KOUKAMMA MUNICIPALITY

SECOND DRAFT ANNUAL REPORT

2023/24



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TABLE OF CONTENTS

COMPONENT A: GOVERNANCE STRUCTURE 11
2.1. Political Governance Structure 11
COMPONENT B: INTERGOVERNMENTAL RELATIONS 15
2.3. Intergovernmental Relations 15
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION 17
2.4. Public Meetings 18
..... 2.5. IDP participation and Alignment 18
..... COMPONENT D: CORPORATE GOVERNANCE 19
Risk Management 21
KPA – Local Economic Development / Good Governance and Public Participation 28
Anti-corruption and fraud 30
Supply Chain Management 31
By –Laws 35
2.10. Website 37
Public Satisfaction on Municipal Services 38
All Municipal Oversight Committees 38
CHAPTER 3: BASIC SERVICE DELIVERY PERFORMANCE (PERFOMANCE REPORT I). 43
Component A: Basic Service Delivery 43
Water Service Delivery Strategy and key Role Players 43
Level And Standard in Water Services 43
3.3 Annual Performance as Per Key Performance Indicator 46
Sanitation 46
Sanitation Delivery Strategy and Main Role Players 47
Level and Standard in Sanitation Services 47
Annual Performance As Per Key Performance Indicators 48
3.2.4. Challenges in provision of Sanitation Services 48
Electricity Services 48
Electricity Delivery Strategy and Main Role Players 48

Level and Standard in Electricity Services 48
Annual Performance as Per Key Performance Indicators in Electricity Services 48
Major Challenges and Remedial Solutions 48
Roads 48
Road's Delivery Strategy and Main Role Players 48
Service Delivery Goals 48
Level and Standard in Roads Services 48
Annual Performance as Per Key Performance Indicators 48
Major Challenges and Remedial Solutions 48
Housing 48
SPATIAL PLANNING 48
Spatial Management and Land Use Management Act (Spluma) No. 16 Of 2013 Implementation 48
Preparation and Approval Process of Spatial Development Framework 48
Integrated Land Use Scheme (LUMS) 48
Establishment of Municipal Planning Tribunal 48
Establishment of the Appeal Authority 48
Land Use Management 48
GIS Working Group with SBDM 48
Building Control 48
Levels And Standard in Spatial Planning 48
Major Challenges and Remedial Actions 48
Overall Service Delivery Backlogs 48
Component B: Community Services 48
Solid Waste and Environmental Management 48
Delivery Strategy and Main Role Players 48
Waste Disposal Facilities 48
3.8.3. Level And Standard of Waste 48
3.8.4 Annual Performance as Per Key Performance Indicators In Waste Management Services 48
3.8.5. Major Challenges and Remedial Actions 48
3.9. Refuse Collection and Cleansing Parks 48
3.9.1 Delivery Strategy and Main Role-Players 48

Schedule Of Waste and Refuse Collection Services In Koukamma 48
3.9.2 Waste Characterisation Result 48
3.9.3 Waste Composition 48
3.9.4 Domestic Refuse Removal 48
3.9.5. Annual Performance as Per Key Performance Indicators In Waste Management Services 48
3.9.6. Major Challenges and Remedial Actions 48
3.10. Sports and Recreation Facilities 48
3.10.1 Delivery Strategy and Main Role - Players 48
3.10.2. Level and Standard in Sports and Recreation Facilities 48
Annual Performance as Per Key Performance Indicators 48
Major Challenges and Remedial Actions 48
Cemeteries 48
Cemeteries Services Delivery Strategy and Main Role Players 48
Level and Standard In Cemeteries 48
Annual Key Performance as Per Key Indicator 48
Major Challenges and Remedial Actions 48
Parks and Open Space 48
Delivery Strategy and Role-Players 48
Level and Standard 48
Annual Key Performance as Per Key Performance Indicator 48
3.12.4. Major Challenges and Remedial Actions 48
Safety and Security 48
Traffic Law Enforcement and DLTC 48
Service Delivery Strategy and Role Players 48
Security Services 48
Delivery Strategy and Role Players 48
Levels and Standards 48
3.13.2.3. Annual Performance as Per Key Performance Indicators 48
Major Challenges and Remedial Actions 48
PUBLIC HALLS 48
3.14. Fire and Rescue Services 48
3.14.1. Delivery Strategy and Role Players 48

Levels and Standards 48
Annual Performance as Per Key Performance Indicators 48
3.14.4. Remedial Actions 48
Environmental Health Services 48
Delivery Strategy and Main Role Players 48
Level and Standard of Environmental Health Services 48
3.15.3. Annual Performance as Per Key Performance Indicators 48
3.15.3.1. Water sampling 48
3.15. 4. Major Challenges and Remedial Actions 48
3.16. Local Economic Development 48
3.16.1. LED Service Delivery Strategy and Main Role Players 48
Service Delivery Strategy 48
3.16.2. Level and Standard of LED Service 48
Library Services 48
CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT II) 48
Component A: Introduction to Municipal Workforce 48
Total workforce 48
4.1.1. Staff Turnover Per Department 48
4.1.2. Leave Management 48
Component B: Managing the Municipal Workforce on Reporting Level 4.2 Organisational Structure 48
4.2.1. List Of Medical Aid Where Employees Belong 48
4.2.2. List of Pension Fund Where Employees Belong 48
4.2.3. Labour Relations 48
4.2.4. Performance Management System (PMS) 48
Component C: Capacitating Municipal Workforce 48
4.3. Skills Development 48
4.3.1. Level Of Education and Skills 48
4.3.2. Technical Staff Registered with Professional Bodies 48
Component D: managing the workforce expenditure 48
4.4. Trends on Personnel Expenditure 48
PAGEREF _Toc145659004 \h 4.5. Salary Disclosure 48

4.5.1. Councillors 48
4.5.2. Section 56 And Section 57 48
4.5.3. Annual Performance as Per Key Performance Indicators in Municipal Transformation and Organisational Development 48
CHAPTER 5: MUNICIPAL AND FINANCIAL VIABILITY AND MANAGEMENT 48
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT 48
Appendixes Descriptions (A-T) 48
APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE 48
Appendix C: Organogram 48
Appendix D: Functions & Powers of Municipality 48
Appendix "E" Ward Reporting 48
Appendix F: Projects Per Ward 48
Appendix G: Recommendations of the Municipal Audit Committee 48
Appendix H: Long term Contracts and Public Private Partnership 48
Appendix I: Municipal Entity/Service Provider Performance Schedule 48
Appendix J: Disclosure of Financial Interest 48
Appendix K: Revenue Collection Performance 48
Revenue Collection Performance by Vote (Refer to Financial Statements) 48
Revenue Collection Performance by Source (Refer to Financial Statements) 48
Appendix L: Conditional Grants Received: Excluding Mig (Refer to Financial Statements) 48
Appendix M: Capital Expenditure – New & Upgrade/Renewal Programmes: Including Mig (Refer to Financial Statements) 48
Capital Expenditure – New Assets Programme 48
Capital Expenditure – Upgrade/Renewal Programme 48
Appendix N: Capital Programme by Project Current Year 48
(Refer To Financial Statements 48
Appendix O: Capital Programme by Project by Ward Current Year 48
Appendix P: Service Connection Backlogs at Schools and Clinics 48
N/A 48
Appendix Q: Service Backlogs Experienced by The Community Where Another Sphere Of Government Is Responsible For Service Provision Technical 48
Appendix R: Declaration of Loans and Grants Made By The Municipality 48
Appendix S: Declaration of Returns Not Made In Due Time Under MFMA S71 48

Appendix T: National and Provincial Outcome For Local Government.....48

Volume II: Annual Financial Statements Statements.....

ABBREVIATIONS

AIDS – Acquired Immune Deficiency Syndrome

ANC - African National Congress

A- G – Auditor _ General

CDW – Community Development Worker

CLO - Community Liaison Officer

CSTR – Centre for Small Town Regeneration

CFO - Chief Operations Officer

CoGTA- Cooperative Governance and Traditional Affairs

DA - Democratic Alliance

DM – District Municipality

DLTC –Driving License Testing Centre

DLA - Department of Land Affairs

DoE – Department of Energy

DWA – Department of Water Affairs

DeDea – Department of Economic Development, Environmental Affairs and Tourism

DRDRL – Department of Rural Development and Land Reform

EIA – Environmental Impact Assessment

Fe - High iron

GCIS – Government Communications and Information Systems

GDP- Gross Domestic Product

GIS – Geographic Information Systems

GRAP – Generally Recognised Accounting Practices

GVA – Gross Value Add

HH -Household

HIV – Human Immunodeficiency Virus

HR – Human Resource

ICT –Information Communication Technology

IDP –Integrated Development Plan

IGR – Intergovernmental Relations

IOD – Injury on Duty

LM - Local Municipality

MD – Maximum Demand

MEC – Member of Executive Committee

MFMA – Municipal Finance Management Act

MISA - Municipal infrastructure Support Agencies

MIG - Municipal Infrastructure Grant

MM – Municipal Manager

MN - Manganese

MPAC – Municipal Public Accounts Committee

MPT – Municipal Planning Tribunal

MTO – Mountain – to- Ocean Forestry

MVR – Motor Vehicle Registration

NHLS – National Health Laboratory Services

NMD – National Maximum Demand

NYS - National Youth Support

O & M – Operations and Maintenance

PDMS – Provincial Disaster Management System

PMS – Performance Management System

PR – Proportional Representation

RIMS – Road Incident Management System

RBIG – Regional Bulk Infrastructure Grant

SALGA –South African Local Government Association

SALGBC – South African Local Government Bargaining Council

SANS – South African National Standards

SBDM – Sarah Baartman District Municipality

SDBIP – Service Delivery Budget Implementation Plan

SDF – Spatial Development Framework

SPLUMA - Spatial Land Use Management Act

SCM – Supply Chain Management

TMT- Traffic Management Team

WSA-Water Service Authority

WSIG – Water Service Infrastructure Grant

WSP – Water Service Provider

ZSR - Zoning Scheme Regulation

COMPONENT A: MAYOR'S FOREWORD



Mayor: Cllr M.S.Vuso

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 MAYOR'S FOREWORD

It is with great pride and a profound sense of responsibility that I present to you the Annual Report of the Koukamma Local Municipality for the year 2023/2024. This Annual Report is prepared in compliance with the Local Government: Municipal Finance Management Act (2003) and other applicable legislation.

This document serves not only as a comprehensive record of our activities and achievements but also as a testament to our unwavering commitment to the development and well-being of our community Over the past year, we have faced numerous challenges, but our municipality has continued to grow and evolve, driven by a shared vision of progress and prosperity. Through collaborative

efforts and strategic initiatives, we have made significant strides in service delivery, fostering economic growth, and enhancing the quality of life for all our residents.

The improvements in key performance areas and unsatisfactory underperformance of the municipality reflect the political oversights committees' guidance and recommendations made to ensure effective and efficient use of municipal resources and improve the capital budget and grant spending.

The District Development Model (DDM) approach has been established by our district in hopes of improving links between sectors within Koukamma LM, recognising that many of the problems

that Koukamma LM faces are multi-sectoral in nature and cannot be adequately dealt with by a single department.

One of the positive results we have seen was the approval of building 66 destitute houses as well as the funding for the Upgrading of our Informal Settlement by the Department of Human Settlement. Vertical coordination will be strengthened by active participation in the DDM and working with other spheres of government and private sectors to ensure planning and implementation are integrated.

Community Consultations were conducted extensively through social media platforms and public meetings thus this method of communication has been improved as a measure of public

Engagement.

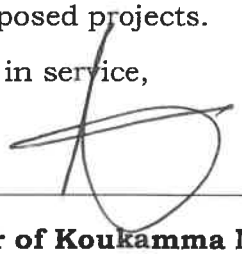
The municipality seeks to achieve economic growth and poverty alleviation through ensuring a better life for the society by coordinating sustainable social and economic

developmental programs. Furthermore, creates a conducive environment for business investments and growth for job creation. EPWP and CWP have contributed positively to maintaining a safety net for poor communities and alleviating poverty, to date, about 78 equivalent jobs have been created through CWP and EPWP programs.

The municipality seeks to achieve economic growth and poverty alleviation by ensuring a better life for society by coordinating sustainable social and economic developmental programs. Furthermore, creates a conducive environment for business investments and growth for job creation. The establishment of the Mayor's Business Council is the step toward ensuring that we have every stakeholder on board and building strong relations with our stakeholders. EPWP and CWP have contributed positively to maintaining a safety net for poor communities and alleviating poverty where it matters the most.

As a closing statement, regardless of the challenges faced, the municipality continues to prioritize service delivery to its communities and the implementation of proposed projects.

Yours in service,



Mayor of Koukamma Municipality

Cllr. M.S. VUSO

COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S FOREWORD



Municipal Manager: Mr. S. Dayi

1.2 Municipal Manager Foreword

We have arrived at the end of the financial year where we must report to our stakeholders what we have achieved as indicated in our Annual Performance Plans. All Municipalities develop and adopt Integrated Development Plans (IDPs) which are five-year strategic documents that indicate what a municipality will implement in the next five-year cycle. The IDP then gives rise to one Service Delivery and Budget Implementation Plan (SDBIP). This report will also reflect on the challenges encountered in the process of the implementation of the SDBIP.

The year under review saw Koukamma Local Municipality continuing to face serious challenges in governance (non-sitting of Council meetings and Committee, non-sitting of Local Labour Forum). The Municipality has been without a Municipal Manager for a long time, and this situation has been exacerbated by the resignation of the Chief Financial. This situation if unattended would lead to the municipality not receiving grants from the National and Provincial governments.

Koukamma Local Municipality has fair number of households with access to clean water, sanitation, electricity and refuse removal. According to Statistics South Africa (STATS SA) the statistics of households with access to basic services is as follows:

- water 98%
- sanitation: 95%
- electricity 98%, and
- refuse removal 100%

The statistics indicate that a fairly good number of households in Koukamma have access to basic services and the municipality strives to reach 100% in the provision of all basic services.

Koukamma LM is a grant-dependent municipality, grants form quite a big percentage of the Municipal budget, and these grants are from National and Provincial government support. While Koukamma Local Municipality has spent 100% of its Municipal Infrastructure and EPWP Grants in 2023/24 it experienced a low expenditure for the Water Services Infrastructure Grant and Regional Bulk Infrastructure Grant in the year under review at 20% and 81% respectively. The Municipality will increase the expenditure on these grants through the Risk Adjusted Strategy of CoGTA in the next financial year.

The average collection rate of the municipality in the year under review was 44% and this low figure must improve drastically to lift the standard of service delivery. The low collection rate can be attributed to many factors that include high consumer debt, staff shortages in the debtor's section, billing challenges, and the late distribution of municipal accounts.

The Municipality is aggressively implementing its Credit Control Policy to deal with both the consumer and government debt which are depriving the Municipality much needed revenue to implement its service delivery programmes. This will increase the collection rate over time to levels higher than the current one.

The Municipality spent about 42% of its total operating budget on salaries for employees and councillors in the year under review and this figure is very high compared to the National Treasury norms. While this can be understood to be largely

caused by an increase in the overtime expenditure the Municipality will put programmes in place to reduce the figure in the next financial year.

S. J. DAYI
MUNICIPAL MANAGER

1.3 Municipal Overview

Geographical Profile of Koukamma

Koukamma Municipality forms part of the then Cacadu District Municipality currently known as the Sarah Baartman District Municipality (SBDM), situated in the Western side of the Eastern Cape with approximately 60 000 square kilometres. Koukamma Municipality is amongst the seven (7) municipalities that forms part of the Sarah Baartman District Municipality.

Koukamma Municipality is characterised by two distinct regions which can be classified as coastal belt and inland. The coastal belt boasts of tourism as its primary economic hub whilst the inland represents the agricultural sector as its primary hub. It is located in the north of Baviaans Mega Reserve (Kloof), west of Bitou Municipality, east of Kouga which all resemble the core elements of tourism and agriculture hubs of Koukamma Municipality. The area is approximately 3 598 square kilometres, and the density is 12, 14 square kilometres.

MAP OF SARAH BAARTMAN DISTRICT MUNICIPALITY



Socio - Economic Profile

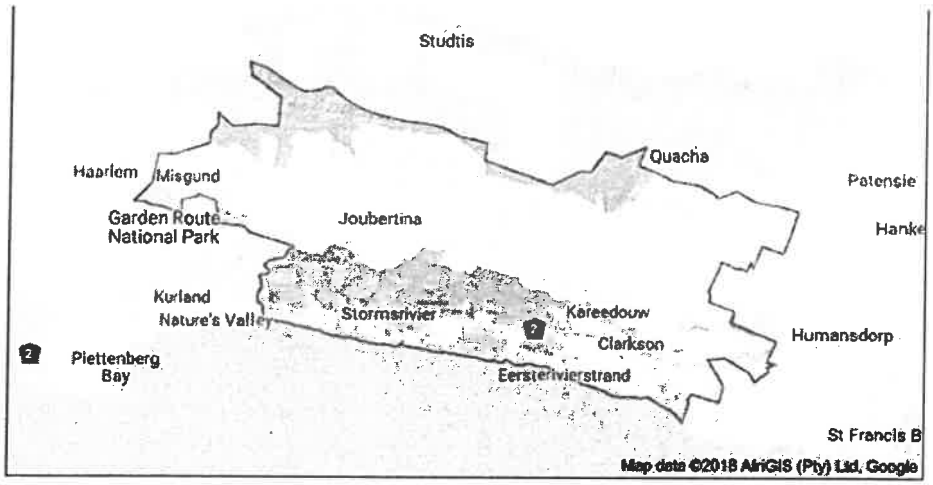
Koukamma is well-known for its agricultural production. Its weather conditions create and sustain a conducive environment for a variety of Agri- Business Enterprise. Koukamma Municipality's commodities range from dairy, ferns, protea and indigenous plants along the coastal belt including tree and marine harvesting. It also consists of

massive and competitive fruit production and medicinal plants in the Langkloof area. In 2007, approximately 44% of commercial agriculture was projected for local economic growth which accounts and contributed significantly on job creation. The coastal belt is rich in tourism with diverse production market such as accommodation, attraction sites with art and craft including indigenous history. Koukamma is known as a place for sparkling water with large traits of indigenous forest and fynbos; with deep river that gorges cleft the plateau as they make way down to the sea, creating spectacular waterfalls and deep kloof.

Koukamma is huge in forestry and timber industry as that contributes to the domestic economy through job creation, capital investment and in global economy through export sales. Along its

coastal belt, a fishery catchment zone exists adjacent to the stunning and classic golf estate which is also in close proximity to the tourism attraction site in Eerste Rivier.

MAP OF KOUKAMMA MUNICIPALITY



Demographic Profile

According to the Community Survey conducted in 2022, the population of Koukamma is approximately 36 487 and is comprised of all races in the country. According to census 2016, the population of Koukamma was approximately 43 688.The 2016 population figures of Community Survey were calculated from the geo- spatial data. The 2011 Census report indicated the population of Koukamma as estimated at 40,663; which then suggests that in five years – time, Koukamma had an influx or population growth of 5 337.

In relation to the Census statistics of 2022, Koukamma had 50.2% males and 49.8% females. Of those population estimates of 2011, blacks were estimated as 30.6%, coloureds – 59.8%, whites- 8.2%, Indians at 0.3% and other

at 1.1%. The most spoken language is Afrikaans at 73.5%, followed by IsiXhosa at 19.9% and English at 2.5%. From ages 20 years and older, 10.3% had completed primary school education, 57.8% secondary school education and 3.9% had some form of higher education.

Vision

Strive to be a dynamic and responsibly governed area, which has an integrated, competitive and

sustainable economy to better the urban and rural livelihoods of its communities.

Mission

To be a Municipality in which delivery and access to quality services creates an environment in which all citizens can prosper through socio-economic upliftment and accountable governance. It further depicts the purpose of existence of the Koukamma Municipality and how it seeks to create its relationship with the customers, local community and other related stakeholders in delivering its mandate of a developmental Local Government.

Values

- Integrity and Honesty
- Affordable, Access and Quality Service
- Inclusive and Responsive
- Transparency and Accountability

Service delivery overview

The administrative component of Koukamma Municipality is headed by the Municipal Manager, who had four (4) directors (during the 2023/24 financial year) reporting directly to him in terms of Section 56 of the Local Government: Municipal Systems Act, No. 32 of 2000 The following provides an overview of, of the work performed during the 2023/2024 financial year:

The summaries of the performances reported below, must be read in conjunction with the audited Annual Performance Report, and Annexure to this Report. **The Office of the Municipal Manager** includes Communications, Public Participation, Internal Audit, SPU, LED and IDP.

Throughout the year the Communications section communicated specific and service delivery-related information with the public, i.e., water outages, electricity outages, Programmes by the Provincial/National Sphere of government, etc.

The public participation section encourages the public to participate in municipal affairs, they put into action issues raised by the public and ensure that the public is informed about municipal affairs. They work closely with the ward committees of the six wards.

The Internal Audit Unit is outsourced, they deal with audited financial and non-financial related reports to ensure completeness and correctness of all reported performance on a scheduled basis

The IDP was developed and approved by Council as the most strategic principal document and plan of the municipality for execution by all departments. The IDP was informed by public and public representative engagement processes, which guided the application of municipal resources. The IDP was presented to Council by the Executive authority of the municipality, led by the Mayor.

The Performance Management (PMS) section drafted section 72 reports and the annual performance of the institution, they also started the process of individual performance agreements for all staff below section 56/57 Managers. The PMS section also deals with risk Management, they identify all potential threats that may hamper service delivery.

Women, Youth, and other special programs also received and provided significant support for the benefit of our local communities by the SPU office.

The Corporate Services Directorate: Managed all administrative processes of Council, of which included the Convening and reporting outcomes of Council and Council Committee meetings, Registry Office, Housing, land Administration, Security Services, the annual report, All council/municipality-owned properties and legal services was also undertaken and managed by the directorate.

The Directorate also hosts the Human Resources department which primarily handles all recruitment and selection of employees during the financial year. It also handles the training and development of Councillors and municipal staff as well as the employee wellness programs. Within the directorate, there is ITC, which ensures the availability of network and laptops/desktops for all Councillors and employees. ITC ensures that telephones and printers are working.

Budget and Treasury: The municipal finances were done in accordance with the Council-approved Budget, as was approved at the end of May 2023. All municipal finances were strictly managed in accordance national regulatory prescripts and municipal-approved policies. The Municipality is not collecting enough revenue, we are depending on equitable share and grants to provide service delivery.

Technical Services, Technical Services Directorate was responsible for the roll-out and provision of Basic Services; including Electricity, Water, Sanitation, and Roads services. The provision of these different services was conducted in accordance with the different Master Plans that were approved by council.

Koukamma Municipality is a water services authority, water services is under this directorate, including Town Planning, Electrical services, Roads and project Unit Management. The Spatial development within the municipality boundaries, directed all spatial planning and developments for the year under review in accordance with the Council-approved Spatial Development Framework.

Technical Services and Community Services Directorate was separated by Council in May 2023.
The Community Services directorate focused on the promotion of a clean, healthy, and safe living and work environment. The cleanliness of the respective towns within our municipality boundaries by way of weekly refuse removal for both residential and business communities. Some past challenges were experienced with availability of refuse trucks to affect scheduled refuse removal. The Traffic services provided included regular traffic control and implementation of traffic rules.

The hiring out of community halls, and cleaning all cemeteries, and open spaces were also working with EPWP and CWP.

Access to basic services overview

Access to basic services in the municipality includes provisions for electricity, water, sanitation, waste removal, and fire services, with a focus on ensuring adequate access to these services across all communities, including efforts to address areas with potential service gaps. The municipality prioritizes providing basic services to all residents, including those in informal settlements and backyard dwellings.

Koukamma Municipality provides water services to all areas within its mandated borders, except in privately owned areas such as Thornham, Sanparks, Tweerivier, Boskor and Witelsbos. The municipal boundaries include extensive agricultural activities with numerous farm properties, not serviced by the municipality. Most farms have private water and sanitation infrastructure which meet the minimum standards. In some instances, to ensure efficiency, the municipality provides support in terms of water and sanitation infrastructure on privately owned land.

According to the table (StatsSA, Census 2022) below, piped (tap) water inside the dwelling in the Sarah Baartman district has improved by 13,4% from 51% (2011) to 64% (2022). Koukamma reflects the highest percentage of households in the district with piped water inside the dwelling, which increased by 16% from 68,2% (2011) to 84,2% (2022).

According to the Koukamma Municipal Water Service Development Plan, 12 820 households have adequate supply of water.6 The need of 873 households, falling below the minimum service level for basic water supply, must still be addressed. This figure may be adjusted to include vulnerable categories.

The municipality is in the process of the upgrading and refurbishment of the Joubertina Water Treatment Works, with funding from the Water Services Infrastructure Grant (WSIG) to the value of R7.2 million. Work commenced in February 2024.

Koukamma municipality, along with Amatola Water as the implementing Agent, is also upgrading the Misgund Bulk Water Supply, with funding from the Regional Bulk Infrastructure Grant (RBIG) to the value of R10 million. Work will commence in June 2024.The Misgund borehole water has been tested and basic disinfection, through chlorination, is conducted manually at the main reservoir. The new plant will address treatment of both ground and surface water.

Challenges

The poor suffer disproportionately when the water supply is unreliable. Wealthier households, like industrial firms, can install private facilities such as reservoirs, recycling equipment and wells. These options are beyond the means of poor consumers. Access to water, for poorer households in

Koukamma, seems to have worsened due to the unequal distribution of water between poor local settlements, and the agricultural sector.

Non-Revenue Water cost the municipality millions, challenges include:

- A large number of poor households with high-water usage, in excess of the 6 kl/month limit.

Several rollouts were implemented to enforce the Indigent Management and Free Basic Services policy. However, these efforts had limited success and as a result unrestricted water access continues.

- Inaccurate or not billing regularly.

- Water billing inaccuracy due to faulty/non-working meters or unmetered consumers. The municipality is unable to quantify the exact percentage of water losses due lack of meters. Fifty percent (50%) is un-metered and the other 50%, is not functional, mainly due to age of the infrastructure. In the absence of meters, it is impossible to monitor usage and determine actual water losses. Some bulk and zone meters, need to be replaced due to age and others only require calibration.

- Water meters generate data, which is most often collected manually or self-reported through data loggers and is therefore critical in the Non-Revenue Water calculations. The information will also enable the municipality to calculate high water losses within the system.

The municipslity made progress to improve the quality of drinking water since 2012, when the blue drop score was below (6%) six percentage points. While score improved to 25.77% (2014) it dropped slightly to 24.05 % (2023). A decrease in the blue drop score negatively impacts the population, particularly the poor .

Sanitation

Koukamma Municipality is on a positive trajectory with flush toilets, which increased by 15,7% from 75.8% (2011) to 91.5% (2023).

A Municipal Infrastructure Grant (MIG) for R9 354 904 enabled the Koukamma Municipality to upgrade the sanitation services in Clarkson. A similar project has been approved for Woodlands, with funding from WSIG to the value of R 36 million, commencing in 2025/26.

A number of projects have been undertaken to upgrade Koukamma's Waste Water Treatment Works (WWTWs), with package plants using Tecroveer technology. This includes Stormsrivier, Sanddrif, Coldstream and Misgund WWTWs.

Challenges

Existing Waste Water Treatment Plants (WWTPs) as well as the pump stations at most plants are in a state of disrepair.

Business plans for the refurbishment of the WWTPs and pump stations were submitted. Funding has been limited and insufficient to accommodate the entire sanitation refurbishment project. Partnerships, resources and funding ought to be secured for an overhaul of the WWTP and pump stations and enable ongoing maintenance.

Infrastructure development is a complex specialist field that needs a proper diagnosis, understanding the underlying causes. An appropriate response requires a distinction between the events, patterns & trends vs the systemic and structural issues followed by informed remedies. Certain challenges contribute to our ageing infrastructure, as outlined below:

- Excessive inefficiency e.g. High Non-Revenue Water, High impairment of new infrastructure
- Inadequate budgeting and expenditure on repairs and maintenance
- Lack/shortage of technical skills in local government
- Poor infrastructure asset management practices

PresLack/shortagesing challenges included health and safety concerns; basic water and sanitation services are not available; the constant sewer blockages from the small-bore system and collapsing septic tanks as well as pollution of the waterways and environment.

Approximately R210 million, as indicated in the table below, is required to upgrade and maintain the water and sanitation infrastructure.

Project Name	Project description (new/ upgrade/ refurbishment/ size of plant Ml/d KM of pipeline)	Current demand vs current supply vs planned supply	Population/ beneficiaries (impact on how many will benefit)	Budget Shortfall/ budget required
Refurbishment of vandalized WWTW with Directives & Pre-Directives	Desludging, replacement of aerators, mechanical and electrical works, lining of ponds	These are existing plants, no upgrading	Coldstream, Stormsriver, Misgund, Kareedouw, Joubertina	R 11,5m
Refurbishment of WWTWs and WTWs	Refurbishment of WWTWs and WTWs	These are existing plants, no upgrading	Misgund, Louterwater, Krakeel, Joubertina, Kareedouw,	R 102,2m

			Clarkson, Woodlands, Mandela Park, Blikiesdorp, Stormsriver, Coldstream (11,222 h/h)	
Replacement of Asbestos Pipes	Replacement of Asbestos Pipes	Existing networks that need to be replaced due to age	Kareedouw and Joubertina (36,487 h/h)	R 51,3m
Water Conservation & Demand Management	Purchase of bulk and consumer smart meters for all settlements	Replacement of existing nonfunctional meters	All towns (36,487 h/h)	R 45m
TOTAL REQUIRED				**R210 m**

The municipality have a stagnant and low revenue base. The revenue

collection rate is 53,80%, which is below the 95% norm. A critical factor is that 31% of the households are indigent,15 of which include the unemployed and seasonal workers earning low wages in the agriculture, forestry and tourism industries.

The other factor is the Koukamma Municipality's limited own revenue streams. Koukamma, like most local municipalities, is reliant on grants from National Treasury and other government departments to expand its housing and basic services infrastructure footprint. The net impact of limited resources is that the Municipality is implementing a reactive maintenance and servicing programme. It lacks an

asset management plan and a proactive and sustainable maintenance plan.

Despite the various challenges including inadequate budget, shortage of equipment, fleet, personnel etc. the Koukamma Municipality continued to render basic services and ensured that all the 13 settlements have access to water, sanitation, refuse removal, electricity and fire services.

Local Economic Development

The Koukamma municipality developed a Local Economic Development Strategic Plan with six strategic areas namely Oceans Economy, Green Economy, Tourism, SMME

Development, Investment Promotion and Attraction, Public Private Partnership and Agriculture. The LED strategies are aimed at alleviating poverty.

Financial health overview

Financial viability is an important concept to determine the ability of the municipality to provide services. In order for municipalities to be financially viable it is important that they have a resilient and sustainable economic base where people are working and earning living wages, and businesses, large and small, are facilitating the steady exchange of goods and services.

Without a strong and sustainable economic base, the municipality will struggle to fulfil its

constitutional and legislative responsibilities. Municipal financial viability is key in the sense that municipalities are legally authorized to charge for the services that they provide. This permits the municipality to cover its costs in providing such services. However, a challenge arises when payment for such delivery is not made. This affects the financial viability of a municipality and the sustainability of provision of service. Charging affordable rates for consumer services creates a strong municipal finance, which can directly translate into growth. Viability and sustainability are fundamental factors in municipal service delivery if local government is to address its development role effectively.

Financial viability is defined as the ability to generate sufficient income to meet operating

payments, debt commitments and, where applicable, to allow growth while maintaining service levels. Financial viability means the municipality can meet its expenditure out of revenue, without depending on government grants and borrowings. The division of municipal powers and functions, are important factors which may influence municipal viability as well as municipal revenue management and collection.

Municipalities should generate their revenue to meet service delivery objectives. For municipalities to generate own revenue, they must maintain a sound revenue base and put in systems to manage and collect generated revenue from charges for providing water and other services. Key challenges which confront rural municipalities to generate their own revenue are a low revenue base and a culture of nonpayment. These have the potential to weaken the financial viability of municipalities. The Constitution of the Republic of South Africa of 1996 provides for municipal powers and functions and enables municipalities to charge for services rendered, to collect money due and to levy interest on outstanding amounts. The Local Government Municipal Systems Act, sections 12 and 13, deals extensively with municipal legislative processes, particularly the passing and publishing of municipal by-laws in a provincial government gazette. The municipal by-laws are legally required to give effect to decisions taken by the municipal Council (MFMA Circular 64 of 2012).

The tables hereunder will show the revenues, expenditure and financial overview

using ratios and norms in line with treasury circular 71.

	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (if)
						" R 000 "		
1. FINANCIAL POSITION								
A. Asset Management/Utilisation								
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%				
					Total Operating Expenditure	213 677 383	2023/24 Projected 2	
					Taxation Expense	-		
					Total Capital Expenditure	39 415 565		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%				
					PPE, Investment Property and Intangible Impairment	-	2023/24 Projected 2	
					PPE at carrying value	375 648 548		
					Investment at carrying value	24 957 015		
					Intangible Assets at carrying value	19 574		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%				
					Total Repairs and Maintenance Expenditure	3 000 383	2023/24 Projected 2	
					PPE at carrying value	375 648 548		
					Investment Property at Carrying value	24 957 015		

B. Debtors Management

1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%	Gross Debtors closing balance	247 251 381	2023/24 Projected 2	
					Gross Debtors opening balance	196 645 297		
					Bad debts written Off	20 099 151		
					Billed Revenue	94 953 501		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		#DIV/0!	2023/24 Projected 2	
					Consumer Debtors Bad debts written off			
					Consumer Debtors Current bad debt Provision			
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days			2023/24 Projected 2	
					Gross debtors	247 251 381		
					Bad debts Provision	193 555 966		
					Billed Revenue	94 953 501		

C. Liquidity Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months			2023/24 Projected 2	
					Cash and cash equivalents	852 823		
					Unspent Conditional Grants	9 814 140		
					Overdraft	-		
					Short Term Investments	-		
					Total Annual Operational Expenditure	136 136 825		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1			2023/24 Projected 2	
					Current Assets	98 116 283		
					Current Liabilities	54 632 371		

D. Liability Management

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%			2023/24 Projected 2	
					Interest Paid	978 770		
					Redemption	-		
					Total Operating Expenditure	213 677 383		
					Taxation Expense	-		
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%			2023/24 Projected 2	
					Total Debt	-		
					Total Operating Revenue	234 371 635		
					Operational Conditional Grants	72 398 824		

E. Sustainability

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%		#DIV/0!	2023/24 Projected 2	
					Cash and cash Equivalents			
					Bank Overdraft			
					Short Term Investment			
					Long Term Investment			
					Unspent Grants			
					Net Assets			
					Share Premium			
					Share Capital			
					Revaluation Reserve			
					Fair Value Adjustment Reserve			
					Accumulated Surplus			
2. FINANCIAL PERFORMANCE								
A. Efficiency								
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%			2023/24 Projected 2	
					Total Operating Revenue	234 371 635		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*			
					Total Operating Expenditure	213 677 383		
					Taxation Expense			
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		#DIV/0!	2023/24 Projected 2	
					Total Electricity Revenue			
					Total Electricity Expenditure			
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		#DIV/0!	2023/24 Projected 2	
					Total Water Revenue			
					Total Water Expenditure			
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		#DIV/0!	2023/24 Projected 2	
					Total Refuse Revenue			
					Total Refuse Expenditure			
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		#DIV/0!	2023/24 Projected 2	
					Total Sanitation and Water Waste Revenue			
					Total Sanitation and Water Waste Expenditure			
B. Distribution Losses								

1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		#DIV/0!	2023/24 Projected 2	
					Number of units purchased and/or generated			
					Number of units sold			
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%			2023/24 Projected 2	
					Number of kilolitres purchased and/or purified	1 729 005		
					Number of kilolitres sold	778 573		
C. Revenue Management								
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		#DIV/0!	2023/24 Projected 2	
					Number of Active Debtors Accounts (Previous)			
					Number of Active Debtors Accounts (Current)			
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI			2023/24 Projected 2	
					CPI			
					Total Revenue (Previous)	251 566 868		
					Total Revenue (Current)	234 371 635		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI			2023/24 Projected 2	
					CPI			
					Total Revenue Exl.Capital (Previous)	211 436 518		
					Total Revenue Exl.Capital (Current)	197 372 929		
D. Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days			2023/24 Projected 2	
					Trade Creditors	38 108 727		
					Contracted Services	9 788 592		
					Repairs and Maintenance			
					General expenses	25 256 501		
					Bulk Purchases	6 158 348		

					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	39 415 565		
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure	18 238 835	*2023/24 Projected 2*	
					Total Operating Expenditure	213 677 383		
					Taxation Expense	-		
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost	80 978 718	*2023/24 Projected 2*	
					Councillors Remuneration	5 961 374		
					Total Operating Expenditure	213 677 383		
					Taxation Expense	-		
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services	9 786 592	*2023/24 Projected 2*	
					Total Operating Expenditure	213 677 383		
					Taxation Expense	-		
C. Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		#DIV/0!	*2023/24 Projected 2*	
					Internally generated funds			
					Borrowings			
					Total Capital Expenditure			
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		#DIV/0!	*2023/24 Projected 2*	
					Internally generated funds			
					Total Capital Expenditure			
3	Own Source Revenue to Total Operating Revenue(Including	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (Including	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		82%	*2023/24 Projected 2*	
					Total Revenue	234 371 635		
					Government grant and subsidies	72 396 824		

	Agency Revenue)	agency services) x 100			Public contributions and Donations	-		
					Capital Grants	38 968 708		
5. BUDGET IMPLEMENTATION								
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	Actual Capital Expenditure	39 415 569	2023/24 Projected 2	
					Budget Capital Expenditure	24 630 861		
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Expenditure	198 199 881	2023/24 Projected 2	
					Budget Operating Expenditure	253 227 183		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Revenue	234 371 835	2023/24 Projected 2	
					Budget Operating Revenue	308 031 518		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Service Charges and Property Rates Revenue	82 057 475	2023/24 Projected 2	
					Budget Service Charges and Property Rates Revenue	88 745 461		

Auditor-General Audit Findings

Overview of the Auditor-General Report includes the issues raised during the audit and remedial action taken to address the matters identified in the audit report.

The Municipality received an Adverse outcome.

The full report is attached in Chapter 6.

CHAPTER 2: GOVERNANCE

The purpose of good governance is to measure how public institutions conduct public affairs and manage public resources in a way that is preferred by society/communities. It is a process of decision–making and implementation.

Municipal leadership both political and administration are required to comply with the eight elements of good governance namely;

- Rule of Law – fair legal framework enforced by an impartial regulatory body for full protection of stakeholders;
- Transparency- information should be provided in easily understandable forms and media, it should be freely available and directly accessible to those who will be affected;
- Responsiveness – organizations and their processes are designed to serve the best interest of stakeholders within reasonable timeframes;
- Consensus-oriented – there must be consultation to understand the different interest of stakeholders and how this can be achieved in a sustainable and prudent manner;
- Equity and inclusiveness – provision of opportunity to stakeholders to maintain and improve their well-being and see reason for existence and value to society;
- Effectiveness and efficiency – decisions taken must produce favourable results that meet the community needs, whilst making the best use of resources;
- Accountability- this is the fundamental principle of good governance. The municipality must be able to explain and answer to the communities on decisions that have been made;
- Participation – communities must be involved in the decision- making and they must be able to raise their opinions on issues affecting them

COMPONENT A: GOVERNANCE STRUCTURE

2.1. Political Governance Structure 2023/2024



Mayor : Cllr. Fuzile Jan Yake



Speaker: Cllr. Dudley Maasdorp

Koukamma Municipal Council have full – time status of the office bearers namely:

- Mayor; and
- Speaker.

Koukamma Municipality has four (4) political parties and an independent candidate. The four (4) political parties are as follows:

- African National Congress with six (6) members;
- Democratic Alliance with three (3) members;
- Freedom Front Plus with one (1) member;
- Patriotic Alliance with one (1) member and
- Independent member one (1).
- Koukamma Municipality is a collective executive system combined with a ward participatory system municipality as published in item 3 of Part II in Government Gazette 45301. The Municipal Council have twelve (12) Councillors.

Koukamma Municipality has an executive committee (EXCO), which allows for the exercise of the executive authority in whom the executive leadership of the municipality is vested. The Council has a Speaker, who chairs meetings of Council. All decisions are taken by the Council, but there are some of the decisions entrusted to the executive committee in terms of authority delegated by legislation. The Mayor provides political guidance over the policy, budget and financial affairs of the municipality.

The Speaker is in charge of the Council, which means that he is entrusted with the responsibility to guard the integrity of the legislative process and plays an important role in the oversight that the Council must exercise. He is also responsible to ensure that the municipality fulfil its public participation role and that all decisions taken by Council are implemented

The twelve (12) Councillors which served municipal Council are as follows:

No	Name and Surname	Position	Political Party
1.	Fuzile Yake	Mayor	ANC
2.	Dudley Maasdorp	Speaker	Independent
3.	Ronwell Fillis, He passed away on the 20 May 2024	Member	ANC
4.	Ronnie Campher	Whip of Council	ANC
5.	Kerneel Smit	Whip of the party	DA
6.	Nomathamsanqa Sikiwe	Chairperson of the MPAC and Whip of the party	ANC
7.	Vuyani Persent	Member	ANC
8.	Sharon Ferguson	Whip of the party	FFP
9.	Channon May	Member	ANC
10.	Francois Strydom	Member	DA
11.	Brendon Jantjies	Whip of the party	PA
12.	James Krige	Member	DA

Koukamma Municipality has three (3) executive members, two (2) from the ANC and one (1) DA namely:

- Councillor Fuzile Yake - Chairperson of the Executive Committee;
- Councillor Ronwell Fillis – Member of the Executive Committee (who passed away on 20 May 2024); and
- Councillor Kerneel Smit – Member of the Executive Committee.

All Councillors have different functions and are involved in other areas of responsibilities such as the Standing Committee as outlined below:

No	Name and Surname	Ward	Portfolio	Other responsibility
1.	Cllr Dudley Maasdorp	3	None	None
2.	Cllr Vuyani Persent	4	LED, Special Programmes and Finance Standing Committee, Technical Service and Community Service Standing Committee	LLF Deputy Chairperson
3.	Cllr Channon May	5	Corporate Service, Technical service and Community Service Standing Committee	Member of MPAC
4.	Cllr Nomathamsanqa Sikiwe	6	Corporate Service Standing Committee, LED, Special Programme & Finance Standing Committee	Chairperson MPAC and District Representative
5.	Cllr Ronnie Campher	2	Corporate Services Standing Committee,	Chairperson of Whippery

			LED, Special Programmes & Finance Standing Committee.	
6.	Cllr Ronwell Fillis	1	Chairperson of the Technical Service & and Community Service Standing Committee	None
No.	**Name & Surname**	**Designation**	**Portfolio**	**Other Responsibilities**
7.	Cllr Sharon Ferguson	PR	LED, Special Programmes, Finance Standing Committee	Member MPAC
8.	Cllr Brendon Jantjies	PR	Corporate Services Standing Committee	Member MPAC
9.	Cllr James Krige	PR	Technical Services and Community Standing Committee	None
10.	Cllr Kerneels Smit	PR	Corporate Services Standing Committee	None
11.	Cllr Francois Strydom	PR	MPAC Member	None

SUDDEN PASSING OF AN EXECUTIVE COMMITTEE MEMBER

In May 2024, Koukamma Municipality was saddened by the untimely death of Councillor Ronwell Fillis of Ward one (1). Councillor Ronwell Fillis was the chairperson of the Technical Service and Social & Community Service standing committee and a member of the Local Labour Forum. Councillor Fillis performed his responsibilities as a Ward Councillor and diligently represented Koukamma Municipality. Councillor Fillis was not just an excellent team player, but he had knowledge and experience of local government, specifically Koukamma Municipality.

2.2. ADMINISTRATIVE GOVERNANCE STRUCTURE



FROM THE FAR RIGHT: **Mr. Sabelo Tini** (Acting Municipal Manager , seconded by COGTA from November 2023 to December 2024). **Mr. Lucas Thamsanqa Somtseu** (Director Corporate Services), **Miss. Nydine Venter** (resigned as a CFO in December 2023), **Mr. Mziwamadoda Qalaba** (Director Technical Services).

During May 2023, the process of the organogram review by departments had taken place after which the Local Labour Forum (LLF) was consulted and then the approval of the organogram was done by Council on the 31 May 2023. The organogram review contributed to the separation of the combined Technical and Community Services Directorate to each directorate having its own Director.

The Municipality employed a Director Community Services in February 2024, splitting Technical & Community Services into two sections. Mr. G.W. Hermanus started at Koukamma Municipality as the Director Community Services.



Mr G.W.. Hermanus

Background on the Administrative Structure

The Municipal Manager is the Accounting Officer of the municipality and is delegated with the responsibility to provide guidance on compliance with Section 55 (1) of the Municipal Structures Act, 1998. The Municipal Manager is the driving force behind the administration and integrates all the different components of the municipality into strategic and operational plans. In the 2023/24 financial year, the administrative structure in relation to sections 56 and 57 was as follows:

No.	Name & Surname	Designation	Race	Gender
1	Vacant	Municipal Manager		
2	Lucas Somtseu	Director: Corporate Services	A	F
3	Nydine Venter	Chief Financial Officer	W	F
4	Mziwamadoda Qalaba	Director: Technical Services	A	M
5	G.W Hermanus	Director: Community Service	C	M

The Acting Municipal Manager, who was seconded by the Cooperative Governance & Traditional Affairs (COGTA), since November 2022, Mr. Sabelo Tini, left Koukamma Municipality in December 2023. Mr Lucas Thamsanqa Somtseu, the Director of Corporate Services, was appointed to act as the Municipal Manager from 01 January 2024 to 28 February 2024.

The Municipality employed a Director of Community Services in February 2024, splitting Technical & Community Services into two (2) sections. Mr. G.W. Hermanus started at Koukamma Municipality as the Director of Community Services. Mr Hermanus was later appointed to act as the Municipal Manager for three (3) months, from 01 March 2024 to 31 May 2024.

After the resignation of Miss Venter, the Council appointed Mr Maxwell Mzinzi, the Supply chain Manager to Act as a CFO for three (3) months after , after expiring of the three (3) months, Mr. Gerald Seas was appointed on a fixed term contract as a CFO.

A number of key service delivery management positions have subsequently been filled during the 2023/24 financial year, namely, Director Community Services, Manager: Technical Services, Manager: Local Economic Development, Manager: Planning and Development and Manager Community Services which all contribute to the achievement of service delivery priorities.

In terms of the Employment Equity Act, No. 55 of 1998 and regulations, the employer must prepare and implement an employment equity plan to ensure that suitably qualified are equally represented in all occupational levels. Significant progress has been made during 2023/24 as the organizational structure reflects the employment equity targets in all occupational levels.

The municipality has a staff complement of one hundred and seventy-one (171) permanent employees, twenty-four (24) contract employees, forty (40) Expanded Public Works Programme (EPWP) employees and thirty-eight (38) locals assisting in safeguarding the infrastructure of the Municipality.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3. Intergovernmental Relations

The Constitution defines intergovernmental relations as interacting networks of institutions such as the National, Provincial and local spheres which are expected to work together and cooperate with one another in mutual trust and in good faith. Intergovernmental relations are viewed as an evolving system of institutional cooperation that seeks to address equality and independence. Koukamma Municipality accepts and understands the importance of Intergovernmental Relations which is the key driver in ensuring that all government departments and state organs share ideas with the intention of improving the livelihood of the communities.

The Mayor/Speaker participates in the following structures which are held quarterly in the province and the meetings were held as follows:

- Premiers' Co-ordinating Forum
- Political Munimec driven by Department of Cooperative Governance and Traditional Affairs (CoGTA)
- Speakers' Forum
- Provincial Command Council
- District Command Council
- Mayor's Forum

The following meetings were held during 2023/24 financial year:

Structure	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Political Munimec			19& 20						5&6			
Mayor's Forum		30			28			8	15			

The Municipal Manager attends the Provincial Munimec with the Mayor where the Municipal Manager deals with the technical issues pertaining to the administrative functions of the municipality. Senior Managers and Portfolio Councillors attend the

SALGA Working Groups which update or inform participants of amendments in legislation or and updating on issues such as job evaluation and general increments.

These structures are guided by the Intergovernmental Relations Framework Act, No. 13 of 2005. Although the Mayor is responsible for chairing the Intergovernmental Relations at the municipal level and ensuring that knowledge is shared, as part of development; Councillors and officials are also nominated to participate in various Sarah Baartman District Municipality meetings such as:

- IDP Forums
- District Support Team
- SBDM Health Authority
- District HIV/AIDS Council, and
- EPWP Regional Steering Committee

The Mayor established and chaired the intergovernmental forum where all government departments and organs of state situated in Koukamma Local Area come together to plan common programmes that affect communities and share ideas on how the budget will be spent to uplift and improve the communities.

The structure plays a bigger role in shaping the policy and the resource allocation. Various departments and parastatals, such as SANRAL had contributed to the upliftment of the Koukamma area by paving alongside the road.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Chapter 4 Section 16 (1) of the Local Government: Municipal Systems Act requires that the municipality must develop a culture of municipal governance that complements formal representative government (i.e., Ward Councillors and Ward Committees) with a system of participatory governance, and must for this purpose:

(a) Encourage, and create conditions for, local community to participate in the affairs of the municipality, including in-
   (i) The preparation, implementation and review of its Integrated Development Plan (IDP);
   (ii) The establishment, implementation and review of its Performance Management System (PMS);
   (iii) The monitoring and review of its performance, including the outcomes and impact of such performance;
   (iv) The preparation of its budget; and
   (v) Strategic decisions relating to the provision of municipal services.

In line with the provisions of the Municipal Structures Act, 1998 as amended; Council has established Ward Committees in all its six (6) wards. Local residents, Community-Based Organisations (CBO), Ratepayers Association, Non-governmental Organisations (NGO), Religious Based Organisations (RBO), youth organisation, women organisation, sports, education, agricultural association, People with Disability, Community Safety Forums (CSF) and other civil society organization were invited to take part in the establishment of the wards.

Ward Councillors of Koukamma Municipality are from the following areas:

WARD	TOWN/AREA	WARD COUNCILLOR
1	Misgund	Cllr Ronwell C Fillis
	Krakeel	
2	Louterwater	Cllr Ronnie Campher
3	Ravinia	Cllr Dudley Maasdorp
4	Kareedouw	Cllr Vuyani Persent
5	Clarkson &	Councillor Channon Eugina May
	Woodlands	
6	Nompumelelo Village	Cllr Nomathamsanqa Sikiwe
	Coldstream	

During the year under review the Mayor had public participation meetings when the IDP and Budget were reviewed, and communities had the opportunity to discuss issues pertaining to budget and IDP.

Ward Councillors also call constituency meetings where they give feedback to communities of their ward on programmes and projects approved in the IDP and Budget which will be implemented. Ward Committee members as the representatives of the communities are also expected to facilitate programmes in relation to their portfolio (for example youth portfolio leader must organise programmes to benefit youth)

2.4. Public Meetings

Koukamma had been engaging with communities in public meetings, consulting on various programmes to be implemented such as IDP and Budget. The table below illustrates the meetings which were held in different areas on different dates:

WARD	AREA	DATE	VENUE	TIME
6	Coldstream	18 April 2024	Community Hall	18:00
6	Storms river	17 April 2024	Stormsriver MPCC	18:00
6	Nompumelelo Village	17 April 2024	Community Hall	18:00
5	Woodlands	16 April 2024	Community Hall	18:00
5	Clarkson	16 April 2024	Community Hall	18:00
4	Kareedouw	16 April 2024	Kagiso Heights Community Hall	16:00
3	Ravinia	22 April 2024	Ravinia MPCC	18:00
2	Louterwater	18 April 2024	Louterwater MPCC	18:00
1	Krakeel	22 April 2024	Community Hall	18:00
1	Misgund	23 April 2024	Community Hall	18:00

2.5. IDP Participation and Alignment

The Municipal Systems Act, of 2000 requires that municipalities develop an IDP. Koukamma Local Municipality's IDP is premised from the Spatial Development Plan, linked to the Sarah Baartman District Municipality's IDP and also aligned to the National and Provincial framework directives.

Section 26 of the Municipal Systems Act, 2000 has set a criterion for the institutions in order to check whether the IDP is aligned with public participation as follows:

IDP Participation and Alignment Criterion	Yes/No
Does the municipality have impact, outcome, input, output indicator?	Yes
Does the IDP have priorities, objectives, KPI's, development strategies?	Yes
Does the IDP have multiyear targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPI's in the strategic plan?	Yes
Do the IDP KPI's align to the Section 57 Managers	Yes
Do the IDP KPI's lead to functional area KPI's as per the SDBIP?	Yes
Do the IDP KPI's align with the provincial KPI's on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter-aligned reports submitted within stipulated timeframes?	Yes

The municipality had established a public participation methodology that embodies the fundamental values outlined in the Constitution focussing on human rights and

community involvement. Different platforms of engagement have been established namely:

- Ward Committee Constituency meetings;
- Mayoral Imbizo;
- IDP Representative Forum;
- IDP Steering Committee
- Intergovernmental relations; and
- Community-based planning sessions.

COMPONENT D: CORPORATE GOVERNANCE

Section 3 (1) of the Municipal Systems Act, dictates that Municipalities must exercise their executive and legislative authority within the constitutional system of co-operative governance as contemplated in Section 41 of the Constitution of the Republic of South Africa.

All Municipalities are required to effectively and efficiently develop common approaches for local government as distinct spheres of government, enhance cooperation, mutual assistance and sharing of resources amongst themselves. Corporate governance is the mechanisms, processes and relations by which corporate services are controlled and directed.

This definition relates to governance structures and principles to identify the distribution of rights and responsibilities among different participants in the corporate environment such as internal auditors, audit committee and municipal public accounts committees which are designed to ensure that processes to mitigate elements of risks and fraud are in place.

During the 2023/24 financial year, Koukamma Municipality's Audit Committee and Municipal Public Accounts Committee (MPAC) had several meetings on the following dates, namely:

Committee	Date of Meeting	Quarter	Comment
Audit	02 August 2023	First	To consider the fourth quarterly report for 2023/2024 financial year.
Audit	29 August 2023	First	To review the draft annual financial statement 2023/24
Audit	31 August 2023	First	To review the draft annual financial statement.
Audit	07 Nov 2023	Second	To consider the first quarterly report for 2023/2024 financial year.
Audit	05 December 2023	Second	

Audit	31 January 2024	Third	Introduction of new audit committee members.
Audit	06 February 2024	Third	To consider the second quarterly report for 2023/2024 financial year.
Audit	29 April 2023	Fourth	To review the departmental fourth quarterly reports (April-June)2022/23 financial year

The Audit Committee and the MPAC are the Committees of Council which play an oversight role and therefore report to Council, advise and recommend to the Council on matters relating to unauthorised, irregular, fruitless & wasteful expenditure and municipal performance. The Internal Audit unit and Audit Committee must support MPAC in its activities to ensure issues discussed are relevant, apply a consistent approach to matters, act within the legislative framework, raise and respond to matters to enable them to be addressed on a timely basis, and support recommendations.

The Internal Audit is responsible for assisting the municipality by ensuring that the internal controls are functioning such as Standard Operating Procedure (SOP) and policies. During the 2023/24 financial year, the Internal Audit managed to develop an entity-wide Risk Register pertaining to municipal operations.

Risk Management

The Management of Koukamma Municipality is tasked with the responsibility to identify, manage and mitigate risks. Risk Management forms an integral part of Management's responsibility and therefore the Risk Management Committee of Koukamma conducted a risk assessment meeting to identify risk factors and was facilitated by the Internal Audit. The Koukamma Municipality's risk register was discussed by the Risk Committee and updated.

Section 62 (1) (c) (i) of the Municipal Finance Management Act, No.56 of 2003 requires that the Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. Further to this statement, Section 165 (2) (a) requires that the Internal Audit Unit of a municipality must prepare a risk–based audit plan and an internal audit program for each financial year.

During 2023/24 financial year, Koukamma Municipality had a risk assessment workshop and identified the following risks in the risk register:

Top 5 Inherent Risks

The table below lists the top 5 inherent risks identified during the risk assessment:

No.	Risk No.	Strategic Objective	Risk Statement and Source	Level of Inherent Risk
1	Risk 1	Financial Viability and Management and Sustainability	1) Inability to collect revenue	**High**
2	Risk 2	Local Economic Development	2) Inadequate economic development	**High**
3	Risk 9	Financial Viability and Management and Sustainability	3) Poor performance of contractors+	**Medium**
4	Risk 6	Good Governance and Public Participation	4) Political and administrative instability	**Medium**
5	Risk 8	Municipal Transformation and Institutional Development	5) Inability to attract and retain skilled labour force	**Medium**

Risk per Key Performance Area has been Identified as follows;

KPA – Municipal Transformation And Institutional Development

Risk No.	Risk Description	Root Causes	Risk Consequences	Inherent Risk Value	Current Risk Controls	Residual Risk Value
1	**Insufficient human resource capacity and misapplication of recruitment & selection systems**	1. Inability to attract and retain skilled personal 2. Vacancies in critical positions 3. Non-adherence to internal policies guiding the recruitment and selection process 4. External influence and interference in recruitment process 5. Prolonged process of job evaluation and Job description 6. Misplaced staff	1. Work overload/fatigue. 2. Poor segregation of duties. 3. Low staff morale. 4. Compromised service delivery.		1. Recruitment policy 2. Employment Equity Act & plan 3. Skills development plan 4. Training	
2	**Labour instability**	1. Long outstanding labour issues 2. Inadequately constructed and non-functional LLF. 3. Lack of clarity on the roles and responsibilities (leadership – [political], administration and labour 4.Non-attendance by members at the LLF 5.Non implementation of resolutions 6.Lack of communication 7.Lack of training of LLF members.	1. Low morale 2. Strained relations		1. Labour relations policies 2. LLF Manual/Guidelines (White paper) 3. Collective agreement 4. Resolution register 5. Schedule of meetings	13

3	**Occupational health hazards and communicable diseases**	1. Inadequate implementation of OHS Act. 2. lack of office space and congestion 3. Inconsistent provision of PPE.	1. Litigations. 2. injuries and escalation of sick leave. 3. Financial loss (penalties and fines). 4. Lost productivity and business disruption.		OHS policy and Committee	
4	**Loss and leakage of organisational information**	1. Mismanagement of records 2. Decentralisation of records 3. Noncompliance to existing file plan 4. Dilapidated municipal storage building	1. Negative audit outcomes 2. Claims and litigations 3. Leakage of sensitive information		1. Records management policy 2. File plan 3. Procedure manual 4. Service provider on site to enhance records management	10
5	**ICT Business Interruption**	1. Aging ICT infrastructure 2. No offsite backup 3. Use of private emails 4. slow network 5. Lack of synchronisation	1. Loss of information 2. Loss of revenue 3. Disclaimed Audit opinion 4. Distraction in the municipal continuity		1. ICT Steering committee established 2. ICT framework in place 3. ICT strategy 4. ICT Policy 5. ICT Steering committee terms of reference	12
6	**Lack of land audit within the area and jurisdiction of Koukamma local municipality.**	1. Lack of capacity within Koukamma Local Municipality to undertake the process of land audit. 2. The process is long overdue for unlocking development potential for the Municipality	1. The municipality is not able to exploit land resources for local economic beneficiation 2. It has contributed to stunted economic growth development of the area		1. Seek external funding for land audit exercise 2. Appoint a multi-disciplinary land audit team 3. Development and maintenance of land audit register 4. Skills transfer to relevant Koukamma officials	
7	**Lack of Municipal Land/Property disposal Policy.**	1. The land/property disposal policy has not been developed.	1. Lack of development on currently municipal owned land and property	9	1. Ad hoc approach on lease of municipal land & property	12
8	**Lack of Anti-Land invasion By-Law.**	1. The municipality does not have an effective policy mechanism to deal with land invasion	1. The municipal land development plans would be thwarted		1. Housing development plan	12

					2. Land use management system	

KPA – Basic Service Delivery and Infrastructure Investment (Community Services)

Risk No.	Risk Description	Root Causes	Risk Consequences	Inherent Risk Value	Current Risk Controls	Residual Risk Value
1	**Public health unsustainability and vulnerability**	1. Inconsistent collection of refuse 2. Illegal dumping 3. Sub-standard Landfill sites 4. Insufficient Human Capital 5. Lack of collaboration with relevant stakeholders (communities & sector departments)	1. Communicable diseases 2. Litigations 3. Municipal reputational damage 4. Fines and penalties		1. 2x licensed dumping sites 2. refuse removal trucks 3. schedules of refuse collection 4. Bylaws & Policies	
2	**Delayed responses to fire incidents**	1. Accessibility (Road Infrastructure 2. Time of the day (Night vs daytime) 3. Poor Weather Conditions 4. Lack of awareness to communication processes by communities	1. Litigations 2. Increased number of petitions 3. Community unrest 4. Decreased performance (non-performance)		1. Fire Trucks 2. Fire brakes 3. District disaster support 4. Fire Associations established 5. Disaster management officer appointed 6. Fire hotline operational	12
3	**Inadequate infrastructure and facilities to provide efficient waste removal services.**	1. Lack of gazetted municipal by-laws 2. Ineffective Integrated Waste Management Plan 3. Absence of internal and external waste and environmental management awareness campaigns 4. Lack of monitoring refuse collection strategies or plans	1. Non-compliance with waste management legislation 2. Community unrest resulting in delays in construction 3. Bad weather conditions resulting in delays		1. Solid waste management By-laws in place (Not promulgated) 2. Waster Integrated Waste Management Plan 3. Provision of additional resources (Compact trucks, human resources) 4. Implementation of EPWP program 5. Availability of waste bins	

4	**bribery and fraudulent (Traffic Dept)**	1. Unethical conduct 2. Lack of consequence management 3. Deliberate disregarding/overriding of internal controls. 4. Abuse of power 5. Lack of implementation of the Fraud Prevention Plan. 6. Lack of consequence management.	1. Financial loss 2. Negative audit outcomes 3. Compromised service delivery. 4. Collapse of the municipality 5. Negative reputation		1. Anti-fraud and corruption policy 2. Code of conduct 3. Whistleblowing policy 4. Annual workshops (OTP and Treasury) 5. Disciplinary procedures	**12**

KPA – Basic Service Delivery and Infrastructure Investment (Technical Services)

Risk No.	Risk Description	Root Causes	Risk Consequences	Inherent Risk Value	Current Risk Controls	Residual Risk Value
1	**Poor workmanship and low standard of goods/services (projects)**	1. Appointment of under capacitated contractors 2. Poor monitoring of performance 3. Inadequate contracts management 4. Insufficient human resource within the Unit	1. Financial loss 2. Accidents 3. Flooding 4. Litigations 5. Damaged to existing infrastructure		1. Approved implementation and procurement plans 3. Site visits / inspections 3. Monthly site meetings 2. Monthly reports	
2	**Dilapidated roads infrastructure**	1. Lack of stormwater maintenance 2. Budget constraints 3. Lack of planning 4. Lack of collaboration between the municipality & other stakeholders (roads & sanral)	1. High number of litigations 2. High accident rate 3. Financial opportunities lost relating to tourism		1. PMU 2. Maintenance plan	

3	**Electricity distribution losses**	1. illegal connections 2. Lack of coordination between relevant directorates 3. Tempering and bypass of meters	1. Loss of revenue 2. affects ability to provide adequate electricity and determining tariffs		1.Electricity disconnections 2.Monthly Consumption report 3. New vendor system in place 4. Fines for illegal connections 5.Monthly Meter audits	13
4	**Failure to Meet water quality SANS standards (Blue & Green status)**	1. Inadequate skills. 2. Ageing Infrastructure. 3. Insufficient human capacity 4. Lack of laboratory equipment 5. Lack of accredited scientific services	1. Loss of WSA Status. 2. Water Borne Diseases. 3. Poor Water quality Standards as per SANS 4. Litigations against the municipality 5. Inability to achieve blue and green drop status. 6. Reputational damage		1. Water quality monitoring Program (based on SANS) 2. Classification of Process Controllers and Treatment Works. 3. Blue and Green Drop Implementation Plan 4. Outsourcing of laboratory	12
5	**Lack of Land Use and Building Control Regulators**	1. Lack of Building Control By-Law. 2. Lack of a compliant Spatial Development Framework (SDF) in terms of SPLUM 3. Lack of a compliant Integrated Land Use Scheme (ILUS) in terms of SPLUMA 4. Non-existence of Standard Operating Procedures	1. Non-compliance with laws and regulations 2. No guidance in terms of Spatial Development Proposals 3. Non-compliance with building plans and land use rights 4. No clear process plan on applications and building plans processes		1. Implementation of the National Building Regulations Act. 2. SDF and ILUS to be submitted to council for approval 3. Implementation of Koukamma SPLUM By-Law (2016)	10
6	**Lack of Town Planning Structures**	1. No Council Resolution appointing the Authorised Official (AO) 2. No Council Resolution for the categorisation of the Planning Applications 3. No Council Resolution appointing the Appeals Authority (AA)	1. Category 2 applications will delay in the consideration phase 2. Lack of an appointed committee to deal with all appeals 3. Court litigations on appeals submitted and not attended to by the Municipality	12	1. The MPT considers all the applications in terms of Section 15(1) of the SPLUM Regulations	12

KPA – Financial Viability, Management and Sustainability

Risk No.	Risk Description	Root Causes	Risk Consequences	Inherent Risk Value	Current Risk Controls	Residual Risk Value
1	**Poor safeguarding of municipal asset**	1. Misuse of municipal assets 2. Lack of consequence management on exception reports generated by the Tracker system 3. Non barcoding of assets 4.Unauthorized movement of assets 5. Use of manual asset tools (asset register, stock- taking) 6. Uncontrolled access to printers 7. Lack of consequence management in instances of transgressions 8. Lack of adequate inspection and maintenance of movable assets	1. Financial losses 2. Negative audit outcome 3. Compromised service delivery 4. Misstatements on AFSs		1. Asset & Fleet Management Policies 2. SOP's are in place 3. Asset Register 4. Asset verification 5. Vehicle Tracking system	12
2	**Inability to collect revenue**	1. Incorrect meter reading 2. Incorrect billing of debtors 3. Non receipt of statements 4. Late receipt of debtor's statement 5. Ineffective implementation of debt and credit control policy 5. Shortage of personnel 6. Inaccurate valuation roll 7. Inaccurate billing information on the system 8. High population of indigent households. 9. Ineffective communication with debtors. 10. Faulty meters 11. Lack of systems to restrict services 12. Meter tampering	1. Low collection of revenue 2. Delays in service delivery 3.Negative economic growth 4. Slow rate of development 5. Inability to attract investors and tourists 5. Going concern affected		1. Credit control policy 2. Indigent register 3. Valuation roll 4. Billing system	

3	**Unauthorised, Irregular, Fruitless and wasteful expenditure**	1. Non - adherence to and monitoring of supply chain management processes 2. Non-Functional disciplinary board for financial misconduct 3. Inadequate BAC composition 4. Lack of understanding of expenditure controls processes 5. System of delegation of authority not in place 6. Lack of implementation of the Fraud and prevention strategies to curb unethical practises. 7. Inadequate systems to identify irregular, wasteful and fruitless expenditure 8. Lack of segregation of duties 9. Non - adherence of regulation 32 requirements.	1. Loss of funds 2. Increased litigation 3. Compromised service delivery 4. Loss of investment opportunities due to negative publicity. 5. Negative audit outcomes		1. SCM policy in place 2. Bid committees appointed 3. Guidelines from treasury 4. Internal Audit 5. Audit Committee 6. MPAC 7. Reporting to all structures 8. Proper authorisation of Deviations	10
4	**Inadequate contract management services**	1. Lack of systems to monitor contract 2. Lack of skills with SCM 3. Delays in payment of contractors' invoices 4. Lack of Contract Management System	1. poor quality of services rendered 2. financial losses 3. reputational damage 4.Delay in service delivery		1. Project Management Unit Manager 2. SCM policy 3. Reports to standing committee Financial reports 4. Quarterly Reporting for Service Delivery 5.Project steering committee	

KPA – Local Economic Development / Good Governance and Public Participation

No.	Risk Description	Root Causes	Risk Consequences	Inherent Risk Value	Current Risk Controls	Residual Risk Value
1	**Lack of Community involvement in Municipal Affairs**	1. Ineffective public participation and communication systems 2. Lack of council involvement 3. Silo mentality 4. Non-functionality of ward committees	1.Information gap between the municipality and communities. 2.Needs of the community not addressed 3.Community Unrest 4.Loss of confidence by Communities and bad reputation to the municipality.		1. Communication Strategy in place 2. Public participation office 3. Guidelines for appointment of ward committees	
2	**Ineffective coordination of integrated planning**	1. Limited understanding of roles and responsibilities by stakeholders involved in the IDP process. 2.Non-adherence to IDP process plan 3. Lack of will/Appetite by Council 4. Non-cooperation (internal stakeholders and sector departments) on IDP processes	1.IDP, Budget and SDBIP not adequately aligned 2.IDP not responding to Community needs 3.Inability to have a credible IDP 4.Poor service delivery 5.Service delivery protests		1. IDP Process plan 2. IDP steering committee and rep forums 3. IGR structures	

3	**Insufficient hard evidence (Portfolio Of Evidence) accompanying performance information**	1. Late submission of POE Files 2. Submission of irrelevant evidence for activities performed 3. Collection, collating and storage of hard evidence on performance information(data) is not prioritised 4. Inadequate review of POE Files before submission 5. Lack of separation of functions on reports (preparer, reviewer and authoriser) 6. Lack of consequence management	1. Negative audit outcomes 2. Poor organisational performance 3. Financial losses 4. Reputational damage		1. Performance Management Policy 2. Quarterly review and reporting	**13**
4	**Inability to unlock economic, tourism & development opportunities**	1. Lack of economic infrastructure 2. Insufficient funding for economic development 3. Lack of credible business plan and feasibility studies due to limited capacity 4. Inability to access external funding 5. Lack of LED strategy	1. Loss of potential revenue 2. Increased poverty rate 3. Increased unemployment 4. Decline in tourism		1. IGR forum in existence 2. Natural resources available 3. Charcoal available 4. Wood available 5. Essentials oils available 6. LED standing committee functional 7. National LED Framework 8. Business development forum established 9. Tourism association established	**12**

Anti-corruption and fraud

Discipline and integrity are required from those serving the public, The obligations of public office need honest and ingenuous accounting but also require a commitment to democratic process. Everyone that is entrusted with this privilege, should possess a strong sense of responsibility to act with efficiency and competence and to discipline personal desires to the standards of law and democratic expectation.

There is a draft Anti-Corruption policy which has not yet been reviewed.

Supply Chain Management

Koukamma Local Municipality has an approved Supply Chain Management Policy, the policy provides an effective system of demand management, acquisition management, logistic management, performance management, and risk management to ensure that the resources required to support the strategic and operational commitments of the Municipality are delivered timeously. The Municipal Manager submits a quarterly report on the implementation of the SCM policy to the Council for the Council to maintain oversight over the implementation of the policy. During the 2023/24 financial year, the Supply Chain Management Unit consisted of two (2) permanent employees and three (3) contract employees as follows:

The Manager: SCM;

Accountant: SCM;

Officer: SCM x2 – On Contract

Intern x1

The Manager: SCM manages the SCM unit and provides support to the Chief Financial Officer and also sits in the Bid Adjudication Committee (BAC) as an expert adviser on the policy position as it relates to SCM, whilst the Accountant: SCM coordinates all SCM related functions and sits in the Bid Evaluation Committee (BEC) and make sure that minutes are taken, ensuring that bid evaluation is done in terms of the minimum bid requirements in line with the provisions of the Supply Chain Management Policy of Koukamma Local Municipality. The Accountant also provides guidance and support, assists with the technical aspects of the specification and where necessary seeks advice from the Provincial Treasury. The Two Officers and the Intern assisted the Accountant with the day-to-day operations of the unit including the activities relating to Fleet Management.

All three bid committees are functional except the fact that the Bid Adjudication Committee (BAC) does not meet the required standard of the Provincial Treasury in terms of composition; there are only three (3) Senior Managers in Koukamma Local Municipality as opposed to the required four (4) Senior Managers as per the Treasury requirements for the composition of the BAC. However, the National Treasury published on the 5th of May 2020 Government Gazette No. 43281 which allows Municipalities with less than four (4)

Senior Managers to utilise Senior Managers from neighbouring Municipality in accordance with S88 of Municipal Structures Act, 1998. The Municipality utilised the services of the Director: Technical Services from Sarah Baartman District Municipality for the duration of the 2023/24 financial year to meet the requirements of the BAC composition.

The following are tenders whose procurement processes took place or finalised during the 2023/24 financial year:

BID NUMBER	BID COMMITTEE	SCHEDULE OF MEETINGS	NO. OF MEETING HELD	ACTUAL DATES	REASON FOR POSTPONEMENT IF POSTPONED
05/2023	Bid Specification	28 March 2023	1	28 March 2023	
	Bid Evaluation	09 June 2023	1	09 June 2023	
	Bid Adjudication	22 June 2023	1	22 June 2023	
06/2023	Bid Specification	29 March 2023	1	29 March 2023	
	Bid Evaluation	06 June 2023	1	06 June 2023	
	Bid Adjudication	22 June 2023	1	22 June 2023	
07/2023	Bid Specification	29 March 2023	1	29 March 2023	
	Bid Evaluation	01 June 2023	1	01 June 2023	
	Bid Adjudication	22 June 2023	1	22 June 2023	
12/2023	Bid Specification	11 May 2023	1	11 May 2023	

	Bid Evaluation	28 July 2023	2	28 July 2023 & 15 August 2023	
	Bid Adjudication	07 August 2023	2	07 August 2023 & 22 August 2023	Members couldn't finish evaluation and reconvinced the following day
09/2023	Bid Specification	03 May 2023	1	03 May 2023	
	Bid Evaluation	19 September 2023	1	19 September 2023	
	Bid Adjudication	09 October 2023	1	17 October 2023	Members were not available on the initial set date
10/2023	Bid Specification	4 May 2023	1	4 May 2023	
	Bid Evaluation	15 September 2023	1	15 September 2023	
	Bid Adjudication	09 October 2023	1	17 October 2023	Members were not available on the initial set date
13/2023	Bid Specification	13 July 2023	1	13 July 2023	
	Bid Evaluation	11 September 2023	1	11 September 2023	

	Bid Adjudication	17 October 2023	1	17 October 2023	
15/2023	Bid Specification				
	Bid Evaluation				
	Bid Adjudication				
16/2023	Bid Specification	27 September 2023	1	27 September 2023	
	Bid Evaluation	30 October 2023	1	30 October 2023	
	Bid Adjudication	10 November 2023	1	10 November 2023	
19/2023	Bid Specification	22 November 2023	1	22 November 2023	
	Bid Evaluation	22 December 2023	1	22 December 2023	
	Bid Adjudication	15 January 2024	1	15 January 2024	

Below are the details of tenders whose timeframes for bid committee sittings are analysed above:

TENDER NO.	**DESCRIPTION**	**DATE AWARDED**	**BIDDER**	**AMOUNT**
05/2023	REPLACEMENT OF SMALL-BORE SWERAGE IN CLARKSON	25 July 2023	MHLANGOVUYO TRADING CC	R 12 996 366,60

06/2023	PROVISION OF LABORATORY SERVICES: MONTHLY WATER & WASTEWATER SAMPLING ANALYSIS FOR A PERIOD OF 3 YEARS	25 July 2023	LUGAJU INNOVATION PTY LTD	R	1 700 737,84
07/2023	PROVISION OF HIRING OF TLB FOR A PERIOD OF 3 YEARS	25 July 2023	GQWANE PROJECTS	R	465,00
12/2023	UPGRADING OF MOUNTAIN VIEW GRAVEL ROADS PHASE 2	19 September 2023	IBHABHATANE TRADING CC	R	6 029 601,29
09/2023	PROVISION OF PRINTING AND DISTRIBUTION OF ACCOUNT SERVICES FOR A PERIOD OF 3 YEARS	09 November 2023	CAB HOLDINGS PTY LTD	R	1 924 748,00
10/2023	PROVISION FOR RENDERING OF GEORGRAPHIC INFORMATION SYSTEM, DATA	09 November 2023	UMHLABA CONSULTING GROUP	R	643 062,75

	MAINTENANCE AND HOSTING OF DATA FOR A PERIOD OF 3 YEARS				
13/2023	SUPPLY AND DELIVERY OF BLACK RE-FUSE BAGS	09 Novem-ber 2023	NOROLOR PTY LTD	R	220 800,00
15/2023	PROVISION OF SHORT-TERM INSURANCE FOR A PERIOD OF 3 YEARS	08 Febru-ary 2024	LATERAL UNISON IN-SURANCE	R	928 167,00
16/2023	SUPPLY AND INSTALLATION OF HIGH MAST LIGHTS FOR KOUKAMMA AREAS - PHASE 1	15 January 2024	SIYA AND AYA JV	R	7 599 624,81
19/2023	UPGRADING OF JOUBER-TINA WATER TREATMENT WORKS	12 Febru-ary 2024	MEASULIE TRADING JV	R	7 287 911,00

By –Laws

A by-law is a rule or law established by an organization or community to regulate itself, as allowed or provided for by some higher authority. The higher authority, generally a legislature or some other government body, establishes the degree of control that the by-laws may exercise. By-laws may be established by entities such as a business corporation, a neighbourhood association, or depending on the jurisdiction, a municipality.

The Municipality intends to add to the current list of by-laws, during the financial year 2023/24 all directorates were given an opportunity to add by-laws that they wish to be workshopped and approved by the council,

Koukamma Local Municipality is utilizing the below by-laws:

By- Laws	Date advertised	Publication date	By – law Number	Date for Review
Aerodrome By-Law	13 Nov 2006	September 2011	493	
Community Fire Safety By-law	13 Nov 2006	September 2011	494	
Commonage	13 Nov 2006	September 2011	495	
Customer Care and Revenue By-law	13 Nov 2006	September 2011	496	
Electricity supply bylaw	13 Nov 2006	September 2011	497	
Fences and fencing by-law	13 Nov 2006	September 2011	498	
Funeral Parlours, Cemeteries and Crematoria By-law	13 Nov 2006	September 2011	499	
Impoundment of animal's by-law	13 Nov 2006	September 2011	500	
Liquor Trading By-law	13 Nov 2006	September 2011	501	
Outdoor advertising and signage by-law	13 Nov 2006	September 2011	502	
Prevention of public nuisances and keeping of animal's by-law	13 Nov 2006	September 2011	503	
Roads and traffic By-law	13 Nov 2006	September 2011	504	
Solid waste disposal By-law	13 Nov 2006	September 2011	505	

Sporting Facilities By law	13 Nov 2006	September 2011	506	
Storm water Management By-law	13 Nov 2006	September 2011	507	
Street trading By-law	13 Nov 2006	September 2011	508	
Water supply and sanitation by-law	13 Nov 2006	September 2011	509	
Public amenities by-law	13 Nov 2006	September 2011	510	
KKM Rates By law	6 May 2013	September 2011	511	
Municipal Health Service		September 2018		

2.10. Website

The municipal website is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that municipalities place key documents and information on their website. It also enables communities to obtain information as and when they need it.

Table: Status of Municipal Website

INFORMATION PUBLISHED ON THE MUNICIPAL WEB-SITE DURING 2023/24 FINANCIAL YEAR	**DOCU-MENT PUB-LISHE D**	**COM-MENTS**
TENDERS & RFG`s	Yes/No	
RFQ: 11/2023 PROVISION FOR EVALUATION OF LANDFILL SITE	Yes	Placed on website: 05 July 2023
RFQ 15/2024: SUPPLY AND DELIVERY OF COLDMIX BAG-STENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECT:BID NO. 15/2023 – PROVISION OF SHORT-TERM INSURANCE FOR A PERIOD OF 3 YEARS	Yes	Placed on website: 24 July 2023
RFQ 16/2024: SUPPLY AND DELIVERY OF PPE FOR MU-NICIPAL EMPLOYEESTENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECT:BID NO.	Yes	Placed on website: 24 July 2023

15/2023 – PROVISION OF SHORT-TERM INSURANCE FOR A PERIOD OF 3 YEARS		
INVITATION TO REGISTER ON CSD TENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECT: BID NO. 14/2023 – PROVISION OF SECURITY SERVICES FOR A PERIOD OF 3 YEARS	Yes	Published on website: 24 July 2023
Bid No. 12/2021 - RECTIFICATION OF 17 HOUSING UNITS IN THE 115 HOUSING PROJECTTENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECT:BID NO. 15/2023 – PROVISION OF SHORT-TERM INSURANCE FOR A PERIOD OF 3 YEARS	Yes	Published on website: 24 July 2023
TENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECT: 13/2023 SUPPLY AND DELIVERY OF BLACK REFUSE BAGS	Yes	Published on website: 24 July 2023
TENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECT: 13/2023 SUPPLY AND DELIVERY OF BLACK REFUSE BAGS	Yes	Published on website: 24 July 2023
RFQ 13/2023: PROVISION OF ACCREDITED TRAINING PROVIDERS TO REGISTER ON THE MUNICIPAL DATABASE FOR A PERIOD OF 12 MONTHS.	Yes	Published on website 28 July 2023
RFQ: 12/2023 SUPPLY AND DELIVERY OF BAGS OF COLDMIX	Yes	Published on website: 28 July 2023
RFQ 13/2023: PROVISION OF ACCREDITED TRAINING PROVIDERS TO REGISTER ON THE MUNICIPAL DATABASE FOR A PERIOD OF 12 MONTHS.	Yes	Published on website: 28 July 2023
RFQ: 13/2023 PROVISSION FOR LEASE OF ONE BAKKIE FOR A PERIOD OF 12 MONTHS	Yes	Published on website: 07 September 2023
BID NO. 16/2023 – SUPPLY AND INSTALLATION OF HIGH MAST LIGHTS IN KOUKAMMA AREAS – PHASE 1	Yes	Published on website: 29 September 2023
RFQ 14/2023: SUPPLY AND DELIVERY OF MATERIAL FOR REPAIRS OF ROADS	Yes	Published on website: 17 October 2023
RFQ 15/2023: PROVISION FOR PLANT HIRE FOR REPAIRING BOOM ACCESS ROAD TO WOODLANDS LANDFILL SITE.	Yes	Published on website: 17 October 2023

TENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECT:BID NO. 19/2023 – UPGRADING OF JOUBERTINA WATER TREATMENT WORKS	Yes	Published on website: 16 September 2023
NOTICE OF CANCELLATION TENDER NO. 14/2021 - PROVISION OF SECURITY SERVICES FOR A PERIOD OF 3 YEARS	Yes	Published on website: 23 October 2023
BID: 17/2023 & 18/2023 - TENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECTS.	Yes	Published on website: 25 October2023
BID: 17/2023 & 18/2023 - TENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECTS	Yes	Published on website: 25 October 2023
TENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECT:BID NO. 19/2023 – UPGRADING OF JOUBERTINA WATER TREATMENT WORKS	Yes	Published on website: 23 November 2023
RFQ 16/2023: SUPPLY AND DELIVERY OF BAGS OF COLD MIX	Yes	Published on website: 24 November 2023
RFQ 17/2023: PROVISION AND SUPPORT OF ELECTRONIC DOCUMENT MANAGEMENT SYSTEM	Yes	Published on website: 08 December 2023
RFQ:02/2024 SUPPLY AND DELIVERY OF 16 WHEAT EATERS FOR WASTE MANAGEMENT PARTICIPANTS	Yes	Published on website: 19 January 2024
RFQ:01/2024 SUPPLY AND DELIVERY OF GRASS CUTTING MOWER	Yes	Pulished on website: 19 January 2024
RFQ:03/2024 SUPPLY AND DELIVERY OF PPE FOR 82 WASTE MANAGEMENT PARTICIPANTS	Yes	Published on website: 19 January 2024
SUPPLY AND DELIVERY OF 3 LAPTOPS	Yes	Published website on: 19 January 2024
RFQ: 06/2024 SUPPLY AND DELIVERY OF LAW ENFORCEMENT UNIFORM	Yes	Published on the website on: 19 April 2024

RFQ: 07/2024 SUPPLY AND DELIVERY OF MATERIALS FOR INSTALLATION OF ELECTRICITY	Yes	Published on website 03 May 2024
DELIVERY OF SKIP BINS TRAILORS, SKIP BINS AND WOODEN MOUNTED RECEPTICLES	Yes	Published on website 03 May 2024
RFQ:10/2024 SUPPLY AND DELIVERY OF MATERIALS FOR INSTALLATION OF ELETRICITY	Yes	Published on website: 07 June 2024
RFQ: 11/2024 SUPPLY AND DELIVERY FOR MATERIAL NEEDED FOR MAINTENANCE OF UITKYK SPORTFIELD	Yes	Published on website on 07 June 2024
TENDER NOTICE AND INVITATION TO TENDER FOR THE FOLLOWING PROJECT:BID NO 02/2024 REQUEST FOR PROPOSAL FOR FUNDING, DESIGN, SUPPLY, INSTALLATION AND MAINTENANCE OF A SMART REVENUE COLLECTION SYSTEM INCLUDING ONLINE CESTORMER PAYMENT OPTIONS FOR KOUKAMMA LOCAL MUNICIPALITY FOR A PERIOD OF 3 YEARS	Yes	Published website: 10 June 2024
RFQ: 12/2024 SUPPLY AND DELIVERY OF FIRE PPE	Yes	Published Published on website: 28 June 2024
STATUTORY DOCUMENTS		
IDP		
2023/24 KOUKAMMA MUNICIPALITY INTEGRATED DEVELOPMENT PLAN(IDP)	Yes	Published as required by MFMA
KOUKAMMA MUNICIPALITY DRAFT IDP -2024-25	Yes	Published as required by MFMA
BUDGET		
2024/25-DRAFT SERVICE STANDARDS	Yes	Published as required by MFMA
EC109-DRAFT BUDGET REPORT-2024/25	Yes	Published as required by MFMA
REPORTS	Yes	Published as required by MFMA

2022/2021-SECOND DRAFT ANNUAL REPORT FOR 2021/22 FINANCIAL YEAR	Yes	Published as required by MFMA
1ST DRAFT ANNUAL REPORT 2022-23 FINANCIAL YEAR	Yes	Published as required by MFMA
SUPPLEMENTARY VALUATION ROLL 2 - 1 FEBRUARY 2024	Yes	Published as required by MFMA
SECOND DRAFT ANNUAL REPORT 2022-2023	Yes	Published as required by MFMA
POLICIES AND PRINCIPLES		
2023/24: Write-Off-Policy	Yes	Published as required by MFMA
2023/24: INDIGENT SUPPORT POLICY	Yes	Published as required by MFMA
2023/24: INDIGENT SUPPORT POLICY	Yes	Published as required by MFMA
2023/24: PROPERTY RATES POLICY	Yes	Published as required by MFMA
2023/24: VIREMENT POLICY	Yes	Published as required by MFMA
2023/24: VIREMENT POLICY	Yes	Published as required by MFMA
2023/24: TARIFFS AND FREE BASIC SERVICES POLICY	Yes	Published as required by MFMA
2023/24: COST CONTAINMENT REGULATION POLICY	Yes	Published as required by MFMA
DRAFT-PROPERTY-RATES-POLICY-2024-25	Yes	Published as required by MFMA
DRAFT-CREDIT-CONTROL-AND-DEBT-COLLECTION-POLICY-2024-2025	Yes	Published as required by MFMA
2024/25-DRAFT-TARIFF-LIST	Yes	Published as required by MFMA

2024/25-DRAFT-TARIFFS-AND-FREE-BASIC-SERVICES-POLICY	Yes	Published as required by MFMA
BYLAWS	No	Nothing was Published for the First Draft 2023/2024
SDBIP		
Draft SDBIP 2024/25	Yes	Published on website: 08 April 2024
ADJUSTED SDBIP 2023/24	Yes	Published on website: 08 April 2024
PERFOMANCE REPORTS	No	Nothing was published for First Draft 2023/2024
PERFOMANCE AGREEMENTS		
2023/24 PERFORMANCE AGREEMENT AND PLAN - NYDINE VENTER CFO	Yes	Published as required by MFMA
2023/24 PERFORMANCE AGREEMENT AND PLAN - LUCAS SOMTSEU DIR CORPORATE SERVICES	Yes	Published as required by MFMA
2023/24 PERFORMANCE AGREEMENT AND PLAN - MZI-WAMADODA QALABA DIR TECHNICAL AND COMMUNITY SERVICES	Yes	Published as required by MFMA
STANDARD OPERATING PROCEDURES (SOPS)	No	Nothing was Published for First Draft 2023/2024
VACANCIES	No	Nothing was Published for First Draft 2023/2024

Public Satisfaction on Municipal Services

Chapter 4 Section 16 (1) of the Local Government: Municipal Systems Act requires that the municipality must develop a culture of municipal governance that complements formal representative government (i.e. Ward Councillors and Ward Committees) with a system of participatory governance, and it further states that the Municipality must have a five (5) year vision for the long term development of the Municipality and development priorities, which must be aligned with national and provincial sectoral plans and priorities. One of the key functions of the municipality is to ensure that service delivery achievements and challenges are communicated efficiently and effectively to communities. Communications had given focus on the following key areas for the year under review, namely:

- Social Media Content Management
- Website Content Management
- Newsletter publication Development
- Strengthening the Intergovernmental Governmental Relations

The participation of communities in social media has significantly increased and improved which in return gives an opportunity for the community to engage with the municipality and in return give the Municipality an understanding of their shortfalls as far as service delivery is concerned.

Annually, the Municipality must base its performance against performance measure as clearly outlined in the SDBIP. The IDP Representative Forum has been functional with sector government departments participating, and government entities within our municipal jurisdiction. They have been reporting on the progress of the programme and projects that they are implementing in our municipal area.

All Municipal Oversight Committees

The Municipal Structures Act, No. 117 of 1998, Section 79 (1) states that a municipal Council may-

(a) Establish one (1) or more committees necessary for the effective and efficient performance of any its functions or the exercise of any of its powers;
(b) Appoint the members of such committee from among its members; and
(c) Dissolve a committee at any time.

The above statement suggested that Koukamma Municipality can establish any committee that it deems necessary guided by legislation, hence the Council has established the following oversight committees **inter alia:**

2.12.1. Standing Committee

The Council has appointed three (3) standing committees to perform oversight responsibilities to ensure that the Council complies with legislation and does not allow maladministration, inefficiency, waste of resources, and corrupt practices. The three (3) standing committees are as follows:

1. **Technical, Social and Community Services:**
   Cllr R. Fillis — Chairperson (who died on the 20 May 2024)
   Cllr V. Persent
   Cllr R. Campher
   Cllr. C.E. May
   Cllr J. Krige

2. **LED, Tourism and Finance Services**
   Cllr FJ Yake — Chairperson
   Cllr N. Sikiwe
   Cllr E.V.X Persent
   Cllr R Camper
   Cllr S. Ferguson

3. **Corporate Services**
   Cllr K. Smith — Chairperson
   Cllr N. Sikiwe
   Cllr. C.E. May
   Cllr R. Camper
   Cllr B.T. Jantjies

2023/2024 STANDING COMMITTEES MEETINGS SCHEDULED DATES

The table below reflects the schedule of meeting for the Standing Committees and the changes made thereof.

Committees	Date 1	Date 2	Date 3	Date 4
LED & Finance Services	17 July 2023	06 October 2023	The meeting did not sit because of the quorum	16 April 2024
Technical & Social Services	18 July 2023	The meeting did not sit because of the quorum	18 January 2024	The meeting did not sit because of the quorum
Corporate Services	19 July 2023	10 October 2023	18 January 2024	18 April 2024

Municipal Public Accounts Committee (MPAC)

The core function of the MPAC is to contribute to good governance in the municipality hence the Council had appointed four (4) members of the Council to become MPAC and they are inter alia:

Cllr N. Sikiwe Chairperson

Cllr B.T. Jantjies

Cllr K. Smith

Cllr. C.E. May

Cllr S. Ferguson

The abovementioned MPAC has conducted the following meetings:

- 09 October 2023
- 21 November 2023
- 23 January 2024; and

❖ 29 January 2024

Audit Committee

The Audit Committee is an independent advisory body in terms of Section 166 (2) of the Municipal Finance Management Act, No. 56 of 2003; which must-

(a) Advise the municipal Council, political office–bearers, the Accounting Officer and management staff of the municipality, or board of directors, the accounting officer on matters relating to-
   (i) Internal financial controls and internal audits;
   (ii) Risk management;
   (iii) Accounting policies
   (iv) The adequacy, reliability and accuracy of financial reporting and information;
   (v) Performance management;
   (vi) Effective governance;
   (vii) Compliance with this Act, the Division of Revenue Act and any applicable legislation;
   (viii) Performance evaluation; and
   (ix) Any other issues referred to it by the municipality.

The King Code of Governance Principles and the King IV Report on the Governance share the same sentiments by indicating that the Audit Committee have a vital role to ensure integrity of financial controls and integrated reporting, identifying and managing financial risks. The Company Act, No. 71 of 2008 had shared another view stating that the Audit Committee must enhance accountability and transparency. It is in this regard that the Municipal Council had appointed the three (3) members of the Audit Committee as follows:

Name & Surname	Designation	Date of appointment
Ms Ronel Shaw	Chairperson	01 January 2020 to 31 December 2025
Mr Hadley Saayman	Member	01 January 2024 to 31 December 2027 (He resigned as a member in April 2024)
Prof. C. Adendorff	Member	01 January 2024 to 31 December 2027.

The Audit Committee members appointed are not permanently employed at Koukamma Local Municipality but appointed on a contractual basis of three (3) years to assist the Council on the financial affairs of the municipality. They are expected to meet at least four (4) times a year. The committee convened eight (8) times in the 2023/24 financial year as follows:

Scheduled Meetings	**Actual seating**
31 July 2023	08 August 2023
29 August 2023	29 August 2023
	31 August 2023
	07 November 2023
28 November 2023	05 December 2023
31 January 2024	31 January 2024
	06 February 2024
29 April 2024	29 April 2024

2.12.4. Annual performance as per the key performance indicators of Good Governance and Public Participation

Number of projects = 8

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 6	75%
	Number of projects partially achieved = 1	12.5%
	Number of Projects Lagging/Not Started = 1	12.5%

Good Governance and Public Participation has achieved 75% on target projects for the 2023/24 FY.

Key Performance indicators not achieved relate to ward committees that did not sit in the last quarter due to the absence of the ward councillor.

Performance reviews did not take place due to the absence of the Municipal Manager and the position being occupied by an acting Municipal Manager on a rotational basis.

Good Governance has achieved 87.5% on target projects for the 2022/23

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 5 - Good Governance and Public Participation											
GGP P01/ 2023		IDP Review for the 2024/25 financial year	Implementation of the Municipal Systems Act	Reviewed IDP 2024/25	Operational	Operational	Adoption of the reviewed IDP for the 2024/25 FY	IDP approved on the 23rd of May 2024	On Target		IDP approved by Council on the 30 May 2023

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
GGP P02/ 2023		Establishment of 6 Ward Committees in Koukamma 2023/24	Implementation of the Municipal Systems Act	Number of Ward Committees Reports	Operational	Operational	24 Ward Committee Reports	22 Ward Committee meetings held and reports received, due to the incumbent being on special leave and the vacant position of Ward 1 Councillor in Quarter 4. By Elections in August 2024		Once the By - election is concluded and the newly elected councillor is inaugurated, the ward committees will commence as scheduled.	24 Ward Committee meetings held

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
GGP P03/ 2023		Monitoring and application of Performance Management Systems	Compliance of the Performance Management Framework	Conclude a number of Performance Management Reports	Operational	Operational	Conclude and sign off 4 Performance Reviews	1 Performance Review Conducted in January 2024. Reviews did not take place due to the rotational appointment of the Acting MM.	Partially Achieved	Performance Reviews to be scheduled in advance and conducted despite the position of the MM as Portfolio of Evidence should be available to substantiate achievement. Annual Performance reviews to be conducted by 30 Sept 2024.	Quarterly Performance reviews were scheduled to take place on the 27/06/23 and 29/06/23 but did not as the Manager PMS was loaded off sick for the week. Alternative dates have thus been arranged.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
GGP P04/ 2023							Council approval of 4 SDBIP quarterly reports	4 SDBIP Reports approved by Council	On Target		4 SDBIP quarterly reports approved
GGP P05/ 2023		Effective functioning of MPAC in the 2023/24 Financial Year	Improved oversight role of MPAC	Conduct a number of MPAC meetings	Operational	Operational	4 MPAC meetings	5 MPAC meetings held 09/10/23; 21/11/23; 23/01/24; 29/01/24; 26/04/24	On target		8 MPAC meetings held 19 Jul 2022; 17 Aug 2022; 04 Oct 2022; 10 Nov 2022; 13 Feb 2023; 15 Feb 2023; 16 Feb 2023; 17 Feb 2023

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
GGP P06/ 2023		Effective functioning of Audit Committee in the 2023/24 Financial Year	Improved advisory role Audit Committee	Conduct a number of Audit Committee meetings			4 Audit Committee meetings	6 Audit meeting. 08/08/23; 29/08/23; 05/12/23; 31/01/24; 06/02/24; 29/04/24	On target		6 Audit Committee Meetings held 18 Aug 2022; 29 Aug 2022; 15 Nov 2022; 23 Jan 2023; 31 Jan 2023; 24 Apr 2023
GGP P07/ 2023		Effective Functioning of the internal Audit 2023/24	Conduct a number of internal audits as per the Internal Audit Plan and the submission thereof to the Audit	A number of internal Audit Reports submitted to the Audit Committee	Operational	Operational	4 Internal Audit Reports submitted to the Audit Committee	4 Report submitted to AC	On target		4 Internal Audit Reports submitted to Audit Committee

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
			Committee								
GGP P08/ 2023		Compliance to the Municipal Systems Act	Compilation of the Annual Report 2022/23	Development of the Annual Report 2022/23 FY	Operational	Operational	Approved Annual Report for 2022/23 FY	Annual report Approved in March 2024	On target		Approved Annual Report submitted to Treasury and Cogta

CHAPTER 3: BASIC SERVICE DELIVERY PERFORMANCE (PERFOMANCE REPORT I)

Component A: Basic Service Delivery

Water Service Delivery Strategy and key Role Players

The Constitution of the Republic of South Africa assigns local municipalities with the responsibility of ensuring access to the provision of quality water services, whilst section 11 of the Water Services Act, 1997 entrusted the municipality with the provision of ensuring efficient, affordable, economical and sustainable access to water to all the communities in its jurisdiction. In this regard, Koukamma Municipality is provided with the execution of both functions of Water Services Authority (WSA) and Water Service Provision (WSP).

Role Players

Performance of the Water Services in terms of rendering the aforementioned services is regularly monitored by the Department of Water and Sanitation to ensure that quality and other standards are adhered to and reported on to national level. Bulk water supply projects are funded through the Regional Bulk Infrastructure Grant (RBIG) from the Department of Water and Sanitation. Koukamma Municipality is a grant dependent municipality and most of its water related capital projects are funded through the Municipal Infrastructure Grant (MIG) administered by the Department of Cooperative Governance and Traditional Affairs (COGTA), National and Provincial Treasury. The Irrigation Boards in Langkloof namely; the Krakeel Water Verbruikers Vereeniging and Louterwater Besproeings Raad play a major role in ensuring sustainable provision of water to the Krakeel and Louterwater communities by allocating water turns to the Municipal water works.

Level And Standard in Water Services

The area within the WSA jurisdiction includes:

Tsitsikamma Area	Langkloof Area	Rural Dense Areas
Clarkson	Joubertina	Koomansbos
Eersterivier	Kareedouw	Wittekleibosch
Ekuphumleni/Guava Juice	Twee Riviere	Thornham

Blikkiesdorp	Krakeel Riviere	Hermanuskraal
Sanddrift/Nompumelelo Village	Louterwater	
Coldstream	Misgund	
Storms River		
Woodlands		

*Statistics South Africa (census 2022) published a decrease in population from 40664 to 36 487 far from the 2011 projected 2.8% annual increase.

Through 11 Water Supply Schemes in each settlement the municipality conducts water treatment, to ensure a water quality that complies with South African National Standards (**SANS 3630**). These effects come with challenges of aged infrastructure and borehole water composition which is high in iron(Fe) and Manganese(Mn) giving water a reddish colour. Although water analysis has shown that these parameters are within the recommended limits, it does however challenge to treat physically. Borehole water is augmented with surface water in most areas but due to drought and shared resources the municipality relies heavily on production boreholes.

A package Water Treatment Plant was erected in the Misgund area through WSIG funding, the plant and bulk water line connection is meant to bridge the gap between water demand and supply providing a sustainable uninterrupted water supply. The municipality due to a lack of institutional skills related to electrical and mechanical works, has opted to outsource these services in an effort to conduct planned and preventative maintenance of municipal water and sanitation infrastructure. The Municipality strives to ensure service delivery through optimization of available resources.

Water service levels and number of Households

Water service level	**Estimated Households***
Piped water inside the dwelling/yard	8 078
Piped water from the communal standpipe	284
Communities provided water with a tanker/without water supply system	175
Overall basic water provision in 2023/24	**98.2 %**

*Numbers extracted from the Statistics South Africa report 2022.

Blue Water Services Audit

The municipality participated in the 2023 Blue Drop audits conduct by the Department of Water and Sanitation. Subsequent to the not so pleasant outcomes, the municipality developed and implements a corrective action plan to ensure a positive outcome and

improved score. By adequate planning and content improvement of stipulated key performance areas the Municipality can change the status quo. Water Treatment Works not fully functional.

Interventions

- Strengthen and enforce existing water bylaws
- Conduct community awareness campaigns, engage communities in decision making
- Conducting regular operational and compliance monitoring
- Filling of critical posts

Completed project during, the year of review 23/24:

Project	Area	Cost	Funding Source	Progress
Misgund Bulk water supply	Misgund	R 13m	DWS - RBIG	100%
Refurbishment and connection of Boreholes	Louterwater and Karee-douw	R 2.5m	MISA	50%
Joubertina WTW upgrade	Joubertina	R 7.4 m	WSIG	14%
Refurbishment of Karredouw pumpstations	Karredouw	R 2 m	SBDM	100

Challenges in water services

Water scarcity due to drought and no rainfall is a norm in the Koukamma Municipal area more so in the Langkloof area. The statement is intensified by shared resource with the farming community. To address the situation the municipality is continuously exploring ways to augment water supply. Through two 16litre water tankers owned by the municipality was carted to areas in need. In critical areas water is carted daily through water tankers and collected in harvesting tanks (JoJo Tanks).

Sanitation

Sanitation Delivery Strategy and Main Role Players

The Koukamma municipality is committed to the provision of basic sanitation to each household. As a Water Service Authority (WSA) the Municipality is mandated to ensure proper discharge of effluent in a manner that will not degrade the environment. Some areas are equipped with a full water borne system whilst some by means a small-bore system Koukamma Municipality provides sanitation services via water borne sanitation systems. Effluent is treated through 12 wastewater systems inclusive of pond systems.

Limited resources have resulted in sanitation backlogs in informal and rural settlements within the Municipal jurisdiction. The municipality prioritises addressing backlogs but the speed of roll out is limited by funding constraints.

Performance of the Water Services in terms of rendering sanitation services to the communities is regularly monitored by the Department of Water and Sanitation to ensure that quality and other standards are adhered to and reported on to national level. Koukamma Municipality is dependent on grants for infrastructure related projects such as the Water Services Infrastructure Grant (WSIG) administered by the Department of Water and Sanitation, and the Municipal Infrastructure Grant (MIG) administered by the Department of Cooperative Governance and Traditional Affairs (COGTA), National and Provincial Treasury.

Level and Standard in Sanitation Services

Everyone has a right of access to basic water supply and basic sanitation as per Section 3, subsection 1 of the Water Services Act. Koukamma Municipality as a Water Service Authority has a duty to all customers in its area of jurisdiction to progressively ensure the realisation of these rights. Koukamma Municipality strives to ensure access to sanitation services and effluent purification up to the set standards before releasing it back to the environment.

This is facilitated through adequate wastewater treatment, sampling and analysis in compliance with Department of Water and Sanitation standards for wastewater discharge. Backlogs have made it difficult to provide sanitation services in areas which do not have sanitation infrastructure especially in the rural dense and informal settlement. Much of the existing sewer infrastructure is not adequately maintained and in most infrastructure is malfunctioning/collapsed, impacting negatively on the quality of effluent discharged into rivers.

The municipality through the Technical and Infrastructure directorate strives to utilise the minimum available resources to ensure proper maintenance of the existing infrastructure

Sanitation service levels and number of households

Sanitation Service Level	Estimated Households*
Full water borne system (Flush toilets connected to the sewerage system)	8776
Flush toilets (with septic tank)	993
VIP toilet	263
Bucket toilet system (informal settlement), sanitation backlog	286
Percentage of household without proper basic sanitation	**4.6%**

*Numbers were extracted from the Statistics South Africa report 2022.

Green Drop Water Services Audit

The Technical Department has embarked on a journey to improve Wastewater Quality, but the journey is not without challenges. The frequency of sampling has increased, and maintenance plans have been implemented in most areas. Although monthly compliance is currently being implemented the ultimate goal is to implement operational monitoring in every Wastewater Treatment Works on a daily basis.

Annual Performance As Per Key Performance Indicators

No	Indicator Name	Total no of HH expected to benefit	Estimated Backlogs (Actual no's)	Target set for the FY under review (actual numbers)	No of HH customer reached during FY	Percentage of achievement during FY
1	Number of HH with flush toilets connected to a sewer system	8610	0	8610	8610	100
2	Number of HH with flush toilets connected to a septic tank	993	100	900	800	88
3	Number of HH using VIP toilet	739	150	650	500	77

4	Number of H/H using bucket system (informal settlements) sanitation backlog	570	570	0	0	0

3.2.4. Challenges in provision of Sanitation Services

- Lack of skilled technical staff, unable to retain professionals.
- Aged infrastructure
- Lack of effective planning and strategies
- Vandalism and theft

During the year under review, the projects completed are outlined below:

Project	Area	Cost	Funding Source	Progress
Refurbishment of Kareedouw Sewer Pumpstations	Kareedouw	R 2m	SBDM	100%
Clarkson Small Bore system	Clarkson	R 18m	MIG	Construction stage
Replacement of Dosing pumps	Water Treatments plants	R 602 795.20	Internal	100% procured. 0% Installation

Electricity Services

Electricity Delivery Strategy and Main Role Players

A municipality must comply with the provision of the constitution as per the Municipal Systems Act, no.32 of 2000; Section 73(1) and (2)(e) states that municipal services must be regularly reviewed with a view to upgrading, extension and improvement.

The role players in the electricity department are Eskom and NERSA. NERSA is the National Energy Regulator of South Africa which regulates the energy industry in accordance with government laws and policies, standards and international best practices in support of sustainable development. The organization issues licenses to electricity distributors. NERSA recognizes that certain processes have to be put in place, to effectively regulate the industry as follows:

1) Audit licensees to establish compliance to licensee conditions.
2) Ensure existence of an effective communication channel between relevant NERSA departments and the licensees.

3) Share information with the licensees on general issues affecting the electricity distribution industry.

Level and Standard in Electricity Services

It is envisaged that by ensuring that the minimum standards are met; the following will be achieved:

1) There will be improved efficiency within the electricity distribution industry.
2) Reliability of supply will be improved.
3) Safety in the use of electricity will be enhanced.
4) There will be an economical and a sustainable supply of electricity.

Consumer quantities

The demand and actual maximum demand for each supply point is as follows:

1. De Rye & Laurel Ridge: NMD – 150kA; Actual MD – 40kVA
2. Bluelilliesbush State Forest Village: NMD – 100kVA; Actual MD – N/A
3. Kagiso Heights and New Rest: NMD – 600kVA; Actual MD – 650kVA
4. Puntijiesboss Village: NMD – 500kVA; Actual MD – 310kVA
5. The number of indigent electricity users is 2345 in total.

Maintenance BUDGET FOR 2022/23 financial year.

Maintenance	Total expenditure	Percentage
R 367 431	R 320 722.85	88%

During the year under review, consumers that has bought electricity at Koukamma Municipality and those that are supplied by Eskom are indicated below:

Annual Performance as Per Key Performance Indicators in Electricity Services

No.	Indicator Name	Total Number of households expected to benefit	Estimated Backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Number of households reached during the Financial Year	Percentage of achievement during the year
1	Percentage of household with access to electricity services					
2	Percentage of Indigent household with access to free basic electricity services					
3	Percentage of Indigent household					

	with access to free alternative energy sources					

Major Challenges and Remedial Solutions

- No Master Plan
- Tampering
- Review of Augmentation levy
- Illegal connections
- Ageing infrastructure
- Increase in crime related activities.
- Reported faulty prepaid meters need to change.
- Meters have reached it lifespan and is outdated.
- All meters to be changed before end of Nov 2024, in order to comply with vending requirements and NRS 0142
- The following needs to done:
- Network to be upgraded.
- Prepaid meters to changed.
- All Pole boxes to be changed.
- Jumpers supplying pole boxes needs to be changed.
- Kiosks housing meters needs to be upgraded for Prepaid meters.

Remedial actions

- Seek assistance from the Department of Energy on the development of the master plan
- Educate/Conduct training to communities on the danger of tampering with electricity
- Advise communities and businesses on the review of augmentation levy
- Communicate with communities on illegal connections and state the consequences thereof
- Plan and budget for aging infrastructure

Roads

Road's Delivery Strategy and Main Role Players

The strategy of the municipality is to provide and maintain quality of local roads thereby contributing to socio-economic development Koukamma residents. The Department of Transport is a role player which governs the department at the centre of Infrastructure provision in the province. It is a department that derives its existence directly from the Constitution of the Republic of South Africa (Act 108 of 1996 as amended) and the Public Service Act of 1994 (as amended). The strategic goals of the roads department are as follows:

Service Delivery Goals

- To ensure that all communities in the municipality are connected.
- To provide "world class" services to our communities
- To keep all municipal roads infrastructure in well-maintained condition

- To ensure that all projects being implemented through the Community Based Public Works.

Level and Standard in Roads Services

The total length of Municipal roads is 152km,5km is gravel that is in a state of disrepair, 147 km is surfaced of which 60km of the 147km is in a state of disrepair and is way beyond the maintenance period. The condition of roads in the Koukamma Municipal area has deteriorated rapidly over the past few years due to aging of the infrastructure, increase traffic volumes, insufficient funding for maintenance and the impact of floods which have occurred over the past few years.

The standard of roads maintenance in all areas in the Koukamma is the same whether it is re-gravelling or resealing or pothole repair. N2 and R62 passing through koukamma area are being maintained by SANRAL and other divisional roads are mainteined by department of transport. SANRAL is also in the procees of assisting the municipality to upgrade some internal roads as part of social responsibility,

Major Challenges and Remedial Solutions in terms of Roads

- Shortage of Personnel.
- Limited Budget especially on roads that require heavy maintenance.
- Insufficient budget for operation and maintenance, ongoing challenge
- No Roads master plan.

Remedial solutions

- Employer to absorb casual general workers.
- Increase O&M budget so that we can be able to procure what is required for maintenance
- Source funds to appoint consultants for the development of master plan, ongoing.

During the year under review, the projects completed are outlined below:

Project	Area	Cost	Funding Source	Progress
Upgrading of Mountain Gravel Roads Phase 1	Kareedouw	R 7 m	MIG	100%
Upgrading of Mountain Gravel Roads Phase 2	Kareedouw	R 6 m	MIG	48%

Below is the summary of the performance of the Technical Services, extracted from the SDBIP of the municipality

KPA 2 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT (TECHNICAL SERVICES)

Number of projects = 6

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 3	50%
	Number of projects Partially Achieved = 3	50%

Total Budget versus Expenditure:

Financial Year	Budget	Expenditure	% Expenditure
2023/24 (Current)	R50 766 333	R34 905 296	69%
2022/23 (Prior year)	R33 367 678	R29 440 275	88%

Technical Services have achieved a 50% on target/complete projects for the 2023/24 FY. The total budget for projects in Technical Services is R50 766 333 and the total expenditure thus far is R34 905 296. Out of the 6 projects 3 are On Target/Achieved and 3 projects did not meet the completion dates.

Funding adjustments made during the adjustments budget in February under MIG to accommodate the reduction of MIG Grant by R4,7M, hence the over expenditure on projects TS01/2023 and TS02/2023.

Items compromising the achievement of Targets relate to the DLTC (TS04/2023) under the OTP Grant – the contractor failed to perform and thus requested to cede the project.

Joubertina water treatment works (TS03/2023) funded through WSIG was delayed due to the completion of Final Designs and thus only commenced with construction in January 2024.

Technical Services have achieved a 60% on target/complete projects for the 2022/23 FY. The total budget for projects in Technical Services is R33 367 678 and the total expenditure amounted to R29 440 275.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 2 - Basic Service Delivery and Infrastructure Investment (Technical Services)													
TS01/ 20223		Paving of Gravel Roads	Upgrading of Mountain View gravel roads to paved standards	Percentage complete with the paving of gravel roads in Mountain View (Phase 2)	R3 959 236	MIG (Over expenditure due to reduction in MIG allocation)	R6 306 825	159%	60% complete with the paving of gravel roads in Mountain View (Phase 2)	70% complete. Contractor suspended work on site due to non-payment.	On Target		48% complete with the paving of gravel roads in Mountain View. The project is behind the programme due to 15-day rain delays however the actual completion date for the project 14 July 2023.No claims have been made for standing time
TS02/ 2023		Provision of adequate sanitation services	Replacement of small-bore sewer system to full waterborne system in Clarkson	Percentage of completion with the refurbishment of the Ponds, Pump Stations and Bulk Sewer lines	R4 710 786	MIG (Over expenditure due to reduction in MIG allocation)	R6 923 387	147%	60% Complete with the refurbishment of the Ponds, Pump Stations and Bulk Sewer lines in Clarks	80% complete, MIG allocation finished before project completion. Contractor slowed progress due	On Target		NEW KPI

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
				(Phase 1)					on (Phase 1)	to funds.			
TS03/2023		Provision of adequate water services	Upgrading of the Jouberttina Water Treatment Works	Percentage of completion with the upgrading of the Jouberttina Water Treatment works in the 2023/24 FY	R 6 989 565	WSIG	R 1 326 098	19%	30% complete with the upgrading of the Jouberttina Water Treatment works	5% complete. Delays in appointments, late payments and final designs by the specialist contractor.	Partially Achieved	Immediate payment of service providers and to accelerate the programme.	NEW KPI
TS04/2023		Implementation of the small-town revitalisation programme	Jouberttina DLTC new Building	Construction of a new building for the DLTC in Jouberttina in the 2023/24 FY	R 14 883 655	OTP	R 1 339 319	9%	50% complete with the construction of the new DLTC building in Jouberttina	8% complete, project stopped. Contractor requested to cede the contract (**GRANTED**).	Partially Achieved	KKLM to conclude the ceding agreement or cancel the contract and the project to be re-	NEW KPI

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
												advertised.	
TS05/2023			Construction of sidewalks and surfacing of existing bitumen in Jouberttina	Construction of sidewalks and surfacing of existing bitumen	R 15 223 092	OTP	R12 854 949	84%	100% complete with the Construction of sidewalks and surfacing of existing bitumen	91% complete, Contractor delayed by SMME packages and additional works.	Partially Achieved	Contractor to assist the SMMEs to accelerate the rate of progress.	NEW KPI
TS06/2023			Provision of High Mast lights in the Koukamma Area	Percentage complete with the installation of a high mast lights in the area by the end of Aug 2025	R 5 000 000	OTP	R 6 154 717	123%	30% complete with the installation of a high mast lights in the area by the end of Aug 2024	45% complete with the installation of a high mast lights.	On Target		NEW KPI

Housing

The Housing Act (No. 107 of 1997) informs the compilation of housing plans. Part IV of the Act specifically requires municipalities to compile housing strategies and targets, as part of their IDPs.

The Human Settlements mandate is derived from the Housing Act, Act 107 of 1997 which provides that "Every municipality must, as part of the municipalities process of integrated development planning, take all reasonable and necessary steps within the framework of national and provincial housing legislation and policy to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction. This planning should include a plan of the local housing strategy and delivery targets called the housing chapter.

The National Housing Needs Register (NHNR), a central database that offers households the opportunity to register their need for adequate shelter by providing information about their current living conditions, household composition & to indicate the type of housing assistance they require from government.
Currently NHNR questionnaires captured in the Koukamma Municipality are as follows:
The following table consist the number of applicants that have been registered in to the NHNR in the 2023/2024 financial year:

CURRENT STATUS OF NHNR CAPTURED

AREA	**NUMBER OF QUESTIONNAIRES CAPTURED**
Kareedouw	403
Joubertina	477
Misgund	500
Louterwater	362
Storms River	193
Woodlands	394
Krakeel	344
Clarkson	244
Nompumelelo village	451
TOTAL	**3 368**

New Development application

The Municipality submitted a Housing Application for the preplanning phase to the Department of Human Settlements Development.

Some areas have land belonging to the municipality available and some do not, the municipality still needs to identify land (either land belonging to the government or privately own land), as the number of units targeted in the Housing Application process is dependent on land availability in a specific area.

The following application made to the Department of Human Settlement had the following units:

AREA	NUMBER OF UNITS
WOODLANDS	70
STORMSRIVER	15
MISGUND	150
LOUTERWATER	50
LOUTERWATER	100
KRAKEEL RIVER	30
KRAKEEL RIVER	450
JOUBERTINA	300
NEW REST	50
MOUNTAIN VIEW	300

Emergency structures

The Department of Human Settlements provides temporary emergency housing to municipalities when there is an emergency situation causing people to lose their homes or face immediate threats to their safety, such as natural disasters, fires, evictions, or when existing shelters are damaged or destroyed, allowing them to provide basic shelter and temporary relocation until a more permanent solution can be found; this is typically facilitated through dedicated emergency housing grants to municipalities.

The Department of Human Settlement erected Five (5) temporary structures in Mountain view, Kareedouw in the 2023/24 financial year.

The challenges encountered are that there are no basic services where these temporary houses are erected.

The five structures have been abandoned (not occupied) because there are no ablution facilities and water.

Transfers and title deed registration

Koukamma Municipality received support from the Department of Human Settlement for housing registration. W Langson associates Attorneys was appointed by the Department of Human Settlement for the transfer of 81 houses, the municipality then identified an additional 29 houses that needed to be registered in the affected areas, bringing the total number of houses requiring transfer to 110. The following is the breakdown of the enhanced extended discount benefit scheme (Pre-1994 houses):

a) Jourbetina - 52

b) Kareedouw- 14

c) Louterwater- 27

d) Krakeel- 17

Informal Settlements Upgrading Programme

The Eastern Cape Department of Human Settlements appointed Sarah Baartman District Municipality as the Lead Implementing Agent, for the upgrading of 32 informal settlements

Sarah Baartman District Municipality has been appointed for a contract duration of 36 months. The programme cuts across four (4) local municipalities namely Koukamma, Sundays River Valley, Makana, and Blue Crane Route.

The program facilitates the structured upgrading of informal settlements. It applies to in-situ upgrading of informal settlements as well as where communities are to be relocated for a variety of reasons. The program entails extensive community consultation and participation, access to emergency basic services, and permanent services. Upgrading deliverables are as follows:

Water – water tanks, standpipes and supply piping

Sanitation – chemical toilets, easy-flush toilets, septic and sedimentation tanks, VIP'S

Refuse – refuse collection points and removal, wheely bins, skip bins.

Electricity – public lightning, household electricity supply.

Access: access roads, stormwater drainage.

Breakdown of informal settlements and funding

WARD	INFORMAL SETTLEMENT	NO OF HOUSE-HOLDS	ALLOCATED FUND
3	Joubertine- Mooi Uitsig Farm 40	80	R 6 702 417.60
6	Tsitsikamma -Coldstream Robololo	50	R 4 189 011.00
6	Tsitsikamma- Griquarust	60	R 5 026 813.20
6	Tsitsikamma- Thornham	254	R 21 280 175.88
6	Tsitsikamma- Sandrift	18	R 1 508 043.96

Lilitha Project Managers (LPM) was appointed by Koukamma Local Municipality (KLM) for the Upgrade of Informal Settlements Program (UISP) for Thornham Village in Kou-kamma Local Municipality (KLM).
The following are the Basic immediate services to be carried out:

- Access road: Block paved roads
- Sanitation system
- Portable water
- Waste collection
- Electricity in the form of street lighting
- Town planning

SPATIAL PLANNING

Spatial Management and Land Use Management Act (Spluma) No. 16 Of 2013 Implementation

Koukamma Local Municipality has promulgated the SPLUMA By – Laws of which is implemented accordingly as dated 24 March 2016. The Council has taken a decision to join the District Municipal Planning Tribunal (DMPT) which it will gazette the Municipalities and

meets once a month or when there are submissions and deal with all subject matters related to land use applications submitted for processing if needed. The Municipality will review its decision to join the DMPT before the end of every 5 years as the term is only for that period. All applications are submitted in accordance with a SPLUMA application form, and a registry is kept by the records section of which the Manager Planning and Development is responsible to keep all the records in relations to applications submitted with their status thereof. Minutes of all meetings are prepared by the responsible secretariate of the DMPT and will be shared with all the responsible Municipalities. All relevant approvals and correspondence are prepared and signed by the Director Technical Services as the appointed Authorised Official of which records are kept in accordance with the internal processes. The appointed Manager: Planning and Development will need to review the processes (development of SOP's) as per the SPLUMA By-laws and prepare same accordingly for the upcoming financial year.

Koukamma Local Municipality has since approved its Koukamma Spatial Development Framework Plan and Land Use Management Scheme as being prepared by the Consultants appointed by Sarah Baartman District Municipality.

Preparation and Approval Process of Spatial Development Framework

The existing Koukamma Local Municipality Spatial Development Framework required an update as a matter of urgency to align with the provisions of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA). The Sarah Baartman District Municipality appointed consultants to proceed with the Koukamma Local Municipality Spatial Development Framework Plan and Land Use Management Scheme in 2021 of which the draft reports were been presented by the consultants to the Koukamma Council in 2023 to ensure compliance with SPLUMA. The Council has since approved the Koukamma Spatial Development Framework in 2023 with File No. 18/1/9 from Council.

Integrated Land Use Scheme (LUMS)

The Sarah Baartman District Municipality appointed a service provider for the preparation of the LUMS as the Section 8 Zoning Scheme Regulations (LUPO) was still applicable in the area. The municipality does have OVVIO Electronic System in place and the information will dually also since approved be updated as part of the appointment with the latest records of zoning rights of all properties in the Koukamma area. The OVVIO team has since updated the system to include the 2023 Zoning Register.

The Manager Planning and Development was appointed by Koukamma Local Municipality and took office on 1 July 2023.

Establishment of Municipal Planning Tribunal

The Koukamma Municipality Council has through (Council 5.1.1.2 of 27 October 2023) **approved** the termination of the appointment of the KKM MPT Chairperson and decided to join the Sarah Baartman District Planning Tribunal to consider Category 1 development

applications and all opposed Category 2 development applications. Subsequently, sign the Service Level Agreement with SBDM.

Establishment of the Appeal Authority

Koukamma Municipality Council through (Council Resolution 4.5 of 31 August 2023) **approved** the appointment of Executive Mayor as Chairperson of the Koukamma SPLUMA Appeals Committee and the Engineering Services Portfolio Chairperson being the Deputy Chairperson of the Committee, to consider all appeals relating to land development in terms of Section 51(1) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) and Section 126(1) of the Koukamma Spatial Planning and Land Use Management By-law (2016).

Koukamma Municipality Council further **approved** the three (3) other Executive Mayoral Committee to be part of the Appeals Committee to serve as members to the Koukamma SPLUMA Appeal Authority.

The Municipal Manager be the Registrar of the Appeals Committee.

No appeals have been considered to date on all land use applications submitted and considered.

Land Use Management

All Land Use Management is done in accordance with legislation requirements e.g., Zoning Scheme Regulations (Land Use Scheme), Koukamma Spatial Planning and Land Use Management By-law, 2016, and other applicable legislation.

The Town Planning Section now monitor all the necessary processes that have to be followed for an application to be finalized and approved

SPLUMA APPLICATIONS REGISTER						
No.	**Property Description**	**Type of Applications**	**New Use**	**Name of the applicant**	**Date submitted**	**Status of application**
1	Erf 1635 Kareedouw	Rezoning & Consent Use	Dwelling and Shebeen	Spangenberg Attorneys	19-10-2023	Approved by Authorised Official on 22-01-2024
2	Farm 678 Humansdorp	Departure	Renewable Energy Facility	Urban Dynamics	31-08-2023	Approved by Authorised Official on 22-01-2024
3	Portion 35 of the Farm	Exemption	Pipeline Servitude	Maarschalak and	27-01-2022	Approved by MPT

	Misgund No. 285			Partners Inc.		Chairperson on 27-01-2022
4	Farm 509 Portion 23	Rezoning	Special Zone	Miranda de Beer Planners	06-03-2024	In Progress
5	Farm 883 Humansdorp RD	Special Consent	Renewable Energy Structure & Tourist Facility	Miranda de Beer Planners	17-04-2024	In Progress
6	Farm 300 Portion 52 Joubertina RD	Rezoning	Special Zone	Urban Dynamics	24-06-2024	In Progress
7	Erf 1889 Joubertina	Rezoning and Departure	Shop and Dwelling House	Miranda de Beer Planners	10-06-2024	In Progress

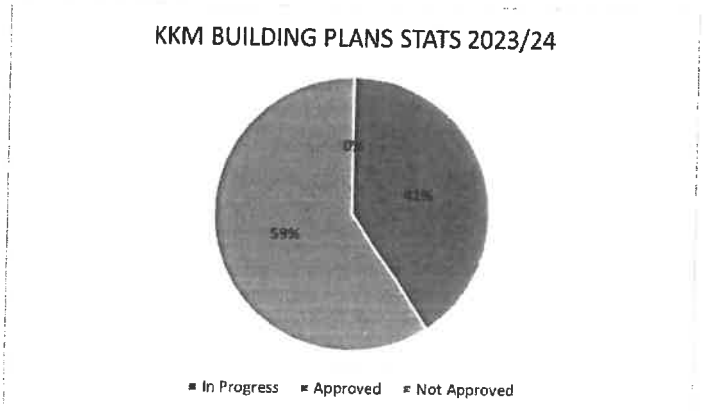
GIS Working Group with SBDM

The Koukamma Municipality has signed a Service Level Agreement with Sarah Baartman Municipality for an integrated GIS system and offered a device which will be used by Koukamma Planning Department for all the GIS related projects of the Municipality.

Building Control

The Building Control of Koukamma Municipality falls within Planning and Development Unit and is responsible for all submitted Plans for development within the jurisdiction of the Municipality and subsequently, all the illegal buildings and notices as the arrive as complaints.

During 2023/24 Building Plans received and considered are indicated from below:



Report on Koukamma Submitted Building Plans for 2023/24 Financial Year

KOUKAMMA SUBMITTED BUILDING PLANS REPORT FOR 2023/24 FY										
NO.	PLAN NO	ERF/FARM NO	OWNER	STREET	DESCRIPTION OF WORK	STATUS UPDATE	DATE APPROVED	PLAN FEES	PAID (Y/N)	m²
1	04/2023	Erf 1805	Cargu-Piet	17 Van Riebeeck Str	Additions	In progress		R 66 742,32	YES	800
2	07/2023	Erf 247	S. L. Godfrey	Olivier Street	New Dwelling	Approved	03-02-2024	R16 150,00	YES	265
3	08/2022	Farm 569 Portion 1	L Vye	Humansdorp RD	New Dwelling & Garage	Approved	15/02/2024	R 12 435,49	YES	337,36
4	09/2023	Erf 90	Danie Scheepers F/Trust	Storms River	As Built Drawings	In progress		R 19 784,51	YES	146
5	10/2023	Erf 70 Kareedouw	K Van Jarsveld	5 Assegaai Street	New Dwelling	Approved	07/11/2023	R 3 780,81	YES	153,31
6	11/2023	Erf 1002 Kareedouw	S Wasserman	14 Baaken Str	Additions	Approved	13/11/2023	R 561,20	YES	0
7	12/2023	Erf 30 Stormsriver	D. Swartz	Formosa Street	New Building	Approved	13/11/2023	R 752,76	YES	93,18
8	14/2023	579 Hum RD	Nigel Lok Family Trust	Humansdorp RD	New Steel Structure	Approved	24/01/2024	R 82 559,88	YES	2761
9	15/2023	Erf 136	SH &DS Muller	7 Melkhout St	Inter. Alterations	Approved	24/01/2024	R725,65	YES	0
10	01/2024	Erf 339	Ronmari Vakansieverblyf CC	Joubertina	Dropdown ATM	In progress		R 725,65	NO	7,25
11	03/2024	Erf 143	B. Kritzinger	Joubertina	As Built Additions	Approved	24/07/2024	R33 177,95	YES	307,2
12	03/2024	Farm 467 Hum RD	J. Wiese	Thornham	As Built New Dwelling	In progress		R34 224,00	NO	240
13	04/2024	Farm 300/52 JBT RD	Humansdorp CO-OPP	Louterwater	Formalizing As Built Structures	In progress		R244 645,25	NO	1690
14	05/2024	Erf 892	Mrs. B.J. Langl	Kareedouw	As Built Additions	Approved	04/06/2024	R 4 907,05	YES	45,19
15	06/2024	Farm 626 Ptn 40 (Stand 19)	MR. Kobus Crous	Hengeltrots	As Built & Proposed Additions	In progress		R 3 024,00	YES	37,64
16	07/2024	Farm 353 Ptn 3 JBT RD	Messrs. Kritzinger Fam Trust	Joubertina RD	As Built Dwelling	In progress		R 277 093,00	NO	1943
17	08/2024	Farm 564 Hum RD	Messrs. Gtreystone Trust	Humansdorp RD	As Built and Proposed Additions	In progress		R 26 179,24	YES	466,51
18	09/2024	Farm 507 Ptn 3 Hum RD	Messrs. Enviromech Trust	Humansdorp RD	Prop Additions & Alterations	Approved	04/06/2024	R 6 832,32	YES	191,65
19	10/2024	Farm 626 Ptn 207 Hum RD	MR. A.J. Neveling	Humansdorp RD	As Built Dwelling	In progress		R 25 252,48	NO	225,33
20	11/2024	Erf 1635 Kareedouw	Mr. M.E. Witbooi	Mountain view	As Built & Proposed Additions	Approved	06/04/2024	R 4 843,80	YES	54
21	12/2024	Erf 244	A. Kleynhans	Kareedouw	Proposed New Dwelling	Approved	16/08/2024	R 23 216,40	YES	405,09
22	13/2024	Farm 626 Ptn 61 (plot 14)	Malanie Coetzee	Hengeltrots	Proposed New Dwelling	Approved	05/06/2024	R 10 974,50	YES	282,92
23	14/2024	Farm 626 Ptn 98 a P of P 61	Prof. A.F. Doubell	Eersterivier Hum RD	Proposed New Dwelling	Approved	16/08/2024	R 12 391,41	YES	286,47
24	15/2024	Farm 626 Ptn 61 (plot 50)	JDW Strydom	Eersterivier Hum RD	As Built Drawings	Approved	16/08/2024	R 1 544,74	NO	49,75
25	16/2024	Farm 110 Ptn 6	LPC Barnard	Humansdorp RD	Prop Additions & Alterations	In progress		R 42 643,38	NO	474,4
26	17/2024	Farm 110 Ptn 6	J.M Slaabert	Humansdorp RD	Prop Additions & Alterations	Approved	13/05/2024	R 561,20	YES	0
27	18/2024	Farm 110 Ptn 6	J.M Slaabert	Humansdorp RD	Prop Alterations	Approved	13/05/2024	R 561,20	YES	0
28	19/2024	Erf 25	Ringgold Investments	Storms River	New Development	Approved	16/08/2024	R 48 254,87	YES	733
29	20/2024	Erf 90	Danie Scheepers F/Trust	Storms River	As Built Drawings	In progress		R 19 784,51	YES	146
30	21/2024	Farm 660 Ptn 18	R.A. Ballantine	Palmmietvlei	As Built & New Structurs	In progress		R189 156,60	NO	1793
31	22/2024	Erf 69	Coetser Family	Eersterivier Stand	New Deck	In progress		R561,20	YES	18
32	23/2024	Farm 626 Ptn 61 (Stand 90)	T. Pretorius	Eersterivier Stand	New Cart Shed	Approved	16/08/2024	R1 514,55	YES	16

Levels And Standard in Spatial Planning

The Constitution of the Republic of South Africa, Act No. 108 of 1996 outlines the developmental duties of municipalities in terms of Section 153 and the Spatial Planning and Land Use Management Act (SPLUMA), Act No.16 of 2013 is a framework that introduces a Spatial Planning System, which consists of four (4) levels of planning viz:

Spatial Development Frameworks (SDF's) and specific such as the Integrated Development Planning (IDP);

Development principles guiding spatial planning, land use and land development.

Management of land use through Land Use Schemes (LUS); and

Procedures and processes for the preparations, submissions and considerations of Land Development Applications (together with provincial planning legislation and municipal planning bylaws).

The Koukamma Local Municipality had decided to join the DMPT Committee which is compliant to the regulation and the implementation of the Koukamma LM By-law which has been developed in accordance with the relevant processes as per SPLUMA requirements and regulations. The municipal IDP is required to include the new Koukamma LM Spatial Development Framework which outlines the provision of land use management system and basic guidelines. The DMPT is still yet to seat after the names have been gazetted.

Major Challenges and Remedial Actions

Challenges	Remedial actions
. Lack of Law Enforcement to enforce the existing By-Laws and the approved Land Use Scheme. . Lack of capacity staff to deal with Land Use and Compliance. . Internal Departments not participating enough on Building Plans and Land Use Applications.	Seek assistance from the Department of Rural Development and Land Reform, CoGTA and SALGA. Approach the National Government for the Graduate Internship in order to have more capacity.

Component B: Community Services



Solid Waste and Environmental Management

Solid waste management refers to the collection, treatment, and disposing of solid material that is discarded or is no longer useful. Improper disposal of municipal solid waste can create unsanitary conditions, which can lead environmental pollution and outbreak of infectious diseases. An inefficient municipal solid waste management system may create serious negative environmental impacts like infectious diseases, land and water pollution, obstruction of drains and loss of biodiversity.

Solid waste means any garbage, domestic refuse, sludge from a wastewater treatment plant, water supply treatment plant, or air pollution control facility and other discarded materials including solid, liquid, semi-solid, or contained gaseous material, resulting from industrial, commercial, mining, agricultural operations and from community activities. The difference between solid waste and hazardous waste and solid waste is material that can be decomposed whilst hazardous waste is waste that has substantial or potential threat to the public health or the environment.

Delivery Strategy and Main Role Players

The Department of environment, Forestry and Fisheries developed the National Environmental Management: Waste Act, 2008 thereafter advanced the National Waste Management Strategy which is a legislative requirement of the above - mentioned act. After the act and strategies, municipalities are therefore required to develop the Integrated Waste Management Plan (IWMP). The IWMP forms an integral part of the Integrated Development Plan (IDP) as per the requirement of the Municipal Systems Act, 2000.

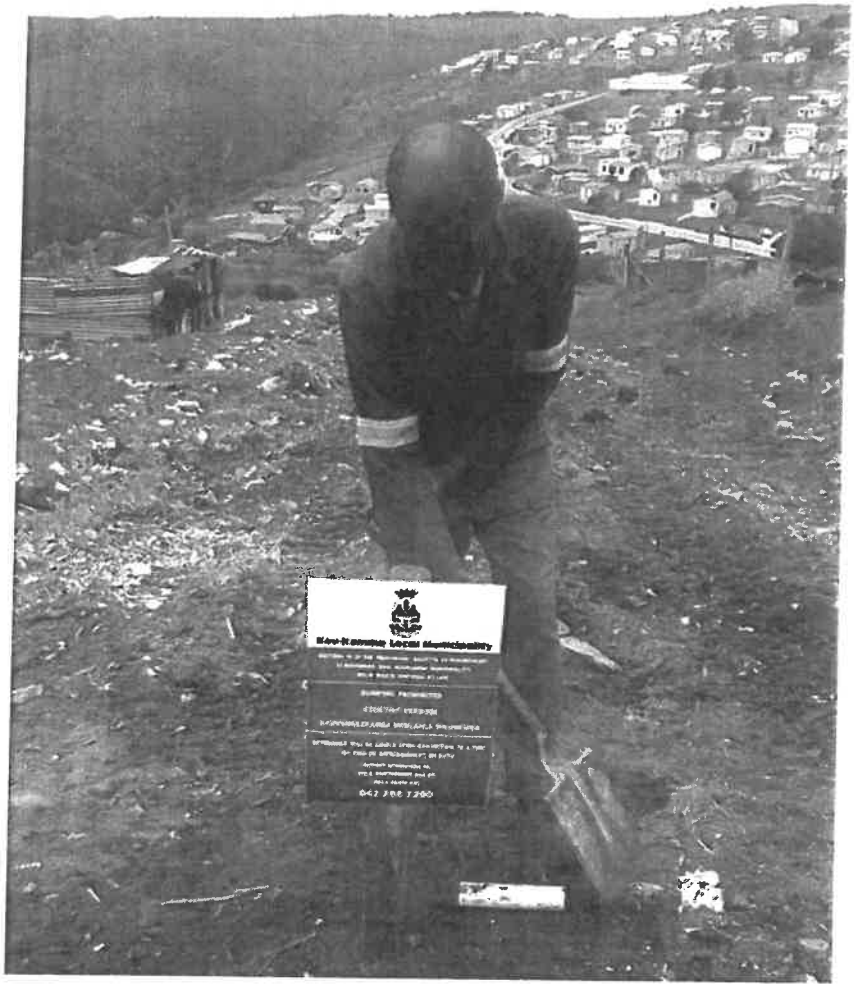
The waste Disposal By-Law was gazette in 2006 and published in 2011 and was not reviewed yet. The Koukamma Municipality Integrated Waste Management Plan (IWMP) is the application of suitable techniques, technologies and management programs covering all types of solid wastes from all sources to achieve the objectives of (a) waste reduction and (b) effective management of waste produced after waste reduction.

Koukamma Municipality in partnership with the Department of Economic Development, Environmental Affairs and Tourism and the Department Water and Sanitation. Department of Forestry, Fisheries and the Environment are working together to ensure compliance.

Department of Forestry, Fisheries and the Environment through Sarah Baartman District Municipality has contracted a service provider to help Koukamma Local Municipality in Developing an Integrated Waste Management Plan.

Waste characterization was carried out on the 29-30 January 2024. Drafts of the IWMP are being shared and circulated for comments. Public consultations are projected to be conducted in September 2024. Project will be concluded in November 2024.

Waste Disposal Facilities



Waste is disposed of in area or sites demarcated and permitted by the Department of Economic Development, Environmental Affairs and Tourism. In a landfill site classification system, a landfill site is classified in terms of waste class, size of operation and potential for significant leachate generation, all of which influence the risk it poses to the environment. Graded requirements are then set for all aspects of disposing of waste in the facilities.

LOUTERWATER DISPOSAL SITE: The site is approximately 200m northeast of Louterwater community, within 40m from the R62. The landfill site was authorized in terms of Section 20 (5) (b) of the Environmental Act, 73 0f 1989 by the Department of Water and Sanitation and Forestry as a G: C: B site. It is closed waste is transported to Tweeriviere / Joubertina disposal site.

Koukamma Municipality appointed Element Consulting Engineers (ECE) for the rendering consulting professional services for the decommissioning and rehabilitation of the Louterwater Waste Disposal Site.

The purpose of the project is to enact the, rectify and ensure compliance to section 31Lof the National Environmental Management Act, 1998 (Act 107) of 1998, as amended, in respect of non-compliance with the waste management license (HO/A14/LO22/14). This

non-compliance was captured in a letter from the Eastern Cape Provincial Department of Economic Development, Environmental Affairs and Tourism to Koukamma Municipality, dated 9th April 2018. This matter is deemed urgent, and all steps need to be taken to rectify the current non- compliance.

challenges

TWERIVIERE / JOUBERTINA: The site is located approximately 2km northeast of Joubertina within 1km from the R62. In March 2015, the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) provided a permit for the landfill site as a G: C: B landfill site in terms of Section 49 (1) (a) of the National Environment Management: Waste Act, of 2008. The site classified as a communal site and is meant to receive not more than 25 tons of waste per day.

Key Steps in Decommissioning and Rehabilitation:

Site Assessment and Planning:
Conducting a comprehensive environmental assessment to understand the extent of contamination and the specific requirements for rehabilitation.
Developing a detailed decommissioning and rehabilitation plan, including timelines, resource requirements, and compliance with environmental regulations.

Closure of the Landfill:
Halting all waste disposal activities at the site.
Implementing measures to control leachate and gas emissions, including the installation of appropriate containment systems.

Waste Removal and Disposal:
Excavating and removing remaining waste materials from the site.
Transporting waste to an authorized disposal facility.

Site Contouring and Capping:
Reshaping the landfill to ensure proper drainage and prevent erosion.
Applying a final cover or cap made of soil and vegetation to seal the site and prevent water infiltration.

Rehabilitation of the Area:
Restoring the vegetation to blend with the surrounding forest area.
Monitoring the site post-rehabilitation to ensure the effectiveness of the implemented measures and to detect any potential environmental issues.
Estimated Costs for Decommissioning and Rehabilitation
The costs associated with decommissioning and rehabilitating a landfill site like the one at Coldstream can vary widely based on several factors, including the size of the site, the level of contamination, regulatory requirements, and the complexity of the terrain.

HERE IS A GENERAL BREAKDOWN OF POTENTIAL COSTS:

Environmental Assessment and Planning:
Cost: R200,000 – R500,000
This includes the costs of environmental studies, consultations, and developing a comprehensive plan.

Closure and Containment:
Cost: R1,000,000 – R2,500,000
Expenses for shutting down operations, installing containment systems, and managing gas and leachate.

Waste Removal and Disposal:
Cost: R1,500,000 – R3,000,000
The cost of excavation, transportation, and disposal of waste at a licensed facility.

Site Contouring and Capping:
Cost: R1,000,000 – R2,000,000
This involves earthmoving, grading, and applying a final cap over the landfill.

Rehabilitation and Vegetation:
Cost: R500,000 – R1,500,000
Costs for soil conditioning, planting native vegetation, and other landscaping efforts.

Monitoring and Maintenance:
Cost: R200,000 – R500,000 (over 5 years)
Includes ongoing monitoring of the site to ensure stability and compliance with environmental standards.

Total Estimated Costs:
Total: R4,400,000 – R10,000,000

These estimates are general and can vary based on the specific conditions at the Coldstream site and the precise requirements set by environmental authorities. For accurate budgeting, a detailed site-specific assessment should be conducted to determine the exact scope and scale of work required.

GARDEN REFUSE
Currently the Municipality has no schedule, personnel, machinery for garden refuse. Drie Krone Garden disposal site is designated for garden refuse. The site is not easily accessible to residents with no means of hiring a bakkie or truck for removal of garden refuse.

This is a great cause of mushrooming of illegal dumping sites, through continuous awareness the message about importance of waste management from households seem to be gradually understood.

Skip bins are required in strategic areas within communities and skip trailers will ensure their frequent emptying thus eradicating illegal dumping.

REFUSE COLLECTION TRUCKS
For proper waste management, the current fleet is not sufficient and efficient for adequate waste management in all areas of the Municipality.

WASTE MANAGEMENT PERSONELLE
The section does not have adequate personnel for grass cutting in open spaces, not enough refuse collection personnel.

WASTE AWARENESS CAMPAIGNS

On the 4th of August 2023 a Waste Management awareness was conducted at Louterwater with residents that may be responsible for dumping refuse for different reasons on sidewalks of R62.
Simultaneously R62 was be cleaned with the use of a TLB and refuse removal team. The Manager of Community Services and Ms. Zana (EPWP Participant) went door to door giving waste management education and reminding the residents of the refuse collection schedule in their area.

On the 11th of August 2023 a Waste Management awareness was conducted at Louterwater with residents that may be responsible for dumping refuse for different reasons on sidewalks of R62.

Simultaneously R62 was cleaned with the use of a TLB and a few of refuse removal team. The Manager of Community Services, Mrs. Hagana (ECPTA representative) and Ms. Nathali Zana, Ms. Bukelwa Thomas (EPWP Participants) went door to door giving waste management education and reminding the residents of the refuse collection schedule in their area.

PROJECT NAME: WASTE MANAGEMENT- EPWP

Period: 01 December 2023 – 29 November 2024

Implementer: Koukamma Municipality

Month: December 2023

1. PROJECT DETAILS

	SETTLEMENTS:	NUMBER OF PARTICIPANTS:
1.	Coldstream	4
2.	Stormsriver	4
3.	Nompumelelo Village	4
4.	Woodlands	4
5.	Clarkson	4
6.	Kareedouw	4
7.	Krakeelrivier	4

8.	Louterwater	4
9.	Ravinia	4
10.	Misgund	4
	TOTAL:	40

2. THE MAIN OBJECTIVES OF THE PROGRAMS ARE TO EMPHASIZE:

2.1. Clearing and beautification of illegal dumping sites.

2.2. Ensure sustainability of rehabilitated illegal dumping sites.

2.3. Continuous awareness on proper Waste Management at home, institutions and in the environment.

2.4. Recycling, reuse, and reduce waste.

3. EPWP WEEKLY PROJECT PLAN

EPWP PROJECT PLAN

ACTIVITY	TARGET	DAY
-Continuous Awareness	Communities	Mondays
-Guide on Proper Waste Management -Reduce Recycle Reuse Creativity	Schools	Tuesdays
-Guide on Proper Waste Management -Reduce Recycle Reuse Creativity	Early Childhood Development Centres	Wednesdays
-Awareness -Determining number of bags collected weekly -Guide on Proper Waste Management	Businesses	Thursdays
-Cleaning and Beautification	Illegal Dumping Sites	Fridays

4. PERSONNELL:

The 1st Of December 2023 was the inception date for the EPWP DEDEAT WASTE MANAGEMENT PROJECT. A sum of R2 000 000.00 was funded by the Department for this wonderful project. A total number of 40 participants from the 10 major settlements of Koukamma have been employed to make a change on waste management within the municipality.

An induction was carried out on the same day by the municipal officials and those of the Departments giving awareness in their respective disciplines. Afterwards the participants signed their contracts

5. VEHICLES:

Municipal Vehicles are being used to ensure that the administrative documents are circulated on time and supervision is done adequately. The participants were recruited to service their own residential areas. They all work in close proximity to their service areas thus not needing any transportation.

6. HIGHLIGHTS

The project was well received by the participants, it has even given inspiration to some. Below is a picture of a waterproof material made from reused material. This waterproof was designed to assist a less fortunate mother having an emergency of no supply for her baby that uses washable nappies.



7. CHALLENGES

Processes to procure Proper Protective Clothing got delayed thus none were provided to the participants.

3.8.3. Level And Standard of Waste

South Africa has come a long way regarding the management of waste. Historically, waste was managed by various pieces of legislation that were governed by different government departments and which were fragmented in nature, resulting in gaps and poor waste management practices. The promulgation of the National Environmental Waste Act (Act 59 of 2008) was a key milestone in South Africa's environmental policy and legislation, and gives effect to the principles of the Constitution, NEMA and the White Paper on Integrated Pollution and waste Management (IP&WM). Apart from providing a coherent regulatory framework for sound waste management practices, it presents a great opportunity to ensure that the country's approach to waste management contributes to environmental wellness as

well as support the country's economic and social priorities. Waste management also has an important role to play in mitigating climate change, and successful implementation of the waste of the waste hierarchy is part of a range of responses aimed at reducing the country's greenhouse gas emissions. A transition to a low carbon "green" economy as anticipated in coherent national response to climate change would see a proliferation of green jobs in the waste sector ranging from life-cycle engineering to informal waste recovery.

Environmental standards are set to protect the environment from the negative effects of pollution. However, other considerations must be considered to ensure successful implementation. For example, technology should be available to treat the waste as per the regulations and the standards should make economic sense for the industry to follow. Current environmental legislation in South Africa is guided by the own set of principles. Pollutant levels must be set to levels that are deemed to be safe.

The high level of protection must consider the diversity of situations in the various areas of the community (under the context that the principle is formally a part of the legislation.) Action must be taken to avoid potentially damaging impacts of substances that are persistent, toxic and liable to bio accumulate even where there is no scientific evidence to prove a causal link between emission and effects.

Koukamma Municipality's long - term goal is to become a recycling society avoiding waste and using unavoidable waste as a resource wherever possible. Guidelines have been set on the municipal by-law for landfill sites on the waste acceptance criteria (for example in a communal site there cannot be more than 25 tons of waste per day).

During the year under review, the projects completed are outlined below:

Indicator	Action	Cost	Progress	Intervention
Fencing of Woodlands landfill site	Appointed a service provider to implement the project	R979 244	Complete	DEDEA
Fencing of Coldstream landfill site	Contractor appointed to implement the project	R199 000	complete	DEDEA
Cleansing and removal of illegal dump site in the whole Koukamma	EPWP Incentive Grant initiative	R2m	ongoing	DEDEA
Removal of alien trees and plants at municipal public spaces	Waste Management Project funded by DEDEA for unemployed	R0	ongoing	DEDEA

Employment of unemployed in all six wards to implement waste management projects	Waste Management Project funded by DEDEA for unemployed	R1 615 680	106	DEDEA

3.8.5. Major Challenges and Remedial Actions

CHALLENGES	REMEDIAL
Fencing of all disposal sites in Koukamma	Apply for funding from DEDEAT and register on project on MIG
Inadequate vehicles and equipment	Budget
Closure of the Kareedouw landfill site	Identify land for a new landfill site
Closure of Clarson landfill site, puts a strain on the Woodlands landfill site being the only operating landfill site for Tsitsikamma areas and Kareedouw.	Establishment of a new landfill site in Tsistikamma.

3.9. Refuse Collection and Cleansing Parks

It is the planning, organizing and control of all refuse collection and transportation services that provides for specific waste management measures and norms and standards. The primary objective of refuse collection and cleansing of parks is to keep the area clean and ensure that communities live in a clean environment that is maintained and managed in a sustainable manner.

3.9.1 Delivery Strategy and Main Role-Players

Schedule Of Waste and Refuse Collection Services In Koukamma
As per approved schedule of Koukamma Municipality Council 2023/24

UPPER TSITSIKAMMA

DAY	UPPER TSITSIKAMMA	LOWER TSITSIKAMMA	KAREEDOUW	LANGKLOOF
MONDAY	Stormsriver Business, Domestic Stormsriver East	Businesses	Business	Ravinia Domestic, Illegal dump sites
TUESDAY	Nompumelelo Village, Blikkiesdorp Domestic	Koomansbos, Hermanuskraal, Kwaaibrand	Mountain View, New Rest Domestic	Joubertina Town Domestic, Illegal dump sites
WEDNESDAY	Stormsriver West Domestic	Woodlands, Eersterivier, Wittekleibos	Kareedouw Town Domestic	Misgund, Louterwater Domestic/ Businesses
THURSDAY	Coldstream, Laurelridge, Die Rye	Clarkson, Die Blaar, Bazia	Kagiso Heights Uitkyk Domestic	Kraakeel Business, Domestic

		Street, Church Street		
FRIDAY	EPWP/CWP/Waste Management	EPWP/CWP/Waste Management	EPWP/CWP/Waste Management	Joubertina Bins, Cages

DAY	AREA	TYPE OF REFUSE	TIME FRAME
MONDAY	STORMSRIVER	BUSINESS	8H30 – 16H30
TUESDAY	STORMSRIVER & KWAAIBRAND	DOMESTIC & BUSINESS	8H30 – 16H30
WEDNESDAY	CLARKSON & WOODLANDS	DOMESTIC & BUSINESS	8H30 – 16H30
THURSDAY	NOMPUMELELO VILLAGE & BLIKKIESDORP	DOMESTIC & BUSINESS	8H30 – 16H30
FRIDAY	STORMSRIVER & COLDSTREAM	DOMESTIC & BUSINESS	8H30 – 16H00

LOWER TSITSIKAMMA

DAY	AREA	TYPE OF REFUSE	TIME FRAME
MONDAY	TSITSIKAMMA LODGE, TSITSIKAMMA FALLS, TSITSIKAMMA COTTAGES, GREENSIDE, VANS VERVOER, TSITSIKAMMA LAER, VANS VERVOER	BUSINESS	8H30 – 16H30
TUESDAY	BLIKKIESDORP, KWAAIBRAND, KOOMANSBOS, HERMANUSKRAAL	DOMESTIC & BUSINESS	8H30 – 16H30
WEDNESDAY	WOODLANDS	DOMESTIC & BUSINESS	8H30 – 16H30
THURSDAY	CLARKSON	DOMESTIC & BUSINESS	8H30 – 16H30
FRIDAY	WITTEKLEIBOS, EERSTE RIVIER	DOMESTIC & BUSINESS	8H30 – 16H00

KAREEDOUW

DAY	AREA	TYPE OF REFUSE	TIME FRAME
MONDAY	KAREEDOUW & TOWNSHIP	BUSINESS	8H30 – 16H30

TUESDAY	CENTRAL & MOUNTAIN VIEW	GARDEN	8H30 – 16H30
WEDNESDAY	KAREEDOUW & TOWNSHIP	DOMESTIC	8H30 – 16H30
THURSDAY	UITKYK, KAGISO, NEWREST	GARDEN	8H30 – 16H30
FRIDAY	KAREEDOUW & TOWNSHIP	BUSINESS	8H30 – 16H00

LANGKLOOF

DAY	AREA	TYPE OF REFUSE	TIME FRAME
MONDAY	RAVINIA	DOMESTIC	8H30 – 16H30
TUESDAY	JOUBERTINA	DOMESTIC	8H30 – 16H30
WEDNESDAY	MISGUND, KRAKEEL & LOUTERWATER	DOMESTIC	8H30 – 16H30
THURSDAY	LANGKLOOF	BUSINESS	8H30 – 16H30
FRIDAY	LANGKLOOF	BUSINESS	8H30 – 16H00

3.9.2 Waste Characterisation Result

No waste is characterised per income in an area. It is not done yet as no survey has been conducted. Waste is supposed to be categorised as per high income area, medium and low-income areas (indigent income earners).

Waste quantity is usually measured by mass (kilograms or tonnes) but it can also be less accurately if estimated as volume (cubic metres). The formula used to estimate waste quantities is as follows: i.e.

- Annual total tones waste from an area equal to average amount of waste produced by one person in one day (kg) multiply by number of people in the area and then multiply by 365 days over 1000.

These quantities will differ depending on the socio- economic status of the community

Currently, in Koukamma no waste separation is done, characterisation or quantify and weighing is done in all disposal sites

(i) Challenge
No weighbridge or weigh-pads

3.9.3 Waste Composition

During 2022/23 financial year, waste composition study was not conducted due to not having a weigh bridge. The waste composition study is supposed to determine the amount of waste received per day at the site and the type of waste. Firstly, there supposed to be a dedicated employee responsible for the waste site that will sort the waste and classify it.

Various types of waste are received from the households in black bags which they received weekly from the municipality. The waste is composed of papers, plastics, metals, textiles, glasses and food and even from the house-holds waste is not sorted and placed differently, it is thrown in the same bag and goes to the sites where it is supposed to be sorted but not sorted.

The households that are dealing with recycling are sorting the waste from the waste sites for them to sell it to recycling companies. It is also not quantifying nor classified in the waste sites. Some municipalities use recycling companies to classify and receive the quantities from those recycling companies.

3.9.4 Domestic Refuse Removal

Domestic waste is waste that is generated because of the ordinary day-to-day use of domestic premises and is either: collected by or on behalf of a local government as part of a waste collection and disposal system. Koukamma Municipality is servicing approximately 11 261 households. A regular waste removal is provided to all households and businesses within the major towns of the municipal area, except to the households in rural areas.

Much of the population in semi-rural areas either buries or burn their waste. There is only one private waste contractor active in Kareedouw town and townships. The municipality provides a weekly (1day per week) waste collection service to all the households in the following wards:

Ward	Town	Settlements	No of businesses	Location of landfill site
1	Misgund & Louterwater	New Extension Old Louterwater Smartie Town Rondomskrik	Approximately 7	200m North East of Louterwater
2	Krakeel Joubertina Town	No settlements	4	3km from Krakeel, approximately 300m from the R62
3	Ravinia/ Joubertina Town	No settlements	4	2km North East of Joubertina
4	Kareedouw	Uitkyk, Kagiso Heights, New Rest, Mountain View, Town Central.	18	3km North of Kareedouw
5	Clarkson Woodlands, Eerste Rivier, Kwaaibrandt Hermanus Kraal Wittekleibos Guava Juice Snyklip &	Bazia Kerk Straat Smartie Town Landsdown	2	2km South of Clarkson

	Palmietvlei			
6	Nompumelelo Village Storms River Coldstream Blikkiesdorp Thornham Koomansbos	No settlements	2	500m North of Coldstream residential area

Koukamma Municipality renders services in following areas;

1. Kareedouw Town, Uitkyk, Kagiso Heights, Mountain View, New Rest.
2. Langkloof; Misgund, Louterwater, Krakeelriviere, Joubertina, Ravinia
3. Upper Tsitsikamma; Coldstream, Stormsrivier, Nompumelelo Village
4. Lower Tsitsikamma; Blikkiesdorp, Koomansbos, Hermanuskraal, Kwaaibrand, Woodlands, Eersterivier, Clarkson, Wittekleibos
5. Businesses, Schools and hostels

3.9.5. Annual Performance as Per Key Performance Indicators In Waste Management Services

No.	Indicator Name	Total Number of households expected to benefit	Estimated Backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Number of households reached during the Financial Year	Percentage of achievement during the year
1	Percentage of household with access to potable water					
2	Percentage of Indigent household with access to free basic potable water					

3.9.6. Major Challenges and Remedial Actions

The settlements and towns are scattered and far from each other and the location of the three landfill sites that are currently operational is also far from most of the communities. It contributes to the high kilometers travelled, fuel, and maintenance cost of the refuse removal vehicles and hours spent on the road to the disposal sites.

Additional waste generated, illegal dump sites, waste collected by the EPWP teams, working for the coast and catchment area cleaning, waste management teams need regular collection and transporting to the landfill sites.

3.10. Sports and Recreation Facilities

Recreation facilities means those facilities constructed or installed within the Local Community Residential Area (LCRA) for recreational use by the public or for support of such recreational use. It refers to a park, playground, recreation centre, bathing beach, swimming pool or wading pool, gymnasium, sports field, or sports facility, including the parking area and land surrounds any of the facilities, which is owned by or under the jurisdiction of any department, agency, or authority of the municipality.

3.10.1 Delivery Strategy and Main Role - Players

Section 156 of the Constitution of the Republic of South Africa, 1996 emphasis the provision of recreation facilities as the function administered by municipalities. In 2012, South Africa finalised the revised White Paper on Sport and Recreation for the third time leading to the development of the National Sport Recreation Plan (NSRP). The strategic focus of the NSRP is to reconstruct and revitalise the delivery of sport and recreation towards building an active and winning nation that equitably improves the lives of all South Africans.

On the 13 November 2006, Koukamma Municipality gazetted the Sporting Facility by-law to ensure that communities utilise the facility and accepts the responsibility to maintain these facilities. Hence the municipality has established Local Sport Council in some of the wards to take control of the sports facility.

3.10.2. Level and Standard in Sports and Recreation Facilities

SPORT FIELDS

CLARKSON

AREA	CURRENT STATUS
The sports field serve Clarkson, Die Blaar and adjacent communities	Playing surface is in a good condition. No ablution facilities No change room
Netball court	No fencing
High Mask Lights/ Flood Lights	Were never installed

WOODLANDS

AREA	CURRENT STATUS
Sports field	Playing surface not in a good condition
Netball Court	No netball court
Club house with ablution facilities	Was Never completed/Vandalized
High Mask Lights/ Flood Lights	Vandalized

NOMPUMELELO VILLAGE

The municipality need to identify of land for the establishment of a netball court in the area.

RECREATIONAL FACILITY	CURRENT STATUS
Rugby and Soccer Field	Playing surface in a good condition
Netball Court	None
Ablution	Vandalized
High Mask Lights/ Flood Lights	Need Maintenance

STORMSRIVER

The Sports field is not properly managed and controlled as the post of the caretaker vacant for the last (4) years and poses a great challenge for the department.

RECREATIONAL FACILITY	CURRENT STATUS
Sports field	Playing surface in a good condition
Club house with ablution facilities	Totally vandalized
Netball Court	None
High Mask Lights/ Flood Lights	Need Maintenance

COLDSTREAM

RECREATIONAL FACILTY	CURRENT STATUS
Rugby and soccer field	Playing Surface in a good condition
Netball court	In a good with fencing
Clubhouse and ablution facilities	Totally vandalized
High Mask Lights/ Flood Lights	Need Maintenance

KAREEDOUW

Uitkyk

RECREATIONAL FACILTY	CURRENT STATUS
Rugby and soccer field	Playing surface in a good condition

Netball court	In a good condition and fenced
Clubhouse with ablution facilities	Totally vandalised
Care takers house	Totally vandalised

New Rest

RECREATIONAL FACILTY	CURRENT STATUS
Rugby and soccer field	Vandalised
Practice field	Vandalised
Netball court	Totally vandalized
Clubhouse	Totally vandalised
Care takers house	Totally vandalised

RAVINIA

RECREATIONAL FACILITY	CURRENT STATUS
Sports field	Vandalized

KRAKEEL

RECREATIONAL FACILITY	CURRENT STATUS
Sports field	Being Upgraded
Tennis Court	Being Upgraded
Clubhouse	Being Upgraded

LOUTERWATER

RECREATIONAL FACILITY	CURRENT STATUS
Sports field	Totally vandalized
Tennis Court	Totally vandalized
Clubhouse	Totally vandalized

Annual Performance as Per Key Performance Indicators

Type of Sport fields	Areas Constructed	Cost	Progress	Intervention
Soccer field	13 Settlement	N/A	Grass needs to be maintained	Budget
Rugby and Soccer	Kareedouw	N/A	Grass needs to be maintained	Budget
No sportfield	Misgund	N/A	School maintains the field	Using the school sport field
4 Netball field	4 Settlements	N/A		

Major Challenges and Remedial Actions

CLARKSON

AREA	INTERVENTION	REMEDIAL ACTION
The sports field serve Clarkson, Die Blaar and adjacent communities Netball court	Fencing need attention Playing surface need to be leveled Lack of ablution facility Needs attention due to cracks on playing surface	Assess the damage and do costing for upgrading

WOODLANDS

AREA	INTERVENTION NEEDED	REMEDIAL ACTION
Sports field	Sports field playing surface need to be attended too	Assess the damage and do costing for upgrading
Club house	Need to plaster the walls, put up the roof and electrified	Assess the damage and do costing for upgrading

NOMPUMELELO VILLAGE

RECREATIONAL FACILITY	INTERVENTION NEEDED	REMEDIAL ACTION
Rugby and Soccer Field	Repair the lights and fence	Assess the damage and do costing for upgrading
Netball Court	The netball team are currently using the parking area at the community hall	Identify land and budget in the area
Ablution	Total renovation	Assess the damage and do costing for upgrading

STORMSRIVER

RECREATIONAL FACILITY	INTERVENTION NEEDED	REMEDIAL ACTION
Sports field	Lightning attend to the condition of the surface	Assess the damage and do costing for upgrading
Club house	Renovate and repair lights, ceiling, windows and doors	Assess the damage and do costing for upgrading

COLDSTREAM

RECREATIONAL FACILTY	INTERVENTION NEEDED	REMEDIAL ACTION
Rugby and soccer field	Replace the fence, repair the lights, renovate, paint the stadium	Assess the damage and do costing for upgrading
Netball court	Upgrading, Paint and lights	Assess the damage and do costing for upgrading
Clubhouse	Upgrading, refurbish and lights	Assess the damage and do costing for upgrading

KAREEDOUW

RECREATIONAL FACILTY	INTERVENTION NEEDED	REMEDIAL ACTION
Rugby and soccer field	Upgrade playground, and repair lights and security fence	Assess damage and do costing for budgeting purposes
Practice field	Repair lights	Assess damage and do costing for budgeting purpose
Netball court	Paint and lights	Assess the damage and do costing for upgrading
Clubhouse	Renovate and lights	Assess the damage and do costing for upgrading
Care takers house	Total upgrading	The future of the house needs to be discussed by the council

RAVINIA

RECREATIONAL FACILITY	INTERVENTION NEEDED	REMEDIAL ACTION
Sports field	Upgrade fencing and playground	Assess the damage and do costing for budgeting purpose

KRAKEEL

RECREATIONAL FACILITY	INTERVENTION NEEDED	REMEDIAL ACTION
Sports field	Total upgrading and refurbished	Completed
Tennis Court	Refurbish and upgrading	Completed
Clubhouse	Total upgrading and refurbished	Completed

LOUTERWATER

RECREATIONAL FACILITY	INTERVENTION NEEDED	REMEDIAL ACTION
Sports field	Engagement of the Koukamma Sports Forum	Assess the damage and do costing for upgrading of facility
Tennis Court	Engagement of Koukamma Sports Forum	Assess the damage and do costing for upgrading
Clubhouse	Engage the SPU and Koukamma Sports Forum	Assess the damage and do costing for upgrading

Cemeteries

Cemeteries Services Delivery Strategy and Main Role Players

The Constitution provides the overarching legislative framework with which all natural and juristic persons must comply. In terms of section of Section 155 and 156 of the Constitution the establishment, management and administration of cemeteries are functions of the municipalities while provinces simply have a monitoring and support role in respect of such functions. In terms of Section 139(1) where a municipality cannot or does not fulfill its executive function, i.e., the provision of cemeteries, the relevant provincial executive may intervene and take appropriate steps to ensure fulfillment of the obligation.

Koukamma Municipality Public Cemeteries

Koukamma Municipality has a total of eleven (11) cemeteries. Most of these cemeteries are not in a good condition, no burial registration is done, no walkways, no fencing, no ablution facilities or shelters for care takers. This is causing problems for the municipality and the communities. Stray animals are grazing on the grave sites and breaking down the tomb stones.

Level and Standard In Cemeteries

Koukamma Municipality had established cemeteries in the area of Koukamma as follows:

Area	Available facility
Coldstream	Fenced, clean
Storm river	No Fencing
Woodlands	Fence, clean
Nompumelelo Village	Fence but vandalised, proper lay out, record – keeping
Eerste Rivier	No fencing
Clarkson	No Fencing
Kareedouw (Uitkyk)	No fencing
New Rest	No fencing
Mountain View	None
Ravinia	Reached its capacity
Joubertina	Almost full
Krakeel	No fencing
Louterwater	No fencing
Misgund	No fencing

Annual Key Performance as Per Key Indicator

Facilities	Area	Cost	Intervention	Comment
Ablution Facility	Stormsriver	R60, 000.00	Internal funding	Provision of ablution facilities(container)
Access Road	Stormsriver	R100 000.00	Internal funding	Provision of a paved road within the cemetery

Major Challenges and Remedial Actions

Area	Required	Intervention
Coldstream	Ablution facility and shelter	budget
Storm river	Ablution block and shelter	budget
Woodlands	Ablution facility, shelter and extension of land	budget
Nompumelelo Village	Ablution facility, shelter	budget
Eerste Rivier	None	
Clarkson	Fencing, cleaning, ablution and shelter	budget
Kareedouw (Uitkyk)	Fencing, cleaning, ablution and shelter	budget
New Rest	Fencing, cleaning, ablution and shelter	budget
Mountain View	Fencing, cleaning, ablution and shelter	budget
Ravinia	Fencing, EIA to be conducted	Dept. of Environmental Affairs
Joubertina	Fencing and cleaning	Budget
Krakeel	Finalisation of decision between Municipality and owner, fencing, ablution block and shelter	budget
Louterwater	Fencing, cleaning, ablution and shelter	budget
Misgund	Fencing, cleaning, ablution and shelter	budget

Parks and Open Space

Parks and open space refer to land that has been reserved for the purpose of formal and informal sport and recreation, preservation of natural environments, provision of green space and/or urban storm water management.

Open space is any open piece of land that is undeveloped (has no buildings or other built structures) and is accessible to the public. Open space can include green space includes parks, community gardens, and cemeteries.

Delivery Strategy and Role-Players

The Department of Environment Affairs, Fisheries and Forestry in recognising its Constitutional obligation, promulgated the National Environmental Management Act, 1998 in support of environmental management function in all spheres of government.

Sarah Baartman District Municipality will be assisting Koukamma Municipality to provide parks and open space services and to establish a project called, "Thuma Mina Green Deeds implemented by SALP Holdings PTY LTD.

Level and Standard

The project is aimed at encouraging better environmental management practices through street cleaning, clearing of illegal dumping and public spaces as well as conducting of environmental education

Annual Key Performance as Per Key Performance Indicator

No of Play Parks	Areas where parks exist	No of days to clean the parks	Intervention	Comments
N/A	N/A	N/A	Municipality to establish playparks	To plan for the development of the play- parks

3.12.4. Major Challenges and Remedial Actions

Challenges	Remedial Actions
No play parks	Municipality to establish playparks
Shortage of staff to clean open space	Usage of EPWP employees
Shortage of equipment to clean open spaces	Employer to budget for the purchase of equipment
Illegal dumping on open spaces	Placement of Willy bins in the area

Safety and Security

Traffic Law Enforcement and DLTC

Service Delivery Strategy and Role Players

The Koukamma Municipality's Traffic Department strategy focuses on the effective enforcement of traffic laws, improving road safety, reducing accidents, and ensuring compliance with regulations. The Koukamma Municipality also rendered a Licensing function on an agency basis, on behalf of the Provincial Department of Transport through a Service Level Agreement.

The following role players participate in the process and help the Traffic Department provide the service:

- Eastern Cape / Western Cape Provincial Law Enforcement Traffic
- South African Police Services
- Eastern Cape Department of Transport
- Road Traffic Management Corporation
- Department of Justice
- EMS
- SANRAL (Roads)
- Provincial Department of Roads

By coordinating these role players, traffic law enforcement aims to ensure a safer, more efficient transportation system, thereby reducing accidents, injuries, and fatalities on the roads.

Level and Standards

By coordinating operations related to the enforcement of laws and by-laws and maintaining road safety, the Traffic Law Enforcement Unit managed the implementation, monitoring, evaluation, and reporting sequences of outcomes associated with plans and programs designed to accomplish key services delivery objectives with respect to traffic control and law enforcement. This ensures that the risk of property damage and fatalities is limited through the prompt and efficient execution of sequences and applications.

The service offered have improved on month to month with focus on the four E's.

Engineering /Education /Enforcement /Evaluation

The traffic law enforcement must be seen to be fair, impartial, effective, efficient, decisive, focused and results driven. The driving licence and vehicle testing comply with legislation set out by the MEC of Transport for serving our clients.

The following Legislation governs the rendering of the service

- National Road Traffic Act - Act 93/1996
- Health and Safety Act – Act 85/1993
- Provincial Archives and Records Act – Act 1 of 2003
- Municipal Finance Management Act – Act 5/2003
- Koukamma Municipal By-Laws

Geographical area /Routes covered By Koukamma Traffic Officials.

AREA1 (R102)

Eastern Cape Department of Transport, who is responsible for provincial trunk, main, district and minor roads within the area; and
Starts at Trifolia in the East and runs through Tsitsikamma up to the Bloukrans River in the West.

AREA2 (N2)

South African National Roads Agency Limited (SANRAL), who is responsible for National Route N2,and R62 , which traverses the area.
Starts at Trifolia and ends at the Bloukrans Bridge

AREA3 (R62)

Starts at Trifolia, continues through Kareedouw, and Langkloof to the end at Misgund.

Staff component: Law Enforcement and Licensing Service

The Traffic Department is divided into three (3) sections namely:

The Traffic Law Enforcement Section that consists of seven permanent traffic officers to assist with Law Enforcement and camera operations.

Activities conducted by the Law Enforcement

- Speed Monitoring
- Intoxication Driving
- Public Transport Compliance
- Special Operations
- Corridor operations

The Traffic Administration Unit (DLTC, VTS, MVR) that consist of Seven (7) permanent employees.

The service provides:

- Renewal of Drivers Licence cards
- Renewal of PRDP's
- Learners Licence Tests
- Drivers Licence Tests
- Exchange of Foreign Drivers Licence
- Motor Vehicles Renewal
- Testing for Motor Vehicle Fitness

R-Value for Motor Vehicle License/ Driving License Transections	R7 497 686,00
Fines Issued for Traffic Offence	36286
R – Value of Fines	R 477 374.60
Income received on traffic fines	R 3 287 450.00
Number of Roadblocks held	7
Complaints Attended too by Traffic Officers	11
Number of Road Traffic Accidents attended	28
Number of Traffic Officers on duty on an average day	4

The By -Law Enforcement Unit that consist of five(5) newly appointed Law Enforcement officers. The Officers are from Koukamma Municipality, they have been trained by the Municipality and contracted for 12 months.

Activitiesconducted by these officers.

- Receiving Complaints and Identifying Violations
- Initial Investigation
- Notification and Education
- Follow – up and Compliance Monitoring
- Enforcement Actions
- Resolution and Closure

- Record Keeping and Reporting
- Community Outreach and Education
- Training and Coordination with Other Department

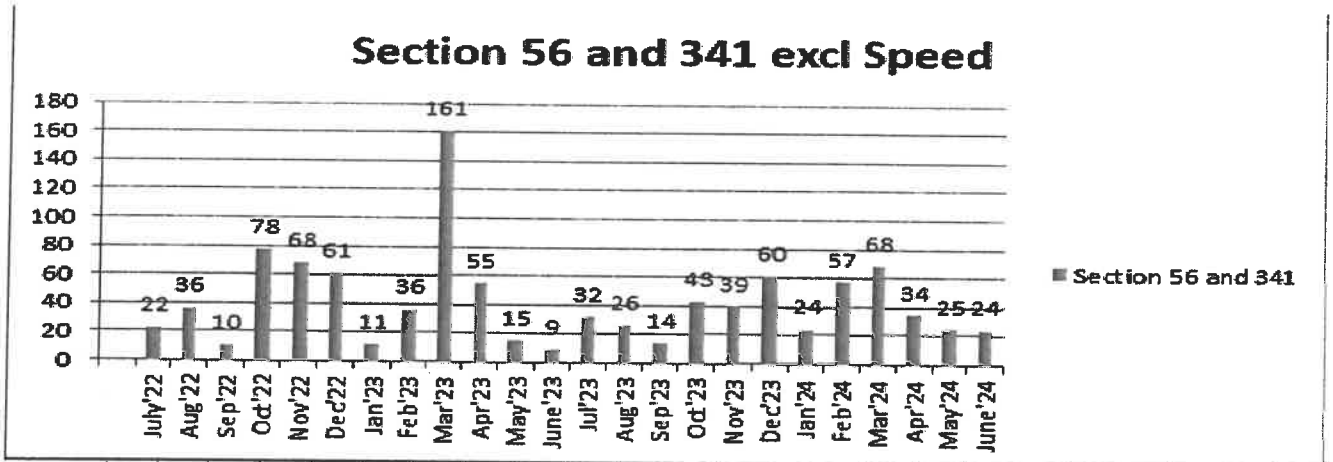
Annual performance as per key indicators

Several operations with digital cameras were carried out between July 2023 and May 2024. Due to Ultimate Traffic Solutions contract, which expires on 31 May 2024,no camera operations were carried out after this time.
The aforementioned service provider's appointment has resulted in a rise in speeding tickets and summonses.

Measurement of average vehicle speed and flow rates on major roads.

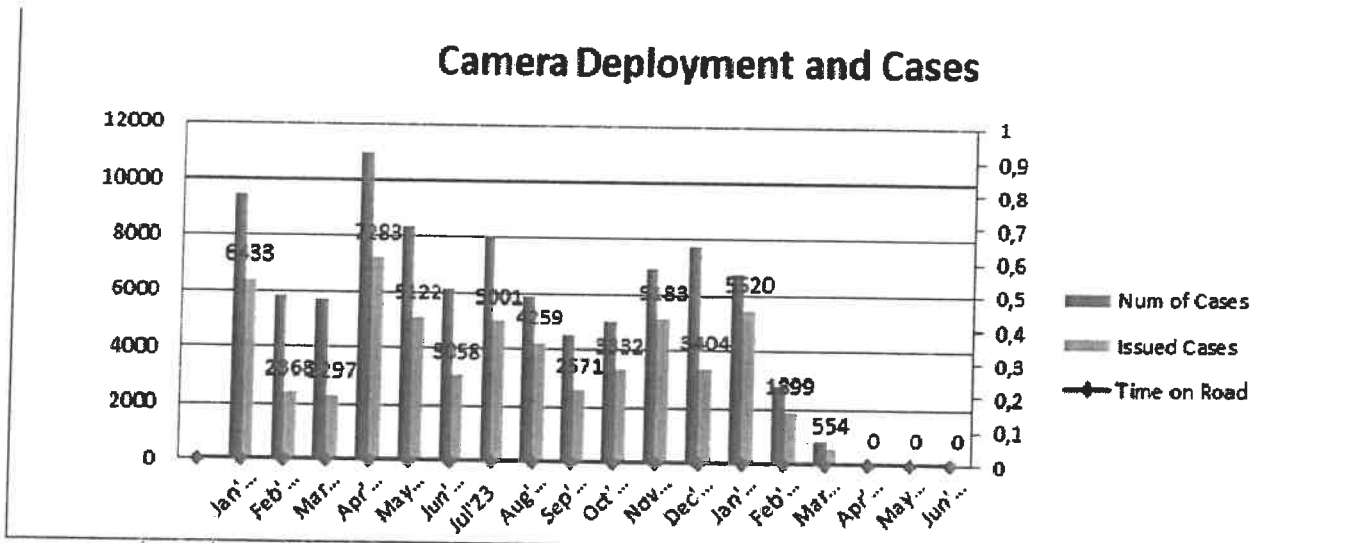
Technology Utilization and Innovation.

SECTION 56 AND 341 EXCL SPEED



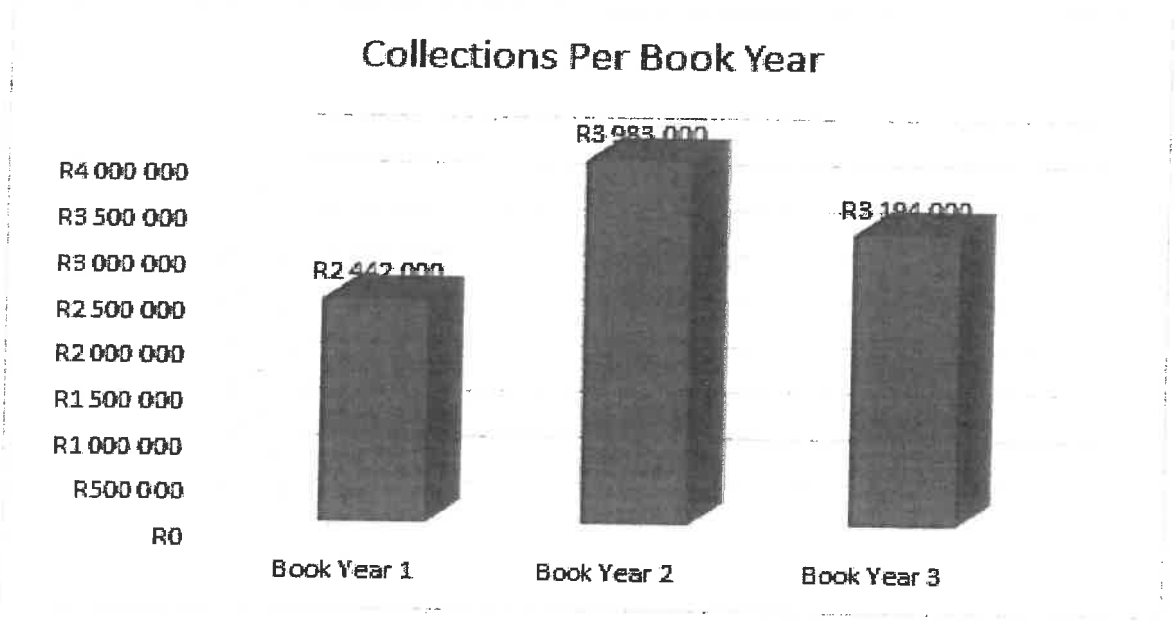
	July'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	Apr'23	May'23	June'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	June'24
Section 56 and 341	22	36	10	78	68	61	11	36	161	55	15	9	32	26	14	43	39	60	24	57	68	34	25	24
Value	9800	16800	10800	79300	68000	52000	11800	31700	144100	50900	16900	9800	24700	24700	16900	40800	41000	51100	31300	53300	57100	32700	22000	19300

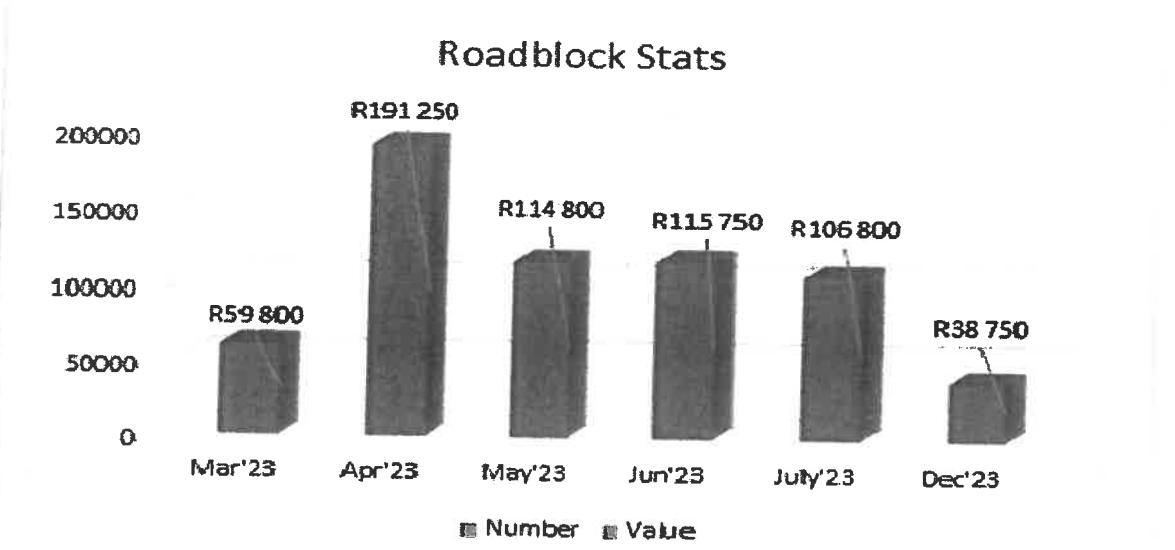
DEPLOYMENT



Radar	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24
Time on Road	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Num of Cases	9441	5828	5689	10979	8323	6142	8038	5899	4555	5001	6925	7704	6725	2798	788	0	0	
Issued Cases	6433	2368	2297	7283	5122	3058	5001	4259	2571	3332	5183	3404	5520	1899	554	0	0	
Value of Accepted	4 364 150	1 704 500	1 592 750	4 854 150	3 460 650	2 171 250	3 531 440	2 942 100	1 910 550	2 313 900	3 742 700	2 620 850	3 825 050	1 331 000	402 700	0	0	

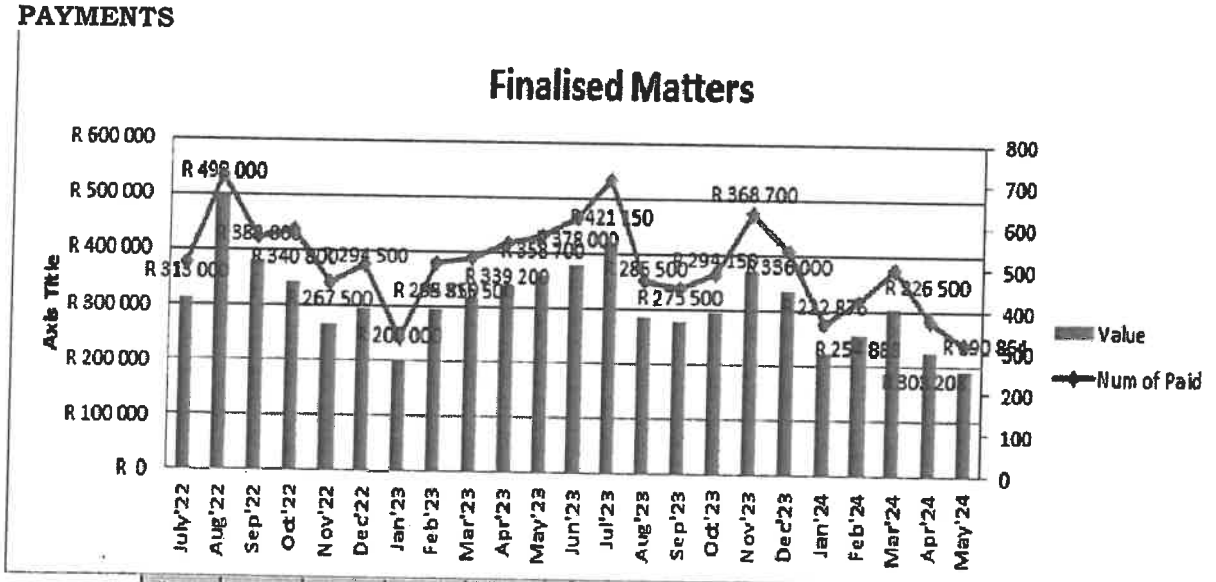
COLLECTIONS PER BOOK YEAR





	Mar'23	Apr'23	May'23	Jun'23	July'23	Dec'23	Total
Number	103	235	224	187	190	71	1010
Value	R59 800	R191 250	R114 800	R115 750	R106 800	R38 750	R627 150

PAYMENTS



	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Total Collected
Num of Paid	711	470	450	488	633	542	369	422	502	375	316	0	10843
Value	R 421 150	R 285 500	R 275 500	R 294 150	R 368 700	R 336 000	R 222 876	R 254 888	R 303 208	R 226 500	R 190 864	R 0	[illegible]
Payment Average	R 592	R 607	R 612	R 603	R 582	R 620	R 604	R 604	R 604	R 604	R 604	R 0	R 886

Challenges experience with Section 341 notices

One of the biggest challenges is the effectiveness of the postal services, many of our alleged infringers have indicated that they are not receiving their fines. Over the last months various payment platforms were introduced, Collection strategies and ways to improve contact with the public.

New payment options were loaded:

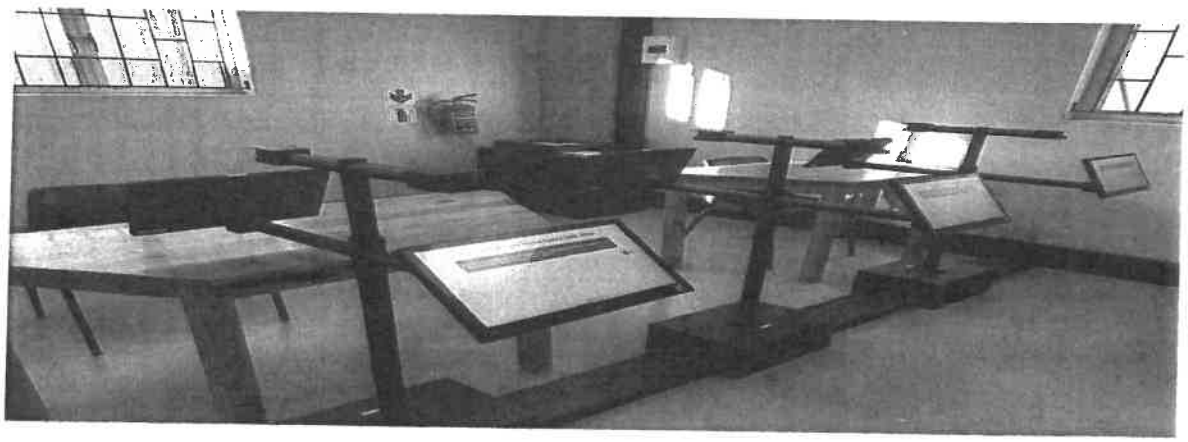
- Easy Pay
- Online debit Card Payments
- Online Credit Card Payments
- Debit Orders
- Instant EFT Payments

Operations of the Joubertina Drivers Licence Testing Centre.

CLLT

SYSTEM AT THE STATION

Electronic learner licence computer systems were installed at the Joubertina Testing station by the Department of Transport through RTMC, with several significant benefits, both for the administration of driver's licenses and for the learners themselves. These benefits contribute to improved efficiency, accuracy, and accessibility in the process of obtaining a driver's license.



Learners can receive instant feedback on their test performance, helping them understand their results and, if necessary, areas for improvement.

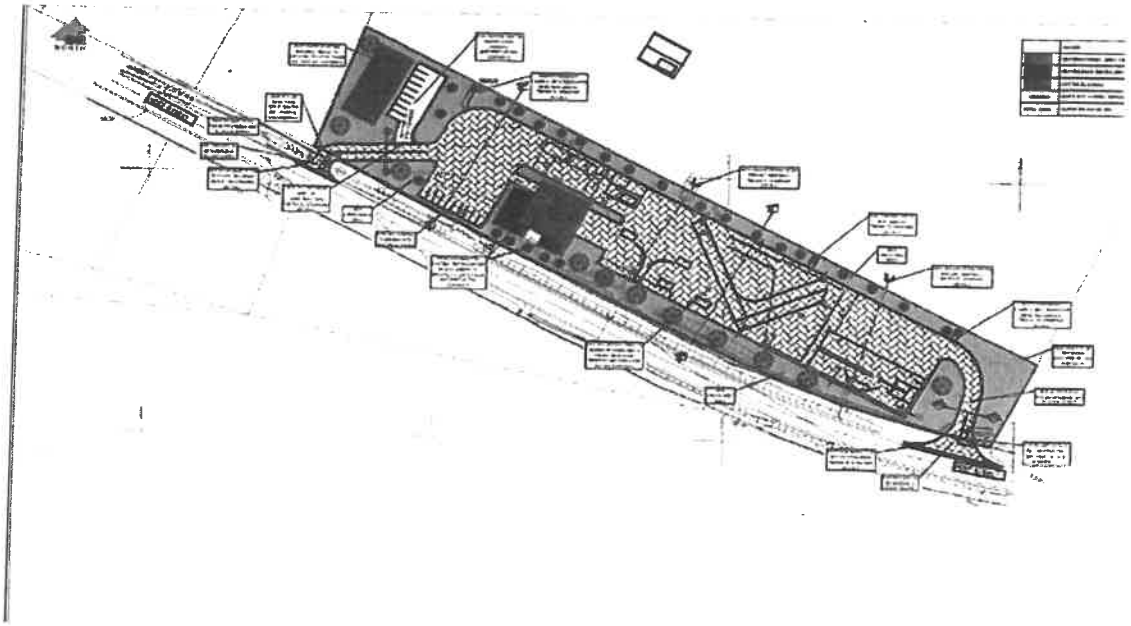
UPGRADING OF DLTC

Upgrading a Driving License Testing Centre (DLTC) to a Grade A status is significant for several reasons, primarily relating to the expanded capabilities, improved service quality, and enhanced reputation of the centre. Grade A DLTCs are typically equipped to handle a broader range of services and serve a larger population more efficiently. Through the intervention of the Small-Town Revitalization program of the Eastern Cape Premier ,Koukamma Municipality will improve the physical infrastructure of the Joubertina Driving License Testing Station (DLTC) witch , including modernized testing tracks, updated office spaces, and improved waiting areas for applicants.

A Grade A status enhances the reputation of the DLTC, making it a trusted and credible institution for licensing. This can lead to increased public confidence in the fairness and accuracy of the testing process.

Overall, upgrading a DLTC to Grade A is a strategic investment that enhances its capacity to provide high-quality, efficient, and comprehensive services. This upgrade not only benefits the applicants but also contributes to broader societal goals such as road safety, public trust, and economic development

PROPOSED LAY-OUT FOR DLTC



Major Challenges Within the Law Enforcement and DLTC

- Limited resources and Budget Constraints , making it difficult to invest in modern equipment, technology, and training.
- Emergency barricading equipment
- Animal pound for stray animals
- Vehicle pound
- AARTO preparedness
- Firearm bulletproof vest for overnight shift operation
- Internet and telephone lines connections (DLTC)
- Absence of receptionist at (DLTC)

- Lack of staff after the upgrading of DLTC office, A lack of sufficient personnel can lead to inadequate coverage, slower response times, and reduced enforcement of traffic laws.
- No warrant section within the law enforcement department
- Lack of staff for administration/law enforcement for shift system
- Two - way radios for communication
- In some regions, there is a significant backlog in processing traffic violation cases, which can undermine the deterrent effect of fines and penalties.
- Addressing these challenges requires a combination of strategic planning, investment in modern technology and infrastructure, capacity building, public education, and inter-agency collaboration. By overcoming these challenges, traffic departments can improve road safety, enhance traffic flow, and provide better services to the public.

Remedial action

To address the challenges faced by traffic law enforcement departments and improve the effectiveness of by-law enforcement, several remedial actions can be taken. These actions focus on enhancing capacity, improving technology, fostering public cooperation, and ensuring accountability within the traffic law enforcement framework.
Invest in automated traffic enforcement technologies, such as speed cameras, red-light cameras, and license plate recognition systems. These technologies help enforce laws more consistently and efficiently, especially in high-risk areas.
Launch ongoing public education campaigns to raise awareness about traffic laws, the consequences of violations, and the importance of road safety. These campaigns can use various media, including social media, to reach a broad audience.
Work with the judiciary to expedite the processing of traffic violation cases, reducing the backlog and ensuring that penalties are enforced promptly. Consider the use of traffic courts or administrative hearings to handle cases more efficiently.

- To establish warrant section
- Establishment of animal pound
- Appointment of receptionist at DLT
- To appoint 1x Admin Clerk

By implementing these remedial actions, traffic law enforcement departments can enhance their effectiveness, improve public safety, and build stronger relationships with the communities they serve. These measures will help address the challenges faced by traffic departments and contribute to a safer and more orderly road environment.

Security Services

Delivery Strategy and Role Players

The security services are established in terms of chapter 11 Section 198 of the Constitution of the Republic of South Africa, 1996, Act 108; and stipulate the principles governing the National Security. The Republic of South Africa Constitution, Section 199 (3) and (4) of the above act states that security services must be established in terms of the National Legislation.

Security Officers are required to have a certain level of qualifications and must be registered to a professional body, namely the Private Security Industry Authority (PSIRA).

PSIRA derives its mandate from the Private Security Industry Regulation Act 56 of 2001. The primary objective of the Private Security Regulatory Authority (PSIRA) is to regulate the private security industry and to exercise effective control over the practice of the occupation of security service provider in the public and national interest and in the interest of the private security industry itself.

Levels and Standards

The Koukamma Municipality contracted a PSIRA registered service provider called **Handitronix security** on 01 May 2023 up until 15 February 2024, to provide security services for a period of three (3) years, at the below Municipal Sites, namely:

MUNICIPAL SITE	No OF GUARDS & THE GUARD FREQUENCY	TOTAL COST
5 Keet street Main building Entrance	3 guards 2-day shift Monday to Sunday 1 for night shift Monday to Sunday	
Joubertina Drivers Licence Testing Centre	3 guards 1 day shift Monday to Sunday	

	2 for night shift Monday to Sunday	
Sanddrift/ Blikkiesdorp Fire station	2 guards 1 day shift Monday to Sunday 1 night shift Monday to Sunday	
Water Treatment Works (Kareedouw)	1 guard 1 Nightshift Guard Monday to Sunday	
Joubertina Warehouse/Stores	2 guards 1 Nightshift Guard and 1 dayshift guard- Monday to Sunday	
Site Supervisor (Armed response reaction)	1 Supervisor 5 days (Monday to Friday) weekends -On standby	R 5,503,630

Hendritronix terminated their services on the 15th of February 2023, replaced by SMARTH security services on the 20 March 2024 .

3.13.2.3. Annual Performance as Per Key Performance Indicators

PSIRA also provides for minimum standards of occupational conduct that the Security guards and the Service Provider must abide by their Code of conduct. The service provider provided 11 Grade C registered security guards who guard the abovementioned Municipal premises, plus a Site Supervisor (Armed response). The Municipality was forced to temporary employ watchmen at different sites that had infrastructure used for service delivery (i.e. Boreholes, water treatment plants). About 36 unemployed watchmen were temporarily employed, while the Council was still trying to get a permanent resolution to prohibit theft and vandalism in water treatment plants, boreholes etc.

Major Challenges and Remedial Actions

The Koukamma Municipal area has experienced the following challenges before employing casual watchmen:

Challenges

Theft
Vandalism of Municipal buildings and infrastructure
Break-ins at night.

PUBLIC HALLS

NAME OF THE HALL	AREAS	COMMENTS & CHALLENGES
Coldstream Community Hall	Coldstream	The Hall is in good condition and seem to be well maintained.
Stormsriver Community Hall	Stormsriver	The status of the old is catastrophic and would a huge capital to renovate and maintain. However there seems to be a new facility build for the Community by a sponsor, but the newly built hall is not yet handed over.
Nompumelelo Village Community Hall	Nompumelelo Village	The ceiling of the hall seemed to be leaking during rainy days, meaning there is a leak on the roof. Toilets are out of order. Hand wash basin are broken. All the lights have fused.
Woodlands Community Hall	Woodlands	The status of the old is catastrophic and would a huge capital to renovate and maintain.
Clarkson Community Hall	Clarkson	The hall is in good condition, but painting requires some painting work to be done.
Louterwater Community Hall	Louterwater	The Hall is in good condition
Misgund Community Hall	Misgund	The Hall is in good condition however the back door needs to be replaced.
Louterwater	Louterwater	Ceiling leaking, toilets out of order and no hand wash basins in the toilets.
Krakeel	Krakeel	The premises are in good conditions and fenced.
Jourbetina	Jourbetina	Toilets are out of order. No fencing on the premises

3.14. Fire and Rescue Services

3.14.1. Delivery Strategy and Role Players

The Constitution of South Africa states that every citizen in the Republic of South Africa has the right to a healthy and safe environment. This is where the mandate of the fire and rescue service stems from, the fire brigade services act also makes provision for the functions and duties of a fire brigade and is as follows:

(a) Preventing the outbreak or spread of a fire;
(b) Fighting or extinguishing a fire;
(c) The protection of life or property against a fire or other threatening danger;

(d) The rescue of life or property from a fire or other danger;
(e) Subject to the provisions of the Health Act, 1977 (Act 63 of 1977), the rendering of an ambulance service as an integral part of the fire brigade service; or
(f) The performance of any other function connected with any of the matters referred to in paragraphs (a) to (e).

The role players assisting the department:

- Provincial Government Disaster Management (EC-COGTA)
- Sarah Baartman District Municipality
- Sarah Baartman West Fire Protection Association
- South Cape Fire Protection Association
- MTO forestry
- SANParks Tsitsikamma
- Department of Forestry and Fisheries
- Eastern Cape parks and tourism association
- Working on Fire

Levels and Standards

The Municipal structures act 117 of 1998 Section 84(1)(j) The divisions of functions and powers of fire services between district and local municipalities states that the district municipalities are responsible for mountain and veld fires, Hazardous substances and Chemical incidents as well as training of Fire Officers and the Local municipalities are responsible for structural fires, rescue and extrication and fire prevention.
Koukamma Local Municipality has a service level agreement with Sarah Baartman district municipality, where Koukamma fire services renders the full fire- fighting function which are as follows:

- Mountain & veld fires
- Structural fires formal and informal dwellings
- Hazardous chemical incidents
- Rescue & Extrication
- Public Fire safety awareness education
- Enforcement of fire safety by-laws of Koukamma local municipality
- Fire safety compliance inspections
- Risk visits to buildings and high -risk areas
- Cutting of fire breaks at strategic areas in and around high-risk residential areas.
- Control burns at high veld fire risk areas

APPLICABLE LEGISLATION

- Constitution of the Republic of South Africa, 1996
- Fire Brigade Services Act no 99 of 1989
- Municipal Finance Management Act no. 56 of 2003
- Municipal structures act 117 OF 1998
- Disaster Management Act 57 of 2002
- Community Protection against fire Sans 10090:2003
- National veld & forest fire act 101 of 1998

Annual Performance as Per Key Performance Indicators

The Koukamma municipal region is known as a high-risk area in terms of mountain and veld fires. Fire fighters are faced with disastrous mountain and veld fires every year during the summer months from November to February. The forestry industry in the Tsitsikamma region is a huge contributor to the Local and National economy, with effect to that the risk

also increases in terms of mountain and veld fires. MTO forestry and other Major forestry companies owns huge lands of pine plantations in the Tsitsikamma region.
The Koukamma mountain landscape consists mostly of two large mountain ranges; Tsitsikamma and Suranays mountain ranges, where the N2 and R62 National roads are situated. These mountain ranges consist of the popular range of fynbos biodiverse plants similar to the Western Cape. The famous protea and honey bush plants are also found in this region. The vegetation mentioned above are indigenous to the area and alien vegetation are also found in the in the mountain and veld. When the vegetation burns, coupled with dry; hot and windy conditions it creates extreme fire behaviour which creates huge challenges for the fire and rescue service.

Implementation of the 24 hours rotational shift system
Previously the fire fighters worked a shift system that was not very functional for the department, the operational shifts operated Mondays to Fridays from 08:00am – 16:30pm and then they went on standby after hours and weekends which made it very difficult in terms of service delivery and response times to emergencies. In December 2020 the municipality implemented a twelve-hour rotational system where the fire fighters work two days and two nights and four days off.
This means that the station is manned twenty-four hours a day/ seven days a week which improved response times to incidents and the department is ready to respond from the base at any given time. Currently there is a uniform and standardized approach when responding to fires and other emergencies.

OPERATIONAL SHIFT – 8 DAYS CYCLE

DATES	DAYS	A-SHIFT	B-SHIFT	C-SHIFT	D-SHIFT
1	MONDAY	**NIGHT**	OFF DUTY	OFF DUTY	**DAY**
2	TUESDAY	**NIGHT**	OFF DUTY	OFF DUTY	**DAY**
3	WEDNESDAY	OFF DUTY	**DAY**	OFF DUTY	**NIGHT**
4	THURSDAY	OFF DUTY	**DAY**	OFF DUTY	**NIGHT**
5	FRIDAY	OFF DUTY	**NIGHT**	**DAY**	OFF DUTY
6	**SATURDAY**	OFF DUTY	**NIGHT**	**DAY**	OFF DUTY
7	**SUNDAY**	**DAY**	OFF DUTY	**NIGHT**	OFF DUTY
8	MONDAY	**DAY**	OFF DUTY	**NIGHT**	OFF DUTY

Staff Compliment
The staff compliment is inadequate in terms of staffing and manning levels of emergency fire vehicles as outlined by SANS10090 Community Protection Against Fire . The limited number of fire fighters employed, which creates a negative impact on the daily operations of the fire and rescue service in general.
The municipality has a high percentage of expenditure in terms of salaries which makes it difficult to fill all the positions at once, however positions are filled annually as the budget allows.

Positions	Filled	Vacant
Chief Fire Officer	1	0
Platoon Commanders	4	0
Station Commander	0	1
Fire Fighters	3	9

Administration Clerk	0	1
Contract Trainee fire fighters	0	6
EPWP Fire Learnerships 12 months	18	0
Call Centre operator	2	3

Training
Koukamma fire and rescue staff members attended specialised training in Greytown Kwa-Zulu Natal at Rural Metro Fire and Rescue training academy. **Brief outline of training courses below:**
High angle rope Rescue 1 and 2
Rope rescue ,cliff rescue

- Wildland fire safety
- Fireline Hazards
- Fireline hazard and risk assessment
- Rules of engagement (fire safety orders)

Vehicle rescue and extrication:

- Safety at motor vehicle accidents
- Vehicle stabilization
- Patient care and safety
- Various practical methods of extricating and rescuing trapped patients from vehicles

Fire safety & prevention

- Apply or enforce relevant fire safety legislation and by-laws
- Hazard Identification & Fire risk Assessments
- Conduct fire safety inspections and surveys
- Introduction to fire investigation

The training conducted was very valuable and is applicable in the daily operations of the fire and rescue service. This will make a positive impact within the fire service in terms of knowledge and skills with regards to the above-mentioned training courses.
Partnership performance service level agreement Sarah Baartman DM & Koukamma LM
As mentioned above in terms of the **Municipal Structures Act 117 of 1998 Section 84(1)(j)** Division of functions and powers, Sarah Baartman District Municipality and Koukamma local municipality are engaged in a service level agreement, whereby Koukamma local municipality renders the mountain & veld fire- fighting function as well as chemical or hazardous substance incidents and the district municipality provides funding and support with training and infrastructure.
The 2023/2024 financial year Sarah Baartman District municipality Koukamma SLA funding allocation is not available and finalized yet to Koukamma

Fire and rescue service operations
Incidents and Emergencies
The table below illustrates the total number of emergency incidents.

Mountain & Veld fires are the most common emergencies incidents responded to in the fire and rescue service, especially during the summer months. In recent years due to climate change and global warming, mountain and veld fires seems to increase during the winter season as well. This causes an increase in responses to veld fires annually, which impacts on the department in terms of the use of resources.

The second most fire incidents are shack fires in the informal settlements, these types of incidents occur throughout the year. These types of fires are mostly caused by negligence from community members e.g.: children left alone at home that plays with matches or lighters; candles that falls over; cooking food close to curtains; fires made in metal paint tins and taken inside the shacks.

The fire and rescue service has one fire station situated in Sandrift in the Tsitsikamma region that services the whole municipal area. When shack or building fires occur in the Langkloof region it takes a long time for the fire service to arrive at the scene, in most cases the structures have burned own already and fire fighters are faced with angry community members.

There are plans in place of developing a satellite fire station in Joubertina which will service the Langkloof region, this will improve service delivery in the region in terms of faster response and arrival times at incidents.

CATEGORY	1st Quarter July - September 2023	2nd Quarter October - December 2023	3rd Quarter January - March 2024	4th Quarter April - June 2024	Grand Total 2023/2024
NUMBER OF FIRES AS FOLLOWS	**0**	**0**	**0**	**0**	**0**
BUILDINGS	0	0	0	1	1
DWELLINGS (formal - brick & mortar)	1	1	0	0	2
INFORMAL DWELLINGS (Shacks/mud/hut etc.)	8	3	3	5	19
ELECTRICAL	1	0	0	1	1
RUBBISH		2	1	3	6
VEGETATION	9	34	0	13	56
TRANSPORT (Cars/busses/trains/aircraft/ship)	3	0	63	0	66
OTHER (not specified above)	1	0	0		1
SUB TOTAL	24	40	70	21	155

NUMBER OF SPECIAL SERVICES	1st Quarter July - September 2023	2nd Quarter October - December 2023	3rd Quarter January - March 2024	4th Quarter April - June 2024	Grand Total 2023/2024
ACCIDENTS (Cars/busses/trains/aircrafts etc.)	7	5	5	0	17

RESCUE (people/animals trapped/lost from machinery or water etc.)	2	0	0	0	2
SPILLAGES (oil, diesel on road services)	0	0		0	0
Miscellaneous	14	9	2	10	35
SUB TOTAL	4	6	5	7	22

NUMBER OF & FATALITIES	**1st Quarter July - September 2023**	**2nd Quarter October - December 2023**	**3rd Quarter January - March 2024**	**4th Quarter April - June 2024**	**Grand Total 2023/2024**
Fires	0	0	0	2	2
Accidents	7	2	0	0	9
TOTAL	7	2	0	3	11

The **N2 and R62 National Road** both runs through the Koukamma region towards the Western Cape, these routes are very busy daily. Trucks and motorists' travel along these routes moving to and from the Western Cape. This increases the risks in terms of motor vehicles accidents and pedestrian incidents. A total of 20 motor vehicles accidents were responded this year and 2 fatalities occurred.

Accumulated hours for duration of incidents

The table below indicates the number of operational hours the fire and rescue service spend at Mountain & Veldfire incidents annually, as mentioned above mountain and veld fires is the most common types of emergencies. **The 2nd and 3rd quarter of the financial year October up to March is the peak times for veld fires.**

Fire safety compliance inspections

Fire safety compliance inspections at business premises is one of the important functions of the fire and rescue service. The **Fire Brigade Service Act 99 of 1987** mandates the fire service to conduct compliance inspections and risk visits.

The purpose of these inspections is to identify fire hazards and risks and to ensure that the owners or occupiers rectify the findings and recommendations provided and to implement prevention and mitigation measures in case of fire emergencies. The department conducted a total of 20 fire safety compliance inspections for the 2022/2023 financial year.

FIRE SAFETY (number of inspections conducted)	**1st Quarter July - September 2023**	**2nd Quarter October - December 2023**	**3rd Quarter January - March 2024**	**4th Quarter April - June 2024**	**Grand Total 2023/2024**
General Inspections	0	0	0	2	2
Flammable Liquid	2	4	3	0	9
Building Plans	0	0	0	14	14
Fire Hydrants (specify the area)	0	0	0	100	100
Burning Permits Issued	11	5	6	2	24

13	9	9	118	149

Fire awareness campaigns

Fire awareness campaigns and programs forms part of the department's annual service delivery budget implementation plan **(SDBIP).** The campaigns vary from door-to-door campaigns; displays and talks at schools and community centres. This initiative is important in terms of making the communities more fire wise. History has shown that human activity and negligence is the cause of most unwanted fires.

Therefore, the fire and rescue service conduct these campaigns on a quarterly basis. A total number of 3 awareness campaigns were held in 2023/2024 financial year and are as follows:

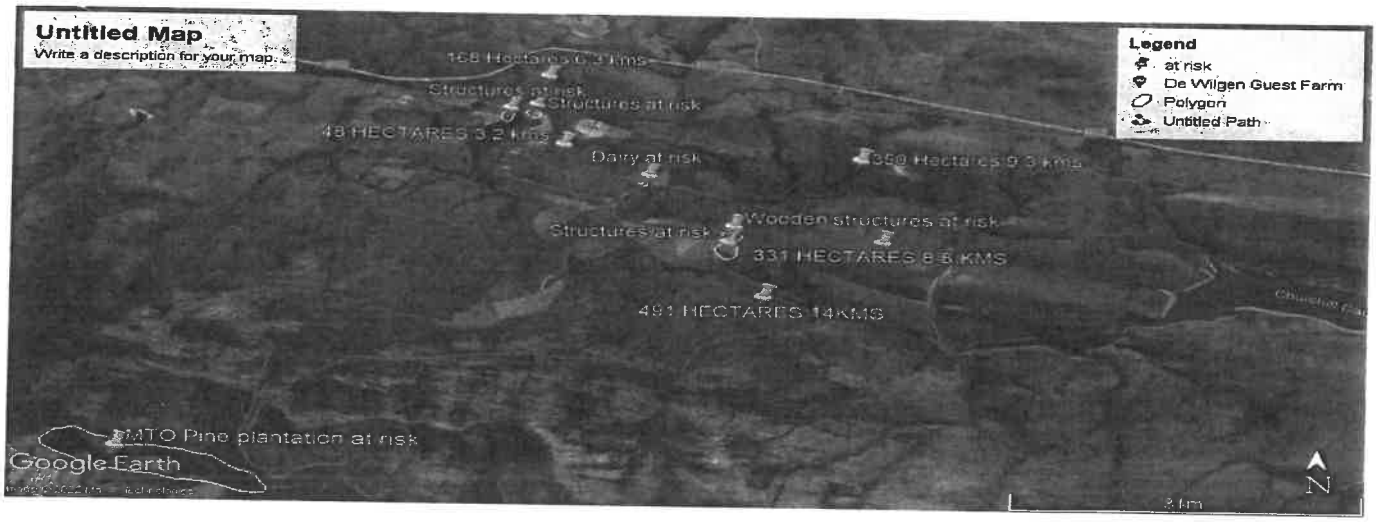
- Coldstream community x2
- Joubertina and Misgund

AWARENESS AND TRAINING	**1st Quarter July - September 2023**	**2nd Quarter October - December 2023**	**3rd Quarter January - March 2024**	**4th Quarter April - June 2024**	**Grand Total 2023/2044**
Number of civilians made aware	50	30	45	60	190
Specify the type of institutions visited (e.g. Old age home/Hospital / Clinic / Factory / Govt. buildings / Library etc.)	Community Woodlands clinics	clinics	Schools and clinics	community	
Number of children and teachers made aware	46	5	30	100	150
Number of schools covered	1	1	0	1	3
TOTAL	97	36	75	161	370

ACCOUNT	LEDGER DESCRIPTION	ALLOCATION	CODE (mSCOA) DESCRIPTION	TOTAL BUDGET	
7313421 2059	UNIFORMS	9/416-191-2255	UNIFORMS	163 500,00	
7313561 2399	VEHICLES	9/416-137-2261	VEHICLES	185 742,00	
7313621 2515	CONTRACTORS FEES	9/416-194-2268	CONTRACTORS FEES	9 056,00	
7313681 2797	FUEL OIL	9/416-159-2262	FUEL OIL	485 549,00	
7313681 2824	LICENCE FEES	9/416-164-2264	LICENCE FEES	30 000,00	
7313681 2827	MATERIALS STORES	9/416-165-2640	MATERIALS STORES	25 000,00	
7313681 2836	REFRESHMENTS	9/416-170-2266	REFRESHMENTS	31 807,00	
7313681 2911	TRAINING	9/416-175-2175	TRAINING	100 000,00	
7313681 2917	TRAVELLING AND SUBSISTENCE	9/416-177-2267	TRAVELLING AND SUBSISTENCE	20 000,00	accommodation
7313681 2917	TRAVELLING AND SUBSISTENCE	9/416-177-2269	TRAVELLING AND SUBSISTENCE	20 000,00	own transport

MAJOR INCIDENTS SUMMARY

Date	**12 January 2023 - 28 February 2024**
Location	**Churchill dam & Waterval farms**
Type of incident	**Mountain and veld fire**
Burn scar	**1388 hectares**
Perimeter length	**41,6 km**
Estimated damages	**+- R 75 000**
Estimated risks & properties saved	**R 2 000 000**
Time frame	**17 days**



Fire/Environmental Learnership
July 2024

Learnership Purpose:
The program was initiated to improve employment opportunities and assist with staff shortage challenge in Fire services. A number of 3 vacancies was created per ward resulting in 18 incumbents
Work under close supervision, receive training and ultimately attain enough skills to be declared employable. Perform activities/tasks associated with Fire services through the application of laid down firefighting procedures, responding to Fire Services call outs, farm fires, spillages/clearance/cleaning of roads and inspections.

Duties of the Learnership:

No.	DUTIES/TASKS:	FREQUENCY:
1	A. **Operational Functions:** **Fire Services**: (All of the following tasks will be implemented under supervision) Responds to fire incidents, perform operations under the supervision of the immediate superior to neutralize the threat of fire or other danger by: • Respond to incidents • Conduct day-to-day preparedness of equipment to respond to fire incidents, including ensuring the availability of water during droughts. • Conducting the maintenance and inspection of fire hydrants/extinguishers, to ensure fixed installations are correctly identified and in good working order, to ensure they are working and are clearly identifiable in times of emergency.	DAILY
2	B. **Emergency Support Functions**: **Disaster Control Activities**: (All of the following tasks will be implemented under supervision) Undertake specific activities during disasters/emergency and/or establishes and communicate potential risk and hazard situations by: • Participating in firefighting activities operating equipment and following instructions on the applications necessary to control the fire. • Conduct inspections to determine the status of fire safety equipment and facilities	Daily Weekly

	located in public spaces and reporting outcomes and specific concerns requiring immediate attention.	
3	C. **General Administration Functions:** **Reports and Registers:** • Complete procedural documentation (vehicle log sheets, statements, inspection checklists, etc) inserting the appropriate details. • Conduct gear checklists and equipment, including vehicle inspections. • Update the occurrence book, inserting details of incidents and activities attended to. In order to ensure laid down administrative procedures associated with functionality are complied with and specific deadlines adhered to.	Daily Daily Weekly
4	D. **Environmental Aspects** • Be active environmental ambassadors; address environmental issues that impact human health by taking part in municipal environmental campaigns, whether it is waste management, cleaning and beautifying or awareness projects.	Quarterly

Job Requirements:

- Must possess Matric Certificate
- Must pass the physical assessment, maintain physical fitness (regular physical assessments will be conducted)
- Be able to work heights
- Be able to work in confine spaces
- Be able to work in any weather conditions
- High level of endurance is required
- Ability to work abnormal hours as needed (emergency incidents, etc)
- Be honest and well disciplined

Challenges

- Fire engine aged and high maintenance
- Response vehicles are not sufficient
- Limitations with regards to response drivers
- Response times to the Langkloof region is time consuming
- Inadequate resources
- No service vehicles in the department, response vehicles used for general traveling to the fire station
- High rate of wear and tear and maintenance on the response vehicles
- No radio communications system
- No equipment or training for specialized rescue incidents
- Poor network at the fire station
- Telephones landlines non-functional during power outages

3.14.4. Remedial Actions

- A new fire engine must be procured
- Service vehicle was procured
- Additional fire fighters to be appointed
- Satellite fire station must be built in Joubertina (Langkloof)
- Rescue equipment will be procured 2022/2023
- Radio communication system will be procured 2022/2023
- Fire Fighters undergoing specialised training. (Vehicle rescue & Extrication/ Fire Prevention/ Rope rescue
- Network and Internet upgrade needed at the fire station.

Environmental Health Services
Delivery Strategy and Main Role Players

Health is defined as "a state of complete physical, mental and social well- being and not merely the absence of disease or infirmity". This is according to the definition as per the World Health Organization

Environmental Health further addresses all physical, chemical, and biological factors external to a person, and all related factors impacting behaviours. This further encompasses the assessment and control of those environmental factors that can potentially affect health. Environmental Health is targeted towards preventing diseases and creating health-supportive environments. By definition, this excludes behaviour not related to environment, as well as behaviour related to the social and cultural environment, as well as genetics.

As stated by section 24 of the Constitution of the Republic of South Africa Act, 1996, everyone has the right -

- to an environment that is not harmful to their health or well-being;
- to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that –
- prevent pollution and ecological degradation;
- promote conservation; and
- Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

As per the National Environmental Health Policy that was gazetted on 04 December 2013, Environmental Health Services is further defined as the assessment, monitoring, correction, control and prevention of environmental factors that can adversely affect human health. It includes but not limited to anticipation and identification of environmental health hazards and risks regarding:

a) water quality monitoring;
b) food control;
c) waste management;
d) surveillance health of premises
e) surveillance and prevention of communicable diseases, excluding immunizations;
f) vector control;
g) environmental pollution control;
h) disposal of the dead;
i) chemical safety and noise control
j) Port Health and;
k) Malaria Control;
l) Hazardous Substance Control;
m) Air Quality Management

Environmental Health does not exist within a vacuum but is further supported by other organizations which include WHO, National Health Laboratory Services (NHLS), Provincial Health Forum and the Sarah Baartman District Municipal Forum.

Level and Standard of Environmental Health Services

According to the National Health Act, 2003 (Act 61 of 2003), Municipal Health Services, for the purpose of this Act, includes – Environmental Health Services as stated above, but excludes port health, malaria control and control of hazardous substances.

Section 84 (1) (i), with regards to the Division of functions and powers between district and local municipalities, of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), provides that Municipal Health Services be the function of a district municipality, which in this case is the Sarah Baartman District Municipality.

Legislative Requirements:

a. The Constitution of the Republic of South Africa Act, 1996
b. The National Health Act, 2003 (Act 61 of 2003)
c. The National Environmental Management Act, 1998 (Act 107 of 1998)
d. The National Environmental Health Policy, Gazetted on 04 December 2013
e. the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

3.15.3. Annual Performance as Per Key Performance Indicators

3.15.3.1. Water sampling

According to the National Health Act, 2003 (Act No. 61 of 2003): National Environmental Health Norms and Standards for Premises and Acceptable Monitoring Standards for Environmental Health Practitioners states that Environmental Health Practitioners should monitor all water that has the potential to impact human health. This can be achieved through a water quality monitoring programme as set out by the above-mentioned norms and standards together with the South African National Standards 241 (SANS 241). A Standard Analysis Method is used during testing of samples to ensure microbiological safety of the drinking water in question. The determinants used in the above mentioned are as follows:

- Total bacterial count: - gives a quantitative idea about the presence of microorganisms such as bacteria in a sample. To be specific, the count actually represents the number of colony forming units (cfu) per ml of the sample and should not exceed 100 cfu per ml in drinking water.

- Total faecal coliform count: are microbes found in the digestive systems of warm-blooded animals which serve as an indication that a source of drinking water is contaminated with faecal matter. The coliform count should not exceed 10 per 100ml.

- E. coli count are a species within the faecal coliform group that is often used as an indicator organism that indicates that drinking water is contaminated with

human faecal matter and may contain enteric pathogens (disease causing microbes). The E.coli count should not exceed 1 per 100ml.

If it is found that the water quality report received from the National Health Laboratory Services (NHLS) yields non-compliant results, the Environmental Health Practitioners writes a memorandum to the Technical & Community services directorate requesting that corrective measures be put in place. Alternatively, boil notices will be circulated to communities with the aim of minimizing the Health Risks associated with the usage of such water sources.

The table below shows the results of water samples taken in September 2023-June 2024

NUMBER OF WATER SAMPLES COLLECTED FOR ANALYSES	NUMBER OF WATER SAMPLES COMPLIANT	NUMBER OF WATER SAMPLES NON COMPLIANT	COMPLIANCE PERCENTAGE (%)
84	43	41	51%

REPORT ON SHIGELLA CASES/ STATUS IN LOUTERWATER AREA

Purpose

Shigella infection (shigellosis) is an intestinal infection caused by a family of bacteria known as shigella. The main sign of shigella infection is diarrhea, which often is bloody.

Shigella is very contagious. People get infected with shigella when they come in contact with and swallow small amounts of bacteria from the stool of a person who is infected with shigella. For example, this can happen in a childcare setting when staff members don't wash their hands well enough after changing diapers or helping toddlers with toilet training. Shigella bacteria can also be passed in infected food or by drinking or swimming in unsafe water.

Children under age 5 are most likely to get shigella infection, but it can occur at any age. A mild case usually clears up on its own within a week. When treatment is needed, doctors generally prescribe antibiotics.

Signs and symptoms of shigella infection usually begin a day or two ăfter contact with shigella. But it may take up to a week to develop. Signs and symptoms may include:

- Diarrhea (often containing blood or mucus)
- Stomach pain or cramps
- Fever
- Nausea or vomiting

Symptoms generally last for about five to seven days. In some cases, symptoms may last longer. Some people have no symptoms after they've been infected with shigella. However, their faeces may still be contagious for up to a few weeks.

Investigative Methods

Louterwater healthcare facility (Clinic) instituted active case finding and stool specimen collection from patients with illness suggestive of shigellosis. A subset of cases was interviewed to interrogate possible common risk factors.

Stool specimens underwent routine bacteriology testing and Shigella isolates were referred to the National Health Laboratory Services for characterization and analysis all patients were treated for diarrhea at the cli

nic. Water samples collected at strategic sites were serially tested for quality indicators.

Results

From 19/08/23 to 24/08/23, a total of 40 cases (4 laboratory-confirmed for shigellosis) with zero death was reported. Diarrhea was reported in 90% of cases, which in 8% was bloody of laboratory-confirmed cases, 10% were Shigella flexneri cases.

Water testing results received by the Municipality on 22/08/2023 in the Louterwater area with most cases showed higher than acceptable E. coli counts and sub-standard chlorine levels. Following intensified efforts to improve water chlorination, a noticeable decrease in the number of shigellosis cases was observed and subsequent water resampling on 25/08/2023 showed no E. coli.

Health Awareness & Campaign

SBDM EHPS, Koukamma technical services and Department of water Services conducted a health awareness campaigns within the Louterwater area and the surroundings, through loud hailing, community meeting and visitation to schools to ensure that members of the community take hygienic measure to fight the spread of shigella.

The awareness focused mostly on hygiene practices such as washing of hands warm water and soap, especially after using the bathroom or changing diapers, and before preparing food or eating, also educating young children at Schools on the importance of washing their hands after using bathroom.

Distribution of educational materials (flyers) in the community spaces library, clinic and schools was done for information and awareness, the community members were issued with a boil water notice by Koukamma Municipality.



SBDM INTERVENTION

On the 31/08/2023 SBDM urgently responded to a call made by Koukamma municipality requesting donation of 750ml x 150 bleach, 150 bar soap and 50 hth chlorine tablets to remedy the effects of shigella in the community.

As it is noted above that hygiene is at centre of combating further spread of the disease. A team of SBDM EHPS and Disaster officials led by the Portfolio Cllr Infrastructure Development & Community Services Honourable Cllr Diniso handed over the donation to the Mayor of Koukamma Hon Fuzile Yake.

Conclusion

The sudden unprecedented increase in Shigella cases was likely due to contaminated potable water exposure and additional secondary cases.

The investigation highlighted the necessity for continual monitoring of potable water quality and prompt corrective action to maintain a safe water supply in the district. The efficient, timely outbreak response resulted in appropriate public health interventions and underscores the value of a well-functioning District Outbreak Response Team.

Health surveillance of premises

Residential, business, and public and private premises are monitored in order to identify, assess, control, and manage health hazards and risks emanating from the use of such premises. The legislative requirements with regards to the below mentioned premises is as follows:

a. The Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)
b. the Local Government: Municipal Systems Act of 2000 (Act No. 32 of 2000)
c. National Environmental Management Act, 1998 (Act No. 107 of 1998)
d. National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008)
e. National Health Act, 2003 (Act No. 61 of 2003) National
f. Environmental Health Norms and Standards for premises and acceptable Monitoring Standards for Environmental Health Practitioners gazetted on 24 December 2015.
g. Regulation 375 Government Gazette 23 May 2014: Regulations Relating to Health Care Waste Management in Health Establishments.
h. The Regulations Relating to Hygiene Requirements for Milking Sheds, the Transport of Milk and Related Matters – Regulation 961 of 23 November 2012
i. Regulations Governing General Hygiene Requirements for Food Premises and the Transport of Food and Related Matters– Regulation 638 of 22 June 2018
j. The Businesses Act, 1991 (Act no 71 of 1991).
k. Sarah Baartman District Municipality By-law Gazetted 13 June 2022

If it is found during inspections that the premises as stated below does not comply with the above-mentioned legislative requirements, a written notice will be granted to the owner of such a premises, which instructs such an owner to rectify all non-complying factors within a stipulated period that should not exceed 30 days from the date the notice was given. A follow up inspection will then be conducted. If three notices are served in the period of 90 days, where no remedial actions were instituted by the owner, a statutory notice will be given to the owner and a legal case will be opened.

If an Environmental Health Practitioners believes that a delay in remedial actions, which must be instituted by an owner or person in charge of premises, would significantly

compromise public health, he/she can issue a notice prohibiting the further use of the premises, until such a time that the public health risk is removed/mitigated.

When a premise complies with all legislative requirements, a Health Certificate will be granted to the premises and must be displayed in a conspicuous place.

A businesses licence is also awarded to applicants if the premises comply with all other relevant by-laws and applicable legislation apart from health legislation.

Below you will find all premises inspected during the period of September 2023– June 2024:

FOOD PREMISES

NUMBER OF FOOD PREMISES INSPECTED	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	BUSINESSES LICENCES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED
20	17	3	0	14

ACCOMMODATION ESTABLISHMENTS

NUMBER OF PREMISES INSPECTED	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	BUSINESSES LICENCES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED	HEALTH CERTIFICATES ISSUED
14	9	5	0	8	8

MILKING SHEDS

NUMBER OF PREMISES INSPECTED	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED
20	17	3	0

SPAZA SHOPS

NUMBER OF PREMISES	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	BUSINESSES LICENCES ISSUED
37	0	37	0

CHILD CARE CENTRES

NUMBER OF PREMISES	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED	HEALTH CERTIFICATES ISSUED
10	6	4	0	0

CRECHES

A total of **two (2)** evaluations were conducted at the following premises:

NAME OF FACILITY	AREA/TOWN	FINDINGS	INTERVENTIONS
Uitkyk Creche	Kareedouw	Renewal of Health Certificate	Requirement given to the applicant
Kiddos Kampus	Joubertina	Application For Health Certificate	Requirements given to the applicant

PUBLIC AND PRIVATE SCHOOLS

NUMBER OF PREMISES	COMPLIES WITH THE FOODSTUFFS COSMETICS AND DISINFECTANT ACT, 1972 (ACT No. 54 OF 1972) AND APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	CERTIFICATE OF ACCEPTABILITIES ISSUED	HEALTH CERTIFICATES ISSUED
5	1	5	1	0

HEALTH CARE FACILITIES INSPECTED

NAME OF PREMISES	AREA/TOWN	HCRW Removal Contractor	INTERVENTIONS
Clarkson Clinic	Clarkson	Yes	On-going inspections
Nompumelelo village Clinic	Nompumelelo village	Yes	On-going inspections
Coldstream Clinic	Coldstream	Yes	On-going inspections
Stormsriver Clinic	Stormsriver	Yes	On-going inspections
Woodlands Clinic	Woodlands	Yes	On-going inspections

NAME OF FACILITY	AREA/TOWN	FINDINGS	INTERVENTIONS

Misgund Clinic	Misgund	In order	
Louterwater Clinic	Louterwater	In order	
Ravinia Clinic	Ravinia	In order	

COMMUNITY HALLS INSPECTED

NUMBER OF PREMISES	COMPLIES WITH APPLICABLE HEALTH REGULATIONS	NOTICES ISSUED	HEALTH CERTIFICATE ISSUED
4	2	2	0

2.1.1. PLACES OF GATHERING

A total of **four (4)** evaluations were conducted at the following premises:

NAME OF BUSINESS	AREA/TOWN	FINDINGS	INTERVENTIONS
Stormsriver Community Hall	Stormsriver village	Satisfactory	Compliant during time of inspection
Cold Stream Community Hall	Cold Stream	Non-compliant	Inspection report
Clarkson Community Hall	Clarkson	Non-compliant	Inspection report
Nompumelelo village community Hall	Nompumelelo Village	Non-compliant	Inspection report

COMPLIANT INVESTIGATIONS

NUMBER OF HEALTH COMPLAINTS RECEIVED	NUMBER OF HEALTH COMPLAINTS INVESTIGATED
3	3

FOOD CONTROL OPERATIONS

JOINT FOOD SAFETY OPERATIONS

1. INTRODUCTION

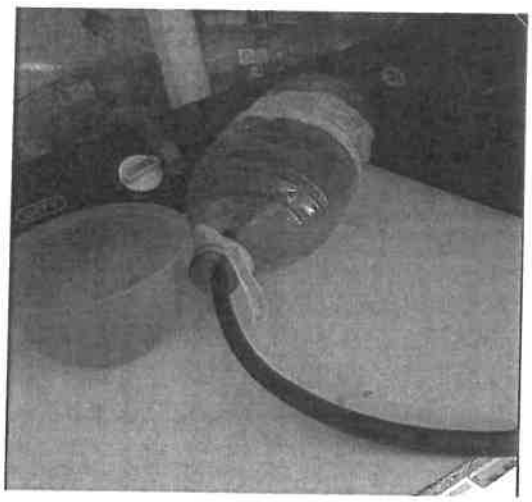
Food Control is described by the World Health Organization (WHO) as a mandatory regulatory activity of enforcement by authorities to provide consumer protection and ensure that all foods during production, handling, storage, processing, and distribution are safe, wholesome and for human consumption; conform to quality and safety requirements and are honestly and accurately labeled as prescribed by law.

2. BACKGROUND

Food illnesses can be caused by improper food handling practices, inadequate temperature control, poor food storage practices, improper cleaning of equipment and utensils including food labelling and expired foods. The Environmental Health unit inspections aim to protect public health by working to minimize adverse impacts on human health.

3. PURPOSE

The purpose of the following update reports give an overview of the of the joint food control operations that were carried out in different areas withing Koukamman Municipality for August 2023- June 2024.



Car parts sold on the food premises



Food Control Operation Team Getting Ready to Protect Public Health

OUTCOMES OF THE OPERATION

Three (3) shops in Kareedouw (Town) were visited during the operation on the 15th of February 2024.

Findings from Environmental Health Practitioners: Mr. Norman & Ms. Dyayiya

All 3 premises applied for business licences at Koukamma Municipality, however the EHPs have a limitation on issuing business licences as urban planning, building control, fire satey and other critical requirement needs to be complied with for business licence.

All 3 businesses do not have Certificate of Acceptability: This certificate is a certificate issued for complaice with Regulations 638 (Under the Foodstuff, Cosmetics and Disinfectants Act, 1972 Act No. 54 of 1972) – Regulations Governing General Hygiene Requirements for Food Premises, the Transportation of Food Related Matters.

3.15. 4. Major Challenges and Remedial Actions

Challenges	Remedial Actions
Shortage of EHS staff as per the norm of 1:10 000 populations.	Create two (2) additional posts for EHS Practitioner to comply with the National Norm of 1:10 000, preferably senior posts (Senior EHP's) in order to aid in effective coordination and rendering of the function as prescribed by the National Environmental Health Policy, 2013.

3.16. Local Economic Development

3.16.1. LED Service Delivery Strategy and Main Role Players

Service Delivery Strategy

Local Economic Development (LED) has emerged globally as a vital planning approach for local economies. It has been embedded in the legislation framework of South Africa (IDP, NDA, 1996 RSA constitution, etc.). Local governments have been instructed to support LED projects and to assist in their implementation. The consensus is that the implementation of LED by South Africa's local governments has generally not been a success, and poor rural municipalities have been the most negatively impacted by these results. The community or neighbourhood should be the focal point for developing human, social, financial and physical resources. This can be accomplished by employing strategies that restore pride and give local people more economic power to control their own economic development.

To achieve dynamic local development, all aspects of local communities such as the economy, social, welfare, environmental and political issues need to be addressed in an integrated and holistic manner. An inclusive strategy therefore needs to be compiled for a specific region to realize developmental success. Academics, development practitioners and strategic partners in the economic development space recognises the important role of local economic development (LED) to create jobs and list the following advantages of LED over traditional economic policies namely,

- LED empowers and ensures local participation, local people can play an active part in planning their own economic future,
- LED ensures that local business is involved in the process and are more open to play an active role in partnerships with local communities.
- In addition, LED ensures that local development is locality based and focused on local comparative advantages, it allows for more resilient local economies and LED could create local opportunities and local jobs, thereby improving the local quality of life.

Furthermore, in terms of the Constitution, local government needs to fulfil the following functions:

(i) Provide democratic and accountable government for all communities,

(ii) Ensure service provision in a sustainable way. Promote social and economic development. Promote a safe and healthy environment.

(iii) Encourage community participation and involvement in matters of the area.

In response and based on reasonable grounds for conceptualizing Local Economic Development, Koukamma Local Municipality has partnered with the Provincial Department of Corporate Governance and Traditional Affairs to contract and assist with the development of a responsive, Specific, Measurable, Achievable, Relevant, and Time-Bound (SMART) Local Economic Strategy. Also, the Municipality has recently appointed LED Manager to drive the development of the LED strategy. A draft strategy has been

developed and will be discussed with Salga to make sure that the strategy is comprehensive and implementable. Salga has planned several LED technical workshops to assist LED managers in developing these strategies. These workshops will take place every month from August to December 2023.

Main Role Players

Improved local governance performance regarding LED requires cooperation and partnerships. The service delivery triangle relating to LED consists of three partners namely government, private sector, and local communities.

Figure 1 below provides an illustration of the service delivery triangle for LED.

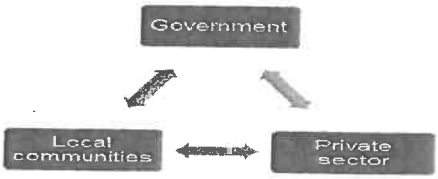


Figure 1: Service delivery triangle regarding to LED Source: Meyer, (2013)

Government Role Players.

The Local Economic Development Portfolio Committee

- The Directorate of Planning and Economic Development is still non-existence in Koukamma Municipality. Hence the LED Department reports on its activities to the Municipal Manager (MM), and subsequently make recommendations to the municipal council for consideration during the decision-making process.

Political Role Players

The Council of Koukamma makes provision for five (5) members; three (3) from the ruling party (African National Congress) and two (2) from the opposition party (Democratic Alliance) to become the Oversight Committee for the Local Economic Development and Special Programmes Portfolio Committee. The Portfolio Chairperson is elected amongst the committee members.

Since council determined its committees, the composition of the new LED and SPU Standing Committee is as follows:

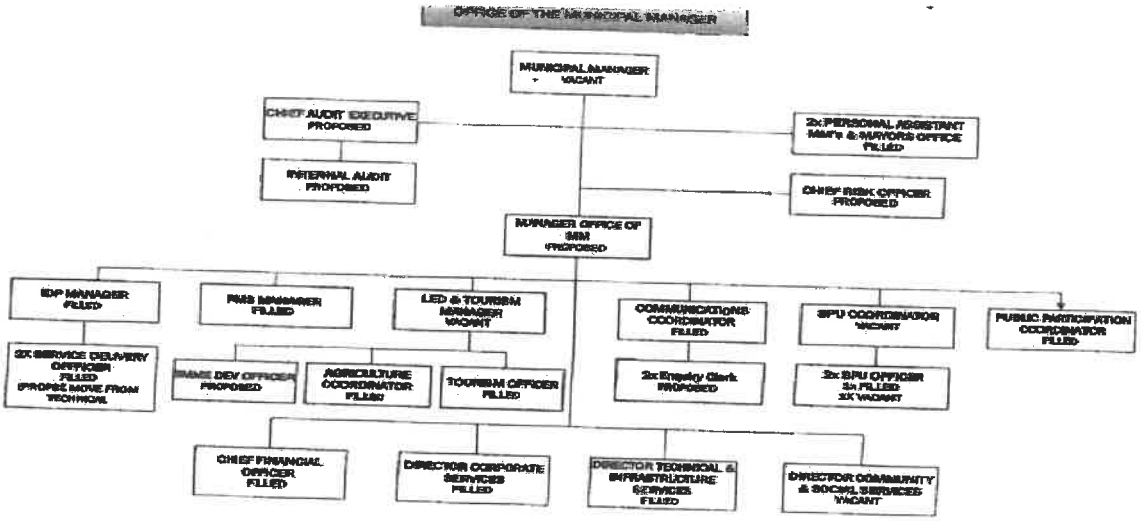
Chairperson: Councillor Fuzile Yake (Mayor)(ANC).

Ordinary Members: Councillor Vuyani Persent (ANC), Councillor Nomathamsanqa Sikiwe (ANC), Councillor Sharon Ferguson (FF Plus) and Councillor Ronnie Campher (ANC).

Administrative / Staff Role Players

The Local Economic Development Section of Koukamma is headed by the Acting Municipal Manager, Mr. Sabelo Tini. In June 2023, Prof Nomakhaya Monde was appointed as the Manager LED and Tourism. Apart from the LED and Tourism Manager, there are 2 permanent staff members: Mr Mongameli Noma, an Agricultural Coordinator

and Mr Gerhard Moos, the Tourism Officer. So, there are now three warm bodies in the LED Department. The LED coordinators report to the LED manager, and the LED manager in turn reports to the Municipal Manager.



Other role players (Public Sector Partners)

Since Local Economic Development is not a funded mandate, particularly in Koukamma, the Section entirely depends on Sector Departments budgets to roll-out most of its programmes. The section has established and nurtured good relations with numerous government departments and agencies to drive economic development in the region. Various interfacing settings are created mostly with government entities that include, but not limit the section to the following important institutions whose constitutional mandate is to improve the living conditions of communities at a local level:

- National Department of Tourism (NDT),
- National and Provincial Department of Corporative Governance and Traditional Affairs (Cogta)
- Department of Environment, Forestry and Fisheries (DEFF),
- Eastern Cape Department: Rural Development and Agrarian Reform (DRDAR),
- Eastern Cape Department: Rural Development and Land Reform (DRDLR),
- Department of Water Affairs (DWA),
- Department of Social Development and Special Programmes, (DSDSP),
- Department of Small Business Development (DSDB),
- Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT),

- Eastern Cape Development Corporation (ECDC), Small Enterprise Development Agency (SEDA),
- Eastern Cape Socio Economic Consultative Council (ECSECC),
- Sarah Baartman District Municipality (SBDM),
- Cacadu Development Agency (CDA),
- Four Returns Foundation,
- Agricultural Research Council (ARC), etc.

The above pool of entities has similar and dissimilar programme offerings within their respective disciplines that seek to address countless social, economic, cultural and inspirational issues in communities, which therefore presents Koukamma the opportunity to associate itself with each individual entity to establish meaningful relations between the latter and potential clients in pursuit of obtaining non-financial and financial support for local businesses to advance their individual development.

Community role players

The community is considered the third pillar of the economic system in addition to the market and the state. In the context of Koukamma Local Municipality, community is considered as every individual within the local space that contributes to realizing the economic agenda of the region. In most cases, highly recommended community stakeholders include among others:

- Sole Proprietors operating within the jurisdictions,
- Registered and non-registered private business entities,
- Parastatals,
- Business Development Forum,
- Community Based Organizations,
- Not for Profit Organizations, etc.

The above listed organizations also play a critical role in the LED process and significantly respond to the socio-economic needs of the locality and are expected to also contribute their inputs during the processes of developing of an amicable Local Economic Development Strategy for the Municipality.

3.16.2. Level and Standard of LED Service

National government provides infrastructure subsidies to ensure that all households have access to a basic level of infrastructure services. The benefits of this intervention are well known, particularly in relation to the public good characteristics of many municipal services. In the context of the principles outlined above, the key objectives of the Municipal Infrastructure Grant are to:

(a) Fully subsidize the capital costs of providing basic services to poor households: this implies that priority must be given to meeting the basic infrastructure needs of poor households, through the provision of appropriate bulk, connector, and internal infrastructure in key services.

(b) Distribute funding for municipal infrastructure in an equitable, transparent, and efficient manner, which supports a co-ordinated approach to local development and maximizes developmental outcomes.

(c) Assist in enhancing the developmental capacity of municipalities, through supporting multi-year planning and budgeting systems; and

(d) Provide a mechanism for the co-ordinated pursuit of national policy priorities regarding basic municipal infrastructure programmes, while avoiding the duplication and inefficiency associated with sectoral fragmented grants.

Other LED Projects and Programmes.

DEVELOPMENT OF LED STRATEGY

The Koukamma Municipality (KLM) has undergone a vigorous process to develop the LED strategy document. The process began with a 3 day Master class followed by the LED workshop that was held on 19 to 21 September 2023. The aim of the workshop was to gather key stakeholders who have a vested interest in Koukamma local economic development to participate in the development of the Koukamma LED strategy. The main outcome of this workshop was the key priority areas identified by the stakeholders who were present at the workshop. The LED unit then developed KLM LED strategy, including the implementation plan. The objectives, strategies, key indicators, outcomes and budget requirements for each activity are described in section 7 (Implementation plan) of the LED strategy document. The LED strategy has been presented in various platforms, including the KLM strategic plan session held at the end of February 2024. One of the KLM Strategic plan recommendations was to include an action plan, which shows the activities (and budget) that will take place during the 2024/25 financial year. The action plan has since been added to the LED strategy.

The main challenge we seek to address with the LED strategy, is the triple challenge of poverty, inequality and unemployment faced by most rural communities in South Africa. These challenges will be addressed through the following initiatives:

- Targeted interventions that aim to build the capacity of SMMEs in Tourism, Agriculture, Oceans economy and Trade. The main interventions include:
    - Business management / entrepreneurship
    - Enterprise development
    - Market development
    - Institutional arrangements
- Well planned and executed projects and programmes aimed at reducing poverty and unemployment, creating jobs and improving household food security.

LED specific objectives

The KLM LED Strategy document has the following specific objectives:

- ❖ Forge partnerships between local structures, public and private sectors.
- ❖ Collect social and economic data
- ❖ Create wealth in local communities through capacity building in entrepreneurship.
- ❖ Develop agriculture and encourage value addition in the area.
- ❖ Introduce sustainable tourism activities, and other potential income generating activities that will create decent jobs and improve household incomes.
- ❖ Introduce support programmes for business development targeting farmers association, tourism association, SMMEs, youth and women
- ❖ Grow oceans and green economies
- ❖ Evaluate and monitor impacts.

LED strategy summary

The LED strategy document contains LED objectives, key priority strategic areas, interventions, implementation plan and monitoring and evaluation process. During a participatory LED workshop, the LED stakeholders identified key priority strategic areas. These included amongst others tourism, agriculture, green economy, oceans economy and SMMEs development.

The identified interventions in the key focus areas included the following:

- Agricultural development and value addition
- Development of stainable tourism activities
- Entrepreneurship development of SMME's
- Development of ocean and green economies
- Interactive training, mentorship and coaching for all SMME's

The detailed implementation plan is presented in section 7, with budget for each intervention strategy

Tourism

The Tsitsikamma area is known for its thriving tourism in Koukamma. The main tourism activities include accommodation (hotels and bed and breakfast), restaurants (modern and local), events and festivals (cultural and music festivals) and sports tourism (cycling). There are also pubs, guided tours, bungee jumpy, etc. There are also small-scale tourism businesses in the townships who owns informal restaurants that serve local food such

as irostile, umleqwa, stiff pap, umngqusho, ulusu, steam bread, chicken feet, braai meat, etc.

The availability of natural resources such as the ocean, mountains and forest could give opportunity to the birth of new tourism initiatives in this region. The natural resources could be harnessed to bring in much needed revenue for the local economy in Koukamma. The new tourism activities could include beach walks, mountain climbing and eco-tours. Also, looking at the agricultural landscape in this area (well developed commercial sector), the idea of agri-tourism (farm tours) could lead to sustainable tourism. In addition, the idea of township or heritage tourism is another opportunity for tourism development.

Tourism has the potential to create employment opportunities in rural areas, but attention must be given to rural tourism. Rural tourism is tourism that takes place in rural areas, and is distinguished from urban tourism in that it typically requires the use of natural resources. Rural tourism is an important part of the tourism industry in South Africa. It provides valuable commercial and employment opportunities for communities that are confronted with the growing challenge of offering viable livelihoods for their local populations. Without these opportunities, people may be forced to relocate to urban areas, often resulting in separated families. When people pay attention to the development of rural tourism, there will be some money made through taxes on tourism products and services. The money raised through taxes can then be reinvested into other areas, such as healthcare or education. Tourism therefore has the potential to provide a far-reaching positive economic impact. Businesses that are owned and managed locally are great because they enable much of the income raised from tourism to stay in the area, and thus prevent economic leakage in tourism.

Small-scale tourism businesses in KLM

The LED Unit had an informal conversation with the small-scale tourism businesses in Tsitsikamma on the businesses they are running, the resources and infrastructure they have access to as well as the kind support of support they need in order to boost their businesses. In addition, it was important to understand how tourism business owners think about conservation of the environment. While the Tsitsikamma's popularity as a tourist destination continues to soar, the need to harmonize development with environmental and cultural preservation has become increasingly urgent. The stunning beaches and historic sites are assets that draw visitors. Striking a balance between economic growth and sustainability is the key to ensuring that Tsitsikamma remains an enchanting paradise for generations to come.

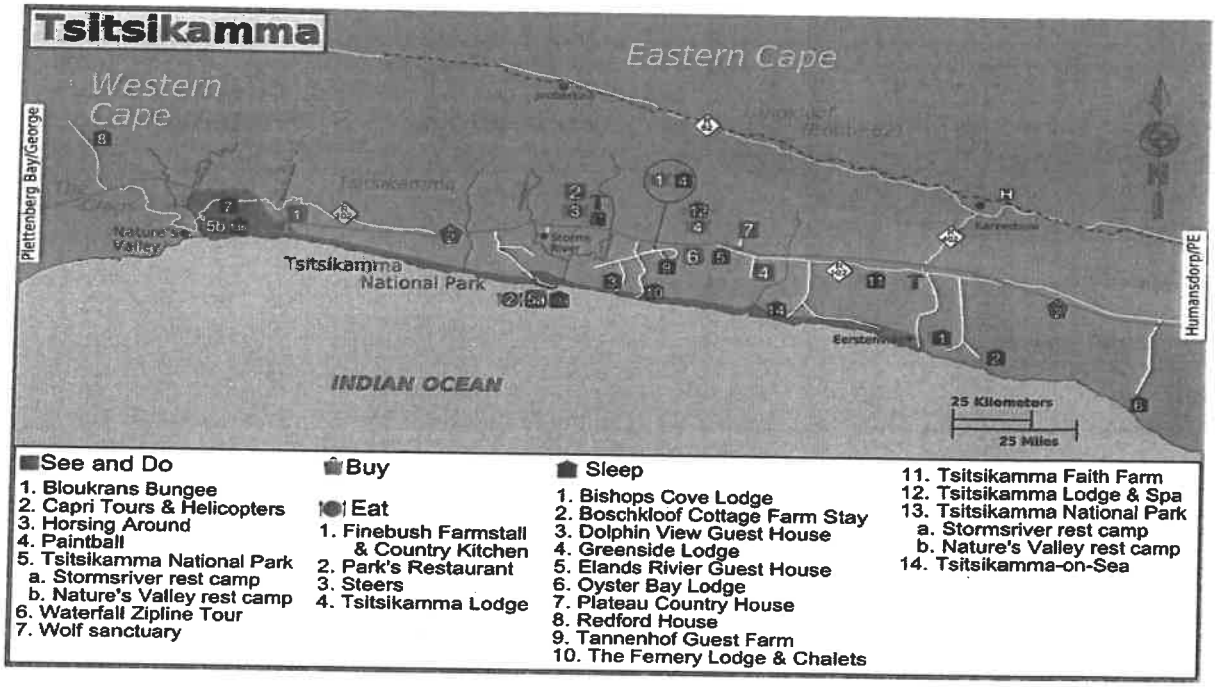


Figure1: Map of Tsitsikamma and expeditions.

One of the cornerstones of sustainable tourism is the emphasis on community-based initiatives. By involving local residents in tourism activities and decision-making processes, these initiatives empower communities to become active stewards of their natural and cultural heritage. From guided village tours to homestays, visitors have the opportunity to engage directly with local life, fostering cultural exchange and supporting local economies.

3.16.4. Major Challenges and Remedial Actions

The challenges faced by the Local Economic Development Section of Koukamma and suggestions on how to mitigate the latter are illustrated in table 3 below:

CHALLENGES	REMEDIAL ACTIONS
Non-availability of a budget to fund local economic development initiatives.	Tap into the MIG budget to ring-fence a portion of the funds for local economic development.
Number of Previously Disadvantaged Individuals who are in the mainstream economy.	Mainstreaming of local entrepreneurs through localization of job opportunities.
Lack of decision-making powers in the department	Reviewal and realignment of the organizational structure of the Local Economic Development
Delays in the approval and implementation of the Local Economic Development Strategy.	Mobilization of key Local Economic Development Stakeholders and nurturing good relations with the

	Provincial Department of Corporative Governance and Traditional Affairs.
Dependence of local business community on government and grant funding.	Empowerment of local SMME's through appointing effective training methods and encouraging entrepreneurs to keep up with modern technology.

KPA 3 -LOCAL ECONOMIC DEVELOPMENT

Number of projects = 5

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 2	40%
	Number of projects In Progress = 2	40%
	Number of projects lagging = 1	20%

In 2023/24 FY Local Economic Development have achieved a 40% on target/complete projects.

The LED Strategy is currently still in Draft form and anticipate approval thereof in August 2024.

EPWP and CWP programmes that have in prior years been situated in LED have subsequently been related to the Community services section and is being reported on under KPA 2.

In 2022/23 FY Local Economic Development have achieved a 37.5% on target/complete projects.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 3 - Local Economic Development											
LED04/2023		SMME Support programmes and entrepreneurship development	Support and development of the SMME's in Koukamma through the Business Development Forum	Conduct a number of Koukamma Business Development Forum meetings	Operational	Operational	4 Koukamma Business Development Forum meetings	2 Koukamma Business Development Forum meetings held	Partially Achieved	LED to plan for quarterly meetings with business forum in 2024/25	3 Koukamma Business Forum meetings held
LED04/2023 - 01		SMME Support programmes and entrepreneurship development	Provision of training programmes for SMME Development	Number of SMME's Development programmes / Workshops	SBDM	SBDM	1 SMME Development Workshop	No Workshop conducted. LED strategy and not yet approved	Lagging	LED Strategy approval by Council will allow for the implementation of	NEW KPI

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
								by the Council and SMME support form part of LED Strategy.		LED programmes and funding	
LED05/2023		Farmers Association	Establishment and support of the Farmers in Koukamma through the establishment of a Farmers' Association	Conduct a number of Farmers Association meetings and update the farmers' association data base	Operational	Operational	1) 3 Farmers Association meetings 2) Updated Farmers Association data base	1) 4 Farmers Association meetings held. 2)Data base updated. Had two farmers association	On Target		2 Farmers Association Meetings held 03/08/22 and 06/10/22

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
								meetings in Guava Juice and Thornham the database will be an ongoing programme.			

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
LED07/2023		Promotion of Koukamma Tourism	Develop Koukamma Tourism in collaboration with the Koukamma Local Tourism Organisation (KLTO)	Establish working relations and support with the Koukamma Local Tourism Organisation in the 2023/24 FY	Operational	Operational	Attend, support and report on Tourism Activities and Engagements	Visited two small tourism businesses in Tsitsikamma to identify their challenges and support they need.	On Target		2 Tourism activities attended. 1)SMME Business Opportunity Workshop in the Tourism Sector has been conducted by DEDEAT on the 24th of November 2022. 2) Partnership between Koukamma

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
											and Motorcycle Racers Club to host 41st Anniversary in Jouberti-na.
LED08/2023		Development of LED strategy	Workshop approach	Draft LED strategy	External Funding	SBDM	LED strategy document	LED Strategy still waiting for Council approval. The Strategy	In progress	The LED Strategy must be approved in the Ordinary Council	NEW KPI

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
								could not be approved as there was no ordinary council in this quarter.		Meeting in August 2024	

Library Services

Inculcating a culture of reading and lifelong learning

Joubertina	18 Olivier Street Joubertina 6410	1.Librarian – **Siphosethu Tyukala** 1.EPWP Library Assistant – **Kuphelo**	Monday-Thursday 08h00-16h30 Friday 08h00-16h00	7 Computers 1 connected to the Wi-Fi	042 273 7301
Nompumelelo Village	ERF: 10 Nompumelelo Village Hall Sandrift 6307	1.Librarian – **Phumza Gogela** 1.Library Assistant – **Linda Toyi**	Monday-Thursday 08h00-16h30 Friday 08h00-16h00	6 computers Not connected to the internet and only 4 computers that are working. these 4 computers need an upgrade, 2 computers are connected to Wi-Fi	0872882 566
Clarkson	279 Lansdowne Street Clarkson 6302	Cashier – **Virginia Mrwebi**	Monday-Thursday 08h00-16h30 Friday 08h00-16h00	3 computers. They are not connected.	071 265 2228
Thornham	Thornham 6307	Library Assistant – **Charmaine Bruiners**	Monday-Thursday 08h00-16h30	1 Computer not connected	064 688 4730

			Friday 08h00-16h00		
Woodlands	Long Street Woodlands 6300	Library Assistant – **Patrick Toyi**	Not Operational		

REPORT ON THE LIBRARY SERVICES: STATISTICS FOR THE YEAR JULY 2023/JUNE 2024

LIBRARY	BOOKS CIRCULATED	WALK-INS	NEW MEMBERSHIP	NEWSPAPERS	PHOTOCOPY
KAREEDOUW	3375	1691	50	No	Yes
JOUBERTINA	2163	489	32	No	Yes
NOMPUMELELO	1148	3972	21	No	Yes
CLARKSON	546	210	11	No	No
THORNHAM	1446	1312	18	No	Yes
WOODLANDS	Library not operational				

LIBRARY SERVICES DELIVERY STRATEGY AND MAIN ROLE PLAYERS

The National Library and Information Services Act and the Constitution of the Republic of South Africa, No 108 of 1996, Schedule 5 Part A vested the function of the libraries to the Provincial Department of Sports, Recreation, Arts and Culture (DSRAC). Koukamma Local Municipality renders the library services on behalf of DSRAC on agency basis through a Service Level Agreement (SLA).

Public awareness strategy to promote use of libraries is one of the key main areas to focus on to attracting new members. It is important to place libraries at the core of fighting illiteracy through promotion culture of reading.

The South African Library for the blind (SALB), in partnership with the Department of Sport, Recreation, Arts & Culture (DSRAC) have rolled out the Mini-Library Project for the blind since 2010 and have managed to establish this project in all nine provinces of

South Africa by 2020. Koukamma Local Municipality has also benefited in this project as it also has a Mini-Library in one of their libraries which is based in Kareedouw.

LEVEL AND STANDARD IN LIBRARY SERVICES

Level and standard service delivery in the different library sectors are lacking. Norms and standards are needed for libraries in the different sectors with regard to services, management, staffing, resources, infrastructure, ICT and access.

The National Department of Sports, Recreation, Arts and Culture (DSRAC) has drafted a South African Public Library and Information Services Bill, 2012 to ensure consistency in the delivery of library services, put in place measures to redress the inequalities of the past and to provide principles, norms and standards for the provision of public library and information.

Section 9 (1) of the Bill requires the municipality that is providing library services to take all the reasonable steps to "provide public library and information services that comply with the minimum national norms and standards contemplated in this Act, and execute its functions in accordance with the National norms and standards for public libraries and information services.

REPORT ON THE EXTENSION WORKS OF LIBRARY EVENTS AND PROGRAMMES

LIBRARY	ACTIVITIES
KAREEDOUW	Read Aloud, World book day, World play day, Funda Mzantsi Championship, National Book Week Display, Library week, Holiday programme
JOUBERTINA	World Play day, National book week
CLARKSON	-
NOMPUMELELO	Month to month Book display, computer training
THORNHAM	Display

Koukamma Municipality Libraries in partnership with DSRAC is rendering free services, easy access and promoting reading through the following library programmes:

- Storytelling
- Educational indoor games
- International Literacy Day
- South African National Book Week
- World Play Day
- Library week
- Read Aloud

KPA 2 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT (COMMUNITY SERVICES)

Number of projects = 11

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 2	18%
	Number of projects Partially Achieved = 7	64%
	Number of projects Lagging/Not started = 2	18%

Total Budget versus Expenditure:

Financial Year	Budget	Expenditure	% Expenditure
2023/24 (Current)	R3 596 000	R2 386 557	66%
2022/23 (Prior Year)	R6 956 522	R4 790 146	69%

Community Services have achieved a 18% on target/complete projects. Projects that are partially achieved are 64%. The total budget for projects in Community Services is R3 596 000 and the total expenditure thus far R2 386 557.

Projects CS02/2023 – 1 to CS02/2023 – 4 are added through the adjustments budget funded through the Fire Grant from SBDM. The Procurement of the Fire Truck and Response Vehicle as well as the Training of fire staff is facilitated by SBDM from the Koukamma Fire Grant.

Projects LED01/2023 to LED03/2023 have been moved from KPA 3 – Local Economic Development and are now implemented and monitored by the Community Services Department.

Community Services have achieved and 40% on target/complete projects for the 2022/23 FY. The total budget for projects in Community Services is R6 956 522 and the total expenditure thus far is R4 790 146.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 2 - Basic Service Delivery and Infrastructure Investment (Community Services)													

IDP REF	mS COA LIN K	OBJEC-TIVE	STRAT-EGY	KPI	BUDGET	FUNDING	YTD Expendi-ture	% Expenditure	ANNUAL TARGET	Actual Perfor-mance vs Target and reasons for vari-ance (WHY)	On Tar-get In Pro-gress Lagging	Reme-dial Ac-tions for pro-jects not On Target (HOW)	Prior Year Perfor-mance 2022/2 3
CS0 1/2 023		Provi-sion of ade-quate Fire Ser-vices	Conduct Fire Safety In-spections for the 2023/24 FY	Conduct a number of Fire safety in-spections	Opera-tional	Operational	Operational	Operational	Conduct 12 Fire Safety In-spections	3 Fire In-spections held. Due to the va-cancy of the Fire Chief, the Municipal-ity had to make use of Kouga to assist with the inspec-tions due to a lack of capacity in the Fire Section. Fire Chief appointed on the 01 May 2024.	Partially Achieve d	Fire Chief to plan for Fire Aware-ness in the New FY well in ad-vance to avoid capacity related con-straints.	10 Fire Inspec-tions Con-ducted. Due to the Posi-tion of Chief of Fire be-ing va-cant the section is de-pendent on as-sistance from Kouga Munici-pality Fire De-part-ment to assist with the inspec-tions.

IDP REF	mS COA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
CS02/2023			Conduct Fire Awareness Campaigns in the Koukamma Region 2023/24 FY	Conduct a number of Fire Awareness Campaigns	Operational	Operational	Operational	Operational	Conduct 8 Fire Awareness Campaigns	4 Fire campaigns held due to shortage of staff and the vacant position as Chief of Fire	Partially Achieved	Fire Chief to plan for Fire Inspections in the New FY well in advance to avoid capacity related constraints.	10 Fire Awareness Campaigns held

IDP REF	mS COA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
CS02/2023 - 1			Provision of sufficient fire response vehicles	Procurement of a Fire Truck (with branding) by 30 June 2024	R1 450 808.72	SBD M	SBDM	SBD M	1 Fire Truck procured (with branding)	Service provider appointed for the procurement of the Fire Truck through Sarah Baartman District Municipality. No feedback on progress has thus been provided as to how far the process is. The funding for the truck is ring-fenced from the Fire Grant for KKM by	Lagging	Due to SCM process being conducted by the district, the Municipality has no influence but to follow-up continuously in aid of speeding up the procurement process	NEW KPI

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
										the District.			
CS02/2023 - 2				Procurement of a Fire Response Vehicle with skid and branding by 30 June 2024	R850 000	SBDM	SBDM	SBDM	1 Fire Response Vehicle with skid and branding procured	Service provider appointed for the procurement of the Fire Response Vehicle through Sarah Baartman District Municipality. No	Lagging	Due to SCM process being conducted by the district, the Municipality has no influence but	NEW KPI

IDP REF	mS COA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
										feedback on progress has thus been provided as to how far the process is. The funding for the truck is ring-fenced from the Fire Grant for KKM by the District.		to follow-up continuously in aid of speeding up the procurement process	
CS02/2023 - 3			Procurement of safety equipment for fire personnel	Procure PPE for a certain amount before 30 June 2024	R200 000	SBDM	R0	0%	Procurement of PPE for fire personnel by June 2024	Procurement of PPE currently under SCM processes - tender advert closed on the 07 July 2024	Partially Achieved	Speed up the process of Procurement once the tender has closed	NEW KPI

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
CS02/2023 - 4			Present OHS training to fire personnel by 30 June 2024	A number of fire personnel trained in OHS	R248 000	SBDM	R0		OHS training to 20 fire personnel (including temporary employees attending accidents etc) by the 30 June 2024	No OHS Training conducted, However training currently underway for 8 Fire Officials 03 - 07 June 2024, 10 - 14 June 2024, 24 - 28 June 2024 and 08 - 12 July 2024	Partially Achieved	Training on the Temporary Staff to follow under the new budget	NEW KPI
CS03/2023		Provision of adequate Library Services	Installation of network connectivity and Wi-Fi at Koukamma Libraries	Installation of network connectivity and Wi-Fi at the Kareedouw Library	R 100 000	DSRAC	R0	0%	100% complete with the Installation of network connectivity and Wi-Fi at the	95% - A final switch outstanding to be installed for final completion.	Partially Achieved	Site technicians to assist through DSRAC	NEW KPI

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
									Kareedouw Library				
CS04/2023		Implementation of Waste Management Programme	Job Creation through the Waste Management programme	1) Number of jobs created through waste management programme 2) Percentage expenditure on the waste management programme	R 2 000 000	Dedeat	R 1 170 988	59%	1) 40 jobs created through EPWP 2) 60% expenditure on the Waste Management Grant	1) 40 jobs created through EPWP, and one admin staff appointed 2) 59% Expenditure on Waste Management Project	Partially Achieved	Project is a multi-year and will continue in the new FY	NEW KPI
LED 01/2023		Implementation of the EPWP program	Job creation through the EPWP programme	Number of jobs created through EPWP	R 1 048 000	Public Works	R 1 215 569	116%	40 jobs created through EPWP	41 Jobs Created - 116% Expenditure	On Target		40 EPWP participants appointed

IDP REF	mS COA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
LED 02/2023			Reporting on EPWP implementation to public Works	Submit a number of EPWP reports to Public Works					Submit 4 EPWP reports to Public Works	4 EPWP Reports Submitted to Public Works	On Target		4 EPWP Reports have been submitted to Public Works
LED 03/2023		Monitor the implementation of the CWP program	Monitor implementation of the CWP program through conducting Local Reference Committee (LRC) meetings	Conduct a number of LRC meetings in the 23/24 FY	External Funding	COGTA	External Funding	External Funding	Conduct 3 LRC meetings	2 LRC meetings held - 01 Feb 2024; 25 June 2024	Partially Achieved	LRC to convene quarterly in the new FY	3 LRC Meetings Held 06 Dec 2022, 05 April 2023, 20 June 2023

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT II)

Component A: Introduction to Municipal Workforce

Section 66 (1) of the Municipal Systems Act, 2000 requires that the Municipal Manager must develop a staff establishment with a number of positions, job description remuneration packages attached to such positions and that these positions must be evaluated to determine the salary packages relevant to such positions. In turn, the staff establishment must be tabled to Council for approval, but before the tabling to the Council, the staff establishment must be aligned to budget and no person must be appointed in a position which is not available or reflecting in the staff establishment and not funded.

Total workforce

The total workforce refers to the total number of employees employed in the municipality, whether these employees are employed permanently, and or on contractual basis. During 2023/24 financial year, Koukamma Municipality had one hundred and seventy-four (174) total employees. This total workforce is made up of five directorates namely:

- Community Services,
- Technical and Infrastructure Services,
- Finance Services,
- Corporate Services, and
- The Municipal Manager's Office.

Technical and Community Services directorate had a substantial number of positions that are vacant but due to challenges the positions were not filled.

The total workforce in Koukamma Municipality is aligning with employment equity as follows:

TOTAL WORKFORCE

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL	FILLED	VACANT
	A	C	I	W	A	C	I	W			
Top Management	0	0	0	0	0	0	0	0	0	0	1
Senior Management	2	1	0	0	0		0	1	3	3	1
Professionally qualified and experienced specialist	6	2	0	0	4	2	0	0	14	14	5
skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents	12	11	0	1	7	3	0	0	34	34	15
Semi-skilled and discretionary decision making	21	21	0	0	17	24	0	0	83	83	12
Unskilled and defined decision making	16	20	0	0	4	3	0	0	43	43	55
Total Permanent	57	55	0	1	32	32	0	0	177	177	89
Temporary employees	46	32	0	0	2	6	0	0	86	86	0
Grant Total	**103**	**87**	**0**	**1**	**34**	**38**	**0**	**1**	**263**	**263**	**89**

4.1.1. Staff Turnover Per Department

The staff turnover per department during the year under review is as follows:

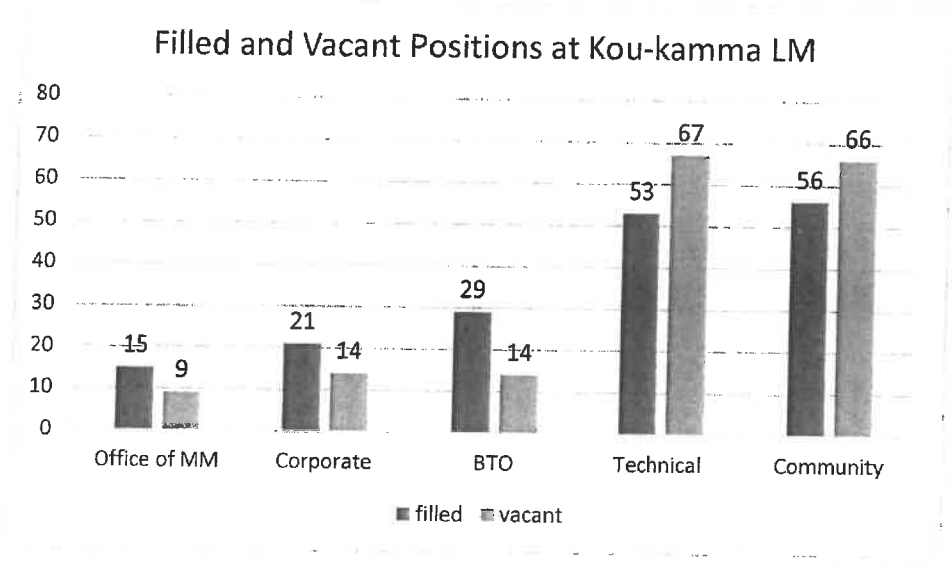
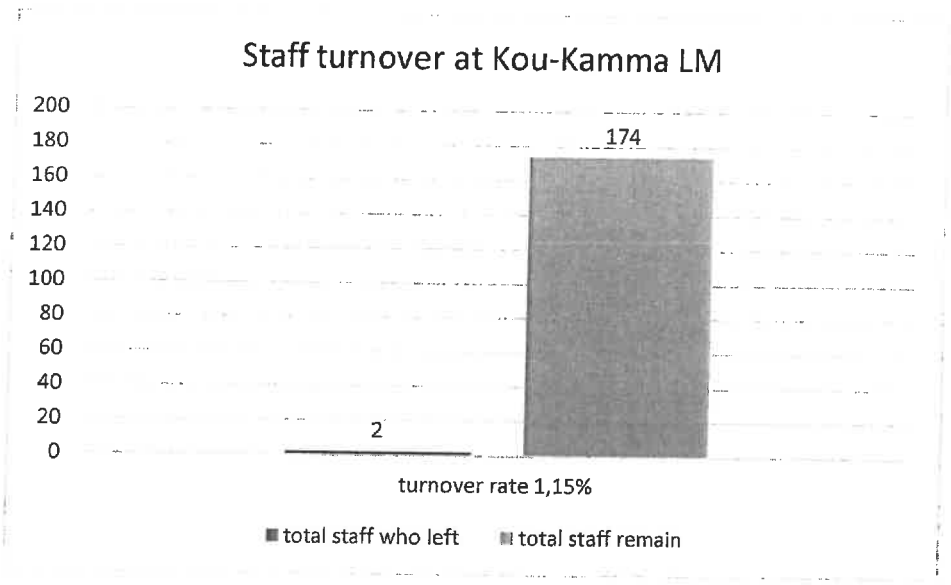


Chart 1	Filled and vacant positions at Koukamma LM	
Department	**Filled**	**Vacant**
Office of MM	15	9
Corporate	21	14
BTO	29	14
Technical	53	67
Community	56	66
Total workforce	**174**	**170**



Staff turnover at Koukamma LM

Note: Staff turnover is equal to total staff who terminated divide by total staff compliment x 100 = %

Turnover rate 1.15%

total staff who left 2

total staff remain 174 turnover rate 1.15%

4.1.2. Leave Management

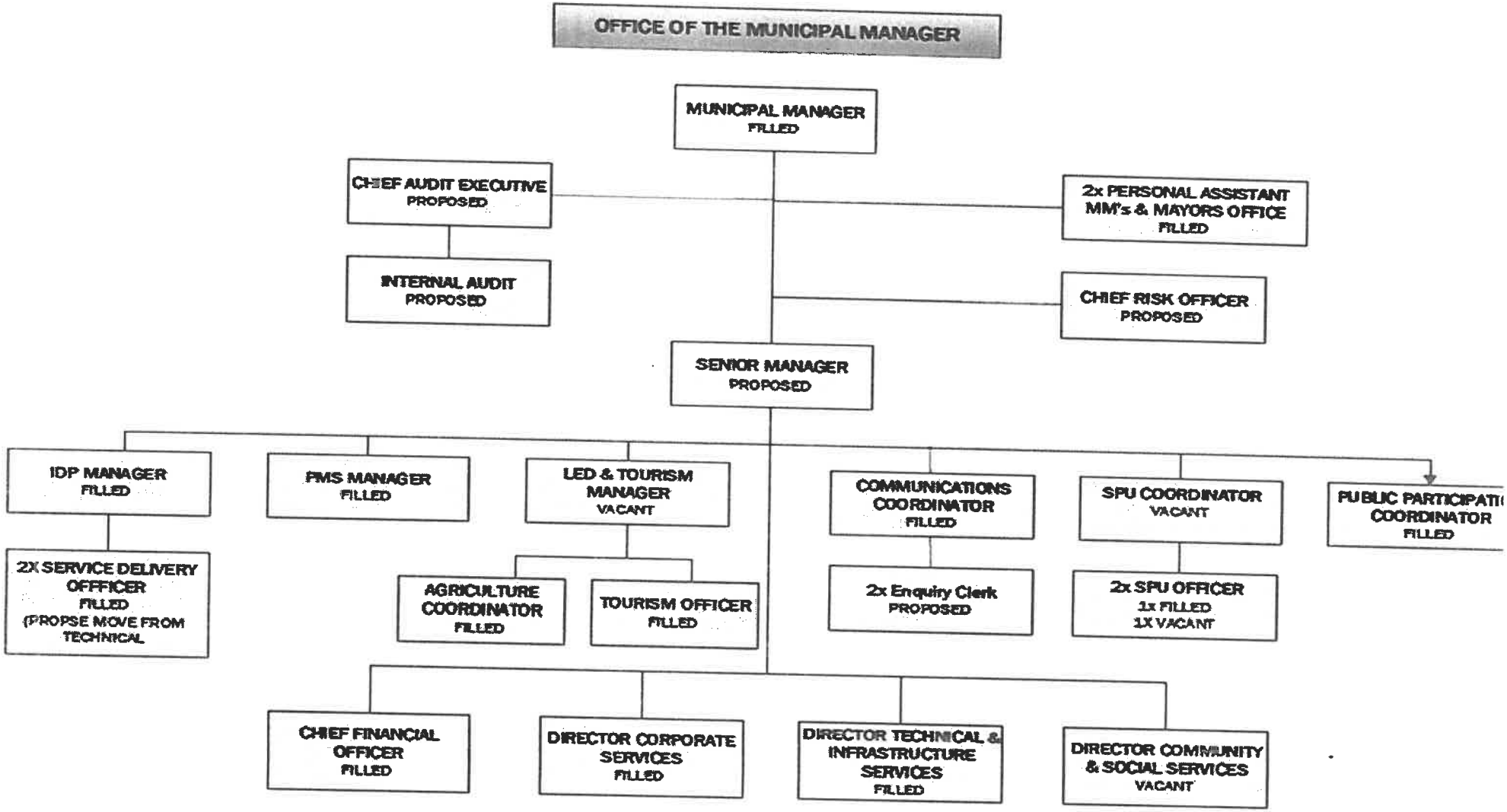
In terms of the legislation, employees are allowed to take leave when they are sick, when their family members such as spouse, children, mother and father and in-laws are sick. Also, when there is death, or they are going to write exams. In the year 2023/24, various types of leave which was taken by employees were:

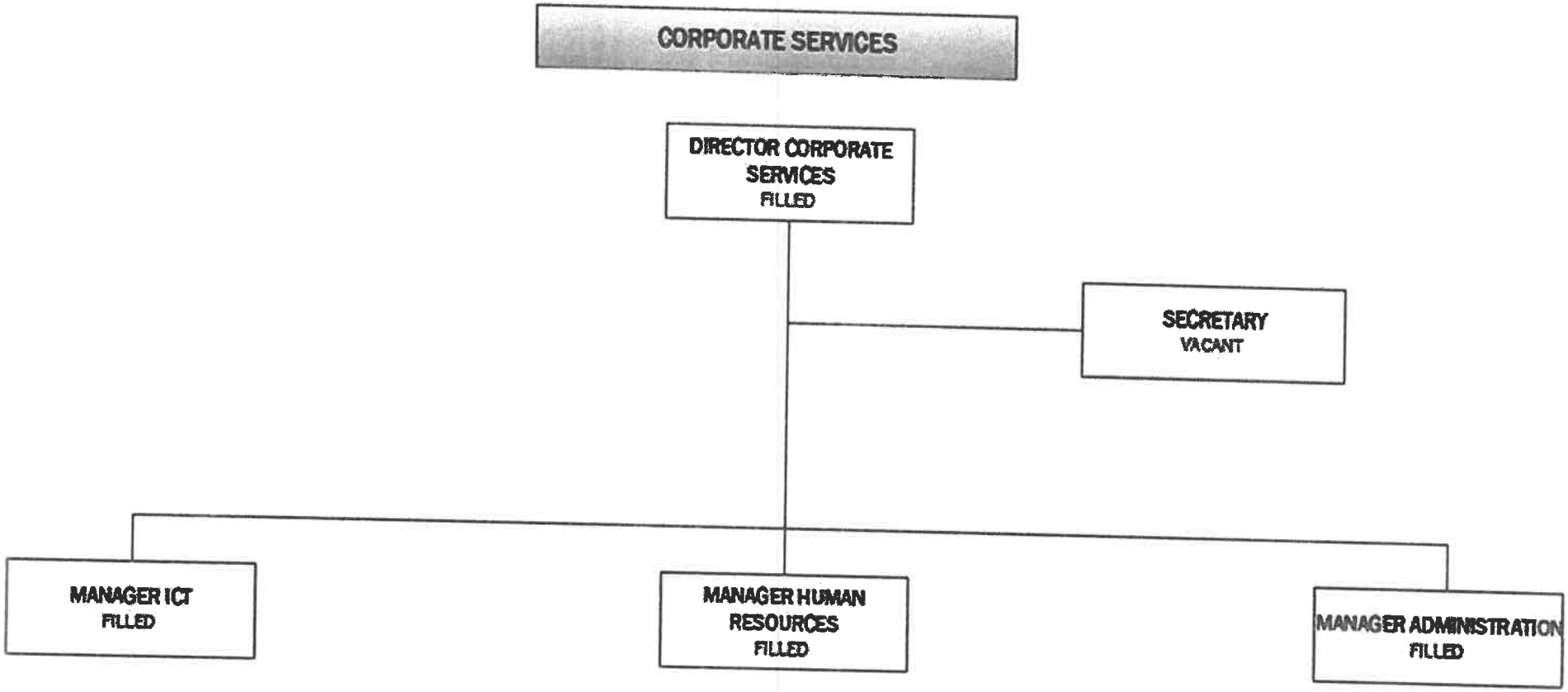
Type of leave taken	**No. of days**
Annual Leave	24
Sick Leave	80
Family Responsibility Leave	5
Special Leave/ Study Leave	5
IOD	Depends on the extent of the Injury not limited

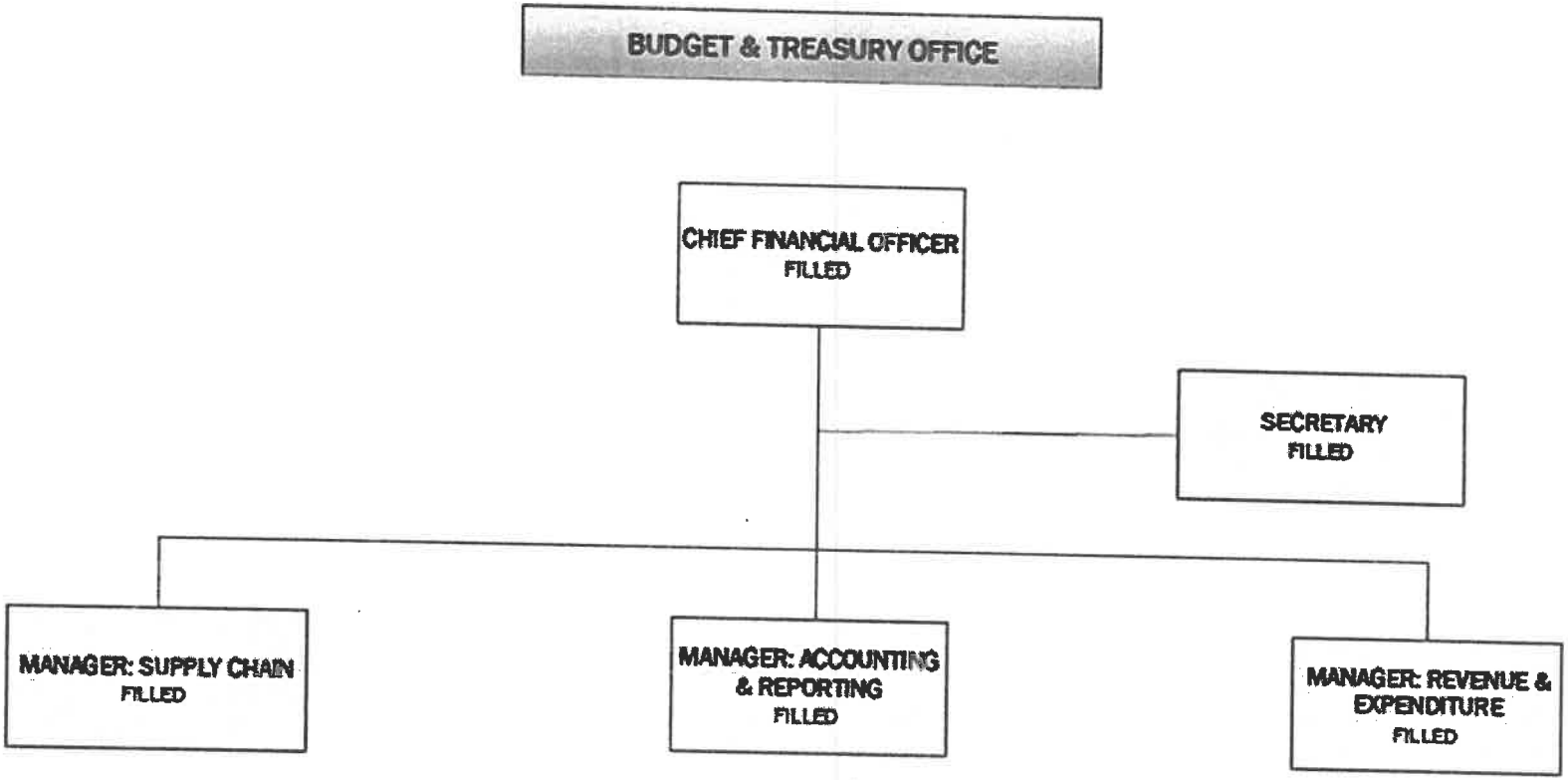
Leave is regulated in the Basic Conditions of Employment Act, and therefore no employee is allowed to abuse leave hence when employees are taking sick leave are required to bring sick certificate from the medical practitioner as a proof that indeed was sick. In taking annual leave employees are required to fill in the form requesting the leave prior taking it. The form is an integral part of leave management policy.

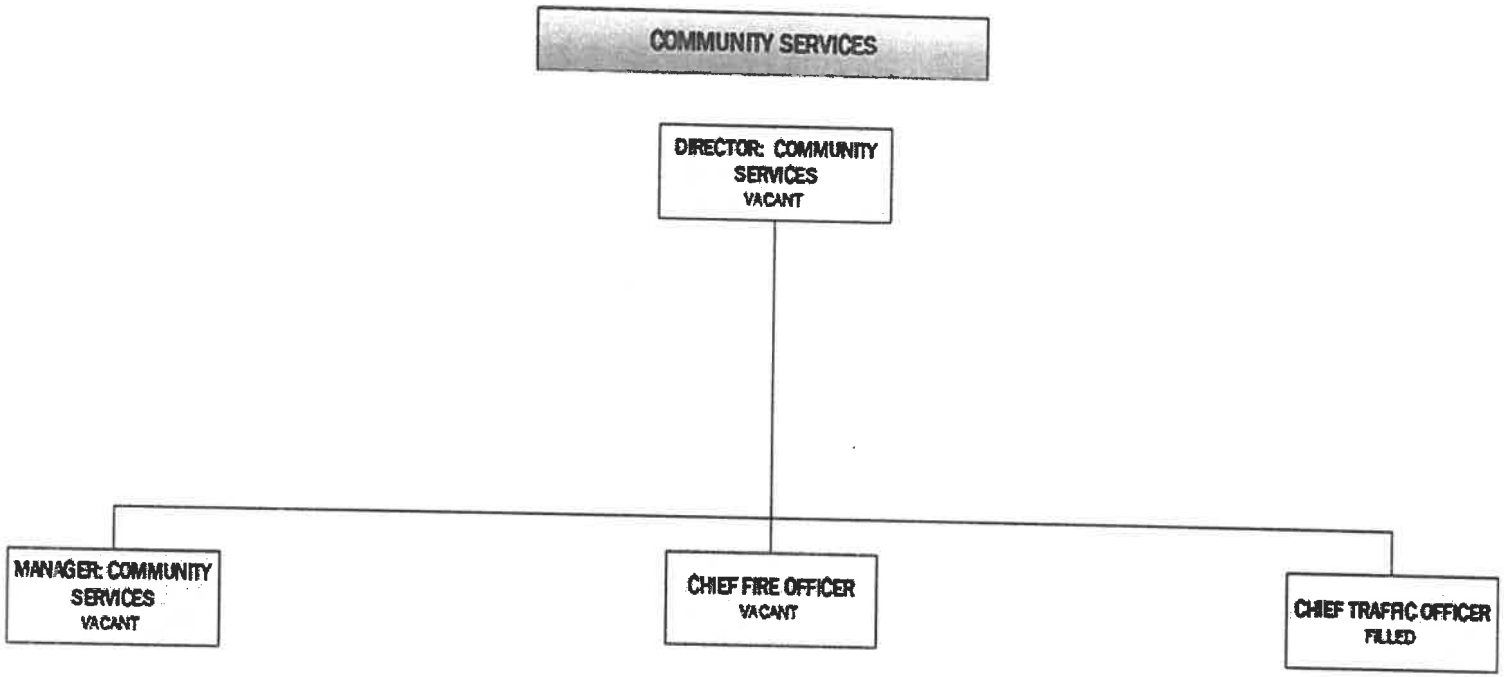
- Every directorate has a responsibility to manage their employee's leave and submit such leave forms to human resource for capturing in the system. The supervisor prior approving leave must check the availability of leave.

Component B: Managing the Municipal Workforce on Reporting Level 4.2 Organisational Structure




CORPORATE SERVICES
DIRECTOR CORPORATE SERVICES
FILLED
SECRETARY
VACANT
MANAGER ICT
FILLED
MANAGER HUMAN RESOURCES
FILLED
MANAGER ADMINISTRATION
FILLED


BUDGET & TREASURY OFFICE
CHIEF FINANCIAL OFFICER
FILLED
SECRETARY
FILLED
MANAGER: SUPPLY CHAIN
FILLED
MANAGER: ACCOUNTING & REPORTING
FILLED
MANAGER: REVENUE & EXPENDITURE
FILLED



See the full third Tier Administrative structure attached as appendix C

4.2.1. List Of Medical Aid Where Employees Belong

Koukamma Municipality 's employees belong to the following medical aid during 2023/24 financial year:

Name of medical aid	No of employees
Key Health Medical Aid	0
LA Health Medical Aid	25
Bonitas	30
SAMWU Medical Aid	31

4.2.2. List of Pension Fund Where Employees Belong

During 2023/24 employees belong to the following pension funds:

Name of pension fund	No. of employees
Municipal Workers Retirement Fund	47
Cape Joint Retirement Fund	126
Municipal Council Pension Fund	2
Sala Provident Fund	1

4.2.3. Labour Relations

The Labour Relations Act, 1995 was designed to protect everyone in the workplace and to promote economic development, fair labour practice, peace, democracy and social development. It also requires that corrective measures be implemented as per the Main Collective Agreement: Disciplinary Procedure. The Employer Component is represented by two (2) Councillors and three (3) Directors, whilst the Labour Component is represented by four (4) South African Municipal Union (SAMWU) and one (1) representative from IMATU. During the year under review, currently the Chairperson was from the Labour Component and the Vice Chairperson was from Employer Component. The Employer and Employee Component have a good working relationship.

During the year under review 2023/24 the Local Labour Forum discussed the following issues:

Designated	Activities	Date	Comments
Employer and Labour Component	Report on the request for the regulatory of working hours for Koukamma Municipality	26 November 2024	That the request will be submitted to Council for approval
Employer and Labour Component	Report on recategorizing of Koukamma Local Municipality.	20 July 2023	Council Approved the interpolated results from 21st century which were adopted on March 2017 by SALGBC. Council to apply for recategorization of Koukamma Municipality based on the report. LLF notes the report on Municipal Categorisation Model and Wage Curve effective in July 2019 subject to be in line with collective bargaining 2019/20
Employer and labour Component	Report on Job Evaluation Policy for Koukamma Local Municipality	09 November 2023	The LLF recommends that Council adopts job evaluation policy Council noted the proposed job evaluation policy of Koukamma Municipality. Council adopted the job evaluation policy.
Employer and Labour Component	Report on Koukamma Municipality Organogram review	20 November 2023	Council approved the Koukamma Local Municipality Organogram Review 2023/24 financial year.
Employer and Labour Component	Report on the Institutionalisation of Performance Management System for the 2023/24 financial year	8 February 2024	LLF noted the report.
Employer and Labour Component	Report on the request for the regulatory of working hours for Koukamma Municipality	26 November 2024	That the request will be submitted to Council for approval
Employer and Labour Component	Report on recategorizing of Koukamma Local Municipality.	20 July 2023	Council Approved the interpolated results from 21st century which were adopted on March 2017 by SALGBC. Council to apply for recategorization of Koukamma Municipality based on the report. LLF notes the report on Municipal Categorisation Model and Wage Curve effective in July 2019 subject to be in line with collective bargaining 2019/20

During 2023/2024, Koukamma Municipality reported the following disciplinary cases as follows:

NUMBER OF CASES	DECIDED AGAINSTS THE EMPLOYER	DECIDED AGAINST THE EMPLOYEE	INTERNAL, CCMA OR SALGBC	RESOLVED	OUTSTANDING
3	No	Yes	Internal	1 Yes	2 Yes
1	Abeyance	Settlement Agreement	Internal	Yes	
1	No	Yes	CCMA	Yes	
10	No	Yes	Internal	1Yes	9 Yes

4.2.4. Performance Management System (PMS)

During the year 2023/24, a performance review was conducted on the Director Technical Services, but no performance incentive was due, resulting to a non – payment of performance bonuses for Senior Managers.

The payment of bonuses for the Municipal Manager and Directors is subject to the adoption of the annual report by Council in respect of the year under review and as such the performance bonus cannot be paid on the year under review, but during the next financial year if such a performance bonus was approved by Council.

During the year under review, the cascading of performance management has started, and a number of employees have signed performance agreements. Not all employees have signed performance agreements yet, but the municipality is ensuring that by the end of 2024/25, all employees will have signed performance agreement .

Component C: Capacitating Municipal Workforce

4.3. Skills Development

The following schedule reflects the skills development conducted during 2023/24:

Number Of Beneficiaries	Department	Start Date	End Date	Intervention	Training Complete /Complete	Cost Of Training

3	BTO	July 2020	June 2023	**Chartered Certified Accountant Candidacy Programme**	**In progress**	**Donor Training By LGSETA**
13	Community Services	10 April 2024	12 April 2024	**First Aid level 3**	**Completed**	**R 25740**
60	Ward Committee Members	21 August 2023	05 September 2023	**Ward Committee Governance**	**Completed**	
09	All departments	22 November 2023	24 November 2023	**Project Management**	**Completed**	**FACHS**

Training Conducted for unemployed from 2023/2024

PROGRAMME	TYPE OF LEARNING INTERVENTION	CONTRACT AMOUNT PER PERSON	NUMBER OF LEARNERS CONTRACTED	NO OF LEARNERS COMPLETED PROGRAMME	STATUS / COMMENT
HR, Admin & Finance	Work Integrated Learning	R3000 per month (rate is linked to the rate of casual workers)	2	1	In progress
Public Admin	Graduate Program	R3000 per month (rate is linked to the rate of casual workers)	1	1	Complete
department of public works	accelerated professional and trade competency development programme	donor programme from department of public works	7	4	in progress

4.3.1. Level Of Education and Skills

Total number of staff	Number of staff without grade 12	Number of staff with senior certificate only	Number of staff with Tertiary/ accredited professionals training
174	54	53	56

4.3.2. Technical Staff Registered with Professional Bodies

Water and Electricity	Total Number of Technical Service Managers	Total number reregistered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered
35	2	1	0	1

Component D: Managing the workforce expenditure

4.4. Trends on Personnel Expenditure

There has been a growth in the total operating budget for staff salaries in particular 2023/24 which is exceeding the Treasury Norm as reflected below.

Financial year	Total No. of Staff	Actual operating expenditure	Personnel Expenditure	% of personnel expenditure
2019/20	Permanent Staff – 15 Councillors – 11 Section 56 & 57- 4	R 166 481 454	56 857 355	34%
2020/21	Permanent Staff – 166 Councillors- 11	R175 927 333	R58 683 643	35%

	Section 56&57 managers- 4			
2021/22	Permanent Staff – 163 Councillors – 12 Section 56 & 57 Managers - 4	R60 750 928 R3 732 725	R64 483 653	40.56%
2022/23	Permanent Staff – 171 Councillors – 12 Section 56 & 57 Managers - 3	Not yet available	Not Yet available	Not yet available
2023/24	Permanent Staff – 174 Councillors – 12 Section 56 & 57 Managers - 3	Not yet available	Not yet available	Not available yet

4.5. Salary Disclosure

The MFMA 2003 requires that the salaries of the Councillors and the Senior Management be disclosed. The salaries are as follows:

4.5.1. Councillors

Refer to the Annual Financial Statements (AFS)

4.5.2. Section 56 And Section 57

Refer to the Annual Financial Statements (AFS)

4.5.3. Annual Performance as Per Key Performance Indicators in Municipal Transformation and Organisational Development

No	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 post;	35	9	74%	35 positions were planned in the adjustment budget and only 9 filled
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	5	3	60%	There are five (5) positions and of the five only four (3) positions filled and one (2) is still vacant i.e., Municipal Manager; Chief Financial Officer
3	Percentage of Section 57 Managers including Municipal Manager who attended at least 1 skill development training course within the FY	1	1	100%	Mr Qalaba, it was planned for him to attend MFMP for 18 months and is not yet complete.
4	Percentage of Managers in Technical Services with a professional qualification	2	2	100%	Mr Qalaba and Mr Arosi
5	Level of PMS effectiveness in the DM – (DM to report)	**THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM** **PMS is only conducted between the Mayor and the MM, and between the MM and the Directors but not yet cascaded below the level of the Directors.**			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency	63	100	63%	Only a certain number of employees complete skills

	profiles) within the current 5-year term				audit, some employees feel it is a waste of time, since the Municipality does not have enough budget for training.
8	Percentage of councillors who attended a skill development training within the current 5-year term	8	12	66.7%	Out of 12 Councillors, only 8 attended training, 3 did not have interest in being trained.
9	Percentage of staff complement with disability	0	0	0%	0% declared
10	Percentage of female employees	65	65	37%	FULL PERMANENT STAFF COMPLIMENT IS 174
11	Percentage of employees that are aged 35 or younger	35	35	20%	FULL PERMANENT STAFF COMPLIMENT IS 174
12	Adoption and implementation of a HRD including Workplace Skills Plan	100%	100%	100%	100%

CHAPTER 5: MUNICIPAL AND FINANCIAL VIABILITY AND MANAGEMENT

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Component A: Statement of Financial Performance

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

KOU-KAMMA MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET INFORMATION WITH ACTUAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

Description	Original Budget	Budget Adjustments (i.e. s28 & s31 Of The MFMA)	Final Budget	Actual Income & Expenditure	Variance	Variance percentage
Financial Performance						
Property Rates	28 077 370	4 547 666	32 625 036	30 182 562	2 442 474	-8%
Service Charges	38 380 163	17 740 262	56 120 425	51 874 912	4 245 513	-8%
Rental of Facilities and Equipment	235 012	170 711	405 723	389 711	16 012	-4%
Investment Revenue	166 971	502 497	669 468	474 803	194 665	-41%
Interest earned: outstanding debtors	20 878 336	(9 807 881)	11 070 455	12 896 027	(1 825 572)	14%
Fines	26 659 854	18 485 093	45 144 947	26 090 696	19 054 251	-73%
Income for the agency fees	2 153 268	-	2 153 268	2 299 378	(146 110)	6%
Government grants and subsidies	130 317 637	(2 658 614)	127 659 023	109 395 530	18 263 493	-17%
Other Own Revenue	30 967 223	(784 050)	30 183 173	768 015	29 415 158	-3830%
Gain on disposal of assets			-			
Total Revenue (Excluding Capital Transfers & Contributions)	**277 835 834**	**28 195 684**	**306 031 518**	**234 371 635**	**(71 659 883)**	**-23%**
Employee Costs	79 879 970	(2 818 304)	77 061 666	80 978 718	(3 917 052)	5%
Remuneration Of Councillors	5 046 449	290 591	5 337 040	5 961 174	(624 134)	10%
Debt Impairment	50 618 328	36 893 593	87 511 921	34 734 550	52 777 371	-152%
Depreciation & Asset Impairment	24 304 620	-	24 304 620	25 326 685	(1 022 065)	4%
Finance Charges	274 264	625 060	899 324	978 770	(79 446)	8%
Bulk Purchases	6 765 028	(1 692 826)	5 072 202	6 158 348	(1 086 146)	18%
Other Materials	6 668 975	1 005 863	7 674 838	7 018 523	656 315	-9%
Contracted Services	14 838 581	343 818	15 182 399	9 786 592	5 395 807	-55%
Other Expenditures	30 967 223	(784 050)	30 183 173	25 256 501	4 926 672	-20%
Impairment loss	-	-	-	-	-	
Total Expenditure	***219 363 438***	***33 863 745***	***253 227 183***	***196 199 861***	***(57 027 322)***	***-23%***
Surplus/(Deficit)	**58 472 396**	**(5 668 061)**	**52 804 335**	**38 171 774**	**(14 632 561)**	**-28%**

Notes

Interest on external investments: less funds could be invested resulting in a low return on investment.

Interest on outstanding debtors: The variance is informed by ineffective budget estimates.

Fines: The is no s341 notices of traffic fines issued during May and June 2024 due to no cameras were not in operation, the was no contracted service provider for this services.

Transfer revenue: Not all the allocation on other grants was received

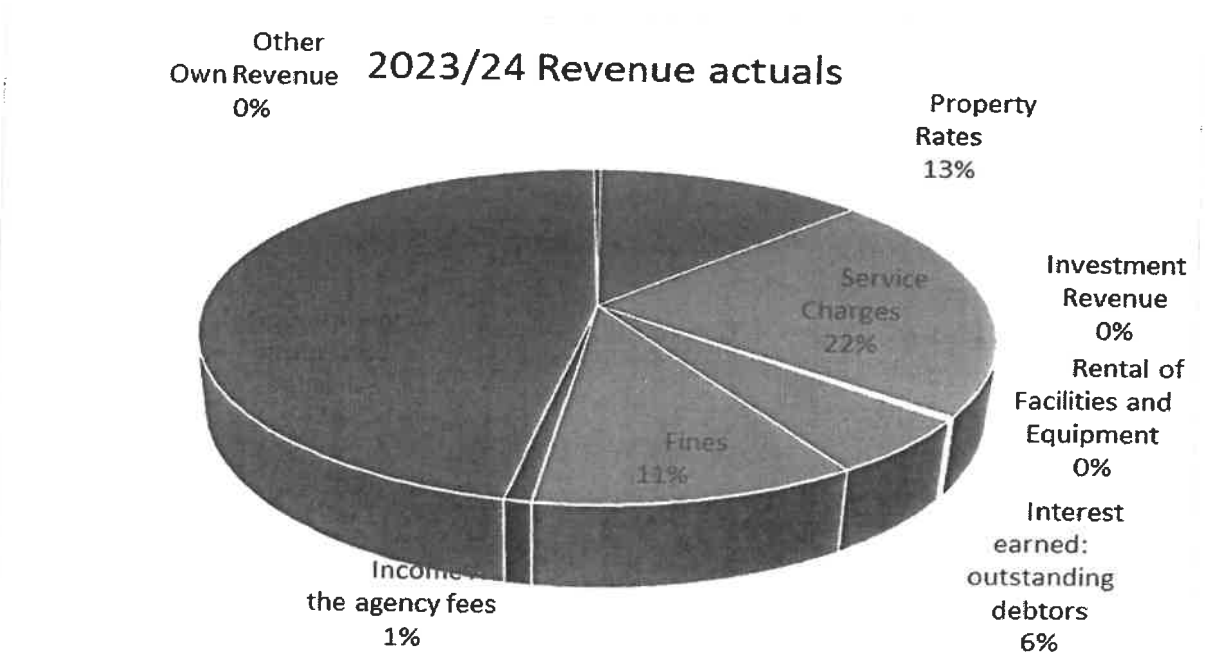
Other income: The variance is informed by ineffective budget estimates.

Debt impairment: The variance is informed by ineffective budget estimates.

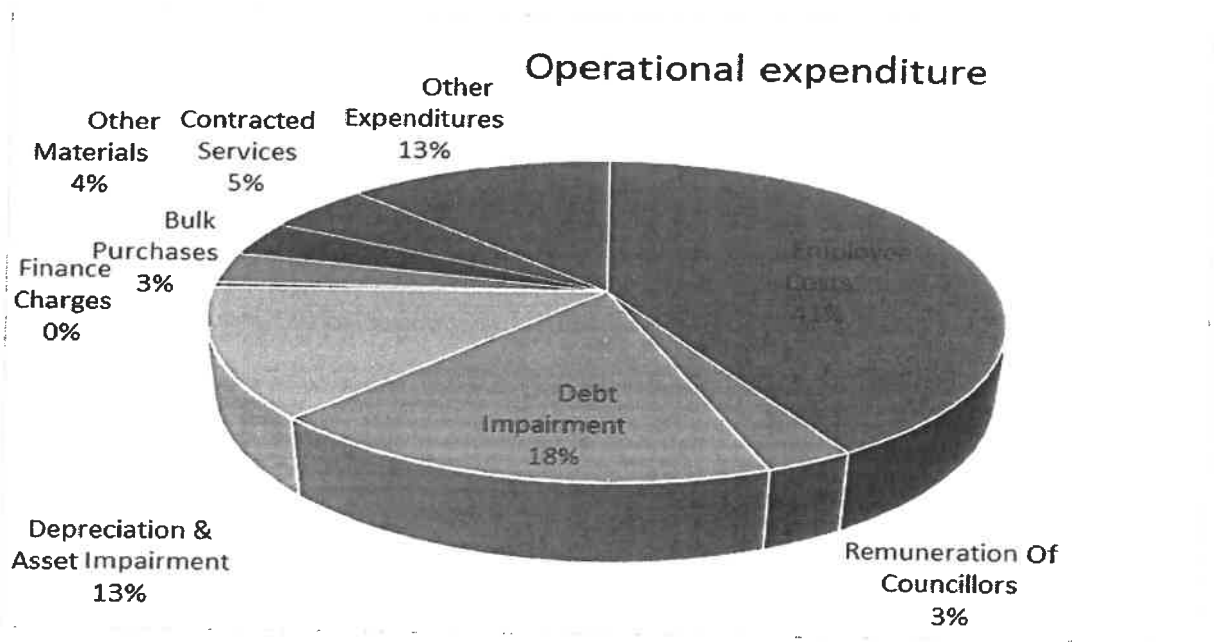
Bulk purchases electricity: The variance is informed by price increase NERSA approves for Eskom.

Contracted services and other expenses: The decrease is due to the implementation of cost containment measures.

Revenue for the year ended 30 June 2024



Operating expenses for the year ended 30 June 2024



Component B: Spending against Capital Budget

KOU-KAMMA MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET INFORMATION WITH ACTUAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

Description	Original Budget	Budget Adjustments (i.e. s28 & s31 Of The MFMA)	Final Budget	Actual Income & Expenditure	Variance	Variance percentage
Capital expenditure						
National Government	32 833 478	(4 666 304)	28 167 174	17 915 439		
Provincial Government	26 186 957	-	26 186 957	19 083 267		
District Municipality	800 000	300 000	1 100 000	1 300 000		
Internally generated funds	3 917 000	(1 571 196)	2 345 804	1 116 859		
Capital Expenditure	63 737 435	(5 937 500)	57 799 935	39 415 565	(18 384 370)	-32%

Note

The variance is due to an conditional grants not fully spent.

Component C: Cash flow Management and Investment

KOU-KAMMA MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	Actual 2024 R	2023 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services	25	474 533	357 090
Government Grant and Subsidies	21	123 107 357	115 748 549
Interest Received on investments	24	474 803	424 224
Other Receipts		59 565 631	48 209 859
Payments			
Employee Related Costs and remuneration of Councillors		(71 783 369)	(66 862 876)
Interest Paid	29	(978 770)	(562 645)
Suppliers Paid		(74 894 109)	(60 579 744)
NET CASH FLOWS FROM OPERATING ACTIVITIES	33	**35 966 076**	**36 734 457**
CASH FLOWS UTILISED FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	8	(39 415 565)	(35 186 358)
Purchase of Intangible Assets	9	-	-
Interest received on bank account and short-term deposits		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(39 415 565)**	**(35 186 358)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		**(3 449 489)**	**1 548 099**
Cash and Cash Equivalents at Beginning of Period		4 301 693	2 856 740
Cash and Cash Equivalents at End of Period		852 203	4 301 693

Component D: Other Financial Matters

Statement of Financial Position

KOU-KAMMA MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Actual 2024 R	Restated 2023 R
ASSETS			
Current Assets		**98 116 283**	**72 755 709**
Inventories	2	1 443 669	773 190
Receivables from Exchange Transactions	3	25 350 617	10 165 442
Receivables from Non-exchange Transactions	4	59 727 562	48 165 204
VAT Receivable	5	10 712 452	9 216 587
Cash and Cash Equivalents	6	852 823	4 404 840
Operating Lease Receivables	7	29 159	30 446
Non-Current Assets		**400 625 137**	**386 536 257**
Property, Plant and Equipment	8	375 648 548	361 522 786
Intangible Assets	9	19 574	42 674
Investment Property	10	24 957 015	24 970 797
Total Assets		**498 741 419**	**459 291 966**
LIABILITIES			
Current Liabilities		**54 632 371**	**37 587 003**
Consumer Deposits	11	232 315	105 758
Current Portion of employee benefits Liabilities	15	2 680 523	2 528 344
Provisions	12	353 350	757 033
Payables from Exchange Transactions	13	41 752 042	31 887 778
Unspent Conditional Grants and Receipts	14	9 614 140	2 308 090
Non-Current Liabilities		**17 853 770**	**16 226 999**
Employee Benefit Liabilities	15	10 330 488	9 808 660
Provisions	16	7 523 282	6 418 339
Total Liabilities		**72 486 141**	**53 814 002**
Net Assets		**426 255 278**	**405 477 963**
NET ASSETS		**426 255 278**	**405 477 963**
Accumulated Surplus	17	426 255 278	405 561 027
Total Net Assets		**426 255 278**	**405 477 963**

Notes

Receivables: The payment rate of debtors declined forcing an increase in the provision of doubtful debts.

Cash and cash equivalents: The balance represents unpent conditional grants amounting to R 9 614 140 and the unspent conditional grants is not cash backed.

Accounts payable: Due to cash flow constraints that emanates from the poor collection of revenue billed the accounts payable could not be settled within 30 days of receipt of invoice.

KPA 4 - FINANCIAL VIABILITY AND MANAGEMENT AND SUSTAINABILITY

Number of projects = 10

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 6	60%
	Number of projects partially achieved = 3	30%
	Number of Projects Lagging/Not Started = 1	10%

Financial Viability, management and Sustainability achieved 60% of its set targets for the 2023/24 FY.

Key performance indicators that have been partially achieved are related to revenue collection for the financial year.

The indicator on the development and reporting on the Audit Action Plan has not been achieved as anticipated for the financial year.

Finance have achieved a 91% on target/complete projects in the 2022/23 FY.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 4 - Financial Viability and Management and Sustainability											
FV01/2023		Compliance with the MFMA and mSCOA Regulations	Implementation of the MFMA and mSCOA Circulars	mSCOA Compliant Financial System and Annual Budget	Operational	Operational	Accurate mSCOA Compliant Financial System and Annual Budget	Financial system is mSCOA compliant and the budget is mSCOA compliant with immaterial issues	On target		Financial system is mSCOA compliant and the budget is mSCOA compliant
FV02/2023		Annual Budget compiled in line with the MFMA	Compilation of the Municipal Budget	Submission of Final Budget to Council and Treasury for 2024/25	Operational	Operational	Submission of Final Budget to Council and Treasury for 2024/25	Final budget adopted on the 23 May 2024	On target		2023/24 budget was adopted prior to the beginning of financial year and adopted

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
											budget was submitted to relevant Treasury
FV04/2023		Improvement of the revenue collection rate for the 2023/24 Financial year	Comply with the MFMA and Municipal Property Rates Act	Ensure Increase in Revenue collection by a certain percentage	Operational	Operational	Increase Service Revenue collection by 10% of the baseline of 2022/23 for 2023/24	Collection is R20 556 321,54 for 2023/24, baseline of R28 582 164.88 for 2022/23 FY	Partially Achieved	Implementation of revenue collection strategy	Collection is R28 582 164.88 for 2022/23, baseline of R25 830 571.81for 2021/22 FY - Increase of 11%
FV05/2023					Operational	Operational	Increase Rates Revenue collection by 10% of the baseline	Collection for rates is R22 260 756,12 for 2023/24	On Target		Collection for rates is R18 701 397,36 for 2022/23 - baseline is R15 417

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
							of 2022/23 for 2023/24	- baseline is R18 701 397,36 for 2022/23 - increase of 19%			915.08 for 2021/22 - increase of 12%
FV06/2023							Increase Traffic Fines Revenue collection by 20% of the baseline of 2022/23 for 2023/24	Collection for fines is R3 272 157,66 for 2023/24 FY - baseline is R4 466 976.83 for 2022/23 FY	Partially Achieved	Implementation of revenue collection strategy	Collection for fines is R4 466 976.83 for 2022/23 FY - baseline is R2 490 785.51 for 2021/22 FY increase of 55%

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
FV07/2023		Improvement of the revenue collection rate for the 2023/24 Financial year	Development of a Revenue Enhancement and Debt Recovery Strategy for the 2023/24 FY	Submit a number of reports to Council on the implementation of the Revenue Enhancement and Debt Recovery Strategy 2023/24 FY			4 Reports on the implementation of the Revenue Enhancement and Debt Recovery Strategy to Council	2 Reports on the implementation of Revenue Enhancement and Debt Recovery submitted to Council	Partially Achieved	Ensure the submission of a progress report to Council Quarterly	NEW KPI
FV08/2023		GRAP compliant Submissions in accordance with the MFMA	Accurate Reporting in Compliance with Legislation	Submit a number of Grap compliant AFS to AG	Operational	Operational	Grap Compliant AFS	Grap compliant AFS for 2022/23 submitted	On Target		GRAP compliant Annual financial statement were submitted to

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
				for Auditing							Auditor general within 2 months from year end for 2021/22
FV09/2023				Submit a number of reports to Treasury			Submission of 4 Section 52 Reports	4 Section 52 Reports submitted to Treasury in the FY	On Target		4 Section 52 Reports submitted to PT
FV10/2023				Submit a number of reports to Treasury			1) Submission of 12 Section 71 Reports and 2) 1 Section 72 reports to Treasury	1) 12 Section 71 Reports submitted to Treasury 2) 1 Section 72 Reports submitted to Treasury	On Target		12 Section 71 Reports and 1 Section 72 Report submitted to Treasury

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
FV11/2023		Compliance to AG Findings of 2022/23 FY	Implementation of the Audit Action Plan	Implementation and reporting on the AG Findings in Audit Action Plan			Implementation and reporting on the AG Findings in Audit Action Plan	No Audit Action Plan submitted to Council	Lagging	Audit Action plan in the process of being finalised and submitted to Council for approval	100% of AG Findings implemented but, not all items on the Audit Action Plan are resolved.

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

Overview of the Auditor-General Report includes the issues raised during the audit and remedial action taken to address the matters identified in the audit report.

The Municipality received an Adverse outcome.

Report of the auditor-general to Eastern Cape Legislature and Council on the Kou-Kamma Local Municipality

Report on the audit of the financial statements

Adverse opinion

1. I have audited the financial statements of the Kou-Kamma Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, because of the significance of the matters described in the basis for adverse opinion section of this auditor's report, the financial statements do not present fairly, in all material respects, the financial position of the Kou-Kamma Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for adverse opinion

Revenue from non-exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence regarding the revenue from non-exchange transactions disclosed in the financial statements, as the municipality did not provide requested journals and the supporting documentation amounting to R82,2 million for audit purposes. I was unable to audit these journals by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to fines amounting to R26,1 million and government grants and subsidies received amounting to R109,4 million in the financial statements.

The full report of the Auditor General is attached.

Report on the audit of the financial statement

Report of the auditor-general to Eastern Cape Legislature and Council on the Kou-Kamma Local Municipality

Report on the audit of the financial statements

Adverse opinion

1. I have audited the financial statements of the Kou-Kamma Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, because of the significance of the matters described in the basis for adverse opinion section of this auditor's report, the financial statements do not present fairly, in all material respects, the financial position of the Kou-Kamma Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for adverse opinion

Revenue from non-exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence regarding the revenue from non-exchange transactions disclosed in the financial statements, as the municipality did not provide requested journals and the supporting documentation amounting to R82,2 million for audit purposes. I was unable to audit these journals by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to fines amounting to R26,1 million and government grants and subsidies received amounting to R109,4 million in the financial statements.

Expenditure

4. I was unable to obtain sufficient appropriate audit evidence regarding the expenditure disclosed in the financial statements, as the municipality did not provide requested journals and the supporting documentation amounting to R63,4 million for audit purposes. I was unable to audit these journals by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to employee related cost amounting to R81 million, contracted services amounting to R9,8 million and general expenses of R25,3 million in the financial statements.

Cash flow statement

5. The municipality did not correctly prepare and disclose the net cash flows from operating activities as required by Standards of GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from operating activities for both current year and prior year restated figures. I was not able to determine the full extent of the errors in the net cash flows from operating activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated at R36 million (2023: R36,7 million) in the financial statements were necessary.

Payables

6. I was unable to obtain sufficient appropriate audit evidence regarding the payables from exchange transactions disclosed in the financial statements, as the municipality did not provide requested journals and the supporting documentation amounting to R17,5 million for audit purposes. I was unable to audit these journals by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to payables from exchange transactions amounting to R41,8 million in the financial statements.

Unspent conditional grants

7. I was unable to obtain sufficient appropriate audit evidence for unspent conditional grants, as the amounts disclosed in the financial statements did not agree with the underlying records. I was unable to confirm the unspent conditional grants by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to unspent conditional grants stated at R9,6 million in the financial statements.

Revenue from exchange transactions

8. I was unable to obtain sufficient appropriate audit evidence regarding the revenue from exchange transactions disclosed in the financial statements, as the municipality did not provide requested journals and the supporting documentation amounting to R6,7 million for audit purposes. I was unable to audit these journals by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to service charges amounting to R51,9 million in the financial statements.

Interest earned – Outstanding Debtors

9. I was unable to obtain sufficient and appropriate audit evidence for interest earned-outstanding debtors relating to exchange transactions due to the status of the accounting records. I was unable to confirm the interest earned by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to interest earned – outstanding debtors relating to exchange transactions stated at R6,7 million (2023: R14,1 million) in the financial statements.

Statement of changes in net assets (SCNA)

10. The municipality did not disclose the correction of prior period errors as disclosed in note 35 of the financial statements in the SCNA in accordance with *GRAP 1: Presentation of financial statements*. As a result, the prior year the surplus for the year relating to 30 June 2023 is understated by R33,1 million respectively.

Property plant and equipment – additions to infrastructure work in progress (WIP)

11. Paragraph 87 of GRAP 17 *Property plant and equipment* (PPE) requires that the cumulative expenditure of PPE that is in the process of being constructed and recognised in the carrying value of PPE to be disclosed in the notes to the financial statements. Additions to infrastructure WIP of R38,8 million was disclosed in note 8 to the financial statements. The municipality did not accurately account for all the expenditure relating to projects funded by grants resulting in WIP and payables from exchange transactions being understated by R7,9 million and as a result capital commitments disclosed in note 38 are overstated by the same amount.

Unauthorised expenditure

12. The municipality did not disclose all unauthorised expenditure in the notes to the financial statements, as required by 125(2)(d)(i) of the MFMA. Expenditure incurred in contravention of the MFMA during the year amounting to R18,1 million was not disclosed. As a result, unauthorised expenditure incurred during the year disclosed in note 34.1 to the financial statements are understated by R18,1 million.

VAT receivable

13. The municipality disclosed the VAT receivable by offsetting the VAT accrual and VAT control accounts in contradiction with GRAP 1, *Presentation of financial statements* which only allows offsetting if allowed by another GRAP standard. Currently no other standard allows the offsetting of the VAT accrual and the VAT control accounts. Consequently, the VAT receivable stated at R10,7 million in the financial statements is overstated by R10,6 million .

14. The municipality did not account for the VAT on debt impairments correctly. As a result the VAT on impairment is overstated by R10,5 million.

Irregular expenditure

15. The municipality did not disclose all irregular expenditure in the notes to the financial statements, as required by 125(2)(d)(i) of the MFMA. Expenditure incurred in contravention of the supply chain management (SCM) requirements during the year amounting to R5,9 million was not disclosed. As a result, irregular expenditure incurred during the year disclosed in note 34.3 to the financial statements are understated by R5,9 million.

16. The amounts in the irregular expenditure narrative as disclosed in note 34.3 are incorrectly stated. The irregular expenditure of R39,7 million has been overstated by R28,5 million .

17. I was unable to obtain sufficient and appropriate audit evidence that some of the grant expenditure incurred were in accordance with the conditions of the grants due to the status of the accounting records. I was unable to confirm if the expenditure was incurred in accordance with the conditions of the grants by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to irregular expenditure stated at R11,2 million in note 34.3 and government grants stated at R109,4 million in the statement of financial performance.

Statement of comparison of budget and actual information

18. The municipality did not accurately disclose the budget and the actual amounts, as required by GRAP 24, *Presentation of budget information in financial statements*. The statement of comparison of budget information and actual information did not include bad debts written off of R17,5 million as disclosed in the statement of financial performance. Consequently, the statement of comparison of budget information and actual information did not disclose the variance between the budgeted and actual bad debts as well as the reasons for the variance.

19. The municipality did not disclose adequate reasons for the material differences between the budget and the actual amounts in the statement of comparison of budget information with actual information as at 30 June 2024 as required by GRAP24.12(c).

Receivables from non-exchange transactions: Control, clearing and interface accounts

20. The municipality incorrectly recognised the control, clearing and interface accounts in contradiction with *GRAP 1: Presentation of financial statements*. The municipality did not reconcile and clear the control, clearing and interface accounts stated at R7,4 million in note 4 to the financial statements at year end. Consequently, the receivables from non-exchange transactions are overstated by R7,4 million.

Segment reporting

21. GRAP 1: *Presentation of financial statements* requires that comparative information shall be presented in respect of the preceding period for all amounts reported in the financial statements. The municipality did not disclose the segment reporting for the financial year ended 30 June 2023 in the financial statements as required by GRAP 18 – Segment reporting.

Fines – prior period amount

22. The municipality did not disclose fines in accordance with *GRAP 1: Presentation of financial statements*. Fines for the prior year were stated at R62,5 million in the statement of financial performance. In note 19 to the financial statements, these fines are stated at R30,5 million resulting in an understatement of R32 million in the note to the financial statements.

Context for opinion

23. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

24. 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.

25. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Material uncertainty relating to going concern

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

27. I draw attention to note 46 to the financial statements, which indicates that the municipality does not have enough cash resources available to meet its obligations when they are due. As a result, certain creditors have insisted on providing services only on a cash basis.

28. These conditions, along with other matters and mitigating strategies set forth in note 46 to the financial statements, indicate the existence of a material uncertainty that may cast doubt on the municipality's ability to continue operating as a going concern.

Emphasis of matter

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

Material impairments

30. As disclosed in notes 3 and 4 to the financial statements, impairments of R131 million (2023: R106 million) relating to receivables from exchange and R132,7 million (2023: R106 million) relating to receivables from non-exchange transactions were incurred as a result of irrecoverable debtors.

Material losses

31. As disclosed in note 36 to the financial statements, the municipality incurred material losses relating to water of R16,9 million (2023: R10.6 million).

Irregular expenditure

32. As disclosed in note 34.3 to the financial statements, the municipality incurred irregular expenditure of R11 million, as it did not follow a proper tender process. The majority of the irregular expenditure was caused by not having a properly composed bid adjudication committee for procurement processes which relates to awards in a prior financial year.

Restatement of corresponding figures

33. As disclosed in note 35 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Other matter

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

Unaudited disclosure notes

35. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not

form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

36. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and 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.

37. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

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

Report on the annual performance report

40. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

41. I selected the following material performance indicators related to Basic service delivery and infrastructure investment presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Percentage complete with the paving of gravel roads in Mountain View (Phase 2)
- Percentage of completion with the refurbishments of the ponds, pump stations and bulk sewer lines (Phase 1)

- Percentage of completion with the upgrading of the Joubertina water treatment works in the 2023/24 FY
- Construction of a new building for the DLTC in Joubertina in the 2023/24 FY
- Construction of sidewalks and surfacing of existing bitumen
- Percentage complete with the installation of a high mast lights in the area by the end of Aug 2025
- Conduct a number of fire safety inspections
- Conduct a number of fire awareness campaigns
- Procurement of a fire truck (with branding) by 30 June 2024
- Procurement of a fire response vehicle with skid and branding by 30 June 2024
- Number of jobs created through EPWP
- Number of jobs created through waste management programme
- Percentage expenditure on the waste management programme

42. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

43. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner

- there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

44. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

45. The material finding on the reported performance information for the selected material indicators is as follows:

Percentage complete with the installation of a high mast lights in the area by the end of Aug 2025

46. The target in the annual performance report differed from what was committed to in the approved planning documents. The reported target was 30% complete with the installation of high mast lights in the area by the end of August 2024, while the planned target was stated as August 2025 in the service delivery and budget implementation plan (SDBIP).

Other matters

47. I draw attention to the matters below.

Achievement of planned targets

48. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material finding on the reported performance information.

49. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages [xx to xx].

Basic service delivery and infrastructure investment

Targets achieved: 43% *Budget spent: 69%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Percentage of completion with the upgrading of the Joubertina water treatment works in the 2023/24 FY	30%	5%
Construction of a new building for the DLTC in Joubertina in the 2023/24 FY	50%	8%
Construction of sidewalks and surfacing of existing bitumen	100%	91%
Conduct a number of fire safety inspections	12	3

Conduct a number of fire awareness campaigns	8	4
Procurement of a fire truck (with branding) by 30 June 2024	1	0
Procurement of a fire response vehicle with skid and branding by 30 June 2024	1	0
Percentage expenditure on the waste management programme	60%	59%

Material misstatements

50. I identified a material misstatement in the annual performance report submitted for auditing. The material misstatement was in the reported performance information for Basic service delivery and infrastructure investment. Management subsequently corrected the misstatement, and I did not include any material findings in this report.

Report on compliance with legislation

51. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

52. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

53. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

54. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

55. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

56. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/ or supporting records that could not be provided resulted in the financial statements receiving an adverse audit opinion.

Expenditure management

57. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

58. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R943 858, as disclosed in note 34.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest paid due to late payment of supplier invoices.

59. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for qualification paragraph. The majority of the unauthorised expenditure was caused by overspending of votes.

Revenue management

60. I was unable to obtain sufficient appropriate audit evidence that interest had been charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

61. An effective system of internal control for debtors was not in place, as required by section 64(2)(f) of the MFMA.

Asset management

62. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

63. An investment policy was not adopted by council, as required by section 13(2) of the MFMA and municipal investment regulation 3(1)(a).

Consequences management

64. Insufficient evidence was obtained that unauthorised expenditure incurred by the municipality was investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

65. Insufficient evidence was obtained that fruitless and wasteful incurred by the municipality was investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

66. Insufficient evidence was obtained that irregular expenditure incurred by the municipality was investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

Utilisation of conditional grants

67. I was unable to obtain sufficient appropriate audit evidence that all the grants were spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Division of Revenue Act (Act 5 of 2023).

Procurement and contract management

68. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c).

Human resource management

69. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA and regulation 31 of Municipal Staff Regulations.

Other information in the annual report

70. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.

71. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

72. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

73. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

74. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

75. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the adverse opinion, the finding on the selected material indicator included in the annual performance report and the material findings on compliance with legislation included in this report.

76. There was instability in the position of accounting officer as the position remained vacant for the full year and there were four acting municipal managers during the financial year. The position of the chief financial officer was also vacant for seven months during the financial year.

77. Leadership did not exercise adequate oversight over the financial statement preparation process and this contributed to repeat audit findings and material misstatements in the financial statements. Management did not adequately review the financial statements.

78. The municipality did not adequately implement its action plan to address the internal control deficiencies that were identified and reported in previous financial years. Registers, listings and schedules to support amounts disclosed in the financial statements were not properly maintained and reconciled to the general ledger throughout the year, and were only updated and reconciled at year end during the financial statement preparation process. Some of the requested information for audit purposes were not submitted due to poor recordkeeping.

79. In addition, the municipality did not have a proper annual financial statement plan to ensure that the annual financial statements are submitted at the time agreed to the internal auditors and audit committee for review.

80. Leadership did not effectively fulfil its oversight responsibilities on the implementation and monitoring of internal controls and compliance with laws and regulations.

81. The performance management system policy and standard operating procedures in place are only in respect of the municipal manager and those staff reporting directly to the municipal manager. This resulted in the human resources management non-compliance paragraph.

Auditor General

East London

29 November 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b),

Legislation	Sections or regulations
	Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J (1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

APPENDIXES DESCRIPTIONS (A-T)

APPENDIXES DESCRIPTIONS (A-T)

APPENDIX A: COUNCILLORS, COMMITTEE ALLOCATIONS AND COUNCIL ATTENDANCE
COUNCIL MEETING ATTENDANCE

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

APPENDIX C: ORGANOGRAM

APPENDIX D: FUNCTIONS & POWERS OF MUNICIPALITY

APPENDIX "E" WARD REPORTING
N/A

APPENDIX F: PROJECTS PER WARD
N/A

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST

APPENDIX K: REVENUE COLLECTION PERFORMANCE

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG (REFER TO FINANCIAL STATEMENTS)

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES: INCLUDING MIG (REFER TO FINANCIAL STATEMENTS)

CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR (REFER TO FINANCIAL) STATEMENTS

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

N/A

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION TECHNICAL
N/A

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

N/A

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71
N/A

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

APPENDIX A: COUNCILLORS, COMMITTEE ALLOCATIONS AND COUNCIL ATTENDANCE

COUNCIL MEETING ATTENDANCE

	Quarter 1 27/07/23-27/09/23					Quarter 2 25/10/23-19/12/23							Quarter 3 16/01/24-2/03/24									Quarter 4 15/04/24-23/05/24		
Name& Surname	27/07/23	04/08/23	22/08/23	31/08/23	27/09/23	25/10/23	27/10/23	02/11/23	15/11/23	30/11/23	07/12/23	19/12/23	16/01/24	24/01/24	30/01/24	15/02/24	28/02/24	04/03/24	12/03/24	22/03/24	28/03/24	15/04/24	08/05/24	23/05/24
Cllr. F. J. Yake	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cllr. D. Maasdorp	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cllr. R. Campher	✓	✓	✓	×	✓	×	✓	✓	✓	✓	✓	×	×	×	×	×	✓	✓	✓	✓	✓	×	×	✓
Cllr. R. Fillis	×	×	✓	✓	✓	×	✓	✓	×	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	×	×	×	×
Cllr. V. X. Persent	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	×	×	✓	✓	✓	✓	✓	×	✓	×	×	✓
Cllr. C. May	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cllr. N. Sikiwe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	×	✓	✓	✓	✓
Cllr. R. Krige	✓	✓	✓	×	✓	×	×	✓	×	✓	✓	×	✓	×	✓	✓	✓	✓	×	✓	×	×	✓	✓
Cllr. K. Smit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	✓	✓
Cllr. F. Strydom	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cllr. B. Jantjies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cllr. S. Ferguson	✓	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	×	×	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓

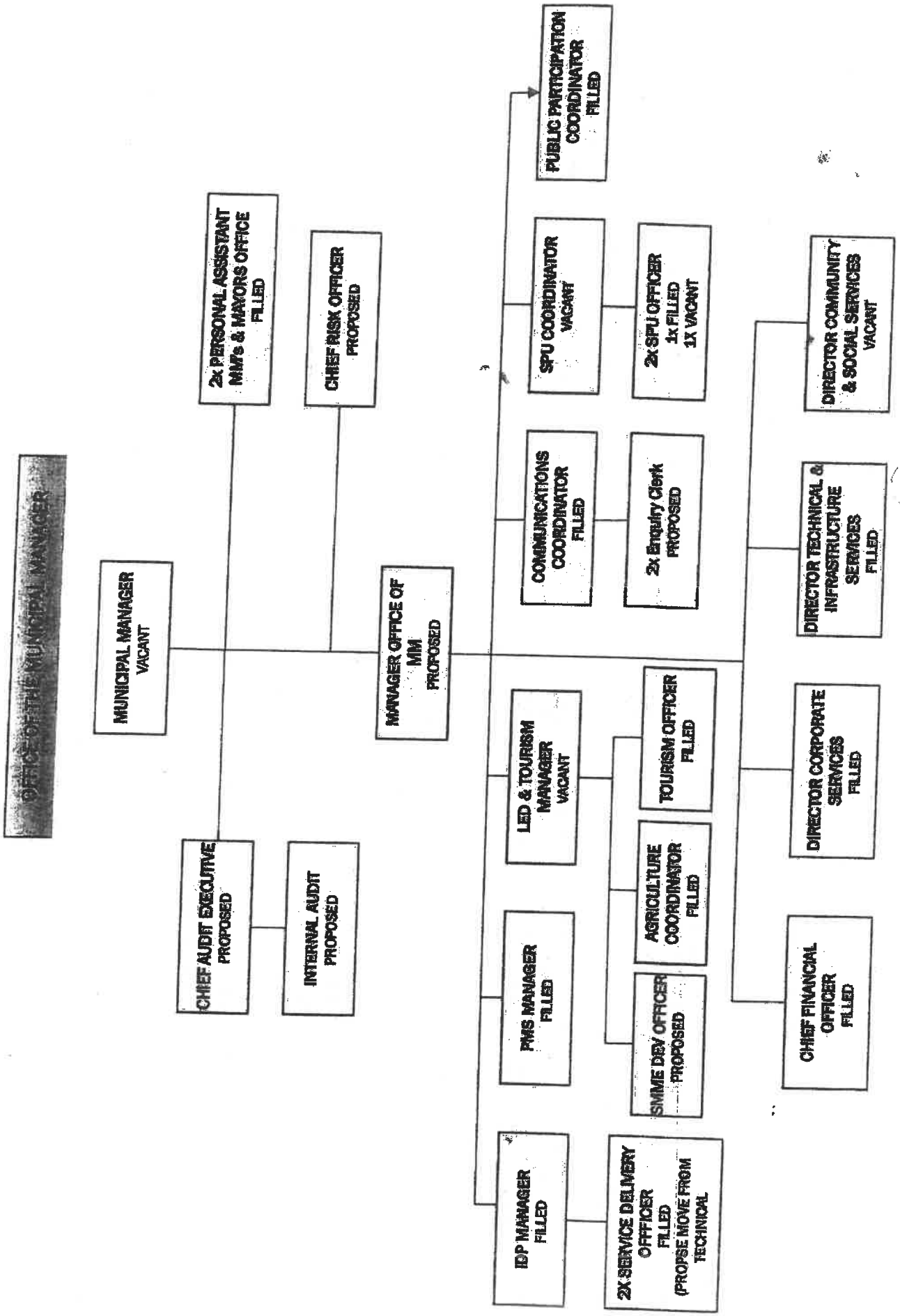
APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE
PLEASE REFER TO CHAPTER 2 (2.4.7.1)

Corporate Services Portfolio	Committee Members	Alternate Members	Functions
	Cllr. K. Smith	Mr. L. Somtseu	• Administration • Human Resources • ICT
	Cllr. N. Sikiwe	Ms. M. Witbooi	
	Cllr. C. May	Ms. N. Stokwe	
	Cllr. B. Jantjies	Mr. M. Molefe	
	Cllr. R. Campher		
LED & Tourism Portfolio	**Committee Members**	**Alternate Members**	**Functions**
	Cllr. F. Yake	Ms. H. Faulkner	• Tourism • PMS • SPU • Communications • Public Participation • IDP
	Cllr. R. Campher	Mr. M. Mbeki	
	Cllr. N. Sikiwe	Ms. M. Lutshete	
	Cllr. S. Ferguson	Ms. N. Siqoko	
	Cllr. V. Persent		

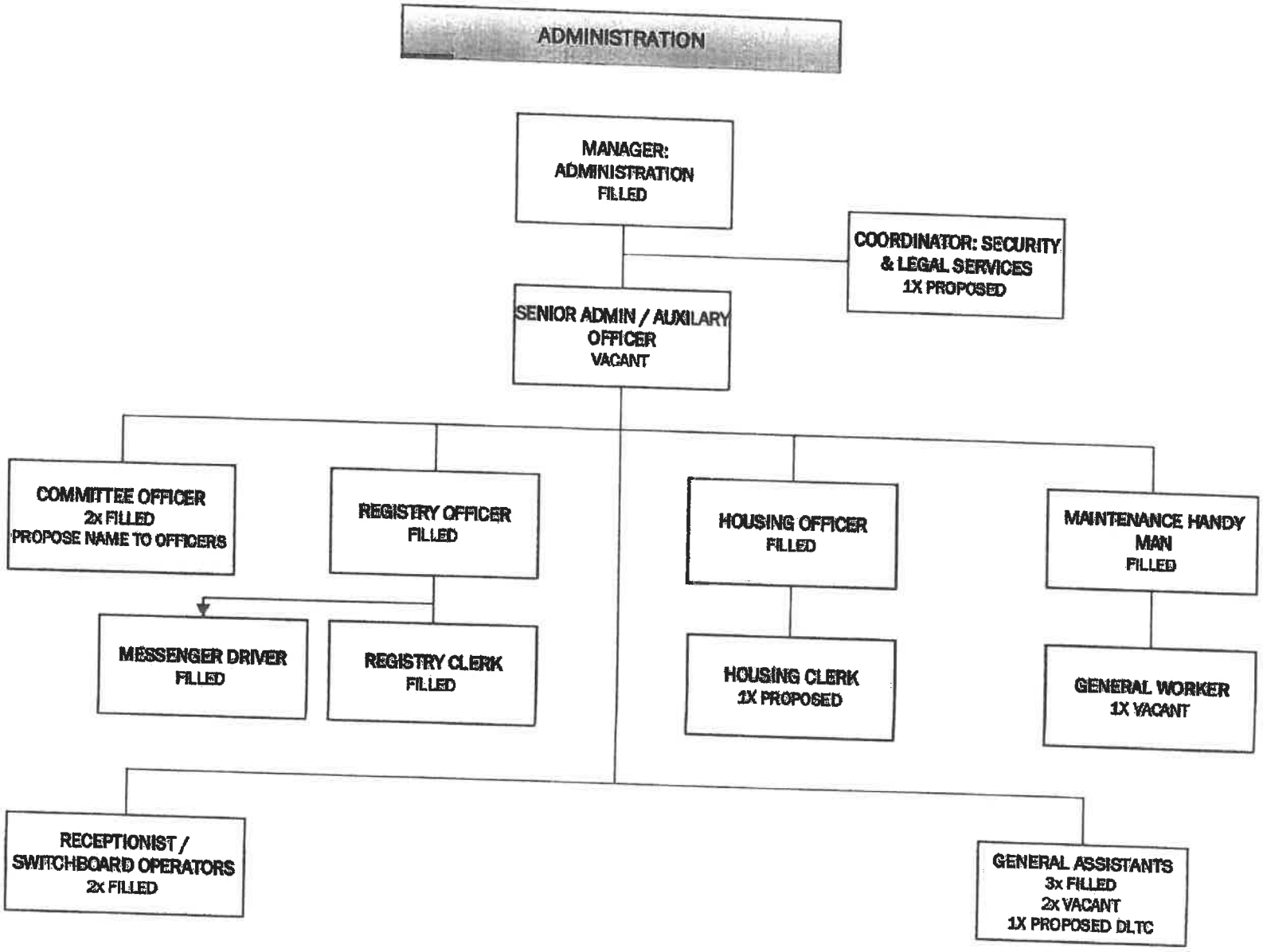
Finance Service Portfolio	Committee Members	Alternate Members	Functions
	Cllr. F. Yake	Mr. T. Mrwetyana	• Budget & treasury • Revenue • Expenditure • Assets Management • Supply Chain Management
	Cllr. R. Campher	Mr. M. Mzinzi	
	Cllr. N. Sikiwe	Ms. S. Hulana	
	Cllr. S. Ferguson		
	Cllr. V. Persent		
Technical Service Portfolio	**Committee Members**	**Alternate Members**	**Functions**
	Cllr. R. Fillis	Mr. M. Qalaba	• Infrastructure • Civil services • PMU • Electrical Services • Town & Regional Planning
	Cllr. V. Persent	Mr. S. Arosi	
	Cllr. C. May	Mr. A. Mazantsana	
	Cllr. R. Krige	Mr. B. Prinsloo	
	Cllr. R. Campher		
Community Service Portfolio	**Committee Members**	**Alternate Members**	**Functions**
	Cllr. R. Fillis	Mr. M. Qalaba	

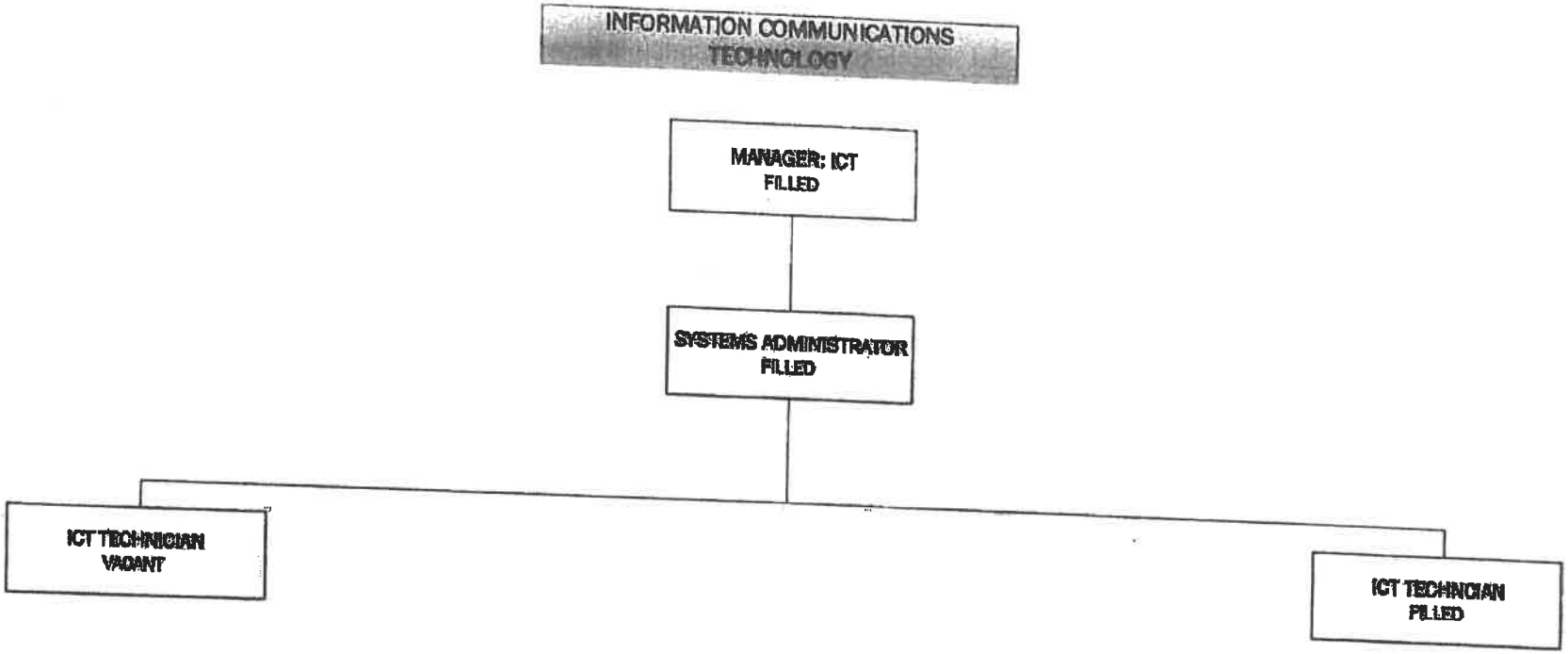
	Cllr. V. Persent	Ms. N. Qolo	• Environmental Management • Protection Services • Fire Service
	Cllr. C. May	Mr. P. Floors	
	Cllr. R. Krige	Mr. J. Conway	
	Cllr. R. Campher		

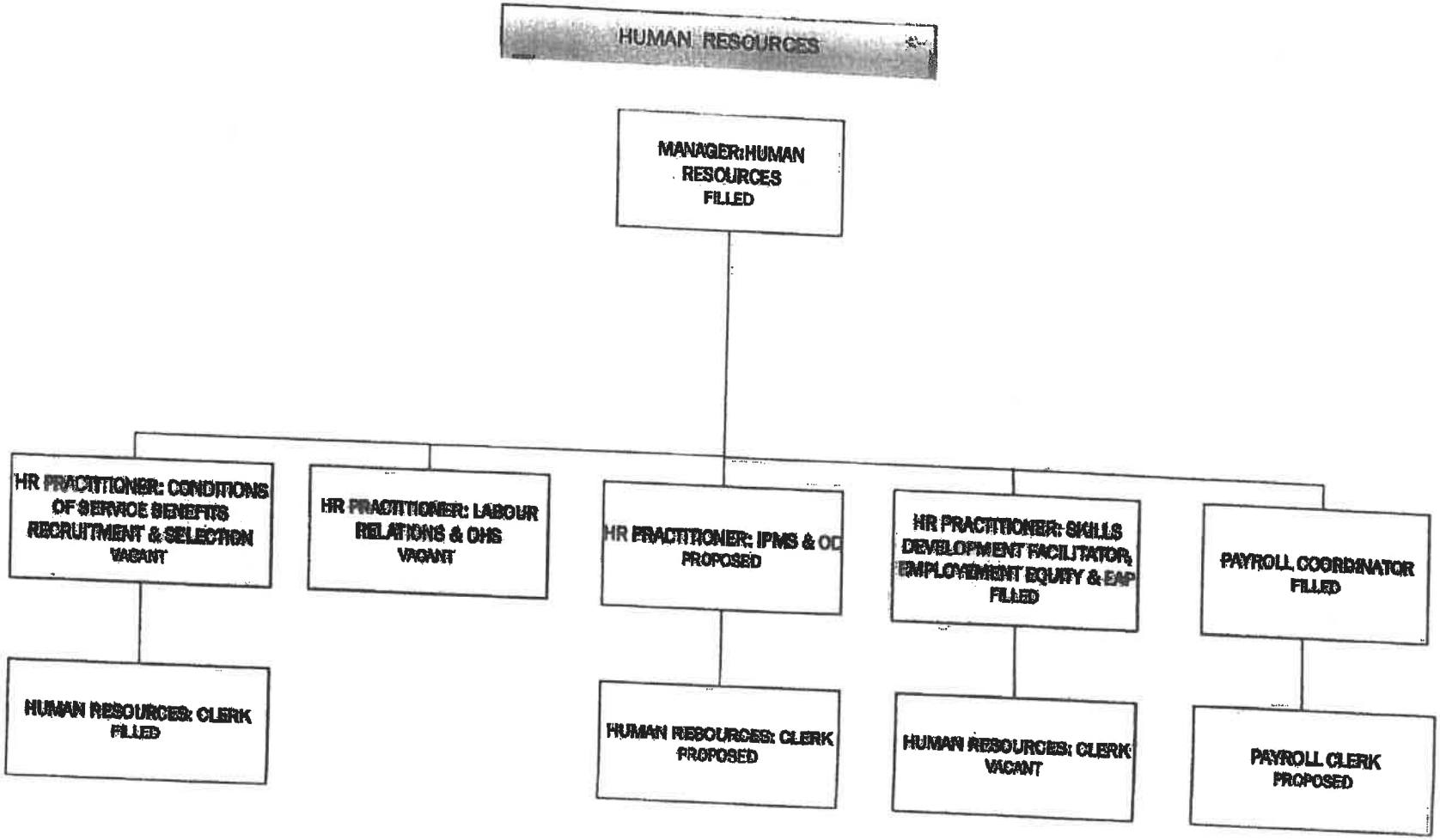
APPENDIX C: ORGANOGRAM
**PLEASE REFER TO CHAPTER 4 (*PAGE*

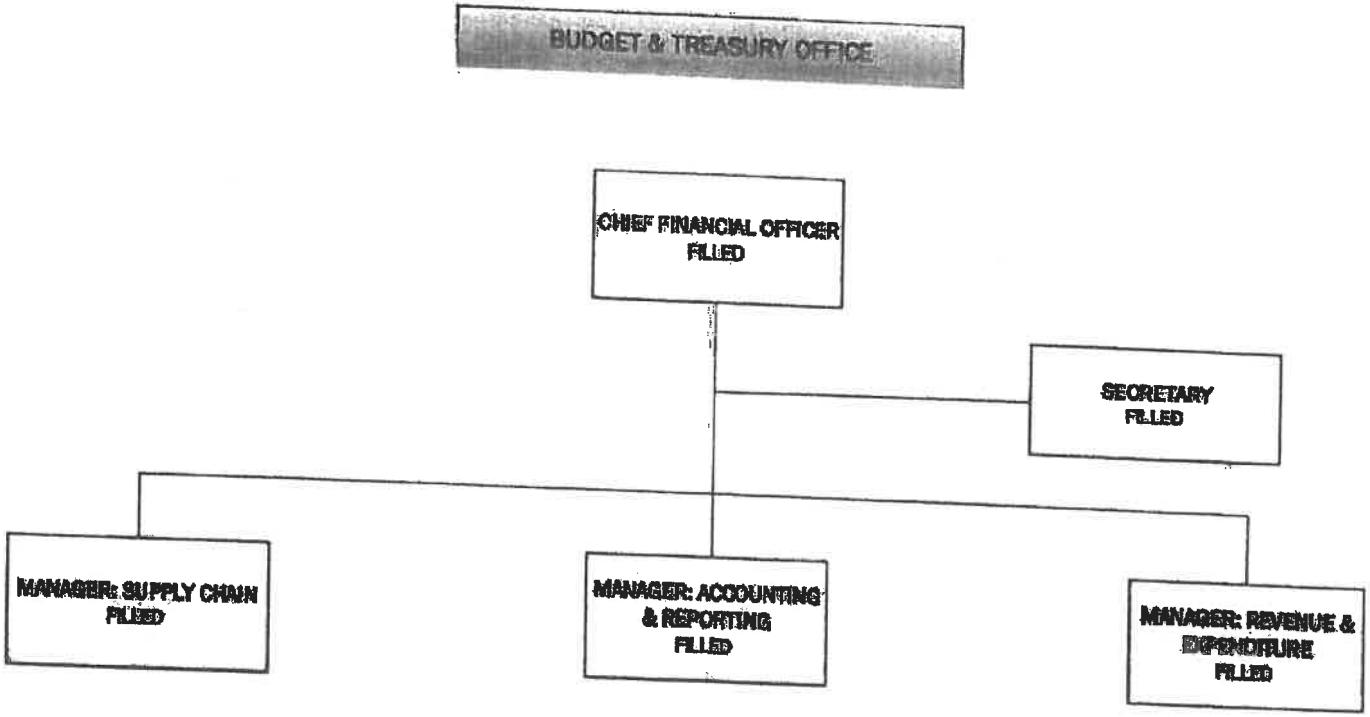


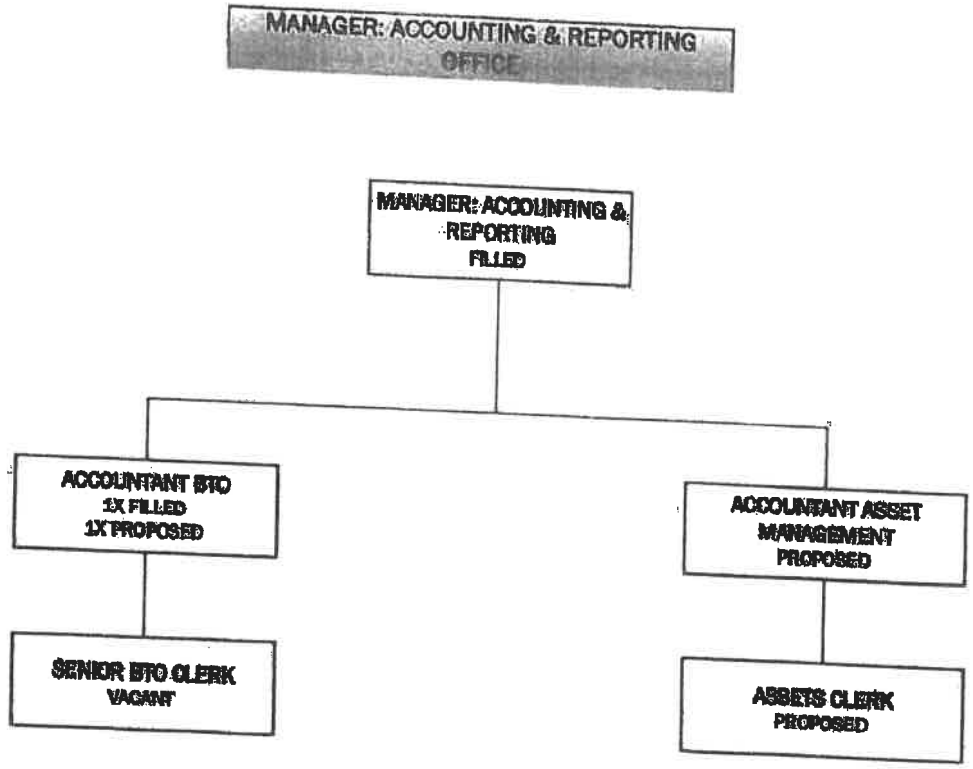
CORPORATE SERVICES
DIRECTOR: CORPORATE SERVICES FILLED
SECRETARY VACANT
MANAGER: HUMAN RESOURCES FILLED
MANAGER: ADMINISTRATION FILLED
MANAGER ICT FILLED

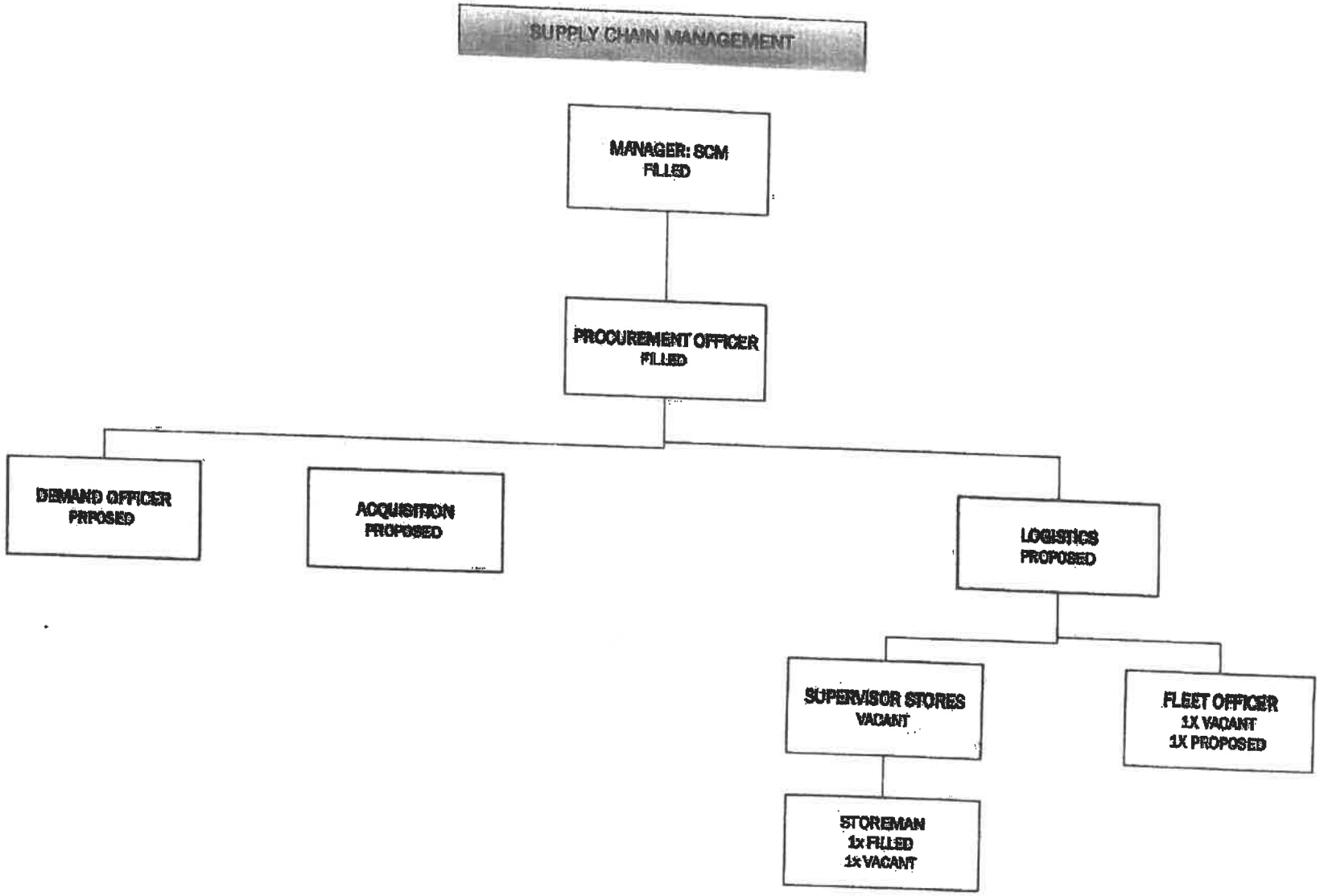

ADMINISTRATION
MANAGER: ADMINISTRATION FILLED
COORDINATOR: SECURITY & LEGAL SERVICES 1X PROPOSED
SENIOR ADMIN / AUXILARY OFFICER VACANT
COMMITTEE OFFICER 2x FILLED PROPOSE NAME TO OFFICERS
REGISTRY OFFICER FILLED
HOUSING OFFICER FILLED
MAINTENANCE HANDY MAN FILLED
MESSENGER DRIVER FILLED
REGISTRY CLERK FILLED
HOUSING CLERK 1X PROPOSED
GENERAL WORKER 1X VACANT
RECEPTIONIST / SWITCHBOARD OPERATORS 2x FILLED
GENERAL ASSISTANTS 3x FILLED 2x VACANT 1X PROPOSED DLTC

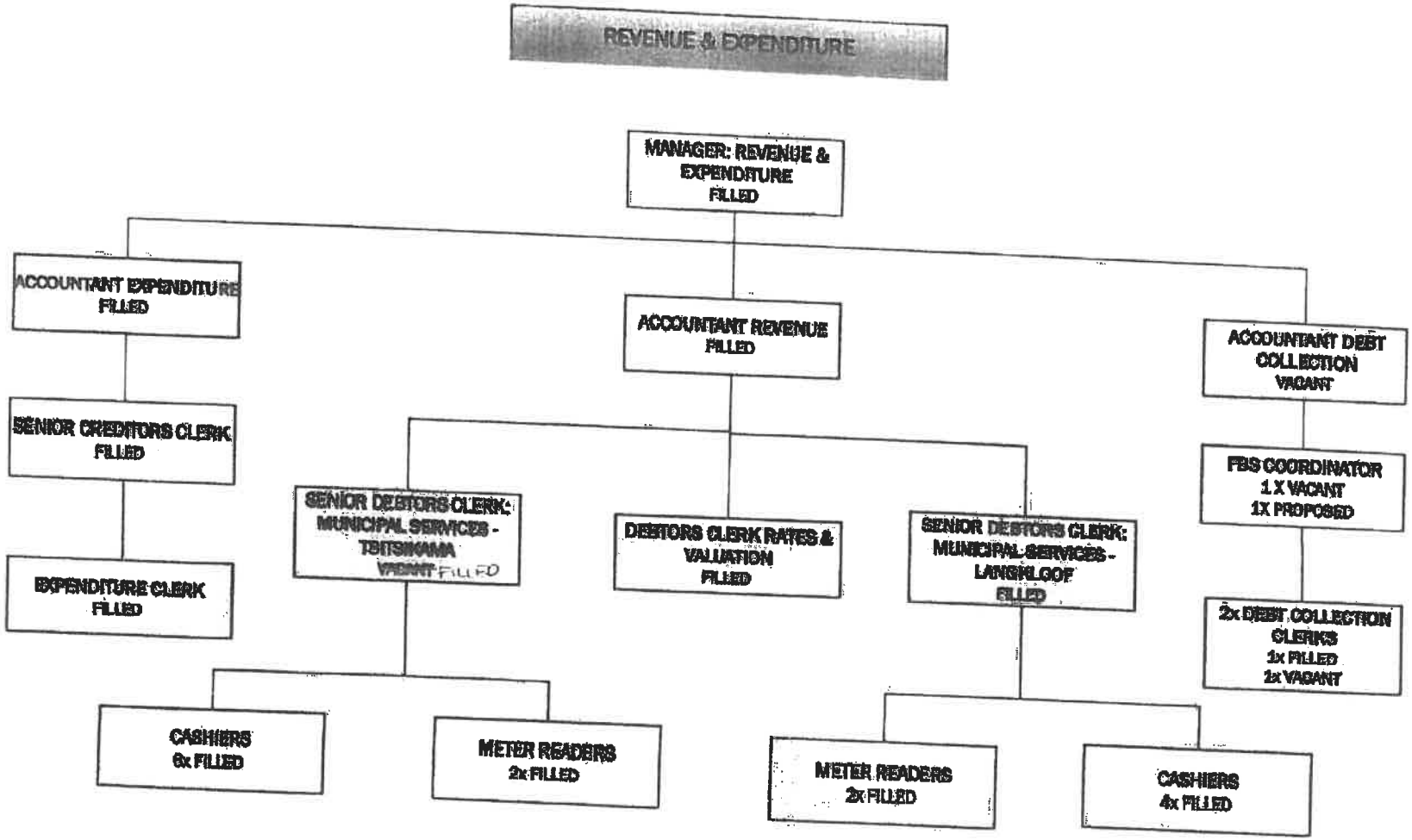

INFORMATION COMMUNICATIONS TECHNOLOGY
MANAGER: ICT
FILLED
SYSTEMS ADMINISTRATOR
FILLED
ICT TECHNICIAN
VACANT
ICT TECHNICIAN
FILLED

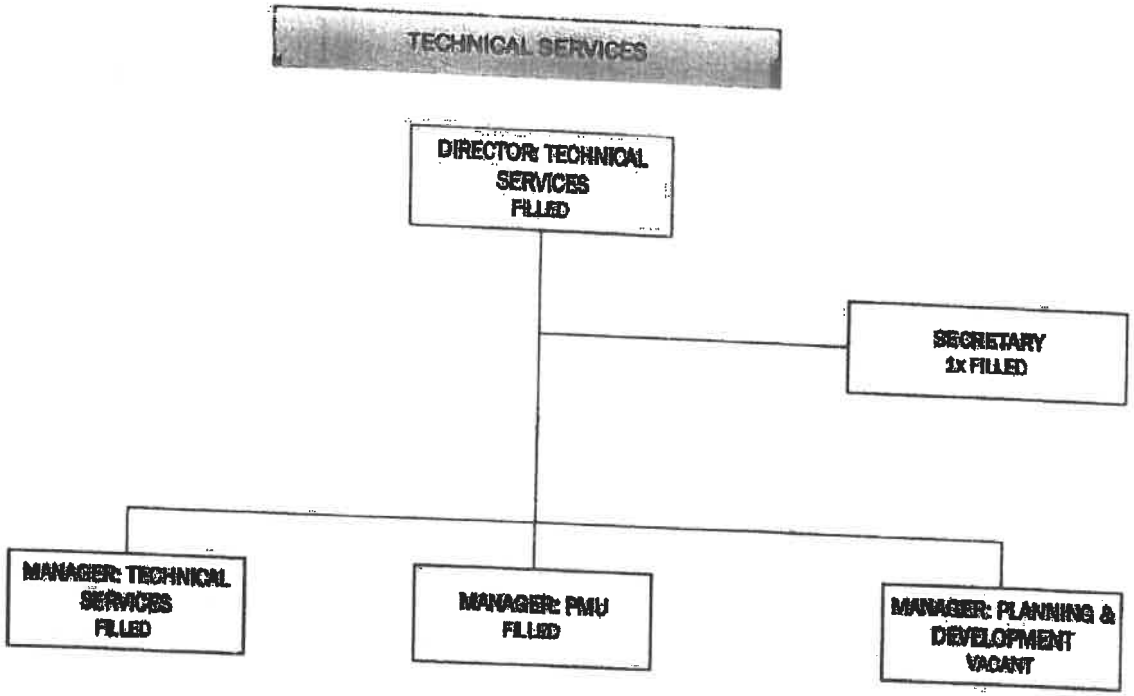

HUMAN RESOURCES
MANAGER:HUMAN RESOURCES
FILLED
HR PRACTITIONER: CONDITIONS OF SERVICE BENEFITS RECRUITMENT & SELECTION
VACANT
HR PRACTITIONER: LABOUR RELATIONS & OHS
VACANT
HR PRACTITIONER: IPMS & OD
PROPOSED
HR PRACTITIONER: SKILLS DEVELOPMENT FACILITATOR, EMPLOYMENT EQUITY & EAP
FILLED
PAYROLL COORDINATOR
FILLED
HUMAN RESOURCES: CLERK
FILLED
HUMAN RESOURCES: CLERK
PROPOSED
HUMAN RESOURCES: CLERK
VACANT
PAYROLL CLERK
PROPOSED

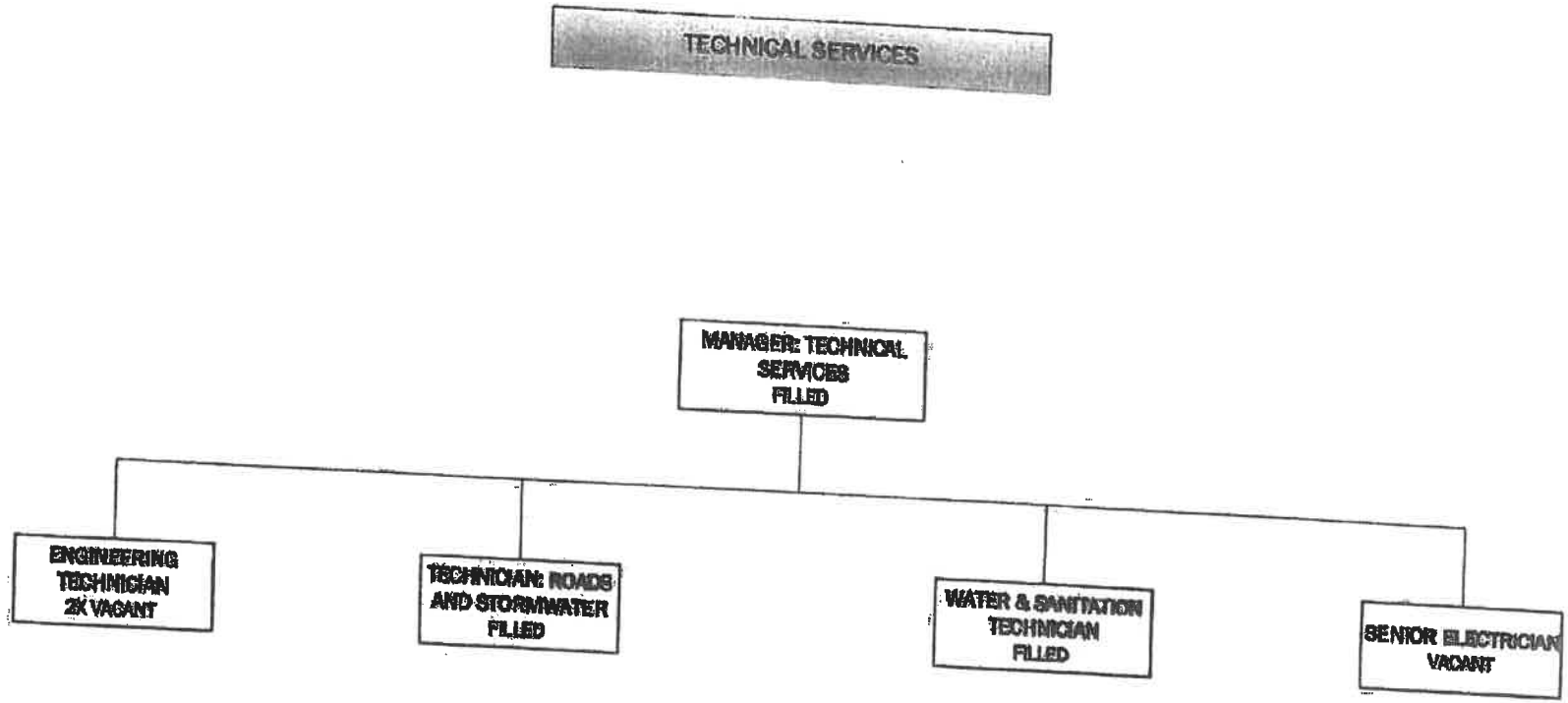

BUDGET & TREASURY OFFICE
CHIEF FINANCIAL OFFICER
FILLED
SECRETARY
FILLED
MANAGER: SUPPLY CHAIN
FILLED
MANAGER: ACCOUNTING & REPORTING
FILLED
MANAGER: REVENUE & EXPENDITURE
FILLED

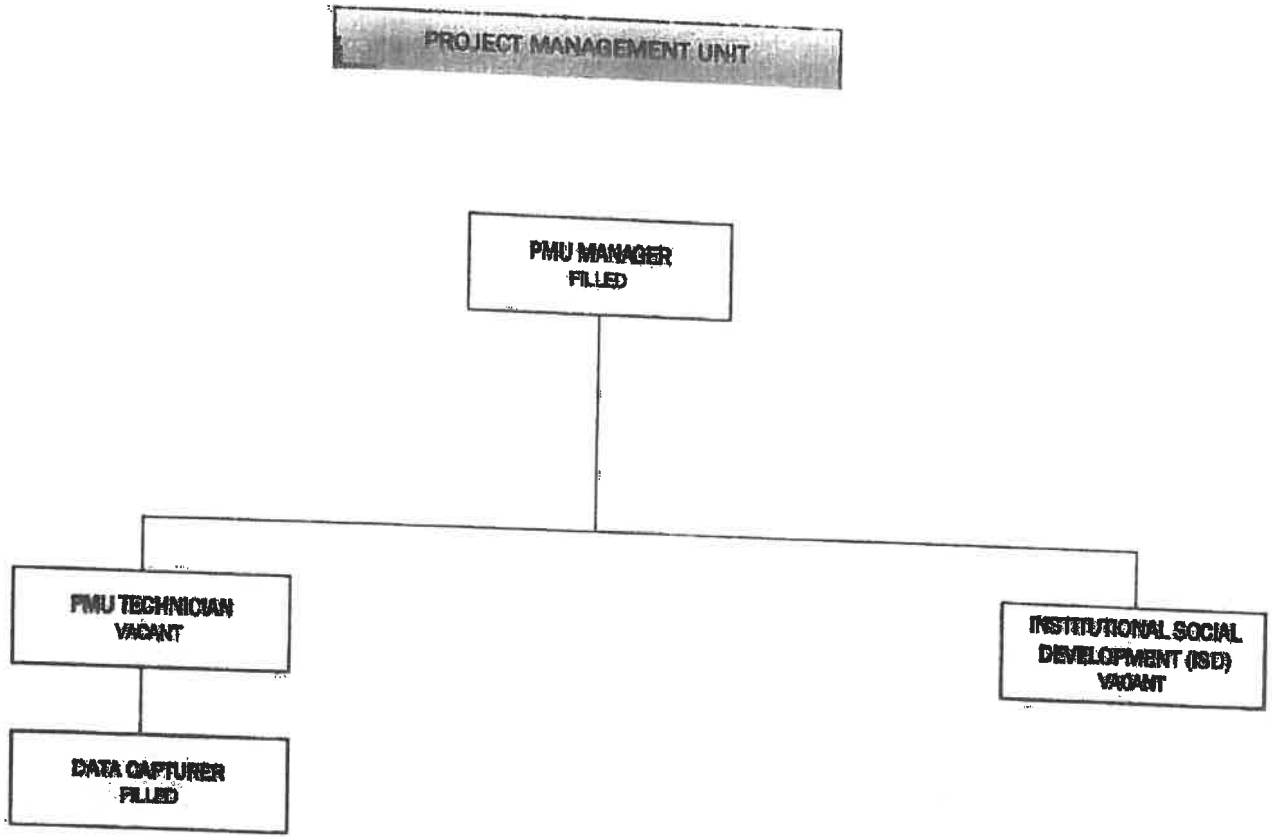

MANAGER: ACCOUNTING & REPORTING OFFICE
MANAGER: ACCOUNTING & REPORTING
FILLED
ACCOUNTANT BTO
1X FILLED
1X PROPOSED
SENIOR BTO CLERK
VACANT
ACCOUNTANT ASSET MANAGEMENT
PROPOSED
ASSETS CLERK
PROPOSED

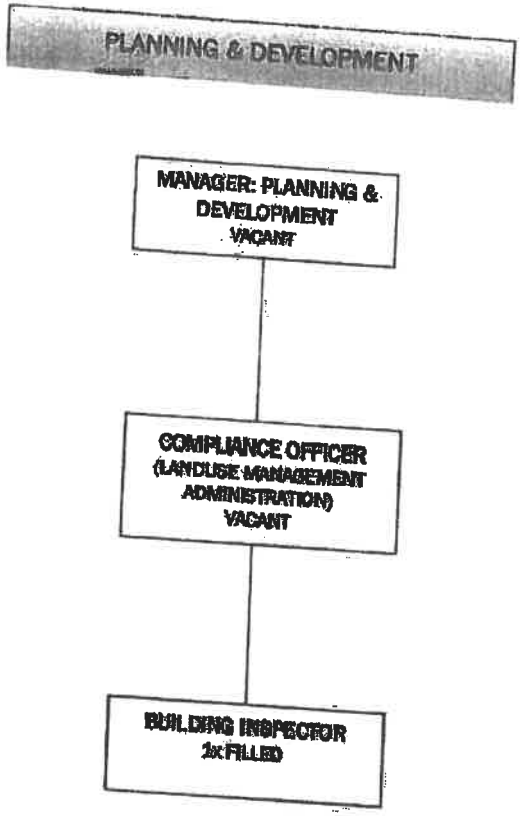

SUPPLY CHAIN MANAGEMENT
MANAGER: SCM
FILLED
PROCUREMENT OFFICER
FILLED
DEMAND OFFICER
PROPOSED
ACQUISITION
PROPOSED
LOGISTICS
PROPOSED
SUPERVISOR STORES
VACANT
FLEET OFFICER
1X VACANT
1X PROPOSED
STOREMAN
1x FILLED
1x VACANT

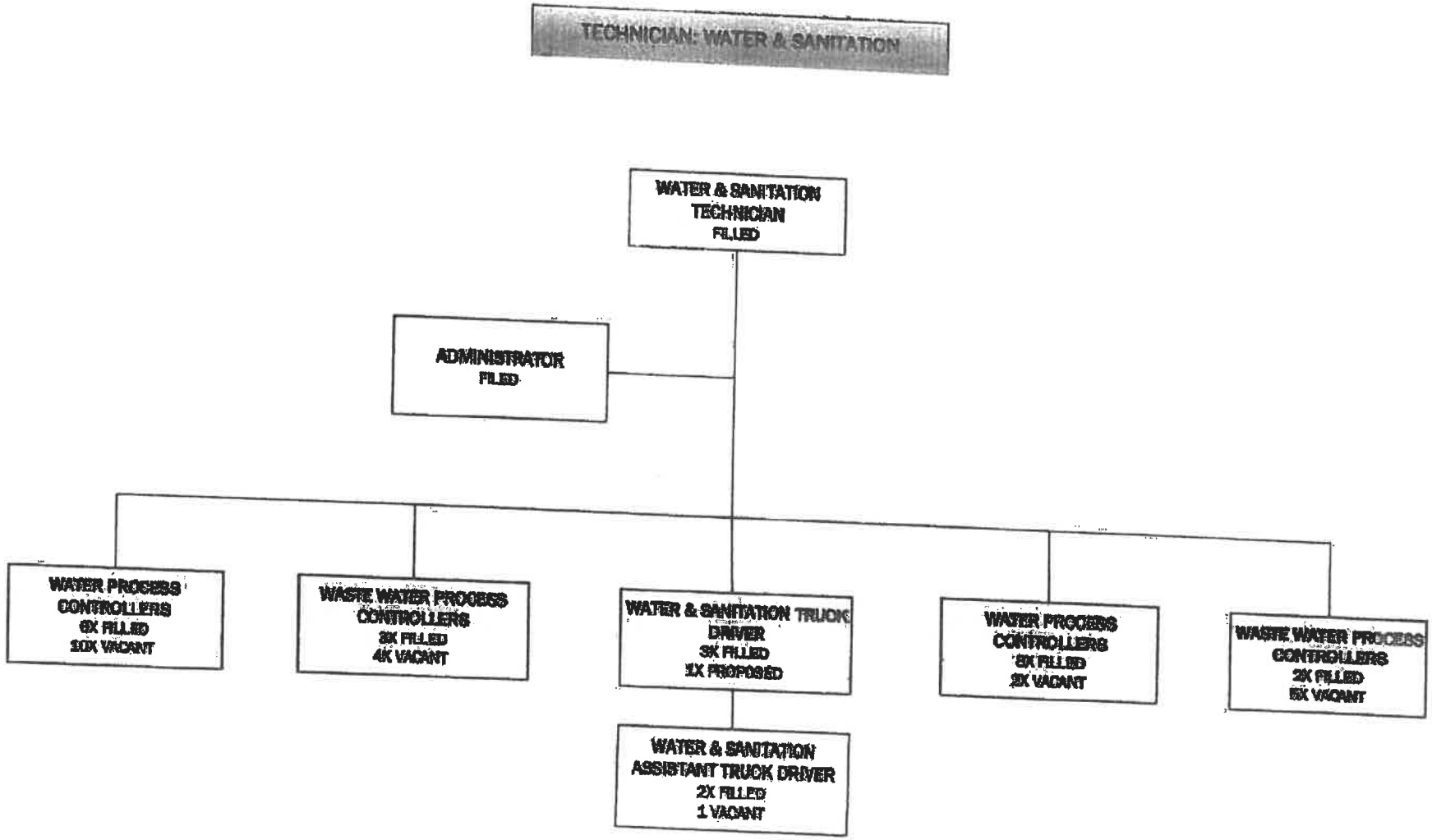

REVENUE & EXPENDITURE
MANAGER: REVENUE & EXPENDITURE
FILLED
ACCOUNTANT EXPENDITURE
FILLED
ACCOUNTANT REVENUE
FILLED
ACCOUNTANT DEBT COLLECTION
VACANT
SENIOR CREDITORS CLERK
FILLED
FBS COORDINATOR
1 X VACANT
1X PROPOSED
EXPENDITURE CLERK
FILLED
SENIOR DEBTORS CLERK: MUNICIPAL SERVICES - TSITSIKAMA
VACANT FILLED
DEBTORS CLERK RATES & VALUATION
FILLED
SENIOR DEBTORS CLERK: MUNICIPAL SERVICES - LANGKLOOF
FILLED
2x DEBT COLLECTION CLERKS
1x FILLED
1x VACANT
CASHIERS
6x FILLED
METER READERS
2x FILLED
METER READERS
2x FILLED
CASHIERS
4x FILLED


TECHNICAL SERVICES
DIRECTOR: TECHNICAL SERVICES
FILLED
SECRETARY
1x FILLED
MANAGER: TECHNICAL SERVICES
FILLED
MANAGER: PMU
FILLED
MANAGER: PLANNING & DEVELOPMENT
VACANT


TECHNICAL SERVICES
MANAGER: TECHNICAL SERVICES
FILLED
ENGINEERING TECHNICIAN
2X VACANT
TECHNICIAN: ROADS AND STORMWATER
FILLED
WATER & SANITATION TECHNICIAN
FILLED
SENIOR ELECTRICIAN
VACANT

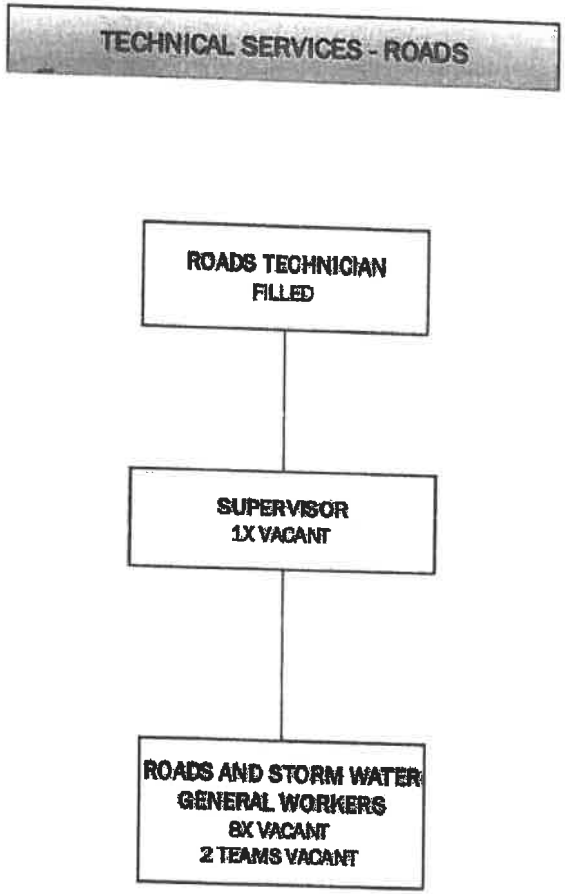

PROJECT MANAGEMENT UNIT
PMU MANAGER
FILLED
PMU TECHNICIAN
VACANT
DATA CAPTURER
FILLED
INSTITUTIONAL SOCIAL DEVELOPMENT (ISD)
VACANT


PLANNING & DEVELOPMENT
MANAGER: PLANNING & DEVELOPMENT
VACANT
COMPLIANCE OFFICER
(LANDUSE MANAGEMENT ADMINISTRATION)
VACANT
BUILDING INSPECTOR
1x FILLED



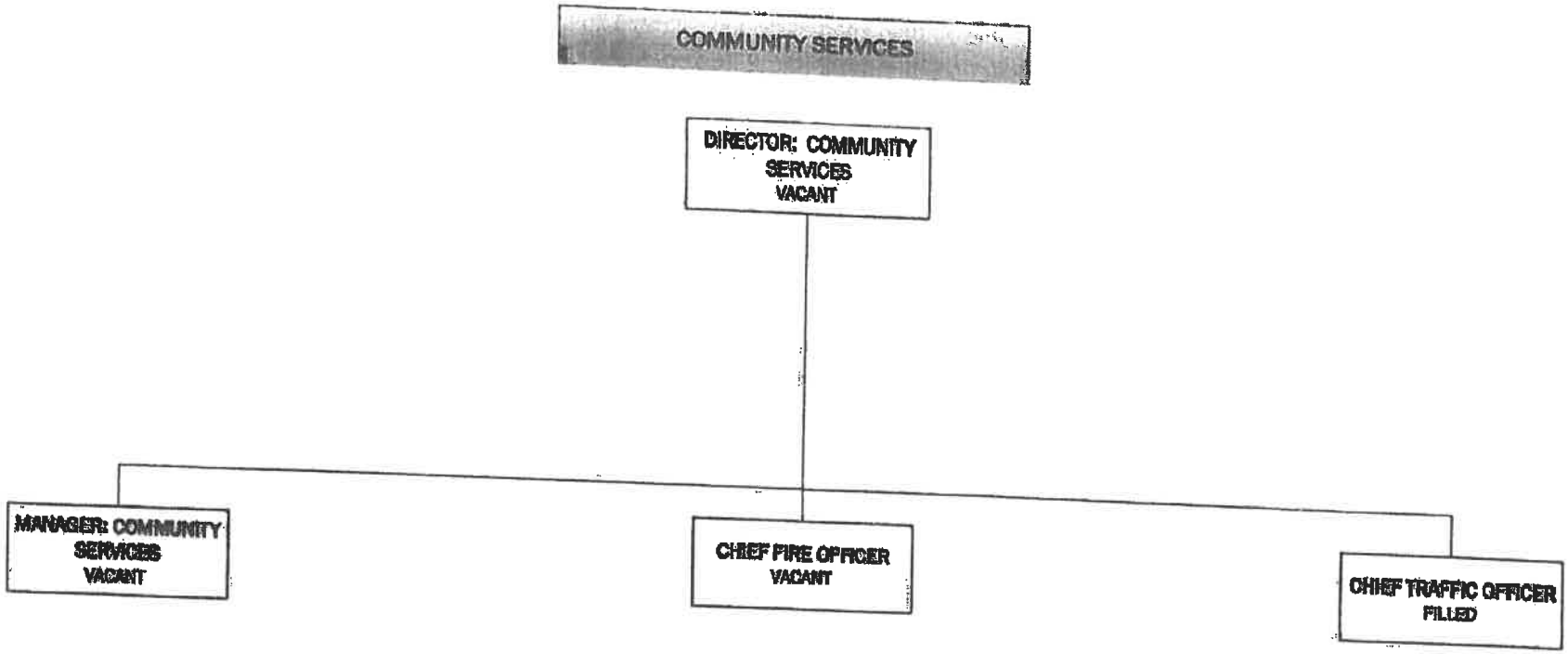
NB: DRIVERS WILL BE SERVING IN ALL AREAS

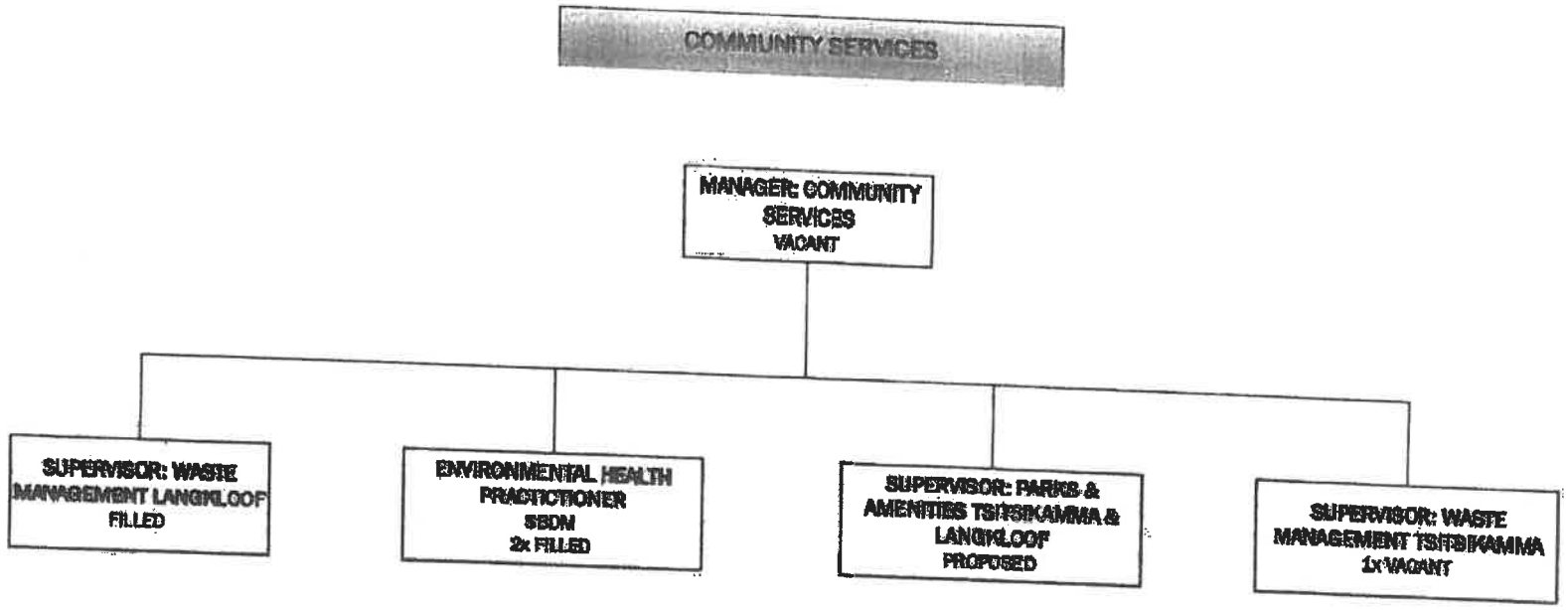
TECHNICAL SERVICES - ELECTRICITY
SENIOR ELECTRICIAN
VACANT
ELECTRICIAN
1x FILLED
1x PROPOSED
ASSISTANT ELECTRICIAN
1x FILLED
1X VACANT

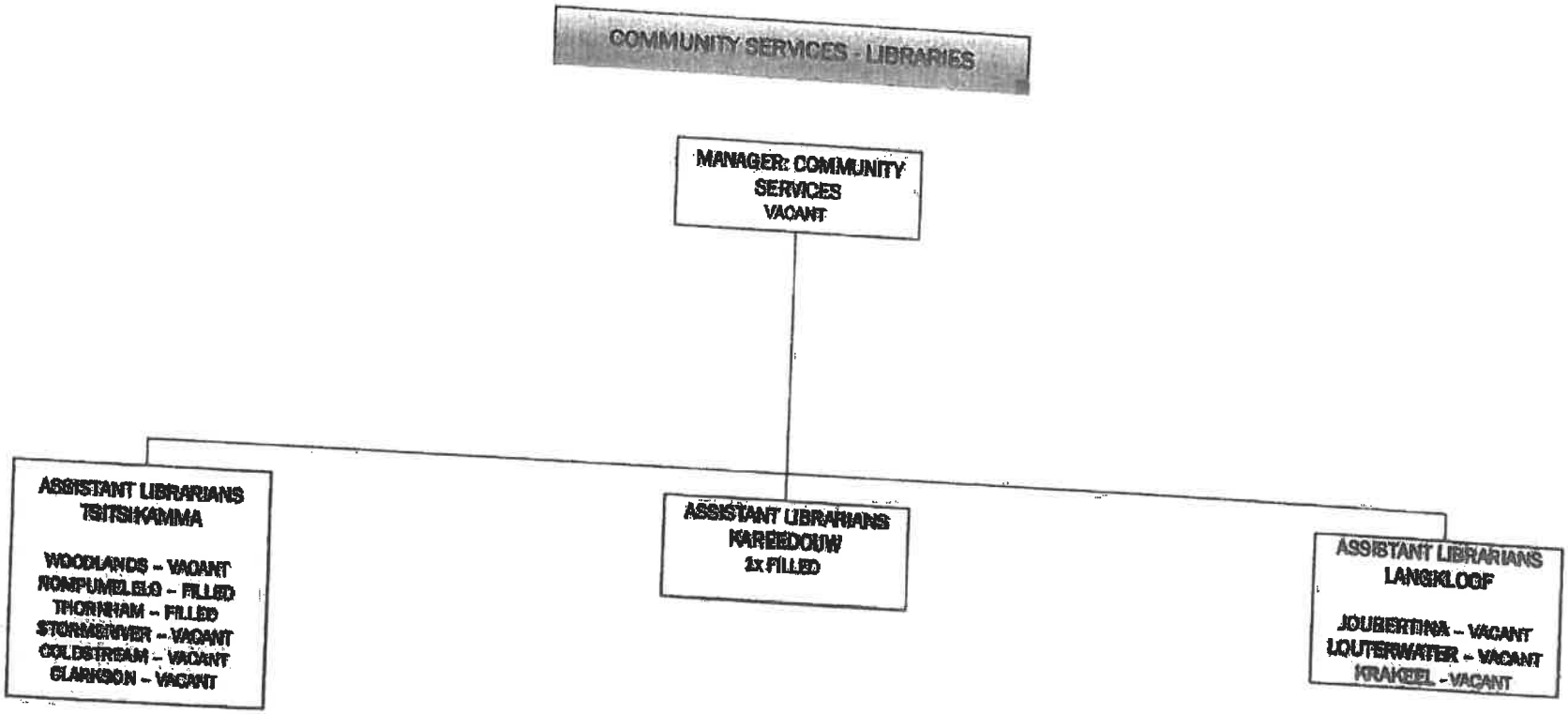

TECHNICAL SERVICES - ROADS
ROADS TECHNICIAN
FILLED
SUPERVISOR
1X VACANT
ROADS AND STORM WATER
GENERAL WORKERS
8X VACANT
2 TEAMS VACANT

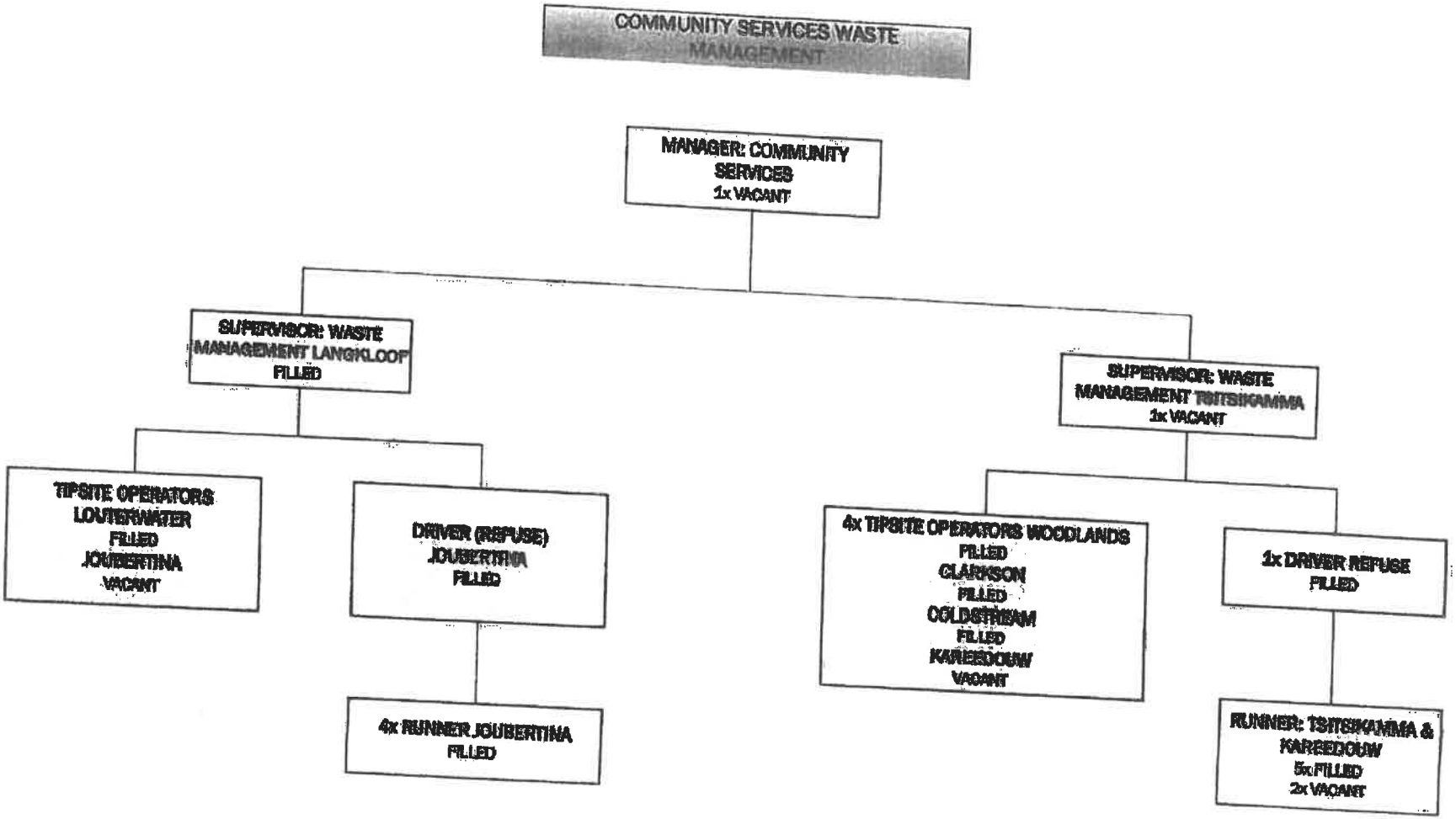
ENGINEERING TECHNICIAN - TSITSIKAMMA
ENGINEERING TECHNICIAN
VACANT
SUPERVISOR:
TSITSIKAMMA AREA
FILED
MAINTENENCE
BANDE DRIVER
1X FILLED
PLUMBER: WATER
& SANITATION
1X FILLED
1X VACANT
11X GENERAL
WORKERS
6X FILLED
5X VACANT

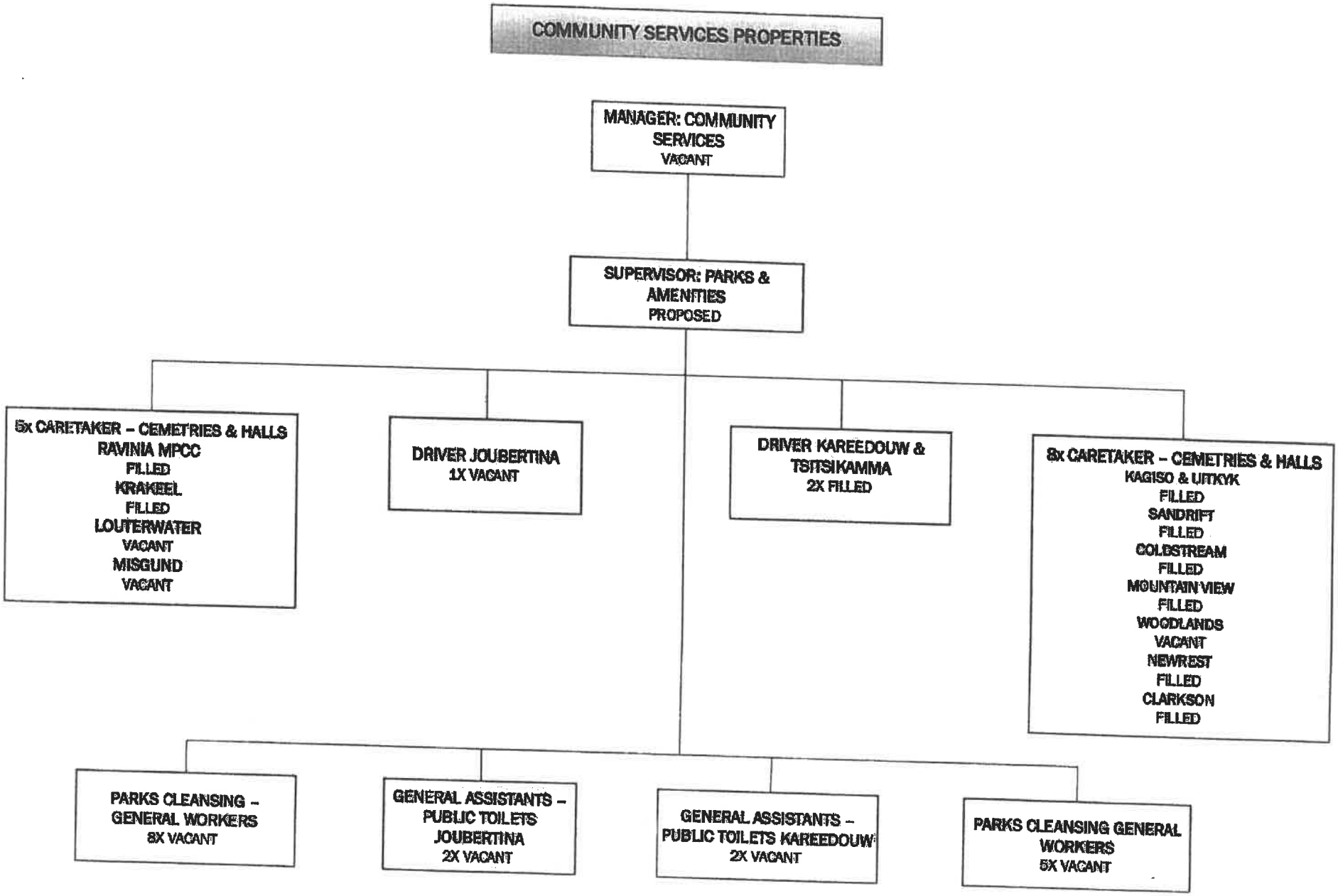
ENGINEERING TECHNICIAN - LANGKLOOF
ENGINEERING TECHNICIAN
VACANT
SUPERVISOR: LANGKLOOF
AREA
VACANT
MAINTENENCE BAKKIE
DRIVER
1X FILLED
PLUMBER: WATER &
SANITATION
2X VACANT
1.1X GENERAL WORKERS
6X FILLED
3X VACANT

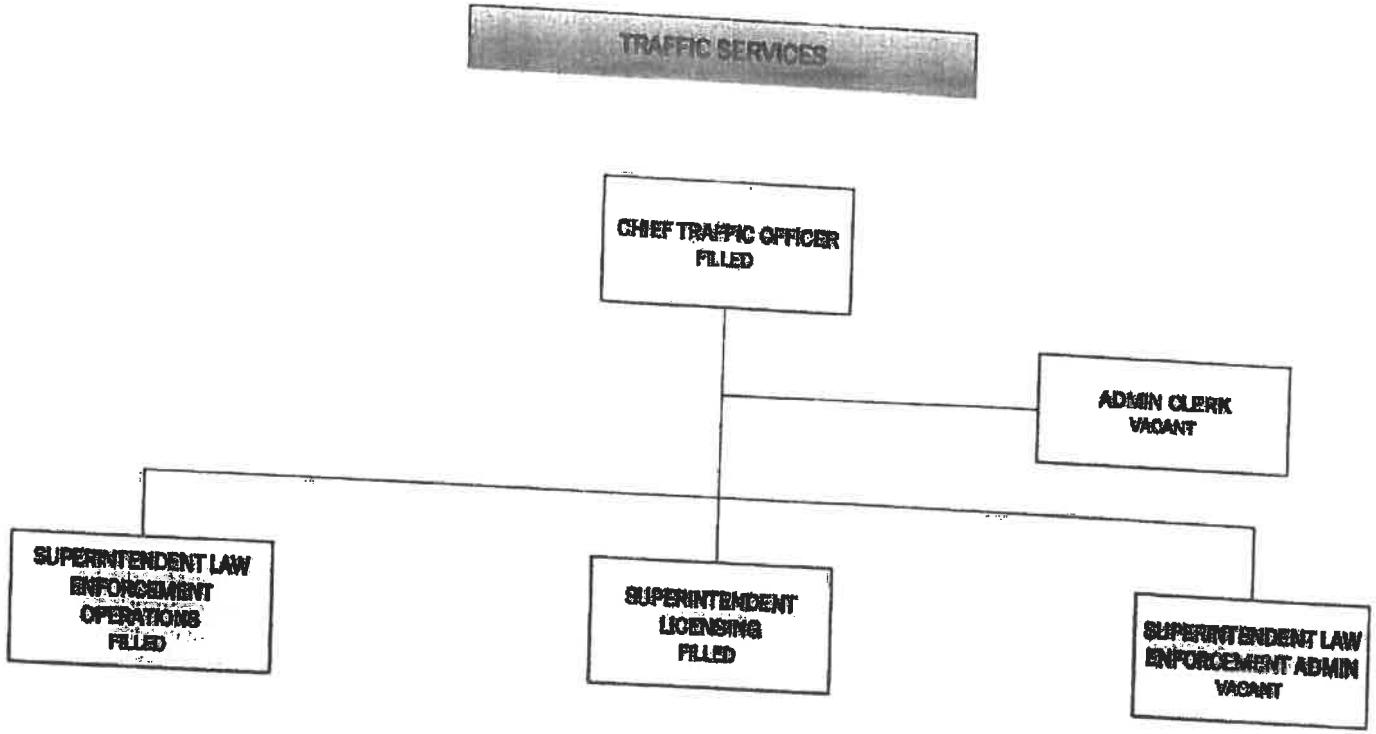

COMMUNITY SERVICES
DIRECTOR: COMMUNITY SERVICES
VACANT
MANAGER: COMMUNITY SERVICES
VACANT
CHIEF FIRE OFFICER
VACANT
CHIEF TRAFFIC OFFICER
FILLED

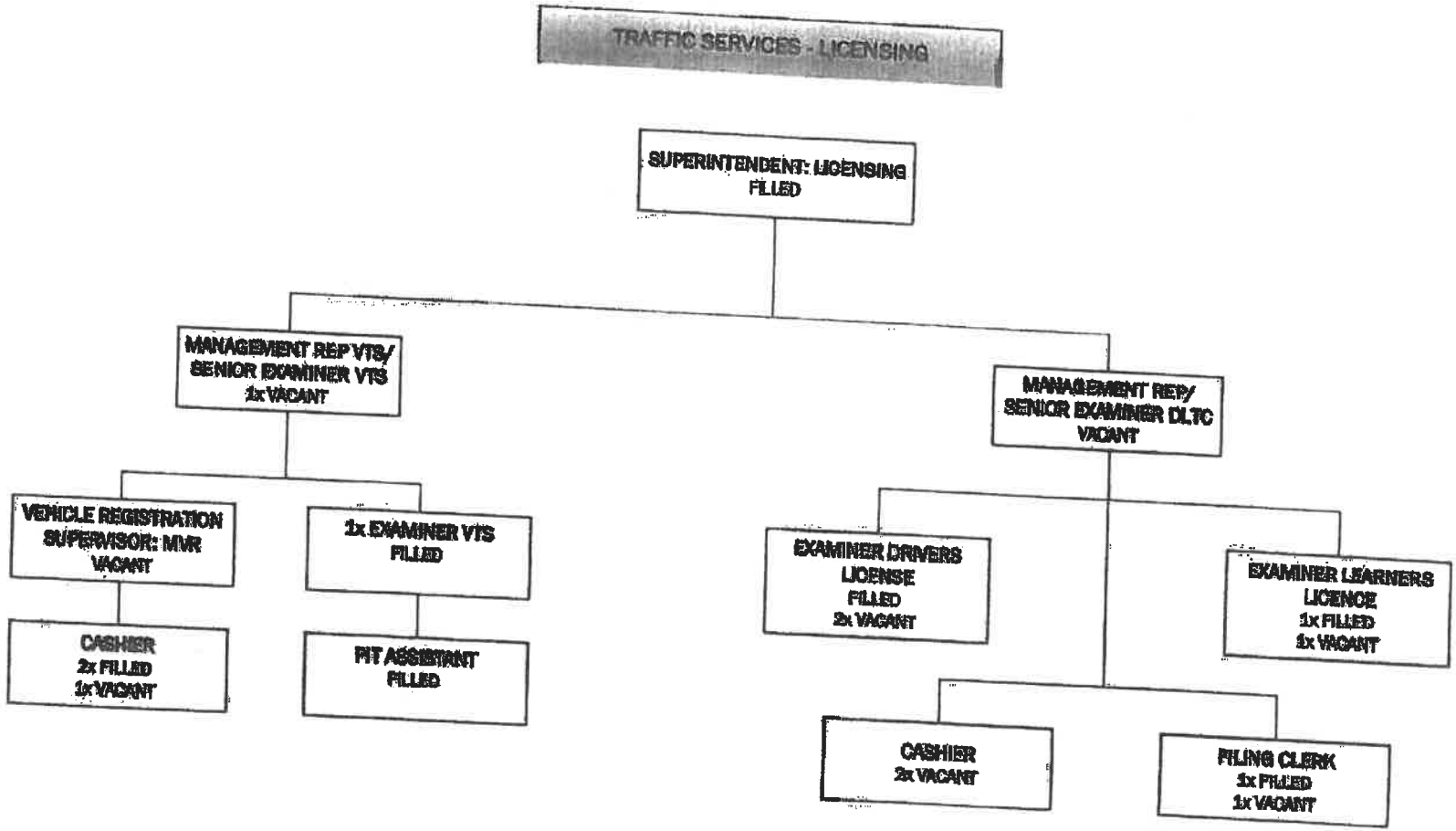

COMMUNITY SERVICES
MANAGER: COMMUNITY SERVICES
VACANT
SUPERVISOR: WASTE MANAGEMENT LANGKLOOF
FILLED
ENVIRONMENTAL HEALTH PRACTICTIONER
SBDM
2x FILLED
SUPERVISOR: PARKS & AMENITIES TSITSIKAMMA & LANGKLOOF
PROPOSED
SUPERVISOR: WASTE MANAGEMENT TSITSIKAMMA
1x VACANT

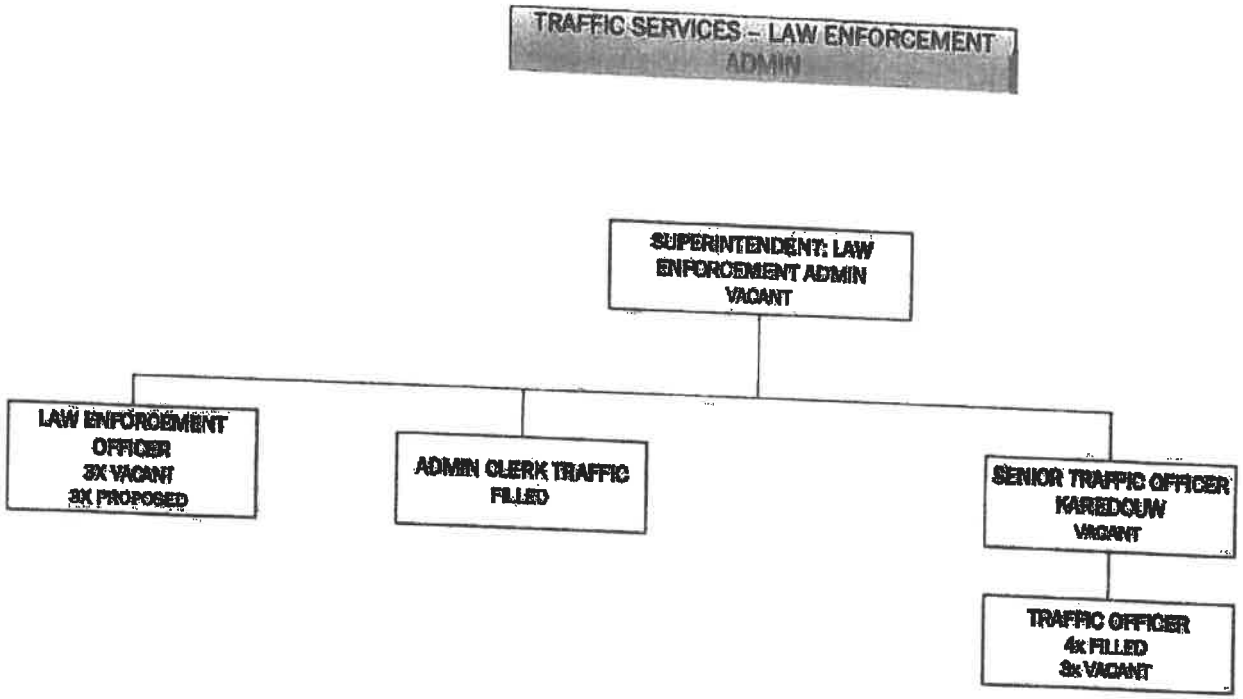

COMMUNITY SERVICES - LIBRARIES
MANAGER: COMMUNITY SERVICES
VACANT
ASSISTANT LIBRARIANS
TSITSIKAMMA
WOODLANDS – VACANT
NOMPUMELELO – FILLED
THORNHAM – FILLED
STORMSRIVER – VACANT
COLDSTREAM – VACANT
CLARKSON – VACANT
ASSISTANT LIBRARIANS
KAREEDOUW
1x FILLED
ASSISTANT LIBRARIANS
LANGKLOOF
JOUBERTINA – VACANT
LOUTERWATER – VACANT
KRAKEEL - VACANT


COMMUNITY SERVICES WASTE MANAGEMENT
MANAGER: COMMUNITY SERVICES
1x VACANT
SUPERVISOR: WASTE MANAGEMENT LANGKLOOF
FILLED
SUPERVISOR: WASTE MANAGEMENT TSITSIKAMMA
1x VACANT
TIPSITE OPERATORS
LOUTERWATER
FILLED
JOUBERTINA
VACANT
DRIVER (REFUSE)
JOUBERTINA
FILLED
4x RUNNER JOUBERTINA
FILLED
4x TIPSITE OPERATORS WOODLANDS
FILLED
CLARKSON
FILLED
COLDSTREAM
FILLED
KAREEDOUW
VACANT
1x DRIVER REFUSE
FILLED
RUNNER: TSITSIKAMMA & KAREEDOUW
5x FILLED
2x VACANT

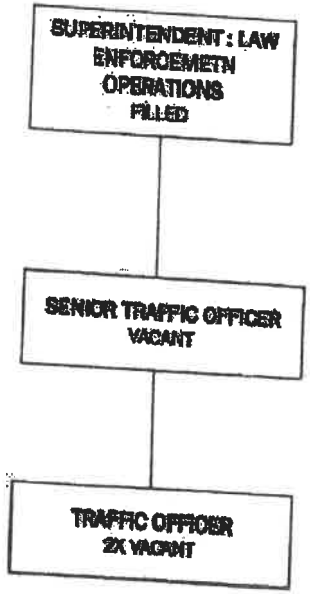

COMMUNITY SERVICES PROPERTIES
MANAGER: COMMUNITY SERVICES
VACANT
SUPERVISOR: PARKS & AMENITIES
PROPOSED
5x CARETAKER – CEMETRIES & HALLS
RAVINIA MPCC
FILLED
KRAKEEL
FILLED
LOUTERWATER
VACANT
MISGUND
VACANT
DRIVER JOUBERTINA
1X VACANT
DRIVER KAREEDOUW & TSITSIKAMMA
2X FILLED
8x CARETAKER – CEMETRIES & HALLS
KAGISO & UITKYK
FILLED
SANDRIFT
FILLED
COLDSTREAM
FILLED
MOUNTAIN VIEW
FILLED
WOODLANDS
VACANT
NEWREST
FILLED
CLARKSON
FILLED
PARKS CLEANSING – GENERAL WORKERS
8X VACANT
GENERAL ASSISTANTS – PUBLIC TOILETS JOUBERTINA
2X VACANT
GENERAL ASSISTANTS – PUBLIC TOILETS KAREEDOUW
2X VACANT
PARKS CLEANSING GENERAL WORKERS
5X VACANT


TRAFFIC SERVICES
CHIEF TRAFFIC OFFICER
FILLED
ADMIN CLERK
VACANT
SUPERINTENDENT LAW ENFORCEMENT OPERATIONS
FILLED
SUPERINTENDENT LICENSING
FILLED
SUPERINTENDENT LAW ENFORCEMENT ADMIN
VACANT


TRAFFIC SERVICES - LICENSING
SUPERINTENDENT: LICENSING
FILLED
MANAGEMENT REP VTS/
SENIOR EXAMINER VTS
1x VACANT
MANAGEMENT REP/
SENIOR EXAMINER DLTC
VACANT
VEHICLE REGISTRATION
SUPERVISOR: MVR
VACANT
1x EXAMINER VTS
FILLED
EXAMINER DRIVERS
LICENSE
FILLED
2x VACANT
EXAMINER LEARNERS
LICENCE
1x FILLED
1x VACANT
CASHIER
2x FILLED
1x VACANT
PIT ASSISTANT
FILLED
CASHIER
2x VACANT
FILING CLERK
1x FILLED
1x VACANT


TRAFFIC SERVICES – LAW ENFORCEMENT ADMIN
SUPERINTENDENT: LAW ENFORCEMENT ADMIN
VACANT
LAW ENFORCEMENT OFFICER
3X VACANT
3X PROPOSED
ADMIN CLERK TRAFFIC
FILLED
SENIOR TRAFFIC OFFICER KAREEDOUW
VACANT
TRAFFIC OFFICER
4x FILLED
3x VACANT

TRAFFIC SERVICES – LAW ENFORCEMENT & CAMERA OPERATIONS



FIRE SERVICES
CHIEF FIRE OFFICER
VACANT
STATION COMMANDER
VACANT
PLATOON COMMANDER
4x FILLED
FIRE FIGHTERS
4x FILLED
14X VACANT
18X PROPOSED
CALL CENTRE OPERATIONS
2x FILLED
2x VACANT

APPENDIX D: FUNCTIONS & POWERS OF MUNICIPALITY

8.3 General-(1) The Koukamma Municipality had the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution.

(2) The functions and powers referred to in subsection (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality, as set out in this Chapter.

(3) A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development its area as a whole by-

a) Ensuring integrated development planning for the district as a whole;
b) Promoting bulk infrastructural development and services for the district as a whole;
c) Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
d) Promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services with in its area.

8.4. Division of functions and powers between district and local municipalities.- (1) A district municipality has the following functions and powers-

a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
b) Potable water supply systems.
c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
d) Domestic wastewater and sewerage disposal systems.
e) Solid waste disposal sites, in so far as it relates to
    i. The determination of a waste disposal strategy;
    ii. The regulation of water disposal;
    iii. The establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
f) Municipal roads which form an integral part of a road transport system for the area of the district municipal as a whole.
g) Regulation of passenger transport services.
h) Municipal airports serving the area of the district municipality as a whole.
i) Municipal health services.
j) Firefighting services serving the area of the district municipality as a whole, which includes-?
    . planning, co-ordination and regulation of fire services;

- . specialised firefighting services such as mountain, veld and chemical fire services;
- . co-ordination of the standardization of infrastructure, vehicles equipment and procedures;
- . training of fire officers.

k) The establishment, conduct and control of fresh produce markets and abattoirs services the area of a major proportion of the municipalities in the district.

l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.

m) Proportion of local tourism for the area of the district municipality.

n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.

o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.

p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

(2) A local municipality has the functions and powers referred to in section 83 (1), excluding those functions and powers vested in terms of subsection (1) of this section in the district municipality in whose area it falls.

(3) (a) The Minister may, by notice in the Government Gazette, and after consultation with the Cabinet member responsible for the functional area in question, and after consulting the MEC for local government in the province and, if applicable, subject to national legislation, authorize a local municipality to perform a function or exercise a power mentioned in subsection (1)(b), (c),(d) or (i) in its area or any aspect of such function or power.

(b) The Minister must in the notice referred to in paragraph (a) regulate the legal, practical and other consequences of the authorization, which may include-

i. the transfer of staff.
ii. the transfer of assets, liabilities, rights and obligations, and administrative and other records; and
iii. the continued application of any by-laws and resolutions in the area of the municipalities concerned and the extent of such application.

(c) The Minister may-

- . Amend a notice issued in terms of paragraph (a); and
- . Regulate the legal, practical and other consequences of such amendment.

(d) Whenever the Minister revokes an authorization envisaged by paragraph (a) the Minister must in the notice revoking that authorization regulate the legal, practical and other consequences of the revocation, which may include-

i. the transfer of staff;
ii. the transfer of assets, liabilities, rights, obligations and administrative and other records; and
iii. the continued application of any by-laws and resolutions in the area of the municipalities in question and the extent of such application.

(e) The Minister must comply with the consultation requirements as set out in paragraph (a) when a power referred to in paragraph (c) or (d) is to be exercised.

(4) (a) Subject to paragraph (c), any authorization, amendment of an authorization or revocation of any authorization under subsection (3) takes effect on the commencement date of the municipal financial year following the date of publication of the notice effecting such authorization or amendment or revocation.

(b) The Minister must inform the Minister responsible for finance of his or her intention to publish a notice contemplated in paragraph (a) at least six months before the notice is to take effect in terms of that paragraph.

(c) Paragraph (a) does not apply if any authorisation, amendment of an authorization or revocation of an authorization under subsection (3) is to coincide with an election of the council of an affected municipality.

8.5. Adjustment of division of functions and powers between district and local municipalities. (1) The MEC for local government in a province may, subject to the other provisions of this section, adjust the division of functions and powers between a district and a local municipality as set out in section 84 (1) or (2), by allocating, within a prescribed policy framework, any of those functions or powers vested-

a) in the local municipality, to the district municipality; or
in the district municipality (excluding a function or power referred to in section 84 (1)(a), (b),(c),(d),(i),(o), or (p), to the local municipality.

(2) An MEC may allocate a function or power in terms of subsection (1) only if-

a) The municipality in which the function or power is vested lacks the capacity to perform that function or exercise that power; and
b) The MEC has consulted the Demarcation Board and considered its assessment of the capacity of the municipality concerned.

(3) Subsection (2) (b) does not apply if the Demarcation Board omits to comply with subsection (4) within a reasonable period.

(4) The Demarcation Board must-

(a) consider the capacity of a district or local municipality to perform the functions and exercise the powers vested in the municipality in terms of section 84 (1) or (2) when-

i. Determining or re-determining the boundaries of the district and the local municipalities; or
ii. Request in terms of subsection (2) (b) by the MEC for local government in the province concerned to do so; and

(b) convey its assessment in writing to the relevant MEC.

(5) If an MEC disagrees with the Demarcation Board on the capacity of the district or local municipality and adjusts the division of the functions and powers between the district and local municipality, or refuses to adjust the division, contrary to the assessment of the Demarcation Board, the MEC must furnish reasons to the relevant municipalities and the Minister before finalizing and adjustment in terms of subsection (1).

(6) Any adjustment of the division of functions and powers by way of an allocation in terms of subsection (1) or re-allocation in terms of subsection (9) must be reflected in the notices referred to in section 12 which establish the municipalities concerned. Where applicable the legal, practical and other consequences of the allocation or re-allocation must be regulated, including-

a) the transfer of staff;
b) the transfer of assets, liabilities and administrative and other records; and
c) the continued application of any by-laws, regulations and resolutions in the area or the municipalities concerned and the extent of such application.

(7) The Minister may by notice in the *Government Gazette* and after consulting the MEC for local government and the municipalities concerned-

a) vary or withdraw any allocation of a function or power in terms of subsection (1) or re-allocation of a function or power in terms of subsection (9); or
b) Adjust the division of functions and powers between a district and local municipality if the MEC has refused to make an adjustment in accordance with the assessment of the Demarcation Board.

(8) The MEC must amend the relevant section 12 notice to give effect to any variation or withdrawal of any allocation or re-allocation in terms of subsection (7).

(9) (a) if a function or power has been allocated in term of subsection (1) the MEC for local government in the province must regularly review the capacity of the relevant municipality and re-allocate that function or power to that municipality when that municipality acquires the capacity to perform that function or exercise that power.

A re-allocation in terms of paragraph (a) must be made with the concurrence of the receiving municipality or, in the absence of such concurrence, after having consulted the Demarcation Board.

(9A) (a) Subject to paragraph (c), any adjustment of the division of functions and powers under this section takes effect on the commencement date of the municipal financial year following the date of publication of the notice effecting such adjustment.

(b) The MEC or Minister, as the case may be, must inform the national Minister responsible for finance of his or her intention to publish a notice contemplated in paragraph (a) at least four months before the notice is to take effect in terms of that paragraph.

(c) Paragraph (a) does not apply if any adjustment of the division of powers and functions under this section is to coincide with an election of the council of an affected municipality.

(d) The Minister of Finance may, in exceptional cases, including those referred to in section 87 of Municipal Structures

Act, 1998 (Act No. 117 of 1998), decide on a different or shorter period that the period referred to in a paragraph (a) and (b).

(10) This section does not apply before the date of the first elections of municipal councils in terms of this Act.

86 Resolution of disputes concerning performance of functions or exercise of powers-If a dispute arises between a district and a local municipality concerning the performance of a function or the exercise of a power, the MEC for local government in the province, after consulting them, may, by notice in the *Provincial Gazette,* resolve the dispute by defining their respective roles in the performance of that function or in the exercise of that power.

87. Temporary allocation of functions and powers.-(1) if the provision of basic services by a district or local municipality collapses or likely to collapse because of that municipality's lack of capacity or for any other reason, the MEC for local government in the province may, after written notice to the district or local municipality and with immediate effect, allocate any functions and powers necessary to restore or maintain those basic services, to a local municipality which falls within that district municipality or to the district municipality in whose area that local municipality falls, as the case may be.

(2) The district or local municipality may lodge a written objection against the allocation to the Minister, who may confirm, vary or withdraw the allocation after having consulted the Demarcation Board.

(3) If the district or local municipality does not lodge a written objection against the allocation to the Minister within 14 days of the notice referred to in subsection (1), the municipality is regarded as having consented to the allocation.

(4) The MEC for local government must re-allocate that function or power for the original municipality when that municipality is in a position to resume the provision of those basic services.

88. Co-operation between district and local municipalities.-(1) A district municipality and the local municipalities within the area of that district municipality must co-operate with one another by assisting and supporting each other.

(2)(a) A district municipality on request by a local municipality within its area may provide financial, technical and administrative support services to that local municipality to the extent that district municipality has the capacity to provide those support services.

(b) A local municipality on request of a district municipality in whose area that local municipality falls may provide financial, technical and administrative support services

to that district municipality to the extent that local municipality has the capacity to provide those support services.

(c) A local municipality may provide financial, technical or administrative support services to another local municipality within the area of the same district municipality to the extent that it has the capacity to provide those support services, if the district municipality or that local municipality so requests.

(3) The MEC for local government in a province must assist a district municipality to provide support services to a local municipality

89. District management area.- In district management areas, the district municipality has all the municipal functions and powers.

APPENDIX "E" WARD REPORTING
N/A

APPENDIX F: PROJECTS PER WARD
N/A

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE FOR QUARTER THREE OF THE 2023/24 FINANCIAL PERIOD

We are pleased to present the report of the Audit Committee (AC) for quarter three of the 2023/24 financial period which ends 30 June 2024.

The Audit Committee is constituted in terms of sections 166(1) and (2) and 166(6)(b) of the Local Government: Municipal Finance Management Act, No 56 of 2003 (MFMA) read with the applicable Treasury Regulations. The Audit Committee is an independent advisory body which must advise Council, the municipal manager, management and staff of the municipality on matters relating to :

- Internal financial control and internal audits
- Risk management
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting, records and information
- Performance management
- Effective governance
- Compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation
- Performance evaluation
- Any other matter referred to it by the institution

Sections 166(2)(b), (c), (d) and (e) of the MFMA also requires the Audit Committee to review the Annual Financial Statements and respond to Council on matters raised by the Auditor-General of South Africa (AGSA) in the management letter and audit report, carry out such investigations into the financial affairs of the municipality and to perform such other functions as may be prescribed by Council.

The role and responsibilities of the Audit Committee are set out in the Audit Committee Charter, which was reviewed on 8 August 2023 for approval by Council, taking into account relevant legislative precepts which may be applicable thereto and recommended good practice. The Audit Committee endeavours at all times to conduct its oversight role in compliance with its Charter and the provisions of the MFMA.

The advice tendered by the Audit Committee is recorded in the minutes of the various meetings.

The Audit Committee comprises of 3 independent external members. Two new members were appointed from 1 January 2024 of which one new member resigned prior to the Q3 meeting which was held on 29 April 2024.

One meeting was held during the period, being the Q3 meeting. The member attendance was as follows:

Member	Appointment dates	Attendance at meeting
Ms. R. Shaw (Chairperson)	4 December 2019	One
Mr. H. Saayman	1 January 2024 (resigned during April 2024)	None
Prof C. Adendorff	1 January 2024	One

The Municipal Manager, all Directors, the Auditor-General of South Africa, the MPAC chairperson, Treasury, SALGA and COGTA have standing invitations to all Audit Committee meetings. The Audit Committee meetings are well attended by all the Directors and the relevant officials.

EFFECTIVENESS OF INTERNAL CONTROLS

The systems of internal control are the legislative responsibility of the Municipal Manager and senior management as required by the MFMA, read in conjunction with National Treasury Audit and Risk Framework, MFMA Circular 65 and International Standards for the Professional Practice of Internal Auditing.

At the Q3 audit committee meeting, Internal Audit presented the following reports:

Human Resources Management and Payroll Review

Findings:

- Policies were not approved by Council Recommendation:
- Council should ensure that all policies are approved as part of compliance to laws and regulations.
- Deficiencies were identified on Leave form applications. Recommendations:
- All leave should be pre-approved.
- Implementation of an online or automated leave system should be considered.
- Deficiencies were identified on Overtime claim forms. Recommendations:
- Overtime claim forms should be duly authorised by the delegated authority.
- Overtime claim forms should be pre-approved with reasons for the overtime clearly documented.

Performance Information for Q3

Findings:

- POE's were not provided for audit Recommendation:
  The municipality should implement strong data collection procedures, establish clear performance targets aligned with objectives, and ensure that evidence-based practices are integrated into performance reporting.

Quarterly UIFW Investigations

Internal audit will report in more detail once the relevant audit work has been completed.

FINANCE

The S52(d) report for the quarter ended 31 March 2024 was presented to the Audit Committee.

Debt Collection

Debt Collection remains a huge concern, and the poor debt collection rate has an extremely negative effect on the municipality's cash flow and long-term sustainability.

The AC has recommended that the top 10 debtors be identified and that focused efforts are made to collect these material outstanding amounts.

Inventory Consumed

It came to light that there is a complete lack of control over the municipality's inventory.

The AC recommended that Internal Audit prioritises Inventory in the Internal Audit plan for the 2024/25 financial period so that adequate controls can be recommended and implemented to safeguard the municipality's stock at all times.

Workmen's Compensation Fund

The municipality has not been registered nor made any payments towards workmen's compensation for a number of years. It has been reported that this is being addressed but that it is a lengthy process to resolve. This is a huge risk to the municipality as the municipality is exposed as far as potential claims from staff members who get injured whilst at work, are concerned.

Deviations

The AC noted that a number of services which have been obtained through Deviations due to it being "Impractical to follow official procurement processes" could reasonably have been secured by following proper SCM processes. A number of deviations reported, appear to have resulted due to poor planning. The AC recommend consequence management where officials' tardiness result in deviations.

Cost Containment

The AC requested that each director prepare a report detailing how their respective directorates has implemented cost containment measures, supported by financial indicators reflecting savings.

Audit Action Plan

The audit action plan has been developed but no implementation of actions to address any of the findings have been reported to date. The AC recommended that high risk finding be prioritised and that the plan be more detailed with specific timeframes and responsible officials for individual tasks, to ensure timeous implementation.

Annual Financial Statement Preparation Plan

The AC was presented with an annual financial statement preparation plan. The AC recommended some changes to the plan to ensure that

- IA will be given sufficient time for their detailed review
- followed by the AC's high-level review of the draft Annual Financial Statements as required by the MFMA prior to the AFS being handed over to the AG(SA) for audit purposes by no later than 31 August 2024.

RISK MANAGEMENT

No Risk Management reports were provided in the Q3 meeting for the Audit Committee to consider.

PERFORMANCE MANAGEMENT

The Audit Committee noted the quarter 3 performance report.

"KPI 1 Municipal Transformation and Institutional Development: Improve the functionality of the LLF Committee" with an annual target of 4 meetings (one meeting per quarter). The AC recommended that 2 dates per quarter be identified and populated on the municipal calendar to ensure that an alternate date is readily available should the quorum not be met at the initial scheduled quarterly LLF meetings.

HUMAN RESOURCES

The Audit Committee noted the report on the status of leave management. According to the report, it appears as if some employees could potentially be abusing sick leave since there were at least two instances where employees took sick leave directly after a number of days family leave. It is recommended that leave be closely monitored and to address those staff members who potentially abuse their sick leave.

CONCLUSION

The Audit Committee would like to express its appreciation towards the officials and all other role players for their attendance, valuable input and participation at the Audit Committee meetings.



R. Shaw (CA(SA)

Chairperson Audit Committee

02 May 2024

APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

THE FOLLOWING TABLE CONTAINS THE LONG-TERM CONTRACT THAT WERE STILL RUNNING IN THE 2023/24 FINANCIAL YEAR, IT MUST BE NOTED THAT THERE WERE NO PRIVATE PUBLIC PARTNERSHIP:

TENDER NO.	DESCRIPTION	DATE AWARDED	BIDDER	AWARDED AMOUNT	CONTRACT END DATE	RESPONSIBLE DEPARTMENT
TENDER 05/2021	SUPPLY OF DIGITAL CAMERA AND RELATED SERVICES AND TRAFFIC CONTRAVENTION MANAGEMENT SYSTEM AS WELL AS PROVISION OF SYSTEM FOR THE PAYMENT AS WELL AS THE RECORDING OF TRAFFIC FINES COLLECTED FOR A PERIOD OF THREE YEARS	03 May 2021	ULTIMATE TRAFFIC SOUTION	R172,50	31 May 2024	COMMUNITY SERVICES – Traffic Services Unit
TENDER 07/2021	THE COMPILATION OF THE VALUATION ROLL, SUPPLEMENTARY VALUATION ROLLS AND MAINTAINENCE THEREOF FOR THE FINANCIAL YEAR 01 JULY 2022 TO 30 JUNE 2027	28 June 2021	CDV WAARDEERDERS PTY LTD	R1 094 580,00	30 June 2027	BUDGET AND TREASURY OFFICE – Revenue Unit
TENDER 10/2021	SUPPLY AND DELIVERY OF WATER PURIFICATION CHEMICALS FOR A PERIOD OF 3 YEARS	04 October 2021	MOIPRO PTY LTD	R8 050 584,38	31 October 2024	TECHNICAL SERVICES – Water and Sanitation Unit
TENDER 15/2021	PROVISION OF INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE YEARS	14 January 2022	NEXIA SAB&T	R 1 490 988,00	31 January 2025	CORPORATE SERVICES – Administration Unit
TENDER 16/2021	PROVISION OF SECURITY SERVICES FOR A PERIOD OF 3 YEARS	04 March 2022	VUKA BELELE SECURITY SERVICES	R 5 503 630,31	Terminated	CORPORATE SERVICES – Administration Unit
TENDER 17/2021	PROVISION AND SUPPORT OF INTERNET, FIREWALL & SDWAN CONNECTIVITY	04 March 2022	MTN BUSINESS PTY LTD	R 4 736 265,99	31 March 2025	CORPORATE SERVICES – Information Technology & Communication Unit

TENDER 18/2021	SUPPLY AND DELIVERY OF TOOLS OF TRADE FOR KOUKAMMA MUNICIPAL COUNCILLORS (MOBILE DATA SOLUTIONS)	04 March 2022	MTN BUSINESS PTY LTD	R 238 608,00	31 March 2025	CORPORATE SERVICES – Information Technology & Communication Unit
05/2022	PROVISION OF LEGAL SERVICES FOR A PERIOD OF 3 YEARS	30 January 2023	WESLEY PRETORIUS AND ASSOCIATE INC.	CLS Rates	30 January 2026	CORPORATE SERVICES – Administration Unit
			Magqabi Seth Zitha Inc.	CLS Rates	30 January 2026	
02/2023	PROVISION FOR MAINTENANCE WORK OF WATER AND WASTEWATER TREATMENT WORKS, PUMP STATIONS AND BOREHOLES FOR A PERIOD OF 3 YEARS	22 March 2023	SNR ELECTRICAL CC	R 15 097,20	30 March 2026	TECHNICAL SERVICES – Water and Sanitation Unit
06/2023	PROVISION OF LABORATORY SERVICES: MONTHLY WATER & WASTEWATER SAMPLING ANALYSIS FOR A PERIOD OF 3 YEARS	25 July 2023	LUGAJU INNOVATION PTY LTD	R 1 700 737,84	31 July 2026	TECHNICAL SERVICES – Water and Sanitation Unit
07/2023	PROVISION OF HIRING OF TLB FOR A PERIOD OF 3 YEARS	25 July 2023	GQWANE PROJECTS	R 465,00	31 July 2026	TECHNICAL & COMMUNITY SERVICES– Water and Sanitation Unit plus Community Services
09/2023	PROVISION OF PRINTING AND DISTRIBUTION OF ACCOUNT SERVICES FOR A PERIOD OF 3 YEARS	09 November 2023	CAB HOLDINGS PTY LTD	R1 924748,00	30 November 2026	BUDGET AND TREASURY OFFICE – Revenue Unit
10/2023	PROVISION FOR RENDERING OF GEORGRAPHIC INFORMATION SYSTEM, DATA MAINTENANCE AND HOSTING OF DATA FOR A PERIOD OF 3 YEARS	09 November 2023	UMHLABA CONSULTING GROUP	R643 062,75	30 November 2026	BUDGET AND TREASURY OFFICE – Revenue Unit
15/2023	PROVISION OF SHORT-TERM INSURANCE FOR A PERIOD OF 3 YEARS	08 February 2024	LATERAL UNISON INSURANCE	R 928 167,00	31 March 2027	BUDGET AND TREASURY OFFICE – Budget and

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

KOUKAMMA MUNICIPALITY

ANNUAL PERFORMANCE REPORT

2023/2024

TABLE OF CONTENTS

1. INTRODUCTION .....

2. PURPOSE.....

3. LEGISLATIVE REQUIREMENTS.....

4. AUDIT FINDINGS RAISED ON THE 2022/23 APR.....

5. ANNUAL PERFORMANCE REPORT PER KPA.....

6. SDBIP ANNUAL PROGRESS REPORT.....

7. CONCLUSION.....

ATTACHMENT – COUNCIL RESOLUTION

1. INTRODUCTION

Performance Management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure the targets and strategic goals, set by the organisation and its employees.

Performance Management is a governance tool for Council, whereby the Mayor and Council can measure the implementation of the strategic plan and projects of the Municipality and the performance of the Municipal Manager and Managers directly accountable to the Municipal Manager.

The predetermined objectives as captured in the Service Delivery and Budget Implementation Plan will assist Koukamma Municipality in upholding their mission, vision and organisational values as listed below.

VISION

Strive to be a dynamic and responsibly governed area, which has an integrated, competitive and sustainable economy to better the urban and rural livelihoods of its communities.

MISSION

To be a Municipality in which delivery and access to quality services creates an environment in which all citizens can prosper through socio-economic upliftment and accountable governance. It further depicts the purpose of existence of the Koukamma Municipality and how it seeks to create its relationship with the customers, local community and other related stakeholders in delivering its mandate of a developmental Local Government.

VALUES

(i) Integrity and Honesty
(ii) Affordable, Access and Quality Service
(iii) Inclusive and Responsive
(iv)Transparency and Accountability

2. PURPOSE

In terms of Section 46 of the Municipal Systems Act No. 32 of 2000, the accounting officer must prepare an annual report reflecting the performance of the Municipality in comparison with the set targets every financial year.

The Municipal Finance Management Act 56 of 2003, Circular 11 outlines the purpose of the annual report as follows.

(a) to provide a record of the activities of the municipality or municipal entity

*(b)*to provide a report on performance in service delivery and budget implementation; and

(c) to promote accountability to the local community for the decisions made during the financial year by the municipality or municipal entity.

This report will give an indication of the performance of Koukamma Municipality for the financial year based on the predetermined objectives as set out in the Integrated Development Plan (IDP) in conjunction to the approved budget. The Predetermined objectives are converted into actual indicators and targets in the form of a Service Delivery and Budget Implementation Plan (SDBIP).

3. LEGISLATIVE REQUIREMENTS

Municipal Systems Act, 32 of 2000

Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006

Municipal Finance Management Act, 56 of 2003

Municipal Finance Management Act, Circular No. 13

Municipal Finance Management Act, Circular No. 11

Municipal Planning and Performance Management Regulations, 2001

4. AUDIT FINDINGS RAISED ON THE 2022/23 APR

During the 2022/23 financial year the focus areas for audit were KPA 2 – Basic Service Delivery and Infrastructure Investment.

The KPA was audited against usefulness and reliability.

The audit outcome thus reflected an unqualified audit opinion on performance for KPA 2 with no material findings.

KEY PERFORMANCE AREA	OPINION	MOVEMENT
KPA 2 – Basic Service Delivery and Infrastructure Investment	Unqualified	⬆

5. ANNUAL PERFORMANCE REPORT PER KPA

A Service Delivery and Budget Implementation Plan are developed annually to give effect to the projects under the predetermined objectives as per the Integrated Development Plan for that financial year.

The SDBIP contains Objectives, Strategies, Indicators, realistic targets and budget information for each Key Performance Area of the municipality, namely.

KPA 1: Municipal Transformation and Institutional Development

KPA 2: Basic Service Delivery and Infrastructure Investment

KPA 3: Local Economic Development

KPA 4: Financial Viability and Management and Sustainability

KPA 5: Good Governance and Public Participation

Targets are broken down throughout the financial year and spread over four quarters, which is reported on in the quarterly performance reports as per section 52 of the MFMA.

Each directorate is responsible for reporting on the progress of targets set quarterly. At the end of the financial year reports on annual achievements based on the annual targets set are consolidated and form the basis of the Annual Performance Report.

The municipality is also able to monitor expenditure on the projects that are implemented by comparing the progress on projects to the expenditure reports on these projects.

The Annual Performance Report clearly indicates Indicators that have met their Targets in Green, Indicators partially achieved or in progress in Yellow, and indicators that have not started or have no progress as indicated in Red. An analysis on the performance of each KPA and for the organisation is provided based on the information supplied by each directorate.

6. SDBIP ANNUAL PROGRESS REPORT

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Number of projects = 17

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 6	35%
	Number of projects partially achieved = 9	53%
	Number of projects Lagging/Not started = 2	12%

Total Budget versus Expenditure:

Financial Year	Budget	Expenditure	% Expenditure
2023/24	R1 750 000	R14 320	0.8%
2022/23 (Prior Year)	R569 720	R374 917	66%

Municipal Transformation and Institutional Development have achieved a 35% on target/complete projects in 2023/24. Projects that are partially achieved are 53% and projects not started or with no progress in the financial year are on 12%.

Factors contributing to the non - achievement of targets primarily relate to the meetings not taking place as scheduled is most cases due to quorum not met.

ICT upgrading project did not have funding secured for implementation, although there was a projection made for R1 000 000. The section needs to source funding approval prior to the inclusion of the project in the SDBIP.

In 2022/23 Municipal Transformation and Institutional Development have achieved a 54% on target/complete projects.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 1: Municipal Transformation and Institutional Development													
MT01/2023	2576	Improve Employee Wellness through conducting a number of wellness programmes	Implementation of employee wellness programmes	Conduct a number of Employee Wellness programmes in the 2023/24 FY	R 50 000	Operational	R 14 320	29%	4 Employee Wellness programmes	2 Employee wellness programmes held 22/09/2023; 12/10/2023	Partially Achieved	Plan employee wellness prior to the start of the Financial as part of Planning for 2024/25	2 Employee Wellness Programmes held: World Aids Day Programme 01/12/22, Wellness Day 29/08/2023
MT02/2023	2175	Councillor development for councillors	Facilitation of skills development and training of Councillors	Facilitate a number of Training Programmes for Councillors for the 2023/24 FY	R 100 000	Operational	R 0	0%	Facilitate 2 Training Programmes for Councillors	1 Training programme Councillors	Partially Achieved	Implementation of the Skill Development Plan in the 2024/25 FY	

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior-Year Performance 2022/23
MT03/2023	2172	Employee Development Programmes	Implementation of the Skills Development Plan	Facilitate a number of training programmes for Employees for the 2023/24 FY	R 400 000	Operational	R 0	0%	Facilitate 5 Training programmes for employees	5 Training Programmes for employees			

IDP REF	NSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
MT04/2023		Effective functioning of Statutory Committees for the 2023/24 Financial Year	Improve oversight function through the Council	Conduct a number of Council Meetings in the 2023/24 FY	Operational	Operational	Operational	Operational	4 Ordinary Council Meetings	3 Ordinary Council held on the 27/07/2023 :25/10/2023 :30/01/2024 21 Special Council Meetings held - 04/08/2023; 22/08/2023; 31/08/2023; 27/09/2023; 27/10/2023; 02/11/2023; 15/11/2023; 07/12/2023; 16/01/2024, 24/01/2024, 14/02/2024, 28/02/2024, 29/02/ 2024, 04/03/2024, 12/03/ 2024, 22/03/2024, 28/03/2024; 15/04/2024, 18/05/2024, 23/05/2024 , 25/06/2024	Partially Achieved	Council to conduct ordinary council meetings in line with calendar of meetings. Meetings that are not as per the calendar are captured as Special Council Meetings	
MT05/2023				Update and submit a Council Resolution Register	Operational	Operational	Operational	Operational	4 Updated Council Resolution Registers submitted to Council	2 Updated Council Resolution registers submitted to Council	Partially Achieved	Administration to ensure quarterly updating and submission of Council Resolution Register	NEW KPI

IDP REF	IT SCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for Projects not On Target (HOW)	Prior Year Performance 2022/23
MT06/2023			Improve oversight function through the Executive Committee	Conduct a number of Executive Committee Meetings in the 2023/24 FY	Operational	Operational	Operational	Operational	4 Ordinary Executive Committee meetings	4 Executive Committee meetings held 21/08/2023; 16/10/2023; 23/01/2024; 02/05/2024			

IDP REF	IHSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	%Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On-Target In Progress Lagging	Remedial Actions for projection on Target (HOW)	TERTIARY (4th Performance) -2022/23
MT07/2023			Effective functioning of Standing Committees for the 2023/24 Financial Year	Conduct a number of Standing Committee Meetings in the 2023/24 FY	Operational	Operational	Operational	Operational	20 Ordinary Standing Committee meetings per financial year	14 Standing Committee Meetings LED - 14/07/23; 06/10/23; 16/04/2023 Community Services - 18/07/23; 18/01/24 Technical Services - 18/07/23; 25/01/24 Corporate Services - 19/07/23; 18/09/24; 10/10/23; 18/01/24; 18/04/24 Finance - 06/10/23; 06/04/24. Quorum not met as well as the long hospitalisation of the Portfolio head of Technical and Community Services Committees contribute to meetings not sitting as scheduled.	Partially Achieved	Standing Committees that do not sit need to be rescheduled for a suitable date. Meetings to sit as per the calendar of meetings. Council to elect a replacement for the Portfolio Committee for Technical and Community Services to ensure that meetings quorate.	

IDP REF	SCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	%Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Action for projects not On Target (HOW)	Prior Year Performance 2022/23
MT08/2023		Improved management and accountability	Ensure effective management and accountability by conducting monthly management meetings	Facilitate a number of Management Committee meetings	Operational	Operational	Operational	Operational	4 Ordinary Management Committee meetings held	**5 Ordinary Management Meetings held 12 /07/2023; 10/08/2023; 03/10/2023; 11/01/2024; 06/06/24 2 Special Management held 31/01/2024; 22/02/2024**			NEW KPI
MT09/2023		Implementation of the Occupational Health and Safety Act	Conduct regular meetings with the OHS Committee	Conduct a number of OHS Committee meetings	Operational	Operational	Operational	Operational	4 OHS Committee Meetings; 2) Conduct 1 OHS Training to Committee members	3 OHS Meetings Conducted 25/08/2023; 13/03/2024; 19/04/2024 2) No Training Conducted	Partially Achieved	OHS to meet Quarterly in the New FY to ensure functionality, HR to develop a plan for OHS functionality.	
MT10/2023		Implementation of the Employment Equity Act	Ensure the submission and approval of a credible EE plan	Approval of an organisational EE Plan	Operational	Operational	Operational	Operational	Approval and implementation of EE Plan targets	EE plan approved in January 2024			

IDP REF	IHSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
MT11/2023		Effective functioning of the Risk Management Committee in the 22023/24 Financial Year	Improve the role of the Risk Management Committee	Conduct a number of Risk Committee Meetings	Operational	Operational	Operational	Operational	4 Risk Committee Meetings	2 Risk Committee Meeting 10/07/2023 and 13/02/24. the Custodian of Risk has been on Special leave	Partially Achieved	Risk has temporarily been moved under the PMS Section in the absence of the custodian – a new Risk Committee needs to be established that will be in line with the Local Government Risk Framework.	2 Risk meetings held on the 18 and 19 April 2023
MT12/2023		Improvement of working conditions and labour peace as per the BCEA and LRA	Improve the functionality of the LLF Committee	Conduct a number of LLF meetings	Operational	Operational	Operational	Operational	4 LLF meetings	4 LLF meetings held 11/07/23; 20/07/2023; 20/11/2023; 13/02/2024			3 LLF Meetings held - 29 Sept 2022; 11 Oct 2022; 09 Nov 2022
MT13/2023		Improve ICT governance	Implementation of the ICT Corporate Governance Framework directives for the 2023/24 FY	Review of existing ICT related policies in line with the governance Framework	Operational	-	Operational	Operational	Council Approval of the revised ICT policies	ICT policies have been sent to the Policy workshop on the 04 October 2023, however HR policies have been prioritised and the Policies of ICT could not be discussed.		ICT Policies to be prioritised in the next policy workshop.	

IDP REF	MSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
MT14/2023				A number of reports on the implementation of ICT processes as outlined in the ICT policies	Operational	Operational	Operational	Operational	4 Reports on the implementation of ICT processes	4 ICT reports submitted			
MT15/2023				Conduct a number of ICT Steering Committee Meetings	Operational	Operational	Operational	Operational	Conduct 4 ICT Steering Committee Meetings	2 ICT Steering Meeting held on the 31/10/23 and 13/02/24 - the ICT manager has been on Special leave and the position is occupied by an Acting	Partially Achieved	ICT Steering on a quarterly basis in the new FY as per the ICT Plans, the Acting ICT manager to prioritise these meetings at least once per quarter.	3 ICT Steering Committees - 15 Aug 2022, 31 Mar 2023, 8 June 2023
MT16/2023		ICT Systems Upgrade	Upgrading of the old existing ICT Systems	Upgrading of the old existing ICT Systems	R 1 000 000	FMG	R 0	0%	Old ICT system Upgraded to the latest version	ICT system not upgraded due to funding not committed		ICT needs to source funding for the upgrading of the ICT System	NEW KPI
MT17/2023		Document management System	Implementation of an Electronic document management system to improve the management of official documents	Implementation of an Electronic document management system in the 2023/24 FY	R 200 000	Operational	R 0	0%	Implementation of the Electronic document management system	Service Provider appointed and training to users provided - but the system is not functional as yet. Due to a challenge with the referencing of documents.	Partially Achieved	The Service Provider to resolve the challenge and fast track the institutionalisation of the Electronic Document Management System in the new FY	NEW KPI

KPA 2 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT (TECHNICAL SERVICES)

Number of projects = 6

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 3	50%
	Number of projects Partially Achieved = 3	50%

Total Budget versus Expenditure:

Financial Year	Budget	Expenditure	% Expenditure
2023/24 (Current)	R50 766 333	R34 905 296	69%
2022/23 (Prior year)	R33 367 678	R29 440 275	88%

Technical Services have achieved a 50% on target/complete projects for the 2023/24 FY. The total budget for projects in Technical Services is R50 766 333 and the total expenditure thus far is R34 905 296. Out of the 6 projects 3 are On Target/Achieved and 3 projects did not meet the completion dates.

Funding adjustments made during the adjustments budget in February under MIG to accommodate the reduction of MIG Grant by R4,7M, hence the over expenditure on projects TS01/2023 and TS02/2023.

Items compromising the achievement of Targets relate to the DLTC (TS04/2023) under the OTP Grant – the contractor failed to perform and thus requested to cede the project.

Joubertina water treatment works (TS03/2023) funded through WSIG was delayed due to the completion of Final Designs and thus only commenced with construction in January 2024.

Technical Services have achieved a 60% on target/complete projects for the 2022/23 FY. The total budget for projects in Technical Services is R33 367 678 and the total expenditure amounted to R29 440 275.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 2 - Basic Service Delivery and Infrastructure Investment (Technical Services)													
TS01/20223		Paving of Gravel Roads	Upgrading of Mountain View gravel roads to paved standards	Percentage complete with the paving of gravel roads in Mountain View (Phase 2)	R3 959 236	MIG (Over expenditure due to reduction in MIG allocation)	R6 306 825	159%	60% complete with the paving of gravel roads in Mountain View (Phase 2)	70% complete. Contractor suspended work on site due to non-payment.			48% complete with the paving of gravel roads in Mountain View. The project is behind the programme due to 15-day rain delays however the actual completion date for the project 14 July 2023.No claims have been made for standing time
TS02/2023		Provision of adequate sanitation services	Replacement of small-bore sewer system to full waterborne system in Clarkson	Percentage of completion with the refurbishment of the Ponds, Pump Stations and Bulk Sewer lines (Phase 1)	R4 710 786	MIG (Over expenditure due to reduction in MIG allocation)	R6 923 387	147%	60% Complete with the refurbishment of the Ponds, Pump Stations and Bulk Sewer lines in Clarkson (Phase 1)	80% complete, MIG allocation finished before project completion. Contractor slowed progress due to funds.			NEW KPI

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target / In Progress / Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
TS03/2023		Provision of adequate water services	Upgrading of the Joubertina Water Treatment Works	Percentage of completion with the upgrading of the Joubertina Water Treatment works in the 2023/24 FY	R 6 989 565	WSIG	R 1 326 098	19%	30% complete with the upgrading of the Joubertina Water Treatment works	5% complete. Delays in appointments, late payments and final designs by the specialist contractor.	Partially Achieved	Immediate payment of service providers and to accelerate the programme.	NEW KPI
TS04/2023		Implementation of the small-town revitalisation programme	Joubertina DLTC new Building	Construction of a new building for the DLTC in Joubertina in the 2023/24 FY	R 14 883 655	OTP	R 1 339 319	9%	50% complete with the construction of the new DLTC building in Joubertina	8% complete, project stopped. Contractor requested to cede the contract (GRANTED).	Partially Achieved	KKLM to conclude the ceding agreement or cancel the contract and the project to be re-advertised.	NEW KPI
TS05/2023			Construction of sidewalks and surfacing of existing bitumen in Joubertina	Construction of sidewalks and surfacing of existing bitumen	R 15 223 092	OTP	R12 854 949	84%	100% complete with the Construction of sidewalks and surfacing of existing bitumen	91% complete, Contractor delayed by SMME packages and additional works.	Partially Achieved	Contractor to assist the SMMEs to accelerate the rate of progress.	NEW KPI
TS06/2023			Provision of High Mast lights in the Koukamma Area	Percentage complete with the installation of a high mast lights in the area by the end of Aug 2025	R 5 000 000	OTP	R 6 154 717	123%	30% complete with the installation of a high mast lights in the area by the end of Aug 2024	45% complete with the installation of a high mast lights.			NEW KPI

KPA 2 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT (COMMUNITY SERVICES)

Number of projects = 11

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 2	18%
	Number of projects Partially Achieved = 7	64%
	Number of projects Lagging/Not started = 2	18%

Total Budget versus Expenditure:

Financial Year	Budget	Expenditure	% Expenditure
2023/24 (Current)	R3 596 000	R2 386 557	66%
2022/23 (Prior Year)	R6 956 522	R4 790 146	69%

Community Services have achieved a 18% on target/complete projects. Projects that are partially achieved are 64%. The total budget for projects in Community Services is R3 596 000 and the total expenditure thus far R2 386 557.

Projects CS02/2023 – 1 to CS02/2023 – 4 are added through the adjustments budget funded through the Fire Grant from SBDM. The Procurement of the Fire Truck and Response Vehicle as well as the Training of fire staff is facilitated by SBDM from the Koukamma Fire Grant.

Projects LED01/2023 to LED03/2023 have been moved from KPA 3 – Local Economic Development and are now implemented and monitored by the Community Services Department.

Community Services have achieved and 40% on target/complete projects for the 2022/23 FY. The total budget for projects in Community Services is R6 956 522 and the total expenditure thus far is R4 790 146.

IDP REF	NSGO KPA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target/ In Progress/ Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 2 - Basic Service Delivery and Infrastructure Investment (Community Services)													
CS01/ 2023		Provision of adequate Fire Services	Conduct Fire Safety Inspections for the 2023/24 FY	Conduct a number of Fire safety inspections	Operational	Operational	Operational	Operational	Conduct 12 Fire Safety Inspections	3 Fire Inspections held. Due to the vacancy of the Fire Chief, the Municipality had to make use of Kouga to assist with the inspections due to a lack of capacity in the Fire Section. Fire Chief appointed on the 01 May 2024.	Partially Achieved	Fire Chief to plan for Fire Awareness in the New FY well in advance to avoid capacity related constraints.	10 Fire Inspections Conducted Due to the Position of Chief of Fire being vacant the section is dependent on assistance from Kouga Municipality Fire Department to assist with the Inspections.
CS02/ 2023			Conduct Fire Awareness Campaigns in the Koukamma Region 2023/24 FY	Conduct a number of Fire Awareness Campaigns	Operational	Operational	Operational	Operational	Conduct 8 Fire Awareness Campaigns	4 Fire campaigns held due to shortage of staff and the vacant position as Chief of Fire	Partially Achieved	Fire Chief to plan for Fire Inspections in the New FY well in advance to avoid capacity related constraints.	

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
CS02/2023 - 1			Provision of sufficient fire response vehicles	Procurement of a Fire Truck (with branding) by 30 June 2024	R1 450 808.72	SBDM	SBDM	SBDM	1 Fire Truck procured (with branding)	Service provider appointed for the procurement of the Fire Truck through Sarah Baartman District Municipality. No feedback on progress has thus been provided as to how far the process is. The funding for the truck is ring-fenced from the Fire Grant for KKM by the District.		Due to SCM process being conducted by the district, the Municipality has no influence but to follow-up continuously in aid of speeding up the procurement process	NEW KPI
CS02/2023 - 2				Procurement of a Fire Response Vehicle with skid and branding by 30 June 2024	R850 000	SBDM	SBDM	SBDM	1 Fire Response Vehicle with skid and branding procured	Service provider appointed for the procurement of the Fire Response Vehicle through Sarah Baartman District Municipality. No feedback on progress has thus been provided as to how far the process is. The funding for the truck is ring-fenced from the Fire Grant for KKM by the District.		Due to SCM process being conducted by the district, the Municipality has no influence but to follow-up continuously in aid of speeding up the procurement process	NEW KPI

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
CS02/ 2023 - 3			Procurement of safety equipment for fire personnel	Procure PPE for a certain amount before 30 June 2024	R200 000	SBDM	R0	0%	Procurement of PPE for fire personnel by June 2024	Procurement of PPE currently under SCM processes - tender advert closed on the 07 July 2024	Partially Achieved	Speed up the process of Procurement once the tender has closed	NEW KPI
CS02/ 2023 - 4			Present OHS training to fire personnel by 30 June 2024	A number of fire personnel trained in OHS	R248 000	SBDM	R0		OHS training to 20 fire personnel (including temporary employees attending accidents etc) by the 30 June 2024	No OHS Training conducted, However training currently underway for 8 Fire Officials 03 - 07 June 2024, 10 - 14 June 2024, 24 - 28 June 2024 and 08 - 12 July 2024	Partially Achieved	Training on the Temporary Staff to follow under the new budget	NEW KPI
CS03/ 2023		Provision of adequate Library Services	Installation of network connectivity and Wi-Fi at Koukamma Libraries	Installation of network connectivity and Wi-Fi at the Kareedouw Library	R 100 000	DSRAC	R0	0%	100% complete with the installation of network connectivity and Wi-Fi at the Kareedouw Library	95% - A final switch outstanding to be installed for final completion.	Partially Achieved	Site technicians to assist through DSRAC	NEW KPI

IDP REF	MSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	YTD Expenditure	% Expenditure	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
CS04/2023		Implementation of Waste Management Programme	Job Creation through the Waste Management programme	1) Number of jobs created through waste management programme 2) Percentage expenditure on the waste management programme	R 2 000 000	Dedeat	R 1 170 988	59%	1) 40 jobs created EPWP 2) 60% expenditure on the Waste Management Grant	59% Expenditure on Waste Management Project	Partially Achieved	Project is a multiyear and will continue in the new FY	NEW KPI
LED01/2023		Implementation of the EPWP program	Job creation through the EPWP programme	Number of jobs created through EPWP	R 1 048 000	Public Works	R 1 215 569	116%	40 jobs created through EPWP	41 Jobs Created - 116% Expenditure			
LED02/2023			Reporting on EPWP implementation to public Works	Submit a number of EPWP reports to Public Works					Submit 4 EPWP reports to Public Works	4 EPWP Reports Submitted to Public Works			
LED03/2023		Monitor the implementation of the CWP program	Monitor implementation of the CWP program through conducting Local Reference Committee (LRC) meetings	Conduct a number of LRC meetings in the 23/24 FY	External Funding	COGTA	External Funding	External Funding	Conduct 3 LRC meetings	2 LRC meetings held - 01 Feb 2024; 25 June 2024	Partially Achieved	LRC to convene quarterly in the new FY	

KPA 3 -LOCAL ECONOMIC DEVELOPMENT

Number of projects = 5

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 2	40%
	Number of projects In Progress = 2	40%
	Number of projects lagging = 1	20%

In 2023/24 FY Local Economic Development have achieved a 40% on target/complete projects.

The LED Strategy is currently still in Draft form and anticipate approval thereof in August 2024.

EPWP and CWP programmes that have in prior years been situated in LED have subsequently been related to the Community services section and is being reported on under KPA 2.

In 2022/23 FY Local Economic Development have achieved a 37.5% on target/complete projects.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	3 Prior Year Performance 2022/23
KPA 3 - Local Economic Development											
LED04/2023		SMME Support programmes and entrepreneurship development	Support and development of the SMME's in Koukamma through the Business Development Forum	Conduct a number of Koukamma Business Development Forum meetings	Operational	Operational	4 Koukamma Business Development Forum meetings	2 Koukamma Business Development Forum meetings held	Partially Achieved	LED to plan for quarterly meetings with business forum in 2024/25	3 Koukamma Business Forum meetings held
LED04/2023 - 01		SMME Support programmes and entrepreneurship development	Provision of training programmes for SMME Development	Number of SMME's Development programmes / Workshops	SBDM	SBDM	1 SMME Development Workshop	No Workshop conducted. LED strategy and not yet approved by the Council and SMME support form part of LED Strategy.		LED Strategy approval by Council will allow for the implementation of LED programmes and funding	NEW KPI
LED05/2023		Farmers Association	Establishment and support of the Farmers in Koukamma through the establishment of a Farmers' Association	Conduct a number of Farmers Association meetings and update the farmers' association data base	Operational	Operational	1) 3 Farmers Association meetings 2) Updated Farmers Association data base	1) 4 Farmers Association meetings held. 2)Data base updated. Had two farmers association meetings in Guava Juice and Thornham the database will be an ongoing programme.			2 Farmers Association Meetings held 03/08/22 and 06/10/22

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
LED07/2023		Promotion of Koukamma Tourism	Develop Koukamma Tourism in collaboration with the Koukamma Local Tourism Organisation (KLTO)	Establish working relations and support with the Koukamma Local Tourism Organisation in the 2023/24 FY	Operational	Operational	Attend, support and report on Tourism Activities and Engagements	Visited two small tourism businesses in Tsitsikamma to identify their challenges and support they need.			
LED08/2023		Development of LED strategy	Workshop approach	Draft LED strategy	External Funding	SBDM	LED strategy document	LED Strategy still waiting for Council approval. The Strategy could not be approved as there was no ordinary council in this quarter.	In progress	The LED Strategy must be approved in the Ordinary Council Meeting in August 2024	NEW KPI

KPA 4 - FINANCIAL VIABILITY AND MANAGEMENT AND SUSTAINABILITY

Number of projects = 10

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 6	60%
	Number of projects partially achieved = 3	30%
	Number of Projects Lagging/Not Started = 1	10%

Financial Viability, management and Sustainability achieved 60% of its set targets for the 2023/24 FY.

Key performance indicators that have been partially achieved are related to revenue collection for the financial year.

The indicator on the development and reporting on the Audit Action Plan has not been achieved as anticipated for the financial year.

Finance have achieved a 91% on target/complete projects in the 2022/23 FY.

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 4 - Financial Viability and Management and Sustainability											
FV01/2023		Compliance with the MFMA and mSCOA Regulations	Implementation of the MFMA and mSCOA Circulars	mSCOA Compliant Financial System and Annual Budget	Operational	Operational	Accurate mSCOA Compliant Financial System and Annual Budget	Financial system is mSCOA compliant and the budget is mSCOA compliant with immaterial issues			
FV02/2023		Annual Budget compiled in line with the MFMA	Compilation of the Municipal Budget	Submission of Final Budget to Council and Treasury for 2024/25	Operational	Operational	Submission of Final Budget to Council and Treasury for 2024/25	Final budget adopted on the 23 May 2024			
FV04/2023		Improvement of the revenue collection rate for the 2023/24 Financial year	Comply with the MFMA and Municipal Property Rates Act	Ensure Increase in Revenue collection by a certain percentage	Operational	Operational	Increase Service Revenue collection by 10% of the baseline of 2022/23 for 2023/24	Collection is R20 556 321,54 for 2023/24, baseline of R28 582 164.88 for 2022/23 FY	Partially Achieved	Implementation of revenue collection strategy	
FV05/2023					Operational	Operational	Increase Rates Revenue collection by 10% of the baseline of 2022/23 for 2023/24	Collection for rates is R22 260 756,12 for 2023/24 - baseline is R18 701 397,36 for 2022/23 - increase of 19%			
FV06/2023							Increase Traffic Fines Revenue collection by 20% of the baseline of 2022/23 for 2023/24	Collection for fines is R3 272 157,66 for 2023/24 FY - baseline is R4 466 976.83 for 2022/23 FY	Partially Achieved	Implementation of revenue collection strategy	

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
FV07/2023		Improvement of the revenue collection rate for the 2023/24 Financial year	Development of a Revenue Enhancement and Debt Recovery Strategy for the 2023/24 FY	Submit a number of reports to Council on the implementation of the Revenue Enhancement and Debt Recovery Strategy 2023/24 FY			4 Reports on the implementation of the Revenue Enhancement and Debt Recovery Strategy to Council	2 Reports on the implementation of Revenue Enhancement and Debt Recovery submitted to Council	Partially Achieved	Ensure the submission of a progress report to Council Quarterly	NEW KPI
FV08/2023		GRAP compliant Submissions in accordance with the MFMA	Accurate Reporting in Compliance with Legislation	Submit a number of Grap compliant AFS to AG for Auditing	Operational	Operational	Grap Compliant AFS	Grap compliant AFS for 2022/23 submitted			
FV09/2023				Submit a number of reports to Treasury			Submission of 4 Section 52 Reports	4 Section 52 Reports submitted to Treasury in the FY			
FV10/2023				Submit a number of reports to Treasury			1) Submission of 12 Section 71 Reports and 2) 1 Section 72 reports to Treasury	1) 12 Section 71 Reports submitted to Treasury 2) 1 Section 72 Reports submitted to Treasury			
FV11/2023		Compliance to AG Findings of 2022/23 FY	Implementation of the Audit Action Plan	Implementation and reporting on the AG Findings in Audit Action Plan			Implementation and reporting on the AG Findings in Audit Action Plan	No Audit Action Plan submitted to Council		Audit Action plan in the process of being finalised and submitted to Council for approval	

KPA 5 - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Number of projects = 8

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 6	75%
	Number of projects partially achieved = 1	12.5%
	Number of Projects Lagging/Not Started = 1	12.5%

Good Governance and Public Participation has achieved 75% on target projects for the 2023/24 FY.

Key Performance indicators not achieved relate to ward committees that did not sit in the last quarter due to the absence of the ward councillor.

Performance reviews did not take place due to the absence of the Municipal Manager and the position being occupied by an acting Municipal Manager on a rotational basis.

Good Governance has achieved 87.5% on target projects for the 2022/23 FY

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
KPA 5 - Good Governance and Public Participation											
GGPP01/2023		IDP Review for the 2024/25 financial year	Implementation of the Municipal Systems Act	Reviewed IDP 2024/25	Operational	Operational	Adoption of the reviewed IDP for the 2024/25 FY	IDP approved on the 23rd of May 2024			
GGPP02/2023		Establishment of 6 Ward Committees in Koukamma 2023/24	Implementation of the Municipal Systems Act	Number of Ward Committees Reports	Operational	Operational	24 Ward Committee Reports	22 Ward Committee meetings held and reports received, due to the incumbent being on special leave and the vacant position of Ward 1 Councillor in Quarter 4. By Elections in August 2024		Once the By - election is concluded and the newly elected councillor is inaugurated, the ward committees will commence as scheduled.	
GGPP03/2023		Monitoring and application of Performance Management Systems	Compliance of the Performance Management Framework	Conclude a number of Performance Management Reports	Operational	Operational	Conclude and sign off 4 Performance Reviews	1 Performance Review Conducted in January 2024. Reviews did not take place due to the rotational appointment of the Acting MM.	Partially Achieved	Performance Reviews to be scheduled in advance and conducted despite the position of the MM as Portfolio of Evidence should be available to substantiate achievement. Annual Performance reviews to be conducted by 30 Sept 2024.	
GGPP04/2023							Council approval of 4 SDBIP	4 SDBIP Reports approved by Council			

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target / In Progress / Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
GGPP0 5/2023		Effective functioning of MPAC in the 2023/24 Financial Year	Improved oversight role of MPAC	Conduct a number of MPAC meetings	Operational Operational	quarterly reports 4 MPAC meetings	5 MPAC meetings held 09/10/23; 21/11/23; 23/01/24; 29/01/24; 26/04/24			
GGPP0 6/2023		Effective functioning of Audit Committee in the 2023/24 Financial Year	Improved advisory role Audit Committee	Conduct a number of Audit Committee meetings		4 Audit Committee meetings	6 Audit meeting. 08/08/23; 29/08/23; 05/12/23; 31/01/24; 06/02/24; 29/04/24			
GGPP0 7/2023		Effective Functioning of the Internal Audit 2023/24	Conduct a number of internal audits as per the Internal Audit Plan and the submission thereof to the Audit Committee	A number of Internal Audit Reports submitted to the Audit Committee	Operational Operational	4 Internal Audit Reports submitted to the Audit Committee	4 Report submitted to AC			

IDP REF	mSCOA LINK	OBJECTIVE	STRATEGY	KPI	BUDGET	FUNDING	ANNUAL TARGET	Actual Performance vs Target and reasons for variance (WHY)	On Target In Progress Lagging	Remedial Actions for projects not On Target (HOW)	Prior Year Performance 2022/23
GGPP08/2023		Compliance to the Municipal Systems Act	Compilation of the Annual Report 2022/23	Development of the Annual Report 2022/23 FY	Operational	Operational	Approved Annual Report for 2022/23 FY	Annual report Approved In March 2024			

OVERALL

Total number of projects = 57

	PROGESS	PERCENTAGE
	Number of projects On Target/Completed = 25	44%
	Number of Projects Partially achieved / In Progress = 25	44%
	Number of Projects Lagging/Not Started = 7	12%

Total Budget versus Expenditure:

Financial Year	Budget	Expenditure	% Expenditure
2023/24 (Current)	R56 112 333	R37 306 173	66%
2022/23 (Prior Year)	R42 163 919,31	R35 875 338,77	85%

In 2023/24 Financial Year the overall achievement on performance indicators is 44%, the total budget allocation is R56 112 333 of which 66% was spent as at the end of the FY.

In the 2022/23 financial year 64% of the set targets in the SDBIP were achieved, 25% are still in progress whilst 10% have not started/lagging.

Total budget expenditure is 85%

7. CONCLUSION

The overall performance of the Municipality as per the Key Performance Area as captured in this report is reflected in the table below.

High Level Summary - SDBIP Performance - 01 July 2023 - 30 June 2024

Description & Year	KPA - Municipal Transformation	KPA - Basic Service Delivery	KPA - Local Economic Development	KPA - Financial Viability	KPA - Good Governance	Total Annual Target
2023/24						
- SDBIP Target Set	17	17	5	10	8	57
[redacted]	6	5	2	6	6	25
- % Target Achieved	*35,3%*	*29,4%*	*40,0%*	*60,0%*	*75,0%*	[redacted]
2023/24						
- SDBIP Target Set	17	17	5	10	8	57
- In Progress	9	10	2	3	1	25
- % Target Achieved	*52,9%*	*58,8%*	*40,0%*	*30,0%*	*12,5%*	*44%*
2023/24						
- SDBIP Target Set	17	17	5	10	8	57
[redacted]	2	2	1	1	1	7
- % Target Achieved	*11,8%*	*11,8%*	*20,0%*	*10,0%*	*12,5%*	[redacted]
2023/24						
- SDBIP Target Set	17	17	5	10	8	57
- Not Applicable	0	0	0	0	0	0
- % Target Achieved	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*
	100,0%	*100,0%*	*100,0%*	*100,0%*	*100,0%*	*100,0%*

Koukamma is depending largely on grants and external funding to execute and uphold the principle of Back to Basics; hence we acknowledge that not all the projects as indicated in the IDP could be implemented in this financial year. It is however important to note that the IDP is spread over a period of 5 years.

The Municipality remains committed to respond to the expectations of the residents and local business fraternity by providing access to quality and affordable basic services whilst doing our utmost to maintain and improve on the existing levels of infrastructure investment and improved governance.

Mzwake Clay
ACTING MUNICIPAL MANAGER

30 | 04 | 24
DATE

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST
N/A

APPENDIX K: REVENUE COLLECTION PERFORMANCE

Appendix K	**2023/24**	**2022/23**
	Revenue by vote	
Main votes	**AMOUNT**	**AMOUNT**
Executive and council	65 495 240,00	70 300 454,32
Technical services	69 224 967,44	74 303 822,10
Corporate services	337 132,85	361 867,40
financial services	41 339 209,74	44 372 159,35
Communicity assets	57 975 084,63	62 228 564,83
	234 371 634,66	**251 566 868,00**

Appendix K	**2023/24**	**2022/23**
	Revenue by source	
Main votes	**AMOUNT**	**AMOUNT**
Property Rates	30 182 562,49	25 570 430,00
Fines	26 090 696,00	62 519 635,00
Income for Agency Services	2 299 378,01	1 744 383,00
Government Grants and Subsidies Received	109 395 530,36	107 862 489,00
Interest Earned - Outstanding Debtors	6 219 841,06	4 518 283,00
Service Charges	51 874 912,33	32 861 256,00
Rental of Facilities and Equipment	389 710,62	232 514,00
Interest Earned - External Investments	474 802,76	424 224,00
Interest Earned - Outstanding Debtors	6 676 185,98	14 171 716,00
Other Revenue	768 015,05	1 661 938,00
	234 371 634,66	**251 566 868,00**

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG (REFER TO FINANCIAL STATEMENTS)
N/A

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES: INCLUDING MIG (REFER TO FINANCIAL STATEMENTS)

CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

Project	Capital expenditure - new assets Amount
Capital: Non-infrastructure: New: Machinery and Equipment	346 373,28
Capital: Infrastructure: New: Information and Communication Infrastructure: Data Centres	19 224 343,95
Capital: Non-infrastructure: New: Furniture and Office Equipment	108 334,63
Capital: Non-infrastructure: New: Computer Equipment	161 143,47
Capital: Non-infrastructure: New: Community Assets: Community Facilities: Halls	2 340 711,82
Capital: Non-infrastructure: New: Other Assets: Operational Buildings: Stores	18 026,70
	22 198 933,85

CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Project	Capital expenditure - upgrade/renewal Amount
Capital: Infrastructure: Existing: Renewal: Sanitation Infrastructure: Reticulation	9 459 650,3(
Capital: Infrastructure: Existing: Upgrading: Sanitation Infrastructure: Wastewater Treatment Works	579 710,0(
Capital: Infrastructure: Existing: Upgrading: Roads Infrastructure: Roads	6 004 284,7(
Capital: Infrastructure: Existing: Renewal: Sanitation Infrastructure: Wastewater Treatment Works	1 167 851,5
	17 211 496,5

APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR (REFER TO FINANCIAL) STATEMENTS

Capital projects in relation to upgrade/renewal indicating budget and adjustments

PROJECT NAME	ACTUAL BUDGET	ADJUSTED BUDGET	VARIANCE
1.MOUNTAINVIEW PAVING PHASE 01	R7 461 549,18	R0,00	R0,00
2.REPLACEMENT OF SMALLBOREWATER SEWER - CLARKSON	R17 000 000,00	R0,00	R0,00
3. MANTAINANCE OF TWEEIRIVIER WWTW	R1 600 000,00	R0,00	R0,00
4. JOUBERTINA WTW UPGRADES	R10 000 000,00	R0,00	R0,00
5.JOUBERTINA SIDEWALKS AND OVERLAY	R 14 361 407.75	R0,00	R0,00
6.JOUBERTINA DLTC BUILDING	R14 041 183.52	R0,00	R0,00
7.KARREDOUW PUMPSTATIONS UPGRADE	R2 000 000,00	R0,00	R0,00
8.UPGRADING OF KRAKEEL SPORTFIELD	R 8 000 000.00	R0,00	R0,00
9.KOUKAMMA COMMUNITY LIGHTING	R 5 000 000.00	R0,00	R0,00

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

PROJECT NAME	WARD	PROJECT STATUS
1.MOUNTAINVIEW PAVING PHASE 01	4	ON CONSTRUCTION
2.REPLACEMENT OF SMALLBOREWATER SEWER SYSTEM TO FULL WATERBORNE SEWER SYSTEM-CLARKSON	5	CONTRACT TERMINATED
3. MANTAINANCE OF TWEEIRIVIER WWTW	3	COMPLETED
4. JOUBERTINA WTW UPGRADES	3	PROJECT ON CONSTRUCTION
5.JOUBERTINA SIDEWALKS AND OVERLAY	3	ON CONSTRUCTION
6.JOUBERTINA DLTC BUILDING	3	CONTRACT TERMINATED

7.KARREDOUW PUMPSTATIONS UPGRADE	4	COMPLETED
8.UPGRADING OF KRAKEEL SPORTFIELD	6	COMPLETED

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

N/A

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION TECHNICAL

N/A

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

VOLUME II: AES

KOU-KAMMA LOCAL MUNICIPALITY

EC109

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

KOU-KAMMA MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

INDEX

CONTENTS

	PAGE
GENERAL INFORMATION	3
APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS	4
ACCOUNTING OFFICERS RESPONSIBILITY AND APPROVAL	5
MEMBERS OF THE COUNCIL	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF FINANCIAL PERFORMANCE	8
STATEMENT OF CHANGES IN NET ASSETS	9
CASH FLOW STATEMENT	10
STATEMENT OF FINANCIAL POSITION: COMPARISION OF BUDGET VS ACTUAL AMOUNTS	11
STATEMENT OF FINANCIAL PERFORMANCE: COMPARISION OF BUDGET VS ACTUAL AMOUNTS	12
ACCOUNTING POLICIES	13
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	31

GENERAL INFORMATION

ADDRESS OF THE KOU-KAMMA LOCAL MUNICIPALITY

5 Keet Street
Kareedouw
6400

Private Bag X11
Kareedouw
6400

GRADING OF THE LOCAL AUTHORITY

Grade 2

EXTERNAL AUDITORS

Office of the Auditor General (East London)
69 Frere Road
Vincent
East London
5200

PRIMARY BANKER

ABSA Bank Ltd

ACTING ACCOUNTING OFFICER

Clay M

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

Acting Municipal Manager
Clay M



Chief Financial Officer

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 4 to 62, in terms of Section 126(1) of the Municipal Finance Management Act (Act No. 56 of 2003) and which I have signed on behalf of the municipality.

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

The accounting officer is required by the Municipal Finance Management Act (Act No 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the 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 and independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer is 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and in the light of this review and the current financial position, as assessed with limited resources, the municipality will continue to operate as a going concern for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors.

The external auditors are responsible for auditing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 6 onwards

The annual financial statements set out on pages 5 to 62, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024 and were signed by:

Clay M
Acting Municipal Manager



MAYOR

Cllr. Yake F.J.

SPEAKER

Cllr. Maasdorp D.

COUNCILLORS

Cllr. Yake F.J.
Cllr. Maasdorp D.
Cllr. Strydom F.
Cllr. Smith K.
Cllr. Krige J.
Cllr. Fillis R.C. (Discharged 20 May 2024)
Cllr. Campher R.G.
Cllr. Persent V.X.E.
Cllr. Sikiwe N.
Cllr. Jantjies B.T.
Cllr. Ferguson S.
Cllr. May S.

CERTIFICATION OF REMUNERATION OF COUNCILLORS

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution of the Republic of South Africa, 1996, read with the Remuneration of Public Office Bearers Act No.20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with this Act.

KOU-KAMMA MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Actual 2024 R	Restated 2023 R
ASSETS			
Current Assets		**98 116 283**	**72 755 709**
Inventories	2	1 443 669	773 190
Receivables from Exchange Transactions	3	25 350 617	10 165 442
Receivables from Non-exchange Transactions	4	59 727 562	48 165 204
VAT Receivable	5	10 712 452	9 216 587
Cash and Cash Equivalents	6	852 823	4 404 840
Operating Lease Receivables	7	29 159	30 446
Non-Current Assets		**400 625 137**	**386 536 257**
Property, Plant and Equipment	8	375 648 548	361 522 786
Intangible Assets	9	19 574	42 674
Investment Property	10	24 957 015	24 970 797
Total Assets		**498 741 419**	**459 291 966**
LIABILITIES			
Current Liabilities		**54 632 371**	**37 587 003**
Consumer Deposits	11	232 315	105 758
Current Portion of employee benefits Liabilities	15	2 680 523	2 528 344
Provisions	12	353 350	757 033
Payables from Exchange Transactions	13	41 752 042	31 887 778
Unspent Conditional Grants and Receipts	14	9 614 140	2 308 090
Non-Current Liabilities		**17 853 770**	**16 226 999**
Employee Benefit Liabilities	15	10 330 488	9 808 660
Provisions	16	7 523 282	6 418 339
Total Liabilities		**72 486 141**	**53 814 002**
Net Assets		**426 255 278**	**405 477 963**
NET ASSETS		**426 255 278**	**405 477 963**
Accumulated Surplus	17	426 255 278	405 561 027
Total Net Assets		**426 255 278**	**405 477 963**

KOU-KAMMA MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Note	Actual 2024 R	Restated 2023 R
REVENUE			
Revenue from Non-exchange Transactions			
Property Rates	18	30 182 562	25 570 430
Fines	19	26 090 696	62 519 635
Income for Agency Services	20	2 299 378	1 744 383
Government Grants and Subsidies Received	21	109 395 530	107 862 489
Interest Earned - Outstanding Debtors	24	6 219 841	4 518 283
Revenue from Exchange Transactions			
Service Charges	22	51 874 912	32 861 256
Rental of Facilities and Equipment	23	389 711	232 514
Interest Earned - External Investments	24	474 803	424 224
Interest Earned - Outstanding Debtors	24	6 676 186	14 171 716
Other Revenue	25	768 015	1 661 938
Total Revenue		**234 371 635**	**251 566 868**
EXPENDITURE			
Employee Related Costs	26	80 978 718	62 085 837
Remuneration of Councillors	27	5 961 174	4 777 039
Depreciation and Amortisation	28	25 326 685	24 089 667
Debt impairment		34 734 550	91 586 772
Finance Costs	29	978 770	562 645
Bulk Purchases	30	6 158 348	5 433 305
Contracted Services	31	9 786 592	8 499 598
Inventory consumed	31	7 018 523	5 406 853
General Expenses	32	25 256 501	24 494 984
Bad debt written off		17 477 523	25 093 467
Loss on Disposal of Property, Plant and Equipment		0,00	-
		213 677 383	**252 030 167**
SURPLUS/ (DEFICIT) FOR THE YEAR		**20 694 251**	**(463 299)**

KOU-KAMMA MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

Description	Note	Accumulated Surplus / (Deficit)	Total
		R	R
Restated balance at 1 July 2022		**406 024 326**	**406 024 326**
Prior year adjustment			
Surplus for the year		(463 299)	(463 299)
Balance at 30 June 2023		**405 561 027**	**405 561 027**
2022			
Restated balance at 1 July 2023		**405 561 027**	**405 561 027**
Surplus for the year		20 694 251	20 694 251
Balance at 30 June 2024		**426 255 278**	**426 255 278**

KOU-KAMMA MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	Actual 2024 R	2023 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services	25	474 533	357 090
Government Grant and Subsidies	21	123 107 357	115 748 549
Interest Received on investments	24	474 803	424 224
Other Receipts		59 565 631	48 209 859
Payments			
Employee Related Costs and remuneration of Councillors		(71 783 369)	(66 862 876)
Interest Paid	29	(978 770)	(562 645)
Suppliers Paid		(74 894 109)	(60 579 744)
NET CASH FLOWS FROM OPERATING ACTIVITIES	33	**35 966 076**	**36 734 457**
CASH FLOWS UTILISED FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	8	(39 415 565)	(35 186 358)
Purchase of Intangible Assets	9	-	-
Interest received on bank account and short-term deposits		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(39 415 565)**	**(35 186 358)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		**(3 449 489)**	**1 548 099**
Cash and Cash Equivalents at Beginning of Period		4 301 693	2 856 740
Cash and Cash Equivalents at End of Period		852 203	4 301 693

KOU-KAMMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET INFORMATION WITH ACTUAL INFORMATION AS AT 30 JUNE 2024

Description	Original Budget	Budget Adjustments (i.e. s28 & s31 Of The MFMA)	Final Budget	Actual Outcome	Variance	Variance percentage	Notes
ASSETS							
Current Assets	**18 637 658**	**112 778 691**	**126 160 346**	**98 116 283**	**28 044 063**		
Inventories	393 269	124 228	517 491	1 443 669	(926 178)	-179%	
Receivables from Exchange Transactions	20 744 802	40 235 457	60 980 259	25 350 617	35 629 642	58%	N1
Receivables from Non-exchange Transactions	49 835 130	(9 532 873)	40 302 257	59 727 562	(19 425 305)	-48%	N2
VAT Receivable	14 472 490		9 216 567	10 712 452	(1 495 885)	-16%	
Cash and Cash Equivalents	-66 836 005	81 951 311	15 113 306	852 823	14 260 483	94%	N3
Operating Lease Receivables	29 976	468	30 446	29 159	1 287	4%	
Non-Current Assets	**390 202 141**	**30 320 840**	**420 522 781**	**400 625 137**	**19 897 644**		
Property, Plant and Equipment	364 936 105	30 373 205	395 309 310	375 648 548	19 660 762	5%	
Intangible Assets	261 496	(38 822)	242 674	19 574	223 100	92%	N4
Investment Property	24 984 540	(13 743)	24 970 797	24 957 015	13 782	0%	
Total Assets	**408 839 799**	**143 099 231**	**546 683 127**	**498 741 419**	**47 941 708**		
LIABILITIES							
Current Liabilities	**39 721 969**	**5 829 774**	**45 551 733**	**64 632 371**	**(19 080 638)**		
Consumer Deposits	105 758	-	105 758	232 315	(126 557)	-120%	
Current Portion of Long-term Liabilities	2 138 592	5 308 147	7 446 739	2 680 523	4 766 216	64%	
Provisions	110 788	5 538 510	5 647 298	353 350	5 293 948	94%	N5
Payables from Exchange Transactions	34 743 667	(4 899 848)	30 043 849	41 752 042	(11 708 193)	-39%	N6
Unspent Conditional Grants and Receipts	2 623 124.00	-315 035.00	2 308 089	9 814 140	(7 506 051)	-317%	
Non-Current Liabilities	**15 797 012**	**(12 203 426)**	**3 593 586**	**17 863 770**	**(14 260 184)**		
Employee Benefit Liabilities	-	-	-	10 330 488	(10 330 488)	#DIV/0!	N7
Provisions	15 797 012	(12 203 426)	3 593 586	7 523 282	(3 929 696)	-109%	N8
Total Liabilities	**55 518 971**	**(6 373 652)**	**49 145 319**	**72 496 141**	**(23 340 822)**		
Net Assets	**353 320 828**	**149 472 883**	**497 537 808**	**426 255 278**	**71 282 530**		
NET ASSETS							
Accumulated Surplus	**353 320 828**	**144 216 980**	**497 537 808**	**426 255 278**	**71 282 530**		
	353 320 828	149 472 883	497 537 808	426 255 278	71 282 530	14%	
Total Net Assets	**353 320 828**	**149 472 883**	**497 637 808**	**426 255 278**	**71 282 530**		

Notes and Legends
Cash and cash equivalent was overstated on the adjustments budget, an error
Receivables from exchange was overbudgeted on the adjustments budget, an error
Receivables from non-exchange was underbudgeted on the adjustments budget, an error
The is major increase on inventory stores year end balance due to costing error on previous financial year
The is major decrease on VAT receivables due to
Intangible assets was overbudgeted on the adjustments budget, an error
The is an error on community halls deposits
The is major increase on trade creditors due to cash flow challenges, the Municipality couldn't service creditors
This relates to underbudgeting for the increase in the PEMA liability
Provisions current portion was overstated on the adjustments budget, an error on budgeting
The non current portion of provisions is underbudgeted on the adjustments budget, budget error
No budget was allocated for long term finacial obligations on the adjustments budget

KOU-KAMMA MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET INFORMATION WITH ACTUAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

Description	Original Budget	Budget Adjustments (i.e. s28 & s31 Of The MFMA)	Final Budget	Actual Income & Expenditure	Variance	Variance percentage	Notes
Financial Performance							
Property Rates	28 077 370	4 547 666	32 625 036	30 182 562	2 442 474	8%	
Service Charges	38 360 163	17 740 262	56 120 425	51 874 912	4 245 513	8%	
Rental of Facilities and Equipment	235 012	170 711	405 723	389 711	16 012	4%	
Investment Revenue	166 971	502 497	669 468	474 803	194 665	29%	N1
Interest earned: outstanding debtors	20 678 336	(9 807 881)	11 070 455	12 896 027	(1 825 572)	-16%	N2
Fines	26 659 854	18 485 093	45 144 947	26 080 696	19 054 251	42%	N3
Income for the agency fees	2 153 268	-	2 153 268	2 299 378	(146 110)	-7%	
Government grants and subsidies	130 317 637	(2 658 614)	127 659 023	109 395 530	18 263 493	14%	N4
Other Own Revenue	30 967 223	(784 050)	30 183 173	768 015	29 415 158	97%	N5
Gain on disposal of assets			-				
Total Revenue (Excluding Capital Transfers & Contributions)	277 835 834	28 195 684	306 031 518	234 371 635	(71 659 883)	-23%	
Employee Costs	79 879 970	(2 818 304)	77 061 666	80 978 718	(3 917 052)	-5%	
Remuneration Of Councillors	5 046 449	290 591	5 337 040	5 961 174	(624 134)	-12%	N6
Debt Impairment	50 618 328	36 893 593	87 511 921	34 734 550	52 777 371	60%	N7
Depreciation & Asset Impairment	24 304 620	-	24 304 620	25 326 685	(1 022 065)	-4%	
Finance Charges	274 264	625 060	899 324	978 770	(79 446)	-9%	
Bulk Purchases	6 765 028	(1 692 826)	5 072 202	6 158 348	(1 086 146)	-21%	N8
Other Materials	6 668 975	1 005 863	7 674 838	7 018 523	656 315	9%	
Contracted Services	14 838 581	343 818	15 182 399	9 786 592	5 395 807	36%	N9
Other Expenditures	30 967 223	(784 050)	30 183 173	25 256 501	4 926 672	16%	N10
Impairment loss	-	-	-	-	-		
Total Expenditure	***219 363 436***	***33 863 745***	***253 227 183***	***196 199 861***	***(57 027 322)***	***-23%***	
Surplus/(Deficit)	58 472 396	(5 668 061)	52 804 335	38 171 774	(14 632 561)	-28%	
Capital Expenditure	25 611 500	(972 519)	24 638 981	39 415 565	14 776 584	60%	

Notes and Legends:

Service charges - water overbudgeted on the adjustments budget, error on budget
Interest earned on overdue services accounts is less than anticipated, the is an error on actuals
Interest earned on favourable bank balances is less than anticipated d
Operational revenue underbudgeted on the adjustments budget, error on budget

Traffic fines issued were less than anticipated due to were no traffic fin
Transfers and Subsidies budget only include operational grants, while transfers and subsidies actuals include both operational and capital grants
Interest on overdue rates is less than anticitipated due to error on actuals
The contracted services expenditure is less than anticipated due to cost containment measures emplementated by the Municipality
The operational costs expenditure is less than anticipated due to cost containment measures emplementated by the Municipality

1. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) listed below including any interpretations, guidelines and directives issued by the Accounting Standards Board and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

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

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 1.6 standards and interpretations effective and adopted in the current year.

1. 1 CHANGES IN ACCOUNTING POLICY AND COMPARABILITY

Accounting Policies have been consistently applied, except where otherwise indicated below.

The details of any resulting changes in accounting policy and comparative restatements are set out below.

The municipality changes an accounting policy only if the following instances:
(a) is required by a Standard of GRAP; or
(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the municipality's financial position, financial performance or cash flow.

1. 2 CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS

In the application of the municipality's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1. 2. 1 Revenue Recognition

Accounting Policy on *Revenue from Exchange Transactions* and Accounting Policy on *Revenue from Non-exchange Transactions* describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 and GRAP 23. In particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate. At the time of initial recognition it is inappropriate to assume that the collectability of amounts owing by individual recipients of goods or services will not occur, because the municipality has an obligation to collect all revenue.

1. 2. 2 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. Accounting Policy on *Financial Assets Classification* and Accounting Policy on *Financial Liabilities Classification* describe the factors and criteria considered by the management of the municipality in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: *Financial Instruments.*

1. 2. 3 Impairment of Financial Assets

Accounting Policy on *Impairment of Financial Assets* describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: *Financial Instruments*, and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that the impairment of financial assets recorded during the year is appropriate.

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness.

This was performed per service-identifiable categories across all classes of debtors.

1. BASIS OF PRESENTATION (Continued)

1. 2 CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS (Continued)

1. 2. 4 Useful lives of Property, Plant and Equipment, Intangible assets and Investment property

The municipality depreciates/amortises its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

1. 2. 5 Impairment: Write down of Property, Plant and Equipment and Inventories

Accounting Policy on *PPE - Impairment of assets* and Accounting Policy on *Intangible assets - Subsequent Measurement, Amortisation and Impairment* and Accounting Policy on *Inventory - Subsequent measurement* describes the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to PPE impairment testing, Intangible assets impairment testing, write down of Inventories to the lowest of Cost and Net Realisable Values (NRV) and whether assets should be written down to current replacement cost.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of Non-Cash generating Assets and GRAP 26: Impairment of Cash generating Assets. In particular, the calculation of the recoverable service amount for PPE and intangible assets and the NRV for inventories involves significant judgement by management. During the year no impairments were made to PPE, intangible assets or inventory.

1. 2. 6 Water inventory

The estimation of the water stock in the reservoirs is based on the measurement of water after the depth of water in the reservoirs have been determined, which is then converted into volumes based on the total capacity of the reservoir.

1. 2. 7 Defined Benefit Plan Liabilities

The municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the notes to the Annual Financial Statements.

1. 2. 8 Provisions and contingent liabilities

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 net present value of cost. Additional disclosure of these estimates of provisions are included in Note 16 Provisions. A valuation report is prepared annually by the Province of the Eastern Cape Local Government and Traditional Affairs Department. This report is an effect to ensure that Kou-kamma Local Municipality complies with the Waste Act and the Generally Recognised Accounting Practice (GRAP) 17 and 19 requirements and standards. GRAP 17 requires the cost of rehabilitation of landfill sites to be capitalised as property, plant and equipment and within GRAP 17 the interest of this report is in the depreciation rate of the sites. GRAP 19 requires for costs of rehabilitation of landfill sites to be provided for.

1. 2. 9 Budget information

Deviations between budget and actual amounts are regarded as material differences when a 10% deviation exists. All material differences are explained in the notes to the annual financial statements.

1. 3 PRESENTATION CURRENCY

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand, which is the municipality's functional currency.

1. 4 GOING CONCERN ASSUMPTION

The Annual Financial Statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1. 6 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1. BASIS OF PRESENTATION (Continued)

New Standards and Interpretations

6 Standards and interpretations effective and adopted in the current year

GRAP 20 : Related Party Disclosures

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:
- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that 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. As a minimum, the following are regarded as related parties of the reporting entity:
- A person or a close member of that person's family is related to the reporting entity if that person:
  * has control or joint control over the reporting entity;
  * has significant influence over the reporting entity;
  * is a member of the management of the entity or its controlling entity.

- An entity is related to the reporting entity if any of the following conditions apply:
  * the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  * one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  * both entities are joint ventures of the same third party;
  * one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  * the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  * the entity is controlled or jointly controlled by a person identified in (a); and
  * a person identified in (a)(I) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that 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.

The standard elaborates on the definitions and identification of:
- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:
- Control;
- Related party transactions; and
- Remuneration of management

The entity has adopted the standard for the first time in the 2020/2021 annual financial statements.

1. BASIS OF PRESENTATION (Continued)

GRAP 32 : Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

GRAP 108 : Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

GRAP 109 : Accounting by Principals and Agent

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

IGRAP 17 : Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

1. BASIS OF PRESENTATION (Continued)

IGRAP 18 : Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

IGRAP 19 : Liabilities to Pay Levies

This Interpretation of the Standards of GRAP provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

To clarify the accounting for a liability to pay a levy, this Interpretation of the Standards of GRAP addresses the following issues:
- What is the obligating event that gives rise to the recognition of a liability to pay a levy?
- Does economic compulsion to continue to operate in a future period create a constructive obligation to pay a levy that will be triggered by operating in that future period?
- Does the going concern assumption imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period?
- Does the recognition of a liability to pay a levy arise at a point in time or does it, in some circumstances, arise progressively over time?
- What is the obligating event that gives rise to the recognition of a liability to pay a levy that is triggered if a minimum threshold is reached?

Consensus reached in this interpretation:
- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;
- An entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period;
- The preparation of financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period;
- The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time;
- If an obligation to pay a levy is triggered when a minimum threshold is reached, the accounting for the liability that arises from that obligation shall be consistent with the principles established in this Interpretation of the Standards of GRAP; and
- An entity shall recognise an asset, in accordance with the relevant Standard of GRAP, if it has prepaid a levy but does not yet have a present obligation to pay that levy.

The adoption of these amendment is not expected to impact on the results of the municipality, but has resulted in more disclosures in the annual financial statements.

2 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, other than investment property, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, being the fair value of the asset at acquisition date. 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plan and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2 1 Subsequent Measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or service potential associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Subsequent to initial recognition, buildings are carried at cost less accumulated depreciation and impairment losses.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

2 2 Depreciation

Depreciation on assets other than land is calculated on cost, using the straight-line method, to allocate their cost to their residual values over the estimated useful lives of the assets. 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. 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 shall be depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use, unless stated otherwise.

The following is an indication of the maximum expected useful lives of the assets:

	Years		Years
Infrastructure		***Buildings***	30
Roads			
Paving	30	**Landfill Sites**	7 - 50
Asphalt	30		
Gravel	10	***Other***	
Electricity	20 - 30	Specialist Vehicles	20
Water	20	Other Vehicles	7
Sewer	20 - 30	Office Equipment	10
		Furniture and Fittings	10
Community		Specialised Plant and Equipment	15
Recreational Facilities	20 -30	Other Plant and Equipment	5
Security	5		
Fencing	3 - 5	**Land**	Indefinite

The assets estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively if appropriate, at each reporting date.

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

2 3 Incomplete Construction Work

Incomplete construction work is stated at historical cost. Depreciation and impairment (if applicable) only commences when the asset becomes available for use and transferred to the relevant asset class.

2 4 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as PPE controlled by the municipality or where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

2 5 Land & Buildings

Land is not depreciated as it is deemed to have an indefinite useful life. Buildings and other structures situated on land is depreciated less their residual value over their useful life.

2 6 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

2 7 Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised 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 an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated depreciation and accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

The estimated useful lives and depreciation methods have been reviewed for the year ended 30 June 2017, and any changes therein have been implemented in accordance with the requirements of GRAP 17, GRAP 3.

3 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3 1 Initial Recognition

Identifiable non–monetary assets without physical substance are classified and recognised as intangible assets. The municipality recognises an intangible asset in its Statement of Financial Position only 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.

3 2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an intangible asset at a later date.

3 INTANGIBLE ASSETS (continued)

3 2 Subsequent Measurement, Amortisation and Impairment

In terms of GRAP 31, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives. Amortisation is charged on a straight-line basis over the intangible assets' useful lives (when the intangible asset is available for use), which are estimated to be between 3 to 5 years, the residual value of assets with finite useful lives is zero, unless an active market exists. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, however such intangible assets are subject to an annual impairment test. The useful lives per category of intangible assets are detailed below:

Intangible asset	Years
Software	2-10

Intangible assets are annually tested for indicators of impairment, including intangible assets not yet available for use. Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in the Statement of Financial Performance.

3 3 Derecognition

Intangible assets 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 on the disposal or retirement of an intangible asset is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 INVESTMENT PROPERTY

4 1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Investment property is recognized as an asset where, and only where:

- 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.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation); and
- A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment or Inventory as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- Property being constructed or developed on behalf of third parties;
- Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- Property that is being constructed or developed for future use as investment property;
- Property that is leased to another municipality under a finance lease;
- Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc.; and
- Property held for strategic purposes or service delivery.

4. INVESTMENT PROPERTY (Continued)

4 2 Subsequent Measurement

4 2. 1 Subsequent Measurement - Cost Model

Investment property is measured using the cost model. Investment Property is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 30 - 60 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The residual value of the investment properties been assumed to be zero.
The land is not depreciated as it has an indefinite useful life.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 3 Derecognition

An investment property shall be derecognised (removed from the statement of financial position) 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.

5 IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash-generating assets.

5 1. Impairment of Cash generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the individual asset.

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 recoverable amount of the cash-generating unit to which the asset belongs is determined.

The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arms length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:
- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

5 2 Impairment of Non-Cash generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

5 IMPAIRMENT OF ASSETS (continued)

5 2 Impairment of Non-Cash generating assets

An impairment loss is recognised for non cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

6 FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual agreement . The municipality only recognises a financial instrument when it becomes a party to the contractual provisions of the instrument.

Initial recognition

Financial assets and financial liabilities are recognised on the municipality's Statement of Financial Position when the municipality becomes party to the contractual provisions of the instrument.

The municipality does not offset a financial asset and a financial liability unless a legally enforceable right to set off the recognised amounts currently exist; and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability 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.

Amortised cost

Amortised cost 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 for impairment or collectability.

6 1 Financial Assets - Classification

A financial asset is any asset that is cash or a contractual right to receive cash.

In accordance with GRAP 104 the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

Financial assets at amortised cost

Financial assets at fair value

Financial assets at cost

The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of Financial Asset	Classification in terms of GRAP 104
Short-term Investment Deposits – Call	Financial Instruments at Amortised Cost
Bank Balances and Cash	Financial Instruments at Amortised Cost
Consumer Debtors	Financial Instruments at Amortised Cost
Other Debtors	Financial Instruments at Amortised Cost

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets.

6 FINANCIAL INSTRUMENTS (continued)

6 2 Financial Liabilities - Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another municipality. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of Financial Liability	Classification in terms of GRAP 104
Long-term Liabilities	Financial liabilities measured at amortised cost
Other Creditors	Financial liabilities measured at amortised cost
Trade Creditors	Financial liabilities measured at amortised cost
Accruals	Financial liabilities measured at amortised cost
Consumer Deposits	Financial liabilities measured at amortised cost
Retention	Financial liabilities measured at amortised cost

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

6 3 Initial and Subsequent Measurement

When a financial asset or financial liability is recognised initially, an municipality shall measure it at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial Liabilities held at amortised cost

Any other financial liabilities are classified as "Other financial liabilities" (All payables, loans and borrowings are classified as other liabilities) and are initially measured at fair value, net of transaction costs. Trade and other payables, interest bearing debt including finance lease liabilities, non-interest bearing debt and bank borrowings are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in the Statement of Financial Performance by applying the effective interest rate. Bank borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the accrual basis and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

6 4 Impairment of Financial Assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

Financial assets carried at amortised cost

Debtors encompasses long term debtors, consumer debtors and other debtors.

Initially Debtors are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Debtors within 12 months from the date of reporting are classified as current.

A provision for impairment of debtors is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made in accordance with GRAP 104 whereby the recoverability of debtors are assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as receivable.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets carried at amortised cost with the exception of consumer debtors, where the carrying amount is reduced through the use of an allowance account. When a consumer debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

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 through the Statement of Financial Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2 FINANCIAL INSTRUMENTS (continued)

6 5 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire. The municipality recognises the difference between the carrying amount of the 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, in the Statement of Financial Performance.

7 INVENTORIES

7 1 Initial Recognition

Inventories comprise current assets held for sale and current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

7 2 Subsequent Measurement

Consumable stores, raw materials, work-in-progress and finished goods

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value (net amount that an municipality expects to realise from the sale on inventory in the ordinary course of business). In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and net realisable value.

Water inventory

Water is regarded as inventory when the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, and is under the control of the municipality but can not be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the statement of financial position. The basis of determining the cost of water purchased and not yet sold at statement of financial position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water and purified effluent are valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

Redundant and slow-moving inventories

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

8 REVENUE RECOGNITION

8 1 General

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be measured reliably, except when specifically stated otherwise. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another municipality without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

8. REVENUE RECOGNITION (Continued)

8 1 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered , the value of which approximates the consideration received or receivable.

8 1. 1 Service Charges

Service charges relating to sanitation and sewage are levied in terms of the approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are normally read on a monthly basis and are recognised as revenue when invoiced. Where meters are not read monthly, provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being 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. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are 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 number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

8 1. 2 Pre-paid Electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end based on the average consumption history.

8 1. 3 Finance income

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

Interest earned on unutilised conditional grants is allocated directly to the creditor: unutilised conditional grants, if the grant conditions indicate that interest is payable to the funder.

8 1. 4 Tariff Charges

Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

8 1. 5 Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions have been met:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- 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 costs incurred or to be incurred in respect of the transaction can be measured reliably.

8 1. 6 Rentals

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

8 2 Revenue from Non-exchange Transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another municipality without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

An inflow of resources from a non-exchange transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. A present obligation arising from a non-exchange transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

8. REVENUE RECOGNITION (Continued)

8 2 1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

8 2 2 Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with management's best estimate of the probable inflows from the amounts not yet collected which has reached warrant stage.

8 2 3 Revenue from conditional grants, building and funding

Income 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. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

8 2 4 Revenue from Recovery of Unauthorised, Irregular, 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. Such revenue is based on legislated procedures.

9 PROVISIONS

Provisions are recognised when:

- The municipality has a present legal or constructive obligation as a result of past events;
- 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 best estimate of the expenditure required to settle the present obligation is the amount that an municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgement of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances, Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

9 PROVISIONS (Continued)

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

10 EMPLOYEE BENEFITS

10 1 Short-term Employee Benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The municipality treats its provision for leave pay as an accrual.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

10 2 Post employment benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

10 2. 1 Post-retirement Health Care Benefits:

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in the Statement of Financial Performance.

Past-service costs are recognised immediately in expenditure, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

10 2. 2 Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

11 LEASES

Lease Classification

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality.

Leases other than finance leases are classified as operating leases.

11 LEASES (continued)

11 1 The Municipality as Lessee

Finance leases

Where the Municipality enters into a finance lease, Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured at lower of fair value of the asset or the PV of the minimum lease payments, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the implicit interest rate method.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to Property, Plant and Equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed in the Statement of Financial Performance when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases

The municipality recognises operating lease rentals as an expense in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

11 2 The Municipality as Lessor

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

11 3 Determining whether an arrangement contains a lease

At inception of an arrangement, the Municipality determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Municipality the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Municipality separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Municipality concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Municipality's incremental borrowing rate.

12 BORROWING COSTS

Borrowing costs are expensed as they occur.

13 GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

14 VALUE ADDED TAX

The Municipality is registered with SARS for VAT on the payments basis, in accordance with Sec15(2)(a) of the Value-Added Tax Act No 89 of 1991. Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

15. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is overspending on the total amount appropriated in the municipality's budget or overspending on the total amount appropriated for a vote or expenditure unrelated to the departmental of functional area or expenditure of money appropriated for a specific purpose or a grant by the municipality otherwise than in accordance with the conditions in terms of the Municipal Finance Management Act (Act No 56 of 2003). 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. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable. Unauthorised expenditure can only be treated as an asset (receivable) if a responsible party to recover the money from is identified.

16 IRREGULAR EXPENDITURE

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), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

17 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that 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. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

18 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to the notes to the Annual Financial Statements for details of changes in accounting policies 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.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to the notes to the Annual Financial Statements for details of corrections of errors recorded during the period under review where applicable.

19 RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Related parties include key management personnel such as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager and close family members of key management personnel.

20 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

21 FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

22 COMPARATIVE INFORMATION

22 1 Current year comparatives:

Budgeted amounts have, in accordance with GRAP 24, been provided to these financial statements and forms part of the Annual Financial Statements.

22 COMPARATIVE INFORMATION (continued)

22 2 Prior year comparatives

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified, unless a standard of GRAP does not require the restatements of comparative information. The nature and reasons for the reclassification are disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is 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.

22 3 Budget Information

The annual budget figures for the period 1 July 2016 to 30 June 2017 have been prepared and presented in accordance with the GRAP standard under the accrual basis of accounting for budgets approved by Council by nature classification, and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements. Explanatory comment is provided in the notes to the annual financial statements giving firstly reasons for overall growth or decline in the budget and secondly motivations for over- or under spending on line items. The annual budget figures included in the financial statements are for the Municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated development plan.

23 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

24 TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

25 CAPITAL COMMITMENTS

Items are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources.

Capital commitments are not recognised 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.
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.
- Other commitments for contracts are non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the municipality.

26 MATERIAL LOSSES

Water and electricity losses are required to be disclosed as part of the material loss disclosure of the MFMA Section 125.

Losses are calculated on the following basis -
• Nr of units of lost supply, being the difference between what was supplied and what has been sold at the per unit tariff rate.
• The unit tariff rate, in the case of electricity being the lower rate of Kwh as charged per council and the case of water the lowest rate per Kl (excel VAT).

27 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 a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity 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
- 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 entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity 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 entity 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 the nominal interest rate.
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 entity 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 entity 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 entity 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 entity 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 is recognised in surplus or deficit.
In estimating the future cash flows, an entity 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 entity 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 entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
• the entity, 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:
o derecognise the receivable; and
o 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.

28 ACCOUNTING BY PRINCIPLES 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 entity 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 entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

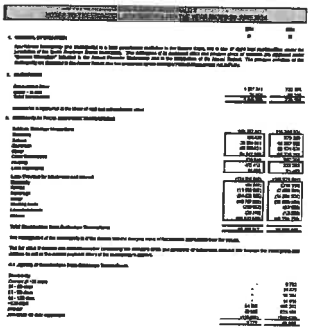
The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.
Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.
Assessing which entity benefits from the transactions with third parties
When the entity 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 entity concludes that it is not the agent, then it is the principal in the transactions.
The entity 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 entity 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 entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

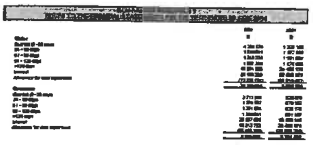
Recognition

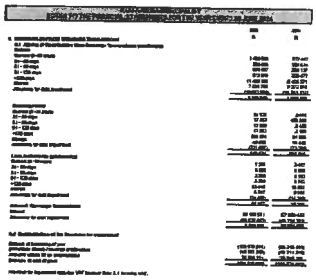
The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.
The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.
The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

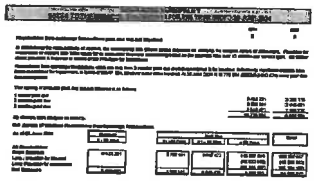
29 RELATED PARTIES

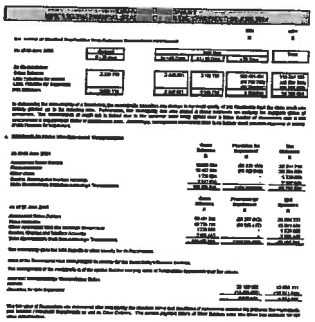
A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.
Control is the power to govern the financial and operating 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 entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.
Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.
The entity 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 entity 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 entity is exempt from the disclosures in accordance with the above, the entity 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 annual financial statements

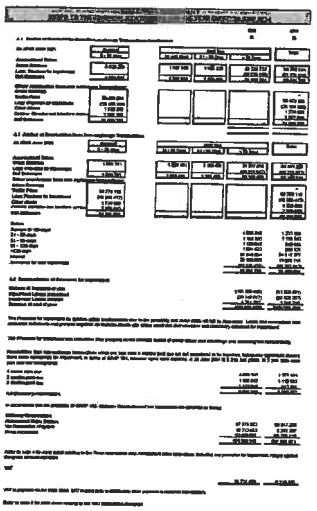


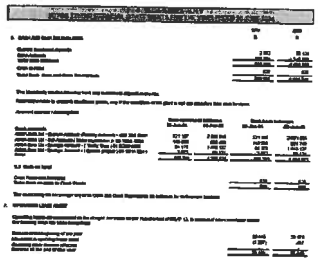












8. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Land	5 433 499	-	5 433 499	5 433 499	-	5 433 499
Buildings	5 622 145	(3 677 863)	1 944 282	5 622 144	(3 519 621)	2 102 524
Other property, plant and equipment	23 607 157	(13 164 014)	10 443 143	22 997 024	(11 204 601)	11 792 423
Infrastructure	474 936 832	(255 979 311)	218 957 521	464 372 209	(236 407 319)	227 964 890
Landfill sites	2 095 510	(1 032 091)	1 063 419	2 095 511	(929 137)	1 166 374
Community	103 624 429	(31 613 150)	72 011 279	97 281 438	(28 116 948)	69 165 490
Infrastructure - WIP	65 795 405	-	65 795 405	43 897 586	-	43 897 586
Total	681 114 977	(305 466 429)	375 648 548	641 699 412	(280 176 626)	361 522 786

Reconciliation of property, plant and equipment - 2024

	Opening	Additions / Fair value adjustment	Disposals	Transfers	Depreciation	Impairment	Total
Land	5 433 499		-		-	-	5 433 499
Buildings	2 102 524		-		(158 242)	-	1 944 282
Other property, plant and equipment	11 792 423	610 134	-		(1 959 414)	-	10 443 143
Infrastructure	227 964 890		-	10 564 622	(19 571 991)	-	218 957 521
Landfill sites	1 166 373		-		(102 954)	-	1 063 419
Community	69 165 491		-	6 342 990	(3 497 202)	-	72 011 279
Infrastructure - WIP	43 897 586	38 805 432	-	(16 907 612)	-	-	65 795 405
	361 522 786	39 415 565	-	-	(25 289 804)	-	375 648 548

Reconciliation of property, plant and equipment - 2023

	Opening	Additions	Disposals	Transfers	Depreciation	Impairment/correction	Total
Land	5 433 499	-	-	-	-	-	5 433 499
Buildings	2 257 088	-	-	-	(154 564)	-	2 102 524
Other property, plant and equipment	8 171 252	5 182 630	-	-	(1 561 459)	-	11 792 423
Infrastructure	247 204 688		-		(19 239 798)	-	227 964 890
Landfill sites	1 269 327		-		(102 954)	-	1 166 373
Community	51 220 387		-	20 914 514	(2 969 410)	-	69 165 491
Infrastructure - WIP	35 299 582	29 512 518	-	(20 914 614)	-	-	43 897 586
	350 855 823	34 695 148	-	0	(24 028 186)	-	361 522 786

Kou-kamma property has not been pledged as securities for any liability

9. INTANGIBLE ASSETS

	2024			2023		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Computer software	544 313	(524 738)	19 574	544 313	(501 638)	42 674
			-0			

Reconciliation of intangible assets - 2024

	Opening	Additions	Amortisation	Total
Computer software	42 674	-	(23 100)	19 574

Reconciliation of intangible assets - 2023

	Opening	Additions	Amortisation	Total
Computer software	81 496	-	(38 822)	42 674

Kou-kamma property has not been pledged as securities for any liability

10. INVESTMENT PROPERTY

	2024			2023		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Investment property - Land	24 768 446	-	24 768 446	24 773 446	-	24 773 446
Investment property - Buildings	874 937	-686 368,18	188 569	869 937	(672 586)	197 351
	25 643 383	(686 368)	24 957 015	25 643 383	(672 586)	24 970 797

	Opening	Correction/impairment	Disposal	Depreciation	Total
Reconciliation of investment property - 2024					
Investment property - Land	24 768 446	-	-	-	24 768 446
Investment property - Buildings	202 351	-	-	(13 782)	188 569
	24 970 797		-	(13 782)	24 957 015

	Opening	Correction/impairment	Disposal	Depreciation	Total
Reconciliation of investment property - 2023					
Investment property - Land	24 768 446	-		-	24 768 446
Investment property - Buildings	216 095	-	-	(13 744)	202 351
	24 884 541	-	-	(13 744)	24 970 797

Details of property

Kou-kamma property has not been pledged as securities for any liability

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.

	2023 R	2022 R
11. CONSUMER DEPOSITS		
Electricity and Water		
Halls deposits	105 758	105 758
Total Consumer Deposits	126 557	
	232 315	105 758

No additional consumer deposits have been raised.

12. PROVISIONS LEAVE		
Balance at beginning of Year	757 033	110 788
Increase/(Decrease) in Provision	-403 683	646 245
Total Provisions	353 350	757 033

This provision is relating to vesting leave.

13. PAYABLES

13 PAYABLES FROM EXCHANGE TRANSACTIONS		
Payables and Accruals		
Sundry creditors	26 941 815	16 146 678
Unallocated Deposits	11 166 912	12 660 158
Retentions	133 847	38 529
INEP - Integrated National Electrification Programme refund to Sarah Baartman DM	3 509 468	2 198 584
Total Payables	-	1 843 929
	41 752 042	31 887 778

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA, No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

The management of the municipality is of the opinion that the carrying value of Creditors approximate their fair values.

The fair value of Creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

14. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
DSRAC - Library Subsidy		
Small Town Revitalisation	493 831	-
MIG - Municipal Infrastructure Grant	4 333 272	(437 346)
INEP - Integrated National Electrification Programme		1 928 450
DEDEA - Waste Management Grant		-
EPWP- Expanded Public Works Programme		-
Other grants		-
FMG		816 986
Fire grant	-	-
WSIG - Water Services Infrastructure Grant		
Total Unspent Conditional Grants	4 787 037	-
	9 614 140	2 308 090

Grants spent during the financial year is in accordance with the conditions thereof.

	2023 R	2022 R
15. EMPLOYEE BENEFIT LIABILITIES		
EMPLOYEE BENEFITS		
Bonus	1 742 227	1 483 926
Long Service Bonus	3 889 027	3 406 339
Post employment medical subsidy	7 379 757	7 446 739
	13 011 011	12 337 004
Bonus		
Opening balance	1 483 926	1 656 028
Increase / decrease	258 302	-172 102
Closing balance	1 742 227	1 483 926
Transfer to current provisions	1 742 227	1 483 926
Total of non-current provisions	-	-

Provision for bonuses excludes performance bonuses of s57 employees, The provision only takes the 13th cheque of all other employees into account, The municipality has not paid out any performance bonusses for the past few years, The last three financials years performance assessments has not yet been completed, In addition to this the cashflow position of the municipality is very limited, it is based on these factors that management has decided not to provide for performance bonusses,

Post employment medical subsidy		
Opening balance	7 446 739	6 329 023
Current service cost	1 032 265	614 592
Current interest cost	487 705	483 121
Medical contributions subsidies for continuation pensioners	(288 397)	(218 759)
Actual(gain)/loss on assumption	-	(549 953)
Actual(gain)/loss on experience	-	588 715
Remeasurements over financial year	-1 298 555	-
Closing balance	7 379 757	7 446 739
Transfer to current provisions	224 362	288 397
Total of non-current provisions	7 155 395	7 158 342

The project unit credit method have been applied to determine the liabilities, projected liability is based on actuarial assumptions about the future, This assumptions are set to realistic and individually justifiable, variations emerge at each valuation as actual gains or losses

Long services bonus awards		
Opening balance	3 406 339	3 368 397

	2023 R	2022 R
Current service cost	349 322	382 615
Current interest cost	372 194	356 868
Expectance benefits payments	(358 144)	(129 534)
Actual(gain)/loss over financial year	120 316	-572 007
Closing balance	3 889 027	3 406 339
Transfer to current provisions	713 934	756 021
Total of non-current provisions	3 175 093	2 650 318

The results and opinions contained in this report are subjected to the following data summary and limitations

Eligible employees		
Number of employees	172	172
Average annual salary ®	205 450	205 450
Average age (years)	43	43
Average past service (years)	10	10
Net discount rates		
Discount rate	0	0
CPI	0	0
Salary increase rate	0	0
Net discount rate	0	0

The accounting standards requires that the liability are valued using the projected unit credit method . We have therefore used this method to value the liabilities

Demographic and Mortality assumption

	2023 R	2022 R
Normal retirement age		
Assumed retirement age (years)	65	65
Mortality	62	62
	SA85-90	SA85-90
Withdrawal assumptions over evaluation periods		
age		
20	0	0
25	0	0
30	0	0
35	0	0
40	0	0
45	0	0
50	0	0
55+	0	0
	0	0

16. NON-CURRENT PROVISIONS

Reconciliation of non-current provisions		
Environmental rehabilitation		
Opening Balance	3 593 586	3 406 243
Increase in provision due to discounting	197 647	187 343
Total Non-Current Provision	3 791 233	3 593 586

	2023 R	2022 R

Assumptions for landfill site provision
The most critical assumptions for estimating the life expectancy and rehabilitation costs of a landfill are:

- Available permitted airspace (typically expressed in cubic metres (m3). The sites will ultimately be used from one side of the fence to the other along the sites' perimeter, However, the final land use has not been determined for all these sites which would indicate the height that is useful for the sites hence the report assumes that, for the sake of calculations, the height of the sites will be between 3 and 5 meters from the lowest level reached by the waste,

- Airspace utilization factor commonly referred to as the in-place waste density (typically expressed as tons of waste placed per cubic meter of airspace consumed (tons/m3). The average density of the waste is between 0, 75 T/m3 to 1, 20 T/m3, depending on waste type and compaction efficiency. as prescribed by DWAF Minimum Requirements for Waste Disposal by Landfill (Second Edition, 1998), In this report it has been assumed that it is 0,75T/m,

- Waste acceptance rate (typically expressed in tons per year (tpy), Daily deposition of waste is about 10 Tons/per day (estimates given by municipal staff and there were no proper records kept),

- The sites listed below, have been in existence for the reporting period:

Joubertina
Krakeelrivier
Coldstream
Woodlands

- the methodology prescribed by DWAF assumes that landfilling is done instead of waste dumping,

PROVISIONS LEAVE		
Balance at beginning of Year	3 581 786	3 286 675
Increase/(Decrease) in Provision	503 613	295 112
Transfer to current provisions	(353 350)	(757 033)
Total Provisions	3 732 049	2 824 753

17 ACCUMULATED SURPLUS

The Accumulated Surplus consists of the following Internal Funds and Reserves:		
Accumulated Surplus / (Deficit) due to the results of Operations	426 255 278	405 561 027

18 PROPERTY RATES

Rates received		
Residential	7 353 369	6 699 046
Commercial	16 642 569	3 041 623
State	7 775 821	7 752 863
Agricultural	-	-2 067 939
Exempted Properties	-	4 871 219
Farm Properties	-	6 293 818
Agricultural Property	-1 589 196	-
	30 182 562	25 570 430

	2023 R	2022 R
18 PROPERTY RATES (continued)		
Valuations		
Residential	1 353 516 000	1 334 740 000
Commercial	420 385 000	410 142 000
State	247 998 000	261 602 000
Agriculture	2 864 421 000	2 843 185 000
Exempted properties	33 344 000	35 063 000
	4 919 664 000	4 884 692 000

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2022, Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. A 6,0 per cent increase in tariffs has been applied.

A general rate of 1.0717c is applied to property valuations to determine assessment rates, Rebates of 30% are granted to properties where municipality does not provide services

Rates are levied on an annual basis, with the option of paying the rates on a monthly basis.

19 FINES		
Traffic fines issued	26 090 696	30 460 950
	26 090 696	30 460 950

20 INCOME FROM AGENCY SERVICES		
The following income is generated:		
20,1, Department of transport		
Driver License Fees	401 262	502 514
Motor Vehicle licenses	1 898 116	1 241 868
	2 299 378	1 744 382
Driver License Fees		
Revenue received/to be received on behalf of principal	444 769	554 069
Expenditure paid/to be paid on principal	(43 507)	-51 555
	401 262	502 514
Motor Vehicles Licences		
Revenue received/to be received on behalf of principal	7 711 150	6 048 970
Expenditure paid/to be paid on principal	(5 813 034)	(3 807 102)
	1 898 116	1 241 868

The municipality collects vehicle registration fees on behalf of the Department of Transport for registration of vehicles done within the municipality's jurisdiction, There have been no changes in the agreement or contracts from the prior period, The municipality is entitled to 19% of the fees collected as per the agreement as compensation for the transactions carried out, There are no liabilities or expenses that has been incurred on behalf of the Department of Transport relating to the above Arrangement

20,2 Sarah Baartman District municipality

Fire Services		
Opening Balance	692 839	-
Revenue received/to be received on behalf of principal	1 300 000	1 424 459
Expenditure paid/to be paid on principal	(1 992 839)	(731 620)
	-0	692 839
Receivables on behalf of Principal		
Opening Balance	329 670	1 009 476
Revenue receivable	970 330	1 064 577
Amount received	(1 300 000)	(1 744 383)
	-	329 670

The municipality entered into an agreement with Sarah Baartman for the provision of specialised fire services falling within the territorial jurisdiction of the municipality. The district municipality consequently obliged to render financial and /infrastructural support to the municipality for the performance of the agreed services

21 GOVERNMENT GRANTS AND SUBSIDIES RECOGNISED		
National Equitable Share	62 943 450	60 474 000
FMG - Finance Management Grant	2 650 000	2 650 000
Other grants	1 833 654	345 163
EPWP - Expanded Public Works Programme	1 048 000	1 384 423
MIG - Municipal Infrastructure Grant: PMU	819 750	1 249 850
DSRAC - Library Subsidy	806 169	1 628 713
MIG - Municipal Infrastructure Grant	16 702 476	16 698 020
INEP - Integrated National Electrification Programme	-	-
DEDEA - Waste Management Grant	995 802	-
Sarah Baartman District Municipality: Fire Services	1 300 000	-
Water Services Infrastructure Grant	1 212 963	-
Small Town Revitalisation	19 083 267	23 432 330
Total Government Grants and Subsidies	109 395 530	107 862 489
National: Equitable Share		
Current year receipts	62 943 450	60 474 000
	62 943 450	60 474 000

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 based on monthly billing, towards the consumer account, which is determined annually by council, All residential households receive 6kl water and some poor areas 50kWh electricity free every month,

	2023 R	2022 R
FMG - Finance Management Grant		
Balance unspent at beginning of year	-	-
Current year receipts	2 650 000	2 650 000
Conditions met - transferred to Revenue	(2 650 000)	(2 650 000)
Balance at the end of the year	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial management reforms required by the Municipal Finance Management Act (MFMA), 2003.

Other grants		
Balance unspent at beginning of year	816 985	214 976
Current year receipts	1 833 654	345 163
Conditions met - transferred to Revenue	(2 650 639)	256 856
Balance at the end of the year	-	816 985

The other grants is subsidies received from Sarah Baartman district Municipality

MIG - Municipal Infrastructure Grant -PMU		
Balance unspent at beginning of year	-	-
Current year receipts	819 750	1 249 850
Transferred to Revenue	(819 750)	(1 249 850)
Balance at the end of the year	-	-

Grant purpose: This relates to the 5% PMU charge as part of the MIG allocation

DSRAC - Library Subsidy		
Balance unspent at beginning of year	-	328 713
Current year receipts	1 300 000	1 300 000
Transferred to Revenue	(806 169)	(1 628 713)
Balance at the end of the year	493 831	-

Grant purpose: The purpose of the grant is a subsidy for library services in the Kou-kamma district. The subsidy covers salaries, operation and maintenance costs.

MIG - Municipal Infrastructure Grant		
Balance at beginning of year	1 948 288	(5 100 842)
Current year receipts	14 754 188	23 747 150
Transferred to Revenue	(16 702 476)	(16 698 020)
Other Adjustments/Refunds	-	-
Balance at the end of the year	(0)	1 948 288

Grant purpose: The purpose of the MIG grant is to provide capital funding for the upgrading, maintenance of the municipal infrastructure in order to provide basic services to the community.

	2023 R	2022 R
INEP - Integrated National Electrification Programme		
Balance unspent at beginning of year	-	1 843 930
Current year receipts	-	-
Transferred to Revenue	-	-
Other Adjustments	-	(1 843 930)
Balance at the end of the year	-	-

Grant Purpose: The purpose of the grant is to implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.

Fire grant - Sarah Baartman district Municipality		
Balance unspent at beginning of year	-	-
Current year receipts	1 300 000	-
Transferred to Revenue	(1 300 000)	-
Balance at the end of the year	-	-

Grant purpose: Covid 19 Relief fund to Municipalities

DEDEA - Waste Management Grant		
Balance unspent at beginning of year	-	189 317
Current year receipts	995 802	-
Transferred to Revenue	(995 802)	(189 317)
Balance at the end of the year	-	-

Grant purpose: Waste management within the municipal boundaries

EPWP - Expanded Public Works Programme		
Balance unspent at beginning of year	-	235 506
Current year receipts	1 048 000	1 270 000
Amount reverted back	-	(235 506)
Transferred to Revenue	(1 048 000)	(1 270 000)
Balance at the end of the year	-	-

Grant purpose: To provide employment to improve the quality of life of unemployed people through the appointment of them to do labour intensive projects for example: Road

WSIG-Water Services Infrastructure Grant		
Balance unspent at beginning of year	-	-
Current year receipts	6 000 000	-
Transferred to Revenue	(1 212 963)	-
Balance at the end of the year	4 787 037	-

Grant purpose: facilitate the planning and implememntation of water and sanitation projects to accelerate backlog reductionand enhance sustainability on water and sanitation

OTP - Small Town Revitalisation		
Balance unspent at beginning of year	-437 346	-
Current year receipts	29 482 514	23 432 330
Transferred to Revenue	(24 691 896)	-23 869 676
Balance at the end of the year	4 333 272	-437 346

Grant purpose: Revitalisation of small town by the Office of the Premier Eastern Cape

22 SERVICE CHARGES

Sale of Electricity	3 032 528	2 759 770
Sale of Water	25 534 341	17 790 752
Refuse Removal	7 591 220	4 573 899
Sewerage and Sanitation Charges	15 716 824	7 736 835
Total Service Charges	51 874 912	32 861 256
Attributable to:		
Continuing Operations	51 874 912	32 861 256
	51 874 912	32 861 256

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved

23 RENTAL OF FACILITIES AND EQUIPMENT

Operating Lease Rental Revenue:		
Halls	-	-
Houses	263 005	232 514
Facilities and equipment	263 005	232 514
Rental of equipment	-	-
Rental other	126 705	
Total Rental of Facilities and Equipment	389 711	232 514
Attributable to:		
Continuing Operations	389 711	232 514
	389 711	232 514

Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.

24 INTEREST EARNED

External Investments:		
Bank Account and short term deposits	474 803	424 224
Total Interest Earned	474 803	424 224
Outstanding Debtors:		
Debtors : Service charges	6 676 186	14 171 716
Debtors : Rates	6 219 841	4 518 283
Total Interest Earned Outstanding Debtors	12 896 027	18 689 999
Total	13 370 830	19 114 223

25 OTHER REVENUE

Other income from exchange transactions		
INFORMATION FEES	27 043	88 827
Insurance refund	-20 430	
SUNDRY INCOME	242 544	1 216 021
Sale of goods and rendering of services	474 533	357 090
Donation - desktop received from Sarah Baartmaan district Municipality	44 326	
Total Other Revenue	768 015	1 661 938
Attributable to:		
Continuing Operations	768 015	1 661 938
	768 015	1 661 938

The amounts disclosed above for Other Revenue are in respect of services, other than described in Notes 18 to 23, rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

	2023 R	2022 R
26 EMPLOYEE RELATED COSTS		
Basic Salaries		
car allowance : essential user	56 687 028	39 928 129
Bargaining council contribution	432 008	309 278
Medical contribution	29 367	34 579
Pension contribution	2 602 247	3 495 755
Unemployment insurance contribution	7 159 924	5 013 182
Cell phone allowance	453 944	365 444
Leave pay	82 600	148 581
Bonus	503 613	677 940
Overtime	3 536 033	2 605 381
Acting allowance	4 738 062	4 704 798
Housing benefit	670 435	687 426
Car allowance : perk scheme	358 004	210 736
Long service award	2 140 389	1 850 463
Standby allowance	480 300	188 897
Night shift allowance	754 656	711 039
	150 207	154 207
	80 978 718	62 085 837
Attributable to:	80 978 718	62 085 837
Total Employee Related Costs	80 978 718	62 085 837
Remuneration of Section 57 employees:		
Remuneration of the Municipal Manager (Kate P M)		
Council contribution	2 153	12 609
Annual Salary	197 548	379 834
Leave paid out	-	180 926
Travel allowance	-	80 000
Total	199 701	653 369
Remuneration of the Municipal Manager (Tini S)		
Acting allowance	180 797	70 999
Total	180 797	70 999
Remuneration of the Chief Financial Officer (Venter N.)		
Council contribution	6 978	2 125
Annual Salary	668 312	997 733
Travel Allowance	50 000	92 000
Acting allowance	-	8 763
Leave paid		
Total	625 290	1 100 621
Remuneration of the Manager: Corporate Services (Tom T.)		
Council contribution	46	-
Annual Salaries	2 319	-
Total	2 365	-
The Manager: Corporate Services Ms Tom T, was terminated November 2022		
Remuneration of the Manager: Corporate Services (Somtseu LT.)		
Council contribution	9 368	19 403
Annual Salaries	586 920	105 829
Travel allowance	322 134	21 273
Acting allowance	30 010	-
Total	948 432	146 505
The Manager: Corporate Services Somtseu LT, was appointed 1 May 2023		
Remuneration of the Director: Technical & Community Services (Qalaba M)		
Council contribution	13 265	177 373

	2023 R	2022 R
Annual Salary	991 805	657 563
Travel allowance	240 000	240 000
Total	1 245 090	1 074 936
Remuneration of the Director: Community Services (Hermanus WG)		
Council contribution	4 735	-
Annual Salaries	359 575	-
Travel and Housing allowance	91 727	-
Acting allowance	51 895	-
	507 931	-
Remuneration of the Acting Chief Financial Officer (Seas G.)		
Council contribution	2 320	-
Annual Salaries	262 272	-
Acting allowance	-	-
	264 592	-

27 REMUNERATION OF COUNCILLORS

Mayor	957 428	886 140
Speaker	1 035 123	703 451
Other Councillors	3 968 622	3 187 448
	5 961 174	4 777 039
Councillors' remuneration		
Cllr. Yeke F.J.	957 428	869 860
Cllr. Strydom F.	335 643	303 196
Cllr. Maasdorp D. (Appointed 9 November 2022)	1 035 123	703 451
Cllr. Smith K.	427 356	386 991
Cllr. Krige J.	335 257	303 196
Cllr. Fillis R.C (Deceased 20/05/2024)	381 353	386 631
Cllr. Campher R.G (Appointed 9 November)	427 622	385 791
Cllr. Persent V.X.E (Appointed 9 November 2022)	335 643	301 996
Cllr. Ncathezo S.D (Deceased 02/04/2023)	-	226 797
Cllr. Sikiwe N. (Appointed 9 November 2022)	416 564	376 440
Cllr. Jantjies B.T (Appointed 9 November 2022)	335 327	301 996
Cllr. Ferguson S. (Appointed 9 November 2022)	335 327	230 694
Cllr May CE(Appointed 19/06/2023)	324 165	-
	5 961 174	4 777 039

In-kind Benefits
The Executive Mayor is full-time and is provided with an office and secretarial support at the cost of the Council.
The speaker is full-time and is provided with an office and secretarial support at the cost of the Council,
The councillor salaries, allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution

28 DEPRECIATION AND AMORTISATION

Depreciation: Property, Plant and Equipment	25 289 804	24 028 186
Impairment loss: Property, Plant and Equipment	-	-
Amortisation: Intangible Assets	23 100	38 822
Depreciation: Investment Property	13 782	13 744
Total Depreciation and Amortisation	25 326 685	24 080 752
Attributable to:		
Continuing Operations	25 326 685	24 080 752
	25 326 685	24 080 752

29 FINANCE COSTS

Overdraft	34 912	
Creditors Overdue	943 858	562 643
	978 770	562 643
Attributable to:	978 770	562 643

	2023 R	2022 R
Continuing Operations	978 770	562 643
30 BULK PURCHASES		
Electricity		
Total Bulk Purchases	6 158 348	5 433 305
	6 158 348	5 433 305
31 CONTRACTED SERVICES and INVENTORY CONSUMED		
Outsourced Services		
Consultants and Professional Services	2 125 285	2 507 676
Contractors	4 344 380	3 006 459
Inventory consumed	3 316 927	2 985 462
Total Contracted Services	7 018 523	5 662 552
	16 805 115	14 162 150
Attributable to:	-	
Continuing operations	16 805 115	14 162 150
	16 805 115	14 162 150
Repairs and maintenance expenditure : Infrastructure assets		
Inventory Consumed		
Contractors	657 563	665 583
Consultants and Professional Services	826 536	926 005
Outsourced Services	2 165 936	1 290 733
The repairs and maintenance expenditure that relate to Infrastructure Assets	40 348	13 611
	3 690 383	2 895 931
32 Total General Expenses		
Skills Development Fund Levy		
Achievements and Awards	684 409	509 868
Corporate and Municipal Activities	961 691	149 253
Own Transport	640 414	334 706
Accommodation	512 794	1 063 391
Ward Committees	484 327	747 758
Postage/Stamps/Franking Machines	10 146	523 500
Hire Charges	5 222 820	72 130
Printing, Publications and Books	1 202 863	13 837
Radio and TV Transmissions	362 063	-
External Audit Fees	49 042	-
Software Licences	75 512	4 184 576
Municipal Services	7 378	1 679 862
Telephone, Fax, Telegraph and Telex	75 526	6 215 676
Bank Accounts	69 977	1 398 029
Specialised Computer Service	-	312 766
Staff Recruitment	118 329	-
Workmen's Compensation Fund	259 449	366 426
Non-employees	6 238 280	-
System Adviser	5 882	139 004
Data Lines	1 294 460	-
Cellular Expenditure	1 578 157	298 141
Uniform and Protective Clothing	709 551	74 203
Excess Payments	1 578 157	446 743
Premiums	70 862	18 489
Computer Equipment	39 776	687 632
Gifts and Promotional Items	1 440 738	761 885
Transport Assets	332 048	-
Motor Vehicle Licence and Registrations	363 054	2 003 185
Professional Bodies, Membership and Subscription	-	62 081
Samples and Specimens	888 798	36 960
Levies Paid - Water Resource Management Charges	-	175 175
Machinery and Equipment	-	80
Indigent Relief	-	495 490
Air Transport	-	1 500 720
	-	23 739
	25 256 501	24 494 984
33 CASH GENERATED BY OPERATIONS		
Surplus/(deficit) for the year	20 694 251	47 155 831
Adjustment for:-		
Depreciation and amortisation	25 326 685	23 186 585
(Gain) / loss on sale of assets	-	681 599
Debt impairment	32 112 922	64 516 278
Bad debt written off	20 099 151	
Movement in retirement benefit assets and liabilities	-270 325	1 168 525
Increase/(decrease) in provision	1 104 943	884 508
Changes in working capital:		
Other receivables	(4 798 388)	(45 155)
Changes in Inventory	(670 479)	(52 489 669)
Changes in Receivables from exchange transactions	(57 705 118)	(13 885 201)
Changes in Receivables from non-exchange transactions	-21 112 646	(6 449 363)
Provisions		(9 824 611)
Changes in VAT receivable	(1 495 865)	5 954 484
Housing debtors	(224 843)	
Lease asset	1 287	
Changes in Payables from exchange transactions	9 864 264	
Consumer deposits	126 557	
Changes in Unspent conditional grants and receipts	12 914 680	
Cash generated by / (utilised in) Operations	35 966 076	48 853 611
34 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE		
34.1 Unauthorised Expenditure		
Opening balance	83 898 629	38 239 206
Prior year approval (written off by council)	-	-
2022/23 Unauthorised expenditure	6 104 709	45 659 422
Unauthorised expenditure : Capital Budget	90 003 337	83 898 628
34.2 Fruitless and Wasteful Expenditure		
Opening Balance	825 265	449 965
Prior year approval (write of by Council)	-	-
Fruitless & wasteful expenditure current year	943 858	375 300
	1 769 123	825 265
34.3 Irregular Expenditure		
Opening balance	100 192 878	60 514 674
Prior year approval (written off by council)	-	-
Contravention of the supply chain policy	11 190 068	39 678 204
Prior year adjustment	111 382 947	100 192 878

Irregular expenditure of R 39 678 204 (2021/22 :R 57 400 090) for the current financial year relates to contravention of paragraph 29 of the Supply Chain Management regulation, This regulation deals with the composition of the Bid Adjudication Committee, As a result of this all tenders awarded in relation to the before mentioned is considered irregular expenditure, Irregular expenditure figure is inclusive of VAT

Irregular expenditure to be reported to National Treasury as prescribed by section 170 of the MFMA

35 Correction of prior period errors

The correction of the errors/changes in accounting policies resulted in adjustments as follows:

35.1 Receivables: non-exchange: Fines	
Correction of Fines receivables	
Adjustment against receivables fines issued on statement of financial position, traffic fines issued 2022/23	32 058 686
Adjustment against revenue traffic fines issued, traffic fines issued 2022/23	(32 058 686)
Fines receivables were understated, now corrected	-

	2023 R	2022 R
35.2 Receivables: non exchange: fines bad debt provisions		
Correction of Fines receivables bad debt provisions		
Gains and losses bad debt provisions non exchange		35 195 737
Non Exchange debtor impairment provisions		(35 195 737)
Fines receivables provisions were overstated, now corrected		
		-
35,4 Inventory at stores		
Correcting inventory at stores		
Adjustment against current assets inventory stores on statement of financial position, stock count 30 June 2023		255 699
Adjustment against inventory consumed on statement of financial performance, stock count 30 June 2023		(255 699)
Inventory at stores were understated, corrected		
		-
35,5 Provisions on exchange		
Correcting bad dbt provisions exchange		
Gains and losses bad debt provisions exchange		
Exchange debtor impairment provisions		30 175 204
Provisions were understated, corrected		(30 175 204)
Net movement on net asses		-33 056 556

36 Material losses

Distribution losses on electricity (R)	2 361 890	2 536 246
Unmetered losses on water (R)	16 928 288	10 596 365
	19 290 178	13 132 611
Accounted water losses :		
Volume Distributed (kl)	1 729 005	1 671 544
Volume Billed(kl)	(778 573)	(777 878)

		2023 R	2022 R
Non-Revenue Water (kl)			
Methodology used		950 432	893 666
Number of household in the Koukamma Local Municipality area without water metres is	3283		
Average number of people per household	4,8		
Average consumption per person per day	55L		
number of days	365		
Units forgone	316350		
Value of units forgone		4 625 037	3 751 911
Actual water losses		12 303 251	6 844 454

The water loss calculations were based on the readings of the bulk water meters on the main line feeding into the distribution systems from the reservoirs and then the end users meters,

In determining the water loss the following where considered:

The methodology is based on the logical intellect or arithmetic principle that a product metered at initial point of the sealed pipeline will be equal to the amount of product metered at the end of the same pipeline

On that case, the volume of water from reservoir metered on the outlet pipe A distributing to point B, C and D is expected to be equals to the sum of water metered at points B, C and D. The difference is therefore considered a loss as it is not been accounted for,

In the absence of meters at point B, C and D, the total volume of water distributed at point A (Reservoir outlet) is considered water loss as it is not accounted for on the distribution mains,

The value of water is based on the expenditure incurred in relation to the volume of water purified from all systems inclusive of bulk water purchases for the entire financial year,

Such information is used to determine the value of water per specific volume. The determined total amount of water unaccounted for is then converted in to rand value based,

37 Audit fees

Opening balance		
Current year audit fee	4 392 320	3 256 832
Current year interest	6 069 006	4 804 069
Interest	875 224	333 869
Amount paid	-	-
Write off	(324 334)	(4 002 450)
Closing Balance	(3 803 556)	-
	7 208 660	4 392 320

The balance unpaid represents the audit fees that could not be paid due to financial constraints endured by the municipality.

PAYE, UIA and UIF

Opening balance	0	8 172 023
Current year deduction	11 557 875	8 653 067
Amount paid	(10 644 816)	(16 825 090)
Closing Balance	913 060	0

Pension and medical aid deductions

Opening balance	13 566 160	12 711 558
Current year deduction	15 457 319	13 161 600
Amount paid	(13 739 406)	-12 306 998
Closing Balance	15 284 073	13 566 160

38 Total Capital Commitments

The Municipality had the following capital commitments at year-end		
Commitments in respect of Capital expenditure:		
- Approved and Contracted for:-		
Infrastructure	51 540 100	24 954 536
Total Capital Commitments	51 540 100	24 954 536
This expenditure will be financed from:		
Government grants	51 540 100	24 954 536
	51 540 100	24 954 536

39 Leases

Lease Commitments

	2023 R	2022 R

At the Reporting Date the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

Operating leases - Municipality as lessee (expense)

Minimum lease payments due		
- within one year	45 885	41 714
- in second to fifth year inclusive	105 994	151 879
- later than five years	-	-
	151 879	193 593

The Municipality has leased portion 250 of Krakeelrivier no. 314 to Strydom Vrugteboerdery for R3,500 per annum with an escalation of 10%, The lease is for an indefinite period.

The municipality has entered into a lease agreement with Telkom to rent the ISDN 30 PRA for a period of 5 years at R2857,58 per month,

The municipality has entered into a lease agreement with Telkom to rent the TI-DIS Gold Access Service for a period of 3 years at R16 434,86 per month,

The municipality has entered into a lease agreement with Telkom for the rental of a VPN Supreme solution for a period of 3 years at R43 161,34 per month,

The Municipality entered into a lease agreement with BJ Kemp, for the use of fountainwater and drainage water on Farm Krakeel nr. 114, Joubertina for R4000 pa. with 8% escalation each year.

Operating lease payments represent rentals payable by the municipality for certain of its office equipment.

The following restrictions have been imposed on the municipality in terms of the lease agreements on office equipment:
(i) The equipment shall remain the property of the lessor;
(ii) The lessee shall not sell, sublet, cede, assign or delegate any of it's rights or obligations on the office equipment; and
(iii) The equipment shall be returned in good order and condition to the lessor upon termination of the agreement.

Operating leases - Municipality as lessor (income)

Minimum lease payments due		
- within one year	143 147	145 737
- in second to fifth year inclusive	213 597	320 688
- later than five years	355 557	391 113
	712 301	857 537

The municipality has entered into a lease agreement with Iliha Creche for the use of a municipal building at R5 per month, no escalation for 9years and 11months,

The municipality has entered into a lease agreement with The Heights Tea Estate for the use of a municipal property at R10 per month, no escalation for 9years and 11months,

The Municipality has entered into a lease agreement with Atlas Tower Property Limited (MTN) who is a licensed operator of an electronic communications network, MTN (Pty) Ltd is leasing the Erf 77 in Coldstream. The initial lease period is 9 years and 11 months at R10 260 per month, The lease expires on 28 February 2026

The municipality has entered into a lease agreement with the Stockfarmers Association for the use of municipal land at R300 per month, no escalation for 9years and 11months.

The municipality has entered into a lease agreement with Cell C (Pty) Ltd who is a licensed operator of an electronic communications network, Cell C (Pty) Ltd is leasing a site for the installation of certain infrastructure assets required for the operation of its network. The initial lease period is 9 years and 11 months with two renewal options of 5 years each, There are no contingent rentals and no subleases,

The Municipality has entered into a lease agreement with Vodacom PTY (Pty) Ltd who is a licensed operator of an electronic communications network, Vodacom (Pty) Ltd is leasing a site for the installation of certain infrastructure assets required for the operation of its network, The initial lease period is 9 years and 11 months with two renewal options of 5 years each, There are no contingent rentals and no subleases,

The Municipality has entered into a lease agreement with Vodacom PTY (Pty) Ltd who is a licensed operator of an electronic communications network, Vodacom (Pty) Ltd entered into a lease agreement in order to install antennae and equipment on the building situated at Joubertina, The lease contract expired in 2006

The Municipality has entered into a lease agreement with Sentech Soc Ltd to hire a portion of certain property situated off R62 in Joubertina and the unimpeded use of the access road for the purpose of site access,
Interest rate increase is in line with a published index("increases in line with CPI"),

The municipality entered into a lease agreement with the Electoral Commission (IEC) for the rental of a vacant land, at R3000 per month inclusive of VAT with an annual escalation of 5% for a period of 9 years and 11 months

The municipality has entered into a lease agreement with Wild to Mild (Pty)Ltd for the use of a municipal property at R250 per month, no escalation for 5 years,

	2023 R	2022 R

40 FINANCIAL INSTRUMENTS

Categories of financial instruments

In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:

	At amortised cost	Total
Financial Assets - 2024		
Receivables from Exchange Transactions	25 350 617	25 350 617
Cash and Cash Equivalents	852 823	852 823
	26 203 441	26 203 441
Financial Liabilities - 2024		
Payables from exchange transactions	41 752 042	41 752 042
	41 752 042	41 752 042
Financial Assets - 2023		
Receivables from Exchange Transactions	10 165 442	10 165 442
Cash and Cash Equivalents	4 404 840	4 404 840
	14 570 282	14 570 282
Financial Liabilities - 2023,		
Payables from exchange transactions	31 887 778	31 887 778
	31 887 778	31 887 778

Risk management

Financial risk management

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the GRAP's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

40.1 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from financial instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in financial instruments:

	2023 R	2022 R

- Market Risk,
- Liquidity Risk; and
- Credit Risk;

Risks and exposures are disclosed as follows:

Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings in Financial Instruments, The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return,

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 on going review of future commitments and credit facilities,

The municipality intends to pay creditors within 30 days.

Credit Risk

Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities,

40,2 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates, No formal policy exists to hedge volatilities in the interest rate market,

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk,

40,3 Liquidity Risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset, The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation,

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements, Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met,

40,4 Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market,

40,5 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes,

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances,

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, No investments with a tenure exceeding twelve months are made,

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas, Consumer debtors are presented net of a provision for impairment,

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy, Consumer Deposits are increased accordingly,

Long-term Receivables and Other Debtors are individually evaluated annually at Reporting date for impairment or discounting, A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable,

The municipality is not exposed to credit interest rate risk as the municipality has no borrowings,

	2023 R	2022 R

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 100 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out below:

Cash and Cash Equivalents
If interest rates had been 100 basis points higher / lower and all other variables were held constant, the municipality's:
This is mainly attributable to the municipality's exposure to interest rates on its variable rate investments.

40.6 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an on going basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and electricity services rendered to them.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:

- The application of section 118(3) of the Municipal Systems Act (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property;
- A new owner is advised, prior to the issue of a revenue clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount;
- The consolidation of rates and service accounts, enabling the disconnecting services for the non-payment of any of the individual debts, in terms of section 102 of the MSA;
- The requirement of a deposit for new service connections, serving as guarantee and are reviewed annually;
- Encouraging residents to install water management devices that control water flow to households, and/or prepaid electricity meters.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Payment of accounts of consumer debtors, who are unable to pay, are renegotiated as an on going customer relationship in response to an adverse change in the circumstances of the customer in terms of the Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

Credit risk

	2023 R	2022 R
Credit risk consists mainly of cash deposits, cash equivalents and receivables. The municipality only deposits cash with major banks with high quality credit standing.		
Financial assets exposed to credit risk at year end were as follows:		
Trade and other receivables from exchange transactions		
Other receivables from non-exchange transactions		
Cash and cash equivalents		
VAT receivable		

41 IN-KIND DONATIONS AND ASSISTANCE

In kind donations or assistance (Spartial development desktop)	44 325	-

42 CONTINGENT LIABILITIES

SAMWU obo Julius & Floors		
Employees instituted legal proceedings against the municipality with regards to changes in working conditions		
75% possibility that this matter will be successful, Council will not benefit from any revenue/ refund		
Estimated Legal costs associated with this case	643 630	643 630
	200 000	200 000
Tamboer & Others		
These employees are employed by the municipality and are claiming that benefits which according to them are due and payable, were stopped.		
Officials matter incorporated in this case, outcome per official will vary. A claim was lodged by the employees on amounts owed to them.		
The municipality lodged a counterclaim of amounts owed by the employees,The final amount is unknown	Unknown	Unknown
Estimated Legal costs associated with this case	200 000	200 000
Ibhabathane CC		
Application to review tender No 6/2020. Application scrapped from the roll with costs. No further action expected.		
Estimated Legal costs associated with this case	Unknown	Unknown
	175 758	175 758
Mandisa Plange vs Kou-Kamma		
The municipality seeked an order to set aside the requitment process in repect of filling the		
vacant popst of Municipal Manager, The municipality has good prospects of success.		
Estimated Legal costs associated with this case	None	None
	300 000	300 000
Koukamma Municipality vs Vuka Belele security services		
Provided opinion about the incident involving the Speaker of the Council and responded to letters of demand received from Vuka Belele security services and Mr Matutu		
Estimated Legal costs associated with this case	None	None
	39 543	39 543
Koukamma Municipality vs Mr Tana, Mr K Pillay - MAT16918		
Illegal occupation of the municipalities property in Twee Riviere		
Estimated Legal costs associated with this case	None	None
	22 875	22 875

43 RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

43.1 Interest of Related Parties

Councillors and/or management of the municipality have relationships with the municipality, which is limited to their employment:

Name of Related Person	
Members of key management	
Acting Municipal Manager	M Clay
Acting Municipal Manager	W G Hermanus
Acting Municipal Manager	L Somtsewu
Acting Municipal Manager	S Tini
Chief Financial Officer	N Venter
Acting Chief Financial Officer	M Mzinzi
Acting Chief Financial Officer	G Sees
Manager: Technical Services	M Calaba
Manager: Corporate Services	L Somtsewu
Manager: Community Services	W G Hermanus
Mayor	Cllr. Yake F.J.
Speaker	Cllr. Massdorp D. (Appointed 9 November 2022)
Other Councillors	Cllr. Strydom F.
	Cllr. Smith K.
	Cllr. Krige J.
	Cllr. Fillis R.C (Deceased 20/05/2024)
	Cllr. Campher R.G (Appointed 9 November
	Cllr. Persent V.X.E (Appointed 9 November 2022)
	Cllr. Ncethezo S.D (Deceased 02/04/2023)
	Cllr. Sikitwe N. (Appointed 9 November 2022)
	Cllr. Jantjies B.T (Appointed 9 November 2022)
	Cllr. Ferguson S. (Appointed 9 November 2022)
	Cllr May CE(Appointed 19/06/2023)

44 PRIVATE PUBLIC PARTNERSHIPS

The municipality was not a party to any Private Public Partnerships during the year under review.

45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

45.1 Non-Compliance with the Municipal Finance Management Act

Instance of non-compliance with the MFMA relate to Irregular, Fruitless and Wasteful Expenditure.

45.2 Deviation from, and ratification of minor breaches of, the Procurement Processes

In terms of section 36 of the Municipal Supply Chain Management Regulations approved by the council, any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager, noted by Council and bids where the formal procurement processes could not be followed must be noted in the Annual Financial Statements.

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

Deviations 2023/24

CLASSIFICATION OF DEVIATIONS IN TERMS OF SECTION 36 OF THE SCM REGULATIONS	NUMBER OF INCIDENTS	AMOUNTS
Emergency	6	822 260
Impractical to follow official procurement process	205	5 445 851
If such goods or services are produced or available from a single provider only	6	84 612
	217	6 352 722

46 GOING CONCERN ASSESSMENT

Management considered the following matters relating to the Going Concern:

There are a number of other events and conditions that individually or collectively may cast significant doubt on the going concern assumption and place the municipality's financial sustainability under threat. These indicators include amongst others:

Certain suppliers only provide services on the cash basis now due to problems receiving payments in the past.

The low debtors collection rate

Due to Economic impact affects the ability of consumers to pay their municipal accounts

Due to cash flow challenges the municipality is unable to pay creditor within 30 days.

	2023 R	2022 R

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis as it is off the opinion that with the current belt-tightening processes and revenue collection programme, 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. In addition to this, their is no indication that there is political will to amalgamate or discontinue operations of the municipality.

Considering the current inflation, the municipality has adopted the following mitigating strategies:
- Monitor the cash flow daily and limit spending to the actual cash inflow, irrespective of budget,
- Reduce the capital investment programme annually, for the next three financial years, to the level of capital investment funded by capital grants only,
- Avoid giving rate payers and customers relief measures that will significantly reduce the cash inflow to the municipality. Where relief is granted, it should be in the form of delayed payments granted and no debt forgiveness should be considered,
- Be cognisant of the highly sensitive impact collection rate has on liquidity of the municipality and prioritise decisions and actions that will support and strengthen the collection rate, without a loss of income or undue increases in expenditure,

Based on the long-term liquidity forecasts and projections, management believe that there is a reasonable basis to conclude that the municipality will be able to continue with its service delivery operations and to meet its financial commitments in the medium and long term,
The municipality also obtains significant amounts of government grants annually to finance operating and capital expenditure,

Accordingly, it is appropriate for the municipality to adopt the going concern basis,

SEGMENT INFORMATION

General information

Identification of segments

The municipality is organised and reports to management on the basis of 4 major functional areas : Community and public safety, Economic and environmental services, Municipal governance and administration and Trading services. The segments were organised around the type of service delivered. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management 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 Eastern Cape Province. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout Eastern Cape were sufficiently similar to warrant aggregation.

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	
Community and Public Safety	Service or activity that is performed by the municipality for the benefit of the public or its institutions.
Economic and Environmental Services	Helps the municipality to make better decisions by identifying resources, understanding the needs of the public and formulate plans to promote local economic development
Municipal Governance and Administration	Management, cohesive policies, guidance, processes and decision-rights
Trading Services	Providing a service to customers at a tariff determined to "recover cost".

	Community and public safety	Economic and environmental services	Trading services	Governance and administration	Other	Total
REVENUE						
Revenue from Non-exchange Transactions						
Property Rates	-	-	-	30 182 562	-	30 182 562
Fines	26 090 696	-	-	-	-	26 090 696
Income for Agency Services	2 299 378	-	-	-		2 299 378
Government Grants and Subsidies Received	-	-	109 395 530	-		109 395 530
Interest Earned - Outstanding Debtors	-	-	6 219 841	-		6 219 841
Other Revenue	-	-	-	-		0
Revenue from Exchange Transactions						
Service Charges	-	-	51 874 912	-		0
Rental of Facilities and Equipment	-	-	-	389 711		51 874 912
Interest Earned - External Investments	-	-	-	474 803		389 711
Interest Earned - Outstanding Debtors	-	-	6 676 186	-		474 803
Other Revenue	100 117	-	-	667 698		6 676 186
Gain on disposal of Property, Plant and Equipment	-	-	-	-		768 015
Total Segment Revenue	**28 490 191**	**-**	**174 166 469**	**31 714 974**	**-**	**234 371 634**
EXPENDITURE						
Employee Related Costs	11 545 249	-	17 263 567	25 241 384	26 928 518	80 978 718
Remuneration of Councillors	-	-	-	4 777 039	1 184 135	5 961 174
Depreciation and Amortisation	2 557 746	-	10 683 956	615 576	11 469 407	25 326 685
Debt impairment	22 892 674	-	-	3 413 098	8 428 778	34 734 550
Finance Costs	-	-	-	562 645	416 125	978 770
Bulk Purchases	-	-	5 433 305	-	725 043	6 158 348
Contracted Services	1 444 568	-	1 250 700	5 262 762	1 828 542	9 786 592
Inventory consumed	635 328	-	4 714 226	309 377	1 359 592	7 018 523
General Expenses	987 001	-	9 934 264	13 361 671	973 565	25 256 501
Bad debt written off	-	-	-	-	17 477 523	17 477 523
Loss on Disposal of Property, Plant and Equipment						
Total Segment Expenditure	**40 062 566**	**-**	**49 280 018**	**53 543 572**	**70 791 227**	**213 677 383**
SURPLUS/ (DEFICIT) FOR THE YEAR	**(11 572 375)**	**-**	**124 886 451**	**(21 828 598)**	**(70 791 227)**	**20 694 251**

The municipality does not disclose segment assets and liabilities as they are not regularly reported on and reviewed by management.

Information about geographical areas

The municipality's operations are in the Eastern Cape Province.

The reason for non disclosure of geographical areas is because it is considered to be irrelevant for decision making purposes. The municipality's geographical areas of operation are considered as a single geographical area for decision making purposes.