019	To provide in-house experiential training.	Number of students offered experiential training.	3.3.3	0,5	Advert, Approved list of the 15 learners and report	N/A	N/A	Yes	N/A	5 students provided with experiential training by June 2020	0 students were provided with experiential learning in 2020.	15 students provided with experiential training by June 2021	Experiential training advertised and 15 learners appointed	Nil	Achieved	N/A	N/A
Labour Relations	To instill a culture of discipline in the workplace	To ensure sound labour relations in the Municipality by June 2021	3.4	By coordinating trainings and sittings of organised labour by June 2021.	Four (4) LLF meetings convened in the 2019/2020 FY	Quarterly LLF meetings	Number of LLF meetings convened	3.4.1	0,5	4 Attendance registers, 4 notices of the meeting and signed minutes	R 66 854 99	R 28 884	Yes	N/A	Co-ordinated 4 LLF Meetings by June 2020	2 LLF Meetings co-ordinated 2 LLF meetings not co-ordinated	Convened 4 LLF Meetings by June 2021	LLFs were convened on the following dates , 02/10/2021 , 04/03/2021 , 14/05/2021 and 05/05/2021	N/A	Achieved	N/A	N/A

					26 supervisors worked on Municipal Disciplinary Policy	Line functionaries trained on disciplinary procedures	Number of line functionaries trained on disciplinary procedures	3.4 .2	0,5	Concept document, Specification document and Attendance register	R1 00 00 0	R14 4 192 .00	Yes	N/A	Capacity 26 line functionaries on Disciplinary Procedures by June 2020	0 line functionaries on Disciplinary Procedures capacitated Disciplinary training could not be done due to Covid 19 lockdown regulations	Capacity 26 line functionaries on Disciplinary Procedures by June 2021	Training on disciplinary procedure conducted on 24/06/2021	N/A	Achieved	N/A	N/A
Fleet Management	Ageing Municipal Fleet	To ensure that there is sufficient and roadworthy municipal fleet by June 2021	3.5	By procuring and maintaining municipal vehicles by June 2021	3 pool vehicle procured in the 2019/2020 financial year	Procurement of three (3) vehicles with installed tracking device.	Number of vehicles procured and installed with tracking devices.	3.5 .1	0,5	Concept document, Specification document, delivery note, Report on installation of the	R 2 36 0 25 0.0 0	R 2 360 250 .00	Yes	N/A	2 vehicles procured and installed with tracking device by June 2020	2 vehicles bought and delivered on 29/06/2020 and tracking device also	Three (3) vehicles procured and installed with tracking device by June 2021	Three vehicles bought and delivered and tracker devices installed on 17/12/2020	R 2 101 507, 95	Achieved	N/A	N/A

										track er						install ed						
Records Management	Incoherent and inappropriate records keeping	To centralize and archive municipal records by June 2021	3.6	By sourcing the services of a service provider towards centralisation & archiving of municipal records by June 2021	BTO , Corporate Services, Engineering, DP centralised and archived	Centralisation and archiving of Municipal Manager's office and Community Services records	Centralized and archived Municipal Manager's office and Community services records	3.6 .1	0,5	Concept document, Specification document, schedule & 2 reports	R 33 5 28 5.0 0	R 335 285 .00	Yes	N/A	Centralised and archived Engineering Services and Development Planning Records by June 2020.	Records for Engineering services and Development Planning centralised and archived	Centralised and archived Municipal Manager's office and Community Services records by June 2021	Municipal Manager's office and community services records centralised	R 290 000, 00	Achieved	N/A	N/A
Municipal ICT systems and Infrastructure	ineffective systems to support municipal	To ensure maximum availability of efficient	3.7	By Improving Standard Operational Procedure	ICT Systems and service level agreement	Renewal and Maintenance of a Service Level	Number of Renewed and maintained SLA and	3.7 .1	0,5	1 Signed SLA and 3 renewed licences	R2 14 3 89 4	R4 667 712	Yes	N/A	4 renewed and maintained service level agree	4 renewed and maintained service level agree	1 renewed and maintained service level agree	Tech seeds SLA signed by MM and the Munic	R 1 187 349. 53 R 695	Achieved	N/A	N/A

	objectives	nt ICT Systems and infrastructure by June 2021		sses and procedures by June 2021	s in place	Agreement and 3 licenses	Licenses							ments and licenses by June 2020	agreements and licenses	ment for telephone service and 3 licenses renewed by June 2021	ipality Municipal License Renewed SAGE License renewed Esset License antivirus renewed	117.50 R245 489,35 R61 302,94				
				By ensuring Continuity in municipal ICT operations by June 2021	Adopted Disaster Recovery Plan and Cloud Disaster Recovery Site in Place	Reviewed and adoption of the Disaster Recovery Plan and Procurement of Disaster Recovery site equipment	Reviewed & adopted Disaster Recovery Plan and Procured Disaster Recovery site equipment	3.7.2	0,5	Council extract and signed DRP	R 300 000	R 300 000	Yes	N/A	1 Reviewed disaster recovery plan by June 2020	1 Reviewed Disaster Recovery Plan done.	1 Reviewed and adopted disaster recovery plan and Procured Disaster Recovery site equipment by	Disaster Recovery Plan reviewed, adopted by Council on 25/06/2021	N/A	Achieved	N/A	N/A

																June 2021						
				By Improving access to the Municipal ICT infrastructure by June 2021	2 Full racks with Servers and SAN	Installation of Server Room infrastructure in the main server room	Server Room infrastructure installed in the main Server Room	3.7.3	0,5	Signed specification, Project completion report	R 350 000	R 3500 000	Yes	N/A			Server Room infrastructure installed in the main Server Room by June 2021	Preparation of specification and submission to SCM. But Supply and Installation of Servers and SAN not done due to bidders not responding	N/A	Not Achieved	Bidders were not responsive and the Bid is going to be readvertised in Q3	The bid is still with SCM and the target is moved to next financial year (2021/22)

					All switching cabinets and desktops with UPSs	Installation of UPS in the main server room.	Installed Uninterrupted Power Supply (UPS) for the main server room	3.74	0,5	Signed specification, Project completion report	R 350 000	R 500 000	Yes	N/A	Installed Uninterrupted Power Supply (UPS) in 2 municipal sites by June 2020	Installed Uninterrupted Power Supply (UPS) in 2 municipal sites	Installed Uninterrupted Power Supply (UPS) for the main server room by June 2021	Uninterrupted Power Supply (UPS) for the main server room installed	372 127, 35	Achieved	N/A	N/A
					27 Computers procured for 2019/2020 Fin. Year	Procurement of laptops and desktops	Number of laptops and desktops procured	3.75	0,5	Appointment Letter and Delivery Note	R 650 000	R 1 300 000	Yes	N/A	10 Laptops and 10 desktops procured by June 2020	0 Laptops and 0 desktops procured The processes could not be finished on time for 2019/20 FY	20 Laptops and 8 desktops procured for the library, councilors and staff members by June 2021	29 Laptops and 8 desktops for the library, councilors and staff members procured	R1 152 032, 62	Achieved	N/A	N/A
Municipal Corporate Governance of ICT	Compliance with ICT Governance and MFM	To ensure that Corporate Governance of ICT	3,8	By maintaining the Municipal website	Municipal Website in place	Updating of the municipal website	Number of municipal website content	3.81	0,2	20 Screenshots of uploaded municipal	N/A	N/A	N/A	N/A	Updated Municipal Website Content by	Municipal Website Content website	20 items Uploaded on the Municipal Website	20 Screenshots of municipal documents	N/A	Achieved	N/A	N/A

	A (regular update of information in the municipal website)	is implemented by June 2021.		through regular updates of the website content by June 2021	content	uploaded			original documents					June 2020	te Updated	te Content by June 2021	ment s uploaded				
				Municipal Website in place	Update of the Website	Updated Website	3.8.2	0,2	Appointment Letter Progress report and completion certificate	R 234 996	R 534 996	Yes	N/A	Updated and Maintained Website by June 2020	Updated and Maintained Website not done The processes could not be completed on time for 2019/20 FY	Updated Website by June 2021	Website Updated and Maintained	N/A	Achieved	N/A	N/A
				By implementing of Municipal ICT Governance framework by June 2021	Adopted ICT Governance Policy Framework and Adopted ICT Policies	Reviewed and adopted ICT charter and ICT strategy	3.8.3	0,1	Signed Specification, Council extract of the ICT Charter and Strat	R 800 004	R 900 004	Yes	N/A	1 Reviewed and adopted ICT Governance Framework by June 2020	1 Reviewed and adopted ICT Governance Framework Submitted	Reviewed and adopted ICT charter and ICT strategy by June 2021	ICT charter and ICT Strategy Reviewed and adopted	219 000	Achieved	N/A	N/A

					es in Place					egy and Draft ICT Chart er and Strat egy						for adopt ion by counc il on 29/06 /2020							
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KPA N0 4: Financial Viability																						
Outcome 9 Objective																						
Sub-Resu It Area	Issue	Strat egic Obje ctive	Obj ecti ve No.	Strate gies	Baseli ne Infor matio n	Projec t to be Imple mente d	Outpu t - KPI	KP I No .	KP I W eig ht	Mean s of Verifi cation	Bu dget	Adj usted Bu dget	Budget Source		Preceding Year Performance 2019/2020		Actual Measurable Performance 2020/2021				Rea son s for Var iance	Re me dial Acti on
													Int ernal	Ext ernal	Annua l Targe t	Actua l meas urabl e perfor man ce	Annua l Targe t	Actua l Perfor manc e Non Fin	Act ual Fin ancial	Achie ve d / Not Ach ieve d		
Reve nue Mana gement	Reve nue collec tion trends are decre asing posin g a threat to the muni	To achie ve 100% billing for all servi ces that are to be billed by	4,1	Meteri ng of all electri city consu mption by June 2021	Electri city meter s are read, record ed, and captur ed manu ally	Autom ated Meter Readin g System	Increa sed reven ue collect ion	4.1 .1	1	Terms of Refere nce, Public ation, Appoi ntmen t letter, Progre ss Report	R 50 0 00 0,0 0	N/A	yes	N/A	70 conve ntional meter s labelle d by June 2020	70 All meter s labell ed by midye ar	Autom ated meter readin g syste m by June 2021	40 meter s have been linked to the autom ated meter readin g syste m	R 329 566 ,08	Achi eve d	N/A	N/A

	cipalities going concern	June 2021		Monthly billing of all consumers for all services by June 2021	90% billing on property rates, 60% on electricity and 50% on refuse	Maintain an accurate and complete consumer master database for refuse, electricity and property rates	Reduced Customer queries - 100% of consumers billed as per consumer master database	4.1.2	1	12 Monthly Billing Reports	N/A	N/A	N/A	N/A	Billing of 2136 consumer accounts for Property rates, refuse and electricity by June 2020	All 2136 accounts billed monthly for all services and statements distributed	Billing of 2136 consumer accounts for Property rates, refuse and electricity by June 2021	Bill 2252 consumer accounts for Property rates, refuse and electricity	R -	Achieved	N/A	N/A
						Consumer Awareness - Catering and promotional items	database	4.1.4	1	Sample of 5 monthly redesigned consumer statements	R100000,00	-R100000,00	Yes	N/A			Implemented consumer awareness program on credit control information by June 2021	Designed consumer statements to include credit control information for the last 5 months of the financial year	R -	Achieved	N/A	N/A

				Development and implementation of the Revenue enhancement Strategy by June 2021	Revenue Enhancement Strategy review in 2019/20	Development and implementation of the Revenue enhancement Strategy	Development and implementation of the Revenue enhancement Strategy	4.1.5	1	Revenue Enhancement Strategy, Implementation plan, 3 Appointments letters, Attendance register and minutes	R -	N/A	Yes	N/A	Increased revenue generation by June 2020	Revenue generation not increased. Service provider appointed, review of the current strategy started but interrupted by the Covid-19 National Lockdown	Development and implementation of the Revenue enhancement Strategy by June 2021	Strategy developed, presented to council, implementation plan adopted, structures appointed and first meeting conducted during the year	R 520 000,00	Achieved	N/A	N/A
				Implementation of credit control measures by June 2021	Long outstanding debtors, which are more than 365 days	Outsourcing of collection services	Debtors age analysis reflecting debtors within 90 days	4.1.6	1	2 Data cleansing report	R 500 000,00	N/A	Yes	N/A	Appointment of an external service provider to assist with debt collection by	External Service provider appointed and Data cleansing started	Consumer Data analyses and cleansing to ensure readiness for handi	Accounts information investigated and a Data cleansing report produced	R 446 990,03	Achieved	N/A	N/A

														June 2020		ng over of all accou nts beyon d 90 days by June 2021						
Expe nditu re Mana geme nt	Invoi ces not subm itted within 30 days of recei pt for paym ent	To pay credit ors within 30 days in comp lianc e with the MFM A by June 2021	4,2	Enforc ement of syste m descri ptions and proces ses as per the Accou nt payabl e policy by June 2021	Invoic es still taking longer to reach BTO for paym ent	Centra lisation of submis sion of invoice s per depart ment	Age analys is reflecti ng credit ors within 30 days	4.2 .1	1	Invoic e registe r and age analys is report	N/ A	N/A	N/ A	N/A	Settle ment of all prese nted invoic es within 30 days from receip t of invoic e by June 2020	All valid invoic es were settle d within 30 days from the date of reciept	Paym ent of all prese nted accept able invoic es within 30 days from receip t of invoic e by June 2021	All valid invoic es prese nted were settle d within 30 days	R -	Achi eve d	N/A	N/A
Supp ly Chain Mana geme nt	Inade quate filing spac e and syste m for the volu me of docu ments in	To have an effect ive and reliab le filing syste m for SCM and	4,3	Conve rsion of Budge t and Treas ury filing to electro nic for old docum	Paper based and physic al filing	Conve rsion of inform ation into electro nic docum ents	Electr onic filing for SCM docu ments	4.3 .1	1	Progre ss report of Perfor mance record s audit and Progre ss report on	R2 00 0 00 0,0 0	N/A	Ye s	N/A	Electr onic filing syste m setup by June 2020	Setup and procu reme nt of requir ed hardw are as well as a progr	Electr onic filing syste m setup and loadin g of SCM Docu ments by	Filing syste m setup conclu ded and SCM docu ments scanned onto	R2 194 937 ,61	Achi eve d	N/A	N/A

	the Budget and Treasury office	all awarded tender documents and payment vouchers by June 2021		ents already audited by June 2021						SCM scanned documents						ess report	June 2021	the system				
Asset Management	All assets of the municipality to be accounted for in terms of their value, status and location	To accurately account for the value and location of all municipal assets by 30 June 2021	4,4	Annual review of the asset management policy and update of the fixed asset register by June 2021	GRAP compliant Asset register as at 30 June 2020	Review of the GRAP compliant asset register	Signed GRAP compliant asset register	4.4.1	1	Signed GRAP compliant asset register, Appointment letter, Proof of submission to AG, RFI and Coaf Register	R130000,00	N/A	Yes	N/A	GRAP compliant Asset register as at 30 June 2019	GRAP compliant asset register was submitted to AG and audited	GRAP compliant Asset register as at 30 June 2020 by June 2021	Asset register produced, submitted to AG and found to be GRAP compliant	R525748,68	Achieved	N/A	N/A
						Review of useful life of movable assets			1		R210000,00							Useful lives reviewed internally and audited by AG during the recent audit	R-	Achieved	N/A	N/A

				Staffing of Asset Management and Stores section by June 2021	Asset Management function performed within SCM	Establishment of the Asset Management unit	Asset Management unit with its own manager	4.4.2	1	Approved Organisational Structure, Appointment letter	R 800 000	N/A	Yes	N/A	To have a fully Fledged Asset Management Unit by June 2020	Fully Fledged Asset Management Unit not done	Functional and Fully Fledged Asset Management Unit by June 2021	Request for advertisement, job description submitted. Recruitment processes finalised by May 2021 but vetting processes not concluded by 30 June 2021	R -	Not Achieved	SAPS has indicated delays in the process due to Covid-19 working conditions	Candidates will be made to accept letters on condition that they guarantee no criminal records will be found against them
Financial Reporting	Financial statements with non-compliance with laws	To compile Annual Financial Statements that comply with all requirements as at 30	4,5	Develop sound, strict and effective procedures for the compilation of AFS by June 2021	Audited Annual Financial Statements for 2018/19 with compliance findings	Development of processes and procedures for compilation of Compliant annual financial	Credible Annual Financial Statements submitted by 31 August 2020	4.5.1	1	AFS and proof of submission to AG, Proof of payment, Interim Financial statements	R 200 000	N/A	N/A	Yes	Credible and fully compliant Annual Financial Statements submitted by 31 August 2019	AFS submitted to AG by 31 August 2019 and Audited by 30 November 2019, Case ware licens	Credible and fully compliant Annual Financial Statements submitted 31 August 2020 by June 2021	Financial Statements were produced, submitted to the AG by the revised date of 31 October 2020	R 163 190,75	Achieved	N/A	N/A

		June 2021			statements										es renewed							
		To achieve a clean audit by June 2021		Manage audit and ensure audit readiness by June 2021	Audited Annual Financial Statements for 2017/18 with compliance findings	Manage the external audit by the office of the Auditor General to ensure smooth running	Signed Audit report	4.5.2	1	Proof of submission to AG, COAF register, Audit Action Plan, updated Audit Action Plan	R5043803,90	N/A	Yes	N/A	Manage the external audit and ensure audit readiness to achieve clean audit opinion as at 30 June 2020	Audit managed between July 2019 to November 2019 and Planning in March 2020	Manage the external audit and ensure audit readiness to achieve clean audit opinion as at 30 June 2021	Audit was managed and the municipality maintained an unqualified audit opinion	R2082599,75	Achieved	N/A	N/A
				Reconciliations not done monthly	Performance of monthly reconciliations	Signed monthly reconciliations	4.5.3	1	7 Reviewed reconciliations	N/A	N/A	N/A	N/A	7 Reviewed reconciliations by June 2020	7 reconciliations prepared and reviewed	7 Reviewed reconciliations by June 2021	All reconciliations were performed monthly and reviewed as necessary	R-	Achieved	N/A	N/A	

Budgeting	The municipality needs to comply with all statutory budgeting and reporting requirements	Adhere to compliance to Municipal budget and reporting requirements by June 2021	4,6	Preparation and submission of all in-year statutory reports by June 2021	Appointed interns and new accountants	Training of at least 1 financial management interns and 1 finance staff to meet minimum competency requirements by June 2021	Training of at least 1 financial management interns and 1 finance staff to meet minimum competency requirements by June 2021	4.6 .1	1	Proof of registration and Attendance register	R 80 0 00 0,0 0	N/A	N/A	Yes	Training of at least 1 financial management interns and 1 finance staff to meet minimum competency requirements by June 2020	0 financial management intern trained and 0 finance staff to meet minimum competency requirements One intern and one official registered but did not attend classes due to Covid-19	Training of 1 financial management intern and 1 finance staff to meet minimum competency requirements by June 2021	3 Interns and one official attending the Minimum Competency Training	459 262 ,94	Achieved	N/A	N/A
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		To timel y produ ce budg ets in line with the Natio anl Treas ury guide lines and regul ation s by June 2021	4,7	Devel op and monito r proces ses to ensur e timely prepar ation, adopti on and public ation of credibl e munici pal budg ets by June 2021	Adjust ments budg et appro ved by 27 Febru ary 2019 and draft budg et appro ved by 31 March 2019 of each year; final budg et appro ved 31 May 2019	Compil e at least three budget s to be appro ved by council	Counc il resolu tions adopti ng the budg ets	4.7 .1	0,5	Adjust ment budg et 20/21; Draft budg et 21/22; Appro ved 21/22 Final Budg et and Counc il resolut ions	N/ A	N/A	N/ A	N/A	3 Appro ved budg ets by June 2020	4 budg ets compi led and appro ved	3 Appro ved budg ets by June 2021	5 budg ets appro ved by May 2021	R -	Achi eve d	N/A	N/A
						Public ation of appro ved budget s	Advert iseme nt of appro ved budg ets and tariffs	4.7 .2	0,5	3 Advert s	R 57 94 0,7 8	N/A	Ye s	N/A	Public ation of at least three appro ved budg ets by June 2020	4 budg ets compi led, appro ved and publis hed	Public ation of at least three appro ved budg ets by June 2021	5 budg ets appro ved and publis hed by June 2021	R 71 732 ,00	Achi eve d	N/A	N/A

KPA N0 5: Good Governance & Public Participation																							
Outcome 9 Objective																							
Sub-Resu lt Area	Issue	Strat egic Obj ective	Ob jec tive No.	Strat egie s	Base line Infor mati on	Proje ct to be Impl ement ed	Outp ut - KPI	K PI N o.	K PI W ei gh t	Mean s of Verifi cation	Bud get	Adju sted Bud get	Budget Source		Preceding Year Performance 2019/2020		Actual Measurable Performance 2020/2021				Reaso ns for Variance	Re me dial Acti on	
													Inter na l	Ex ter na l	Annua l Targe t	Actua l meas urable perfo rmance	Annual Target	Actual Perfor mance Non Fin	Actua l Finan cial	Achieve d / Not Achieve d			
Integrated Development Planning	To comply with Section 32 of the Municipal Systems Act	To ensure development of a credible IDP - aligned with PMS & Budget by May 2021	5.1	By developing an IDP process plan. By conducting public participation processes By ensuring alignment of budget to the IDP	Assessed credible IDP document adopted by council May 2019.	Review of the IDP for 2020/21 which must be adopted by the council by May 2021	Council resolution on adoption of the IDP Review	5.1.1	0,3	Council resolution on adoption of IDP Process Plan for 2021/2022 review . Mayor al Imbizo Comments & attendance registers. Council resolution	R1 786 956,00	R1 556 956,00	Yes	N/A	Council Approved IDP Review for 2020/21 by May 2020	Final IDP document for 2020/2021 financial year was approved by the 28th May 2020	Council Approved IDP Review for 2021/22 by May 2021	Final IDP document for 2021/2022 FY was approved by council on the 31 May 2021	779 324,45	Achieved	N/A	N/A	

				by May 2021					on adopti on of draft IDP review for 2021 / 2022. Counc il resolu tion on Adopti on of final IDP review for 2021 / 2022													
	To comp ly with Secti on 32 of the Muni cipal Syste ms Act	To ensu re IDP align ment with visio n 2030 by June 2021	5.2	By Com missi oning Servi ce Provi der to cond uct mark eting camp aign of Visio n 2030 by June 2021	draft MLD P 2030	Elect ronic Mark eting Cam paign for WM MLM Visio n 2030 with the IDP	Elect ronic Mark eting Cam paign for WM MLM Visio n 2030 with the IDP cond ucted	5. 2. 1	0, 3	Terms of Refer ence and Advert , Appoi ntmen t letter and Repor t	R768 075,0 0	R768 075,0 0	Ye s	N/ A	Appro ved Proce ss Plan for align ment of WMM LM Vision 2030 with the IDP by May 2020	Proce ss plan for align ment of WMM LM Visio n 2030 with the IDP was devel oped and appro ved.	Electro nic Marketi ng Campai gn for WMM LM Vision 2030 with the IDP conduc ted by June 2021	The electro nic marketi ng campai gn for WMMML M Vision 2030 project has been finalize d. MDP consoli dated digital advoca cy report and	39 5 00 0,0 0	Achi eve d	N/A	N/A

																		WMM LM Vision 2030 docum ent has been summa rised into a booklet formar. t					
Performance Management Systems	To comply with Performance planning, implementation, monitoring and reporting regulations	To ensure compliance with laws and regulations and ensure a culture of accountability, performance excellence & monitoring by June 2021	5,2	By Facilitating and monitoring periodic reporting by June 2021	4 Quarterly Performance Reports tabled to council and its structures for consideration	4 Quarterly performance reports tabled to council and its structures for consideration for the 2020/21 Financial Year	Number of Quarterly performance reports tabled to council and its structures for consideration for the 2020/21 Financial Year	5. 2. 1	0, 3	Minutes of council adopting reports	R1 202 421,1 2	R1 202 424,0 0	Yes	N/A	Four Performance Reports submitted to Council and its structures for the 2019/20 Financial Year by June 2020	4th Quarter Performance Report of 2018/2019 Financial Year was adopted by Council on the 25th July 2019. 1st Quarter Performance Report of 2019/2020	4 Quarterly Performance Reports tabled to Council and its structures for consideration by June 2021	Four Quarterly Performance Reports were tabled to Council and its structures for consideration. 4th Quarter 19/20; 1st Quarter 20/21; Mid Year 20/21; Third Quarter 20/21	R2 24 97 3,2 3	Achieved	N/A	N/A	

															2020 Fin Year was adopt ed on the 28 May 2020									
				By facilit ating form al and infor mal perfo rman ce asse ssme nts by June 2021	2 perfo rman ce asse ssme nts	Bi- annu al perfo rman ce asse ssme nts cond ucted for the 2019/ 2020 Finan cial Year	Num ber of perfo rman ce asse ssme nts cond ucted for the 2019 /2020 Finan cial Year	5. 2. 2	0, 3	Signe d self- asses sment sheets , asses sment report Invite and Attend ance regist er	N/A	N/A	N/ A	N/ A	Bi- annua l Perfor manc e Asses sment condu cted during the 2018/ 2019 Fin. Year by June 2020	Annu al Perfor manc e Asses sme nt was cond ucted . Infor mal Mid - Year Perfor manc e asses sme nt was cond ucted	Bi- annual Peform ance Assess ments conduc ted for the 2019/2 020 Financi al Year by June 2021	1 informa l Mid - Year Perfor mance assess ment was conduc ted on the 31st Januar y 2021 2019- 2020A nnual Perfor mance Assess ments were done on the 24th March 2021	N/ A	Achi eve d	N/A	N/A		

				By Facilitating compilation of the 2019/20 annual report by June 2021	2018/2019 annual report adopted by council by March 2020	Compilation of 2019/2020 annual report	2019/2020 annual report adopted by council	5.2.3	0,3	Annual Performance report 2019/2020, Council extract, Attendance register and oversight report with Council extract	R357 953,88	R264 948,00	Yes	N/A	1 Annual report for 2018/2019 financial year adopted by council by March 2020	Draft Annual Report for 2018/2019 Financial Year was noted by Council on the 03rd December 2019.	1 2019/2020 Annual Report adopted by council by June 2021	Oversight report on the Annual Report 2019/2020 was tabled before Council for adoption on the 3rd May 2021		Achieved	N/A	N/A	
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																Annual Performance Report for 2018/2019 was adopted on the 30th August 2019.									
Internal Audit	To comply with Section 165 of the MFMA	To help the municipality accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving	5.3	By reviewing adequacy and effectiveness of internal control and compliance with laws and regulations by June 2021	Audit Committee approved Internal Audit Coverage Plan for 2020/2021	Implementation of internal audit plan and ad hoc assignments	1 Audit Committee approved Internal Audit Plan	5.3.1	0,3	1 Approved Internal Audit Plan, 15 Internal Audit Reports	301 404,00	N/A	Yes	N/A	Implementation of the Approved Internal Audit Coverage Plan by June 2020	Approved Internal Audit Coverage Plan by 27/09/2019. 19 Reports were done: 1. Revenue Review Report q1, 2, Expe	13 Internal Audit Reports by June 2021	34 Internal Audit reports were done	R 301 404,00	Achieved	N/A	N/A			

		the effectiveness of risk management, control, and governance processes by 30 June 2021													nditure Report q1 3, Inventory Follow Up Report q1. 4. SCM-tenders Q1 5. Dashboard Report Internal Control Q2 6. Expenditure Final Report Q2 7. HRM S & T Report Q2 8. Revenue Management Report Q2 9.								
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																Fleet Mana geme nt Repor t Q2 10. Midye ar Perfor manc e Repor t Q2 11. Prope rty, Plant and Equip ment Q2 12. Expe nditur e Repor t Q3 13. SCM Quot ation Repor t Q3 14. SCM Tend ers,Q 3 15, Contr act Mana geme nt								
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														Report Q3 16. Expenditure Report Q 4, 17. Inventory Management Report Q4 18. SCM report Q4 19. HR-Overtime report - Q4									
					Two incumbents	Co-sourcing Internal Audit Services	Appointed Service Provider	5.3.2	0,3	Appointment letter	R 2049 996,00	N/A	Yes	N/A	Co-sourcing Internal Audit Services by June 2020	Co-sourcing Internal Audit Services not done	Co-sourcing Internal Audit Services by June 2021	Service provider was appointed on 08.02.2021	R 152 000,00	Achieved	N/A	N/A	

					Approved Audit Committee Charter & Internal Audit Charter 19/20	Approval of Audit Committee Charter & Internal Audit Charter for 2020/21	Audit Committee approved Internal Audit Plan	5.3.3	0,3	Minutes of the Audit Committee	N/A	N/A	N/A	N/A	Audit Committee approved Internal Audit Plan by June 2020	Approved Audit Committee Charter, Internal Audit Charter 1920 & Draft AC Charter & IA Charter 2021	Audit Committee approved Internal Audit Plan by June 2021	Internal Audit Plan was approved on 03.03.2021	0	Achieved	N/A	N/A	
Risk Management	To comply with Section 165 of the MFMA	To implement, embed and continuously enhance effective and efficient risk management process	5.4	By conducting municipal risk management workshops by June 2021	Risk Register 19/20 and Risk assessment workshop	Facilitate risk assessment and development of risk registers	Risk Register and Risk Assessment Report	5.4.1	0,3	Completed & Updated risk register and attendance register	Nil	N/A	N/A	N/A	Updated Risk register and Risk Assessment workshop conducted by June 2020	Updated Risk Register was done during Quarter 3 of 2019/2020 F.Y. 20 Risk Assessment workshop	Updated Risk register and Risk Assessment workshop conducted by June 2021	Risk assessment report was done and Risk register was updated	0	Achieved	N/A	N/A	

		esses and culture by 30 June 2021													conducted as planned by June 2020								
				By developing participatory risk management process plan by June 2021	Adopted risk Management Policy	Review of the Risk Management Policy	Reviewed Risk Management Policy	5.4.2	0,3	Council Resolution	Nil	N/A	N/A	N/A	1 Reviewed Risk Management Policy by June 2020	1 Risk Management Policy was not reviewed by June 2020	1 Reviewed Risk Management Policy by June 2021	Risk management policy was reviewed and approved by council	0	Achieved	N/A	N/A	
Fraud and Anti Corruption	To comply with Prevention and Combating of Corrupt activities Act 12 of 2004	To optimally prevent and early detect acts of fraud and corruption so as to minimize financial	5.5	By conducting awareness campaigns with all relevant stakeholders by June 2021	Two Fraud and Anti Corruption Awareness Campaigns	Fraud and Anti Corruption Awareness Campaigns	Fraud and Anti Corruption Awareness Campaigns	5.5.1	0,3	1 Attendance register & Concept document. Flyers, Screenshot of Facebook and Website	N/A	N/A	N/A	N/A	2 fraud and anti-corruption awareness campaigns conducted by June 2020	1 fraud and anti-corruption awareness campaign conducted on the 10/12/2019 at Ward 21	Conducting 2 awareness campaigns by June 2021	1.1 Fraud awareness was conducted on 24 June 2021 at St Macheals Sands, flyers were distributed and 1 fraud	0	Achieved	N/A	N/A	

		losses, service delivery distractions and any factors that might be affected by 30 June 2021															awareness was done on the 29 June 2021 through municipal website, facebook and flyers posted on municipal notice boards					
			Review of Fraud and Anti Corruption Policy by June 2021	Adopted Fraud and Anti Corruption Policy	Review of Fraud and Anti Corruption Policy	Review of Fraud and Anti Corruption Policy	5.5.2	0,3	Council Resolution	N/A	N/A	N/A	N/A	1 Reviewed Fraud and Anti-Corruption Policy by June 2020	1 Fraud & Anti-Corruption Policy was reviewed	Reviewed Fraud and Anti Corruption Policy by June 2021	Fraud and anti corruption was reviewed and adopted by council	0	Achieved	N/A	N/A	
Ethics	To comply with Code of Ethics and Municipal Systems		By conducting the awarenesses with employees and	1 Awareness campaign conducted during December	Ethics awareness campaign	Ethics awareness campaign	5.5.2	0,3	Fliers, concept letters	N/A	N/A	Yes	N/A			1 Ethics Awareness campaign on ethics by June 2021	Ethics awareness was conducted on the 25 June 2021	0	Achieved	N/A	N/A	

	ms Act 32 of 2000			stake holders by June 2021	mber 2020																		
Audit Committee	To comply with Section 166 of the MFMA	To advise the municipal council on the adequacy and effectiveness of the systems of internal control by June 2021	5.6	By reporting on risks, financial, internal controls matters and Annual Financial Statements as well as policies by June 2021	Four (4) Audit Committee Meetings	Sitting of Audit Committee Meetings	Audit committee Meeting	5.6.1	0,3	Notice of the meeting, Audit Committee Attendance Register, Invitation	R741 948,00	N/A	Yes	N/A	4 Audit committee meetings conducted by June 2020	6 Audit Committee meeting was held during the financial year: 1. 02nd August 2019 2. 23rd August 2019 3. 27th September 2019 4. 13th January 2020 5. 20 March	4 Audit committee meetings conducted by June 2021	5 Audit Committee meeting (4 ordinary and 1 special) were held during the financial year: 1. 19 August 2020 2. 28 September 2020 3. 15 October 2020 4. 03 March 2021 5. 03 June 2021	R741 948,00	Achieved	N/A	N/A	

																h 2020 6. 19 June 2020								
Special Programmes Unit	To improve participatory democracy and inclusiveness	To coordinate mainstreaming of special groups and support by June 2021	5.7	By coordinating special groups forums, internal and sector department to contribute towards mainstreaming of young people in all gover	8 Council approved programmes implemented	9 Council approved programmes targeting and in support of young people	Number of youth programmes approved by council to be implemented	5.7.1	0,3	Concept Document 8 Attendance registers	2 054 116,84	R1 704 124	Yes	Yes	8 approved youth programmes implemented by June 2020 (Youth Summit, Career Exhibition, Initiation Support, Rescue Centre Support, Employee	7 Programmes conducted . 1 programme not conducted . Youth summit was conducted on the 1st & 2nd November 2019 at the Multipurpose youth centr	9 approved youth programmes implemented by June 2021	1. Youth Summit from 30 september to 02 october at sinawe guest lounge 2. Business Seminar Voucher and Mentorship conducted conducted on the 10 december 2020 at WMML M Council	R 1 487 700	Achieved	N/A	N/A		

				ment programmes by June 2021											nt and Job Hunting skills seminar, Business Seminar, Youth month and Youth development award s	e. Career exhibition was conducted on the 05 March 2020 at Mzamba Unemployed graduate and job hunting skills seminar was conducted on the 12-13 December 2019. Initiation support		Chamber 3. Unemployed Youth Programme conducted on the 27-28 May 2021 at Sinawe Guest House 4. Initiation Support December Seasons was conducted on the 13 November 2020 at WMML M Council Chamber 5. Career Exhibition conducted from the 1-5 March						
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				By coord inating special groups forums, internal and sector department to contribute towards mainstreaming of special groups in all programmes by June 2021	6 council programmes implemented	10 Council approved programmes targeting and in support of children	Number of council approved childrens programmes to implemented	5. 7. 2	0, 3	Concept Document 10 Attendance registers	R 1 100 368	R 682 280	N/ A	N/ A	9 Council Approved childrens programmes implemented by June 2020 (Pond o reed dance , Support of Child headed Household s, Back to school campaign, Inkciyo support Programme x4, Early Childhood Devel	5 programmes conducted and 1 programme not conducted . Pond o reed dance was conducted on the 7th December 2019. Support of child headed households conducted on the 11 December 2019 at the	10 Council Approved childrens programmes implemented by June 2021	1. Inkciyo End Year Celebration 4 & 5 december 2020 at Dudum eni ward 08. 2. 16 days of activism conducted on the 11 December 2020 at Ebenezer ward 24, 27 November 2020 at Mampingeni ward 10. 3. Support of Childheaded House holds conducted on the 18 Decem	R 66 4 58 0	Achieved	N/A	N/A	
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															opment centre support and 16 days of activism against child abuse)	Multi- purpose youth centre. Back to School was conducted on the 24 January 2020 at St Patrick's Hospital Hall. Inkciyo support programme was done for July, Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar,		ber 2020 at cultural village 4. Mpond o reed dance conducted on the 17 December 2020 ecingw eni ward 24. 5. Inkciyo support stipend X4 6. Back to School Campaign conducted from 18-19 March 2021 at Ward 2, 13 and 7. 7. Early childhood development support was conducted						
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															Apr, May and June		ted on the 17 June 2021 at Lindok uhle Pre- school, Libani Pre- school on the 21 June 2021 and Zamani Pre- school on the 21 June 2021								
															Supp ort of early childh ood devel opme nt centr es was done throu gh delive ry on the 8th June 2020 at the munic ipal premi ses.										
															16 days of activi sm was cond ucted on the 05th Dece mber 2019										

															at Dutyi ni villag e ward 30.								
				By coord inating speci al grou ps foru ms, intern al and secto r	3 Coun cil appro ved progr amm es	3 Coun cil appro ved progr amm es target ing and in supp ort of	Num ber of coun cil appr oved elderl y progr amm es imple ment ed	5. 7. 3	0, 3	Conce pt Docu ment 3 Attend ance regist ers	501 294,8 6	R 3258 00	Ye s	Ye s	3 Coun cil Appro ved elderl y progr amme s imple mente d by June 2020	2 progr amm es were cond ucted and 1 progr amm e not cond ucted Golde	3 Council Approv ed elderly progra mmes implem ented by June 2021	1. Elderly Awrene s Campa ing conduc ted on the 18 Decem ber 2020 at Cultura l village 2.	R 28 7 00 0	Achi eve d	N/A	N/A	

				depa rte nt to contri bute torwa ds main strea ming of speci al grou ps in all progr amm es by June 2021		elderl y								(Gold en Game s, Supp ort of Elderl y Centr es and Elderl y Christ mas Party)	n game s was cond ucted on the 13th Augu st 2019 at the Cultur al Villag e Elderl y Christ mas party was cond ucted on the 11th Dece mber 2019 at the Multi- Purpo se Youth Centr e. Supp ort of elderl y centr es		Elderly Suppor t was provide d for ilinge Elderly Centre in ward 7 on the 18 Februa ry 2021 3. Suppor t for Elderly Centre s in Ward 10,15 &21 conduc ted on the 21 June 2021						
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				amm es by June 2021													conduc ted on the 19 March 2021 at Cultura l Village. 4. PWD Suppor t was provide d on the 22 March 2021 at Cultura l Village. 5. PWD Suppor t was conduc ted on the 28 April 2021 for Handin g over of station ery					
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				By coord inating special groups forums, internal and sector depart ment to contri bute towards main stream ing of special groups in all progr amm es by June 2021	Wom en Mont h Cele bratio n, 16 days of Activi sm again st wom en and supp ort functi oning of Wom en Foru m	4 Coun cil appro ved progr amm es target ing and in supp ort of gend er progr ams	Num ber of coun cil appr oved gend er progr ams imple ment ed	5. 7. 5	0, 3	Conce pt Docu ment 4 Attend ance regist ers	365 062,1 1	N/A	Ye s	Ye s	3 Coun cil Appro ved Gend er progr ams imple mente d by June 2020 (Wom en Month Celeb ration, 16 days of Activi sm again st wome n and childr en abuse and Wom en busin ess semin ar)	3 Coun cil Appro ved Gend er progr ams imple ment ed Wom en Mont h Celeb ration was cond ucted on the 09th and 16th Augu st 2020 16 days of Activi sm again st wome n and childr en abus e was cond	4 Council Appro ved Gend er progr ams imple ment ed by June 2021	1. Wome n Month Celebr ation was conduc ted on the 21 August 2020 at ward 31, Ezizity aneni. 2. 16 days of Activis m against women was conduc ted on the 27 Novem ber 2020 at Mampi ngeni Ward 10, 12 Novem ber 2020 at Ebenez er Ward 24. 3 Suppor t Functio ning of	R1 68 00 0	Achi eve d	N/A	N/A	
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																ucted on the 05th December 2019 at Dutyi ni Villag e Ward 30.		Wome n Forum was conduc ted on the 25 March 2021 at Nyanis weni Ward 30. 4. Suppor t								
																Wom en's Busin ess Semi nar was conduc ted on the 29 Augu st 2019 at Mada dana Villag e, Ward 20.		Functio ning of women s forum was conduc ted on the 24 April 2021 at Ntsingi zi Hall ward 17								

Legacy Projects	Preserve legacy of prominent figure and historical events in Mbizana	To commemorate prominent figures important events and their legacy by June 2021	5,8	By implementing 5 council approved legacy projects and activities by June 2021	4 project implemented	Implementation of legacy projects	Number of council approved programmes conducted	5. 8. 1	0, 3	Attendance register and Concept document	1 367 031,95	N/A	Yes	N/A	4 council approved programmes (67 Min. for Nelson Mandela, Winnie Madikizela-Mandela month, Oliver Reginald Tambo Commemoration, Pondoro Revolt Commemoration	4 Council approved programmes conducted 67 min for Nelson Mandela was conducted on the 25th July at Ngcinogo Elderly Centre. Winnie Madikizela month was conducted on the 4th October	5 council approved programmes by June 2021	6 Programmes conducted are follows : 1. 67 Minutes at Zamilizwe SPS on 16 July 2020; 2. Mama Winnie's Birthday celebration at Mbhongweni on the 30 September 2020; 3. Official Opening and Renaming of St Patrick's Hospital on the 27 October 2020;	53 4 09 0	Achieved	N/A	N/A	
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Customer Care	Lack of awareness and commitment on customer care relations	To minimize customer care related complaints and create a customer friendly environment by June 2021	5,9	By enhancing capacity within customer care function by June 2021	Customer Care register, Complaints book and Customer Care Policy and a Customer Care Satisfaction Survey.	Implementation of Customer care policy	Number of Customer care programmes conducted	5.9.1	0,3	8 Attendance registers, Concept documents and 2 Customer care line complaints report	435 344,52	N/A	Yes	N/A	8 customer care programmes conducted (2 customer care indaba, 2 awareness, 2 customer care day, outreach and customer care day and 2 Presidential hotline report) by June 2020	5 out of 8 programmes were conducted. Customer Care Outreach was conducted on the 12 September 2019 in ward 5, Customer Care Indaba was conducted on the 23rd September 2019 in ward 15. 1 Effective Customer	8 customer care programmes conducted and Customer care line complaints reports submitted by June 2021	8 Customer Care Programs were conducted in this financial year. Customer care indaba on the 23rd July 2020 at Ward 11	42 000.00	Achieved	N/A	N/A	
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															mer Care Work shop was cond ucted within the munic pal premi ses on the 26 Nove mber 2019. Custo mer Care Outre ach was cond ucted on the 10th Dece mber 2019 in ward 29. Custo mer care outre ach was cond ucted on thr		14 Octobe r 2020 in ward 6 Comm unity Hall; Custo mer Care Awaren ess on 25 Novem ber 2020 @ Ward Comm unity Hall; Custo mer Care Awaren ess conduc ted on 03 March 2021 at Council Chamb er; Custo mer Care Outrea						
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																2. The other one was not submi tted due to Covid 19 Lockd own								
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				By conducting customer satisfaction survey on 31 wards by June 2021	1 Satisfaction survey for 2018	Customer satisfaction survey	Customer satisfaction survey conducted	5.9.2	0,3	appointment letter and customer satisfaction progress report	150 000,00	150 000,00	Yes	N/A	1 Customer satisfaction survey conducted by June 2020	0 Customer satisfaction survey conducted Terms of Reference were designed and it was advertised. However the Service Provider was not appointed due to Covid 19 Lockdown	1 Customer satisfaction survey conducted by June 2021	Satisfaction Survey was not conducted due to non responsive service providers.	N/A	Not achieved	No bidders responded on the advert	Customer Satisfaction Survey to be removed from this financial year 2020-2021 and be done in the next financial year 2021-2022 after the Budget
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														council and implemented throughout the financial year. Communication strategy was reviewed on the 05th February 2020.								
					2 newsletters	Compilation of the newsletter	Number of newsletter production distributed	5.10.2	0,3	Appointment letter, Draft newsletter, 1st & 2nd Final newsletter	301 164,00	323 148,00	Yes	N/A	2 newsletters distributed by June 2020	2 Newsletters produced and distributed, 1st Edition was produced and distributed in January	2 newsletters produced by June 2021	2 Newsletters produced	R 220 000	Achieved	N/A	N/A

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															was on 12 February and 19 February 2020 then the last one was on 30 June 2020.								
Inter Governmental Relations	Frag mented co-ordination of government services	To improve coordination of service delivery amongst spheres of government by June 2021	5,11	By implementing IGR Terms of reference by June 2021	Adopted IGR framework and terms of reference and four IGR meetings	Quarterly IGR meetings	Number of IGR meetings	5.11.1	0,3	4 Invitations letters and attendance registers	N/A	N/A	N/A	N/A	4 Quarterly IGR meetings conducted by June 2020	2 IGR meetings conducted. 2 IGR meetings not conducted IGR was conducted on the 10th September 2019 at the Municipal Council	4 Quarterly IGR meetings conducted by June 2021	4 IGR meetings were conducted. Dates are as follows: - 15 September 2020, 08 December 2020, 19 March 2021 and 30 June 2021	N/A	Achieved	N/A	N/A	

															Chamber. Another IGR was conducted on the 17th March 2020 at the Council Chambers							
Management Communicable diseases	Increasing rate of prevalence in all communicable diseases	To reduce the rate of prevalent of all communicable diseases prevalence by June 2021	5,12	By rolling awareness on preventive measures of communicable diseases by June 2021	1 HIV/AIDS plan reviewed	Development of the Communicable diseases management plan	Number of developed Communicable diseases management plan	5.12.1	0,3	Attendance register for Programme, Register & Management Report for Standing Committee	R 118 097,54	N/A	Yes	N/A	1 HIV/AIDS plan reviewed by June 2020	1 HIV and AIDS Plan was reviewed on the 26 November 2019 at Hluma Lodge	1 Draft Developed Communicable diseases management plan submitted to Standing Committee for noting by June 2021	A draft plan on Communicable diseases was drafted and submitted to the standing committee for noting	N/A	Achieved	N/A	N/A

	Increasing rate of prevalence in all communicable diseases	To reduce the rate of prevalence of all communicable diseases by June 2021			12 programs	Implementation of programs on reduced teenage pregnancy and communicable diseases	Number of programs conducted in schools on reduced teenage pregnancy and communicable diseases	5.12.2	0,3	Attendance registers	R 304 011,40	N/A	Yes	N/A	12 programs conducted in 4 schools on reduced teenage pregnancy by June 2020	8 Programs conducted at 2 schools including Dumsi community Ward 3 and 4 programs not conducted Teen Pregnancy Awareness was conducted on the 6th August 2019 at Sithukuthezi High School.	12 programs conducted in 4 schools on reduced teenage pregnancy and communicable diseases by June 2021	Twelve programmes were conducted in Cultural Village, Siteto, Ntukayi and Majavu SSS.	N/A	Achieved	N/A	N/A	
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															STI Awar eness was cond ucted on the 07th Augu st 2019 at Sithu kuthe zi High Scho ol										
															Gend er Base d Viole nce Awar eness was cond ucted on the 07th Augu st 2019 at Sithu kuthe zi High Scho ol										

															ucted on the 17 Marc h 2020 at KwaN ikwe SSS								
	Incre asing rate of preva lence in all com muni cable dese ases	To redu ce the rate of prev elanc e of all com muni cable dese ases prev alenc e by June 2021			2 supp ort group s assist ed	Supp ort to HIV and AIDS supp ort group s	Num ber of HIV/ AIDS supp ort grou ps supp orted	5. 12 .3	0, 3	Attend ance regist er and receivi ng note	R 169 858,4 8	N/A	Ye s	N. A	2 suppo rt group s suppo rted by June 2020	Supp ort for 2 supp ort group s not cond ucted Meeti ng with supp ort group s was cond ucted on the 06 Septe mber 2019	2 HIV/AI DS support groups support ed by June 2021	Two Suppor t groups Sinokh anyo HCBC and Sizophi la Child Care Centre were supplie d with care kits	N/ A	Achi eve d	N/A	N/A	

	Increasing rate of prevalence in all communicable diseases	To reduce the rate of prevalence of all communicable diseases by June 2021			Supported 2 NGO's	Provide to NGO with health care kits and Personal Protective Equipment	Number of NGO's supported with health care kits and Personal Protective Equipment	5.12.4	0,3	Delivery notes	R 80 801,49	N/A	Yes	NA	2 NGO's supported with health care kits by June 2020	0 NGO's supplied and delivered health care kits and promotional materials. NGO's specifically requested for the care kits to be supplied during January 2020	2 NGO's supported with health care kits and Personal Protective Equipment by June 2021	Five NGOs were supplied with protective equipment and health care kits	R74700	Achieved	N/A	N/A	
	Increasing rate of prevalence in all com	To reduce the rate of prevalence			N/A	Screening and educating people on Com	Number of screened and educated	5.12.5	0,1	Attendance Register	N/A	N/A	N/A	N/A			Screened and educated 4000 people on Comm	5090 people were screened for COVID 19 and other	N/A	Achieved	N/A	N/A	

	muni cable dese ases	e of all com muni cable dese ases prev alenc e by June 2021				muni cable dese ases	peopl e on Com muni cable dese ases									unicabl e deseas es by June 2021	commu nicable diseas es						
	Incre asing rate of preva lence in all com muni cable dese ases	To redu ce the rate of prev elanc e of all com muni cable dese ases prev alenc e by June 2021			5000 cond oms distri buted	Distri butio n of cond oms	Num ber of cond oms distrib ute d	5. 12 .6	0, 1	Recei ving note	N/A	N/A	N/ A	N/ A			40000 condo ms distribu ted by June 2021	49020 male and female condo ms distribu ted	N/ A	Achi eve d	N/A	N/A	
Litigations	centr alisati on of legal matte rs	To ensu re prop er man age ment of muni cipal legal matt	5,1 3	By imple menti ng coun cil adopt ed legal risk mana geme nt	Cases on court roll	Atten ding to muni cipal cases on the court roll	Num ber of cases atten ded to and resolv ed	5. 13 .1	0, 1	4 Stand ing Comm ittee report s	R 4 826 712,0 0	R 5 326 712,0 0	Yes		4 Progr ess report s on cases attend ed to and resolv ed by June 2020	4 Progr ess report s to the Stand ing Com mittee on cases atten	4 Progre ss reports on cases attende d to and resolv ed by June 2021	4 Progre ss reports submitt ed to the Good govern ance standin g	R5 32 6 71 2 00	Achi eve d	N/A	N/A	

		ers by June 2021		and litigat ion polic y by June 2021											ded. The report s were table d on the 11 July 2019, 22 Octob er 2019, 19 Febru ary 2020, 25 May 2020		commit tee on						
				By Imple menti ng coun cil adopt ed legal risk mana geme nt and litigat ion polic y by June 2021	3 Work shop s	Awar enes s work shop s on legisl ation, case s and polici es etc. cond ucted	Num ber of work shop s cond ucted on legisl ation, case s and polici es etc.	5. 13 .2	0, 1	3 Attend ance regist ers	N/A	N/A	N/ A	N/ A	3 works hops condu cted on legisl ation, cases and polici es etc. by June 2020	2 works hops condu cted on legisl ation, cases and polici es etc. by June 2020	3 worksh ops conduc ted on legislati on, cases and policies etc. by June 2021	3 Worksh ops conduc ted in Decem ber202 0, 31 March 2021 and 23- 25 June 2021	N/ A	Achi eve d	N/A	N/A	

																law was conducted on the 19th February 2020 1 workshop not conducted								
Public Participation	To improve performance of public participation structures	To strengthen and enhance public participation mechanism and strategies by June 2021	5,14	Through capacity building and support to Public Participation Structures by June 2021	65 Trained ward committee members	Training of selected ward committee members	Number of trained ward committee members	5.14.1	0,1	Attendance register for trained ward committee members and Council Resolution for Adoption of schedule	R 324 240,00	R 188 128,00	Yes	N/A	Trained 62 selected ward committee members by June 2020	62 ward committee members were trained on the 9-11 October 2019.	50 Training of selected ward committee members by June 2021	50 Ward committee members were trained on the 5 March 2021	54 850,00	Achieved	N/A	N/A		

		To ensure coordinated Public Participation on municipal programmes by June 2021	5.15	By creating engagement platform for communities, adopted community structure by June 2021	Community education conducted in six wards, monitor ward committee structures and monitoring report	Conduct community education, monitor ward committee structures and quarterly meetings conducted	Number of community education, ward committee sittings and quarterly meetings conducted	5.15.1	0,1	Attendance Registers and acknowledgment note	R 281 712,00	R 134 712,00	Yes	N/A	Community education to 10 wards, monitor ward committee sittings and functionality and hold 2 quarterly meetings by June 2020	Community education was held in ten (10) wards, monitored three ward committee meetings. 2 Quarterly meetings not conducted	Community education to 10 wards, monitor 6 ward committee sittings and functionality and hold 2 quarterly meetings by June 2021	Community Education conducted in 17 wards, Monitoring of ward committee sittings and functionality held in 6 wards, 5 Quarterly meetings convened.	179 460,00	Achieved	N/A	N/A	
				By supporting CDW's programmes and initiatives by June 2021	Know your CDW campaign and round table meeting	Know your CDW campaign and Two round table meetings	Number of CDW Awareness Campaign, Round table meetings and monitoring	5.15.2	0,1	Attendance register for CDW awareness campaign and round table meeting and War Room	R 154 800,00	R 109 136,00	Yes	N/A	1 Know your CDW campaign, 2 round table meetings and monitoring of war room functionality	Two round table meetings convened on the 27 Sept 2019 and 19 June 2020, 3 war room	1 Know your CDW Awareness Campaign, 2 round table meetings and 6 monitoring of war room functionality	Know your CDW Campaign held on the 18 March 2021, 3 round table meetings held on the 30 September 2020,	1486 00,00	Achieved	N/A	N/A	

						of war room functionality			Functionality					y by June 2020	meetings conducted . 1 Know your CDW campaign was not conducted	by June 2021	11 February 2021 and 10 June 2021, 16 Ward War room functionality monitored.						
				By facilitating consultative sessions with communities to ensure public involvement in all municipal programmes by June 2021	Mayoral Imbizo, Budget & IDP Road show, Annual Report consultation meeting held.	To facilitate consultative meetings with communities	Number of programs held for Mayoral Imbizo, IDP & Budget Road shows, Annual Report Public meeting	5.15.3	0,1	Registers and Public Comments for Mayoral Imbizo . Comments on Annual Report, Budget & IDP Road shows	R 554 688,00	R 554 688,00	Yes	N/A	1 Mayoral Imbizo, 1 IDP & Budget Road shows, Annual Report public meetings and community comment by June 2020	Mayoral Imbizo held from 1-15 Oct 2019. Public comments register attached. Annual report public hearing meetings held on the	1 Mayoral Imbizo, 1 IDP & Budget Road shows, Annual Report public meeting and community comments by June 2021	Mayoral Imbizo held on the 3 - 17 November 2020, IDP & Budget Road shows held on the 20-30 April 2021, Annual Report Consultations held on the 12-14 May 2021	183420,00	Achieved	N/A	N/A	

																5,6 and 9 March 2020. Registers attached. IDP and Budget Public Consultation held on the 13 May 2020								
Council Support	Comply with Sec 18(1) and (2) of Municipal Structures Act	To ensure proper sitting of Council & council committees by June 2021	5,16	By adhering to council adopted schedule of meetings by June 2021	Adopted schedule of council meetings and its committees for 2019/2020 FY	Adoption of Council meeting schedule and its committee meetings, coordinate Council	Number of Council meetings and committees meetings and the Adoption of Council	5.16.1	0,1	Adopted schedule of council meetings and its committees for 2021/2022 FY, Adverts for 4 council meeti	R 511 128,00	R 198 413,00	Yes	N/A	Adoption of schedule of council and its committee meetings, for 4 council meetings convened and 36	Schedule of Council and council committees adopted, Four council meetings held and fifty	Adoption of Council meeting schedule and its committee meetings, 4 Council meetings convened and 36 council commit	Schedule of Council meetings and its committees adopted on the 25 June 2021, 4 Council Meetings convened and 51 Council	100 320,000	Achieved	N/A	N/A		

						meetings and conduct 36 council committee meetings	meeting schedule and its committee meetings			ings and registers for 36 council and its committee meetings					council committee meetings by June 2020	two council committees held,	tees by June 2021	committees convened.						
By Laws	Compliance with laws and regulations	To ensure proper regulation of the municipal powers and functions by June 2021	5,17	By facilitating review and/or developed Municipal By Laws by June 2021	7 reviewed and gazetted by laws	Reviewing and/or developing bylaws	Number of bylaws reviewed and/or developed	5.16.2	0,1	2 Reviewed and/or developed By Laws, Minutes of the Standing Committee Council extract	N/A	N/A	N/A	N/A	7 Bylaws gazetted by June 2020	7 Gazetted By Laws	2 Reviewed/developed Bylaws submitted to Council for inputs by June 2021	2 Reviewed/developed By Laws submitted to Council on 30 March 2021	N/A	Achieved	N/A	N/A		

Chapter 4: Organisational Development Performance

Component A: Introduction to Municipal Personnel

Employee Totals, Turnover and Vacancies

Employees				
Description	2020-2021			
	Approved Posts	No. Of Employees	Vacancies	Vacancy Rate in %
MM's Office	44	38	6	12.2%
Corporate Services	45	41	4	8.9%
BTO	32	30	2	6.25%
Development Planning	18	16	2	11%
Community Services	122	100	22	18%
Engineering Services	41	35	6	14.6

Vacancy rate :2020-2021			
Designation	Total No. Of approved posts	Vacancies (Total time that vacancies exist using fulltime equivalent	Vacancies (as proportion of total posts in each category)
MM's Office	1	768 hours	1
Corporate Services	0	0	0
BTO	2	768 hours	2
Development Planning	0	0	0
Community Services	0	0	0
Engineering Services	0	0	0

Managing the Work Force

4.2. Policies

Human Resources Policies				
	Name of Policy	Completed	Reviewed	Adopted
1.	Organisational Structure			31 May 2020
2.	Human Resource Plan			26 March 2020
3.	Employment Equity Plan			28 November 2018
4.	Workplace Skills Plan			20 September 2020
5.	Acting Policy			28 November 2018
6.	Attendance & Punctuality Policy			28 November 2018
7.	Chronic Illness Policy			28 November 2018
8.	Disciplinary Code & Procedure			28 November 2018
9.	Employee Wellness Policy			28 November 2018
10.	Employment Benefits & Conditions Policy			28 November 2018
11.	Fleet Management Policy			28 November 2018
12.	Grievance Policy & Procedure			28 November 2018
13.	IPMS Policy			28 November 2018
14.	Job Evaluation Policy			28 November 2018
15.	Leave Policy			28 November 2018
16.	Migration & Placement Policy			28 November 2018
17.	Occupational Health & Safety Policy			28 November 2018
18.	Organisational Design Policy			28 November 2018
19.	Overtime Policy			28 November 2018
20.	Records Management Policy			28 November 2018

21.	Recruitment & Selection Policy			28 November 2018
22.	Remuneration Policy			28 November 2018
23.	Skills Retention Policy			28 November 2018
24.	Termination of Services Policy			28 November 2018
25.	Training & Development Policy			28 November 2018
26.	ICT Governance Framework			March 2019
27.	ICT Governance Policy			March 2019
28.	ICT Security Policy			March 2019
29.	ICT Policy			March 2019

4.3. Suspensions

None

1.4. Performance Rewards

No performance rewards were processed in this financial year.

4.5. Skills Development and Training this must also include skills development expenditure

Skills Development Matrix										
Management Level	Gender	Employees in posts as at 30 June 2021	Learner ships		Skills programmes and other short courses		Other forms of training		Totals	
		No of employees	Target 19-20	Actual 20-21	Target 19-20	Actual 20-21	Target 19-20	Actual 20-21	Target 19-20	Actual 20-21

Municipal Manager & S57 managers	Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Male	1	1							1
Councillors & Managers	Female	2	2							2
	Male	2	2							2
Technicians and Associate Professionals	Female	Nil								
	Male	Nil								
Professionals	Female	3		3						3
	Male	3		3						3
Sub total	Female	5								5
	Male	6								6
Total		11								11

Financial Development Competencies					
Description	Number of officials employed	Total number	Competency assessment completed	Number of officials with performance agreements complying with regulation 16	Total number of officials meeting prescribed competency levels
Financial Officials					
Accounting Officer					
Chief Finance Officer					

Heads Of Departments					
Manager Supply Chain					
Other Financial Officials					
Totals					

	Skills Development Expenditure							
Management Level	Gender	Employees in posts as at 30 June 2021						
			Skills programmes and other short courses		Other forms of training		Total	
		No of employees	Original Budget	Actual	Original Budget	Actual		
Municipal Manager & S57 managers	Female							
	Male							
Councillors & Managers	Female							
	Male							
Technicians and Associate Professionals	Female							
	Male							
Professionals	Female							

	Male							
Sub total	Female							
	Male							
Total								

Employees :Corporate services					
Task Grade	2019-20	2020-2021			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3	13	13	13	0	0
4-6	1	2	1	1	50%
7-9	14	14	14	0	0
10-12	11	11	8	3	27.3%
13-16	3	3	3	0	0
Total	42	43	39	4	9.3%

Capital Expenditure Year 2020-2021: Corporate Services					
Capital Projects	2020-2021				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Financial Performance Year 2020-2021 :Corporate services					
Details	2019-20	2020-2021			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	0	0	0	0	0
Expenditure					
Employees					
Repairs and Maintenance					
Other					
Total Operating Expenditure					
Net Operational Expenditure					

Financial Disclosure

The financial disclosure was done by the Municipal Managers and five Senior Managers reporting to the Municipal Manager. Sixty two Councillors also completed the financial disclosure.

Chapter Five: Financial Management

5.1. Statement of Financial Performance

The statement of financial performance prepared by the municipality shows that the municipality has in the 2020/21 financial year made a surplus. This may be attributed to the additional Equitable Share that was allocated to the municipality by national government to compensate for the loss of revenue that may be linked to the impact of Covid-19, major savings on Contracted Services, General expenses and Employee costs compared to the annual budget estimates. There were also savings on forecasted non-cash expenditures like Depreciation and debt impairment which may have been as a result of no impairments recorded for the year as initially anticipated as well as improved debt collection measures. This surplus is also as a result of revenue recognised on conditional grants received and spent that were used to create assets where the corresponding expenditure is reported in the statement of financial position.

This statement shows revenue from Exchange Transactions at above R60 million, Property Rates at R20.1 million and grants at more than R415 million. The total expenditure on the other hand shows a total expenditure of R298.8 million (see annual financial statements).

5.2. Grants

Winnie Madikizela-Mandela Local Municipality has received grant funding for the 2020/21 financial year as reflected on the Division of Revenue Act of 2020 and the Provincial Government Gazette. The grant funding for the year was as follows and all the grants were received: -

Description	2020/21 Adjusted Budget	2021/22 Budget	2022/23 Budget
EQUITABLE SHARE	R 322 421 102	R 289 620 000	R 304 052 000
FINANCIAL MANAGEMENT GRANT	R 2 000 000	R 2 000 000	R 2 100 000
MIG	R 45 459 000	R 51 023 000	R 55 038 000
INTEGRATED NATIONAL ELECTRIFICATION GRANT	R 31 965 876	R 28 453 000	R 35 000 000
EPWP GRANT	R 2 389 000	R 3 570 000	
TOTAL	R 404 234 978	R 374 666 000	R 396 190 000

- **Equitable Share:** is utilized mainly for funding operations and could also be used for a smaller portion of capital expenditure

- **Municipal Infrastructure Grant:** is a conditional grant for the funding of municipal infrastructure developments ranging from roads, community facilities and economic development infrastructure
- **Financial Management Grant:** is aimed at building the financial management capacity as well as for the procurement and maintenance of financial systems.
- **Integrated National Electrification Grant:** is a conditional grant used for electrification of rural villages to ensure universal access to the service.

Winnie Madikizela-Mandela Local Municipality received other grant funding for the 2020/21 financial year as indicated in the provincial gazette and allocations from the District Municipality. The grant funding for the year was as follows and all the grants were received:-

Description	2020/21 Adjusted Budget	2021/22 Budget	2022/23 Budget
LIBRARY SUBSIDY	R 510 520	R 500 000	R 545 000
TOTAL	R 510 520	R 500 000	R 545 000

5.3. Asset Management

Asset Management is a component of the Budget and Treasury Office that falls under the Supply Chain Management. This section ensures that all assets are correctly accounted for and are known exactly according to their locations. To this end, the department has ensured that a GRAP compliant fixed asset register is compiled, that is appropriately unbundled and is able to indicate the description of the assets, their locations, their useful lives, their current status, and a whole lot of other essential information as required. This register is subjected to the audit by the Auditor General to ascertain its credibility and its ability to assist management in managing assets.

Component B: Spending Against Capital Budget

5.4. Capital Expenditure

The following table shows the capital expenditure incurred by the municipality for the 2020/21 financial period:-

Description	2020/21 Adjusted Budget	ACTUAL
INFRASTRUCTURE	R 79 690 542	R 70 256 310
COMMUNITY ASSETS	R 59 578 683	R 61 449 130
VEHICLES	R 2 168 485	R 1 974 009
COMPUTER HARDWARE AND EQUIPMENT	R 8 800 012	R 4 830 215

Description	2020/21 Adjusted Budget	ACTUAL
FURNITURE AND OFFICE EQUIPMENT	R 3 510 004	R 200 000
MACHINERY AND EQUIPMENT	R 2 532 377	R 1 986 587
BUILDINGS	R 2 999 996	R 735 627
HERITAGE ASSETS	R 110 000	R0
TOTAL	R 159 390 105	R 141 431 878

5.5. Sources of Finance

Apart from grant funding, the municipality also has other funding streams. It is important to note that these streams still form a very limited portion of the overall revenue generated and strategies and plans still need to be crafted to turn the situation around.

Description	Adjusted 2020/21 Budget	ACTUAL
PROPERTY RATES	R 25 188 979	R 20 144 667
SERVICE CHARGES - ELECTRICITY	R 32 577 815	R 35 679 150
SERVICE CHARGES – REFUSE REMOVAL	R 4 566 000	R 4 578 349
RENTAL OF FACILITIES AND EQUIPMENT	R 2 850 612	R 5 876 088
INTEREST ON INVESTMENTS	R 10 363 560	R 7 603 705
INTEREST ON ARREAR DEBT	R 4 403 592	R 4 275 498
FINES AND PENALTIES	R 850 328	R688 199
AGENCY FEES	R 1 217 952	R 1 290 875
LICENCES AND PERMITS	R 2 755 860	R 2 343 083
TRANSFERS – OPERATING	R 355 439 766	R 340 273 894
TRANSFERS - CAPITAL	R 77 966 589	R 75 151 926
OTHER INCOME	R 1 397 551	R 780 835

TOTAL	R 519 578 604	R 498 686 269
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5.6. Capital Expenditure on 5 Largest Projects

Project Name	Status	Ward No	20/21 Expenditure
CONSTRUCTION OF MBIZANA CIVIC CENTER	In progress	01	R19 643 333.23
CONSTRUCTION OF MPHUTHUMI MAFUMBATHA STADIUM	In progress	01	R 9 932 826.39
ELECTRIFICATION OF MABHENGUTENI VILLAGE	In progress	15	R 11 457 830.46
ELECTRIFICATION OF BHEKELA TO MDATYA	In progress	28	R 13 319 613.67
REFURBISHMENT OF TAXI RANK	Completed	01	R 12 588 004.40

5.7. Basic Service and Infrastructure Backlogs

There is a general increase of electricity demand in Mbizana as new households are constructed. In conjunction with Eskom the Municipality has managed to reduce electricity backlogs from 19000 (39 %) households in 2011 to 1 836 (4%) in 2019 based on STATS 2011. This backlog will further be reduced once the on-going projects are completed. In the current financial year 20/21 WMMLM received INEP funding allocation of R 26 200 000.00 which will be utilised for the connection of 787 households in Ward 28, 25 and 15. The new statistics as per the recent population survey shows an increase in households because of the new extensions that are created in the already electrified area.

Approximately 125,8km of road has been created using MIG funding by end June 2021 from 2016/2017 and 28km is targeted for 2020/21 financial year with a budget of R 27 474 996,00. The CBP demonstrates that approximately 133 (54.5%) villages have no access to roads whereas 111 (45.5%) have access roads. About 448.9kms of gravel roads have been maintained from the 2013/14 financial year to end June 2021. Roads are provided with storm water drainage pipes and culverts to allow for surface run off flow without affecting road surfaces. Eleven river crossings have been constructed since 2016/2017 to end June 2021.

Component C: Cash Flow Management and Investment

5.8 Cash flow

The municipality is still able to meet its obligations as they fall due, which means there is enough cash within the municipality to ensure that financial obligations and commitments are settled within time and with no difficulties.

As disclosed in the annual financial statements, the municipality is a going concern and is therefore expected to operate for at least the next 12 months. The liquidity ratio of the municipality is still showing signs of health as the current assets of the municipality outweigh the current liabilities.

Having noted this, it must be indicated that the municipality needs to ensure a careful balancing act to ensure that there is no extravagant spending on non-essential items and taking this from the tune of the National Treasury on cost cutting and austerity measures to be implemented. As disclosed in the annual financial statements as well, the municipality still has commitments to the value of more than R68.4 million as at the end of June 2021.

The municipality has also been able to generate in the excess of R7.6 million on interest from investments. These investments are cash that is not immediately required by the municipality and is therefore placed on short term investments to generate some interest.

The municipality's cash and cash equivalents balances at year end have increased during the year from R173.6 million to R258.1 million, which is in line with the savings reported earlier in this chapter.

5.9. Borrowing and Investment

The municipality has in the previous years entered into borrowing arrangements to fund and fast track electrification of villages within the municipality. These borrowings were entered into against the INEP allocations which was settled during the 2017/18 financial year. During the year, the municipality did not have any borrowing arrangements as all developments were funded from either grants or own funding. This was also to ensure that no additional financial burden is placed on the municipalities in terms of the cost of these borrowing arrangements.

The municipality places surplus cash into short term investments to ensure that they earn better interests and grow the municipality's income earning capacity. These are funds that we normally utilised to supplement service delivery within the municipality.

Component D: Other Financial Matters

5.10. GRAP Compliance

Winnie Madikizela-Mandela Local Municipality compiled its 2020/21 Annual Financial Statement according to the provisions of GRAP and other applicable legislations. This has been supported by the compilation of a Fixed Asset Register that complies with all the requirements of GRAP. The Auditor General of South Africa will then audit these and give its opinion at the end of the process.

Chapter Six: Auditor General's Audit Findings

Component A: Auditor's Opinion on the Finance Statement for Prior Year.

6.1. Prior Year Comments

The Auditor General of South Africa audited the 2019/20 annual financial statements and they expressed their opinion as an unqualified audit opinion. This was due to material compliance findings that related to the irregular, fruitless and wasteful expenditure, and restatement of corresponding figures. The municipality then, on the basis of the findings,

prepared an audit action plan to address the findings of the AG. The plan was developed by the Chief Financial Officer, tabled to council and approved.

The progress on the action will then reported to management committee meetings and to the relevant council committees. This will ensure that there is enhanced monitoring on the progress in dealing with the findings. All findings should therefore be addressed. The auditor general however emphasised the following:

- Irregular expenditure was incurred as a consequence of contravening the Supply Chain Management policy and regulations
- The corresponding figures for 30 June 2019 were restated as a result of the errors identified by the municipality during the 2019/20 financial year
- Material impairments were incurred as a result of irrecoverable debtors

6.2. Current Year

The Auditor General of South Africa audited the 2020/21 annual financial statements and they expressed their opinion as an unqualified audit opinion with no material findings. The municipality then, on the basis of the findings, even though not material, has prepared an audit action plan to address the findings of the AG. The plan was developed by the Chief Financial Officer and will be tabled to council and approved.

The progress on the action will then reported to management committee meetings and to the relevant council committees. This will ensure that there is enhanced monitoring on the progress in dealing with the findings. All findings should therefore be addressed by the next audit. The auditor general however emphasised the following:

- Irregular expenditure incurred amounting to R1.6 million (2020: R5.7 million due to non-compliance with SCM regulations
- Restatement of corresponding figures as at 30 June 2020 due to errors identified and reclassification of accounts in the annual financial statements
- Material impairments of R12.1 million (2020: R9.1 million) relating to statutory receivables and R17.3 million (2020: R15.1 million) relating to receivables from exchange transactions as a result of irrecoverable debtors

Compliance with legislation and key deadlines

The municipality has complied with legislation and key deadlines relating to the implementation of the IDP and the budget. Below is a summary of the key milestones that the municipality has ensured compliance with:

- The SDBIP was approved within 30 days from the approval of the budget
- The schedule of key deadlines or IDP and budget process plan was approved at least ten months before the start of the budget year
- All monthly reports were prepared and submitted within 10 working days of the end of each month as required by s71 of the MFMA
- All quarterly reports were prepared and submitted within 30 days of the end of the quarter
- Annual financial statements were prepared and submitted to the AG for auditing by 31 August 2021.
- The audit process commenced before the end of September and completed by 30 November 2021

Appendixes

- A. MLM Councillors and Council Attendance
- B. Municipal Committees
- C. Third Tier Management Structure
- D. Municipal Functions
- E. Ward Reporting
- F. Public Works Capital Programme
- G. Corrective Action Plan
- H. Audit Committee Recommendations

I. Revenue Collection Performance By Vote

	Description	Final Budget	Actual Income
		6	7
		R	R
REVENUE BY VOTE			
	Mayor and Council	-	
	Municipal Manager	391,620.00	150,353.00
	Budget and Treasury	271,858,250.00	286,286,814.00
	Corporate Services	118,673.00	288,262.00
	Development and planning	380,933.00	370,969.00
	Community and Social service	12,658,969.00	11,331,731.00
	Infrastructure and Planning	59,547,969.00	53,330,593.00
	Electricity	68,062,097.00	64,035,919.00
	Total Revenue by vote	413,018,511.00	415,794,641.00

J. Revenue Collection Performance by Source

	Description	Final Budget	Actual Amount
		R	R
	REVENUE		
	Property rates	23,570,591.00	18,966,664.67
	Service charges - refuse and electricity	39,441,434.00	35,684,753.20
	Fines	2,030,819.00	1,037,884.64
	Licences and permits	2,293,855.00	2,256,589.43
	Government grants and subsidies	328,372,614.00	321,149,385.00
	Rental of facilities and equipments	903,407.00	2,223,562.87
	Other income	3,258,211.00	2,632,688.00
	Interest income	13,147,580.00	12,819,533.00
	Fair value loss/gain		19,023,578.54
	Total Revenue	413,018,511.00	415,794,639.35

K. Conditional Grants Excluding MIG

Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts
		Receipts
Equitable Share	National Treasury	289,941,000.00
MIG Grant	National Treasury	61,631,000.00
FMG	National Treasury	2,663,423.10
Sports Arts and Culture Grant	Provincial Grant	2,783,423.10
Expanded Public Works Programme (EPWP)	National Treasury	34,945,000.00
Integrated Electrification	National Treasury	32,610,000.00
Total Grants and Subsidies Received		424,573,846.20

Volume 2: Annual Financial Statements

CoGta EC Standardised Performance Indicators

Oversight Report on Annual Report

- The oversight report on Annual Report 2019/2020 FY be adopted by Council without reservations as guided by Circular 63 of MFMA.
- The report has complied with all prescripts and applicable legislation as provided by MFMA and LGMSA of 2000
- Monitoring of all engineering services projects should be done by project managers
- Supervising of municipal plant should be done.

L. Third Tier Management Structure

Department	Name of Manager	Job Title
Office of The Municipal Manager	1. Ms N Ngejane	Acting Manager: Municipal Operations
	2. Ms. O. Nodangala	Manager: Legal Services
	3. Mr.N.Mgxiva	Manager: Internal Audit
	4. Ms.N.Ngejane	Manager: Council support and Public Participation
	5. .Mr.T.Cwibi	Manager: Communications
	1. Mr C. Noconjo	Manager Mayoralty and Executive support
Corporate Services	2. Ms. N. Mshweshwe	Manager: Human Resources
	3. Mr .M. Nqwazi	Manager: ICT
	4. Ms N. Rabie	Manager Administration and Auxiliary services
Budget and Treasury	5. Ms. Z. Mehlo	Manager: Budgeting & Reporting
	6. Mr.S.Morlock	Manager: Revenue & Expenditure
	7. .Mr.Z. Khala	Manager: SCM
Development Planning	8. Ms. Z. Ndzelu	Acting Manager: Land Use
	9. Mr B. Hlangabezo	Manager: LED
Community Services	10. .Ms N.Xoko	Manager: Social & Community Services.
	11. Mr.D.Luphoko	Manager: Community Safety
Engineering Services	12. Mr.S.Songca	Manager: Operations & Maintenance
	13. Mr.V. Nontanda	Manager: MIG
	14. Mr V. Mqina	Electricity Superintendent

Municipal Powers and Functions

FUNCTION	ANDM	MLM		
SCHEDULE 4 PART B		Implementation Status		Challenges
Air pollution	X			
Building regulations		X	By law under review as there were gaps identified during implementation	Illegal buildings due to non-compliance with approved building plans
Child care facilities		X	Progressing fairly	Keeping up with demand from communities
Electricity reticulation	X	X	Progressing well	Limited funds to
Firefighting Services	X	X	Vehicles and staff deployed by the DM	Vastness of wards and roads conditions in some areas
Local tourism	X	X	Progressing well	N/A
Municipal airports	X		N/A	N/A
Municipal planning	X	X	Progressing well	N/A
Municipal Health Services	X		N/A	N/A
Municipal Public Transport		X	Not implemented	Limited funding
Pontoons and Ferries	X		N/A	N/A
Storm water		X	Progressing	Limited resources
Trading regulations		X	By law gazetted and implemented	Rapid growth of traders within limited space
Water (potable)	X		N/A	N/A
Sanitation	X		N/A	N/A
SCHEDULE 5 PART B				
Beaches and amusement facilities		X	Progressing	Seasonal operation and access due to roads leading to these facilities
Billboards and the display of adverts in public places		X	By law gazetted	Illegal billboards
Cemeteries, Crematoria and funeral parlours		X	One operating cemetery	Limited space
Cleansing		X	Progressing well	Currently utilising unlicensed dumping site
Control of public nuisances		X	By law gazetted and implemented	N/A
Control of undertakings that sell liquor to the public		X	Bylaw in process of promulgation	No by law in place which has resulted in illegal liquor trading especial in rural areas
Facilities for the accommodation, care and burial of animals		X	By law gazetted and service provider appointed to undertake removal and burial of animals	Removal of fencing along the main roads resulting to stray animals gett
Fencing and fences	X		N/A	N/A
Licensing of dogs		X	Bylaw gazetted	Illegal keeping of dogs
Licensing and control of undertakings that sell food to the public		X	By law gazetted	Non-compliance by traders with by law provisions

FUNCTION	ANDM	MLM		
SCHEDULE 4 PART B		Implementation Status		Challenges
Local amenities		X	Progressing well	N/A
Local sport facilities		X	Progressing at slow pace due to limited resources	Maintenance of facilities and lack of ownership by communities
Markets		X	Temporal market place operational	Unavailability of space/land
Municipal abattoirs		X	Currently performed by DM	N/A
Municipal parks and recreation		X	1 park in town	Unavailability of space/land
Municipal roads		X	Progressing with back log	Maintenance of constructed roads
Noise pollution		X	By law gazetted and	Difficulty in implementing the bylaw due to cultural practices
Pounds		X	Animal pound operational	N/A
Public places		X	Non available	N/A
Refuse removal, refuse dumps and solid waste disposal		X	In progress	Operating unlicensed dumping site
Street trading		X	Issuing of trading licencing progressing	Number of traffic wardens to keep up with the number of street vendors
Street lighting		X	Progressing	N/A
Traffic and parking		X	In progress	Increasing volume of motor vehicles in town
Disaster Management	X	X (Devolved Function)	Disaster management plan developed and adopted	Community understanding of disaster terms

Council Meetings Attendance

Initials & Surname	Political Org/Prop -PR/WC	No of Council Meetings Planned	No of Council Meetings Actual Seated	No of Attended including Specials	Absent
1. Cllr S. Magini	ANC/PR	04	10	09	01
2. Cllr T.D. Mafumbatha	ANC/PR	04	10	08	02
3. Cllr M. Mphetshwa	ANC/PR	04	10	09	01
4. Cllr L. Makholosa	ANC/PR	04	10	08	02
5. Cllr N. Dlamini	ANC/PR	04	10	09	01
6. Cllr R.T. Nkomo-Khwela	ANC/PR	04	10	08	02

7. Cllr M.S. Maphetshana	ANC/PR	04	10	09	01
8.Cllr M.J. Dimane	ANC/PR	04	10	02	08
9. Cllr L.T. Somadlangathi	ANC/PR	04	10	06	04
10. Cllr Z. Mhlwazi	ANC/PR	04	10	09	01
11. Cllr I.M. Sabuka	ACU/PR	04	10	05	05
12. Cllr A.M. Spelman	EFF/PR	04	10	04	06
13. Cllr E. Voko	ANC/PR	04	10	08	02
14. Cllr N.E. Cengimbo	ANC/PR	04	10	07	03
15. Cllr F. N. Sobanzile	ANC/PR	04	10	06	04
16. Cllr P.N. Mfingwana	ANC/PR	04	10	01	09
17. Cllr N. Sikiti	ANC/PR	04	10	05	05
18. Cllr N. Mgolozana	ANC/PR	04	10	03	07
19. Cllr N. Sikibi	ANC/PR	04	10	09	01
20. Cllr N. Giyama-Bongwana	ANC/PR	04	10	07	03
21. Cllr N. Mavundla	ANC/PR	04	10	09	01
22. Cllr R. N. Madikizela	ANC/PR	04	10	08	02
23. Cllr F. Bewu	ANC/PR	04	10	06	04
24. Cllr J.M. Valikho	ANCWC	04	10	07	03
25. Cllr V. Mbhekwa	ANC/WC	04	10	07	03
26. Cllr B. Luwele	ANC/WC	04	10	03	07
27. Cllr N.C. Cengimbo	ANC/WC	04	10	07	03
28. Cllr M. Mbele	ANC/WC	04	10	06	04
29. Cllr L.B. Mbuzi	ANC/WC	04	10	02	08
30. Cllr C.N. Matyeni	ANC/WC	04	10	10	00

31. Cllr Z. Mashiyi	ANC/WC	04	10	08	02
32. Cllr M.S. Msindo	ANC/WC	04	10	10	00
33. Cllr S.M. Faku	ANC/WC	04	10	05	05`
34. Cllr Y.N. Mfana	ANC/WC	04	10	09	01
35. Cllr V. Sotubhu	ANC/WC	04	10	05	05
36. Cllr L. G. Mcambalala	ANC/WC	04	10	05	05
37. Cllr M. Tobo	ANC/WC	04	10	08	02
38. Cllr M. Mpofana	ANC/WC	04	10	08	02
39. Cllr M. Qumba	ANC/WC	04	10	08	02
40. Cllr M.J. Dekede	ANC/WC	04	10	10	00
41. Cllr M.M. Manyathela	ANC/WC	04	10	06	04
42. Cllr N. Bengu	ANC/WC	04	10	05	05
43. Cllr S.A. Maphasa	ANC/WC	04	10	07	03
44. Cllr N. Dayimane	ANC/WC	04	10	04	06
45. Cllr R.P. Meyer	ANC/WC	04	10	03	07
46. Cllr M. Ndovela	ANC/WC	04	10	06	04
47. Cllr A. I. Guqaza	ANC/WC	04	10	09	01
48. Cllr MR. Dlamini	ANC/WC	04	10	06	04
49. Cllr B.A. Jalubane	ANC/WC	04	10	07	03
50. Cllr N. Madikizela	ANC/WC	04	10	08	02
51. Cllr T. Faku	ANC/WC	04	10	06	04
52. Cllr M.E. Mapholoba	ANC/WC	04	10	09	01
53. Cllr S. Ngonini	APC/PR	04	10	09	01
54. Cllr M.J. Ndesi	DA/PR	04	10	08	02

55. Cllr C. N. Mfingwana	DA/PR	04	10	07	03
56. Cllr S.P. Soboyi	EFF/PR	04	10	07	03
57. Cllr N. Langasiki	EFF/PR	04	10	08	02
58. Cllr N. Madikizela	AIC/PR	04	10	06	04
59. Cllr N. Sipatala	ACU/PR	04	10	05	05
60. Cllr N. Yalo	EFF/PR	04	10	04	06
61. Cllr N. Cwele	ACU/PR	04	10	05	05

Executive Committee Meetings Attendance

Initials & Surname	Political Org/Prop-PR/WC	No of Executive plan Meetings Planned	No of Executive Committee Meetings Actual Seated	No. of Attended including Specials	ABSENT
Cllr T.D Mafumbatha	ANC/PR	04	09	08	01
Cllr N Mhlembana	ANC/PR	04	09	07	02
Cllr M S Maphetshana	ANC/PR	04	09	07	02
Cllr Z. Mhlwazi	ANC/WC	04	09	08	01
Cllr M R Dlamini	ANCPR	04	09	07	02
Cllr R T Nkomo-Khwela	ANCPR	04	09	08	01
Cllr Spellman	EFF/PR	04	09	05	04
Cllr Makholosa	ANC/PR	04	09	04	05
Cllr Somadlangathi	ANC/PR	04	09	06	03
Cllr Sabuka	ACU/PR	04	09	05	04

Engineering Services Standing Committee Attendance

Initials & Surname	Political Org/ Prop/Ward Cllr	No. of Committee meetings planned	No of Committee Meetings Actual Seated	No. of attended including Specials	Absent
1.Cllr N. Dlamini	ANC/PR	10	09	08	01
2. Cllr N. Mavundla	ANC/ PR	10	09	07	02
3. Cllr B.A Jalubane	ANC/ Ward Cllr	10	09	06	03
4. Cllr M. Dekede	ANC/Ward Cllr	10	09	08	01
5. Cllr N. Dayimani	ANC/Ward Cllr	10	09	05	04
6. Cllr F. Bewu	ANC/PR	10	09	07	02
7. Cllr M. Ndunge	Traditional Leader	10	09	05	04

8. Cllr N. Langasiki	EFF/ PR	10	09	00	09
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Community Services Committee Attendance

Name & Surname	Political Org/Prop-PR/Ward Cllr	No of committee meetings planned	No of committee meetings actual sited	No of attended including Specials	Absent
1. Cllr N.N. Mhlembana	ANC/PR	10	07	07	
2. Cllr T. Faku	ANC/WC	10	07	06	01
3. Cllr L.B. Mbuzi	ANC/WC	10	07	05	02
4. Cllr V. Mbhekwa	ANC/WC	10	07	04	03
5. Cllr C.N. Matyeni	ANC/WC	10	07	07	
6. Cllr J.M. Valikho	ANC/WC	10	07	07	
7. Cllr M.E. Mapholoba	ANC/WC	10	07	07	
8. Cllr R.T. Nkomo/Khwela	ANC/PR	10	07	06	01
9. Cllr C.N. Mfingwana	DA/PR	10	07	07	
10.Cllr S. P. Soboyi	EFF/PR	10	07	04	03
11.Cllr N. Mgozozana	ANC/PR	10	07	06	01
12.Cllr N. Madikizela	Traditional Leader	10		05	05

Spatial Planning and LED Committee Attendance

INITIALS & SURNAME	Political Org/ Prop/PR/ Ward Cllr	No. of Committee meetings planned	No of Committee Meetings Actual Seated	No. of attended including Specials	Absent
1.Cllr L.T Somadlangathi	ANC/Ward Cllr	10	05	05	00
2.Cllr N.C Cengimbo	ANC/ Ward Cllr	10	05	05	00
3.Cllr F. Bewu	ANC/ PR	10	05	04	01
4.Cllr P.N Mfingwana	ANC/PR	10	05	00	05
5.Cllr Z. Mashiyi	ANC/Ward Cllr	10	05	05	00
6.Cllr Y. Mfana	ANC/ Ward Cllr	10	05	05	00
7.Cllr V. Sotubhu	ANC/ Ward Cllr	10	05	03	02
8.Cllr N. Sikiti	ANC/PR	10	05	04	01

9. Cllr R.P Meyer	ANC/Ward Cllr	10	05	First Sitting was on April 02	00
10.Cllr M.J Ndesi	DA/ PR	10	05	00	05
11.Cllr A.M Specman	EFF/PR	10	05	04	01
12.Cllr N. Sigcau	Traditional Leader	10	05	00	05
13.Cllr N. Nontlanga	Traditional Leader	10	05	00	05
14.Cllr N. Cwele	Traditional Leader	10	05	00	05

Budget and Treasury Committee Attendance

Name & Surname	Political Org/Prop – PR /Ward Cllr	No. of Council Meetings Planned	No of Council Meetings Actual Seated	No. of Attended including Specials	Absent
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1.Cllr L. Makholosa	ANC/PR	10	07	07	00
2. Cllr R.T Nkomo Khwela	ANC /PR	10	07	02	05
3.Cllr M. Qumba	ANC /ward Cllr	10	07	07	00
4.Cllr .M.R Dlamini	ANC/ Ward Cllr	10	07	06	01
5. Cllr N. Madikizela	ANC/ Ward Cllr	10	07	06	01
6.Cllr N. Bongwana	ANC/ PR	10	07	05	02
7.Cllr N. Sipatala	ACU/PR	10	07	03	04

Good Governance, IGR, Public Participation and SPU Committee

INITIALS & SURNAME	Political Org/ Prop/PR/ Ward Cllr	No. of Committee meetings planned	No Standing committee meetings actual seated	No. of attended including Specials	Absent
1.Cllr. Z. Mhlwazi	ANC/WC	10	06	06	0

2.Cllr N. Giyama-Bhongwana	ANC/PR	10	06	05	01
3.Cllr. F. N Sobazile	ANC/PR	10	06	05	01
4.Cllr. M. Tobo	ANC/WC	10	06	04	02
5.Cllr. M. Mbele	ANC/WC	10	06	06	0
6.Cllr. M.M Manyathela	ANC/WC	10	06	05	01
7.Cllr. B. Luwele	ANC/WC	10	06	04	02
8.Cllr. N. Madikizela	AIC/PR	10	06	02	04
9. Cllr. B. Langasiki	TL	10	06	01	05

Corporate Services Committee Attendance

INITIALS & SURNAME	Political Org/ Prop/PR/ Ward Cllr	No. of Committee meetings planned	No Standing committee meetings actual seated	No. of attended including Specials	Absent
1.Cllr M. S Maphetshana	ANC/PR	10	10	10	0
2. Cllr L.G Mcambalala	ANC/WC	10	10	07	03
3. Cllr E. Voko	ANC/PR	10	10	08	02
4. Cllr M. Mpofana	ANC/Ward Cllr	10	10	10	0
5. Cllr M. Msindo	ANC/Ward Cllr	10	10	07	03
6. Cllr S.M Faku	ANC/WC	10	10	06	04
7. Cllr S. Maphasa	ANC/Ward Cllr	10	10	05	05
8.Cllr. M. Mapholoba	ANC/ WARD Cllr	10	10	09	01

9. Cllr. M. Tobo	ANC/Ward Cllr	10	10	07	03
8. Cllr R.T Maquthu	TL	10	10	01	09

A. Municipal Committees

Name of standing committee	How many standing committees and council meetings planned in 2020/2021 FY calendar	How many were convened including specials
Council	4	10
Executive committee	4	09
BTO	10	07
MPAC	05	04
Engineering Services	10	09
Spatial Planning &LED	10	05
Community Services	10	07
GG, IGR AND SPU	10	06
Corporate Services	10	10

A. Ward Reporting

Winnie Madikizela – Mandela Local Municipality has thirty one (31) wards and each has ward committee members not exceeding ten members. Currently the Municipality had 310 ward committees, 100% of ward committees with replacement done upon receipt of resignations and death in various wards. Functionality of ward committee meetings is measured by the submission of monthly reports. Those meetings are chaired by the Ward Councillors and assisted by councillor support assistant. Monthly reports of ward committees form proof of activities that the ward committees

have been engaged in. In terms of feedback ward councillors are responsible for feedback to the ward committees and community meetings held quarterly which attendance registers are submitted to the office as proof of the said sittings.

Intergrated Service Delivery Model: Operation Masiphathisane.

The programme of Ward War rooms was revived by the department of corporate governance and traditional affairs during the financial year 2020/21 in 31 wards of Winnie Madikizela-Mandela with CDWs and councillor support assistants providing administrative support for their functioning. Lists of participating stakeholders have been reviewed in ensuring representation in war room meetings which are convened monthly to discuss ward service delivery and all social issues such as Covid 19 pandemic within the ward.

PURPOSE OF COUNCIL COMMITEES

Executive Committee

- Identify the needs of the Municipality
- Review and evaluate those needs in order of priority
- Recommend to the Municipal Councils strategies, programs and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial developmental plans
- Recommends or determine the best methods, including partnership and other approaches to deliver those strategies, programs and services to the maximum benefit of the Community.
- Monitor the management of the Municipality's administration in accordance with the policy direction of the Municipal Council.

Spatial Planning and LED Committee deals with

Land use planning, Town planning, Building control, Housing, Tourism, Agriculture, Manufacturing, Forestry, Culture & Heritage, Nature conservation, Development and reviewal of departmental policies

Engineering Services Committee deals with

- Roads construction and maintenance
- Construction of public infrastructure
- Electrification
- Development and reviewal of policies

Good Governance and Intergovernmental Relations Committee deals with

Integrated development planning, Organizational performance management, Legal services, Internal auditing, Council support & Public Participation, Intergovernmental relations, customer care and Communications, Sports development, Communicable Diseases, advocacy for special groups, Initiation programs, Development and reviewal of policies.

Community Services Committee deals with

Solid waste services, Verge cutting, Street cleaning, Area beautification, Beaches management, Pounds, Cemeteries, Traffic control and Motor licensing, Enforcement of by-laws, Disaster management, Public transport management, Safety and security, Development and reviewal of policies

Budget and Treasury Office Committee deals with

Budgeting and reporting, Expenditure management, Revenue collection and enhancement, Supply chain management, Assets management, Disposal management, Investments management, Development and reviewal of policies

Corporate Services Committee deals with

Labour relations, Staff recruitment services, Employment equity, Skills development, Occupational health and safety, Employee wellness services, Records management, Information communication technology, Facilities management, Fleet management, Employee performance management, Development and reviewal of policies

AUDIT ACTION PLAN 2020-2021

WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2020/21																			
No	Issues identified	CoA F No	Component	Department within the Municipality	Impact of the finding	Adjusted (Yes/No)	Affecting Audit Report?	Raised In 2019/20?	Adjustment In/required	Risk Level	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Consequence Management	Responsible person (Entity)	Validation of information	Due date	Progress	POE (INTERNAL AUDIT)
Cash flow statements																			
	Prior period correction of error	CoA F 07	Disclosures	Budgeting and Reporting	Misstatement in financial statements	Yes	No	No	No	Medium		Management should ensure that the financials are properly reviewed in order to ensure the correctness between the cash flow statement and the notes thereof	Correction of prior year errors to be concluded by 15 July 2022 to allow thorough reviews before 31 August	N/A	Manager: Budgeting & Reporting	Internal Audit	15-Jul-22		
Employee Costs																			
	Appointment process	CoA F 02	Compliance	Human Resource Management	Other matters	No	No	No	No	High	Although the policies and procedures prescribed this, management has not performed it during the	It is recommended that the core competencies as required by the MFMA be used as an assessment tool to assess the competence of the	To introduce competency assessments for senior and supervisory positions during recruitment processes	N/A	Manager: Human Resources	Internal Audit	31-Mar-22		

											appointment process	relevant new hires							
Bulk Purchases																			
	Distribution losses disclosed not accurate	CoA F 01	Disclosures	Revenue Management	Misstatement in financial statements	Yes	No	No	No	Medium	The distribution losses schedule had not been adequately casted and recalculated	Management to ensure adequate review of schedules that support the financial statement through cast and recalculation	<i>Distribution losses calculations will be done quarterly to allow reviews during the year and avoid errors at the end of the year</i>	N/A	Manager: Revenue & Expenditure	Internal Audit	31-Mar-22		
Movable Assets																			
	Change in estimate disclosure requirements	CoA F 08	Disclosures	Asset Management and Stores	Misstatement in financial statements	Yes	No	No	No	Low	This has resulted in the disclosure requirements under GRAP 3 not being fully met by the Municipality	Management should ensure full disclosure of the expected future period effect on the change in estimate using the data and information at their disposal	<i>To develop a disclosure checklist and have disclosure notes to be done by the Asset Management Officer to allow the Manager: Assets and Stores to independently review before submission for auditing</i>	N/A	Manager: Assets and Stores Management	Internal Audit	30-Jun-22		
Procurement and Contract Management																			

	Procurement and contract management: Interests	CoA F 03	Compliance	Supply Chain Management	Other matters	Yes	No	No	No	High	This is due to the municipality not adequately checking its own human resources management system to ensure no employees are part of any appointed suppliers. In addition, there is no adequate checks with the DPSA website to identify any employees of state institutions	Management must ensure that appointed suppliers do not have directors that are in the service of the municipality. Management must ensure that there are adequate checks on to ensure that no directors are in the employ of other state institutions	To update the CSD information with payroll data at least quarterly and hold all business identified to have members in the services of the state	N/A	Manager: Supply Chain Management	Internal Audit	31-Mar-22		
Receivables																			
	Difference in the ageing of receivables from exchange transactions	CoA F 09	Disclosures	Revenue Management	Misstatement in financial statements	No	No	No	No	Medium	Management did not ensure accuracy of the calculation for the ageing of receivable	Management to ensure adequate review of schedules that support the financial statement through cast	To engage Munsoft on the possibility of creating sub-age analysis reports	N/A	Manager: Revenue & Expenditure	Internal Audit	31-Mar-22		

											s from exchange transactio ns	and recalculation							
	Statutory Receivables understated	CoA F 10	Disclosur es	Revenue Managem ent	Misstatem ent in financial statements	Yes	No	No	No	Mediu m	The cause of the above finding is due to the manageme nt not being able to review excel formulas to ensure the excel formulas are correct	It is recommende d management should review excel formulas to ensure the correct formulas used are correct	<i>To engage Munsoft on the possibility of creating a sub- ledger for Statutory receivables</i>	<i>N/A</i>	Manager: Revenue & Expenditur e	Internal Audit	31- Mar -22		

Volume 2: Annual Financial Statements



Winnie Madikizela-Mandela Local Municipality
Audited Annual Financial Statements
for the year ended 30 June 2021

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

General Information

Councillors

E. Voko

N.E. Cengimbo

F.N. Sobazile

N. Sikiti

N. Mgozana

N. Sikibi

N. Giyama-Bongwana

N. Mavundla

R.N. Madikizela

P.N. Mfingwana

F. Mbuyelwa-Bewu

J.M. Valiko

V. Mbhekwa

B. Luwele

N.C. Cengimbo

M. Mbele

L.B. Mbuzi
C.N. Matyeni
Z. Mashiya
M.S. Msindo
S.M. Faku
Y.N. Mfana
V. Sotubhu

L.G Mcambalala
M.Mapholoba
M. Mpofana

M. Qumba
M.J. Dekede

M.M. Manyathela
N. Bengu

S.A. Maphasa
N. Dayimani
M. Ndovela
M. Tobo

A.I Guqaza
M.R. Dlamini
B.A. Jalubane
N. Madikizela
T. Faku

S. Ngoninni
M.J. Ndesi

C.N Mfingwana
S. P. Sobhoyi
N. Langasiki

N. Madikizela
N. Sipatala
N.O. Yalo

N. Cwele

L. Silangwe

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

General Information

Grading of local authority	Grade 04
Accounting Officer	L. Mahlaka
Chief Finance Officer (CFO)	ZA Zukulu
Registered office	51 Winnie Madikizela-Mandela Street Bizana 4800
Business address	51 Winnie Madikizela-Mandela Street Bizana 4800
Postal address	P.O. Box 12 Bizana 4800
Bankers	First National Bank
Attorneys	NZ Mtshabe Incorporated Attorneys Dr Sugudhav-Sewpersadh Attorneys Vuyani Gwebindlala & Associates Maigigaba Incorporated Konyana Attorneys Incorporated Jolwana Mgidlana Incorporated
Auditors	Auditor General of South Africa Registered Auditors

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Index

The reports and statements set out below comprise the audited annual financial statements presented to the municipal council::

	Page
Accounting Officer's Responsibilities and Approval	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 13
Accounting Policies	14 - 42
Notes to the Audited Annual Financial Statements	42 - 97
Appropriation Statement	98 - 99
Appendixes:	
Appendix B: Analysis of Property, Plant and Equipment	100
Appendix D: Segmental Statement of Financial Performance	106
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	107
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	108
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	109
Appendix G(1): Budgeted Financial Performance (revenue and expenditure by standard classification)	110
Appendix G(2): Budgeted Financial Performance (revenue and expenditure by municipal vote)	112

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Index

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
mSCOA	municipal Standard Chart of Accounts
DSRAC	Department of Sport, Recreation, Arts and Culture

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the audited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the audited annual financial statements and was given unrestricted access to all financial records and related data.

I am responsible for the preparation of these annual financial statements, which are set out on the pages to follow in terms of s126(1) of the MFMA and which I have signed on behalf of the municipality.

I certify that the salaries, benefits and allowances as disclosed in notes 31 and 32 of these financial statements are within the upper limits of the framework envisioned in section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The audited annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

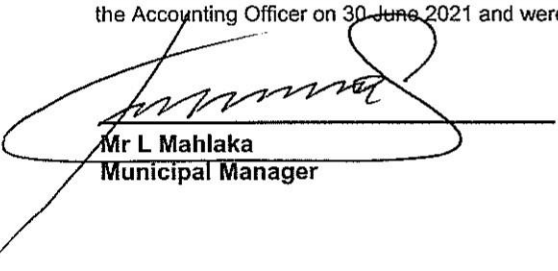
The audited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable myself to meet these responsibilities, I set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or deficit.

I have reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, I am satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The audited annual financial statements set out on pages 7 to 97, which have been prepared on the going concern basis, were approved by the Accounting Officer on 30 June 2021 and were signed on its behalf by:



Mr L. Mahlaka
Municipal Manager

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand

	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Inventories			
Operating lease asset	7	2 046 473	2 042 491
Other Receivables from exchange transactions	8	7 613 477	4 437 945
Receivables from non-exchange transactions	9	9 421 134	5 980 728
Statutory receivables	10	645 093	873 088
	11		
	12	35 387 402	29 866 903
VAT receivable	13	15 896 271	7 957 566
Prepayments	14	14 974 173	13 482 903
	15	20 514 019	16 875 084
Receivables from exchange transactions		258 160 700	173 644 306
Cash and cash equivalents			
		364 658 742	255 161 014
Non-Current Assets			
Investment property	3		
	4		
	5	36 654 783	32 436 272
Property, plant and equipment	6	701 498 020	646 245 205
Intangible assets		69 315	198 490
Heritage assets		1 230 799	1 230 799
		739 452 917	680 110 766
Total Assets		1 104 111 659	935 271 780
Liabilities			
Current Liabilities	16		
	17		
Payables from exchange transactions	18	44 353 846	30 230 514
Consumer deposits	19	504 619	502 891
		5 058 414	7 574 501
Unspent conditional grants and receipts		19 990 321	19 953 467
Provisions			
		69 907 200	58 261 373
Non-Current Liabilities	19		
Provisions		5 246 062	5 495 061
Total Liabilities		75 153 262	63 756 434
Net Assets		1 028 958 397	871 515 346

Accumulated surplus

Total Net Assets

	-	-
	1 028 958 397	871 515 346
	1 028 958 397	871 515 346

* See Note 58 & 57

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand

	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Service charges			
Rental of facilities and equipment	22	40 257 499	38 374 181
Agency services	23	5 876 088	5 096 656
	24	1 290 875	1 020 949
Commissions received	25	131 650	130 093
Recoveries	25	275 513	
	25	373 672	8 152
Other income	26		599 258
Interest received		11 879 203	
			14 253 075
Total revenue from exchange transactions		60 084 500	59 482 364
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	27		
	28	20 144 667	
Licences and Permits (Non-exchange)		2 343 083	16 284 235
			2 236 951
Transfer revenue			
	29		
Government grants & subsidies	30	415 425 820	
Fines, Penalties and Forfeits		688 199	348 488 293
			2 065 515
Total revenue from non-exchange transactions		438 601 769	369 074 994
Total revenue	21	498 686 269	428 557 358
Expenditure			
Employee related costs	31	(110 026 158)	
	32	(23 964 375)	(110 343 925)
Remuneration of councillors	33	(40 179 664)	(23 970 005)
Depreciation and amortisation	34	(1 473)	(39 437 176)
Finance costs	35		(11 283)
	36	(5 145 360)	
Lease rentals on operating lease	37	(5 208 182)	(5 464 801)
Debt Impairment	38	(35 021 699)	(7 652 110)
	39	(33 367 359)	(33 254 837)
Bulk purchases	40	(4 498 717)	(42 657 944)
Contracted services		(41 474 662)	(1 418 323)
Transfers and Subsidies			(50 020 684)
General Expenses		(298 887 646)	
			(314 231 088)
Total expenditure		199 798 623	
Operating Surplus (deficit)	41	(43 424 855)	114 326 270
	42		(55 224 722)
		1 069 294	
Loss on disposal of assets and liabilities			7 339 272
Fair value adjustments		(42 355 561)	
			(47 885 450)
Surplus for the year		157 443 062	66 440 820

* See Note 58 & 57

8

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	824 407 181	824 407 181
Adjustments		
Prior year adjustments	(19 332 655)	(19 332 655)
Balance at 01 July 2019 as restated*	805 074 526	805 074 526
Surplus/(Deficit) for the year	66 440 820	66 440 820
Total changes	66 440 820	66 440 820
Opening balance as previously reported	894 757 545	894 757 545
Prior year adjustments	(23 242 210)	(23 242 210)
Restated* Balance at 01 July 2020 as restated*	871 515 335	871 515 335
Surplus/(Deficit) for the year	157 443 062	157 443 062
Total changes	157 443 062	157 443 062
Balance at 30 June 2021	1 028 958 397	1 028 958 397
Note(s)		

* See Note 58 & 57

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		47 471 065	34 251 388
Grants		412 909 733	349 376 181
		11 879 203	14 253 075
Interest income		472 260 001	397 880 644
Payments			
Employee costs		(133 990 533)	(134 313 929)
Suppliers		(128 662 242)	(126 765 605)
Finance costs		(1 473)	(11 283)
		(262 654 248)	(261 090 817)
	44	209 605 753	
Net cash flows from operating activities			136 789 827
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(125 364 871)	
Proceeds from sale of property, plant and equipment	4	275 512	(86 803 765)
			195 601
Net cash flows from investing activities		(125 089 359)	(86 608 164)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		84 516 394	50 181 663
		173 644 306	123 462 642
Cash and cash equivalents at the end of the year		258 160 700	173 644 305
	15		

* See Note 58 & 57

10

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance	B	Total		(4 783 248)		
	ul	expenditure		(4 500 000)		
Revenue	k			(31 896 012)		
	pu	Operating		(110 403 504)		
	rc	surplus		(1 834 548)		
Revenue from exchange transactions	ha	Tr		-		
	se	an				
Service charges	s	sfe	37 015 031	(72 873 612)	128 784 --	
Rental of facilities and equipment	C	rs	2 850 612	(423 190 296)	(52 236) -	
Agency services	on	rec	1 217 952			
	tra	og	261 192	(54 448 657)	(20 158) -	
Commissions received	ct	nis		77 334 996		
Recoveries	ed	ed-				
	S	ca				
Other income - (rollup)	er	pit	1 208 760		56 390	
Interest received	vi	al				
	ce	co	14 767 152			
	s	ntri		77 334 996		
Total revenue from exchange transactions	Tr	but	57 320 699	77 334 996		
	an	ion		22 886 339		
	sf	s		22 886 339		
Revenue from non-exchange transactions	er	Fair value				
	s	adjustments				
	an					
	d					--
Taxation revenue	S	Surplus				
Property rates	ub	before				
	si	taxation				
Licences and Permits (Non-exchange)	di		25 188 972			
	es	Actual	2 755 860		72 911 754 (97 768)	
Transfer revenue	Lo	Amount on			72 813 986	
	ss	Comparabl				
Government grants & subsidies	on	e Basis as				
Fines, Penalties and Forfeits	di	Presented				
	sp	in the				
	os	Budget	282 528 012		72 870 376	
	al	and Actual	948 096			
Total revenue from non-exchange transactions	of	Comparati				
	as	ve	311 420 940			
Total revenue	se	Statement				
	ts		368 741 639		(61 534) -	
Expenditure	G					
Personnel	en				(100 000) --	
	er					
	al				(4 100 000) (2 719 551)	
Remuneration of councillors	Ex					
Depreciation and amortisation	pe		(119 132 604)		17 015 964 (5 183 104)	
Finance costs	ns		(25 035 684)			
Lease rentals on operating lease	es		(52 581 072)		(36 276 515) 5 812 195	
Debt Impairment			(150 012)			

(25 612 545)		70 775 763	157 443 062
	47 257 831 631 593	70 775 763	
-			
631 593			
47 889 424	37 143 815	40 257 499	3 113 684
	2 850 612	5 876 088	3 025 476
47 889 424	1 217 952	1 290 875	72 923
	208 956	131 650	
	-	275 513	(77 306)
	1 188 602	373 672	275 513
		11 879 203	(814 930)
	14 767 152		(2 887 949)
		60 084 500	
	57 377 089		2 707 411
		20 144 667	
		2 343 083	
	25 188 972		(5 044 305)
	2 755 860		(412 777)
		338 000 944	
		688 199	
	355 439 766		(17 438 822)
	850 328	361 176 893	(162 129)
	384 234 926		(23 058 033)
		421 261 393	
	441 612 015		(20 350 622)
		(110 026 158)	
	(119 194 138)	(23 964 375)	9 167 980
	(25 035 684)	(40 179 661)	1 071 309
	(52 681 072)	(1 473)	12 501 411
	(150 012)		148 539
		(5 145 360)	
	(4 783 248)	(5 208 182)	(362 112)
	(8 600 000)	(35 021 699)	3 391 818
	(34 615 563)	(33 367 359)	
	(93 387 540)	(4 498 717)	(406 136)
	(7 017 652)	(43 424 855)	60 020 181
	(36 276 515)	(41 474 662)	
	(67 061 417)		2 518 935
		(342 312 501)	(7 148 340)
	(448 802 841)		
		78 948 892	25 586 755
	(7 190 826)	77 424 876	
	77 966 589		106 490 340
	-	1 069 294	86 139 718
		78 494 170	(541 713)
	77 966 589	157 443 062	1 069 294

527 581 86 667 299 86 667 299

Reconciliation

11

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position	Provisions	Entity				
Assets		Reserves		3 919 566		
				40 555 937		
Current Assets	N	Accumulate d surplus		956 378 194		
Inventories	o		1 178 590 -			202 412 -
Operating lease asset	n					
Other Receivables from exchange transactions	-		43 763 238		24 122 330	
Receivables from non-exchange transactions	C		32 970 260		547 061	
Statutory receivables	u		---		----	
VAT receivable	r		-			
Prepayments	r			956 378 194	(11 576 879)	
Receivables from exchange transactions	e		210 466 508		13 294 924	
Cash and cash equivalents	n		288 378 596			
	t					
	i					
	e				7 339 329 33 878 068 98	
Non-Current Assets	s		25 097 000			490
Investment property	P		682 177 737 -		60 005	
Property, plant and equipment	r		1 280 798		41 375 892	
Intangible assets	o		708 555 535			
Heritage assets	v		996 934 131		54 670 816	
	i					
	s					
	j					
	o					
	n					
	s					
Total Assets		Total Liabilities			42 415 046	
Liabilities			17 705 128			
		Net Assets				42 915 -
Current Liabilities			460 015 -			
		Net Assets			1 482 241	
Payables from exchange transactions			18 471 228		43 940 202	
Consumer deposits		Net Assets Attributable to Owners of Controlling	36 636 371			
Unspent conditional grants and receipts						

		86 071 634		
1 575 495				1 028 958 397
45 515 697		965 533 313		
9 155 119	1 381 002 -			665 471 7 613 477
	67 885 568		2 046 473 7 613 477 9 421 134	(58 464 434)
	33 517 321		645 093	(32 872 228)
	-	965 533 313	35 387 402 15 896 271 14 974 173 20 514 019	35 387 402 15 896 271 14 974 173 20 514 019
9 155 119	-			
	-			
	-			
	-			
			258 160 700	59 271 071
	198 889 629		364 658 742	
				62 985 222
	301 673 520			
			36 654 783 701 498 020 69 315	4 218 454 (14 557 785)
	32 436 329 716 055 805 98 490		1 230 799	(29 175) (110 004)
	1 340 803		739 452 917	(10 478 510)
			1 104 111 659	52 506 712
	749 931 427			
	1 051 604 947		44 353 846	(15 766 328)
			504 619 5 058 414	1 689 5 058 414
	60 120 174		19 990 321	36 852
			69 907 200	(10 669 373)
	502 930 -			
	19 953 469		5 246 062	(248 999)
			75 153 262	(10 918 372)
	80 576 573		1 028 958 397	63 425 084
	5 495 061			

63 425 084

12

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities		210 466 509		(11 576 879)		
Receipts						
Ratepayers and other	74 434 548		(5 300 428)		69 134 120 433 004 446 10	
Grants	359 862 996		73 141 450		363 560	
	10 363 560					
			-		512 502 126	
Interest income	444 661 104					
			67 841 022			
					(144 229 822)	(222 176 616)
						(50 004)
Payments						
Employee costs	(144 168 288)					
Suppliers	(235 003 151)		(61 534)		(366 456 442)	
Finance costs	(50 004)		12 826 535		146 045 684	
			-			
	(379 221 443)					
Net cash flows from operating activities	65 439 661		12 765 001			
			80 606 023			
Cash flows from investing activities					(120 843 236)	
Purchase of property, plant and equipment	(70 113 528)					
Proceeds from sale of property, plant and equipment	-		(50 729 708)		(120 843 236)	
Net cash flows from investing activities			-			
	(70 113 528)					
Cash flows from financing activities			(50 729 708)			
increase in consumer deposit					42 876	
Net increase/(decrease) in cash and cash equivalents					25 245 324	
	-					
Cash and cash equivalents at the beginning of the year	(4 673 867)		42 876		173 644 306	
Cash and cash equivalents at the end of the year			29 919 191			
	215 140 376				198 889 630	
			(41 496 070)			

47 471 065 412 909 733 11 879 203	(
	2	
472 260 001	1	(42 876)
	6	
	6	
	3	59 271 070
	0	
(133 990 533) (128 662 242) (1 473)	5	-
)	
(262 654 248)	(
209 605 753	2	59 271 070
	0	
	0	
	9	
	4	
	7	
	1	
(125 364 871)	3	
)	
275 512	1 515 643	
(125 089 359)	(40 242 125)	
	1	
	0	
-	2	
	3	
84 516 394	9	
	2	
	8	
173 644 306	9	
	9	
	3	
258 160 700	5	
	1	
	4	
	3	
	7	
	4	
	4	
	8	
	5	
	3	
	1	
	103 802 194	
	63 560 069	
	(4 521 635)	
	275 512	
	(4 246 123)	

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1. Presentation of Audited Annual Financial Statements

These audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management made estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is

available to the municipality for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the key assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors such as exchange rates and inflation interest.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Allowance for doubtful debts

On debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the value of estimated future cash flows discounted at the rate determined by the Council policy.

Provision for Rehabilitation of landfill site

The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the size / extent of the land to be rehabilitated, site water balance, the rehabilitation cost, the monitoring and the rehabilitation period.

Provisions, contingent liabilities and contingent assets

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities and contingent assets as set out in note 15 of the financial statements. Provisions are discounted where the effect is material.

Depreciation and Amortization

Depreciation and amortization recognised on property plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the municipality's expectations about the availability of finance to replace the asset at the end of its useful life.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the municipality determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the municipality measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The municipality applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.4 Investment property (continued)

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Mot or veh cles	ffice equipmen t Infrastruct
Land		
Buildings		
Furniture and fixtures	O	

ure	Depreciation method	Average useful life
• Roads, bridges and pavements	Straight line	Undefined
• Electricity, reticulation and supply	Straight line	5 - 100 years
• Waste disposal facilities	Straight line	2 - 26 years
• Storm water	Straight line	3 - 14 years
• Traffic lights	Straight line	3 - 26 years
• Landfill sites	Straight line	3 - 17 years
• Metering Infrastructure credit		5 - 100 years
Community		9 - 60 years
		7 - 30 years
• Cemeteries		40 - 100 years
• Community halls		10 years
• Housing scheme houses		15 - 30 years
• Recreational facilities		25 years
Plant and Machinery		
Other property, plant and equipment	Straight line	10 - 30 years
Park Facilities		25 - 50 years
		15 years
		10 - 50 years
		2 - 15 years
		5 - 21 years
		10 - 50 years
	Straight line	
	Straight line	
	Straight line	

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.5 Property, plant and equipment (continued)

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 4).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.6 Intangible assets (continued)

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 - 5 years

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

Accounting Policies

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an municipality statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.7 Financial instruments (continued)

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Call accounts	Financial asset measured at amortised cost
Trade and other receivables	Financial asset measured at amortised cost
Cash and Cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.7 Financial instruments (continued)

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures a financial asset and financial liability initially at its fair value.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

Accounting Policies

1.7 Financial instruments (continued)

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continue to recognise the transferred asset in its entirety and recognise a financial liability for the

consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.7 Financial instruments (continued)

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the municipality currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Accounting Policies

1.9 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Accounting Policies

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.11 Employee benefits

Employee benefits are all forms of consideration given by the municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the municipality's own creditors (even in liquidation) and cannot be paid to the municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- the municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted

amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

Leave pay

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as result of the unused entitlement that has accumulated at the reporting date.

The liability is based on the total amount of leave days due to employees at reporting date and on basic salary of the employees.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.11 Employee benefits (continued)

Long service awards

The municipality provides long service awards to eligible employees, payable on completion of a certain number of years of employment. A provision is raised to account for the expected long service awards due to be paid in the preceding year.

Annual Bonuses

The municipality recognise the expected cost of bonus, incentive and performance related payments only when the municipality has a present legal or constructive obligation to make such payments as a result of past events and if a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make payments.

The municipality pays out an annual bonus to its employees during the month of their birthday or annually from date of employment. A liability relating to the anticipated bonuses payable is raised and is based on the monthly basic salary of the individual.

1.12 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If a municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.12 Provisions and contingencies (continued)

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in municipality combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 46.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Provision for rehabilitation of Landfill sites

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill site used for waste disposal. It is calculated as the Present Value of the future obligation, discounted over an average period as determined by valuers.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Service Charges-Electricity

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. The estimates of consumption between meter readings are based on average consumption. Revenue arising from consumption of electricity in the month of June is fully accounted for whether invoiced or not.

Prepaid electricity

Revenue from the sale of electricity prepaid meter cards and other services provided on pre-payment basis are recognised at the point of sale.

Refuse removal

Revenue relating to refuse removal is recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Rental income

Revenue from the rental of facilities and equipment is recognised on a straight line basis over the term of the lease agreement.

Tariff charges

Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

Income from agency fees

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.13 Revenue from exchange transactions (continued)

Revenue arising out of situations where the municipality acts as an agent on behalf of another municipality (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Investment income

Revenue arising from the use by others of municipality assets yielding interest, is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality and the amount of the revenue can be measured reliably. Interest received is recognised, in surplus or deficit using the effective interest rate method.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.14 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

Concessionary loans received

A concessionary loan is a loan granted to or received by a property, plant and equipment on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the cash flow statement recognises revenue as and when it satisfies the conditions of the loan agreement.

Recovery of unauthorised, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures including those set

out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain

Taxes

The Municipality accounts for Value Added Tax (VAT) on the invoice basis. Revenue, expenses and assets are recognised net of the VAT amount. The net amount of VAT recoverable from or payable to the South African Revenue Services is disclosed on the face of the statement of financial position.

1.15 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended prior period comparative amounts are also reclassified and restated unless such comparative reclassification and/or restatement is not required by a standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors which relate to prior periods have been identified in the current year, the correction is made retrospectively as far as practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with the prior periods. Where there has been a reclassification or restatement the nature and reasons for the reclassification and restatement are disclosed in **note 47** 'Prior Period Errors' to the financial statements.

1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.20 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure -

- (a) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of this Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998, (Act 20 of 1998);

Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of Winnie Madikizela-Mandela LM or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law; or

excludes expenditure by a municipality which falls within the definition of unauthorised expenditure.

Irregular expenditure that was incurred and identified during the current financial and which was written-off before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which is still being investigated at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only written-off in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount written-off.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned/written-off by the National Treasury or council authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the municipal council may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned/written-off and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance or movements in the Statement of Financial Position and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Conditional Grants and Receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.22 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions

between activities of the same entity);

- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.23 Change in accounting policy, estimate and errors

Changes in accounting policy that are affected by management have been applied retrospectively in accordance with GRAP 3 except to the extent that it is impracticable to determine the period specific effects or the accumulative effect of the change in policy. In such cases the municipality restates the opening balances of assets and liabilities and net assets for the earliest period for which retrospective restatement is practicable. Details of the changes in accounting policy are disclosed in the notes to the annual financial statements where applicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.23 Change in accounting policy, estimate and errors (continued)

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 except to the extent that it is impracticable to determine the period specific effects or the cumulative effects of the error. In such cases the municipality restates the opening balances of assets and liabilities and net assets for the earliest period for which retrospective treatment is practicable. Details of prior period errors are disclosed in note 40 of the financial statements where applicable.

1.24 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

The Statement of comparative and actual information has been included in the audited annual financial statements as the recommended disclosure when the audited annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.25 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its audited annual financial statements.

1.26 Equity Instruments

Gains and losses arising from fair value adjustments on investments, loans and disposal of assets are presented separately from other revenue in the Statement of Financial Performance. Income, expenditure, gains and losses are recognised in surplus or deficit except for the exceptional cases where recognition directly in net assets is specifically allowed or required by a standard of GRAP.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.27 Events after reporting date (continued)

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.28 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in an outflow of resources embodying economic benefits or service potential. Commitments are not recorded in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- Approved and contracted commitments
- where the expenditure has been approved and the contract has been awarded at the reporting date
- where disclosure is required by a specific standard of GRAP

1.29 Heritage assets

Assets are resources controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the audited annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that a municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 6).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 6).

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.29 Heritage assets (continued)

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.30 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.30 Statutory receivables (continued)

- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using prime+1.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

Accounting Policies

1.30 Statutory receivables (continued)

- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.31 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.32 Contingent assets and contingent liabilities

The municipality does not recognise contingent liabilities or contingent assets but discloses them.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.32 Contingent assets and contingent liabilities (continued)

A contingent liability is a possible outflow of resources embodying economic benefits or service potential that is subject to a future event.

A contingent asset is a possible inflow of resources embodying economic benefits or service potential that is subject to one or more uncertain future events beyond the control of the municipality.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IGRAP 20: Accounting for Adjustments to Revenue	01 April 2020	The impact of the is not material.
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2020	The impact of the is not material.
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	The impact of the is not material.
• IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue	01 April 2020	The impact of the is not material.
• GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	The adoption of this has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods but are not relevant to its operations:

Standard/ Interpretation:	
• GRAP 104 (amended): Financial Instruments	• Guideline: Guideline on Accounting for Landfill Sites

	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> Guideline: Guideline on the Application of Materiality to Financial Statements 	01 April 2099	Not expected to impact results but may result in additional disclosure
	01 April 2099	Not expected to impact results but may result in additional disclosure
	01 April 2099	Not expected to impact results but may result in additional disclosure

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

3. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	36 654 783	-	36 654 783	32 436 272	-	32 436 272

Reconciliation of investment property - 2021

	Opening balance	Transfers	Fair value adjustments	Total
Investment property	32 436 272	3 149 217	1 069 294	36 654 783

Reconciliation of investment property - 2020

	Opening balance	Fair value adjustments	Total
Investment property	25 097 000	7 339 272	32 436 272

Pledged as security

There are no Investment Properties pledged as security:

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

3. New standards and interpretations (continued)

Details of valuation

The effective date of the revaluations was Wednesday, 30 June 2021. Revaluations were performed by an independent valuer, PJ Lindstrom a Professional Valuer - Reg. No 935/7, of Penny Lindstrom Valuations. PJ Lindstrom is not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on discounted cash flows.

For investment property, totalling R 36 654 783 (2020: R 32 436 272), where there was a lack of comparable market data, the valuation was based on discounted cash flows. The following assumptions were used:

Discount rate 10.5%

In 2020/21 the lease agreement of ERF 162 was renewed on the 8th December 2020, upon renewal the municipality leased out the entire ERF 162 property. Initially only the portion of ERF162 was rented out and the other portion was classified as Property, plant and Equipment. Therefore, the portion of ERF 162 that was previously classified as PPE was transferred from Property, plant and equipment to Investment Property.

Amounts recognised in surplus and deficit for the year.

Maintenance of investment property

There were no maintenance cost incurred by the municipality on investment property.

Amounts recognised in surplus or deficit

Rental revenue from Investment property

5 854 605

4 983 849

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

4. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Land	3 152 990	-	3 152 990	3 552 990	-	3 552 990
Buildings	30 283 296	(6 507 259)	23 776 037	33 014 552	(6 160 220)	26 854 332
	25 270 153		12 529 546	23 283 565	(9 884 482)	13 399 083
Plant and machinery	24 754 092	(12 740 607)	8 957 466	19 969 966		6 923 942
Furniture and fixtures	16 444 499	(15 796 626)	10 133 337	14 502 490	(13 046 024)	9 616 724
Motor vehicles	637 832 276	(6 311 162)	389 976 918	610 299 662	(4 885 766)	
Infrastructure	100 530 878	(247 855 358)	83 358 366	94 306 434	(225 128 392)	385 171 270
Community	3 242 860	(17 172 512)	2 113 666	3 242 860	(14 801 066)	79 505 368
	167 499 694	(1 129 194)	167 499 694	118 940 569	(961 933)	2 280 927
Other property, plant and equipment						118 940 569
Work in progress						
Total	1 009 010 738	(307 512 718)	701 498 020	921 113 088	(274 867 883)	646 245 205

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment reversal	Total
Land	3 552 990	-	-	(400 000)	-	-	3 152 990
Buildings	26 854 332	735 627	(491 055)	(2 749 217)	(722 237)	148 587	23 776 037
	13 399 083						12 529 546
Plant and machinery	6 923 942	1 986 587	-	-	(2 856 124)	-	8 957 466
Furniture and fixtures	9 616 724	5 030 215	(13 809)	-	(2 982 882)	-	10 133 337
Motor vehicles		1 974 009		-	(1 451 776)	-	389 976 918
Infrastructure	385 171 270	39 319 684	(5 620)		(29 498 758)	-	83 358 366
Community	79 505 368	2 221 012	(6 149 551)	1 134 273	(2 371 447)	-	2 113 666
	2 280 927	-		4 003 433	(167 261)	-	167 499 694
Landfill sites	118 940 569		-	-		-	
Work in progress		90 164 744	-		-		701 498 020
	646 245 205			(5 137 706)		148 587	
		141 431 878	(36 467 913)		(40 050 485)		
			(43 127 948)	(3 149 217)			

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	3 552 990					
Buildings		-	-	-	-	3 552 990
	26 291 957	1 289 439	-	-	(727 064)	26 854 332
Plant and machinery	13 402 723	2 625 273	-			13 399 083
Furniture and fixtures	7 673 028	2 265 767		(132 295)	(2 496 618)	6 923 942
Motor vehicles	10 384 786	1 684 179	(63 919)	--	(2 950 934)	9 616 724
Infrastructure	373 154 431		(1 086 778)		(1 365 463)	
Community	81 738 625	14 633 053	(1 528 096)	28 277 924	(29 366 042)	385 171 270
	2 448 187	-		-	(2 233 257)	79 505 368
Landfill sites	129 786 299	-	-	-	(167 260)	2 280 927
Work in progress			-			118 940 569
	648 433 026	65 704 552		(28 145 629)	-	
			(48 404 653)			646 245 205
		88 202 263		-	(39 306 638)	
			(51 083 446)			

Pledged as security

There are no Property, Plant and Equipment pledged as security:

Depreciation rates

Land	M	vehicles
Buildings	o	
	t	Office equipment IT equipment Infrastructure Community
Plant and machinery	o	
Furniture and fixtures	r	Other property, plant and equipment Park facilities

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Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
4. Property, plant and equipment (continued)		
Capitalised expenditure (excluding borrowing costs)		
Buildings	735 627	1 289 439
Plant and machinery	1 986 587	2 625 274
Furniture and fixtures	5 030 215	2 265 767
Motor vehicles	1 974 009	1 684 178
Infrastructure		14 633 053
Community	39 319 684	-
	2 221 012	
Work in progress	90 164 744	65 704 552
	141 431 878	88 202 263
Compensation received for losses on property, plant and equipment		
Furniture and fixtures	-	13 275
Motor vehicles	267 112	172 950
IT equipment	8 400	9 375
	275 512	195 600
Property, plant and equipment in the process of being constructed or developed		
Cumulative expenditure recognised in the carrying value of property, plant and equipment		
Other PPE	4 275 789	
	60 885 921	
Infrastructure	102 337 984	54 182 566
Community		
	167 499 694	
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
Community Assets	38 893 905	
Bizana Sport field was previously delayed due to lack of funding, however the municipality have agreed to fund the construction as multi year project that is scheduled to be completed in 2022		
Road Infrastructure	6 343 328	
Sidanga Access Road delayed due to the fine municipality received from DEDEA for working without.		
Electricity Projects	8 945 333	
8 MVA Backbone line that has been delayed by approvals required from Eskom that took longer than expected. The project has been subsequently completed in the current year and but still not energised.		

2 367 148 52 978 512 63 594 909	28 961 079	26 673 384
118 940 569		
	6 343 328	
		61 977 791

Reconciliation of Work-in-Progress 2021

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	52 978 513	63 594 909	2 367 148	118 940 570
Additions/capital expenditure	45 509 594	42 746 508	1 908 641	90 164 743
Disposal (Transfer to ESKOM)	(36 467 913)	-	-	-
Transferred to completed items	(1 134 273)	(4 003 433)	-	(36 467 913) (5 137 706)
	60 885 921	102 337 984	4 275 789	167 499 694

Reconciliation of Work-in-Progress 2020

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	92 073 118	37 650 181	63 000	129 786 299
Additions/capital expenditure	37 455 677	25 944 728	2 304 148	65 704 553
Disposals(Transfer to ESKOM)	(48 404 653)	-	-	-
Transferred to completed items	(28 145 629)	-	-	(48 404 653) (28 145 629)
	52 978 513	63 594 909	2 367 148	118 940 570

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

4. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Employee related costs	4 851 796	3 620 077
Contracted services	5 848 962	15 430 831
General expenses	808 945	503 909
	11 509 703	19 554 817

Funding of property, plant and equipment acquisitions

Funding type

Additions to property, plant and equipment was funded from the following sources:

Plant and Machinery

Internally generated funds	Own revenue	1 986 587	735 627
			141 431 878

Infrastructure Assets

Municipal Infrastructure Grant	Government Grant	10 146 630
Internally generated funds	Own revenue	29 173 054

Community Assets

Internally generated funds	Own revenue	2 221 012
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Furniture and fixtures

Internally generated funds	own revenue	4 643 115
Disaster Grant	Government Grants	-
Library Grant	Government Grant	200 000
Financial Management Grant	Government Grant	187 100

Transport Assets

Internally generated funds	own revenue	1 974 009
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Work in progress

Municipal Infrastructure Grant	Government grant	
Integrated National Electrification Grant	Government Grant	26 256 641
Internally generated funds	own revenue	30 936 626
		32 971 477

Buildings

Internally generated funds	Own revenue	
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2 625 274	-	20 266 258 8 756 146
		1 684 178
		1 289 439
8 192 536 6 440 517	2 182 515 83 252	88 202 263
	--	36 682 149

Change in the opening balance of the PPE

Aggregate adjustment to the carrying amounts previously reported	611 913	-
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A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

5. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 230 573	(2 161 258)	69 315	2 230 573	(2 032 083)	198 490

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software, other	198 490	(129 175)	69 315

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software, other	329 028	(130 538)	198 490

Pledged as security

There are no intangible assets pledged as security and no restrictions on the title:

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

6. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Historical monuments	1 230 799	-	1 230 799	1 230 799	-	1 230 799

Reconciliation of heritage assets 2021

	Opening balance	Total
Historical monuments	1 230 799	1 230 799

Reconciliation of heritage assets 2020

	Opening balance	Total
Historical monuments	1 230 799	1 230 799

Restrictions on heritage assets

There are no restrictions on heritage assets:

Pledged as security

There are no heritage assets pledged as security:

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
7. Inventories		
Inventories	2 339 682	2 042 491
	2 339 682	2 042 491
Inventories (write-downs)	(293 209)	-
	2 046 473	2 042 491

Upon the normal stock count processes the municipality identified stock that has not been moving for the past three years. These stock items were referred to the Executive Committee, which the Executive Committee recommended to council for these stock items to be written-off. The council took a resolution for these stock items to be written-off.

Inventory pledged as security

There is no Inventory pledged as security.

8. Operating lease asset

Current assets	7 613 477	4 437 945
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Certain of the municipality's property is held to generate rental income. Lease agreement are renewable and have varying terms of between 6-26 years. There are no contingent rentals receivables. The operating lease asset arose as result of straight lining the lease rentals per requirement of GRAP 13.

9. Other receivables from exchange transactions

Trade debtors	9 072 815
Consumer debtors - Electricity	348 319
	Total receivables from exchange transactions
	9 421 134
Other receivables from exchange transactions	
Trade Debtors	9 072 815
	210 030
Consumer debtors - Land Sales	(210 030)
Provision for bad debts consumer debtors - Land sales	956 457
Consumer debtors - Electricity	(608 138)
	9 421 134
Provision for bad debts consumer debtors - Electricity	-

9 421 134

	5 615 215 365 513	5 615 215 210 030	-
5 980 728		(210 030) 956 457 (590 944)	5 980 728
		5 980 728	

Trade and other receivables pledged as security

The municipality has no debtors that are pledged as security.

Fair value of trade and other receivables

Trade and other receivables	9 421 134	5 980 728
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Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. There were no trade and other receivables less than 3 months past due and not considered to be impaired at 30 June 2021 and 30 June 2020.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

9. Other receivables from exchange transactions (continued)

Trade and other receivables impaired

As of 30 June 2021, trade and other receivables of R 1 166 487 (2020: R 1 166 487) were impaired and provided for.

The amount of the provision was R 818 169 as of 30 June 2021 (2020: R (800 974)).

The ageing of these amounts is as follows:

Over 6 months	1 166 487	1 166 487
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10. Receivables from non-exchange transactions

Payroll debtors	280 558	423 952
Overpayment - Councillors remuneration	364 535	449 136
	645 093	873 088

Receivables from non-exchange transactions pledged as security

No receivables from non-exchange transactions were pledged as security.

Fair value of receivables from non-exchange transactions

Other receivables from non-exchange transactions	645 093	873 088
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The net balance of receivables from non-exchange transactions approximate the fair value of these receivables.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
11. Statutory receivables		
The entity had the following statutory receivables where the Framework for the Preparation and Presentation of Financial Statements have been applied, for the initial recognition:		
Fines	7 638 307	7 145 207
These are receivables as a result of transgressions of laws and by-laws		
Fines impairment	(6 840 300)	(4 845 114)
This is impairment based on past experience and assessment of the category of debtors terms of the policy on debt impairment		
Property Rates	39 932 266	31 846 271
These are receivables arising from the Municipal Property Rates Act		
Property Rates Impairment	(5 342 871)	(4 279 461)
This is impairment based on past experience and assessment of the individual debtors performance in terms of the policy on debt impairment.		
	35 387 402	29 866 903
Current assets	35 387 402	29 866 903

Statutory receivables general information

Transaction(s) arising from statute

The Local Government: Municipal Property Rates Amendment Act, No. 19 of 2009 gives powers to a metropolitan or local municipality to levy a rate on property in its area. This also requires councils of municipalities to adopt a policy consistent with the Act on levying of rates on rateable property in the municipality.

Traffic fines are administered based on the National Road Traffic Act 93 of 1996 which intends to promote road traffic quality by providing for a scheme to discourage road traffic contraventions, to facilitate the adjudication of road traffic infringements, to support the prosecution of offences in terms of the national and provincial laws relating to road traffic, and implement a points demerit system; to provide for the establishment of an agency to administer the scheme; to provide for the establishment of a board to represent the agency; and to provide for matters connected therewith

Traffic fines are issued by law enforcement officials to motorists or other road users indicating that they violated traffic laws. These come in two forms, citing a moving violation, such as exceeding the speed limit or a non-moving violation, such as a parking violation.

Electricity fines are administered in terms of Electricity Act 41 of 1987 section 27(2) which states that any person who without legal right (the proof of which shall be upon him) abstracts, branches off or diverts or causes to 50 be abstracted, branched off or diverted any electric current, or consumes or uses any such current which has been wrongfully or unlawfully abstracted, branched off or diverted, knowing it to have been wrongfully or unlawfully abstracted, branched off or diverted, shall be guilty of an offence and liable on conviction to 55 the penalties which may be imposed for theft.

Determination of transaction amount

The Local Government: Municipal Property Rates Amendment Act, No. 19 of 2009 requires municipalities intending to levy a rate on property in accordance with the Act to cause:

- a) a general valuation to be made of all properties in the municipality
- b) a valuation roll to be prepared of all properties determined

A tariff structure is then setup in terms of the council approved tariff policy. The tariffs are then applied to different categories of rateable properties to determine the amount payable for each qualifying property. A statement of account is then sent to the owner of each property to notify them of the amount payable and payment timeframes.

Both the Tariff and rates policy of the municipality are reviewed annually in compliance with the Act. During this review tariffs are also revised to ensure accuracy and correctness.

The general valuation in terms of the Act is valid for five years but is also reviewed annually through a supplementary valuation.

Calculations of Traffic fines

The penalties on the Traffic fine list book are prescribed under section 29(b) for each infringement and are must be imposed administratively in terms of Chapter III, subject to the discount contemplated in section 17(1)(d).

Calculations of Electricity fines

The penalties on the Electricity fine are prescribed on the municipal tariffs policy as adopted by municipal council.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

11. Statutory receivables (continued)

Interest or other charges levied/charged

Interest accrues after due date as indicated in the account statement which is 30 days, if the account remains unpaid at a rate of prime +1

Basis used to assess and test whether a statutory receivable is impaired

The impairment is based on the impairment type risk scoring and payment risk scoring determined as follows:

Allocating a SCORE based on the account's ageing, account status, account type and whether it's an owner or occupier – 2 being the max score on each

If the account is inactive the status score gets a 2 and if the account is active (which means the possibility of retrieving the debt is better than the inactive account) it gets a zero score 0.

If the account is an occupier it gets a high score of 2 and if it's an owner its gets a zero because when the owner wants to sell he needs a clearance certificate and you will be able to retrieve the debt.

The last score is based on your Active Account Type Category – Government and Provincial accounts get a zero score because the municipality should be able settle the government accounts debt. Business score is 0.4 and household score is 1.25. In-Active account type the score is 2.

Allocate a score depending on whether the account has outstanding balances in 30days, 60days, 90days, 120days etc. and the older the debt the higher the score. Refer to the payment risk table below

The Total Type Risk = Status Risk Score + Account Type Risk Score + Owner/Occupier Type Risk Score

Total Payment Risk = the payment risk scoring added together

The Provision factor is then the two risks multiplied together to get the numeric factor, the factor is then converted into a percentage which is applied to the outstanding balance. Any converted percentage from 100% and above is impaired fully (100%).

Statutory receivables past due but not impaired

Statutory receivables which are less than 1 month (Property rates and electricity fines) and Traffic fines which are less than 12 months past due are not considered to be impaired. At 30 June 2021, R1 377 996 (2020: R18 426 442) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	854 396	64 800
2 months past due	62 000	36 200
3 months past due	461 600	18 325 442

Factors the entity considered in assessing statutory receivables past due but not impaired

Property rates that bare past due but not impaired are Governments and Provincial accounts that the municipality should be able to settle.

Fines that are past due but not impaired are fines that were raised within 12 months of the financial year, and are outside the bracket of the traffic fines Impairment policy.

Statutory receivables impaired

As of 30 June 2021, Statutory receivables of R46 367 816 (2020: R39 028 324) were impaired and provided for.

The amount of the provision was R12 183 171 as of 30 June 2021 (2020: R9 124 575).

The ageing of these loans is as follows:

1 to 6 months	2 592 215	2 380 152
Over 6 months	43 775 601	36 648 172

Factors the entity considered in assessing statutory receivables impaired

Provision for impairment is determined according to the past payment patterns of the different consumers within the various categories.

An impairment calculation is forward-looking and one must therefore use the number of days that the particular financial asset is still expected to be outstanding based on the best information available at year-end. For this estimation it will be best to use a combination of key indicators that will provide a list of debtors that are most likely to be impairment.

Debtors are evaluated at each reporting date and impaired as per the impairment of debtors and write-off policy in line with National Treasury guidelines.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

11. Statutory receivables (continued)

Reconciliation of provision for impairment for statutory receivables

Opening balance	9 124 575	7 656 152
Provision for impairment	3 058 596	1 468 423
	<u>12 183 171</u>	<u>9 124 575</u>

During the month of March 2020, a national state of disaster was declared due to the outbreak of the Covid-19 global pandemic which was then followed by the enforcement of the national lockdown. The lockdown had a negative impact on the people's affordability levels to service their municipal debt as they were unable to earn an income.

There is limited data to determine the full and actual impact of these limitations to both movement and generation of income, however, the assessment of the municipality's debt collectibility indicated a significant growth of our receivables at year end. This was assessed to still be the case because of the affordability levels affected and limitation of movement of consumers who could then not visit the municipality to reconcile their debts and or make arrangements.

During this time the municipality was also unable to fully implement its credit control and debt collection measures which included limiting access to municipal services due to national directives pleading to government institutions not to implement these measures during this difficult period. This resulted to an increase in provision for debt impairment.

12. VAT receivable

VAT	15 896 271	7 957 566
-----	------------	-----------

13. Prepayments

Prepayments

Prepayments	14 974 173	13 482 903
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Prepaid expenses are those expense that are paid for in one accounting period, but for which the underlying services or goods will be received in a future period.

During the year under review the municipality paid for services and goods that will be received or rendered in the following accounting period.

These were the supplier's requirements as they require payment before services or goods can be rendered or delivered. The suppliers are:

Suppliers

Belgotex Floor Covering	10 423 983	10 423 983
	4 542 054	3 058 920
	8 136	-
ESKOM Holdings for electricity projects		
Membership Fees	<u>14 974 173</u>	<u>13 482 903</u>

ESKOM Holdings prepayments is for Electricity Project that will be constructed. The municipality pays 5% to ESKOM after appointing the service provider for a particular project. This 5% is paid for the meter and documentation that ESKOM provide to the municipality.

Belgotex Floor Covering prepayment is for the material that is needed for the Mputumi Mafumbatha Stadium, that is currently being constructed.

Membership fees are paid to Institute of Internal Auditors for the 2021.22 subscription.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
14. Receivables from exchange transactions		
Gross balances		
Receivables-service charges	37 831 733	32 023 561
Less: Allowance for impairment		
Provision for debt impairment	(17 317 714)	(15 148 477)
Net balance		
Receivables-service charges	20 514 019	16 875 084
Gross Services Charges		
Current (0- 30 days)		
31 - 60 days	3 414 233	2 873 940
61 -90 days	2 216 513	2 281 837
91 -120 days	2 006 496	1 804 230
	1 968 185	1 741 965
121 - 365 days	11 003 464	1 556 624
> 365 days	17 222 842	21 764 965
	37 831 733	32 023 561
Gross balance	37 831 733	32 023 561
Service charges		
Current (0 -30 days)		
31 - 60 days	3 414 233	2 873 940
	618 239	1 753 435
61 - 90 days		1 293 613
91 - 120 days	1 243 267	1 187 696
121 - 365 days	1 007 613	1 056 071
> 365 days	7 765 439	8 710 329
	6 465 228	
	16 875 084	
	20 514 019	
Summary of debtors by customer classification		
Consumers	Less:	n
Current (0 -30 days)	Allowance	d
31 - 60 days	for	u
	impairment	s
61 - 90 days		t
91 - 120 days		r
121 - 365 days		i
> 365 days		a
		/
		c

Commercial Current (0 - 30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 365 days

> 365 days

196 144 190 289

196 289 175 885

143 068 179 817

121 966 188 775

1 104 177 169 095

6 171 682 6 206 193

7 933 326 7 110 054

(6 105 947) (4 361 395)

Less: Allowance for impairment

1 827 379 2 748 659

National and provincial government

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

2 505 884 2 318 513

1 401 883 1 635 862

1 323 646 1 167 135

1 283 889 1 073 088

6 962 745 940 818

9 020 031

56

12 000 125

22 498 078

(11 962 233) 19 135 541

(10 787 083)

10 535 845

8 348 458

712 205

618 340 365 138

539 782 470 090

562 330 457 279

480 102

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

	2021	2020
14. Receivables from exchange transactions (continued)		
121 - 365 days		
> 365 days		
	2 936 542	446 711
	2 031 129	3 558 666
	7 400 328	5 777 986
Total		
Current (0 -30 days)		
31 - 60 days	3 414 233	2 873 940
61 - 90 days	2 216 513	2 281 837
91 - 120 days	2 006 496	1 804 230
121 - 365 days	1 968 185	1 741 965
> 365 days	11 003 464	1 556 624
	17 222 842	21 764 965
Less: Allowance for impairment	37 831 733	32 023 561
	(17 317 714)	(15 148 477)
	20 514 019	16 875 084
Less: Allowance for impairment		
Current (0 -30 days)	-	-
31 - 60 days	(1 598 274)	(528 402)
61 - 90 days		(510 617)
91 - 120 days	(763 229)	(554 269)
121 - 365 days	(960 572)	(500 553)
> 365 days	(3 238 025)	(13 054 636)
	(10 757 614)	(15 148 477)
	(17 317 714)	
Reconciliation of allowance for impairment		
Balance at beginning of the year		(9 925 832)
Contributions to allowance	(15 148 477)	(5 222 645)
	(2 169 237)	(15 148 477)
	(17 317 714)	

Consumer debtors pledged as security

There were no consumer debtors were pledged as security in the 2020/21 financial year.

Credit quality of consumer debtors

In determining the recoverability of consumer debt the municipality considers any changes in the credit quality of the consumer debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the consumer base being large and unrelated. Accordingly, the provision for impairment is determined according to the past payment patterns of each consumers within the various categories. The calculation of the provision for bad debts is automated in the system which is configured according to the national treasury scoring method.

Fair value of receivables- service charges

Consumer debtors	20 514 019	16 875 084
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The value of receivables from service charges is determined by taking the gross amount less the allowance for impairment.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

14. Receivables from exchange transactions (continued)

Consumer debtors past due but not impaired

Consumer debtors that are which are less than 3 months past due are not considered to be impaired. At 30 June 2021, R 9 714 655 (2020: R 11 124 614) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	2 886 875	633 959
2 months past due	586 317	660 374
3 months past due		
	6 241 463	9 830 281

Consumer debtors impaired

As of 30 June 2021, consumer debtors of R 28 117 078 (2020: R 32 023 561) were impaired and provided for.

The amount of the provision was R 17 317 714 as of 30 June 2021 (2020: R 15 148 477).

The ageing of these debtors is as follows:

3 to 6 months	3 679 522	3 298 589
Over 6 months	24 437 556	10 258 596

During the month of March 2020, a national state of disaster was declared due to the outbreak of the Covid-19 global pandemic which was then followed by the enforcement of the national lockdown. The lockdown had a negative impact on the people's affordability levels to service their municipal debt as they were unable to earn an income.

There is limited data to determine the full and actual impact of these limitations to both movement and generation of income, however, the assessment of the municipality's debt collectibility indicated a significant growth of our receivables at year end. This was assessed to be because of the affordability levels affected and limitation of movement of consumers who could then not visit the municipality to reconcile their debts and or make arrangements.

During this time the municipality was also unable to fully implement its credit control and debt collection measures which included limiting access to municipal services due to national directives pleading to government institutions not to implement these measures during this difficult period.

Reconciliation of allowance for impairment of consumer debtors

Opening balance	(15 148 477)	(9 925 832)
Allowance for impairment	(2 169 237)	(5 222 645)
	(17 317 714)	(15 148 477)

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
15. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	4	730
Bank balances	9 353 191	3 610 199
Short-term deposits	248 807 505	170 033 377
	258 160 700	173 644 306

The Covid-19 global pandemic has forced the South African Reserve Bank to cut interest rates resulting in a decrease to amounts generated in the form of interests from cash reserves. The municipality was also affected by the interest rate cuts, the impact of these interest rate cuts is material in the municipality's cash and cash equivalents. The municipality's cash and cash equivalents are only made of cash reserves and cash on hand.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
FNB BANK - Public Sector-Cheque account -51704922107	9 323 582	3 165 219	3 872 541	9 353 192	3 610 199	3 959 864
FNB BANK - Business Call Account-62550717767	-	1 824 680	5 045 623	-	1 824 680	5 045 623
FNB BANK - Business Call Account - 6250715828	-	47 506	-	-	47 506	-
FNB BANK - Business Call Account - 62459758078	1 163	4 574 859	3 060	1 164	4 574 860	3 061
FNB BANK - Business Call Account - 62852108531	67 458	8 035	-	65 946	6 526	-
FNB BANK - Business Call Account - 62816773073	2 387	615 270	-	2 387	21 807	-
FNB BANK - Business Call Account - 62816769220	393 618	776 294	-	393 618	776 295	-
FNB BANK - Business Call Account - 62028477992	244 068 379	162 781 702	114 452 088	244 068 379	162 781 703	114 452 088
FNB BANK - Business Call Account - 62896110170	4 276 010	-	-	4 276 010	-	-
Total	258 132 597	173 793 565	123 373 312	258 160 696	173 643 576	123 460 636

16. Payables from exchange transactions

Trade payables	Pay ment	s recei
----------------	-------------	------------

ved in advanced Retention	4 047 093	5 901 804
	1 720 437	1 274 118
Accrued expense	18 308 721	12 771 075
	18 458 831	7 347 975
Provision for workmen's compensation	411 783	1 969 992
Unallocated receipts		784 253
	1 220 429	181 297
Payroll creditors	186 552	
		30 230 514
	44 353 846	

The average payment period for services is 30 days from the receipt of the invoice as required by the MFMA

Interest charged and penalties charged for late payments have been disclosed separately

The municipality has considered the effect of discounting trade creditors to fair value and the difference was considered immaterial. Accordingly trade and other payables approximate fair value.

Workmen's compensation provision: In terms of COLD Act every employer must pay workmen's compensation to the Department of Labour. The compensation fund sends employers notices of assessment every year in April indicating the amount that must be paid. The municipality thus raises a provision for the amount payable in the following year. This is based on the budgeted total personnel expenditure for the year and a percentage as determined by the Department of Labour.

Fair value of payables from exchange transactions

Trade payables	44 353 846	30 230 514
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Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

17. Consumer deposits

Electricity	132 596	132 596
Hall Hire	372 023	370 295
	504 619	502 891

Consumer deposits for electricity are paid by consumers on application for new electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts council can utilise the deposits as payment for the outstanding amount.

Hall hire deposits are paid by consumers on hiring any of the municipal community halls. The deposit is a damage deposit and is paid back to the consumer after the event and if no damages occurred.

Consumer deposits collected do not accrue any interest

The carrying value of consumer deposits approximates their fair value.

18. Unspent conditional grants and receipts

The conditions relating to full expenditure were not met for the grants disclosed as unspent conditional grants and receipts. These amounts are accounted for as a current liability until a roll-over is granted by National Treasury and the spending condition is met.

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

DSRAC: Library Grant	692 017	702 533
	-	5 763 876
Integrated National Electrification Grant	-	
Financial Management Grant		47 505
	100 000	100 000
GIS Grant - Alfred Nzo	-	541 598
Municipal Infrastructure Grant		-
General Budget Support Grant	4 254 711	
Disaster Grant	-	5 474
		413 515
Waste Management Grant	11 686	
		7 574 501
	5 058 414	

Movement during the year

Balance at the beginning of the year	7 574 501	6 686 613
Additions during the year	81 077 734	88 770 000
Income recognition and surrendered to National Revenue fund during the year	(83 593 821)	(87 882 112)
	5 058 414	7 574 501

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand 2021 2020

19. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Environmental rehabilitation	7 767 397	7 627 683	(1 053 422)	(6 713 975)	7 627 683
Provision for long service bonuses	799 960	461 614	(357 323)	(442 637)	461 614
Bonus provision	2 095 540	2 058 138	(2 095 540)	-	2 058 138
Staff leave provision	14 785 631	15 088 948	(1 643 167)	(13 142 464)	15 088 948
	25 448 528	25 236 383	(5 149 452)	(20 299 076)	25 236 383

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Environmental rehabilitation	6 416 740	7 767 397	(752 276)	(5 664 464)	7 767 397
Provision for long service bonuses	1 000 022	799 960	-	(1 000 022)	799 960
Bonus provision	1 898 611	-	-	(1 898 611)	-
Staff leave provision	13 075 421	2 095 540	(178 289)	(12 897 132)	2 095 540
	22 390 794	25 448 528	(930 565)	(21 460 229)	25 448 528

Non-current liabilities	5 246 062	5 495 061
Current liabilities	19 990 321	19 953 467
	25 236 383	25 448 528

Environmental rehabilitation provision

The municipality operates a refuse disposal site. In accordance with legislation and to comply with the Department of Water Affairs (DWA) and Department of Economic Development and Environmental Affairs (DEDEAT) on the landfill waste sites, the municipality raises a provision every year for the estimated cost of rehabilitating the land over which the site is situated.

The provision has been made for this cost based on the construction budget to rehabilitate the landfill site at 30 June 2021 taking into account price escalation of 10.89% relating to inflation.

A valuation of the rehabilitation was conducted by an independent valuer (Cycle civils and Project (PTY) LTD and a liability has been raised. Movements in the provision are recognised in the Statement of Financial Performance. The Provision has been determined on the basis of a recent independent financial requirement and viability.

Bonus provision

All permanent employees are entitled to receive a bonus to one month basic salary on their birth month therefore an accrual of the proportionate bonus is accrued from year end till the next birth date for each employee.

Staff leave provision

The municipality offers employees 2 days for every month completed and is therefore liable to pay employee the amount equivalent to the leave days not taken at year end upon resignation or retirement. This is calculated based on the cost to the company rate per day.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

20. Financial instruments disclosure

Categories of financial instruments

2021

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	29 935 153	29 935 153
Other receivables from non-exchange transactions	645 093	645 093
Cash and cash equivalents	258 160 700	258 160 700
	288 740 946	288 740 946

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	44 353 846	44 353 846
Taxes and transfers payable (non-exchange)	5 058 414	5 058 414
Consumer deposits	504 619	504 619
	49 916 879	49 916 879

2020

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	22 855 812	22 855 812
Other receivables from non-exchange transactions	873 088	873 088
Cash and cash equivalents	173 644 306	173 644 306
	197 373 206	197 373 206

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	30 230 514	30 230 514
Taxes and transfers payable (non-exchange)	7 574 501	7 574 501
Consumer deposit	502 891	502 891
	38 307 906	38 307 906

Financial instruments in Statement of financial performance

2021

Interest income for financial instruments at amortised cost	At amortised cost 8 508 367	Total 8 508 367
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2020

Interest income for financial instruments at amortised cost	At amortised cost 11 333 963	Total 11 333 963
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Audited Annual Financial Statements for the year ended 30 June 2021

Figures in Rand

2021

2020

Service charges	40 257 499	38 374 181
	5 876 088	5 096 656
Rental of facilities and equipment	1 290 875	1 020 949
Agency services	2 343 083	2 236 951
	131 650	130 093
Licences and Permits (Non-exchange)	275 513	
Commissions received	373 672	8 152
		<u>599 258</u>
Recoveries	11 879 203	
	20 144 667	14 253 075
Other income - (rollup)	415 425 820	16 284 235
Interest received	688 199	348 488 293
Property rates		2 065 515
	498 686 269	
Government grants & subsidies		428 557 358
Fines, Penalties and Forfeits		

40 257 499	
5 876 088	38 374 181
1 290 875	5 096 656
131 650	1 020 949
275 513	130 093
373 672	
	8 152
11 879 203	599 258

131 650	1 020 949
275 513	130 093
373 672	

	8 152
11 879 203	599 258

60 084 500	14 253 075
------------	------------

59 482 364

20 144 667
2 343 083

16 284 235
2 236 951

415 425 820
688 199
348 488 293
~~438 601 769~~ 2 065 515

369 074 994

Sale of electricity	35 679 150	33 884 362
Solid waste	4 578 349	4 489 819
	<u>40 257 499</u>	<u>38 374 181</u>

23. Rental of facilities and equipment

Facilities and equipment			
Leasehold fees		5 854 605	5 020 091
		21 483	76 565
Hall hire			
		5 876 088	5 096 656

Included in the above rentals are operating lease rentals at straight-lined amounts of R 5 854 605 (2020: R 5 020 091)

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand 2021 2020

23. Rental of facilities and equipment (continued)

Minimum lease payments receivables

-within one year	836 491	170 470
	2 710 350	-
-in second to fifth year inclusive	6 046 170	-
-over five years		
	9 593 011	170 470

The municipality is leasing out certain property to Collins Property Investment (Brwns Cash and Carry). The lease agreement has a term of 10 years and rentals escalate by CPI every anniversary. No contingent rents are receivable.

Minimum lease payments receivable

-within one year	637 806	30 429
	2 236 221	-
-in second to fifth year inclusive		
-over five years	25 348 056	-
	28 222 083	30 429

The municipality is leasing out certain property to Blue Raindrops Trading CC. The lease agreement has a term of 20 years and rentals escalates by 8% every anniversary. No contingent rents are receivable.

Minimum lease payment receivable

-within one year	165 379	153 128
	208 749	374 128
-in second to fifth year inclusive		
	374 128	527 256

The municipality is leasing out certain property to Africa Best 350. The lease agreement has a term of 06 years and rentals escalates by 8% every anniversary. No contingent rents are receivable.

Minimum lease payment receivable

-within one year	2 108 906	1 970 940
	7 254 516	12 127 778
-second to fifth year inclusive	97 451 395	-
-over five year		
	106 814 817	14 098 718

The municipality is leasing out certain property to Slip Knot Investment 11 (Proprietary) Limited (Enyuka Prop Holding Limited). The lease agreement has a term of 26 years and rentals escalates by 7% each anniversary date. No contingent rents are receivable.

24. Agency services

Driver's Licenses	1 290 875	1 020 949
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During the month of March 2020, a national state of disaster was declared due to the global outbreak of Covid-19 which resulted in the law enforcement resources allocated to enforcing lockdown regulations. The lockdown enforced by government resulted in registration of motor vehicles cancelled as movement of people was restricted and the services not regarded as essential.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
25. Other income		
Commissions received	131 650	130 093
Losses recovered	275 513	8 152
Other income - (rollup)	373 672	599 258
	780 835	737 503

The amount included in other revenue arising from exchanges of goods or services are as follows:

Tender fees	13 391	196 435
Sundry income	43 501	221 278
Building plans	77 399	95 301
Advertising	79 153	81 208
Funeral fees	11 641	5 030
Photocopy	-	6
Impairment Reversal	148 587	-
	373 672	599 258

26. Investment revenue

Interest revenue

Bank	7 603 705	9 660 185
	4 275 498	4 592 890
Interest charged on trade and other receivables	11 879 203	14 253 075

During the month of March 2020, a national state of disaster was declared due to the outbreak of the Covid-19 pandemic which was then followed by a national lockdown. The lockdown placed the economies of the world on hold which resulted in people being unable to earn a living. This resulted in more and more people being unable to service their debts.

The Covid-19 global pandemic led to interest rate cuts which affected the level of return on invested funds. The impact of these interest cuts is material in the municipality, the municipality will continue to assess the impact as more data becomes available.

27. Property rates

Rates income

Rates levied	20 144 667	16 284 235
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Valuations

Residential	211 456 500	91 341 000
Commercial	830 740 500	
State		2 315 986 500
Municipal	1 182 448 500	

213 633
000 830
740 500

1 182 448 500
91 302 000

2 318 124 000

The general valuations on properties is performed every 5 years by an independent valuer (currently being Sizanane Consulting). The last general valuation came into effect on 1 July 2019. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A general rate of R0.0133 (business), R0.0067 (Residential), R0.0120 (State) is applied to property valuations to determine assessment rates. Rebates of R55 000 are granted to residential and state property owners.

Rates are levied on an annual basis with the final date for payment being 30 September 2020 for annual payment. Interest at prime plus 1% per annum (2020: 1%) is levied on rates outstanding 30 days after due.

The municipality revaluated municipal properties that have lease agreement, for the purpose of renewing lease agreement.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
28. Licences and permits (non-exchange)		
Trading	1 820	1 331
	2 341 263	2 235 620
Road and Transport		
	2 343 083	2 236 951

During the month of March 2020, a national state of disaster was declared due to the global outbreak of Covid-19 which resulted in the law enforcement resources allocated to enforcing lockdown regulations. The lockdown enforced by government resulted in registration of motor vehicles cancelled as movement of people was restricted and the services not regarded as essential.

29. Government grants and subsidies

Operating grants

	332 421 102	260 384 000
Equitable share	2 272 950	2 418 100
MIG Operational	2 000 000	2 167 495
	2 388 996	2 452 000
Financial Management Grant		
	273 023	222 181
Expanded Public Works Programme Grant	510 520	245 890
LGSET / Skills Development Grant	401 829	
	5 474	2 884 095
Dept Sport & Culture - Library		709 526
DEDEAT- Alien Plant Vegetation	340 273 894	
Disaster Relief Grant		271 483 287

Capital grants

	43 186 050	
	31 965 876	51 528 882
		25 476 124
Municipal Infrastructure Grant	75 151 926	
		77 005 006
Integrated National Electrification Programme	415 425 820	
		348 488 293

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	81 077 734	88 770 000
Unconditional grants received	332 422 000	260 384 000
	413 499 734	349 154 000

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy of R 4 583 674 (2020: R 3 873 420), which is funded from the grant.

Equitable Share

Current-year receipts	332 422 000	260 384 000
	(332 422 000)	(260 384 000)
Conditions met - transferred to revenue		
	<hr/>	<hr/>

DSRAC Library Grant

Balance unspent at beginning of year	702 533	448 423
Current-year receipts	500 004	500 000
	(510 520)	(245 890)
Conditions met - transferred to revenue		
	<hr/>	<hr/>
	692 017	702 533

The spending conditions in relation to the grant received was not met fully, therefore the grant remains a liability as disclosed on the statement of financial position in unspent condition grant (see note 18).

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

29. Government grants and subsidies (continued)

LGSETA / Skills Development Grant

Current-year receipts	273 023	222 181
Conditions met - transferred to revenue	(273 023)	(222 181)
	-	-

The municipality fully met the spending conditions and the whole allocation was transferred to revenue.

EPWP Grant

Current-year receipts	2 389 000	2 452 000
Conditions met - transferred to revenue	(2 389 000)	(2 452 000)
	-	-

The municipality fully met the spending conditions and the whole allocation was transferred to revenue.

Integrated National Electrification Grant

Balance unspent at beginning of year	5 763 876	
Current-year receipts	26 202 000	31 240 000
Conditions met - transferred to revenue	(31 965 876)	(25 476 124)
	-	5 763 876

The municipality fully met the spending conditions and the whole allocation was transferred to revenue, including the unspent balance of 2019/20 that was approved as a rollover.

Financial Management Grant

Balance unspent at beginning of year	47 505	-
Current-year receipts	2 000 000	2 215 000
Conditions met - transferred to revenue	(2 000 000)	(2 167 495)
Surrendered to the National Revenue Fund	(47 505)	-
	-	47 505

The municipality fully met the spending conditions of the current year allocation and the whole allocation was transferred to revenue. The municipality surrendered the unspent amount of R47 505 that was not approved as a rollover by the funder.

GIS Grant - Alfred Nzo

Balance unspent at beginning of year	100 000	100 000
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The spending conditions in relation to the grant received was not met fully, therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 18).

Municipal Infrastructure Grant

Balance unspent at beginning of year	541 598	6 126 580
Current-year receipts	45 459 000	48 362 000
Conditions met - transferred to revenue	(45 459 000)	(53 946 982)
Surrendered to the National Revenue Fund	(541 598)	-
	<hr/>	<hr/>
	-	541 598

The municipality fully met the spending conditions of the current year allocation and the whole allocation was transferred to revenue. The municipality surrendered the unspent amount of R541 598 that was not approved as a rollover by the funder.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
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29. Government grants and subsidies (continued)

General Budget Support Grant

Current-year receipts	4 254 711	-
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The spending conditions in relation to the grant received was not met fully, therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 18).

Disaster Relief Grant

Balance unspent at beginning of year	5 474	-
Current-year receipts	-	715 000
Conditions met - transferred to revenue	(5 474)	(709 526)
	-	5 474

The municipality fully met the spending conditions and the whole allocation was transferred to revenue.

Waste Management Grant

Balance unspent at beginning of year	413 515	11 610
Current-year receipts	-	3 286 000
Conditions met - transferred to revenue	(401 829)	(2 884 095)
	11 686	413 515

The spending conditions in relation to the grant received was not met fully, therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 18).

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 04 of 2020), an average increase of about 7.5% in the level of government grant funding are expected over the forthcoming 3 financial years.

30. Fines, Penalties and Forfeits

Illegal Connections Fines	35 491	47 391
Pound Fees Fines	14 408	16 711
Municipal Traffic Fines	638 300	2 001 413
	688 199	2 065 515

During the month of March 2020, a national state of disaster was declared due to the global outbreak of Covid-19 which resulted in the

law enforcement resources allocated to enforcing lockdown regulations. The lockdown enforced by government resulted in registration of motor vehicles cancelled as movement of people was restricted and the services not regarded as essential.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
31. Employee related costs		
Basic	71 686 201	72 179 659
Bonus	5 275 074	4 647 789
	4 929 059	4 783 848
Medical aid - company contributions	476 430	496 142
UIF	899 230	851 329
SDL	1 946 481	2 229 060
	728 636	736 311
Provision for leave		
Cellphone allowance	8 492 847	8 210 992
Pension fund contribution	27 513	26 872
Bargaining council contribution	8 050 251	7 477 685
Travel motor allowances	18 978	251 144
Long-service awards	3 761 423	3 661 893
	1 431 113	1 351 317
Housing benefits and allowances	1 299 704	2 487 753
Other allowances	1 003 218	952 131
Overtime	110 026 158	110 343 925
Standby and Uniform Allowance		
	977 653	973 100
	370 338	370 338
	135 135	135 106
Remuneration of Municipal Manager		
Annual Remuneration		
Car Allowance		
Other		
	1 483 126	1 478 544
Remuneration of Chief Finance Officer		
Annual Remuneration		
Car Allowance		
Other		
	1 483 126	1 478 544
Remuneration of Senior Manager: Corporate Services		
Annual Remuneration		
Car Allowance		
Other		
	1 483 126	1 478 544
Remuneration of Senior Manager: Community Services		
Annual Remuneration		
	1 483 126	1 478 544

Other

724 745	724 745
286 979	286 979
199 187	199 158

1 210 911	1 210 882
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Remuneration of Senior Manager: Planning and Development
Annual Remuneration

Car Allowance
Other

827 515	821 313
205 971	205 971
179 328	179 300

1 212 814	1 206 584
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826 087	820 280
205 971	205 971
179 328	178 408

1 211 386	1 204 659
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786 146	743 784
242 177	242 177
181 633	183 417

1 209 956	1 169 378
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825 612	825 136
205 971	205 971
179 327	179 300

1 210 910	1 210 407
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Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
32. Remuneration of councillors		
Cellphone Allowance	2 732 450	2 735 960
Public Office Allowance	1 063 624	1 061 702
Car Allowance	5 318 106	5 308 512
	14 850 195	14 863 831
Annual remuneration	23 964 375	23 970 005
33. Depreciation and amortisation		
Property, plant and equipment	40 050 485	39 306 638
Intangible assets	129 176	130 538
	40 179 661	39 437 176
34. Finance costs		
Other interest paid	1 473	11 283
35. Lease rentals on operating lease		
Equipment		
Contractual amounts	5 145 360	5 464 801
Operating lease payments represents rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.		
36. Debt impairment		
Movement-provision for bad debts	5 208 182	7 103 173
Bad debts written off	-	548 937
	5 208 182	7 652 110

The bad debt written off in the prior year relates to an amount relating to a electrification grant amount that was paid by the municipality on behalf of the Office of the Premier that was never refunded and prospects of recoverability are nil considering the change of administration from that office.

During the month of March 2020 a state of national disaster was declared due to the outbreak of the Covid-19 global pandemic which was then followed by the enforcement of the national lockdown. The lockdown had a negative impact on the people's affordability to pay for municipal levies and services as they were unable to earn an income.

This has resulted in the municipality's assessment indicating that more debt may not be collectible resulting in a increase in the impairment provision for the period as indicated above.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand			2021	2020
<hr/>				
37. Bulk purchases				
Electricity - Eskom			35 021 699	33 254 837
<hr/>				
Electricity losses				
	Number 2021	Number 2020	<hr/>	
Units purchased	22 910 690	22 885 366	35 021 699	33 174 759
Units sold	(20 774 379)	(21 665 180)	(34 221 010)	(33 385 608)
Total loss	2 136 311	1 220 186	800 689	(210 849)
<hr/>				
Comprising of:				
Non-technical losses	2 136 311	1 220 186	2 994 413	2 022 417
<hr/>				
Percentage Loss:				
Non-technical losses	9 %	5 %	9 %	6 %

According to the NERSA cost of supply framework the tolerable range for energy losses is 5% to 12%.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
38. Contracted services		
Presented previously		
Other Contractors	371 729	1 183 237
Outsourced Services		
Business and Advisory		
Catering Services	3 882 205	6 671 301
	-	138 110
Clearing and Grass Cutting Services	-	
Internal Auditors		5 850
	773 728	195 500
Meter Management	286 579	531 406
	251 500	-
Medical Services [Medical Health Services & Support Personnel and Labour		
	2 637 929	1 529 693
	1 852 390	488 663
Refuse Removal	20 600	333 370
Transport Services		
Consultants and Professional Services		
Business and Advisory	720 456	-
	6 679 078	5 537 716
Legal Cost		
Contractors		
Catering Services	2 334 848	2 506 753
Electrical	699 828	807 096
		197 550
Employee Wellness	-	741 769
Event Promoters	494 370	
		3 983 318
Maintenance of Buildings and Facilities	4 301 436	3 664 877
Maintenance of Equipment	662 940	7 782 635
Maintenance of Unspecified Assets	884 586	86 900
Pest Control and Fumigation	196 139	
Safeguard and Security		6 223 700
	6 296 918	48 500
Stage and Sound Crew	20 100	
		42 657 944
	33 367 359	

39. Transfers and subsidies

Other subsidies

SMME Support	4 498 717	1 418 323
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The municipality through its LED section supports qualifying small businesses and farmers with necessary equipment and tools to make their operations sustainable. The projects are selected through council processes and supported as per the required assistance which is only in the forms of tools and equipment.

The municipality entered into an agreement with Bizana Pondo Chiefs, when the local team was promoted to GladAfrica Championship(National First Division). The municipality agreed to support the Bizana Pondo Chiefs financially with their administration

costs.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
40. General expenses		
Advertising	645 460	505 585
	2 722 939	3 566 563
Auditors remuneration		
Bank charges	111 520	141 477
Commission paid	762 227	561 663
Consumables		
	4 245 408	5 934 312
Fines and penalties	-	9 156
Promotional material and Gifts		
Hire	2 017 376	2 078 541
	1 700 608	2 678 583
Insurance	855 822	701 998
IT expenses		
	2 246 294	2 914 731
Magazines, books and periodicals	1 150 950	625 549
Motor vehicle expenses	37 600	46 870
Fuel and oil	2 400 436	2 006 458
Placement fees	15 400	-
Postage and courier	554	
Printing and stationery		734
Protective clothing	503 054	221 200
	2 112 020	
Subscriptions and membership fees		1 748 344
Telephone and fax	35 136	49 620
	2 348 235	
Training		3 564 258
Travel - local	846 554	1 324 777
	2 585 671	7 594 718
Travel - overseas		25 038
Water and electricity	5 793	
Free basic services	-	2 391
License fees		3 873 420
	4 876 883	
Ward committee fees	142 763	272 910
Other expenses		6 076 450
	6 210 409	3 495 338
	2 895 550	
		50 020 684
	41 474 662	

41. Loss on disposal of assets

Property Plant and Equipment	43 424 855	55 224 722
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42. Fair value adjustments

Investment property (Fair value model)	1 069 294	7 339 272
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43. Auditors' remuneration

Fees	2 722 939	3 566 563
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Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand	2021	2020
44. Cash generated from operations		
Surplus	157 443 062	66 440 820
Adjustments for:		
Depreciation and amortisation	40 179 661	39 437 176
	43 424 855	55 224 722
Gain or loss on sale of assets and liabilities		
Fair value adjustments	(1 069 294)	(7 339 272)
	5 208 182	7 652 110
Debt impairment	(3 175 532)	(2 801 190)
		3 057 734
Movements in operating lease assets and accruals	(212 145)	(5 735 365)
Movements in provisions	-	
		(19 332 656)
Transfers and non-cash disposals	(721 018)	-
Other non-cash movements	(16 067 007)	
Movement in retention and accruals on PPE		(771 264)
Changes in working capital:	(3 982)	(4 149 303)
	(3 440 406)	
Inventories	(8 847 117)	(13 862 920)
		950 009
Other Receivables from exchange transactions	227 995	
Consumer debtors	(5 520 499)	(6 447 470)
	(1 491 270)	4 966 963
Receivables from non-exchange transactions		4 551 234
Statutory receivables	14 123 332	
	(7 938 705)	14 086 954
Prepayments	(2 516 087)	887 888
Payables from exchange transactions	1 728	(26 343)
VAT		
	209 605 753	136 789 827
Unspent conditional grants and receipts		
Consumer deposits		

669

5 408 890

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6
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0
8

782 112

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73
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5 751 091

-
-
-

Operating lease payments represent rentals payable by the municipality for certain of its office equipment. No contingent rent is payable.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand 2021 2020

46. Contingencies

At year end the municipality had the following contingent liabilities.

Cases against the municipality

Case 1 Vuyokazi Tobo vs Winnie Madikizela-Mandela Local Municipality

1 500 000 1 000 000

Claim for payments of R 1500 000 iro damages for injuries allegedly caused as a result of being shot by an employee.

Case 2 Hlongwe vs Winnie Madikizela-Mandela Local Municipality

19 637 500 5 000 000

Claim for payment of R19 637 500 iro damages for injuries allegedly caused as a result of being by a municipal employee.

Case 3 Thunzi & Modikeng JV vs Winnie Madikizela-Mandela Local Municipality

Proceedings instituted to alleged non-payment of invoices issued by them to the municipality

- 3 659 708

Case 4 Notozana Dingezweni vs Winnie Madikizela-Mandela Local Municipality
Interdict in respect of demolishing of shacks and removal of caravans by the municipality

Case 5 Mohamed Randreen vs Winnie Madikizela-Mandela Local Municipality
Claim of electricity costs after meter tempering/incorrect billing by Municipal officials. The

- 150 000

matter is ripe for hearing but due to Covid only urgent matters are considered at this stage.

- 100 000

21 137 500 9 909 708

Contingent assets

At year end the municipality had the following contingent assets

Cases lodged by the municipality;

Case 1 Gift Fynn VS Winnie Madikizela-Mandela Local Municipality

- 400 000

This is an unlawful extension building without the approval of the plan by the municipality

Case 2 Winnie Madikizela-Mandela Local Municipality vs Mr Charles Charalombos t/a Bizana Cash and Carry

Unlawful extension of building without the approved of the plans

- 200 000

- 600 000

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand 2021 2020

47. Related parties

Relationships	
Mayor	Ms TD Mafumbatha
Speaker	Mr S Magini
Chief Whip	
Executive Council members	Mr M Mpetshwa
Ordinary Council members	9 members
Section 57 Managers	49 members
	5 members

Related party balances

Loan accounts - Owing (to) by related parties

Councillor overpayment	364 535	449 136
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In 2012/13 and 2013/14 financial years, councillors were paid a remuneration that was above the gazetted limits.

The amounts were recorded as irregular expenditure and debtors were raised to account for the amounts owed.

Compensation to Accounting Officer and key management

Municipal Manager	1 483 126	1 478 544
	1 210 911	1 210 882
Chief Financial Officer	1 212 814	1 206 584
	1 211 386	1 204 659
Senior Manager: Corporate Services	1 209 956	1 169 378
Senior Manager: Community Services	1 210 910	1 210 407
Senior Manager: Engineering Services	939 396	938 250
Senior Manager: Development Planning	760 393	759 478
Mayor		
	22 264 586	22 272 277
Speaker		
Councillors		

The Mayor, Speaker and Chief Whip are full time. Each is provided with an office and secretarial support at the cost of the council.

The Mayor and Speaker have the use of council owned vehicles for official duties.

The Mayor has one full-time bodyguard and driver.

The Speaker has one full-time bodyguard and driver.

Key management information

Class	Executive committee Councillors	Municipal Manager
Mayor		
Speaker	Chief Financial Officer	
Chief Whip		
	Senior Manager: Corporate Services	Senior Manager: Community Services
	Senior Manager: Engineering Services	Senior Manager: Development Planning

Engineering Services Senior Manager: Development Planning	Description	Number
	Councillor	1
	Councillor	1
	Councillor	1
	Councillors	9
	Councillors	49
	Accounting Officer	1
	Senior Manager	1
	Senior Manager	1
	Senior Manager	1
	Senior Manager	1
	Senior Manager	1

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

47. Related parties (continued)

Remuneration of management

Management class: Councillors

2021

	Basic salary	Travel/car Allowance	Cellphone Allowance	Public Office	Total
Councillors					
Mayor		224 179	44 400		
Speaker	625 981	179 343	44 400	44 836	939 396
	500 782	163 202	44 400	35 868	760 393
MPAC Chairperson	455 713		440 300	32 643	695 958
		1 301 861		260 372	
Executive Committee members	3 635 170	3 449 522	2 158 950	689 907	5 637 703
Councillors	9 632 546				15 930 925
		5 318 107	2 732 450	1 063 626	
	14 850 192				23 964 375

2020

Councillors	Executive committee members	Basic salary	555	14 863 831	Travel/ Car allowance
Mayor			455		
Speaker			505		
MPAC Chairperson			3 186 041		
		625	10 096		223
		695	035		463
		500			178

770 162 680

1 137 872 3 605 727

5 308 512

Cellphone
allowance

Public office
allowance

Total

44 400

44 692

44 400

35 753

938 250

44 400

32 536

759 478

399 600

227 575

695 121

721 146

2 203 160

4 951 088

1 061

16 626 068

2 735 960

702

23 970 005

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

47. Related parties (continued)

Management class: Executive management

2021

	Basic salary	Travel/Car allowance	Other benefits received	Total
Senior Management				
Municipal Manager		370 338	135 135	
Chief Financial Officer	977 653	286 979	199 187	1 483 126
	724 745	242 177	181 633	1 210 911
Senior Manager: Engineering Services	786 146	205 971	179 328	1 209 956
Senior Manager: Corporate Services	827 515	205 971	179 328	1 212 814
Senior Manager: Community Services	826 087	205 971	179 327	1 211 386
Senior Manager: Development Planning	825 612			1 210 910
		1 517 407	1 053 938	
	4 967 758			7 539 103

2020

	Basic salary	Travel / Car allowance	Other benefits received	Total
Senior Management				
Municipal Manager		370 338	135 106	
Chief Financial Officer	973 100	286 979	199 158	1 478 544
	724 745	205 971	179 300	1 210 882
Senior Manager: Corporate Services	821 313	242 177	183 417	1 206 584
Senior Manager: Engineering Services	743 784	205 971	178 408	1 169 378
Senior Manager: Community Services	820 280	205 971	179 300	1 204 659
Senior Manager: Development planning	825 136			1 210 407
		1 517 407	1 054 689	
	4 908 358			7 480 454

Management class: Key advisors/Sub committees

2021

	Fees for services as a member of the audit committee	Travel claims	Total
Internal Audit Committee			
Chairperson of the audit committee	71 065		
Audit committee members	78 180		
		2 070	73 135
	149 245	-	78 180
		2 070	151 315

2020

	Fees for services as a member of the audit committee	Travel claims	Total
Internal Audit Committee	73 841		
Chairperson of the audit committee	124 411		
Audit committee members		3 678	77 519
	198 252	16 803	141 214
		20 481	218 733

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

48. Change in estimate

Property, plant and equipment

The full useful lives of certain Property, Plant and Equipment was revised in the current year pertaining to movable assets with reductions and extensions to useful lives ranging between 2-13 years. The effect of this revision has decreased the depreciation charges for the current year by R654 921.73 (2020: R 857 421) and R655 199.25 for the future period(s)

This has resulted in an increase in current year's carrying amounts of certain property, plant and equipment by R654 921.73 and a future increase in carrying amounts of certain property, plant and equipment of R655 199.25.

49. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a budget and treasury department (municipality treasury) under policies approved by the accounting officer. Municipality treasury identifies and evaluates financial risks in close co-operation with the municipality's operating units. The accounting officer provide written principles for overall risk management, as well as written policies covering specific areas.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	44 353 846	-	-	-	44 353 846
Consumer Deposit	1 728	173 671	25 269	303 951	504 619
	44 355 574	173 671	25 269	303 951	44 858 465

At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	30 230 514	-	-	-	30 230 514
Consumer deposits	173 671	25 269	6 954	296 997	502 891

Liquidity risk is mainly concentrated on the trade and other payables balance. The municipality does not have any collateral and /or credit enhancements that aid in the mitigation of the liquidity risk.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

49. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. .

The financial assets carried at amortized cost exposed the municipality to credit risk. The value of the maximum exposure to credit risk are as follows for each class of financial assets at amortized cost.

Financial instrument	2021	2020
Cash and Cash equivalents	258 160 700	173 644 306
Other receivables from exchange transactions	9 421 134	5 980 728
Receivables from non-exchange transactions	645 093	873 088
Receivables from exchange transactions	20 514 019	16 875 084

50. Going concern

We draw attention to the fact that at 30 June 2021, the municipality had an accumulated surplus (deficit) of R 1 028 958 397 and that the municipality's total assets exceed its liabilities by R 1 028 958 397.

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The going concern assumption is assessed based on information available up to the date on which the annual financial statements are approved by the accounting officer. While there is widespread uncertainty regarding the extent of the financial impact on the Covid-19 global pandemic, the National government through the Division of revenue Act has committed to fund the municipality for at least the next three years to finance its operations and continue investing in capital projects

The ability of the municipality to continue as a going concern is dependent on a number of other factors. The most significant of these is that the accounting officer continue to source and explore more funding for the ongoing operations for the municipality

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

51. Fruitless and wasteful expenditure

Opening balance as previously reported

4 320 803

4 224 066

Opening balance as restated

4 320 803

4 224 066

Add: Expenditure identified - current

1 473

96 737

Less: Amount written off - current

(4 300 364)

-

Closing balance

21 912

4 320 803

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

51. Fruitless and wasteful expenditure (continued)

Expenditure identified in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings		
Interest on Eskom FBE account	Amounts under investigation	1 196	4 197
		-	9 938
Penalties for late submissions - SARS	Amounts under investigation		
Interest on overdue account - Department of Transport	Amounts under investigation	277	6 304
Covid-19 JOC catering	Amounts under investigation	-	76 298
		1 473	96 737

Amounts written-off

After the council committee investigations, council adopted the council committee recommendation to write-off an amount of R 4 224 066 relating to period prior 2019/20 and R76 298 that was incurred in 2019/20 from the total fruitless and wasteful expenditure amount as it was proven without reasonable doubt ~~that the amount was not recoverable.~~

52. Irregular expenditure

Opening balance as previously reported	1 857 620	23 238 340
Correction of prior period error	-	(106 750)
Opening balance as restated	1 857 620	23 131 590
Add: Irregular Expenditure - current	1 590 000	5 722 982
Less: Amount written off - current	(3 447 620)	
		(26 996 952)
Closing balance	-	1 857 620

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

52. Irregular expenditure (continued)

Incidents/cases identified in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings		
No procurement system followed	Vodacom - investigation completed and amount written off	-	3 224 339
Company with no required CIDB level	ODG Technologies, Banana Boat, Thabo Ntlangula	-	<u>1 068 465</u>
NO CIDB required during procurement		-	427 000
Bid documents not fully completed	Banana Boat - investigations completed and amount written off	-	120 428
Split procurement	Thabo Ntlangula - investigations completed and amount written off	-	85 750
	Sthwale Trading and Project, Timeless PTY, Magholo	-	797 000
Non compliance with cost containment regulations			
Non compliance with tax matters	Guyana Trading PTY(LTD)	1 590 000	-
	MAT Trading		
		<u>1 590 000</u>	<u>5 722 982</u>

Amounts written-off

After the council committee investigations, council adopted the council committee recommendation to write-off an amount of R 1 060 619 that was incurred in period prior 2019/20, an amount of R797 000 which was incurred in 2019/20 and R1 590 000 incurred in 2020/21 from the total irregular expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

53. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	191	191
Current year subscription / fee	667 362	1 107 611
Amount paid - current year	(667 362)	(1 107 611)
	191	191

Audit fees

Current year subscription / fee	2 722 939	3 566 563
Amount paid - current year	(2 722 939)	(3 566 563)
	-	-

PAYE and UIF

Opening balance	2 994	2 994
Current year subscription / fee	17 970 479	19 459 460
Amount paid - current year	(17 970 479)	(19 459 460)
	2 994	2 994

Pension and Medical Aid Deductions

Opening balance	(43 308)	(43 308)
Current year subscription / fee	11 640 627	12 039 090
Amount paid - current year	(11 640 627)	(12 039 090)
	(43 308)	(43 308)

Skills Development Levy

Opening balance	(90)	(90)
Current year subscription/fee	884 848	957 612
Amount paid - current year	(884 848)	(957 612)
	(90)	(90)

VAT

VAT receivable	15 896 271	7 957 566
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All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

There were no Councillors that had arrear accounts outstanding for more than 90 days at 30 June 2021:

The following Councillors has arrear accounts outstanding for more that 90 days at 30 June 2020:

30 June 2020	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor NN Mhlembana	785	11 430	12 215

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

54. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes a note to the audited annual financial statements.

Winnie Madikizela-Mandela LM have incurred expenditure by not following the Supply Chain Management policy during the year. There were no three quotes obtained as per the SCM policy for catering, hiring of tents for Traffic Awareness, hiring of toilets, hiring of crane truck and Reviewal of dumping site. Only one quote was obtained after a seven day advert was unsuccessful. These procurement resulted to Deviations totalling to R334 990.

Supply Chain Management Regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager and noted by Council. The expenses incurred as listed hereunder have been approved.

Emergency Procurement

Tents hire for Covid-19 Roadblocks	-	56 900
Catering for Local JOC	-	54 600
Procurement of Covid-19 PPE	-	415 000
Disinfecting of municipal offices	-	329 900
	-	294 940
Procurement of Covid-19 work readiness equipment	-	30 000
Procurement of rubber bullets for crowd control	-	100 000
Emergency hiring of Toilets for officials	-	117 860
National Radio Station was used as one of the platforms for Public Participation during Budget Roadshows		199 850
	-2 990	-
Reviewal of Dumping Site Financial Projections	29 200	-
	12 000	-
Hiring of Crane Truck for emergency replacement of damaged transformer	15 000	-
Emergency Maintenance of Municipal Toilets	12 750	-
	29 950	-
Emergency VIP Catering for Safety Awareness Campaign	8 500	-
Emergency VIP Catering for Safety Awareness Campaign	12 750	-
	12 000	-
Catering of 150 people for community Safety Awareness Campaign		
	334 990	1 399 200
Hiring of Tent, Podium, Decor and Tables for Safety Awareness Campaign		
Catering of 100 people for Community Safety Awareness Campaign		
Catering of 150 people for Community Safety Awareness Campaign		
Still Water for 500 people for Traffic Awareness		

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

55. Accounting by principals and agents

The entity a party to a principal-agent arrangement(s).

Details of the arrangement(s) is/are as follows:

The Municipality has been registered as a registering authority in accordance with section 3(1) of the Road Traffic Act, 1996 (Act No. 93 of 1996), subject to the conditions imposed by the Member of the Executive Council (MEC) responsible for Transport. As such the Municipality performs the functions of a registering authority as contemplated by section 3(1) of the Road Traffic Act, read with the National Road Traffic Regulations.

The revenue that is derived from the registration and licensing of motor vehicles is paid into the Provincial Revenue Fund as required by section 41 of the Eastern Cape Road Traffic Act, 1998 (Act No.3 of 1999), while the Municipality, in order to perform its functions as a registering authority, and in the spirit of co-operative governance as enshrined in Chapter 3 of the Constitution, is entitled to receive a portion of the revenue generated, subject to the terms and conditions as set out in the Agreement, with particular reference to clause 6 of the Agreement.

Municipality is entitled to a fee equal to the collection fee of 19% (nineteen percent), including VAT for all fees collected in terms of clause 6.2 for motor vehicle registration and licensing fees.

Municipality shall, in terms of applicable national and provincial road traffic legislation and the Agreement, be responsible for the following motor vehicle registration and licensing functions: registration of vehicles, vehicle search, issue of duplicate registration certificate, deregistration of a motor vehicle, change of particulars of an owner or a titleholder with respect to registration and licensing, change of particulars of a motor vehicle, issue of a temporary or special permit; licensing of a vehicle in a private person's or legally recognised entity's name; licensing of a financed vehicle, in a private person's or legally recognised entity's name; licensing and allocating of a personalised licence number; retention of a vehicle licence number; notification of change of titleholder and or ownership of a vehicle; processing address changes as required; application for refund, if due, to be issued by the Department of Transport, Head office in King William's Town Eastern Cape Province; application for special classification of a vehicle; application for Traffic Register Number; application for Motor Trade Number; referral of all motor vehicle registration and licensing queries, complaints and disputes to the Departmental employee specified by the Transport Regulation contact person within 2 (two) working days of a query or lodging of a complaint or dispute; and any other transaction reasonably requested by the Department.

Entity as agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

The municipality has resources held on behalf of the principal(s) that are not recognised in municipality's financial statements, but are recognised in the principal financial statements.

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is (2021) R1 290 875 (2020: R1 020 949).

Liabilities and corresponding rights of reimbursement recognised as assets

The municipality does not have liabilities incurred on behalf of the principal that have been recognised by the municipality.

The municipality does not have corresponding rights of reimbursement that have been recognised as assets.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

56. Segment information

General information

Identification of segments

The municipality is organised and reports to council on the basis of five functional areas: Electricity, Waste Management, Community and Public Safety, Infrastructure Services and Development Planning. The segments were organised around the type of service delivered. Council uses these same segments for determining strategic objectives. All administrative segments have been aggregated as unallocated segments.

Information reported about these segments is used by council as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates throughout the Mbizana area with certain functions providing an administrative and support role. Segments were aggregated on the basis of the services delivered as management considered that the characteristics of the segments were sufficiently similar to warrant aggregation. These have been aggregated to form the unallocated segments.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Electricity	Electricity distribution Refuse removal services
Waste Management Community and Public Safety	Library Services, Police force, Cemeteries, Environmental Protection, Recreational facilities, Social Services
Infrastructure Services	Provision of infrastructure and Maintenance, Provision of community facilities
Development Planning	Local Economic Development, Supporting SMMEs, Property Services and Spatial Planning
Unallocated Segments	Administrative and Support Services

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

56. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2021

	Total segment expenditure	Electricity	79 676 484	Waste Management	23 255 989	Infrastructure Services
Revenue						
Revenue from non-exchange transactions	Total	Non current		2 790 825		45 459 000
Revenue from exchange transactions	segmental surplus/(deficit)	Assets	32 001 367	4 578 349		13 391
Interest revenue			35 707 426 -	-		-
Other income	Total revenue reconciling items	Total segment assets	-	-		-
Total segment revenue			67 708 793	7 369 174		45 472 391
Fair value adjustment		Total assets as per Statement of financial Position	242 901 551	1 271 178		
			30 518 570	7 568 728		
Entity's revenue			273 420 121	8 839 906		
Expenditure						
Employee cost	Assets					
Remuneration of councillors	C		4 343 721 -	7 870 910		10 446 891
Other expenses	u			-		-
Bulk Purchases-Electricity	r		2 412 735 35			
Depreciation and amortisation	e		021 699 -	4 471 201		1 144 800
Interest expense	n		-1	-		-
Contracted services	t		133 507	-		31 870 205
Loss on disposal	A					-
	s		36 764 822	10 913 878		
	s			-		2 313 069
						6 149 551

51 924 516

Community & Public Safety	720 219 37 319 152	Development Planning	Unallocated Segments	Total
		19 155 579	336 154 868	
3 504		111 338	6 595 230	439 066 130
491 1			11 141 818	48 329 734
324 000		-	148 587	11 141 818
-		-		148 587
			354 040 503	
-		19 266 917		498 686 269
4 828				1 069 294
491				499 755 563

151 765 204 152 972 683

304 737 887

			57 045 082	110 026 058
		9 319 729	23 964 375	23 964 375
		-	35 161 553	56 327 021
			-	35 021 699
20 999		5 065 987		40 179 661
725 -		-	8 309 456	1 473
		-	1 473	
8 070		-		33 367 359
7			6 937 695	43 424 855
4		1 582 954	508 569	
5		-		342 312 501
-			131 928 203	
-		15 968 670		156 373 768
				1 069 294
10 486				
256 1				
913				

39 558
639

			364 658 742
			739 452 917
		(78 665 050)	
16 786 926		540 037 174	1 104 111 659
1 635 543			
		461 372 124	1 104 111 659
		18 422 469	

30 598
933 6

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

	Electricity	Waste Management	Infrastructure Services	Community & Public Safety	Development Planning	Unallocated Segments	Total
56. Segment information (continued)							
Liabilities							
Current Liabilities	364 502 657	1 787 336	358 053 041	63 254 358	45 372 915	(763 063 107)	69 907 200
	-	-	-	15 373 320	52 933 573	(63 060 831)	5 246 062
Non-current Liabilities							
Total segment liabilities	364 502 657	1 787 336	358 053 041	78 627 678	98 306 488	(826 123 938)	75 153 262
Total liabilities as per Statement of financial Position							75 153 262

Assets that have a negative balance per segment have been reclassified to liabilities and liabilities with a positive balance have been reclassified to assets.

2020							
Revenue	E	p	m	n	c	a	C
	x	l	u	c	h	m	o
	p	o	e	il	a	ort	n
	e	y	e	l	s	is	r
	n	e	a	o	s	ati	a
Revenue from non-exchange transactions	d	C	ti	s	De	on	c
Revenue from exchange transactions	i	o	o	B	pre	Int	t
Interest revenue	t	s	n	u	cia	er	e
Total segment revenue	u	t	o	l	tio	es	d
	r	s	f	k	n	ex	s
Fair Value Adjustment	e	R	c	p	an	pe	e
Entity's revenue	E	e	o	u	d	ns	r
	m		u	r		e	v

ices Other expenses	Electricity	Waste Management	Community & Public Safety	Infrastructure Services	Development Planning	Unallocated segments	Total
Loss on disposal of asset and liabilities							
Total segment expenditure		5 336 095	4 499 634	53 946 982	1 331	279 545 257	
	25 523 516	4 489 819	1 278 679	196 435	109 095	5 461 724	368 852 815
Total segmental surplus/(deficit)	33 914 589	-	-	-	-	14 254 202	45 450 341
	-						14 254 202
		9 825 914	5 778 313		110 426	299 261 183	
	59 438 105			54 143 417			428 557 358
							7 339 272
							435 896 630
		3 252 816	26 769 051		8 750 803	58 018 348	110 343 924
	4 338 619	-	-	9 214 287	-	23 970 005	23 970 005
	-	-	-	-	-	-	33 254 837
		-					39 437 176
	33 254 837	-	2 603 036		1 521 091	5 423 135	11 283
	546 820		-	29 343 094	-	7 086	
		11 099 203		-			42 657 944
	4 197	3 919 478	9 444 450		2 014 965	7 605 253	64 555 919
	2 753 401	-	6 512 130	9 740 672	3 772 903	46 272 666	55 224 722
	3 218 150		62 668	860 592	12	1 088 021	
		18 271 497					369 455 810
	52 732 150		45 391 335	1 341 871	16 059 774	142 384 514	59 101 548
	96 848 174			50 500 516			

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

56. Segment information (continued)

Total revenue reconciling items							7 339 272
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Assets

Current assets	215 491 063	5 337 089	22 633 326	174 885 251	5 266 367	(168 452 082)	255 161 014
	32 801 229	6 514 636	4 815 717	97 076 930	2 786	538 899 468	680 110 766

Non-current assets

	248 292 292	11 851 725	27 449 043	271 962 181	5 269 153	370 447 386	935 271 780
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Total segment assets

							935 271 780
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Total assets as per Statement of financial Position

Liabilities

Current liabilities	261 690 302	2 307 012	43 072 306	254 520 439	22 480 688	(525 809 374)	58 261 373
	-	-	10 111 928	-	52 025 922	(56 642 789)	5 495 061

Non-current liabilities

	261 690 302	2 307 012	53 184 234	254 520 439	74 506 610	(582 452 163)	63 756 434
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Total segment liabilities

							63 756 434
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Total liabilities as per Statement of financial Position

Assets that have a negative balance per segment have been reclassified to liabilities and liabilities with a positive balance have been reclassified to assets.

Measurement of segment surplus or deficit, assets and liabilities

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

57. Prior period errors

The following adjustments were made to the prior year financial statements due to errors which became apparent in the current year and which pertain to the prior period financial statements.

Statutory Receivables

During the year it was discovered that the Wildcoast Sun (ERFno34 Farm no269) in Winnie Madikizela-Mandela LM was transferred from Transkei Sun International to Land Reform beneficiary in May 2019. In terms of section 17(1)(g) of the Municipal Property Rates Act, 6 of 2004, the property held by Land Reform (Wildcoast Sun) is exempt from municipal rates for a period of 10 years. The Statutory receivables and impairment have been overstated. The impairment of Property rates was overstated by R1 335 340, the Revenue of Property Rates was overstated by R4 966 800 in 2019/20 and R827 800 in 2018/19 and interest charge on Statutory Receivables was overstated R326 958.66

The correction resulted to a net decrease of R4 786 217.60.

Interest received

During the year it was discovered that the Wildcoast Sun (ERFno34 Farm no269) in Winnie Madikizela-Mandela LM was transferred from Transkei Sun International to Land Reform beneficiary in May 2019. In terms of section 17(1)(g) of the Municipal Property Rates Act, 6 of 2004, the property held by Land Reform (Wildcoast Sun) is exempt from municipal rates for a period of 10 years. The Statutory receivables was overstated by R326 958.66 for 2019/20, Interest received was overstated by R319 272.39 in 2019/20 and Accumulated Surplus was also overstated by R7 686.27

The decrease on Interest received resulted to a net decrease of R 319 272.39

Vat Receivables

During the year it was discovered that the Vat Receivables continues to grow instead of reflecting the amount on SARS Statements. The municipality embarked on the investigation of this Vat Receivables balance, and it was discovered that from the SARS Statements there were returns with assessment and Journals that were disallowed. The returns that were disallowed relates to periods prior 2018/19 FY. During the investigation, attempts were made to SARS to obtain the disallowed transactions but with no success due to SARS archive policy and Tax Administration Act no.28 of 2011 section 104 para 5(b), these transactions backdate to periods more than 3 years and therefore no objection nor appeal can be submitted relating to these transactions. The correction of this resulted on a reduction of VAT receivables of R18 914 805.37 and decrease in Accumulated Surplus of R18 914 805.37.

During the year it was discovered that there was an Electricity Project that was transferred to Eskom in 2019/20 but the prepayment portion was never taken out. The Prepayment was overstated by R10 300 and the Loss on disposal of assets and liabilities was understated by R8 957 and VAT Receivables by R1 343

During the current year we have discovered that the two Motor Vehicles (as defined) by Value Added Tax Act, were purchased by the Municipality and Value Added Tax on these Motor Vehicles of R144 137,60 was incorrectly claimed from SARS. As per VAT Act, input VAT on Motor Vehicles is denied and therefore the amount should not have been claimed.

As per GRAP 17 par 21, the cost of these motor vehicles should include non-refundable purchase taxes. Therefore, the VAT portion of R144 137,60 should have been added to the cost of these vehicles at initial recognition date

The correction resulted to a net decrease of R19 057 603.97.

Prepayments

During the year it was discovered that there was an Electricity Project that was transferred to Eskom in 2019/20 but the prepayment portion was never taken out. The Prepayment was overstated by R10 300 and the Loss and disposal of assets and liabilities were understated by R8 957 and VAT Receivables by R1 343.

The correction of this error resulted to a net decrease of R10 300.

Payables from exchange transaction

During the year it was discovered that there was a retention that was not accounted for an Electricity Project. The project was funded by INEP Grant. The retention amount to R541 713 was not recognised which resulted on Payables from exchange transaction being understated and Property, plant and Equipment was understated by R541 713.

The correction of this error resulted to a net increase of R541 713.

Unspent conditional grants and receipts

During the year it was discovered that there was an Electricity Project that was transferred to ESKOM in 2019/20 which was funded by INEP Grant. The Unspent conditional grants and receipts were overstated by R541 713 due to the retention that was not recognised on the project and the revenue was understated by R541 713.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

57. Prior period errors (continued)

The correction of the error resulted to a net decrease of R541 713

Governement grants and subsidies

During the year it was discovered that there was an Electricity Project that was transferred to Eskom in 2019/20 which was funded by INEP Grant. The Unspent conditional grants and receipts were overstated by R541 713 due to the retention that was not recognised on the project and the revenue was understated by R541 713.

The correction of the error resulted to a net increase of R541 713.

Property Rates

During the year it was discovered that the Wildcoast Sun (ERFno34 Farm no269) in Winnie Madikizela-Mandela LM was transferred from Transkei Sun International to Land Reform beneficiary in May 2019. In terms of section 17(1)(g) of the Municipal Property Rates Act, 6 of 2004, the property held by Land Reform (Wildcoast Sun) is exempt from municipal rates for a period of 10 years. The Statutory receivables and impairment have been overstated. The impairment of Property rates was overstated by R1 335 340, the Revenue of Property Rates was overstated by R4 966 800 in 2019/20 and R827 800 of Accumulated Surplus in 2018/19.

The correction resulted to a net decrease of R4 966 800

Debt Impairment

During the year it was discovered that the Wildcoast Sun (ERFno34 Farm no269) in Winnie Madikizela-Mandela LM was transferred from Transkei Sun International to Land Reform beneficiary in May 2019. In terms of section 17(1)(g) of the Municipal Property Rates Act, 6 of 2004, the property held by Land Reform (Wildcoast Sun) is exempt from municipal rates for a period of 10 years. The Statutory receivables and impairment have been overstated. The impairment of Property rates was overstated by R917 704 in 2019/20 and R417 636 in 2018/19.

The correction resulted to a net decrease of R917 704

Loss on disposal of assets and liabilities

During the year it was discovered that there was an Electricity Project that was transferred to Eskom in 2019/20 but the prepayment portion was never taken out. The Prepayment was overstated by R10 300 and the Loss and disposal of asset and liabilities was understated by R8 957 and VAT Receivables by R1 343

The correction resulted to a net increase of R8 957

Property, plant and equipment

During the current year we have discovered that the two Motor Vehicles (as defined) by Value Added Tax Act, were purchased by the Municipality and Value Added Tax on these Motor Vehicles of R144 137,60 was incorrectly claimed from SARS. As per VAT Act, input VAT on Motor Vehicles is denied and therefore the amount should not have been claimed.

As per GRAP 17 par 21, the cost of these motor vehicles should include non-refundable purchase taxes. Therefore, the VAT portion of R144 137,60 should have been added to the cost of these vehicles at initial recognition date.

We also have discovered that the total amount of R73 912,50 for maintenance was added to the cost of the vehicles during the initial recognition date. As this amount does not meet the requirements to be capitalised to the cost of the asset as per GRAP 17, this amount must be expensed to Contracted Services.

It was also discovered that there was a retention that was not accounted for an Electricity Project. The project was funded by INEP Grant. The retention amount to R541 713 was not recognised which resulted on recognised on Payables from exchange transaction being understated and Property plant and equipment being understated.

The correction of this error resulted to a net increase on Property,plant and equipment of R611 938.10

Depreciation and amortisation

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

57. Prior period errors (continued)

During the current year we have discovered that the two Motor Vehicles (as defined by Value Added Tax Act), were purchased by the Municipality and Value Added Tax on these Motor Vehicles of R144 137,60 was incorrectly claimed from SARS. As per VAT Act, input VAT on Motor Vehicles is denied and therefore the amount should not have been claimed.

As per GRAP 17 par 21, the cost of these motor vehicles should include non-refundable purchase taxes. Therefore, the VAT portion of R144 137,60 should have been added to the cost of these vehicles at initial recognition date.

We also have discovered that the total amount of R73 912,50 for maintenance was added to the cost of the vehicles during the initial recognition date. As this amount does not meet the requirements to be capitalised to the cost of the asset as per GRAP 17, this amount must be expensed to Contracted Services.

The correction of this error resulted to a net increase on Depreciation and amortisation of R23.86

Contracted Services

During the current year we have discovered that the two Motor Vehicles (as defined by Value Added Tax Act), were purchased by the Municipality and Value Added Tax on these Motor Vehicles of R144 137,60 was incorrectly claimed from SARS. As per VAT Act, input VAT on Motor Vehicles is denied and therefore the amount should not have been claimed.

As per GRAP 17 par 21, the cost of these motor vehicles should include non-refundable purchase taxes. Therefore, the VAT portion of R144 137,60 should have been added to the cost of these vehicles at initial recognition date.

We also have discovered that the total amount of R73 912,50 for maintenance was added to the cost of the vehicles during the initial recognition date. As this amount does not meet the requirements to be capitalised to the cost of the asset as per GRAP 17, this amount must be expensed to Contracted services.

The correction of this error resulted to a net increase on Contracted Services of R73 912.50.

Revenue

In 2019/20 Financial Statements the Revenue did not include the item Licences and Permit, which resulted on the note for Revenue not agreeing with the face of the financials. This note has been corrected and has increased the total of the Revenue note by R 2 236 951. This has no impact on any other item, no transaction was processed to correct this and the note was updated with line item for Licences and permit.

Accumulated Surplus/Loss

During the preparation of financial statements various journals were processed in order to correct prior year figures.

Statutory Receivables transaction amounting to R4 786 218 is the result of Property rates, Impairment and interest reversed in 2019/20, which the correction of these transaction resulted to a decrease on Accumulated Surplus

Prepayment of R10 300 was reversed in 2019/20 which resulted to a decrease on Accumulated surplus

Property, plant and equipment transaction amounting to R611 913, reversal of VAT disallowed on motor vehicles, reversal of maintenance expenditure capitalised, retention that was not raised in 2019/20 which resulted to an increase in Accumulated surplus.

VAT receivables transaction amounting to R19 057 603.57, is the result of VAT no longer claimable relating to period prior 2018/19,Vat portion on prepayment reversed, reversal of Vat on property,plant and equipment disallowed

The cumulative effect of all changes that have occurred resulted in a net decrease in accumulated surplus of R23 242 209

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

58. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2020

	Note	As previously reported	Correction of error	Restated
Statutory		34 653 121	(4 786 218)	29 866 903
		27 015 164	(19 057 604)	7 957 560
VAT Receivables		13 493 203	(10 300)	13 482 903
Prepayments		645 633 292		646 245 205
			611 913	
Property, plant and equipment		(29 688 801)	(541 713)	(30 230 514)
Payables from exchange transactions		(8 116 214)	541 713	(7 574 501)
		(894 757 549)		(871 515 340)
Unspent conditional grants and receipts			23 242 209	
Accumulated Surplus		(211 767 784)		(211 767 784)
			-	

Statement of financial performance

2020

	Note	As previously reported	Correction of error	Restated
Property Rates		21 251 036	(4 966 801)	16 284 235
		347 946 580	541 713	348 488 293
Government grants & subsidies		14 572 347		14 253 075
Interest Received			(319 272)	
		(39 437 152)	(24)	(39 437 176)
Depreciation		(8 569 814)		(7 652 110)
Debt Impairment		(42 584 032)	917 704	(42 657 944)
		(55 215 766)	(73 912)	(55 224 723)
Contracted services		237 963 199	(8 957)	234 053 650
Loss on disposal of asset and liabilities			(3 909 549)	

Surplus for the year

Cash flow statement

2020

Note As previously

	reported	Correction of error	Restated
Cash flow from operating activities			
Sale of goods and services	33 787 979	463 409	34 251 388
Interest income	14 572 347	(319 272)	14 253 075
		467 801	
Suppliers	(127 233 405)		(126 765 604)
	(78 873 079)	611 938	(78 261 141)
Cash flow from investing activities			
Purchase of property, plant and equipment	(86 191 827)	(611 938)	(86 803 765)

59. Budget differences

Material differences between budget and actual amounts

Service Charges

The excess actual revenue more than budget is due to a change from an individual metering system to a bulk metering system, which have reduced electricity losses and improve accuracy in billing.

Rental of facilities and equipment

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

59. Budget differences (continued)

The excess actual revenue more than budget is due to increase lease rentals as a result of new lease agreements that were signed in the current financial year.

Commission received

This is a commission a municipality received from handling 3rd party payroll transactions. There has been a reduction on the number of transactions handled.

Recoveries

These are insurance recoveries which the municipality does not budget for. These recoveries were as a result of municipal assets that were written off/stolen during the year.

Other Income

The reduction on building plans and vending income due to slow economy. The tender fees are no longer for sale, they are uploaded on portals.

Interest received

The Covid-19 global pandemic led to interest rate cuts which affected the level of return on invested funds. The impact of these interest cuts is material in the municipality, the municipality will continue to assess the impact as more data becomes available.

Property Rates

During the year it was discovered that the Wildcoast Sun (ERF no 34 Farm no 269) in Winnie Madikizela-Mandela LM was transferred from Transkei Sun International to Land Reform beneficiary in May 2019. In terms of section 17(1)(g) of the Municipal Property Rates Act, 6 of 2004, the property held by Land Reform (Wildcoast Sun) is exempt from municipal rates for a period of 10 years. The billing relating to the above mentioned ERF has been reversed in the current year.

Licences and permit

The reduction on licence fees and permit revenue is due to the grace period announced by the Government on renewal of licences expiring during the National disaster state.

Fines, Penalties and Forfeits

The revenue for fines was adjusted down during the second adjustment budget based on the assessment of actual performance for fines billed. The decrease on fines, penalties and forfeits revenue might be due to lockdown regulation restricting movement, which had an impact on the number of offenders.

Employee related cost

The actual expenditure being less than budget is due to major positions that were budgeted for and the appointments were made towards the end of the financial year thus saving on employee costs.

Remuneration of councillors

The actual expenditure being less than budget is due to councillor increment that was budgeted for, however during the financial year the increment for councillor was not implemented as it was not Gazzeted.

Depreciation

The depreciation budgeted for was based on old and new assets that were going to be procured and constructed. Most of the construction assets were not completed during the year.

Finance cost

During the financial year the municipality improved its internal controls on managing finance cost.

Debt Impairment

The municipality budgeted for debt impairment using the prior year provision, however this provision was adjusted due to reversal which was done on Property Rates. This resulted to municipality's debt impairment being less than the budget.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Notes to the Audited Annual Financial Statements

Figures in Rand

2021

2020

59. Budget differences (continued)

Contracted services

The actual expenditure being less than budget is due to savings as result of implementation of cost containment measures.

Transfer and subsidies

The actual expenditure being less than budget is due to saving as a results of procurement delays.

Loss on disposal of assets

The variance on loss on disposal of asset is as a result of disposal of old roads at year end that were rehabilitated during the year.

General Expenses

The actual expenditure being less than budget is due to savings as result of implementation of cost containment measures.

Inventories

The excess on actual performance compared to the budget is due to late procurement, which resulted to an increase in inventory on hand at year end.

Other Receivables from exchange transactions

The budget for operating lease, vat, prepayments and receivables from exchange transaction is included on other receivables from exchange transactions. The excess actual performance compared to the budget is as the result of increase on lease rentals, accrued income not received from services provider due to delay on submission and processing of invoices.

Cash and cash equivalent

The actual cash on hand as at 30 June 2021 was due to savings realised on reduced spending on general expenditure, contracted services which may be attributable to the implementation of cost containment regulations and the additional Equitable share received.

Investment property

The increase in investment property is due to fair value adjustments performed by the independent valuer at year end and the transfer of asset from Property, plant and equipment to investment property.

Property, plant and equipment

The excess on actual performance compared to the budget is due to delay during second half of the year on construction of Mputhumi Mafumbatha Stadium.

Unspent conditional grants and receipts

The municipality does not budget for unspent grants as these are meant to be fully spent by the end of the year.

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2021											
Financial Performance											
Property rates	49 985 234		(24 796 262)	25 188 972		25 188 972	20 144 667		(5 044 305)	80 %	40 %
	37 015 032	-128 784	37 143 816	-		37 143 816	40 257 499		3 113 683	108 %	109 %
Service charges	14 767 152					14 767 152	11 879 203		(2 887 949)	80 %	80 %
Investment revenue	286 464 012	-	14 767 152			355 589 766	338 000 944		(17 588 822)	95 %	118 %
Transfers recognised - operational		766	-69 125 754	355 589		8 922 296	12 048 374				
	397 675 156	43 936 846	441 612 002	-		441 612 002	422 330 687		(19 281 315)	96 %	106 %
Other own revenue											
Total revenue (excluding capital transfers and contributions)											
Employee costs	(122 803 856)	(401 579)	(123 205 435)	-	-	(123 205 435)	(110 026 158)	-	13 179 277	89 %	90 %
Remuneration of councillors	(25 078 656)	42 972	(25 035 684)	-	-	(25 035 684)	(23 964 375)	-	1 071 309	96 %	96 %
Debt impairment	(7 131 016)	(1 468 984)	(8 600 000)			(8 600 000)	(5 208 182)	-	3 391 818	61 %	73 %
Depreciation and asset impairment	(53 136 725)	455 653	(52 681 072)			(52 681 072)	(40 179 661)	-	12 501 411	76 %	76 %
Finance charges	(550 012)	400 000	(150 012)	-	-	(150 012)	(1 473)	-	148 539	1 %	- %
Materials and bulk purchases	(31 896 012)	(2 719 551)	(34 615 563)	-	-	(34 615 563)	(35 021 699)	-	(406 136)	101 %	110 %
Transfers and grants	(1 834 548)	(5 183 104)	(7 017 652)	-	-	(7 017 652)	(4 498 717)	-	2 518 935	64 %	245 %
Other expenditure	(235 887 523)	38 390 100	(197 497 423)	-	-	(197 497 423)	(123 412 236)	-	74 085 187	62 %	52 %
Total expenditure	(478 318 348)	29 515 507	(448 802 841)	-	-	(448 802 841)	(342 312 501)	-	106 490 340	76 %	72 %

Surplus/(Deficit)

	(80 643 192)	73 452 353	(7 190 839)	-	(7 190 839)	80 018 186	87 209 025	(1 113)%	(99)%
Transfers recognised - capital	77 334 996	631 589	77 966 585	-	77 966 585	77 424 876	(541 709)	99 %	100 %
Surplus (Deficit) after capital transfers and contributions	(3 308 196)	74 083 942	70 775 746	-	70 775 746	157 443 062	86 667 316	222 %	(4 759)%
Surplus/(Deficit) for the year	(3 308 196)	74 083 942	70 775 746	-	70 775 746	157 443 062	86 667 316	222 %	(4 759)%

Winnie Madikizela-Mandela Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2021

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Capital expenditure and funds sources											
Total capital expenditure	75 808 150	83 581 916	159 390 066	-		159 390 066	141 431 878		(17 958 188)	89 %	187 %
Sources of capital funds											
	45 646 549	24 689 875	70 336 424	-		70 336 424	67 539 897		(2 796 527)	96 %	148 %
Transfers recognised - capital						89 053 642	73 891 981				
	75 808 150	83 581 916	159 390 066	-		159 390 066	141 431 878		(17 958 188)	89 %	187 %
Internally generated funds											
Total sources of capital funds											

Cash flows

Net cash from (used) operating **Cash and cash equivalents at year end**

Net cash from (used) investing

**Net increase/(decrease)
in cash and cash
equivalents**

Cash and cash equivalents
at the beginning of the
year

-	141 421 015	(14 705 816)	126 715 199	-	126 715 199	173 644 306	46 929 107	137 %	123 %
-	141 421 015	(14 705 816)	126 715 199	-	126 715 199	258 160 700	(131 445 501)	204 %	183 %
-	-	-	-	-	87 816 004	87 816 004	2115 %	2115 %	

Winnie Madikizela-Mandela Local Municipality
Winnie Madikizela-Mandela Local Municipality
Appendix B

Analysis of property, plant and equipment as at 30 June 2021
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
	3 552 990		-	(400 000)	-	-	3 152 990	-	-	-	-	-	-	3 152 990
Land (Separate for AFS purposes)	3 242 860		--	-	-	-	3 242 860	(961 933)	-	-	(167 261)	-	-	2 113 666
Landfill Sites (Separate for AFS purposes)			-									-	(1 129 194)	
	33 014 551			(3 583 543)	-	-	29 448 969	(6 160 221)	226 612	834 326	(722 237)			23 776 036
Buildings (Separate for AFS purposes)		735 627	(717 666)									148 587	(5 672 933)	
	39 810 401			(3 983 543)	-	-	35 844 819	(7 122 154)	226 612	834 326	(889 498)			29 042 692
		735 627	(717 666)									148 587	(6 802 127)	
Infrastructure														
Roads, Pavements & Bridges	592 087 099	37 612 950	(12 921 343)	1 134 273	-	-	617 912 979	(221 503 463)	6 771 792	-	(28 910 391)	-	(243 642 062)	374 270 917
Transmission & Reticulation	18 212 553	1 706 734	-	-	-	-	19 919 287	(3 624 929)	-	-	(588 357)	-	(4 213 286)	15 706 001
Under Construction	52 978 513	45 509 594				-	60 885 921	-		-	-	-	-	60 885 921
			(36 467 913)	(1 134 273)	-				-					
	663 278 165	84 829 278					698 718 187	(225 128 392)		-	(29 498 748)	-	(247 855 348)	450 862 839
			(49 389 256)	-	-				6 771 792					
Community Assets														
Parks & gardens	31 765 568	865 000	-	-	-	-	32 630 568	(8 364 832)	-	-	(886 445)	-	(9 251 277)	23 379 291
Community halls	51 342 034	1 356 512	-	4 003 433	-	-	56 701 979	(6 003 395)	-	-	(1 187 782)	-	(7 191 177)	49 510 802
Creches	11 198 833		-	-	-	-	11 198 833	(433 340)	-	-	(297 220)	-	(730 560)	10 468 273
	63 594 909	-42	-	(4 003 433)	-	-	102 337 984			-	-	-	-	102 337 984
Under Construction		746 508						-	-					
	157 901 344						202 869 364				(2 371 447)		(17 173 014)	185 696 350
		44 968 020						(14 801 567)	-					

**Winnie Madikizela-Mandela Local
Municipality**

**Winnie Madikizela-Mandela Local
Municipality**

Appendix B

Analysis of property, plant and equipment as at 30 June 2021
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
	1 230 799	-	-	-	-	-	1 230 799	-	-	-	-	-	-	1 230 799
Historical monuments	1 230 799	-	-	-	-	-	1 230 799	-	-	-	-	-	-	1 230 799
Specialised vehicles														
Other assets														
General vehicles	14 502 489	1 974 009	(32 000)	-	-	-	16 444 498	(4 885 795)	26 380	-	(1 451 774)	-	(6 311 189)	10 133 309
Plant & equipment	26 570 525	2 027 139	(20 031)	-	-	-	28 577 633	(11 823 434)	17 963	-	(3 352 602)	-	(15 158 073)	13 419 560
Computer Equipment	6 116 593	1 593 775	(37 343)	-	-	-	7 673 025	(4 109 709)	33 851	-	(773 817)	-	(4 849 675)	2 823 350
Furniture & Fittings	64 616	24 500	(1 363)	-	-	-	87 753	(63 446)	1 285	-	(11 693)	-	(73 854)	13 899
Office Equipment			(187 352)	-	-	-	12 189 370			-	(1 473 853)	-	(7 879 952)	
Bins and containers	9 650 603	2 726 119	-	-	-	-	1 496 435	(6 585 304)	179 205	-	(227 097)	-	(574 390)	4 309 418
Under construction	851 165	645 270	-	-	-	-	4 275 789	(347 293)	-	-	-	-	-	922 045
	2 367 148	1 908 641	-	-	-	-	70 744 503	-	-	-	(7 290 836)	-	(34 847 133)	4 275 789
	60 123 139	10 899 453	(278 089)	-	-	-		(27 814 981)	258 684					35 897 370

Appendix B

-	(129 175)	-	(2 161 258)	69 315
-	(129 175)	-	(2 161 258)	69 315
-	-	-	-	36 654 783
-	-	-	-	36 654 783

Land and buildings	39 810 401	735 627	(717 666)	(3 983 543)	-	-	35 844 819	(7 122 154)	226 612	834 326	(889 498)	148 587	(6 802 127)	29 042 692
Infrastructure	663 278 165	84 829 278	(49 389 256)	-	-	-	698 718 187	(225 128 392)	6 771 792	-	(29 498 748)	-	(247 855 348)	450 862 839
Community Assets	157 901 344	44 968 020	-	-	-	-	202 869 364	(14 801 567)	-	-	(2 371 447)	-	(17 173 014)	185 696 350
Heritage assets	1 230 799	-	-	-	-	-	1 230 799	-	-	-	-	-	-	1 230 799
Other assets	60 123 139	-10	-	-	-	-	-	-	-	-	-	-	(34 847 133)	35 897 370
Intangible assets	2 230 573	899 453	-	-	-	-	70 744 503	(27 814 981)	-	-	-	-	(2 161 258)	69 315
Investment properties	32 436 272	-	-	-	-	-	2 230 573	(2 032 083)	-	-	-	-	-	36 654 783
			(278 089)	-	1 069 294	-	36 654 783	-	258 684	-	(7 290 836)	(129 175)	-	-
	957 010 693	-	-	3 149 217	1 069 294	-	1 048 293 028	(276 899 177)	-	-	-	148 587	(308 838 880)	739 454 148
		141 432 378	-	(834 326)										
			(50 385 011)						7 257 088	834 326	(40 179 704)			

**Winnie Madikizela-Mandela Local Municipality
Winnie Madikizela-Mandela Local Municipality
Appendix B**

Analysis of property, plant and equipment as at 30 June 2020	
Cost/Revaluation	Accumulated depreciation

	Opening Balance Rand	Additions	Disposals	Transfers	Revaluations	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals	Transfers	Depreciation	Impairment loss	Closing Balance Rand	Carrying value Rand
		Rand	Rand	Rand	Rand				Rand	Rand	Rand	Rand		
Land and buildings														
	3 552 990		-	-	-	-	3 552 990	-	-	-	-	-	-	3 552 990
Land (Separate for AFS purposes)	3 242 860		--	-	-	-	3 242 860	(794 672)	-	-		-	(961 933)	2 280 927
Landfill Sites (Separate for AFS purposes)					-					-	(167 261)			
	31 725 113					-	33 014 551	(5 284 570)	-			(148 587)	(6 160 221)	26 854 330
Buildings (Separate for AFS purposes)		1 289 438	-	-	-					-	(727 064)			
	38 520 963					-	39 810 401	(6 079 242)	-			(148 587)	(7 122 154)	32 688 247
		1 289 438	-	-	-					-	(894 325)			
Infrastructure														
Roads, Pavements & Bridges	560 802 161	14 633 053	(9 188 624)	28 277 924	-	-	594 524 514	(197 652 264)	7 660 528	-	(28 658 296)	(2 236 242)	(220 886 274)	373 638 240
Transmission & Reticulation	15 907 443	-	-	-	-	-	15 907 443	(3 043 430)	-	-	(544 661)	-	(3 588 091)	12 319 352
Under construction	129 786 299					-	118 940 569	-		-	-	-	-	118 940 569
		65 704 552	(48 404 653)	(28 145 629)	-				-					
	706 495 903					-	729 372 526	(201 318 931)		-	(29 366 042)	(2 236 242)	(225 260 687)	504 111 839
Community Assets		80 337 605	(57 593 277)	132 295	-				7 660 528					
Parks & gardens	68 515 575	-	(29 861)	-	-	-	68 485 714	(12 005 333)	29 861	-	(1 642 800)	-	(13 618 272)	54 867 442
Community halls	14 621 888	-	-	-	-	-	14 621 888	(456 218)	-(136	-	(293 235)	-	(749 453)	13 872 435
Creches	11 198 833	-	-	-	-	-	11 198 833	120)	-	-	(297 220)	-	(433 340)	10 765 493
	94 336 296	-	(29 861)	-	-	-	94 306 435	(12 597 671)	29 861	-	(2 233 255)	-	(14 801 065)	79 505 370

Winnie Madikizela-Mandela Local Municipality

Winnie Madikizela-Mandela Local Municipality

Appendix B

Analysis of property, plant and equipment as at 30 June 2020
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
	1 230 799	-	-	-	-	-	1 230 799	-	-	-	-	-	-	1 230 799
Historical monuments	1 230 799	-	-	-	-	-	1 230 799	-	-	-	-	-	-	1 230 799
Specialised vehicles														
Other assets														
General vehicles	14 317 040	1 684 179		(1 498 729)	-	-	14 502 490	(3 932 259)	435 151	-	(1 388 640)	-	(4 885 748)	9 616 742
Plant & equipment	20 658 290	2 625 275	--	-	-	-	23 283 565	(7 255 568)	-	-	(2 628 913)	-	(9 884 481)	13 399 084
Computer Equipment	6 154 695						6 116 593				(1 299 299)	-	(4 110 356)	2 006 237
Furniture & Fittings	10 844 730	-	(38 102)	-	-	-	12 947 361	(2 842 629)	31 572	-	(1 574 694)	-	(8 539 615)	4 407 746
Office Equipment	54 817		(150 203)	-	-	-	54 817	(7 074 156)	109 235	-	(10 493)	-	(48 844)	5 973
Bins and containers		2 252 834	-	-	-	-	851 206	(38 351)	-	-	(66 449)	-	(347 293)	503 913
	857 869	-	(19 596)	-	-	-	57 756 032	(284 030)	3 186	-	(6 968 488)	-	(27 816 337)	
	52 887 441	12 933	(1 706 630)	-	-			(21 426 993)	579 144					29 939 695
		6 575 221												

Winnie Madikizela-Mandela Local Municipality

Winnie Madikizela-Mandela Local Municipality

Appendix B

Analysis of property, plant and equipment as at 30 June 2020

Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
	38 520 963	1 289 438	-	-	-	-	39 810 401	(6 079 242)	-	-	(894 325)	(148 587)	(7 122 154)	32 688 247
Land and buildings	706 495 903	80 337 605	(57 593 277)	132 295	-	-	729 372 526	(201 318 931)	-	-	(29 366 042)	(2 236 242)	(225 260 687)	504 111 839
Infrastructure	94 336 296	-	-	-	-	-	94 306 435	(12 597 671)	7 660 528	-	(2 233 255)	-	(14 801 065)	79 505 370
Community Assets	1 230 799	-	-	(29 861)	-	-	1 230 799	-	29 861	-	-	-	-	1 230 799
Heritage assets	52 887 441	-	-	-	-	-	52 887 441	-	-	-	-	-	-	52 887 441
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	893 471 402	6 575 221	(1 706 630)	-	-	-	922 476 193	(241 422 837)	579 144	-	(39 462 110)	(2 384 829)	(275 000 243)	647 475 950
		88 202 264	(59 329 768)	132 295	-	-			8 269 533					
Intangible assets														
Computers - software & programming	Total	2 230 573				-				-	2 230 573	(1 901 546)		-
		2 230 573				-				-	2 230 573			
						-	7 339 272	-				(1 901 546)		
Investment properties						-								
						-								
Investment property		25 097 000				-	7 339 272	-		-	32 436 272			
		25 097 000				-				-	32 436 272			
						-								

-	(130 538)	- (2 032 084)	198 489
-	(130 538)	- (2 032 084)	198 489
-	-	-	32 436 272
-	-	-	32 436 272
-	-	-	-
-	-	-	-
-	-	-	-

Land and buildings	38 520 963	1 289 438	-	-	-	-	39 810 401	(6 079 242)	-	-	(894 325)	(148 587)	(7 122 154)	32 688 247
Infrastructure	706 495 903	80 337 605	(57 593 277)	132 295	-	-	729 372 526	(201 318 931)	-	-	(29 366 042)	(2 236 242)	(225 260 687)	504 111 839
Community Assets	94 336 296	-	-	-	-	-	94 306 435	(12 597 671)	7 660 528	-	(2 233 255)	-	(14 801 065)	79 505 370
Heritage assets	1 230 799	-	-	(29 861)	-	-	1 230 799	-	29 861	-	-	-	-	-
Other assets	52 887 441	-	-	-	-	-	-	-	-	-	-	-	-	1 230 799
Intangible assets	2 230 573	-	-	-	-	-	57 756 032	(21 426 993)	-	-	(6 968 488)	-	(27 816 337)	29 939 695
Investment properties	25 097 000	-	-	-	-	-	2 230 573	(1 901 546)	-	-	(130 538)	-	(2 032 084)	198 489
		6 575 221	(1 706 630)	-	-	-	32 436 272	-	579 144	-	-	-	-	32 436 272
	920 798 975	-	-	-	-	-	-	-	-	-	-	-	-	-
		7 339 272	(59 329 768)	132 295	-	-	957 143 038	(243 324 383)	-	-	(39 592 648)	(2 384 829)	(277 032 327)	680 110 711
		95 541 536	-	-	-	-	-	-	8 269 533	-	-	-	-	-

Winnie Madikizela-Mandela Local Municipality
Appendix D

Segmental Statement of Financial Performance for the year ended
Prior Year **Current Year**

Actual Income	Actual Expenditure	Surplus /(Deficit)	Actual Income	Actual Expenditure	Surplus /(Deficit)
Rand	Rand	Rand	Rand	Rand	Rand
Municipality					
-	57 136 627		-	58 412 740	(58 412 740)
306 600 455	96 855 769	(57 136 627) Executive & Council/Mayor and Council	374 263 556	86 226 771	288 036 785
	19 308 642	209 744 686 Finance & Admin/Finance		21 004 699	
306 862			126 549		(20 878 150)
	8 044 381	(19 001 780) Planning and Development/Economic		7 338 097	
327 491	9 147	Development/Plan	543 644	762 032	(6 794 453)
-		(7 716 890) Comm. & Social/Libraries and archives	-	14 082 610	(762 032)
	13 777 157	(9 147) Housing		1 967 633	(9 797 765)
5 450 822	7 496 637		4 284 845	1 572 412	(1 967 633)
-	2 589 195	(8 326 335) Public Safety/Police	-	23 255 990	(1 572 412)
	18 271 497	(7 496 637) Sport and Recreation		45 335 129	
-	46 899 090		-	79 676 484	(15 886 816)
	96 848 174	(2 589 195) Environmental Protection/Pollution Control		2 677 904	123 871
	2 219 677	(8 446 384) Waste Water Management/Sewerage			
9 825 113			7 369 174	342 312 501	(11 967 690)
53 946 982	369 455 993		45 459 000		(2 677 904)
59 438 905		7 047 892 Road Transport/Roads	67 708 794		
-		(37 409 269) Electricity /Electricity Distribution	-		157 443 061
		(2 219 677) Other/Air Transport			
435 896 630			499 755 562		
		66 440 637			

Winnie Madikizela-Mandela Local Municipality
Appendix E(1)

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2021

	Current year 2020	Current year 2020		
	Act. Bal.	Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
	Rand	Rand	Rand	Var
Revenue				
Property rates	Depreciation	Revenue	20 144 667	
Service charges			40 257	
Rental of facilities and equipment	Finance costs	Transfers and subsidies	499 5 876 088	
Interest received	Debt Impairment	General Expenses	11 879 203	
				(5 208 182)
		Other revenue and costs		
Agency services	B u i l d i n g		1 290	
Fines	p u r c h a s e s		875 688 199	(35 021 699) -
		Gain or loss on disposal of assets and liabilities		(33 367 359)
				(4 498 717)
Licences and permits		Fair value adjustments	2 343 083	(46 620 022)
		Net surplus/ (deficit) for the year		(298 887 646)
Government grants and subsidies			415 425	
Other income - (rollup)			8 2 0	(43 424 855)
			780 835	1 069 294 (42 355 561)
				157 443 062
Expenses			498 686 269	
Personnel				
Remuneration of councillors			(110 026 158) (23 964 375)	

25 188 979	(36 276 515)	(5 044 312)		(20.0) The billing relating to the above mentioned ERFno34 has been reversed in the current year.
			113 638 668	
				8.4
37 143 815 2 850 612	- (36 276 515)	3 113 684 3 025 476	(7 148 340)	106.1 The excess actual revenue more than budget is due to increase lease rentals as a result of new lease agreements taht were signed in the current finacial year.
	70 775 775			
14 767 152		(2 887 949)	1 069 294 (6 079 046)	(19.6) The Covid-19 global pandemic lead to interest rate cuts which affected the level of return on invested funds.The impact of these interest cuts is material in the municipality, the municipality will continue to assess the impact as more data becomes available
			86 667 287	
				6.0
1 217 952 850 328		72 923 (162 129)		(19.1) The revenue for fines was adjusted down during the second adjustment budget based on the assessment of actual performance for fines billed. The decrease on fines, penalties and forfeits revenue might be due to lockdown regulation restricting movement, which had an impact on the number of offenders
				(15.0) The reduction on licence fees and permit revenue is due to the grace period announced by the Government on renewal of licences expiring during the National disaster state
2 755 860		(412 777)		(4.1)
				-
433 406 355 -				(44.1) The reduction on building plans and vending income due to slow economy. The tender fees are no longer for sale, they are uploaded on portals.
1 397 551		(17 980 535)		-
		-		
		(616 716)		(4.0)
-				
519 578 604		-		
		(20 892 335)		(7.7)
(119 194 138) (25 035 684)				(4.3) The actual expenditure being less than budget is due to councillor increment that was budgeted for, however during the financial year the increment for councillor was not implemented as it was not Gazzeted.
		9 167 980 1 071 309		(23.7) The depreciation budgeted for was based on old and new assets that were going to be procured and constructed. Most of the construction assets were not completed during the year
(52 681 072)				-
		12 501 411		(99.0) During the financial year the municipality improved its internal controls on managing finance cost
-(150 000)				(39.4) The municipality budgeted for debt impairment using the prior year provision, however this provision was adjusted due to reversal which was done on Property Rates.This resulted to municipality's debt impairment being less than the budget.
(8 600 000)		- 148 527		
		3 391 818		1.2
				-
(34 615 563) -				(64.3) The actual expenditure being less than budget is due to savings as result of implementation of cost containment measures
(93 387 540)				(35.9) The actual expenditure being less than budget is due to saving as a results of procurement delays
		(406 136)		
(7 017 652)		-		(35.1) The actual expenditure being less than budget is due to savings as result of implementation of cost containment measures.
		60 020 181		
(71 844 665)				
			(27.5)	
		2 518 935		
(412 526 314)		25 224 643		19.7 The variance on loss on disposal of asset is as a result of disposal of old roads at year end that were

re	d	g	e	-	No surplus forecasted
ha	u	t	a	16.8	
bili	r	h	r		
tat	i	e		122.5	
ed	n	y			

Winnie Madikizela-Mandela Local Municipality
Appendix E(2)

Budget Analysis of Capital Expenditure as at 30 June 2021

	Additions	Revised Budget	Variance	Variance
	Rand	Rand	Rand	%
Municipality				
Finance & Admin/Finance	8 469 665	13 368 484	4 898 819	37 Savings on procurement that was not done for Civic centre wifi, disaster recovery and CCTV cameras.
Planning and Development/Economic Development/Plan	44 271 011	59 578 676	15 307 665	26 Savings due to delays on Mpuhumi Mafumbatha
Comm. & Social/Libraries and archives	979 707	1 900 000	920 293	48 The fencing of recreational facilities is still in progress, the project could not be completed.
Public Safety/Police	895 627	1 759 994	864 367	49 Savings on DLTC fencing, service provider was appointed with an amount below the budget
Waste Water Management/Sewerage	1 054 093	1 910 000	855 907	45 The supplier could not supply Refuse bakkie as per the specification. (2)
Road Transport/Roads	51 576 521	50 740 165	(836 356)	(14) The expenditure exceeds budget due to due to the INEP approved roll over
Electricity /Electricity Distribution	34 185 254	30 022 746	(4 162 508)	
				11
	141 431 878	159 280 065	17 848 187	

Winnie Madikizela-Mandela Local Municipality
Appendix F

Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts			Quarterly Expenditure				Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of	Reason for noncompliance
Equitable share	National Treasury	125 163 000	137 134 000	70 125 000	39 741 495	44 914 987	45 660 351	60 515 778	-	-	-	-	-		Yes	
MIG Grant	National Treasury	20 179 000	12 935 000	12 345 000	10 718 297	10 142 542	3 119 246	21 478 915	-	-	-	-	-		Yes	
FMG Grant	National Treasury	2 000 000			218 523	145 554	332 526	1 303 398	-	-	-	-	-		Yes	
Library Grant	Sports Arts and		-	-				500 000	-	-	-	-	-		Yes	
		-	-	500 000	-	-	-									
EPWPGrant	Culture							-	-	-	-	-	-		Yes	
SDF Grant	National Treasury							-	-	-	-	-	-			
INEP Grant	Alfred Ndzo District	598 000	1 075 000	716 000	664 928	1 724 069			-	-	-	-	-			
	Natlional Treasury	-	-	-	-	-	-		-	-	-	-	-			
								2 966 362	-	-	-	-	-		Yes	
DEDEAT	Provincial	6 000 000	7 000 000	13 202 000	1 904 248	4 533 802	16 797 588	-	-	-	-	-	-			
		-	-	-	-	-	-		-	-	-	-	-		Yes	
								-	-	-	-	-	-			
		-	-	-	-	-	-		-	-	-	-	-			
		-	-	-	-	-	-		-	-	-	-	-			
		-	-	-	-	-	-		-	-	-	-	-			

153 940 000 158 144 000 96 888 000 53 247 491 61 460 954 65 909 711 86 764 453 - - - - -

Winnie Madikizela-Mandela Local Municipality

Appendix G1

Budgeted Financial Performance (revenue and expenditure by functional classification) for the year ended 30 June 2021

	2021/2020							2020/2019							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	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
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue - Functional															
	321 684 048	54 164 622	375 848 670	-		375 848 670	374 263 556		(1 585 114)	100 %	116 %				306 600 455
Municipal governance and administration															
	321 684 048	54 164 622	375 848 670	-		375 848 670	374 263 556		(1 585 114)	100 %	116 %				306 600 455
Finance and administration	4 941 552	1 104 765	6 046 317	-		6 046 317	4 828 489		(1 217 828)	80 %	98 %				5 778 313
Community and public safety	180 864	1 202 533	1 383 397	-		1 383 397	543 644		(839 753)	39 %	301 %				327 491
Community and social services															
Public safety	4 760 688	(97 768)	4 662 920	-		4 662 920	4 284 845		(378 075)	92 %	90 %				5 450 822
	48 612 108	14 494 974	63 107 082	-		63 107 082	45 585 549		(17 521 533)	72 %	94 %				54 253 844
Economic and environmental services															
	563 112	17 084 974	17 648 086	-		17 648 086	126 549		(17 521 537)	1 %	22 %				306 862
Planning and development	48 048 996	(2 590 000)	45 458 996	-		45 458 996	45 459 000		4	100 %	95 %				53 946 982
Road transport	70 838 945	3 737 573	74 576 518	-		74 576 518	75 077 968								69 264 018
	63 969 012	3 221 589	67 190 601	-		67 190 601	67 708 794		501 450	101 %	106 %				59 438 905
						7 385 917	7 369 174								
Trading services															
Energy sources	446 076 653	73 501 934	519 578 587	-		519 578 587	499 755 562		(19 823 025)	96 %	112 %				435 896 630
Waste management															
Total Revenue - Functional															

Winnie Madikizela-Mandela Local Municipality
Appendix G1

Budgeted Financial Performance (revenue and expenditure by functional classification)
for the year ended 30 June 2021

	2021/2020							2020/2019							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	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
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Expenditure - Functional															
Governance and administration	184 624 392	2 010 349	186 634 741	-	-	186 634 741	144 639 511	-	(41 995 230)	77 %	78 %	-	-	-	153 992 396
Executive and council	63 017 664	(2 188 279)	60 829 385	-	-	60 829 385	54 960 603	-	(5 868 782)	90 %	87 %	-	-	-	54 295 301
Finance and administration	116 149 524	3 734 768	119 884 292	-	-	119 884 292	86 226 771	-	(33 657 521)	72 %	74 %	-	-	-	96 855 769
Internal audit	5 457 204	463 860	5 921 064	-	-	5 921 064	3 452 137	-	(2 468 927)	58 %	63 %	-	-	-	2 841 326
	30 879 252	(144 583)	30 734 669	-	-	30 734 669	24 150 372	-	(6 584 297)	79 %	78 %	-	-	-	29 327 322
Community and public safety	12 117 084	(623 500)	11 493 584	-	-	11 493 584	7 338 097	-	(4 155 487)	64 %	61 %	-	-	-	8 044 381
Community and social services	2 768 688	270 000	3 038 688	-	-	3 038 688		-	(1 071 055)	65 %	71 %	-	-	-	7 496 637
Sport and recreation	15 013 500	208 917	15 222 417	-	-	15 222 417	1 967 633	-	(1 139 807)	93 %	94 %	-	-	-	13 777 157
	979 980			-	-	979 980	14 082 610	-	(217 948)	78 %	78 %	-	-	-	9 147
		-	979 980	-	-	108 211 477	762 032	-	(40 299 237)	63 %	68 %	-	-	-	68 796 927
Public safety				-	-	34 695 119	67 912 240	-	(13 690 420)	61 %	74 %	-	-	-	19 308 642
Housing	28 221 252	6 473 867	34 695 119	-	-	71 201 686		-	(25 866 557)	64 %	65 %	-	-	-	46 899 090
	69 641 208	1 560 478	71 201 686	-	-	2 314 672		-	(742 260)	68 %	67 %	-	-	-	2 589 195
Economic and environmental services	2 353 440	(38 768)	2 314 672	-	-	119 885 731	21 004 699	-	(16 953 257)	86 %	99 %	-	-	-	115 119 671
	103 890 501			-	-	93 174 161	45 335 129	-	(13 497 677)	86 %	102 %	-	-	-	96 848 174
Planning and development	77 926 884	15 995 230	119 885 731	-	-	26 711 570	1 572 412	-	(3 455 580)	87 %	90 %	-	-	-	18 271 497
Road transport	25 963 617			-	-	3 336 232	102 932 474	-	(658 328)	80 %	75 %	-	-	-	-
Environmental protection	3 580 128	(243 896)	3 336 232	-	-	3 336 232	79 676 484	-	(658 328)	80 %	75 %	-	-	-	2 219 677
Trading services		(243 896)		-			2 677 904								
							2 677 904								
Energy sources															
Waste management															
Other															
Other															
Total Expenditure - Functional	423 190 173	25 612 677	448 802 850	-	-	448 802 850	342 312 501	-	(106 490 349)	76 %	81 %	-	-	-	369 455 993

Surplus/(Deficit) for the year

22 886 480	47 889 257	70 775 737	-	70 775 737	157 443 061	86 667 324	222 %	688 %	66 440 637
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Winnie Madikizela-Mandela Local Municipality

Appendix G2

Budgeted Financial Performance (revenue and expenditure by municipal vote) for the year ended 30 June 2021

	2021/2020								2020/2019						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the	Final adjustments	Shifting of funds (i.t.o. s31 of the	Virement (i.t.o. Council	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual	Actual Outcome as %	Actual Outcome as %	Reported unauthorised	Expenditure authorised in	Balance to be recovered	Restated Audited Outcome
	MFMA)	Budget	MFMA)	approved policy)					Outcome against	of Final Budget	of Original Budget	expenditure	terms of section 32 of		
			Rand		Rand	Rand	Rand		Adjustments Budget				MFMA		Rand
	Rand	Rand	Rand					Rand	Rand	Rand	Rand	Rand	Rand	Rand	
Revenue by Vote															
	296 214 612	54 164 640	350 379 252	-		350 379 252	354 705 122		4 325 870	101 %	120 %				306 248 180
Budget and Treasury	280 464	-	280 464	-		280 464	404 673		124 209	144 %	144 %				352 274
Corporate Services															110 425
Development and Planning	25 621 097	17 059 349	42 680 446	-		42 680 446	19 266 918		(23 413 528)	45 %	75 %				
	11 811 468	1 620 766	13 432 234	-		13 432 234	12 197 664		(1 234 570)	91 %	103 %				15 604 227
	48 180 000	(2 564 202)	45 615 600			45 615 600	45 472 304		(143 296)	100 %	94 %				54 142 449
Community and Social Services															
Infrastructure and Planning	446 076 653	73 501 952	519 578 605	-		519 578 605	499 755 561		(19 823 044)	96 %	112 %				435 896 630
Electricity															
Total Revenue by Vote															
Expenditure by Vote to be appropriated															
Mayor and Council	44 728 488	(1 378 619)	43 349 869	-	-	43 349 869	37 543 849	-	(5 806 020)	87 %	84 %	-	-	-	39 327 894
Municipal Manager	38 392 224	(143 884)	38 248 340	-	-	38 248 340	33 944 893	-	(4 303 447)	89 %	88 %	-	-	-	30 170 438
Budget and Treasury	30 707 292		34 796 828	-	-	34 796 828	21 934 645	-	(12 862 183)	63 %	71 %	-	-	-	25 841 753
Corporate Services	55 364 520	4 089 536	55 130 649	-	-	55 130 649	38 337 556	-	(16 793 093)	70 %	69 %	-	-	-	47 044 422
	25 425 061		31 488 336	-	-	31 488 336	15 968 670	-	(15 519 666)	51 %	63 %	-	-	-	16 059 774
	75 969 144	(233 871)	76 406 053	-	-	76 406 053	62 981 887	-	(13 424 166)	82 %	83 %	-	-	-	63 663 161
Development and Planning															
Community and Social Services	74 676 636		76 208 596	-	-	76 208 596	51 924 507	-	(24 284 089)	68 %	70 %	-	-	-	50 500 516
Infrastructure and Planning	77 926 884	6 063 275	93 174 169	-	-	93 174 169	79 676 494	-	(13 497 675)	86 %	102 %	-	-	-	96 847 851
Electricity		436 909													
		1 531 960													
		15 247 285													
Total Expenditure by Vote	423 190 249	25 612 591	448 802 840	-	-	448 802 840	342 312 501	-	(106 490 339)	76 %	81 %	-	-	-	369 455 809

Surplus/(Deficit) for the year

22 886 404	47 889 361	70 775 765	-	70 775 765	157 443 060	86 667 295	222 %	688 %	66 440 821
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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;	17	17	100%	N/A
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	100%	100%	100%	N/A
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	0%	0%	0%	The COVID19 saw the Municipality having to cut down on its spending and therefore training especially at higher levels was one of the sacrifices.
4	Percentage of Managers in Technical Services with a professional qualification	50%	50%	100%	N/A
5	Level of PMS effectiveness in the DM – (DM to report)	Performance Management is being implemented from the level of senior management down to officer level (TG11). Assessments are being conducted on mid-yearly intervals. The Internal Audit Section is assisting in ensuring that assessments are audited to maintain the link between the organizational and individual performance management. Performance is currently being managed manually but the ICT is in the process of obtaining a system tailor made to suit the needs of the municipality. The anticipated time frame for the system to be in place is July 2023.			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	100	100	100%	N/A
8	Percentage of councillors who attended a skill development training within the current 5 year term	20	None	0%	The change of council happened before the target was achieved

	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	2%	2%	2%	N/A
10	Percentage of female employees	52%	49%	Decrease by 3%	Staff turnover
11	Percentage of employees that are aged 35 or younger	20%	27%	Increase by 4%	N/A
12	Adoption and implementation of a HRD including Workplace Skills Plan	100%	100%	100%	N/A

Chapter: Basic Service delivery performance highlights (KPA 2)

Annual performance as per key performance indicators in water services (ALFRED NDZO DISTRICT MUNICIPALITY FUNCTION)

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

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	731	1 836	731	412	56

2	Percentage of indigent households with access to basic electricity services	12873	10873	2000	2093	95.5%
3	Percentage of indigent households with access to free alternative energy sources	2519	1631	4150	5352	77.5%

**Annual performance as per key performance indicators in sanitation services (DISTRICT FUNCTION)
(ALFRED NDZO DISTRICT MUNICIPALITY FUNCTION)**

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

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual KMs)	Kms achieved during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	2550	159.18	60	83.4	139
2	Percentage of road infrastructure requiring upgrade	Nil	865.06	Nil	N/A	N/A
3	Percentage of planned new road infrastructure actually constructed	1280	159.18	27	25.1	93
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	53 335	R 403 224 062.00	R 40 865 845.11	R 53 275 808.30	130

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	1138		1138	1138	100%
2	Existence of waste management plan	The municipality has developed and adopted the IWMP in 2019 and this plan has not yet been endorsed by MEC.				

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

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	3000	26 596	1000 units	2978	99,26
2	Percentage of informal settlements that have been provided with basic services	145	145	145	5	3.4
3	Existence of an effective indigent policy	The indigent policy is existing and reviewed yearly, it will be reviewed within the 2021-2022 Financial Year				
4	Existence of an approved SDF	The Municipality has in the financial year of 2020/2021 reviewed its adopted Spatial Development Framework.				
5	Existence of Land Use Management System (LUMS)	The Municipality has in 2021 Adopted the municipal Integrated Land Use Scheme, and is in a process of gazetting it.				

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

Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	99%	99%	99%
2	Percentage of LED Budget spent on LED related activities.	100%	100%	100%

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
3	Existence of LED strategy	Existence of LED strategy THE LED strategy does exist and it has been reviewed and adopted in May 2016, from the basis that any strategically planned LED can increasingly be used by its communities to strengthen the local economic capacity, improve the investment climate, and increase the productivity and competitiveness of local businesses, entrepreneurs and the labour force. This can then empower the local communities to restructure their economic situation, through an effective utilization of their hard and soft infrastructure, so as to stimulate growth required to create jobs, and thereby reduce poverty.		
4	Number of LED stakeholder forum meetings held	8	6	80%
5	Plans to stimulate second economy	<p>Improve the provision of basic service and critical catalytic economic infrastructure by 50% each year.</p> <p>2. Stimulate a culture of entrepreneurship and encourage small business growth by 5% in each year.</p> <p>3. Boost economic diversification in key growth sectors with latent developmental potential to contribute to more than 15% to local GDP by 2020.</p>	<p>20 Companies incorporated into business incubation programme</p> <p>We continue to assist SMME'S financially & non-financially in manufacturing, tourism, agriculture & ICT</p>	100%
6	Percentage of SMME that have benefited from a SMME support program	15	23	100%
7	Number of job opportunities created through EPWP	164	164	100%
8	Number of job opportunities created through PPP	391	391	100%

Chapter: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name			
1	Status of the audit outcome	The information should reflect the status quo The Auditor General of South Africa audited the 2020/21 annual financial statements and they expressed their opinion as an unqualified audit opinion with no material findings. The municipality then, on the basis of the findings, even though not material, has prepared an audit action plan to address the findings of the AG. The plan was developed by the Chief Financial Officer and will be tabled to council and approved.		
2	Submission of AFS after the end of financial year	The information should reflect the status quo The AFS was submitted timeously during August 2021		
		Target set for Capital Budget (R000)	Achievement level during the year R(000) Amount spent against capital budget (R000)	Percentage spent on capital budget during the year vs the actual revenue
3	Percentage of expenditure of capital budget	R159,390,103.00	R141,431,878.94	89%
		Operational budget R000 for the year under review	Amount spent on employee related costs & councillor remuneration (expenditure on salaries budget) against operational budget	Achievement percentage during the year
4	Percentage of salary budget as of the total operational budget	144,229,822.00 36%	129,801,106.56	90%
		Target set for the year (own revenue) R(000)	Achievement level Trade creditors during the year R(000)	Achievement percentage during the year
5	Total municipal trade creditors	60 120 174	44 353 846	74%
		Target set (actual total budget) in the year under review	Achievement level (own revenue) in the year under review	Achievement percentage during the year
6	Total municipal own revenue as a percentage of the total actual budget	86,213,628.00 17%	83,384,884.83	97%
		Indicate previous financial year' s municipal debtors	Indicate municipal debtors for the year under review	Achievement percentage (reduction rate)

7	Rate of municipal consumer debtors' reduction	47 615 075	56 546 514	-18%
		Indicate MIG budget for the year under review	Indicate actual expenditure on MIG budget	Achievement percentage
8	Percentage of MIG budget appropriately spent	45,458,996.00	45,458,996.00	100%
9	Municipalities with functional Audit Committee	<p>The information should reflect the status quo (Summary report on the functionality of Audit Committee</p> <p>[Audit Committee Functionality] Winnie Madikizela Mandela Local Municipality during the financial year (2020-21) had a fully functional Audit Committee which was set up in accordance with the prescripts of the (MFMA) Municipal Finance Management Act, No. 56 of 2003.</p> <p>The Committee comprised of four independent members, who were not employees of the Municipality, nor were they political office bearers.</p> <p>During the current the year 6 meetings were held and were attended as follows:</p> <ul style="list-style-type: none"> - Mr. A.D. Gonzalves (Chairperson) 5/6; - Dr. T. Mjekevu 4/6; - Ms. N. Mungwane 6/6; and <p>Mr. S. Mbalekwa 4/6.</p>		

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

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	310	310	100 %
2	% of ward committees that are functional	31	31	100%
3	Existence of an effective system to monitor CDWs	<p>Winnie Madikizela-Mandela has only 20 CDW employed by CoGTA. They form part of ward committee's monthly meetings convened by ward councillors monthly. CDW's submit their monthly reports to CoGTA department and submit quarterly reports to the municipality which forms part of the Speaker's report to ordinary councils. They attend Local and District round table meetings as per their provincial plan and the municipality assist them with transport. Local municipality gives support to CDW s in all activities planned during the financial. They have been actively participating in all municipal programmes like IDP Representative Forum, Mayoral Imbizos, IDP, PMS & Budget Road shows, Annual Report public hearings revival of ward rapid response</p>		

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		teams, Covid 19 awareness programs and they provide secretariat support to ward committee meetings and war rooms.		
4	Existence of an IGR strategy	The municipality developed and adopted IGR terms of reference in line with IGR framework.		
5	Effective of IGR structural meetings	Meetings are convened quarterly with the assistance of COGTA district office. During the year under review 4 quarterly meetings were held successfully.		
6	Existence of an effective communication strategy	The Municipality has a five-year Communication Strategy Approved by the council and is reviewed annually. The Communication Strategy Reviewal for the 2020/2021 will be held in the third quarter in a form of a Media Training also tabling the 5 year Communication Plan. The implementation of the action plan is done timeously and efficiently on an ongoing basis through various communication activities, developmental communications and initiatives in compliance with the Local Government Communications Policy.		
7	Number of mayoral imbizos conducted	2	2	100%
8	Existence of a fraud prevention mechanism	THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM There is a Fraud prevention policy. There are also awareness campaigns conducted twice a financial year that are serving as prevention mechanism.		

Winnie Madikizela-Mandela Local Municipality

Physical Address
51 Winnie Madikizela
Mandela Street
Postal Address
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Manager
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EXTRACT FROM THE MINUTES OF THE ORDINARY COUNCIL MEETING

Date 29th MARCH 2022
Time 10Hrs
Venue MULTI-PURPOSE YOUTH CENTER

9. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

9.1. Annual Report 2020/21 FY and Oversight Reports

On the motion of Councillor Ndovela seconded by Councillor Yalo it was resolved that:

- Annual Report 2020/21 FY be adopted by Municipal Council
- The Oversight Report on Annual Report 2020/2021 FY be adopted by Council without reservations as guided by Circulars 11 and 63 of MFMA checklist.
- The report has complied with all prescripts and applicable legislation as provided by MFMA and LG Municipal Systems Act, 32 of 2000.

Signed by

A handwritten signature in black ink, appearing to be "Z. Mhlwazi", is written over a horizontal line.

Cllr Z Mhlwazi
The Speaker

WINNIE MADIKIZELA-MANDELA
LOCAL MUNICIPALITY
PO BOX 12 BIZANA 6071

2022 -03- 30

OFFICE OF THE SPEAKER
TEL: 039 251 0230
FAX: 039 251 0917

SUBMISSION TO : MUNICIPAL COUNCIL

DATE : 30TH MARCH 2022

KPA : GOOD GOVERNANCE, SPU, IGR AND PP

**1. ITEM / SUBJECT: OVERSIGHT REPORT ON THE ANNUAL REPORT
2020/2021 FINANCIAL YEAR**

2. PURPOSE

To provide the council with oversight report on Annual Report for 2020/2021 financial year for adoption.

3. BACKGROUND AND RATIONALE

The Special Council meeting held on the 27 January 2022 noted the Draft Annual Report 2020/2021 financial year and resolved that MPAC interrogates the report and also obtain public comments before tabling to council for adoption. This exercise was executed as guided by Section 127 (5)(a).

MPAC session interrogating the Annual Report was convened and projects verification was done by the committee members and municipal officials. Also public consultation was held where community representatives and stakeholders discussed the report and had inputs.

After the above exercise having been completed, in terms of section 129 (1) of the MFMA No.56 of 2003 the council considers draft annual report and adopts an oversight report with the council comments.

4. STRATEGIC IMPLICATIONS

In compliance with legislation provisions on credible annual report as well as affording relevant stakeholders and public comments on the performance of the municipality on the previous year.

5. OBSERVATIONS/FINDINGS and COMMENTS OF THE COMMITTEE

- LED funded projects are well monitored and beneficiaries displayed commitment in their projects
- The Council on its future plans to consider investing more on LED funding for sustainability and job creation in our communities.
- Appreciated road maintenance done but due to heavy rains, roads are damaged and needs maintenance again.
- Sijingi to Mangunga via Methodist AR needs concrete drainage along the road especially on the steep area towards Zamokuhle JSS.
- Infrastructure projects should be closely monitored from the inception stage till completion.
- Pot hole patching project was not done in good quality.
- Ward 1 bridge well constructed but water coming from the car wash needs attention.

6. LEGAL/STATUTORY IMPLICATIONS

Municipal Finance Management Act No. 56 of 2003

Municipal Systems Act No. 32 of 2000

7. STAFF / PERSONNEL IMPLICATIONS

MPAC Members

Municipal Officials

8. FINANCIAL IMPLICATIONS

Oversight meetings, project verification and public consultations are budgeted programs in municipal budget 2021/2022 FY.

9. COMMUNICATION IMPLICATIONS / PUBLIC RELATIONS

Community members

Stakeholders

10. OTHER CONSULTED PARTIES CONSULTED


Institution / Officer consulted	Response / Viewpoint
All Senior Managers	Participated during meetings
Community representatives	Participated during meetings

11. RECOMMENDATIONS

On the motion of Councillor A. Maquthu seconded by Councillor N. Sikibi it was recommended that: -

- 1. The Oversight Report on Annual Report 2020/2021 FY be adopted by Council without reservations as guided by Circulars 11 and 63 of MFMA checklist.**
- 2. The report has complied with all prescripts and applicable legislation as provided by MFMA and LG Municipal Systems Act, 32 of 2000.**

Signed by



Cllr N P Mavundla
MPAC Chairperson

PROJECT VERIFICATION

Winnie Madikizela - Mandela Local Municipality

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4800



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MUNICIPAL PUBLIC ACCOUNTS COMMITTEE PROJECT VERIFICATION REPORT

Dates of the visits – 02 & 03 March 2022

Name of the project	Comments
Mphuthumi Mafumbatha Stadium	The work done is not satisfactory, the site is not clean there are trees, long grass. There is water leakage from the roof going down through wall. Monitoring of the project is not done properly.
Mbizana Civic Centre	The progress on this project is satisfactory.
Upgrade of Taxi rank	Awaiting for steel roof structure to be delivered. At the moment the company is still on site.
Extension 4 Bridge	There is water flow from a nearby car wash. Outlets need to be considered
Upgrading of Tshayingca Street	The project is not in a good condition, there is still water on the road.
CBD Pothole Patching	CBD Pothole Patching This project was not visited by persons responsible for monitoring. It is of poor quality.
Mabhokweni to Diphini AR	The project is completed and in good condition.
Gabisa to Makhosonke via Lukhewini A/R	The project is completed and in good condition
Lubekelele A/R	Needs maintenance and there are no dish drains.
Sijingi to Mangunga via Methodist	The project is completed, in good condition, it is useful to the community but needs stone patching.
Mzamba AR	The project is completed, in good condition
Matyeni to Bukuveni via Ntshikintshane AR	The project is completed, in good condition.
Tshuze AR	The project is completed, in good condition
Madadana AR	The project is completed, in good condition
Mqonjwana to Greenville	During the visit at Mqonjwana to Greenville the road was 5.9 but incomplete and not in good condition, the contractor has abandoned the site reason unknown. He left owing rent and workers were not paid, his tools were still at the site.
Electrification of Bekala & Mdatya (former Sigidi) Village Ward 25 & Ward 28	Project was complete in December 2021 Project was energized (330) by Eskom in January 2022. Eskom handed the project's designs to WMM

	<p>LM with the scope of 317 HH. The service provider was appointed by WMM LM and 58 HH were picked up that were not part of the original designs by Eskom. These 58 HH were omitted and needed to be included as they are part of Bekela and Mdatya villages. Another challenge is that 45 HH are dependent on Eskom Sigidi linkline project which is to start later February 2022 early March 2022. Additional money for was made available 53 omitted HH. The 45 HH will be energized upon completion of Sigidi Linkline by Eskom.</p>
Electrification of Sidanga Village in Ward 28	<p>Electrification of 57 Households with Linkline Project completed in June 2021 Project was energized by Eskom in July 2021. initially underestimated the works needed Sidanga Village as it only considered the Household connections. When the service provider was appointed it was evident the Linkline was required. Additional money for was made available for Linkline project and the project was implemented to completion.</p>

NAME			REQUEST	N	TO DATE	S
Ndunge Soycow Coop	Ndunge Ward 7	This is a soya beans processing cooperative. The cooperative consists of 5 members. The main services of the cooperative being soya beans and soya milk.	Building material worth R50 000	Support with building material in order for the cooperative to construct additional working facility.	The project has managed to buy a combine harvest from the profit they have made since the involvement of the municipality.	MPAC members could not enter to the project to do verification because the owner left with the keys but one member came to explain that they did receive the funding from the municipality.
Blatter's Panel Beaters	Redoubt Ward 20	This is a panel beating business that started as informal in 2015 and was incorporated in 2018. It was started by one member and later employed two support staff.	Tools and machinery worth R150 000	Support with working tools and machinery.	Tools and machinery were delivered to the beneficiary in December 2019	MPAC Members could not verify the project because the owner was not around.
Njilo Kabalisa Agric Co-op	Ndakeni Ward 08	The project has 6 members and most of them are women and 5 of them are fully responsible for any chores in the project. The project is a multi-purpose and was recommended for funding because of its potential during site verification by Exco	material to build store room worth R132 000	The municipality have assisted the project with material to build store room for their inputs.	The project is existing and its progressing and they have expanded their planting sites and they also further have hired 2 students to do in-service training.	The project has a challenge of water source, they also do not have stipend to pay students who are doing in-service training, the project has not installed the doors and windows and the MPAC have a concern that the structure can be easily destroyed by strong wind if the windows and doors are

						not installed urgently.
Lecolin Green	Ludeke Mission, Ward 04	The project is led by a young male specialising with vegetable production, He is very passionate about agriculture and was recommended for funding because of its potential during site verification by 2018/2019 Exco	fencing material to fence 10ha, seeds, irrigation system and seedlings worth R70 000	The municipality have assisted the project with fencing material to fence 5ha	The project is existing and its progressing and they have expand, the municipality have assisted the project to do Isiqalo funding where the project have received a fully equipped tractor with implements for potato production and the project was assisted to do an application for stock water dam (borehole) from DRDAR and the application was successful and it have been installed.	The project needs connecting pipes and water source.
Slimdo PTY(LTD)	Mfuneli Ward 18	Slimdo is a youth female owned poultry project, who is very passionate about business and recommended for funding because of its potential during site verification	Poultry inputs (feed), building material as well with fencing material worth R156 000	The municipality have assisted the project with poultry inputs, building material as well with fencing material.	The project is existing, its progressing and the structure is on-going.	The project lost about 800 chicken due to unavailability of good poultry structure and lack of water.

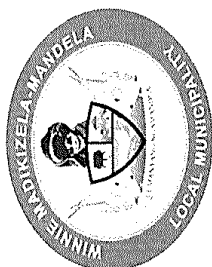
		by 2018/2019 Exco				
Fulas Electricity and Welding	Dutch village, Ward 22	Fula is a family project with 5 members and it was recommended for funding because it have youth people and potential to grow as small holder.	fencing material to fence 9ha, irrigation equipment , borehole worth R340 000	The municipality have assisted the project with fencing material to fence 9ha, irrigation equipment and construction of borehole	The project is existing and its progressing and they have expanded their planting sites and they also further have hired 3 students to do in-service training.	The project has a challenge of water source as results they have requested a borehole to the municipality
Masiqhubekeni Project	Plangeni, Ward 23	Masiqhubekeni is a poultry project with 10 women members but only 3 members that are currently active and the project is still operating with the challenge of no availability of electricity for some years and was recommended for funding because of its potential during site verification by Exco	Production inputs to raise 1000 broilers, net, and building material worth R130 000.	The municipality have assisted the project with production inputs to raise 1000 broilers net, and building material	The project is existing and it is progressing.	The project has a challenge of water log outside the poultry house and theft
Mzamba Pig & Poultry Co-op	Mzamba Mouth, Ward 24	Mzamba Pig & Poultry is a family project with 5 members and it was recommended for funding because it have youth people and potential to grow as small holder.	Material for construction of piggery structure and borehole connection worth R156 000	The municipality have assisted the project with material for construction of piggery structure and borehole connection	The project is existing and it is progressing.	No challenges

Mc Miya (Pty) LTD	Sea View Ward 24	This is an electrical mechanic that started informally in 2008 and in 2015 was incorporated. It is owned by one male with seven people employed. The business initially operated near the R61 road but was relocated by Rumdel upon the construction of the R61 road.	Tools and machinery worth R150 000	Support with working tools and machinery.	None	No challenges
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MPAC COMMENT

In most of the maintainace projects it was discovered that the roads were well done but because of heavy rains maintance is needed to be done soon, rain dranaige and stone patching on gravel road.

WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY



2020 /2021 FY ANNUAL REPORT PUBLIC COMMENTS – 16 MARCH 2022

WARD NO.	DATE	ANNUAL REPORT COMMENTS	UNFINISHED PROJECT	GENERAL SERVICE COMPLAINTS	DELIVERY
01	16/03/2022	Tshayingca was not properly done, as it is still in a bad condition	CBD Pothole patching in town incomplete. Installed High Mast were reported to be not being effective as they are of solar not electricity high mast.	<ul style="list-style-type: none"> Request for maintenance/ tarring of the road from Mabude residence down towards Ndunge route, it is in a bad condition, St Patrick's Access road need to be maintained 	
5		<ul style="list-style-type: none"> Sijingi to Magunga via Methodist access road was appreciated but further 		<ul style="list-style-type: none"> Road between Nomlacu to Mtamvuna needs heavy 	

		requested a slab on the steep area towards Zamokuhle JJS		<p>maintenance due to its bad condition.</p> <ul style="list-style-type: none"> Nyanisweni to Msarhweni (R61) needs pothole patching as there are lots of accidents taking place.
21				<ul style="list-style-type: none"> Request a Skip Bin for waste/refuse management to curb illegal dumping that is from Plangeni to Greenville.
30				<ul style="list-style-type: none"> Provision of water report was covered on the report presented and also enquired about the plans for ward 30 water provision. Businesses needs to be assisted by the Municipality on how to apply for Funding.
04				<ul style="list-style-type: none"> Appreciate the good audit outcome

		<ul style="list-style-type: none"> Mphuthumi Mafumbatha Stadium being incomplete was raised as a huge concern. 		<ul style="list-style-type: none"> Municipality needs to choose qualified companies for potholes patching. Refuse that is collected by MISA employees, be collected on time by the Municipality to avoid plastics shredding by animals in order for the program to be effective. 	
08		<ul style="list-style-type: none"> Bukuveni to Diphini Access Road was confirmed done but needs to be maintained, some areas are badly damaged and is inaccessible. 			
20		<ul style="list-style-type: none"> Appreciated the Madadana Access road that was done 	<ul style="list-style-type: none"> Sanitation projects incomplete 	<ul style="list-style-type: none"> Tshezi Access road need to be maintained as the road is very bad. Requested electrification of some villages around ward 20. People with businesses are not funded by the municipality. 	

26				<ul style="list-style-type: none"> • R61 to Malola Access road needs to be maintained it is in bad condition. • Poor community members cannot access free services as there is no data collector in the ward. • No proper monitoring of housing project.
29		<ul style="list-style-type: none"> • Mfolozi A to Manncakweni Access road is in bad condition 	<ul style="list-style-type: none"> • Incomplete housing project- no roofing 	
13		<ul style="list-style-type: none"> • RDP houses project needs to be reviewed. 	<ul style="list-style-type: none"> • Temporal structures waiting list still nota awarded by Human Settlement 	<ul style="list-style-type: none"> • Human Settlement is not monitoring the project • Qualifying people were not approved, approved people do not qualify for housing.
Sport Council		<ul style="list-style-type: none"> • Concern was raised on Mafumbatha Stadium which does not meet the SAFA standards 		<ul style="list-style-type: none"> • The progress for the Mafumbatha Stadium is very slowly • The capacity does not accommodate other sporting codes as they grow very fast.

22				Only 50 houses that were constructed instead of 150 but even the 50 were not finished.	<ul style="list-style-type: none">• He would like to know when they will finish the housing project.
06					<ul style="list-style-type: none">• No RDP Houses• Ntshamathe Access road need to be maintained.• No water access at Mhlanga Village• Requested Pothole patching at Mhlanga.
23		<ul style="list-style-type: none">• Clarity was sort on Human Settlements projects that were reported as blocked	<ul style="list-style-type: none">• Housing project is not completed and that is causing division amongst the community members	<ul style="list-style-type: none">• Municipality should monitor projects	
25		<ul style="list-style-type: none">• Appreciated Bhekela and Mdatya Village Electrification project• Lubekelele and Dumasi Access road needs to be maintained• Tshezi to Bhekela Pre-School Access road also need to be maintained			
17					<ul style="list-style-type: none">• Appreciate the Community hall, but is it used for multi

				purposes, would like to utilize the vacant space for other activities.
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