

EMAKHAZENI LOCAL MUNICIPALITY

AUDITED ANNUAL REPORT

2020/21 FINANCIAL YEAR

2021



[KUMNYAMA KUBOMVU, SIYANQOBA]

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AUDITED ANNUAL REPORT

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

1.1 EXECUTIVE MAYOR’S FOREWORD

The format and content of the Annual Report is largely prescribed by Section 46 of the Local Government: Municipal Systems Act (Act 32 of 2000) and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

The Council of the Municipality reviewed and approved the Integrated Development Plan for implementation during the year under review. In the process of the IDP review, the Municipality conducted public participation processes which are in line with legislation in order to inculcate the views and needs of the community of Emakhazeni Local Municipality. Emakhazeni Local Municipality strived to improve its capacity to better ensure the delivery of services as mandated by the community through the implementation of the Integrated Development Plan.



Fully aware of the duties and responsibilities conferred to me as the Executive Mayor of Emakhazeni Local Municipality; I wish to present the public with an accurate overview of the performance of Emakhazeni Local Municipality during the 2020/21 financial year.

The 2020/21 financial year marked this administration’s 5th year in office. It saw the Municipality accelerate its efforts in the implementation of its Strategic Objectives through the use of the Integrated Development Plan, the Budget, and the Service Delivery and Budget Implementation Plan which serve as the municipality’s guiding tools.

Accordingly, the municipality working together with the masses of our people recorded positive progress over the past five years which ended on the 30th June 2021. The municipality in its concerted efforts to continue delivering quality services to the masses of our people achieved the following:

ISSUES RAISED BY COMMUNITIES DURING IDP & BUDGET CONSULTATIVE MEETINGS

| NO | ISSUE RAISED | WARDS | ACTION | REMARKS / CHALLENGES |
|----|--|----------------|---|---|
| 1 | Declining quality in Waterfall Boven and Belfast. | 7 and 8 | The municipality has refurbished and upgraded water treatment works in Watervalboven and Belfast to address the quality of water and the projects are completed. | No challenges |
| 2 | Poor provisioning of refuse removal services. | 5,6, 7 and 8 | Procured 3 refuse removal compactor trucks 01 is in a procurement process for 2021/22 financial year. The municipality appointed additional staff members for refuse removal in all wards. | Illegal dumping sites. The municipality will enforce by—laws to mitigate against the unlawful act by community members. |
| 3 | Lack of maintenance of boreholes in farming communities of ward 1,2,4,5,6 & 8. | 1,2,4, 5,6 & 8 | The municipality has established a maintenance team of three staff members for repairs and maintenance of boreholes and wind mills on farms. The team has a bakkie and equipments required for the borehole fixing. | Community members not looking after the infrastructure e.g windmills not to run throughout. |
| 4 | Grading of provincial roads and farm roads. | 1,2,4, 5,6 & 8 | The roads on farms are the competency of the Department o Public Works, Roads and Transport. The municipality relies on the Public works to maintain the provincial roads and farms. To date the Department has been grading some of the roads. | The Department of Public Works, Roads and Transport has insufficient resources such as roads equipments |

ISSUES RAISED BY COMMUNITIES DURING IDP & BUDGET CONSULTATIVE MEETINGS

| NO | ISSUE RAISED | WARDS | ACTION | REMARKS / CHALLENGES |
|----|--|----------------|---|-------------------------------------|
| 5 | Communication with the public when there is no electricity. | 1,2,4, 5,6 & 8 | <p>The municipality makes use of an SMS system to inform the public of any electricity outages including load shedding schedules.</p> <p>Mayoral Izimbizo, community feedback, ward meetings, quarterly newsletters and radio stations are also used as part of information dissemination to the public.</p> | No challenges |
| 6 | Street lights not working and maintained, a need for street light. | 1,2,4, 5,6 & 8 | The street lights have been attended to and maintenance is an ongoing. | Some of the globes are not durable. |
| 8 | Incorrect accounts. | All wards | <p>The municipality has established a customer query section to speedily resolve community queries.</p> <p>Municipal accounts of consumers are corrected on an individual basis considering the case presented by the consumer as well as evidence in the billing system as well as payments records.</p> <p>Accounts are corrected as and when queries are raised.</p> | Data cleansing is on going. |
| 9 | Registration of indigents in all wards. | All wards | Approved indigents in all wards benefited annually and R25m of their historical debts have been written off as irrecoverable debt. | No challenges |

ISSUES RAISED BY COMMUNITIES DURING IDP & BUDGET CONSULTATIVE MEETINGS

| NO | ISSUE RAISED | WARDS | ACTION | REMARKS / CHALLENGES |
|----|--|-----------|--|---|
| 10 | Incomplete houses by Department of human settlement (ward 1A) | 1 and 3 | <p>Tauris Garden (contractor) and DHS are in a legal battle in court for 56 incomplete houses.</p> <p>Bongela Development Project at Ext 7 is in dispute and is in court for 200 incomplete houses. Council took a resolution that the rightful beneficiaries to construct shacks next to their incomplete houses.</p> <p>Council resolved to terminate MoU entered into between the municipality and Developer for Ext 7.</p> | Beneficiaries are demanding their houses. The houses must be completed before 27 October 2021 to discourage voter apathy by the affected beneficiaries. |
| 11 | A need for RDP houses. | 4,6 and 8 | DHS has allocated Elm 710 low cost housing units in 2019/20 and the project has been successfully executed. | No challenges the project has been successfully executed |
| 12 | Houses built by Exxaro not handed over. | 8 | The 21 houses were handed over to the beneficiaries and title deeds issued in May 2021 | No challenges |
| 13 | Land invasion | 7 and 8 | <p>The municipality has promulgated control and management of informal settlement by-law</p> <p>The municipality has established a by-law enforcement unit and has appointed of law enforcement officers</p> | Procurement of vehicles |

ISSUES RAISED BY COMMUNITIES DURING IDP & BUDGET CONSULTATIVE MEETINGS

| NO | ISSUE RAISED | WARDS | ACTION | REMARKS / CHALLENGES |
|----|---|-----------------|---|--|
| 14 | High toll gates fees and the establishment of a sustainable alternative road. | 5,6 & 7 | A feasibility study for WatervalBoven alternative road has been completed by Nkangala District Municipality in 2019/20 financial year. The road project will have to be budgeted for in the outer years of the new term of council. | R250m is required to construct the road in terms of feasibility study and the municipality does not have such resources. |
| 15 | Invasion of incomplete houses extension 6 & 8. | 1 | Unlawful occupants were removed | 56 incomplete houses by Department of Human Settlement |
| 16 | Slow process of concluding Land claims. | 1,2,4,5,6 and 8 | The Land Claims Commission and the Department of Rural Development and Land Reform have settled some of the land claims lodged. | The process is ongoing. |
| 17 | There is a high demand for stands for middle income earners. | 1,2,4,5,6 and 8 | The municipality has finalized servicing 44 stands at Emthonjeni Ext 4 and in the process of servicing 500 stands in Ext 12, Siyathuthuka. | Insufficient financial resources to service more land and dispose to needy community members. |
| 18 | Conservancy tanks in ward 8 not being serviced. | 8 | The municipality has purchased a new sewer truck The municipality has developed a program for Ward 8 and it is serviced every week on Tuesdays. | To install sanitation infrastructure to remove the sewer truck. |
| 19 | Sanitation in all farms. | 1,2,4,5,6 and 8 | The municipality is currently prioritizing installation of water infrastructure in farming areas. Sanitation shall be prioritized in | No challenges |

ISSUES RAISED BY COMMUNITIES DURING IDP & BUDGET CONSULTATIVE MEETINGS

| NO | ISSUE RAISED | WARDS | ACTION | REMARKS / CHALLENGES |
|----|---|-----------------|--|---|
| | | | the other years. | |
| 20 | There is need for Jojo Tanks in all wards especially for farming communities. | 1,2,4,5,6 and 8 | The project for installation of water storage tanks at the farms has been completed. | Insufficient resources to proceed with the programme to reach out to all farms. |
| 21 | Thusong Service Centre not functional (no services from department). | 1 | Departmental representatives make use of the facility on pre-determined dates. COGTA to facilitate meeting and develop a clear programme for various department to render services to the community. | Lack of positive response by various Government Departments to render services at Thusong Centre. |
| 22 | There is a need for community Hall in Wonderfontein. | 1 | Msimbithi Mine has completed the building of community hall at R28m and is being used. The municipality has appointed a care taker. | No challenges |
| 23 | Increased community service delivery protests and increased social distance | 1,2,3,7 | Community stability created which resulted into no community service delivery protests recorded from 2016 to 2021 | High unemployment rate remains a threat moving forward. |
| 24 | Aging road infrastructure | All wards | New roads constructed through paving using MIG, Internal funding and Roads maintenance and repairs programme and marked 88, 166 km ² tarred and paved roads by 2021. | Backlog of 168,554 km ² |

ISSUES RAISED BY COMMUNITIES DURING IDP & BUDGET CONSULTATIVE MEETINGS

| NO | ISSUE RAISED | WARDS | ACTION | REMARKS / CHALLENGES |
|----|--|-----------------|---|--|
| 25 | Ineffective Waste Water Treatment Works in Dullstroom, Emakhazeni, Entokozweni and Watervalboven | All wards | Refurbished Waste Water Treatment works for Dullstroom and Entokozweni | Budget for refurbishment in Belfast and Watervalboven |
| 26 | Replacement of Asbestos water pipes with PVC water pipes | All wards | Replaced in Watervalboven | Require budget for replacement in Belfast, Entokozweni and Dullstroom |
| 27 | Electrification of farm dwellers houses | 1,2,4,5,6 and 8 | Eskom electrified 10 farms in ward 2 benefiting 57 households and 26 households at Alzu farm in ward 1, Total households benefited was 83 | Eskom to budget for outstanding houses in the outer years |
| 28 | Lack of professionalism and ill discipline by some of staff members | Municipality | Consequence management is being applied | Changing of mind set of some of employees |
| 29 | Dysfunctional LED forum | Municipality | Effective and functional LED forum | Mushrooming of community structures demanding participation. |
| 30 | Sewer spillages | 1,4, 6 and 8 | Improved attendance to sewer spillages | Madala and Ext 6 and 8 in Siyathuthuka to be given attention to correct the flow |

ISSUES RAISED BY COMMUNITIES DURING IDP & BUDGET CONSULTATIVE MEETINGS

| NO | ISSUE RAISED | WARDS | ACTION | REMARKS / CHALLENGES |
|----|--|---------------------|--|--|
| 31 | Working in partnerships with private sector and mines | All wards | Improved working relations. All social labour plans of the mines were redirected to road infrastructure projects, e.g Exxaro – R15m, Nkomati mine – R7m, Msimbithi mine – R4m, Northern Coal mine – R4m, Maboko Colliery – R5m, Universal Coal – R5m, 30% set aside for procurement opportunities and job opportunities for unemployed | Mines are not contributing in line with their declared profit. |
| 32 | Inability to fix dysfunctional boreholes and windmills on farms | 1,2,4,5,6 and 8 | A team of 3 staff members has been established and equipped with a bakkie and equipments to work full time on the farms. | Slow process of procuring material required by SCM |
| 33 | Disconnections of electricity ward 1A, 1B, 2, 6 and 8. | 1A, 1B, 2, 6 and 8. | <p>Disconnection of electricity is only undertaken by Finance Department to defaulting consumers as part of revenue collection and electricity theft control measures.</p> <p>Illegal connections are identified and dealt with on a regular basis to ensure that losses are averted at all costs.</p> | Lack of co-operation by some of defaulting community members. |
| 34 | Poor working relations between the municipality and organized labour in 2015 | Municipality | Improved working relations between the municipality and the organized labour and the LLF meetings held regularly. | Ill discipline amongst other members of organized labour. |
| 35 | Unemployment (wards 1A, 2,3,5,6 & 7). | 1A, 2, 3,5, 6 & 7 | The municipality working together with the private sector, Mines & Government Agencies have from 2016 to date created | More community members are still unemployed and |

ISSUES RAISED BY COMMUNITIES DURING IDP & BUDGET CONSULTATIVE MEETINGS

| NO | ISSUE RAISED | WARDS | ACTION | REMARKS / CHALLENGES |
|----|--------------|-------|--|--|
| | | | <p>approximately 5 575 job opportunities disaggregated as follows (EPWP and CWP = 2 956 and Mines and WBHO = 2 619).</p> <p>Municipality developed a contractor development programme which saw six emerging contractors grading from CIDB grade 1 to 4, 6 and 7.</p> <p>Enterprise Development Centre has been constructed by Exxaro to develop SMMEs.</p> <p>Unemployed structures played a critical role in placement of unemployed people in the mines.</p> | <p>more economic opportunities must be created by SMMEs, public sector and private sector.</p> |

Further, the municipality made commendable achievements when considering the report from STATS SA 2016 Community Survey base line information in so far as basic service delivery to the masses of our people. The municipality through its Integrated Development Plan set out **140** targets and **achieved 133 targets which marked 95%** of its targets. The following targets were not achieved, namely, allocation of stands to beneficiaries at Gugulethu in Waterval Boven, construction of Library at Sakhelwe in Dullstroom, ensuring the building of additional weigh bridge at Emakhazeni, create a fraud and corruption reporting hotline for community, prevent unauthorized, irregular, fruitless and wasteful expenditure, building of drugs and substance abuse rehabilitation centre for the youth and installation of water borne sanitation for farm dwellers. The non allocation of additional low cost houses by the Department of Human Settlement delayed the allocation of stands to beneficiaries of Gugulethu. The insufficient resources delayed the building of additional weigh bridge at Emakhazeni, establishment of a fraud and corruption reporting hotline for community and building of drugs and substance abuse rehabilitation centre for the youth. The municipality firstly, prioritized installation of water for the farm dwellers and the installation of water borne sanitation for farm dwellers will be prioritized in the next term.

The key achievements made by the municipality over the past five years depended on its ability to lobby the public and private sectors to work in partnership and each sector contributing to the realization of the common good. Without the positive support of the masses of our people, it would not have been easy to render quality services. To this end we commend and thank all the stakeholders of Emakhazeni Local Municipality namely organised labour, councillors, administration, ward committees, CDWs and the masses of our people for continued support and building on the achievement of the past 25 years of democracy and 20 years of local government by achieving some of the following key milestones.

Furthermore, the municipality made the following additional key achievements:

| SUMMARY OF ACCESS TO BASIC SERVICES | | | | | | | | |
|--|--------------------------------------|------------------|--|----------|---|----------|---|---------|
| No. | Category | Total Households | Households with access as at 2016(provide numbers and %) | | Progress to date on increasing the access (provide numbers and %) | | Outstanding Backlog to date (numbers and %) | |
| | | | | | | | In numbers | In % |
| 1 | Water services | 14 633 | 12 946 | 88.47 % | 14 486 | 98.99 % | 147 | 1.0 % |
| 2 | Sanitation services | 14 633 | 12 049 | 82.3 % | 13841 | 94.5 % | 630 | 4.3 % |
| 3 | Electricity services | 14 633 | 12 560 | 85.8 % | 13062 | 89.2 % | 502 | 3.4 % |
| 4 | Waste removal services | 14 633 | 9844 | 67.2 % | 12 404 | 84.7% | 331 | 2.2 % |
| 5 | Roads services | 256,72 km2 | 39,5 km2 | 15,629 % | 58, 666 km2 | 22.85 % | 158, 55 km2 | 61,75 % |
| 6 | Spatial rationale / Human Settlement | 14 633 | 10 655 | 72.8 % | 15 483 | 105.80 % | 2 350 | 16.05 % |
| KEY ACHIEVEMENTS | | | | | | | | |

| CHALLENGES BEFORE 2016 | 2021 KEY ACHIEVEMENTS |
|---|---|
| <ul style="list-style-type: none"> Inability of the municipality to pay employees their notches form 2010 – 2016 | <p>All employees have been fully paid</p> |
| <ul style="list-style-type: none"> Insufficient access to portable water by farm dwellers | <p>10 x 40 000L of water steel tanks installed, 9 x boreholes refurbished, 76 elevated 5000L water tanks, 16 x new equipped bore holes drilled and 283 households reticulated and benefited.</p> <p>1 x 18 000L water tanker purchased by municipality own funding</p> <p>1 x 18 000L Water tanker purchased by Exxaro Mine.</p> <p>The total number of water tankers is four.</p> |
| <ul style="list-style-type: none"> Eskom historical debt increased to R59 Million | <p>Eskom historical debt settled by 31 Mach 2021 and municipality servicing current account monthly.</p> |
| <ul style="list-style-type: none"> Payment rate was 49% in 2015 /16 | <p>Payment rate increased to 91% in May 2021</p> |
| <ul style="list-style-type: none"> Inability to sell serviced stand to municipal employees and community members | <p>Serviced stands annually for low cost houses and selling</p> <p>Some serviced stands sold to municipal employees and community members</p> |
| <ul style="list-style-type: none"> Inability to budget for own internal Capital Projects | <p>R18 million own revenue budgeted for internal capital projects</p> <p>Received additional R10m funding from MIG for good performance (i.e R2 m in 2018 and R8m in 2021).</p> |
| <ul style="list-style-type: none"> High level of community protest for service delivery | <p>No service delivery related protest experienced except the protest directed to the mines and WBHO N4 road upgrading projects.</p> |

- High unemployment rate was at 23.9 % in terms of 2016 Stats SA Community Survey

Effective Local Economic Development Forum lobbied and advocated for a 30% set aside procurement opportunities in all municipal projects, mines, TRAC, SANRAL etc. Consequently,

5 575 job opportunities created by municipality and the mines against the ANC five year targets of **3000**. Unemployment reduced from **23.9% in 2016** to **12.7 % in 2021**.

Municipality created a contractor development programme which saw 6 contractors graded from CIDP grade 1 to CIDB grade 4, 6, 7 & 8. At least four of these contractors have since become the main contractors in municipal capital projects, Nkangala District Municipality and projects of the mines.

The unemployed structures played a critical role in the placement of unemployed people in the mines.

Enterprise Development Centre worth R2.7m by Erraro established to assist SMME's to access funding, mentorship, business plans development and access to market. At least **20 SMME's were assisted with a turn over of R26 640 000,00** and thus creating 128 jobs for the unemployed.

Other employment opportunities include EPWP and CWP programmes.

**MINES AND
GOVERNMENT
AGENCIES**

**PROCUREMENT
OPPORTUNITIES**

| | | |
|--|--|---|
| | Maboko Colliery Mine | 21 x trucking business opportunities awarded to seven local SMME's and each awarded three trucks in 2018. |
| | Universal Coal Mine | 15 x five years trucking business opportunities awarded to a local Consortium with five members in 2019 |
| | | 120 x five years trucking business opportunities awarded to two males local SMMEs 2019 |
| | | 2 x five years trucking business opportunities awarded to two females local SMME in 2019. |
| | | 5 x five years yellow machines opportunity awarded to a local male SMME |
| | | 2 x five years trucking business opportunities awarded to one male local SMME in 2019 |
| | Exxaro Mine: Belfast Implementation Project (BIP) | 2 x five years local male SMMEs awarded two trucking business opportunities for five years in 2019. |
| | | 2 x local male SMME awarded a Rehabilitation project for five years in 2019 |
| | LED projects such as Brick manufacturing plant in Siyathuthuka, bakery at Emgwenya and poultry project in Sakhelwe successfully established. eMthonjeni bakery is pending. | |

| | |
|---|--|
| <ul style="list-style-type: none"> • Aging road infrastructure | Improved through paving using MIG funding, internal capital funding, repairs and maintenance funding. |
| <ul style="list-style-type: none"> • Inadequate functioning of Water Treatment Works | Water Treatment Works refurbished at Emakhazeni (Belfast), Dullstroom, Watervalboven and Machadodorp |
| <ul style="list-style-type: none"> • Education | At least 420 local students were assisted with financial registration at the Institutions of Higher Learning |
| <ul style="list-style-type: none"> • Inadequate functioning Waste Water Treatment works | Waste Water Treatment Works refurbished in Dullstroom, Emakhazeni and Machadodorp |
| <ul style="list-style-type: none"> • Replacement of water asbestos pipe with PVC pipes | Replaced in Watervalboven |
| <ul style="list-style-type: none"> • Cemetry establishment | 5000 graves sites finalised at ward 5 & 6 at eMthonjeni, 2380 grave sites finalised at ward 1, 2 & 3 at Siyathuthuka, 3 213 graves sites finalised at ward 7 at Watervalboven. 2 500 graves sites in progress at ward 4 at Sakhelwe. |
| <ul style="list-style-type: none"> • Inability to electrify households in farms | Eskom electrified 10 farms in ward 2 benefiting 57 households and electrified ALZU farm in ward 1 and benefited 26 households. The total houses benefited are 83 . |
| <ul style="list-style-type: none"> • Audit outcomes (2014/15) disclaimer for the past five years | Improved Audit outcomes - 2016/17- Qualified, 2017/18 - Qualified and 2018/19 Adverse and 2019/20 – Adverse |
| <ul style="list-style-type: none"> • Lack of professionalism and ill discipline | Improved and consequence management is applied |
| <ul style="list-style-type: none"> • Social distance between the Municipality and Community | Improved working relationship and community consultation and feedback meetings through War rooms were successfully held. |
| <ul style="list-style-type: none"> • Dysfunctional LED forums | Effective and functional LED forum |
| <ul style="list-style-type: none"> • Lack of working tools / equipment's | 9 new bakkies purchased, 4 compactor trucks purchased , 1 x honey sucker purchased , 1X Bulldozer purchased , 1x roller machine purchased, 3x TLB's purchased, 2x tipper trucks purchased, 2 X 18000 litres water tanker purchased – water supply on farms. |
| <ul style="list-style-type: none"> • Electricity and water outages | Installation and commissioning of new 132/11KV 20MVA substation in |

| | Belfast and Siyathuthuka. Improved electricity and water supply, outages are attended within 12 hours of becoming aware. | | | | | | | | | | |
|--|--|----------------|----------------|----------------|-----------|-----------|----------------|----------------|----------------|----------------|----------------|
| <ul style="list-style-type: none"> Sewer Spillages | Improved, reduced and attended to as and when reported. | | | | | | | | | | |
| <ul style="list-style-type: none"> Inadequacy in working in partnership with the Mines | <p>Improved working relation. 30 % procurement opportunities set aside for local SMME's. All social labour plans have been redirected to road infrastructure , e.g Exxaro –R15 Million and purchase of 18 000L water tanker for farm dwellers, Nkomati –R7 Million , Msimbithi Mine – R4 Million ,</p> <p>Northern Coal – R4 million, Maboko Colliery - R 5 Million.</p> <p>30% set aside for Procurement opportunities for SMME's and unemployment opportunities.</p> | | | | | | | | | | |
| <ul style="list-style-type: none"> Unauthorised, Irregular , Wasteful and Fruitless Expenditure incurred | Improved and consequence management is being applied. Repeated findings by AG of SA be averted | | | | | | | | | | |
| <ul style="list-style-type: none"> Inability to fix dysfunctional windmills and boreholes in farms | A team of 3 staff members established and equipped with a bakkie and equipment to work full time on the farms. Access to water by farm dwellers has improved. | | | | | | | | | | |
| <ul style="list-style-type: none"> Poor working relation between the municipality and organised labour which led to paralysis of service delivery | Improved working relations and LLF meetings sit as planned | | | | | | | | | | |
| <ul style="list-style-type: none"> Indigent register was low | <p>Indigent register is high. R25m written off for all approved indigents. Received free basic water (5000 L), sanitation and electricity (50klw) per month.</p> <table border="1" data-bbox="776 1304 1482 1644"> <thead> <tr> <th>2016/2017</th> <th>2017/18</th> <th>2018/2019</th> <th>2019/2020</th> <th>2020/2021</th> </tr> </thead> <tbody> <tr> <td>1480 benefited</td> <td>1580 benefited</td> <td>3046 benefited</td> <td>3310 benefited</td> <td>3575 benefited</td> </tr> </tbody> </table> | 2016/2017 | 2017/18 | 2018/2019 | 2019/2020 | 2020/2021 | 1480 benefited | 1580 benefited | 3046 benefited | 3310 benefited | 3575 benefited |
| 2016/2017 | 2017/18 | 2018/2019 | 2019/2020 | 2020/2021 | | | | | | | |
| 1480 benefited | 1580 benefited | 3046 benefited | 3310 benefited | 3575 benefited | | | | | | | |

The municipality accelerated service delivery through refurbishment of the following infrastructural projects of water, sanitation, refuse removal, electricity, road infrastructure, repairs and maintenance, and the supply of water to the farming communities. The water supply to the farm communities has been at the centre of the municipal budget which has seen the provision of borehole drillings and water reticulation to these farm communities. Furthermore, the establishment of dysfunctional boreholes maintenance team whose focus

was to repair and maintain dysfunctional boreholes in the municipal area, brought hope to farm communities as their greatest plight had been water. In addition to installation of boreholes, the municipality resolved to reticulate nearby communities from same boreholes where the yield was strong. The construction of the ten (10) x 40 000L of water elevated Steel Tanks at the central places on the farms saw the clustered households being reticulated and came as a relief on the Water tankers which had to drive a distance to deliver water to the households which are far from each other. The approach assisted the municipality to save costs on repairs and maintenance but also saving the life span of the water tankers. The servicing and selling of stands to affording community members and deserving municipal staff brought about hope to the property less.

Working in partnership with the private sector and National Government, the Municipality signed the Memorandum of Agreement with SANRAL on the N4 road rehabilitation project setting aside 30% procurement opportunities for our local SMME's and employment opportunities for our unemployed people. The value of the 30% was R91 million for our local SMME's and unemployed people. Further, the municipality working together with TRAC signed a Memorandum of Agreement for refurbishment of entrance road to Entokozweni (Machadodorp) and revitalization of bakery in Waterval Boven.

The municipality working together with Exxaro Mine Belfast implementation project worth R3.3 Billion set aside 30% procurement opportunities for SMME's and job creation for our people to the value of R990 million. The implementation of the project is being monitored by the Local Economic Development Forum which meets quarterly and each mine presents progress made. Exxaro Mine purchased an 18 000 litres of water tanker to supply water to the farming communities. Exxaro Mine in the interest of the learners in particular and community members in general at eMakhazeni and Siyathuthuka, through Nashua services installed a free Wi-Fi at the value of R14 400 000 for the duration of three years. The municipality working together with communities must ensure sustainability of the programme post Nashua and Exxaro. The mine further, relocated and built houses for 30 farm dwellers households from Zoekop and Blyvooruitsicht farms to Sunbury farm at R40m. Only two families refused to be relocated. It further built 11 houses for farm dwellers relocated from Eerstelingsfontein farm and spent R5m. It built houses with water borne sanitation, water reticulation system and electricity. Indeed a better life has been realized by those farm dwellers. The Department of Rural Development and Land Reform also built 31 houses for the farming communities resident at Paardeplaats farm and the municipality through the office of Executive Mayor built one house for a destitute family on the same farm.

The Municipality working together with Lafarge and Universal Mine revitalized a brick manufacturing plant in Siyathuthuka at the value of R3.5 million to create job opportunities for the unemployed and procurement opportunities for the local SMME's. The brick manufacturing plant will add value not only in job creation but in manufacturing the bricks for all low cost housing (RDP Houses) and paving for all municipal roads. This is a legacy project and a game changer of the skewed economic status quo which resulted into triple challenges of unemployment, poverty and inequality.

Further, the municipality working together with Msimbithi Mine, constructed a community hall at Wonderfontein for the farm dwellers to the value of R28m. It also constructed through pavers ZCC road at Siyathuthuka at the value of R4 million. The main contractor was a local contractor from eMthonjeni and the project also benefited the unemployed people and local SMME's. Further, the municipality working together with Weltevreden Coal Mine agreed to construct the road to Siyathuthuka at the value of R4 million and Maboko Mine agreed to construct Bhekumuzi drive phase two at the value of R5 million.

The long awaited International High Altitude Training Centre in Emakhazeni has been finally implemented by the Department of Public Works, Roads and Transport in Mpumalanga Province. The first phase of the project has commenced in March 2021 and the contractors have been appointed. The value of the first

phase is R83m and 30% procurement opportunities for local SMME's and job opportunities have been set aside. The water projects will see construction of 7mgl of water reservoir and thus gravitating to town and Madala. This will save municipality electricity costs of pumping water to and fro.

The Municipality working in partnership with private individual business agreed to build a Mall along the N4 road in Emakhazeni (Belfast) to the value of R300 Million, the project will see SMME's and unemployed benefitting. The reconfiguration of the organisational structure ensured a fit for purpose and the appointment of suitable, qualified and experienced staff at the critical positions was a necessity for a quality service delivery to the masses of our people. The Municipality working together with all stakeholder such as business community, unemployed structure, faith based organisation, CDW's and ward committees has seen an improved and effective working of Local Economic Development Forum, Council of Stakeholders Forum, Local Stakeholders Forum, Local AIDS Council and now of late the local command council. The active participation by this various stakeholders did not only strengthen the capacity of the municipality but narrowed a social distance between the municipality and the community.

For the period under review (2020/2021) financial year, the municipality like any municipality in the country and the world was confronted with a Covid 19 pandemic and that saw the country taken to a lock down on 27th March 2020. The country is still on Alert level 3 today. The accomplishments set out in this report are of significance owing to the Covid-19 pandemic which as affected many lives and constant disruptions caused by the Covid-19 pandemic. Emakhazeni Local Municipality has managed to mitigate and ensure that the impact of the pandemic is minimized which is testimony to the quality of the leadership and the decision making that the worst consequences of the COVID-19 pandemic has been avoided. Notwithstanding the limited impact I wish to send heartfelt condolences to those families who have lost loved ones as a result of the virus.

In efforts to improve the standard and quality of living of the people, Emakhazeni Local Municipality has including but not limited to the following capital projects successfully executed them in 2020/21 financial year:

| CAPITAL PROJECTS | PROJECT COSTS | PROJECT STATUS | IMPACT |
|--|---------------|------------------------------|------------------------------|
| Upgrading of Machadodorp Water Treatment Works, Ward 5 & 6 | R18m | Multiyear project – on going | To benefit 3033 households |
| Upgrading of Stadium, Siyathuthuka and out-door gym | R11m | Completed | 6000 households benefited |
| Installation and commissioning of new 132 / 11 KV 20 MVA sub station in Belfast and Siyathuthuka | R8.3m | Completed | 10 000 households to benefit |
| Electrification of farm dwellers households in ward 1 and 2 | Eskom | Completed | 83 households benefited |
| Construction of pump station and rising main at ward 4 | R8m | Completed | 130 households to benefit |
| Installation of water and sanitation at | R14 m | Completed | 89 households benefited |

| CAPITAL PROJECTS | PROJECT COSTS | PROJECT STATUS | IMPACT |
|---|---------------|----------------|--|
| Empumelweni, ward 5 | | | |
| Installation of 40 000L of water steel tank and reticulation of water for farm dwellers at Tweefontein, Uitvlugt, Sunberry, Klipspruit and Skoonwater farms | R3.0m | Completed | 100 households benefited |
| Electrification of 100 households at Ext 4 and 5, eNtokozweni | R2.4m | Completed | 100 households benefited |
| Indigents registered | R25m | Completed | 3 575 households benefited |
| Received additional money from COGTA for good performance | R8 m | Completed | 5 500 households benefited |
| Payment rate increased | 91 % | Completed | 48 139 population benefited |
| Eskom debt settlement | R59m | Completed | 48 139 population benefited |
| Cosmos Street | R1 110 000.00 | Completed | 300m rehabilitated through paving blocks |
| Manyana Street | R 890 000.00 | Completed | 330m rehabilitated through paving blocks |
| Emthonjeni road | R858 000, 00 | Completed | 350m rehabilitated through paving blocks |
| Madiba Street | R6 579 626.00 | Completed | 570m Paved |
| Shona Langa street | R1000 000 .00 | Completed | 500m rehabilitated through paving blocks |

| CAPITAL PROJECTS | PROJECT COSTS | PROJECT STATUS | IMPACT |
|-------------------------|---------------|----------------|-----------------|
| Sgwabula Access Road | R2 650 000.00 | Completed | 150m Paved |
| Ekuphumuleni street | R3 300 000.00 | Completed | 450m Paved |
| Madala Access road | R3 020008.00 | Completed | 250m road paved |
| Standini Street | R2 401180.30 | Completed | 200m road Paved |
| Simunye Street | R2 500 000.00 | Completed | 200m paved |
| ZCC street | R2 237994. 26 | Completed | 200m paved |
| ZCC street | R2 237994. 26 | Completed | 200m paved |
| Entokozweni Hall Street | R4 400 000,00 | Completed | 700 m paved |

In the 2020/21 financial year, Emakhazeni Local Municipality continued to advocate and support the need for quality free basic education as envisaged in the Freedom Charter by continuing to offer support to learners through the bursary for tertiary registration offered to local learners. During the year under review, a token of appreciation was bestowed upon Emakhazeni Local Municipality for registering an 88% pass rate in the 2020 NSC examination results. This was achieved through working together with the Circuit Manager, parents, learners and other stakeholders and the intention is to improve the pass rate in the 2021 examinations.

It is with great honour that we announce that during the year under review, Emakhazeni Local Municipality managed to ensure that we settle the long outstanding Eskom debt that was causing strain in the finances of the municipality. In 2016/17; which was the first year of the current term, Emakhazeni Local Municipality's Eskom account had an outstanding balance of well over R48 million and that amount was accumulating interest of over R400 000 on a monthly basis which worsened the financial status of the municipality. Through prioritization of funds and enhanced revenue collection measures put in place; the municipality managed to settle all the outstanding debt with all its interest before the end the financial year under review.

In conclusion, the municipality without the positive support of the masses of our people would not have been able to render quality services. To this end we commend and thank all the stakeholders of Emakhazeni Local

Municipality namely organised labour, councillors, administration, ward committees, CDWs, business and the masses of our people for continued support and building on the achievement of the past 25 years of democracy and 20 years of local government by achieving some of the key milestones as indicated supra. We thank all the outgoing councilors for a job well done and wish them a great success in their future endeavors.

Executive Mayor

CLR T.D NGWENYA

AUDITED ANNUAL REPORT

1.2 MUNICIPAL MANAGER'S FOREWORD



The preparation and presentation of the 2020-21 Annual Report is towards the fulfilment of the requirements of section 46 of the Local Government: Municipal Systems Act no 32 of 2000 and section 121 and 127 (2) of the Local Government : Municipal Finance Management Act No 56 of 2003. This is in line with the provisions of circular 63 which outline the purpose of the Annual Report as follows:

To provide a record of the activities of the municipality or entity during the financial year to which the report relates; to provide a report on performance in service delivery and budget implementation for the financial year;

to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

The 2020-21 municipal vision was "A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities" herein the following was achieved:

The May 2019 elections remain the epic moment in the history of local government. Although the elections were contested at national government level, to an ordinary man on the street, there is hardly any distinction as communities continue to expect all services to the sphere closer to the people. Emakhazeni municipality continued to render its powers and functions as per the Municipal Structures Act which powers were not adjusted.

On service delivery, acceleration of water supply to farms was at the centre as the municipal budget was enhanced through the Drought Relief Disaster fund which was directed at provision of boreholes and reticulation to the farming communities. Furthermore, the establishment of a borehole maintenance team whose focus is to repair and maintain dysfunctional boreholes in the municipal area, brought hope to farm communities as their greatest plight is water. In addition to installation of boreholes, the council resolved to reticulate nearby communities from same boreholes where the yield was strong.

On the 26th March 2020; a National Lockdown was put in effect by the President of the Republic of South Africa. This was as a result of the Covid-19 pandemic which brought about change in our day to day lives. Emakhazeni Local Municipality is a tourist attraction municipality; the residents of the municipality depend on the increase in the number of tourists in order to earn an income. The suspension of national and inter-provincial travelling meant that the tourism sector is negatively affected and there was no income for the tourism sector and its employees.

The Municipal Traffic/Law Enforcement unit together with other law enforcement agencies worked hand in hand in enforcing Covid 19 regulations and ensuring adherence from all the residents of Emakhazeni Local Municipality. With the easing of restrictions on Level 3 of the Lockdown; the municipality put mitigating measures such as the fumigation of all municipal offices and the procurement of Covid 19 prevention products such as sanitizers and face masks for all our employees and Councillors. In spite of the regulations and restrictions that came with the national lockdown; the municipality still managed to render all services to the community without any disruptions. The below table gives a status of basic service delivery the municipality has thus far brought to the people of Emakhazeni Local Municipality:

| DESCRIPTION | TOTAL NO. HOUSEHOLDS | PROGRESS TO DATE | BACKLOG | % |
|---|----------------------|------------------|---------|-----|
| Households with access to potable water | 14 633 | 13 784 | 849 | 94% |
| Households with access to sanitation | 14 633 | 13 459 | 1174 | 92% |
| Access to electricity | 14 633 | 12 288 | 2345 | 84% |

| | | | | |
|------------------------------|------------|----------|----------|-----|
| Refuse removal | 14 633 | 12 404 | 2229 | 85% |
| Access roads and storm water | 2 617.3 km | 1024.8km | 1592.5km | 39% |

Significant investment has been made in the housing development, the municipality continued to make serviced land available for construction of low cost housing where water and sanitation has been installed. Sites in Siyathuthuka Ext 7 with 240 units as well as Gugulethu with 320 units were serviced. Four housing projects were under implementation on serviced land, namely, Madala 150 units, Enkanini 110 units, Emthonjeni (Ext 4) 360 units and Sakhelwe 90 units.

Local Labour Forum continued to function well and through this committee, employee issues were brought to manageable status and employer employee relations improved.

Local economic development (LED) is one of the strategic key performance area for local government. The municipality resolved to do away with contractors on construction related projects and for local people to be employed to lay paving blocks. This has been helpful in the creation of employment. Furthermore, Council resolved to establish an NPO to oversee the LED projects handed over by private sector. Although the NPO is not been fully operation, its planning is far advanced to see external projects fully utilised.

The municipality has a Risk Management, Anti-Fraud and Anti-Corruption Committee which is chaired by Mr. Boltman (an external member). The Committee meets on a quarterly basis and reports through the Audit Committee directly to Council. During the year, the Risk Office was strengthened through appointment of the Risk and PMS Intern, this is so that, continuity can be attained in these two strategic offices. Emakhazeni belongs to the Shared Audit Committee established by Nkangala District.

G.C MTHIMUNYE
MUNICIPAL MANAGER

1.3. MUNICIPAL OVERVIEW

Emakhazeni Local Municipality had a population of 48 196 residents which is a slight increase of 0,4% when compared to the 2011 census with unemployment rate at 26% which indicates an improvement when compared to 30% of 2011 findings(2016 Statistic South Africa).

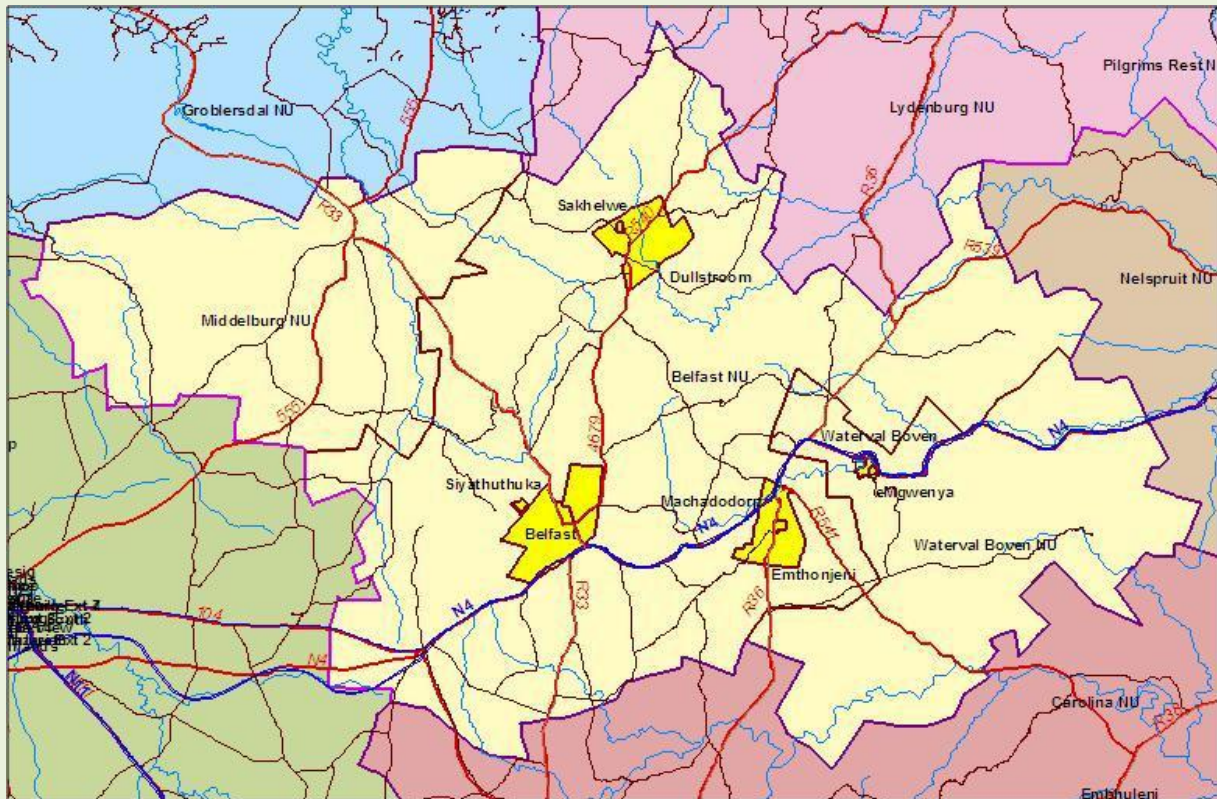
The highest decision making body is Council which consists of 15 Councillors, 5 full time and 10 part time Councillors with the positions of Executive Mayor, Speaker and three Members of the Mayoral Committee appointed on a full time basis. The Council is chaired by the Speaker. There is a system of delegation in place and some responsibilities are assigned to section 80 committees, chaired by Members of the Mayoral Committee (MMC's). Prior to matter being presented to Council, the respective MMC tables his/her recommendations to Mayoral Committee following in depth discussion and analysis with the relevant HOD.

Further, Council in terms of Municipal Structures Act assigned duties to Section 79 committees chaired by Councillors appointed by the Council. These committees play an oversight over implementation of Council resolutions. These Committees are chaired by the non-executive Councillors. The Municipal Public Accounts Committee oversees the oversight role on the executive functions of Council to ensure good governance and it submits reports to Council on a quarterly basis with its recommendations. The municipality participate in the Joint Audit Committee established by the Nkangala District Municipality. Members of the Audit Committee are all external from the municipality. Risk Management committee is a committee of management however chaired by an external member whose role is to advise on the risks that the municipality is exposed to and how to minimise and or eradicate them.

The Municipal Manager is the Accounting Officer and is administratively assisted by three Heads of Departments in the following directorate: Chief Financial Officer (CFO), Senior Manager Infrastructure, Planning and Community Services and Senior Manager Corporate Services.

Emakhazeni municipality is a Category B municipality situated in the Nkangala District of Mpumalanga Province. The municipality is situated between the two major towns namely Middelburg and Nelspruit and is connected to both these centres via the N4 which provides a link with Gauteng to the major tourism centres in Mpumalanga, specifically the Kruger National Park to the east and Pilgrim's Rest, Graskop, Lydenburg and Hoedspruit to the northeast. In the same vein, it must be mentioned that the ELM is a tourist destination in its own right. Emakhazeni can therefore be called the gateway to the major tourism attraction points in Mpumalanga and the eastern parts of Limpopo Province.

Emakhazeni consist of four developmental nodes namely Belfast where the municipal headquarters are located, Dullstroom/Sakhelwe, Machadodorp/ Emthonjeni as well as Waterval-Boven/ Emgwenya. There are municipal satellite offices in all these nodes.



Emakhazeni municipality locality map

1.3.1 POWERS AND FUNCTIONS OF THE MUNICIPALITY

The legislative and executive powers of the municipality is derived from Schedule 4B and 5B of the Constitution consequently, powers and functions assigned to Local Government were divided between Emakhazeni and Nkangala District:

| Powers and functions | | Responsible municipality |
|----------------------|--|-------------------------------|
| (a) | Integrated development planning for the District Municipality as a whole, including a framework for integrated development plans of all Municipalities in the areas of the District Municipality | Nkangala District |
| (b) | Potable water supply systems. | Emakhazeni Local Municipality |
| (c) | Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity | Emakhazeni Local Municipality |
| (d) | Domestic waste-water and sewage disposal systems | Emakhazeni Local Municipality |
| (e) | Solid waste disposal sites | Emakhazeni Local Municipality |
| (f) | Municipal roads which form an integral part of a road transport system for the area of the District Municipality as a whole | Emakhazeni Local Municipality |
| (g) | Regulation of passenger transport Services | Emakhazeni Local Municipality |
| (h) | Municipal airports | Emakhazeni Local Municipality |
| (i) | Municipal Environmental health Services | Nkangala District |

| Powers and functions | | Responsible municipality |
|----------------------|--|-------------------------------|
| (j) | Firefighting Services | Emakhazeni Local Municipality |
| (k) | The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the Municipalities in the District | Emakhazeni Local Municipality |
| (l) | The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of the Municipalities in the District | Emakhazeni Local Municipality |
| (o) | The receipt allocation and, if applicable, the distribution of grants made to the District Municipality | Nkangala District |
| (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. | Nkangala District |

During the year under review, there were no adjustments to the Powers and Functions of the municipality.

1.3.2 MUNICIPAL POPULATION

| Population Distribution by Age | | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Years | 2001 | | 2011 | | 2016 | |
| Age | Male | Female | Male | Female | Male | Female |
| 0-4 | 2238 | 2235 | 2482 | 2376 | 2502 | 2453 |
| 5-9 | 2128 | 2250 | 2146 | 2066 | 2473 | 1961 |
| 10-14 | 2333 | 2377 | 2185 | 1946 | 1897 | 1886 |
| 15-19 | 2385 | 2362 | 2223 | 2164 | 2531 | 2301 |
| 20-24 | 2110 | 2026 | 2507 | 2293 | 2235 | 2749 |
| 25-29 | 1877 | 2013 | 2649 | 2167 | 2875 | 2228 |
| 30-34 | 1700 | 1642 | 2029 | 1734 | 2282 | 1890 |
| 35-39 | 1341 | 1449 | 1693 | 1522 | 1867 | 1670 |
| 40-44 | 1188 | 1207 | 1446 | 1422 | 1342 | 1224 |
| 45-49 | 983 | 1046 | 1172 | 1242 | 1394 | 1169 |
| 50-54 | 827 | 799 | 931 | 1044 | 1007 | 1021 |
| 55-59 | 669 | 649 | 780 | 899 | 754 | 933 |
| 60-64 | 477 | 557 | 679 | 676 | 563 | 629 |
| 65-69 | 315 | 385 | 491 | 550 | 427 | 459 |
| 70-74 | 242 | 347 | 330 | 401 | 337 | 392 |
| 75-79 | 138 | 197 | 156 | 248 | 123 | 212 |
| 80-84 | 112 | 207 | 125 | 180 | 28 | 113 |
| 85+ | 74 | 123 | 75 | 188 | 67 | 153 |
| Total | 21137 | 21871 | 24099 | 23118 | 24705 | 23444 |
| Grand Total | 43008 | | 47217 | | 48149 | |

According to CS 2016 (figure), Emakhazeni recorded a slight increase in its population although the total number shows that the municipality still has the lowest number of population size in Nkangala District Municipality. Emakhazeni recorded the fourth slowest growth in terms of the population size. The population grew by 0.4% (47216 – 48 149) from 2011 to 2016. This increased figure means that Emakhazeni population constitutes a total of 3.3% of the total population of Nkangala. The growth presents the municipality with pressure on its infrastructure and this will be increased as the population is expected to grow to about 50 900 by the year 2030. The total number of households grew from 13 722 in 2011 to 14 633 in 2016 and this contribute to 3.5% of the number of households in Nkangala. Youth population grew by 1.6% per annum between 2011 & 2016 and forms 39.6% of the total population. Interestingly, in 2016 the male population remained higher than the female population as it was the case in 2011 census. The male population is 51.3% and females 48.7% in 2016.

1.3.3 ENVIRONMENTAL OVERVIEW

The municipality's economic sectors are mainly Mining, Tourism, Trade and community services. The average annual economic growth rate for municipality over a period from 1996 to 2015 has been noticeably low at 2.0%. More than 52% of the municipality's economy is from 3 industries – with mining at around 18.5%, trade 17.0% and community services (17.0%). Fastest growing industries between 2011 & 2015 were construction at 1.5% annually, community services at 1.2% and transport at 1.1%. With a GDP of R 2.88 billion in 2014 (up from R 1.04 billion in 2004), the Municipality contributed 2.45% to the Nkangala District Municipality GDP of R 117 billion in 2014 increasing in the share of the Nkangala from 2.69% in 2004. The municipality's contribution to the Mpumalanga economy is 1% and this translates to the 4th smallest economy in the province and 2nd smallest in Nkangala. The size of the economy in 2015 was estimated at more or less R2.7 billion in current terms and R2.1 billion in 2010 constant prices.

Comparative advantages are in agriculture, mining, utilities, trade & transport. Tourism expenditure in the area as a percent of the local GDP is approximately 21.3%, which was the 3rd highest. in Mpumalanga.

1.3.4 SERVICE DELIVERY

All local municipality services are rendered in-house. Emakhazeni is a Water Services Authority to that end, water provision in the area is at generally acceptable levels which challenges mainly encountered in farms and informal settlements. Farms are serviced through installation of boreholes, water depot and water tanks. Water standpipes are installed in informal settlements. Sanitation backlog is fairly high mainly due to lack of water. The municipality prioritised connecting households in Dullstroom into the sewer network. Honey sucking is still a common practice given the number of septic tanks that are in use.

Electricity Supply is the responsibility of Council with Eskom licensed to supply Dullstroom/ Sakhelwe as well as Farms whilst the remainder is serviced by the municipality. The tariffs charged by the municipality are regulated by NERSA. Refuse removal is provided to formally build areas through weekly collection of waste. Municipal roads are a major concern with the majority of the roads being depressed and needing urgent attention. Council resolved in 2017-18 that hence forth, MIG budget will largely geared to improving roads

The table below provides a summary of performance:

| Services | Total No of HH | Households with access to service | % | Households without access to services |
|----------------|----------------|-----------------------------------|-------|---------------------------------------|
| Water | 15201 | 14 579 | 96% | 622 |
| Sanitation | 15201 | 12 689 | 83% | 2512 |
| Electricity | 15201 | 12 254 | 80.6% | 2 947 |
| Refuse Removal | 15201 | 12 554 | 85.7% | 2079 |
| Roads | 2 617.36KM | 24.6KM | 0.94% | 2592.76KM |

1.3.5 FINANCIAL HEALTH

The financial position of the municipality had improved when compared to the preceding year. The municipality is not grant dependent and as such needs to finance all its obligations out of own revenue.

The year 2018-19 saw an increased allocation of conditional grants wherein the municipality benefited from WSIG worth R20 million , MIG worth R19.4 million , INEP worth R9 .million and later in the financial year the municipality getting Drought Relief Grant of R18 Million which was an improvement when compared to prior year.

1.3.6 OVERVIEW OF ORGANISATIONAL STRUCTURE

Section 66 of the Municipal Systems Act, Act 32 of 2000 directs for the Municipal Manager to develop a staff establishment for the municipality, and submit the staff establishment to the municipal Council for approval as well as establish a process or mechanism to regularly evaluate the staff establishment and, if necessary, review the staff establishment. The staff establishment must be developed in line with the IDP to be able to respond to the service delivery mandate of the Council.

The reviewed staff establishment for 2020/2021 financial year was approved by Council at its meeting held on the 28 May 2020.

1.3.7 AUDITOR GENERAL REPORT

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE AND COUNCIL ON THE EMAKHAZENI LOCAL MUNICIPALITY

Report on the audit of the financial statements

Adverse opinion

1. I have audited the financial statements of the Emakhazeni local municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget information with 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 Emakhazeni Local Municipality as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognized Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

BASIS FOR ADVERSE OPINION

INVESTMENT PROPERTY

3. The municipality did not have the adequate system of records to account for investment properties required by GRAP 16, *Investment property*, as it recognised assets that were not under the control of the municipality. In addition, in the prior year, the municipality incorrectly classified community parks used for service delivery as investment property instead of property, plant and equipment. I was

unable to determine the impact on investment property as it was impracticable to do so. Furthermore, not all disposal of investment properties were recorded, resulting in investment properties being overstated by R5 900 000 and receivable from exchange transaction being understated by the same amount. This also had an impact on the surplus and on the accumulated surplus for the period.

4. I was unable to obtain sufficient appropriate audit evidence that the municipality used appropriate data to determine the fair value of investment property as it could not be substantiated by supporting audit evidence. In addition, some of the investment properties selected from the asset register could not be physically verified and some investment properties selected from the valuation roll could not be traced to the asset register due to inadequate systems. Consequently, I was unable to determine whether any adjustment was necessary to fair value adjustments, stated at R1 690 000 (2019-20: R1 690 000) and investment property, stated at R252 840 035 (2019-20: R256 601 000) in note 3 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

5. In terms of GRAP 17, *Property, plant and equipment*, the municipality should recognise all the assets in its control at the end of the financial year. However, the municipality recognised land that is not under the control of the municipality; some property, plant and equipment could not be positively verified; depreciable assets were not depreciated; and some projects were duplicated between work-in-progress and infrastructure. This resulted in property, plant and equipment being overstated by R201 272 675 (2019-20: R82 488 401), assets not verified of R119 615 794 (2019-20: R68 794 829), accumulated depreciation being understated by R75 747 542 (2019-20: R7 784 233) and work in progress being overstated by R 5 909 339 (2019-20: R5 909 339). Furthermore, other assets and land of R27 920 348 could not be traced to the asset register because systems were inadequate. This resulted in other assets and land being understated by the same amount. This also had an impact on the surplus for the period and on the accumulated surplus.
6. The municipality did not appropriately account for projects completed under work-in-progress in infrastructure assets, as disclosed in note 4 to the financial statements, in accordance with GRAP 17, *Property, plant and equipment*. This resulted in work in progress being overstated by R18 284 237 and infrastructure assets being understated by the same amount. This also had an impact on the surplus and on the accumulated surplus for the period.
7. The municipality did not accurately account for the additions to the property, plant and equipment in infrastructure assets and other assets, as reported in note 4 to the financial statements. This resulted in infrastructure and other assets being understated by R8 656 462 and trade payables being understated by the same amount. This also had an impact on the surplus and on the accumulated surplus for the period.
8. In 2019-20, the municipality did not recognise property, plant and equipment at its cost, as required by GRAP 17, *Property, plant and equipment*, as the cost of landfill site rehabilitation was capitalised on accumulated surplus. Furthermore, the actual cost incurred on completed projects and donated assets were not capitalised. I was unable to determine the impact on property, plant and equipment as it was impracticable to do so.
9. I was unable to obtain sufficient appropriate audit evidence of property, plant and equipment for an unreconciled difference of R5 648 335 (2019-20: R22 401 106) between the fixed asset register and the annual financial statements, the disposal of the assets and impairment of assets. I was unable to

confirm the reconciling differences by alternative means. Consequently, I was unable to determine whether property, plant and equipment of R1 559 217 336 (2019-20: R1 501 768 127) disclosed in note 4 to the financial statements

and the depreciation expense of R54 519 462 (2019-20: R49 150 571) disclosed in note 30 to the financial statements were fairly stated.

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS AND EXCHANGE TRANSACTIONS

10. I was unable to obtain sufficient appropriate audit evidence for the reconciling difference between the schedule for allowance for impairment and the amount of allowance for impairment disclosed in the financial statements, as I was not provided with supporting evidence. I was unable to confirm the differences by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to receivables from exchange transactions, stated at R31 810 699 (2019-20: R34 983 961) in note 9, and non-exchange transactions, stated at R133 952 093 (2019-20: R135 471 477) in note 10 to the financial statements.
11. In terms of GRAP 104, *Financial instruments*, an entity is required to assess individually significant financial assets for impairment where there are indicators of impairment, and to collectively assess significant financial assets with groups of assets with similar credit-risk characteristics. Contrary to this requirement, the municipality did not assess individual property rates and service charges, or debtors' payment history, in calculating the debtors' impairment, while the methods and assumptions used were also not reasonable. I could not confirm the municipality's allowances for impairment for property rates and consumer debtors by alternative means. Furthermore, the invoices were not correctly aged on the debtors' age analysis. The risk management disclosure in the financial statements also included this amount. Consequently, I was unable to determine whether any adjustment was necessary to allowances for impairment of R240 413 290 (2019-20: R201 236 284) disclosed in note 11, as well as the risk management disclosure in note 43 to the financial statements.
12. I was unable to obtain sufficient appropriate audit evidence for the consumer debtors – traffic fines as I was not provided with the supporting schedules. I was unable to confirm the consumer debtors – traffic fines by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the consumer debtors – traffic fines, stated at R171 923 749 (2019-20: R170 288 657) in note 11 to the financial statements.
13. In terms of GRAP 104, *Financial instruments*, all financial assets measured at amortised cost, or cost, are subject to an impairment review. I was unable to obtain sufficient appropriate audit evidence for the impairment provision for consumer debtors – other traffic fines, as I was not provided with the methods and assumptions used to determine this. I was unable to confirm the impairment provision by alternative means. The risk management disclosure in the financial statements also included this amount. Consequently, I was unable to determine whether any adjustment was necessary to the impairment provision, stated at R69 023 151 (2019-20: R69 023 151) in note 11, as well as the risk management disclosure in note 43 to the financial statements.
14. I was unable to obtain sufficient appropriate audit evidence for accrued income as I was not provided with supporting evidence. I was unable to confirm the accrued income by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to accrued income, stated at R6 729 423 (2019-20: R6 767 098) in note 10 to the financial statements.

15. In the prior year, the municipality did not charge interest on overdue consumer accounts as required by the municipality's tariff policy. I was unable to determine the impact of the misstatement on interest charged on trade and other receivables, and consumer debtors, as it was impracticable to do so. Furthermore, the municipality did not accurately account for interest on overdue accounts in accordance with the municipality's tariff policy. This resulted in revenue from interest charged on trade and other receivables being overstated by R10 321 101 and consumer debtors being overstated by the same amount. This also had an impact on the surplus for the period and on the accumulated surplus.

INVENTORY

16. The municipality did not measure the inventory at the lower of cost and current replacement cost in terms of GRAP 12, *Inventory*. Consequently, inventory was understated by R3 260 365. In addition, I was unable to obtain sufficient and appropriate audit evidence for the valuation of water inventory, as the municipality does not perform water measured at year end. I could not confirm the inventory valuation method by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to inventory, stated at R7 978 878 (2019-20: R5 121 018) in note 8 to the financial statements.

CASH AND CASH EQUIVALENT

17. I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents. This was because the municipality did not implement sufficient controls to ensure that its main bank account reconciled to the bank statement. I could not obtain the required evidence by alternative means. The risk management disclosure in the financial statements also included this amount. Consequently, I was unable to determine whether any adjustments were required to cash and cash equivalents, stated at R35 690 470 (2019-20: R29 418 606) in the statement of financial position and note 12, as well as the risk management disclosure in note 43 to the financial statements.

PAYABLES FROM EXCHANGE TRANSACTIONS

18. The municipality did not recognise all outstanding amounts meeting the definition of a liability in accordance with GRAP 1, *Presentation of financial statements*, as the municipality did not maintain adequate records of outstanding payments for goods and services received but not yet paid at year-end. I was unable to determine the full extent of the understatement of trade payables and retentions as it was impracticable to do so. In addition, the municipality did not record all retention amounts in the financial statements, resulting in the understatement of payables from exchange transactions by R5 229 692 and property, plant and equipment being understated by the same amount. This also had an impact on the surplus for the period and on the accumulated surplus.
19. The municipality's debtors with credit balances were due to errors in the revenue billing system, resulting in negative billings. Consequently, payables from exchange transactions was overstated and receivables from exchange and non-exchange services and revenue from exchange and non-exchange transactions were understated by R24 746 263 (2019-20: R11 733 319). This also had an impact on the surplus for the period and on the accumulated surplus.

REVENUE FROM NON-EXCHANGE AND EXCHANGE TRANSACTIONS

20. The municipality did not reliably measure revenue in accordance with GRAP 9, *Revenue from exchange transactions* and GRAP 23, *Revenue from non-exchange transactions*. The municipality did not charge property rates and service charges in terms of its tariff policy. As a result, service charges were understated by R15 857 474 (2019-20: overstated by R23 564 751 and property rates were overstated by R36 158 918 (2019-20: overstated by R19 534 244). Consumer debtors and VAT payables were also overstated by R20 301 444 (2019-20: R43 098 995). This also had an impact on the surplus for the period and on the accumulated surplus. In addition, property rates and services charges were not charged on some consumer debtors accounts. Consequently, I was unable to determine the impact of the revenue from exchange and non-exchange transactions, as it was impracticable to do so.
21. The municipality did not reliably measure revenue in accordance with GRAP 23, *Revenue from non-exchange transactions*. The municipality did not accurately account for revenue from conditional grants, as disclosed in note 26 to the financial statements, as the amounts recognised in the financial statements does not agree to the supporting evidence. This resulted in revenue from non-exchange transactions being understated by R7 556 665 and infrastructure assets being understated by the same amount. This also had an impact on the surplus for the period and on the accumulated surplus.
22. I was unable to obtain sufficient appropriate audit evidence for the reconciling difference between the billing report, and the service charges and property rates disclosed in the financial statements, as I was not provided with supporting evidence. I was unable to confirm the difference by alternative means. Consequently, I was unable to determine whether any adjustment was necessary relating to service charges and property rates, stated at R133 381 032 (2019-20: R99 650 387) in note 19 and R62 308 662 (2019-20: R62 132 060) in note 25 to the financial statements.
23. The municipality did not estimate the amount of unused prepaid electricity at the reporting date. I was unable to obtain sufficient appropriate audit evidence for unused prepaid electricity, as I was not provided with the supporting documents. I was unable to confirm the unused prepaid electricity and payables from exchange transactions by alternative means as it was impractical to do so. Consequently, I was unable to determine whether any adjustment was necessary relating to prepaid electricity, stated at R133 381 032 (2019-20: R99 650 387) in note 19, and receivables from exchange transactions, stated at R62 308 662 (2019-20: R62 132 060) in note 25 to the financial statements.
24. I was unable to obtain sufficient appropriate audit evidence for the traffic fines as disclosed in the financial statements, as I was not provided with supporting evidence. I was unable to confirm traffic fines by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to traffic fines revenue, stated at R1 711 055 (2019-20: R45 626 897) in note 18 to the financial statements.
25. The municipality did not recognise revenue in accordance with GRAP 9, *Revenue from exchange transactions*. The municipality recognised revenue on accounts from which it is not probable that the economic benefits or service potential associated with the transaction will flow to the municipality, as the municipality charged property rates and service charges on properties that could not be traced to the valuation roll. Consequently, I was unable to determine the impact on revenue from property rates, revenue from service charges, and receivables from exchange and non-exchange transaction, as it was impracticable to do so.

IRREGULAR EXPENDITURE

26. The municipality did not include all irregular expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. This was due to payments made in contravention of the supply chain management (SCM) requirements, which resulted in irregular expenditure being understated by R18 617 716.
27. I was unable to obtain sufficient appropriate audit evidence for the opening balance of irregular expenditure. This was due to the municipality not performing investigations to determine the full extent of the irregular expenditure incurred in the previous year. I was unable to confirm this by alternative means. In addition, I was unable to obtain sufficient appropriate audit evidence for irregular expenditure for an unreconciled difference of R99 781 516 between the irregular expenditure register and the annual financial statements. Furthermore, I was unable to obtain sufficient appropriate audit evidence of the irregular expenditure written off, amounting to R5 056 013. I was unable to confirm this amount by alternative means. Consequently, I could not determine whether any adjustments were required to the irregular expenditure, disclosed at R160 390 522 (2019-20: R201 355 319) in note 48 to the financial statements.

CASH FLOW FROM OPERATING AND INVESTING ACTIVITIES

28. The municipality did not correctly prepare and disclose the net cash flows from operating and investing activities, as required by GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from operating activities and cash flows from investing activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities and investing activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities and cash flows from investing activities, stated at R116 312 625 (2019-20: R142 380 877) and R94 987 723 (2019-20: R153 642 672) respectively in the financial statements.

PRIOR-YEAR ADJUSTMENTS

29. The municipality did not disclose all prior-year adjustments in note 42 to the financial statements, as required by GRAP 3, *Accounting policies, estimates and errors*. The amount of the correction for revenue from exchange and non-exchange transactions, receivables from exchange and non-exchange transactions, payables from exchange transactions, and property, plant and equipment and depreciations was not accurately disclosed. In addition, I was unable to obtain sufficient appropriate audit evidence for the previous period errors disclosed, as supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior-year adjustments disclosed in the financial statements.

DISTRIBUTION LOSS

30. I was unable to obtain sufficient appropriate audit evidence for distribution water and electricity losses because the municipality did not have adequate control measures in place to accurately determine the extent of these losses, as required by section 125(2)(d)(i) of the MFMA, I was unable to confirm these losses by alternative means. Consequently, I was unable to determine whether any adjustment was

necessary to material water and electricity losses, stated at R391 796 (2019-20: R2 685 052) and R19 239 764 (2019-20: R1 517 697) in notes 49 and 33 respectively to the financial statements.

CONTEXT FOR THE OPINION

31. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.
32. 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.
33. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

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 Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
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.

AUDITOR-GENERAL'S RESPONSIBILITIES 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 audit of the annual performance report

INTRODUCTION AND SCOPE

40. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

41. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

42. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2021:

| Development priority | Pages in the annual performance report |
|---|--|
| Key performance area 1 – basic service delivery and infrastructure development. | x – x |

43. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

44. The material findings on the usefulness and reliability of the performance information of the selected development priority are as follows:

KEY PERFORMANCE AREA 1- BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Number of reports on inspections of water losses and tempering of meters submitted to Council

45. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined method of collection to be used when measuring the actual achievement for the indicator. This was due to insufficient measurement definitions and processes. I was unable to test whether the indicator was well-defined by alternative means.
46. I was unable to obtain sufficient appropriate audit evidence for the achievement of four water sample analysis reports submitted to the council against the target of four water sample analysis reports submitted to the council in the annual performance report, due to the lack of valid and accurate records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

OTHER MATTER

47. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

48. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 45 to 46 of this report.

Report on the audit of compliance with legislation

INTRODUCTION AND SCOPE

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

ANNUAL FINANCIAL STATEMENTS AND ANNUAL REPORTS

51. 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.

52. Material misstatements of liabilities, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving an adverse audit opinion.

STRATEGIC PLANNING AND PERFORMANCE

53. The performance management system and related controls were inadequate as they did not describe how the performance review and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

EXPENDITURE MANAGEMENT

54. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1) (d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the irregular expenditure was caused by non-compliance with the SCM regulations.
55. Reasonable steps were not taken to prevent unauthorized expenditure of R294 760 as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

REVENUE MANAGEMENT

56. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

ASSETS MANAGEMENT

57. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

CONSEQUENCES MANAGEMENT

58. Some unauthorized expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
59. Some irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

60. Some fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

PROCUREMENT AND CONTRACT MANAGEMENT

61. Some contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act and the 2017 preferential procurement regulation 11.
62. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders that scored the highest points in the evaluation process, as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act and the 2017 preferential procurement regulation 11.
63. Contracts above R30 million did not include a condition for mandatory subcontracting to advance designated groups, as required by the 2017 preferential procurement regulation 9(1). This non-compliance was identified in the procurement processes for the refurbishment and upgrading of Machadodorp water treatment works, upgrading of rising main and construction of ground reservoir phase 1 and implementation of the installation and commissioning of New Paardeplaats 132/11kV 20MVA electricity substation phase 4 project.
64. Some commodities designated for local content and production were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5). Similar non-compliance was also reported in the prior year.
65. Persons in the service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e).
66. Sufficient appropriate audit evidence could not be obtained that contracts were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
67. Some contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.

CONDITIONAL GRANTS

68. The water services infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of Dora.
69. The integrated national electrification programme grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of Dora.

Other information

70. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report and the audit committee's report. The other information 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 in this auditor's report.
71. My opinion on the financial statements and my findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
72. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

73. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

74. I have nothing to report in this regard

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the adverse opinion, the findings on the performance report and the findings on compliance with legislation included in this report.

75. Management did not exercise oversight responsibility regarding financial and performance reporting and compliance, as well as for related internal controls.
76. Management did not develop and monitor the implementation of action plans to address internal control deficiencies.
77. Management did not implement controls over daily and monthly processing and reconciling transactions
78. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information
79. Management did not review and monitor compliance with applicable legislation
80. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting

Auditor - General

18 January 2022



Audit committee

Head of internal audit unit Executive
authority

ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

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

FINANCIAL STATEMENTS

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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

1.3.8 STATUTORY ANNUAL REPORT PROCESS

According to the Municipal Finance Management Act, Act 56 of 2003, the Annual Report of a Municipality must be tabled in the Municipal Council on or before 31 January each year.

The 2020/21 Annual Report process is set out below

| No. | Activity | Timeframe |
|-----|---|---------------------|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period. | July |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). | |
| 3 | Finalise 4 th quarter Report for previous financial year | |
| 4 | Submit draft 18/19 Annual Report to Internal Audit and Auditor-General | |
| 5 | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant) | August |
| 6 | Mayor tables the unaudited Annual Report | |
| 7 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General. | |
| 8 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase | September – October |
| 9 | Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data | |
| 10 | Municipalities receive and start to address the Auditor General's comments | January |
| 11 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report | |
| 12 | Audited Annual Report is made public and representation is invited | |
| 13 | Oversight Committee assesses Annual Report | |
| 14 | Council adopts Oversight report | March |
| 15 | Oversight report is made public | |
| 16 | Oversight report is submitted to relevant provincial councils | |
| 17 | Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input. | March |

CHAPTER 2 – GOVERNANCE

Section 151 (3) of the constitution states that the Council of municipality has the right to govern on its own initiative, the local government affairs of the local community. The Council of Emakhazeni Local Municipality comprises of the political and administrative components responsible for decision-making and implementation respectively. The municipality has the authority to take any possible actions to effectively exercise powers assigned to it.

The municipality therefore has an obligation to not only report back to communities on performance, but also involve them in planning and decision-making processes. Emakhazeni Local Municipality has done this through stakeholder involvement in the development of its key strategic documents, namely, IDP, Budget and of course giving feedback in terms of performance to its communities through quarterly and midyear assessments.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Emakhazeni Local Municipality is a category B municipality situated in the Nkangala District of the Mpumalanga Province.

The Municipal Council consist of 15 Councillors chaired by the Speaker of Council. The Executive Mayor is the political head of the Municipality and the Municipal Manager is heading the Administration side of the municipality and act as a link between the politicians and administration.

2.1 POLITICAL GOVERNANCE STRUCTURE

Emakhazeni Local Municipality is a category B municipality situated in the Nkangala District of the Mpumalanga Province.

In terms of Section 151 (3) of the Constitution; the Council of a municipality has the right to govern on its own initiative, the local government affairs of the local community. The Council performs both legislative and executive functions and is the highest decision making authority in the municipality. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor who is advised and assisted by the Mayoral Committee.

The Municipal Council consist of 15 Councillors chaired by the Speaker of Council. Five (5) of the Councillors are appointed on a full time basis, namely, the Executive Mayor, Speaker and three (3) members of the Mayoral Committee. The Executive Mayor is the political head of the Municipality and the Municipal Manager is heading the Administration side of the municipality and act as a link between the politicians and administration.

One Democratic Alliance PR Councillor position became vacant as a result of one DA Councillor being withdrawn and as such Cllr. AN Maudi was declared Councillor in August 2020.

The Speaker of Council takes the responsibility of running of Council meetings and to also ensure that order is maintained during the proceedings of Council meetings.

For the year under review, Council currently has three Section 80 Committees headed by the Members of the Mayoral Committee responsible for their portfolios. These section 80 Committees are Corporate Services, Infrastructure, Planning, LED/IDP Committee and lastly as well as the Finance & Social Development Committee. The role of these Committees is to consider motions and reports submitted by Management and make recommendations to the Mayoral Committee.

The Section 79 committees reports directly to Council and are chaired by Councillors appointed by Council, their role is to play oversight role and monitors activities in the municipality on both the administrative and executive side. These Committees are chaired by the non-executive Councillors.

Council has also in terms of Section 79 of the Municipal Structures Act, established a Municipal Public Accounts Committee to play an oversight role on the executive functions of Council to ensure good governance.

The municipality uses the services of the shared Joint Audit Committee established by the Nkangala District Municipality.

Risk Management Committee comprises of a member of the Joint Audit Committee as a Chairperson, Senior Managers, Internal Audit and Risk Officer. The responsibility of the Risk Management Committee is to lay an oversight role on the implementation of remedial actions on risks identified. Detailed information on the number of Committees and its functions is attached on **Appendix B**

FACE OF MEMBERS OF MAYORAL COMMITTEE



**Hon. Executive Mayor
Clr. TD Ngwenya**



**Hon. Speaker
Clr. NA Mashele**



**MMC Finance & Economic
Affairs
Clr. M Kambula**



**MMC LED/Planning &
Infrastructure
Clr. SS Mthimunye**



**MMC Corporate Services
Clr. TE Scheffers**

FACES OF COUNCILLORS:

African National Conference (ANC)



Clr. MP Ntuli



Clr. TC Ngomane



Clr. R Ndlovu



Clr. TN Masha



Clr. JT Duma



Clr. ES Radebe

Democratic Alliance (DA)



Clr. AA Botha



Clr. SS Tshabalala



Clr. AN Maida

Economic Freedom Fighters (EFF)



Clr. SI Skosana

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Council of Emakhazeni appointed Mr. GC Mthimunye as the Accounting Officer of Emakhazeni Local Municipality a month after the start of the 2020/2021 financial year. As at June 2021, Senior Manager positions were filled with the exception of the position of Senior Manager IPSD due to the resignation of the former Senior Manager, Mr. ML Mamaleka.

To deliberate on strategic matters, the municipality established a Top Management Committee which comprises of all Senior Managers and led by the Municipal Manager as the Chairperson. A Broader Management Committee which includes Managers reporting directly to Section 56/57 Managers as well as strategic units in the Office of the Municipal Manager also exists to discuss departmental monthly performance reports as well as matters that are to be submitted to Council for noting/information and/or considerations. These matters are processed to Council through the various Council Committees, i.e. Section 80 and Mayoral Committee.

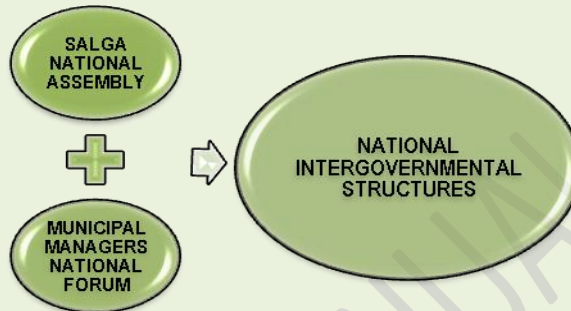
| | | |
|---|---|--|
| <p>GC Mthimunye Municipal Manager Internal Audit, Risk Management, Planning and Development, Performance Management, Public Participation</p> | | |
| <p>BJ Thoka Chief Financial Officer</p> <ul style="list-style-type: none"> ✓ Income ✓ Budget & Financial Reporting ✓ Expenditure ✓ Asset Management ✓ Supply Chain Management | <p>TJ Shoba Senior Manager Corporate Services</p> <ul style="list-style-type: none"> ✓ Human Resources Management ✓ Labour Relations ✓ Information Communication Technology ✓ Records Management ✓ Administration & Council Support ✓ Legal Services | <p>Senior Manager: IPSD</p> <ul style="list-style-type: none"> ✓ Infrastructure ✓ Electricity ✓ Environmental Management ✓ Refuse Removal ✓ Town Planning & Housing Administration |

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The Municipality has the right to govern on its own the affairs of the local community, subject to national and provincial legislation. Municipalities must also co-operate with other spheres of government in a manner which fosters friendly relations, consult and be supportive on matter of common interest, adhere to agreed procedures, and avoid legal proceedings against each other. Various Inter-Governmental Structures were established and in place as follows:

National Intergovernmental Structures



Provincial Intergovernmental Structures

- Premier's Coordinating Forum
- SALGA Working Groups
- Municipal Managers Forum
- Chief Finance Officers Forum
- Provincial & District IDP Managers Forums
- Provincial Technical Forum
- Disaster Management Forum
- Risk Officers Forum
- Audit Executive Forum

District Intergovernmental Structures

- Executive Mayors Forum
- Speakers Forum
- Chief Whip Forum
- Municipal Manager's Forum
- CFO's Forum
- IDP Forum
- Communicator's Forum
- LED Forum
- HIV/AIDS District Council

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Overview of Public Accountability and Participation

At the heart of democracy is the public participation processes that seek to create participatory governance. The municipality created a platform for interacting with the public through IDP, Budget and Community meetings. Furthermore, views of the public are invited from time to time as and when policies and specified processes are undertaken. To strengthen the work of this unit, the municipality procured a van that is solely dedicated to public participation communication and loud hailing.

Public accountability and participation are foundation of a democratic government. The municipality embraced these components and the following activities were undertaken to engage the public:

2.4 PUBLIC MEETINGS

In order to promote public participation, the municipality held public feedback meetings bi-monthly in all wards aimed to achieve the following:

- To allow community members an opportunity to raise issues for the attention of the municipality.
- To give feedback on issues previously raised
- Encouraging communities, stakeholders and individual members of society to make use of the opportunity to do submission regarding the IDP review and budget of the Municipality

2.4.1 COMMUNITY FEED BACK MEETING

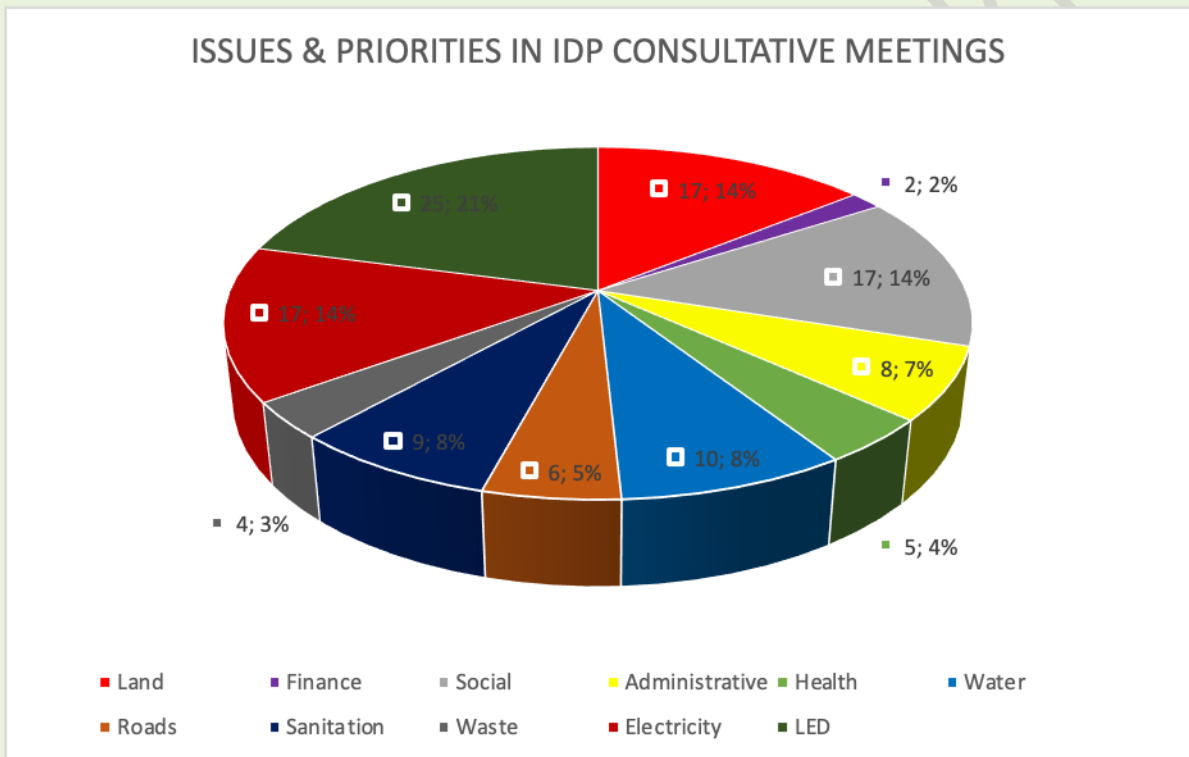
Community feedback meetings are mandatory mechanisms instituted by Council for Councillors to give feedback to their respective wards. Feedback is given based on resolutions of Council taken. This mechanism is effective in closing the gap between councilors and communities. Community Feedback meetings are held twice per year to allow IDP and Budget Consultative meetings. In the financial year 2020/2021, no community feedback meeting were held due to Corona Virus regulations and the National Disaster Act. Feedback to the community was given through community radio station by the Honorable Executive Mayor. Radio stations would allow the members of the public to call in.

2.4.2 IDP Consultative Meeting

The IDP is a strategic document containing the views and aspiration of the members of the public. It documents the needs and issues as raised by the public and outlines how and which issues have been prioritized. To that end, the municipality in line with the IDP Process Plan, as approved by Council, held IDP Consultative meetings with members of the public and Community Structures. For 2020/21, these meetings were held as follows:

| DATE | WARD | VENUE |
|------------------|---------------|--|
| 08 November 2020 | 1, 2, 4, 3, 8 | Siyathuthuka hall (eNtokozweni) and Thusong Centre community Hall, Skeelpad, Santa Farm, Madova Farm and Eerstelingsfontein Farm |

| | | |
|------------------|---------------|---|
| 05 November 2020 | 4, 6, 7, 8 | Dullstroom Municipal Offices, eNtokozweni Municipal Offices and Nicholus Ndlovu Hall |
| 02 November 2020 | 2, 4, 5, 6, 7 | Siyathuthuka community hall, Sakhelwe Hall, eMaflethini Hall, Vusi Masango Hall and Paul Nkosi Hall |
| 05 November 2020 | 3, 8 | Siyathuthuka Community hall and Madala Old Location |



2.4.3 Budget Consultative Meetings

The Municipality for the first time went to also consult farm dwellers on the Draft Budget for the financial year 2021/2022. The reason for consulting farm dwellers was to close the vacuum between the Council and Farm dwellers. The municipality held its 2020-21 IDP and Budget consultative meeting in all 8 Wards held as follows:

| Ward | Date | Venue |
|--------|------------|-------------------|
| Ward 1 | 24/04/2021 | THUSONG CENTRE |
| | 19/04/2021 | ENTOKOZWENI HALL |
| Ward 2 | 25/04/2021 | SKILPAD |
| | 19/04/2021 | SIYATHUTHUKA HALL |

| | | |
|--------|--|---|
| | | |
| Ward 3 | 20/04/2021 | SIYATHUTHUKA HALL |
| Ward 4 | 25/04/2021 26/04/2021 20/04/2021 | SANTA SCHOOL DULLSTROOM MUNICIPAL OFFICE SAKHELWE HALL |
| Ward 5 | 21/04/2021 25/04/2021 | EMTHONJENI MUNICIPAL OFFICE SLAAIHOEK FARM |
| Ward 6 | 25/04/2021 26/04/2021 22/04/2021 | MADOVA FARM ENTOKOZWENI MUNICIPAL OFFICE VUSI MASANGO HALL |
| Ward 7 | 26/04/2021 21/04/2021 | NICHOLUS NDLOVU PAUL NKOSI HALL |
| Ward 8 | 02/05/2021 21/04/2021 26/04/2021 | EERSTERLINGSFONTEIN FARM MADALA FARM BEYERS NAUDE HALL |

2.4.4 Community Capacity Building

The public interacted with the municipality through various ways and community capacity building helps to inform the structures of these options. The Office of Public Participation has the duty to capacitate the greater community on matters that affect the community. In the 2020/21 year, we had three Capacity Building Workshops. The workshops had the presence of key departments that gave education to matters that people are facing.

Community Capacity Building were held as follows:

| | |
|-------------------|----------------|
| 10 September 2020 | First Quarter |
| 31 November 2020 | Second Quarter |
| 29 March 2021 | Third Quarter |
| 30 June 2021 | Fourth Quarter |

2.4.5 Stakeholders Forum Meetings

These are meetings of all departments collectively with Municipality, chaired by the Honorable Speaker in which they discuss all departmental issues that affects the public. This meetings sits once in a quarter whereby the secretariat is the Department of Home Affairs. The office of the Honorable Speaker is responsible for all logistics such as issuing invitations to all departments before the meeting, preparing of agendas, and refreshments.

| Meetings | Date |
|-------------------------|-------------------|
| 1 st Meeting | 29 September 2020 |
| 2 nd Meeting | 20 November 2020 |
| 3 rd Meeting | 02 March 2021 |
| 4 th Meeting | 30 June 2021 |

2.4.6 War Room

A war room is a walk in centre whereby the community can go in and report any issue. It is championed by the Community Development Worker, who consolidates a monthly report that they send to relevant departments. Other wards are not functional because they don't have CDWs and/or they don't have an office to operate. Ward 4 and 7 do not have CDWs and Ward 4, 7 and 8 do not have Walk in Offices. Due to the non functionality of the Local Council Of Stakeholders the War Room was dysfunctional, however now that the LCOS is functional all issue of the war room.

2.4.7 Ward Committees

Eight (8) ward committees were established in Emakhazeni which represents all wards. The main purpose of ward committee is bridge the gap between the public and the municipality thereby performing the following tasks:

- Receive community needs and report to the Ward Councilor and the Municipality.
- Urgently communicate service delivery challenges such as spillages and ensure municipal response

- Assist the Ward Councilor to identify needs and challenges of the ward
- Communicate government/ municipal information to the community namely IDP, Budget etc.
- Promote campaigns within the community such as on service delivery.

Ward Committee remains critical communication channel to that end. Unfortunately, Covid 19 precluded us from reaching the 12 meeting targets because we would be in contravention of the Disaster Management Act. The Office established Ward Committee Whatsapp groups that are ward based. Each and every ward councilor gets to share his information in that particular ward Whatsapp group.

2.5 IDP PARTICIPATION AND ALIGNMENT

The IDP participation focuses on community needs and priorities, thus giving the community an opportunity to participate in identifying their most important needs. All stakeholders within the municipal area are encouraged to participate in the preparation and implementation of the integrated development plan. Participation of affected and interested parties ensures that the IDP addresses the real issues that are experienced by the citizens of the municipality. The municipality has institutionalized its community and stakeholder participation and consultation mechanisms. These mechanisms range from the structures utilized from previous years. With a view of improving the functionality of these structures (including the IDP Forum, LED Forum, IDP Technical Committee, LED and IDP Working Groups) the eMakhazeni has been appraising the functionality and effectiveness of these structures. Throughout this process challenges relating to poor attendance, frequency of meetings, were identified.

The following criterion was utilized to assess the effectiveness of the IDP Participation and Alignment:

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

COMPONENT D: CORPORATE GOVERNANCE

During the year under review, the following key governance structures were in place to strengthen the municipality:

- Shared Audit Committee, which operates in accordance with approved terms of reference.
- Internal audit function, which operates in terms of an approved internal audit plan.
- Risk Management Committee

- Internal Risk Management Office which conducted risk assessment and developed risk management strategy and monitoring of key risks.
- An approved Fraud Prevention Plan ..
- A strategic plan was prepared and approved for the financial year, which forms the basis for performance monitoring against the SDBIP, the municipal mandate, predetermined objectives, outputs, indicators, and targets.
- A Performance Management System is in place.
- An approved system of delegation.

2.6 RISK MANAGEMENT

Section 62 (1) (c) (i) of Municipal Finance Management Act (MFMA) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. The ELM has in place a system of risk management for the municipality to provide some assurance that risks across all functions and levels, that may have an impact on the achievement of objectives, are adequately and proactively anticipated and mitigated.

The Council have approved and implemented the following Risk policies, plans and strategies for 2020/2021, which are;

- Risk Management Committee, Anti-Fraud and Anti-Corruption Committee Charter
- ELM Risk Management Policy
- Fraud and Corruption Policy
- ELM Whistle-blowing Policy
- Risk Management Strategy
- Fraud and Corruption Prevention Strategy
- Fraud Prevention Plan and Fraud Response Plan
- Risk Management Unit Implementation Plan

The Emakhazeni Local Municipality has a Risk Management, Anti-Fraud and Anti-Corruption Committee which is chaired by an external Chairperson. The Committee advises management on the overall system of risk management and meets on a quarterly basis. The RMAFACC Chairperson prepares a written report and present it to the Audit Committee on a quarterly basis and the thereafter it goes to Council Committee for noting.

Risk Management Unit conducted 7 risk assessments workshops (Strategic, MSCOA, ICT, Operational, Fraud and Project, Covid-19) for all departments to identify and mitigate risks that negatively affected the achievement of the Municipality's strategic objectives. The Managers takes ownership of the Risks within their departments and are assisted by their Risk Champions. Furthermore action plans to address high risk areas were developed and progress made on identified risk areas were evaluated on a quarterly basis by the Risk Owners with the help of their Risk Champions. Risk awareness workshops were conducted to create awareness of risk management to all officials of Emakhazeni Local Municipality.

The table below set out the significant risks identified during 2020/21 financial year:

| SIGNIFICANT MUNICIPAL RISK | | |
|-----------------------------------|---|---|
| NO | KPA-Key Performance Area | RISK DESCRIPTION |
| 1. | Local Economic Development | Inadequate social and economic development |
| 2. | Financial Viability | Inaccurate and unsustainable financial management |
| 3. | Institutional Transformation and Development | Inadequate internal processes to support the municipality in effective delivery of its services |
| 4. | Basic Service delivery and infrastructure development | Inadequate access and unsustainable provision of basic services and unsafe environment |
| 5. | Basic Service delivery and infrastructure development | Delays in response time for emergency services |
| 6. | Good governance and public participation | Inadequate Public involvement by some communities and community organizations |
| 7. | Good governance and public participation | Inadequate organizational performance |
| 8. | Spatial Rational | Land invasion |

Risk Management culture was also inculcated through the identification of risks emanating from each capital project implemented.

2.7 ANTI-FRAUD ANTI-CORRUPTION

Emakhazeni Local Municipality supports and fosters a culture of zero tolerance to fraud and corruption in all its activities and continues to reinforce existing systems, policies and procedures aimed at deterring, preventing, detecting, reacting to and reducing the impact of fraud and corruption. The municipality is also committed to fight fraudulent behavior at all levels within the municipality and Emakhazeni by implementing the Whistle-blowing Policy. It is the Municipality's responsibility that all alleged fraud should be investigated and all transgressors shall be punished both through disciplinary and legal channels to the fullest extent of law. Members of Council and Administration were requested to declare using a Disclosure of Interest Form, and a declaration register is kept in this regard.

Aiming to create a culture which is intolerance to unethical conduct of fraud and corruption, a number of awareness sessions were conducted to raise awareness on the policy, plan and staff responsibilities to fraud prevention and reporting activities. In addition an Induction session on whistle blowing policy was conducted to

create a platform for officials to make confidential disclosure about suspected fraud and corruption. The Municipality identified, assessed and evaluated Fraud and Corruption Risks for 2020/21 financial year and the Fraud Risk Assessment Report was adopted by Council. The Fraud and Corruption risks mitigation strategies were developed, implemented and the progress made on the mitigation strategies were being monitored on a monthly basis.

The Council has also approved the following Fraud and Corruption policies, strategy and plan listed in the table below which are guiding documents for combating Fraud and Corruption.

| NO | POLICY/ STRATEGY | DATE OF ADOPTION |
|----|--|------------------|
| 1. | Fraud and Corruption Policy | 26/07/2020 |
| 2. | Fraud And Prevention Policy And Plan | 26/07/2020 |
| 3. | Fraud And Corruption Prevention Strategy | 26/07/2020 |
| 4. | Whistle Blowing Policy | 26/07/2020 |

2.8 SUPPLY CHAIN MANAGEMENT

Emakhazeni Municipality received a qualified audit opinion which is an improvement when compared to audits outcomes of the past three financial years. In order to eliminate findings in the Supply Chain Management, the municipality strives to fully comply with the MFMA S110-119, SCM Regulations 2005, and relevant MFMA circulars setting out the required processes and guidance manuals which assist to ensure that SCM arrangements provide appropriate goods and services, offer best value for money, and minimise the opportunities for fraud and corruption.

Council developed a Supply Chain Management (SCM) Policy and practices in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect from 1 March 2006. The new Preferential Procurement Regulations, 2017, which came into effect from 1 April 2017 was incorporated on the reviewed policy that was effected as at 1 April 2017 and adopted. The SCM Policy incorporating the abovementioned regulations, as well as all other relevant legislation, regulations and circulars and are annually reviewed with the budget process.

The municipality's Supply Chain Management Unit had been successfully registered as a state organ under the Construction Industry Development Board iTender, National Treasury's eTender, as well as the Central Supplier Database portal, and tenders are being advertised through the same system to this end.

The Bid Committee system of Council, is functional, as all committee members were appointed by the Municipal Manager in writing. It be noted that committee members were also trained by Mpumalanga Provincial Treasury.

2.9 BY-LAWS

Section 11(3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

The following municipal by-laws were adopted and promulgated:

| Name | Approved by Council | Public Participation Conducted Prior to Adoption of By-Laws (Yes/No) | Dates of Public Participation | By-Laws Gazetted (Yes/No) | Date of Public promulgation |
|--|---------------------|--|-----------------------------------|---------------------------|-------------------------------------|
| Emakhazeni Local Municipality's Management and Control of Informal Settlement By-Law | Yes | Yes | 16 October 2019 and 02 March 2020 | Yes | 17 July 2020 |
| Emakhazeni Local Municipality's Integrated Waste Management Bylaw | Yes | Yes | 24 February 2020 | No | The Bylaw is yet to be promulgated. |

COMMENT ON BY-LAWS

The promulgation of the above By-Laws in during the financial year 2020/21 was of importance as it ensures that the community of Emakhazeni are conversant to the laws governing them and to ensure the implementation thereof the municipality established a Law Enforcement unit solely to ensure that the By-Laws are adhered to and complied with. The Bylaw processes were commenced with during 2019/2020 and the By Law was subsequently promulgated during 2020/21 financial year.

The Municipality is still in a process to promulgate the Emakhazeni Local Municipality's Integrated Waste Management Bylaw which was pending the approval of the offence and penalties approval by the designated Magistrate of Belfast.

2.10 WEBSITES

Emakhazeni's website can be found on www.emakhazeni.gov.za

| Municipal Website: Content and Currency Material | |
|---|--------|
| Documents published on the municipal website | Yes/No |
| Current Annual and adjustments and all budget related documents | Yes |
| All current budget related policies | Yes |

| | |
|---|------|
| The previous Annual Report 2019/2020 | Yes |
| The Annual Report published | Yes |
| All current performance agreements required in terms of section 57 (1)(b) of the Municipal Systems Act and resulting scorecards | Yes |
| All service delivery agreements (2020-21) | None |
| All long term borrowing contracts (2020-21) | None |
| All supply chain management contracts above a prescribed value(give value) 2020-21 | Yes |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2019-20 | None |
| Public Private Partnership Agreements referred to in section 120 made in 2020-21 . | None |
| All quarterly reports tabled in the Council 52(d) | Yes |

The municipal website (www.emakhazeni.gov.za) continues to serve the community and public as an important communication in the transparent manner the municipality carries out its duties to the community. The data received from departments is uploaded in real time by ICT Services.

2.11 PUBLIC SATISFATION SURVEY ON MUNICIPAL SERVICES

No public satisfaction survey was conducted in 2020/21 financial year.

2.12 MUNICIPAL OVERSIGHT COMMITTEES

Section 80 and Section 79 committees were established in August 2016 as per Structures act read together with Emakhazeni Standing rules of order . There are three portfolio committees namely:

Corporate Services Section 80

COMPOSITION

Chairperson: MMC. T.E. Scheffers and all Managers reporting at Corporate Services Department

INFRASTRUCTURE PLANNING AND SOCIAL DEVELOPMENT SECTION 80

COMPOSITION

Chairperson: MMC. S.S. Mthimunye and all Manager reporting at Infrastructure Planning and Social Development

FINANCIAL SERVICES DEPARTMENT

COMPOSITION

Chairperson: MMC. M. Kambule and all Manager reporting at Financial Services Department

SECTION 79

Corporate Services 79

COMPOSITION

Chairperson: Clr. T.C. Ngomane,

Clr. J.T. Duma

Clr. S.S. Tshabalala and the Manager Corporate Services.

Financial Services 79

Composition

Chairperson: Clr. J.T. Duma

Clr. E.S. Radebe

Clr. D.S. Scheffers and Chief Financial Officer

INFRASTRUCTURE PLANNING AND SOCIAL DEVELOPMENT SECTION 79

Chairperson: Clr. N.T. Masha

Clr. R. Ndlovu

Clr. S.I. Skosana and the Manager Infrastructure Planning and Social Development

MPAC

Composition

Chairperson. Clr. M.P. Ntuli

Clr. A.A. Botha

Clr. N.T. Masha

Audit Committee

Is the shared Audit Committee appointed by Nkangala District Municipality. The meeting of the Audit Committee are held once per quarter.

MAYORAL COMMITTEE

COMPOSITION

The Mayoral Committee is composed of Members

Chairperson: Executive Mayor. T.D. Ngwenya

MMC. T.E. Scheffers

MMC. S.S. Mthimunye

MMC. M. Kambule and all the Managers.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

Emakhazeni municipality provided water, sanitation, refuse removal and environmental management, and electricity as main basic services rendered under Infrastructure Planning and Social Development of the municipality. In the main, funding for the capital projects under this department is from Municipal Infrastructure Grant, Integrated Electrification Program and Water Services Infrastructure Grant whilst the Operations and Maintenance cost are provided from internal sources.

3.1. WATER PROVISION

The municipality is an accredited Water Services Authority Water Service Provider in terms of the National Water Act (Act 36 of 1998). Emakhazeni Local Municipality carries out its executive and legislative mandate of providing potable water to all the towns and settlements in its area of jurisdiction through both conventional and groundwater. It provides a comprehensive and Class A water provision service from source to tap since none of the water functions are currently being outsourced.

Water is purified at four systems which are Emakhazeni, Entokozweni, Emgwenya and Dullstroom Water Works and 96% of residents have access to 25L/day as per the Water Services Development Plan (WSDP). Which the four-treatment works has to obtain new WULA due to the upgrades made to the them. The remaining population access water through tap water supply within 200-meter radius as they are rural.

The municipality has further prioritized the installation of generators in all the Water treatment works to minimize the water outage during the load shading times and during the electricity outages. To date the municipality has installed 5 generators in Waterval Boven and Belfast Water Treatment works and at the pumping stations, others to be installed in Machadodorp WTW by 2020/2021.

The municipality amongst its operations is implementing both compliance and operational monitoring on its four Water Treatment Works to ensure compliance of the quality standard for drinking water. The compliance monitoring of quality of the drinking water supplied is done monthly through an accredited external laboratory. . The municipality procured flocculators for all WTWs to be able to adjust chemical dosing during change of seasons so that it can comply with limit standard for drinking water SANS 241, furthermore the municipality has classified its process controllers that are purifying water at the Water Treatment Works. All Water Treatment Works are operated by class IVs and class Vs process controllers which indicates compliances in terms of the regulation as the WTW requires a minimum of class III The levels of service are adequate in terms of both quality and quantity since reasonable measures are taken continuously to ensure that public safety is attained stemming from upholding of customer values. This is aimed at contributing towards the achievement of community outcomes and meeting the strategic goals of the Municipality.

Due to the aging of water infrastructure and other factors such as climate change, the water supply systems experience the pipe burst and leakages which causes high volume of water loss through apparent losses such as non-revenue water and real losses such as transmission and distribution leakages however previous financial the municipality has managed to operate its water services infrastructure within the norm of 30% as prescribed by the relevant legislations

PROVISION OF WATER IN THE RURAL AREAS

The Municipality is using the conventional methods for the provision of water in settlements at four town and townships respectively. The provision of water in rural areas does not permit the provision of water through conventional systems due to spatial settlement of the areas. That is one of the contributing factor the rural farming areas or communities still having challenges of water shortages and infrastructure; however, the municipality has ongoing programmes for the provision of water in rural areas using different government grants such as MIG, WSIG, Mine SLP and available internal funds to upgrade the infrastructure with drilling of boreholes, equipping with mechanical windmills and provision of reticulation to the households. In the 2020/2021 financial year the municipality has embarked on the following programs to ensure the sustainable provision of water if the farming areas.

- Municipal internal staff providing the continuous maintenance of the infrastructure in rural areas. In cases where the infrastructure is dilapidated and damaged, the municipality has rehabilitated the old boreholes and the pumping mechanism such as windmills, and hand pumps.
- Municipality is ensuring the consistent delivering of approximately 210 000 litres per week through water tankers to the above-mentioned areas not having the adequate infrastructure for provision of water. The council has further made resources available to procure the 18 000 000-litre water tanker to increase the available capacity for provision of water.
- By utilising the Municipal infrastructure grant (MIG) and the Water services Infrastructure Grant (WSIG), 5 farms area have benefited on the installation of boreholes and water storages with water reticulation within the households. Currently there is an ongoing project of construction in 3 Farming areas with the scope of drilling of boreholes, equipping of the mechanical windmills and installation of 40kl pre-stressed steel tanks with the anticipated completion in the 2021/2022 financial year.



Figure 2: 18000 litre water tanker procured by the Municipality delivered on the 26 May 2021.

UPGRADING OF INFRASTRUCTURE

The municipality has observed significant growth linked with the economic growth in the Belfast areas, thus has observed the need for the developments of infrastructure to cater for future projections, therefore the programme of refurbishment of old infrastructure, upgrading infrastructure and the installation of the new infrastructure its being prioritized in the different financial years.

The Municipality has further placed a special focus on the new infrastructure for stand developments due to high demand by the communities, in the current financial year the Municipality has worked with Nkangala District Municipality for provision of water reticulation in Siyathuthuka extension 12 and Emthonjeni extension 4 with Municipal Infrastructure Grant.

The 2020/2021 and 2021/2022 financial years has been the year which the municipality has prioritized the refurbishment and upgrading of Machadodorp Water Treatment Works through the approved MTREF with refurbishment and upgrading ongoing with the anticipated completion in the 2021-2022 financial year with the scope to inter-alia includes standby generators at reservoirs and treatment work, high-capacity pumps installed at

treatment works to increase the flow supply and the construction of the new water gravity main line from the Water Treatment Works to the reservoir.

Upgrading of works required to cater for current and future population growth as the WTW's are currently overloaded/strained. Although there is no approved WDWCM strategy in place, water balances within the respective towns from source to the outlet of the storage facilities are determined and consolidated to establish water losses within municipal water system and adhere to the norm of less than 30% water loss. Water loss report are consolidated and submitted to council monthly. The WSA continues to monitor bulk water meters, imposing water restrictions and reducing pressure in certain supply zones.

Whilst the municipality is challenged in attaining the blue drop certificate in all its four-water treatment works from the department of Water and Sanitation, the functioning of all the Water Treatment Works Work used for providing water is of an acceptable quality to its communities and do the following, The works functioning is supported in the following manner

- The operation and maintenance team of the municipality is conducting the plumbing repairs and maintenance specialists are on call 24 hours daily to ensure the sustainability.
- Minimize the water loss by retaining backwash water at the all the municipal WTP thus ensuring that no process water is lost within the treatment processes.
- The Municipality's is obtaining the water quality samples with water results quality reports published on the DWS/IRIS website and as well as municipal website monthly.





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Figure 3: Upgrading of Machadodorp water treatment works ground reservoir and water raising main on going.



Figure 4: Infrastructure installed for provision of water in rural areas as completed by 30 June 2021.

| Capital Expenditure Year : Water Services | | | | | |
|---|-------------------|----------------------|-----------------------|--|-------------------------------|
| | | | | | R' 000 |
| Capital Projects | Year 2020/2021 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Varian ce from origina l budget | Total Proje ct Value |
| Total All | 22 598 540,00 | 23 298 540,00 | 20 614 645,26 | -10% | |
| Drilling and equipping of 3boreholes and installation of 3 e | 2 500 000,00 | 2 500 000,00 | 1 587 623,34 | -57% | |
| Water cart | 1 500 000,00 | 1 500 000,00 | 1 707 573,08 | 12% | |
| water supply rural areas | 598 540,00 | 598 540,00 | 1 313 982,44 | 54% | |
| Upgrading of Machadodorp water treatment works | 18 000 000,00 | 18 000 000,00 | 11 636 889,20 | -55% | |
| | | | | | |
| | | | | | |

| Access to Water | | | |
|-----------------|--|--|--|
| | Proportion of households with access to water points* | Proportion of households with access to piped water | Proportion of households receiving 6 kl free# |
| 2020/2021 | 14688 | 14688 | 114688 |
| 2019/20 | 14688 | 14688 | 14688 |
| 2018/19 | 14688 | 14688 | 14688 |
| 2017/18 | 14688 | 14086 | 14688 |

| Employees: Water Services | | | | | |
|---------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Jun-20 | Jun-21 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 6 | 8 | 8 | 0 | 0% |
| 7 - 9 | 24 | 25 | 24 | 1 | 4% |
| 13 - 15 | 1 | 2 | 2 | 0 | 0% |
| Total | 31 | 35 | 34 | 1 | 3% |

COMMENTS ON WATER SERVICES PERFORMANCE OVERALL

Whilst the municipality was able to perform the water supply function, it can still improve in the following:

- On the water outages and constant supply of water
- Preventing and repairing of water leakages
- Instances where the municipality quality failed to achieve certain standards.
- Refurbishment of old infrastructure
- Minimize all types of water losses at all cost

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The municipality has four Waste Water Treatment Works namely Dullstroom, Emakhazeni, Emthonjeni and Emgwenya which are fed pump stations and have WULA as required by the prescribed legislation . According to the census 2016 the municipality was servicing 12 060 households with a backlog of 12,4%. There are some areas which still rely on septic tanks, notably Dullstroom and Belfast downtown areas. The municipality has sewer truck which is used to service septic tanks and sewers management in the area.

The servicing of septic tanks becomes increasingly demanding during the peak holiday season when most of the holiday homes are occupied and require more frequent emptying. The Municipality does not have adequate capacity and resources available to cope with such demand however municipality is on the process of outsourcing funds to install waterborne sanitation system and eradicate the Septic tank system. Equally, due to water shortages, acceleration of provision of waterborne sanitation in farming communities remains a challenge.

The municipality through the support from the Department of Cooperative Governance and Traditional affairs has responded to the outcry of some spillages in Dullstroom by upgrading the Naledi Pump station (Below are the pictures of the fully automated pump system) and issues of the non-compliant effluent discharged into the stream.

Further engagements were made for additional funds to the Department of Water and Sanitation to address the challenges of the sewer spillages and inadequate capacity of Waste Water Treatment Works with networks system which yielded positive outcomes. The Municipality has received R 30 Million allocation from the Department of Water and Sanitation for addressing the Water and Sanitation challenges. For the year in question the Municipal council has allocated R 8 million for the construction of the new Sewer pump station and sewer outflow in Sakhelwe township.



Figure 4: Construction of Sewer pump station and sewer outflow in Sakhelwe

| 2020/2021 FINANCIAL YEAR PROJECTS | | | | | |
|-----------------------------------|--|----------------|-------------------|--------------------|---------------------|
| No. | Capital Projects | Budget | Adjustment Budget | Actual Expenditure | Total Project Value |
| 1. | Construction of sewer pump station and raising main in Sakhelwe Ext 2 in Emakhazeni Local Municipality | R 8 000 000.00 | R 7 647 289.01 | R 7 647 289.01 | R 7 647 289.01 |

| Capital Expenditure Year 0: Sanitation Services | | | | | |
|---|----------------|-------------------|--------------------|-------------------------------|---------------------|
| | | | | | R' 000 |
| Capital Projects | Year 2020/2021 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 2900004 | 4900004 | 2492831,99 | -16% | |
| Madala water and sewer 250 stands | | 3500000 | 234175 | 100% | |
| sewer pump station and rising main at Sakhel | 8000004 | 8000004 | 6593441,49 | -21% | |
| Fixing sewer line Hlalanikahle (Emthonjeni) | - | 1000000 | 83745,97 | 100% | |
| Sewer Reticulation Project in Emgwenya (72 toilets) | 0 | 1000000 | 0 | #DIV/0! | |
| waterborne sewer emothanjeni & enkamini | 2900004 | 2900004 | 2409086,02 | -20% | |

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

In so far as sewer services is concerned, the following challenges remain:

- Insufficient water affecting sewer waterborne provision in rural area.
- Eradication of the septic tanks and installation of sewer system
- Upgrading of Wastewater Treatment Works
- Use of VIP toilets in farms that requires constant maintenance

3.3 ELECTRICITY

Emakhazeni Local Municipality has the responsibility of providing its community with sustainable and affordable electrical services to its residents in-line with the provision of the Constitution of the Republic. This is also necessary for any vibrant and growing economy to attract development which is much needed given the limited growth especially in so far as industries is concerned. According to the Statistics South Africa (Stats 2016) community survey, 85.83% of the 14 633 of the Municipality residents are currently having the access to the electricity supply. In the main urban areas within the Municipality areas of jurisdiction has access electricity supply, the approximate 14.4% remaining households not having access to the electricity are mainly in the Rural areas.

Whilst Emakhazeni Local Municipality is a licensed holder in terms of the Electricity Regulations Act no.4 of 2006 to distribute electricity to all areas in Emakhazeni in the exclusion of Dullstroom, Sakhelwe and rural areas. Eskom is licensed to distribute the electricity directly in Dullstroom, Sakhelwe and the rural areas surrounding Emakhazeni. Although this is observed to have the negative impact to the municipality's revenue base as Eskom customers are not cooperative when coming to payment of other municipal services, and for future infrastructure and economic development.

Currently the Municipality has adequate capacity to deliver bulk electricity services for any current or future residential or commercial developments in the area. The status of provision of the electricity supply in the Municipal licensed areas are as follows.

- Waterval Boven and Emgwenya – The supply is from the 22kv to 11kv Eskom substation through 3 Municipal owned 11kv feeder with the total consumed of the contractual capacity of 2.5 MVA.
- Entokozweni and Emthonjeni – Entokozweni is supplied from the 2 of 11kv cables through the 2 Municipal owned 11kv feeders with the total consumed of the contractual of 1.5 MVA while Emthonjeni is supplied from the 22KV Eskom overhead lines through 2 Municipal owned 22kv feeders with the total consumed of the contractual capacity of 1.6 MVA.
- Belfast and Siyathuthuka - The supply is from the 22kv to 11kv Eskom substation through 4 Municipal owned 11kv feeder with the total consumed of the contractual capacity of 6.2 MVA.

Since the Municipality has placed the special focus on the infrastructure development, In the current financial year, the Municipality has received the allocation of 10 Million Rand from the Department of Mineral Resources and Energy (DMRE) under the Integrated National Electrification Program (INEP) for the construction and upgrading of infrastructure. The council has then allocated the amount of R 8 300 000 for the Installation and commissioning of new 132/11kva 20 MVA substation and feeder lines phase in Emakhazeni which will assist with provision of sufficient capacity and reliable supply electricity to the growing development of the municipality and the R 1 700 000 for the electrification of Emthonjeni extension 4 for 100 households.

In 2020/2021 financial year, the municipality has been experienced challenges such as low purchasing of electricity, exceeding of the contractual nominated maximum demand (NDM) in certain areas of Municipal supply, electricity theft, cable theft and vandalism of electrical infrastructure. The Municipality has therefore embarked on

various programs to remedy the identified challenges, which includes but not limited to conducting spot checks, cut-off of electricity supply to non-paying consumers and undertaking campaigns on electricity theft, meter vandalism and illegal connections. The Municipality has disconnected approximately 83 household were disconnected for meter bypass. The Municipality is also embarking on the energy efficiency programs by replacing the energy lights with the LED on the high mast light and street lighting.



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Figure 5: Provision of electricity supply in Emthonjeni Extension 4 for 100 Households

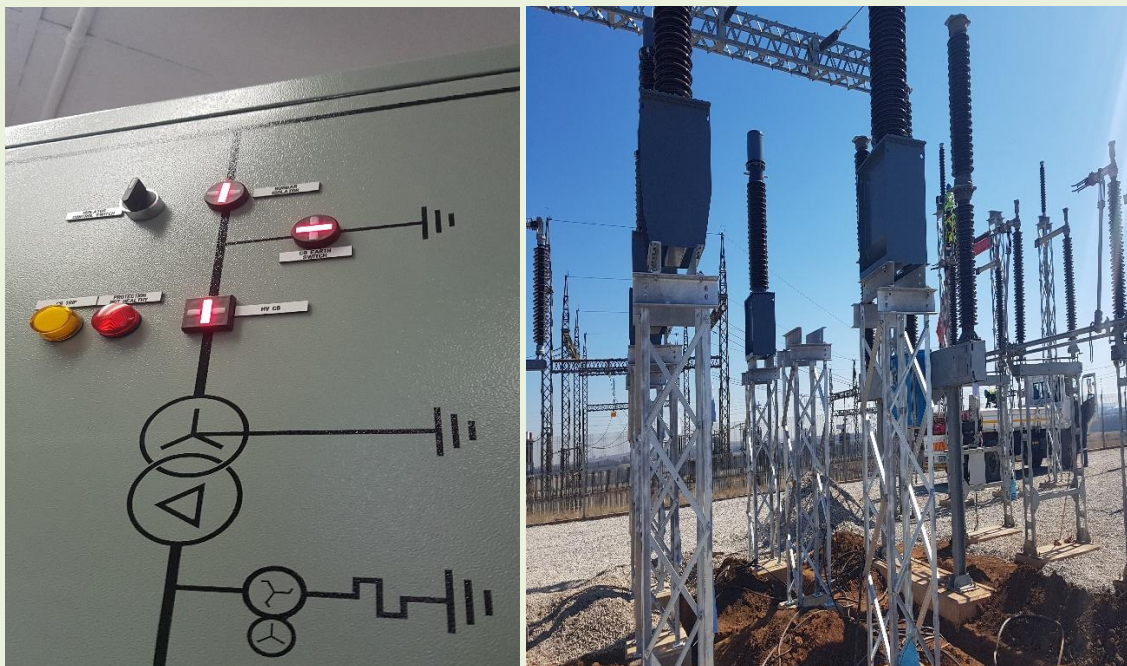


Figure 6: Construction of the 132/11kv 22 MVA electricity substation and feeder lines.

| 2020/21 FINANCIAL YEAR PROJECTS | | | | | |
|---------------------------------|---|----------------|-------------------|--------------------|---------------------|
| No. | Capital Projects | Budget | Adjustment Budget | Actual Expenditure | Total Project Value |
| 1. | Installation and commissioning of a new 132/ 11kv 20MVA electricity substation and feeder lines in Emakhazeni Phase 4 | R 8 500 000 | R 8 500 000.00 | R 4 852 396.26 | R 8 500 000.00 |
| 2. | Electrification of households in Emthonjeni | 1 700 00.00 | 1 700 00.00 | R 1 678 643,19 | R 1 678 643,19 |
| | TOTALS | R10 000 000,00 | R10 000 000,00 | R9 999 637,58 | R9 999 637,58 |

| Employees: Electricity & Mechanical Services | | | | | |
|--|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Jun-20 | Jun-21 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 2 | 2 | 2 | 0 | 0% |
| 4 - 6 | 4 | 11 | 2 | 9 | 82% |
| 10 - 12 | 7 | 9 | 8 | 1 | 11% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| Total | 14 | 23 | 13 | 10 | 43% |

Future plans

The infrastructure is almost 40 years old, it was designed with then capacity and demand. Over the years the population has grown the following infrastructure needs to be upgraded such as:

- Repair the 11kV breaker; Conduct fault finding and repairing the cable fault on the Eiland 11kV feeder
- Recommission the supply point by repairing the breakers, meters and battery charger
- Conduct line inspecting and repair the overhead 11kV line
- Recommission the supply point by re-wiring the control equipment, recommission the meters and battery charger

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Whilst Emakhazeni has made considerable strides in providing electricity services, the service is still confronting major challenges in the following:

More of aged power lines, transformers and mini substations infrastructure still needs to be replaced and constructed however the challenges and complaints are attended within 24 hours.

The purchasing of a new cherry picker to assist in maintenance of streets lights and overhead power line

Illegal connections and theft of electricity

Loss of revenue

Litigations arising from poor maintenance of infrastructure

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Emakhazeni Local Municipality provide refuse collection service once per week at residential areas and twice a week in urban business areas. As of the 2020-2021 financial year, the Emakhazeni Local Municipality provide refuse removal services to approximately 12 554, 8 972 non-indigent households and 3 582 indigent households around Emakhazeni Town; Siyathuthuka Location; Dullstroom Town; Sakhelwe Location; Emthonjeni Location; Entokozweni Town; Waterval Boven Town; and Emgwenya Location. The refuse collection teams make use of refuse removal schedule to collect refuse around the Emakhazeni Local Municipality. Only 2079 households are not serviced in terms of refuse removal as the municipality is still yet to complete the construction of the access roads.

The municipality is however unable to achieved 100% collection rate owing to the frequent breakdown and aging of waste compactor trucks and the fact that the refuse collection section does not have any back up fleet. Refuse collection is provided to all formal households, although there are two informal settlement areas in Emgwenya (Sgwabula) and Entokozweni (Hydro-Informal), which do not receive door-to-door weekly collection services, as these areas are very difficult to access with compactor trucks. Bulk bins are placed in these areas which are emptied on a weekly basis.

The municipality is custodian of four landfill sites that were inherited through the amalgamation of the four units. Dullstroom, Belfast and Emgwenya landfill sites all have valid landfill licence. Unfortunately, the closure licence of Machadodorp landfill site has expired. Meaning the municipality must now re-apply for the closure licence. Council prioritised the rehabilitation of the landfill in Belfast through the MIG funds. Implementation of the project started to be embarked in 2017/18 which is rolled out in three financial years. To date the municipality has fully implemented the fencing, Construction of admin buildings, and drilling of Monitoring Boreholes in the 2017/2018 financial year. In the 2019/2020 the municipality further continued with the construction of access route, Construction of the Waste Cells, Leachate dam which has been fully completed. The project continues with prospects to be completed in 2021/2022 financial year. The maintenance of landfill sites is carried through by the service provider appointed by the municipality.

In the 2018/19 financial year the Municipality conducted a waste training workshop with the assistance of DEA, NDM and DARDLEA to enable the landfill sites workers to record waste without the use of a weighbridge. All the four landfill sites are now registered with the South African Waste Information Centre (SAWIC) and the Municipality is now reporting waste data to SAWIC since January 2019. The Integrated Waste Management Plan (IWMP) has been reviewed, and the reviewed document was approved as a draft document by the ELM Council. Comments and inputs have already been solicited from the public during a 30 day commenting period in 2020/2021 financial year. Currently the document is with Department of Agriculture, Rural Development, Land and Environmental Affairs' officials, they are assessing its suitability for it to proceed to the next stage of approval as a final document by the ELM council before it can be sent to the MEC of Department of Agriculture, Rural Development, Land and Environmental Affairs for endorsement. The Emakhazeni integrated waste management by-law was reviewed during the 2019/2020 financial year to be aligned NEM:WA and it is was promulgated on the

18th of June 2021 (2020/2021 financial year) and currently the municipality is awaiting the affixation of signature by the Belfast Magistrate on the offence and fine list that was submitted by ELM in order for the municipality to start fining the people who contravenes the sections of the said by-laws.

The four landfill sites have waste reclaimers who are assisting the Municipality in terms reducing the volume of waste that would've been landfilled categorising waste and the reclaimed waste is then collected to various recycling centers. The waste reclaimers are on a small scale but the Municipality is in a process of formalising them in a bigger scale to assist in curbing poverty and diverting huge volume of waste that would've been landfilled in order to comply with the National Waste Management Strategy.

| Solid Waste Service Delivery Levels | | | | | | Households |
|--|---------|---------|---------|---------|------------|------------|
| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/2020 | 2020/2021 |
| | Actual | Actual | Actual | Actual | Actual No. | Actual No. |
| | No. | No. | No. | No. | | |
| <u>Solid Waste Removal: (Minimum level)</u> | | | | | | |
| Removed at least once a week | 8203 | 8378 | 9087 | 10126 | 12 554 | 12 554 |
| <i>Minimum Service Level and Above sub-total</i> | 8203 | 8378 | 9087 | 10126 | 12 554 | 12 554 |
| <i>Minimum Service Level and Above percentage</i> | 59,78 % | 56,97% | 62% | 69% | 85.7% | 85.7% |
| <u>Solid Waste Removal: (Below minimum level)</u> | | | | | | |
| Removed less frequently than once a week | 1641 | 1914 | 546 | 629 | | |
| Using communal refuse dump | 0 | 535 | 0 | 0 | 0 | 0 |
| Using own refuse dump | 2659 | 2659 | 2569 | 2659 | 0 | 0 |
| Other rubbish disposal | 0 | | 0 | 0 | 0 | 0 |
| No rubbish disposal | 589 | 589 | 589 | 589 | 0 | 0 |
| <i>Below Minimum Service Level sub-total</i> | 630 | 630 | 630 | 630 | 2079 | 2079 |
| <i>Below Minimum Service Level percentage</i> | 40,22 % | 43,03% | 4424 | 4507 | 2079 | 2079 |
| | 13 722 | 14705 | 30% | 30% | 14% | 14% |
| Total number of households | 8203 | 8378 | 14633 | 14633 | | 14 633 |

| Waste Management Service Policy Objectives | | | | | | | | | | | | | |
|--|---|-----------|----------------|-----------|----------------|-----------|------------|-----------|-----------|-----------|--------|-----------|--------|
| Service Objectives | Outline Service Targets | 2015-2016 | | 2016-2017 | | 2017-2018 | | 2018-2019 | | 2019/2020 | | 2020/2021 | |
| | | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual |
| | | | | | | | | | | | | | |
| To provide a safe, effective and economical waste collection service | Ensure that 100 % of residents (urban areas) receive the service once per week and the businesses receive the service twice per week. | 100 % | 83.33 % | 100 % | 81.4% | 100% | 90% | 100% | 90% | 100% | 85,7% | 85,7% | 85,7% |
| To maintain and provide appropriate landfill sites | Monitoring on the maintenance sessions that are expected to be conducted per year. | 48 | 38 (79.2 %) | 48 | 37(77.1 %) | - | - | - | - | | | - | - |
| | Number of assessments conducted by the 10 th of every month after the quarter ends | | | | | - | - | - | - | | | - | - |
| To ensure that the general environment is protected and promoted in a sustainable way. | Cleaning sessions in illegal dumping sites | 600 | 714 (148.75 %) | 480 | 713 (148.54 %) | 480 | 480 (100%) | 480 | 480 | | | 4 | 123 |
| | Illegal dumping sites to be rehabilitated | 18 | 8 (44.4 %) | 14 | 7 (50%) | 16 | 6 (37,5%) | 8 | 8 (100%) | 4 | 4 | 0 | 0 |

| Employees: Solid Waste Management Services | | | | | |
|--|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Jun-20 | Jun-21 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 41 | 52 | 41 | 11 | 21% |
| 4 - 6 | 4 | 4 | 0 | 0 | 0% |
| 7 - 9 | 4 | 4 | 4 | 0 | 0% |
| Total | 49 | 60 | 45 | 11 | 18% |

| Financial Performance Year : Solid Waste Management Services | | | | | |
|--|----------------------|-----------------------|---------------------|---------------------|--------------------|
| R'000 | | | | | |
| Details | 2019/2020 | 2020/2021 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 9633442,61 | 13 432 380,00 | 10 932 380,00 | 10 106 755,18 | -33% |
| Expenditure: | | | | | |
| Employees | 8502842,82 | 8 052 300,00 | 8 052 300,00 | 8537664,4 | 6% |
| Repairs and Maintenance | 81578,69 | 55 008,00 | 47 954,00 | 40930,7 | -34% |
| Other | 19 393 325,21 | 2 470 008,00 | 1 177 058,00 | 927 602,10 | -166% |
| Total Operational Expenditure | 27 977 746,72 | 10 577 316,00 | 9 277 312,00 | 9 506 197,20 | -11% |
| Net Operational Expenditure | 18 344 304,11 | - 2 855 064,00 | 1 563 523,24 | 1 931 967,90 | 248% |

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

Provision of refuse removal services is improving, the service is not free from challenges such as old infrastructure, management of landfill sites and dealing away with mushrooming illegal dumping areas. The Municipality is partnering with the DEA, DARDLEA, Nkangala District Municipality and other community stakeholders in conducting cleaning campaigns. The DEA has allocated the Municipality with a waste management coordinator, who will be assisting in dealing with environmental campaigns in schools within the jurisdiction of Emakhazeni Local Municipality.

3.5 HOUSING

Section 26 of the Constitution of the Republic of South Africa states that state must take the reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right of the community members within its area of jurisdiction.

The municipality has a total housing backlog of 3 200 as per the municipal housing database. This prompted the Municipality to introduce a waiting list programme for beneficiaries who must be allocated housing.

During the financial year of 2020-21 the municipality continued working with the Department of Human Settlement to deliver housing and below is the summary of performance per area. Worth noting is the challenges that are encountered which delays some programmes.

| HOUSING DEVELOPMENT - EXTENSION 6 & 8 SIYATHUTHUKA | |
|--|--|
| Number of houses allocated DHS | 104 |
| Number of houses completed | 53 |
| Number of houses roofed | 22 |
| Number of wall plates | 24 |
| Number of slabs | 5 |
| Progress | <ul style="list-style-type: none">The Department of Human Settlement has finally issued instructions to Rospa Trading 49 to perform work for the completion of twenty five (25) RDP housing units at various stages in Siyathuthuka Ext 6 and 8. The 25 RDP housing units to be completed are at wall plate level. |

| HOUSING DEVELOPMENT - EXTENSION 7 SIYATHUTHUKA | |
|---|--|
| Number of houses allocated DHS | 240 |
| Number of houses completed | 17 |
| Number of houses roofed | 24 |
| Number of wall plates | 0 |
| Number of slabs | 0 |
| Challenges | <ul style="list-style-type: none"> • The Department reduced the scope of work for Bongela Projects to 42 housing units. They are yet to appoint a service provider for the remaining housing units • The Emakhazeni Local Municipality resolved that the approved beneficiaries should be allocated to their stands. • Theft and vandalism • Sewer reticulation challenges: not commissioned the pump station; sewer blockage • Water reticulation: not connected to households |

| REPORT ON HOUSING DEVELOPMENT - MADALA, EMAKHAZENI | |
|---|--|
| Number of houses allocated DHS | 150 |
| Number of houses completed | 101 |
| Number of houses roofed | 0 |
| Number of wall plates | 0 |
| Number of slabs | 0 |
| Challenges | <p>100 stands have been serviced with water and waterborne reticulation. NHBRC has stopped the project citing that the DHS and municipality must submit a report on the stormwater management.</p> |

| REPORT ON HOUSING DEVELOPMENT - ENKANINI, EMTHONJENI | |
|---|-----|
| Number of houses allocated | 110 |
| Number of houses completed | 103 |
| Number of houses roofed | 0 |
| Number of wall plates | 0 |
| Number of slabs | 0 |

| REPORT ON HOUSING DEVELOPMENT – EMTHONJENI EXT 4 | |
|--|-----|
| Number of houses allocated | 360 |
| Number of houses completed | 360 |
| Number of houses roofed | 0 |
| Number of wall plates | 0 |
| Number of slabs | 0 |

| REPORT ON HOUSING DEVELOPMENT – SAKHELWE EXT 2 | |
|--|---|
| Number of houses allocated | 90 |
| Number of houses completed | 45 |
| Number of houses roofed | 0 |
| Number of wall plates | 0 |
| Number of slabs | 0 |
| Challenges | <ul style="list-style-type: none"> • Water leaks are being fixed. • Rocky sites • Unavailability of water Connection points • Sewer blockages |

| REPORT ON HOUSING DEVELOPMENT – SAKHELWE | |
|--|--|
| Number of houses allocated | 4 |
| Number of houses completed | 0 |
| Number of houses roofed | 0 |
| Number of wall plates | 0 |
| Number of slabs | 4 |
| Challenges | <ul style="list-style-type: none"> • None |

The Municipality received 19 Title deeds for the Exxaro housing beneficiaries.

The table below provides an overview of housing in the area:

| Summary of housing status in Emakhazeni | |
|--|------------|
| Type of dwelling | Households |
| House or brick/concrete block structure on a separate stand or yard or on a farm | 14573 |
| Traditional dwelling/hut/structure made of traditional materials | 347 |
| Flat or apartment in a block of flats | 142 |
| Cluster house in complex | 12 |

| Summary of housing status in Emakhazeni | |
|--|------------|
| Type of dwelling | Households |
| Townhouse (semi-detached house in a complex) | 11 |
| Semi-detached house | 123 |
| House/flat/room in backyard | 193 |
| Informal dwelling (shack; in backyard) | 618 |
| Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm) | 920 |
| Room/ flatlet on a property or larger dwelling/servants quarters/granny flat | 208 |
| Caravan/tent | 0 |
| Other | 0 |

| Housing Service Policy Objectives Taken From IDP | | | | | |
|---|--|---|---|---|--|
| Service Objectives | Outline Service Targets | | | | |
| | | 2017/18 Target | 2017/18 Actual | 2019/20 Target | 2020/21 Actual |
| Service Indicators | | | | | |
| Service Objective | | | | | |
| To meet the quality housing needs of residents in the municipal area of jurisdiction and minimize the spread of informal settlements. | Lobby department of Human Settlement to allocate housing units to address the housing backlog at Emakhazeni (Enkanini, Emthonjeni Ext 4, Madala, Gugulethu and Sakhelwe ext 2) | 214 Housing units to be constructed at Siyathuthuka Ext. 6, 7 and 8 | The project in ext 6 & 8 will resume since the DoHS and the service provider have reached an agreement. At Ext 7 there is still a legal battle between the DoHS and the service provider. The Municipality has resolved to allocate the stands to the rightful beneficiaries. | 710 housing units at Madala Township (150 units) Sakhelwe Ext 2 (240 units), Emthonjeni Ext 4 (360 units) and Enkanini Township (110) | 670 Housing units have been completed and handed over to the rightful beneficiaries. |

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The Department of Human Settlement has finally issued instructions to Rospa Trading 49 to perform work for the completion of twenty five (25) RDP housing units at various stages in Siyathuthuka Ext 6 and 8. The 25 RDP housing units to be completed are at wall plate level. Housing units are being handed over to rightful beneficiaries at Madala Township, Enkanini Township, Sakhelwe Ext 2 and Emthonjeni Ext 4 as when they are finished. The handing over of title deeds to rightful beneficiaries at Siyathuthuka Ext 8, Emthonjeni Extension 4 and Sakhelwe Ext 2 is continuous. The Department of Human Settlement is assisting the Municipality in reviewing the Municipal Housing Sector Plan.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

In terms of section 97(1)(c) of the Municipal Systems Act, municipalities need to develop an Indigent Policy which is consistent with Council's Tariffs and Policy. The Municipality has in place a Debt Management and Credit Control Policy which is reviewed annually to assist with the recovery of debt .

Emakhazeni Local Municipality also has a Free Basic Services and Indigent Policy which is used to implement the provision of Free Basic Services to households who cannot afford to pay. It should be noted that the onus lies with the applicant to register annually and this is subject to a qualifying criteria being met. Upon approval, the beneficiaries receive 6 kl of water for free as well as 50 kw/h of electricity. Beneficiaries also receive rebates on the basic services charges and remain responsible for any charges that are above the services provided for in the policy.

The following table reflects the amount spent on the Free Basic Units for the financial year 2020/2021.

| CDU | Tariff Index | Units | Amount Incl. | Total Amount | Cost Of Units | Vat |
|---------|--------------|------------|--------------|--------------|---------------|-----------|
| CER001 | 8 | 46 149.90 | 71 909.00 | 71909 | 61 847.68 | 9 249.80 |
| CIG001 | 8 | 245 661.90 | 389 425.38 | 389425.38 | 331 799.88 | 49 550.96 |
| EMAPOS3 | 8 | 2 056.90 | 3 040.00 | 3040 | 2 622.34 | 393.33 |
| EMAPOS4 | 8 | 1 538.10 | 2 360.00 | 2360 | 2 052.16 | 307.84 |
| POSEM | 8 | 49 278.50 | 72 328.10 | 72328.1 | 62 894.48 | 9 433.62 |
| POSEM2 | 8 | 130 561.60 | 193 550.00 | 193550 | 168 293.30 | 25 242.72 |
| RACEMA | 8 | 5 861.90 | 9 214.00 | 9214 | 8 018.78 | 1 195.22 |
| RMTEMA | 8 | 2 555.70 | 4 285.00 | 4285 | 3 726.14 | 558.86 |
| | | | | | | |
| Total | | 483 664.50 | 746 111.48 | 746111.48 | 641254.76 | 95932.35 |

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

With an increase of indigent beneficiaries, the municipality has seen a decline in revenue collection especially in Entokozweni, Emgwenya and Emthonjeni. The closure of mines in those areas has contributed in the increase of the number of applications received.

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

Emakhazeni municipality is transverse by the N4 which runs through strategic areas and towns such as Mbombela and Middelburg. It connects the municipality to major economic areas which obviously has its advantages and disadvantages. From an economic perspective it serves as a main artery of economic stimulation to the area and positions Emakhazeni strategically as the gateway to the Lowveld Tourism as well as the industries in Witbank and Middelburg. This however does increase the volume of traffic significantly which in turn increases number of road accidents.

In terms of powers and functions to upgrade and maintain roads, national roads are the responsibility of National Department and SANRAL, while the Mpumalanga Department of Public Works Roads and Transport is responsible for the Regional Connector and local roads remain the responsibility of Emakhazeni Local municipality. In the generality of things, municipal roads in towns and townships are surfaced with many roads passed their lifespan expectancy however the municipality is diligently maintaining its road network which in the Financial Year 2020/2021 about 1 680 meters paved in Belfast, Dullstroom , Waterval Boven upgraded through the Municipal infrastructure grant and about 1405 has been rehabilitated through council funding.

In partnership with the Department of Public Works Roads and Transport, the municipality has amidst challenges been able to grade access roads in farms and township access roads. The lack of ownership of roads in farms which are currently private makes the provision of this service challenging as farm dwellers requires the service. There is urgent need to have some undertaking and bilateral with farm owners.

The toll gate between Machadodorp and Waterval Boven is a biggest concern from local residents. To that end, the municipality is inundated with community requests to have the toll gate relocated an intervention that has not yielded any desired outcome, In this regard, Emakhazeni Local Municipality and Nkangala District Municipality had allocated a budget of R1 000 000.00 in the 2019/2020 financial year the study concluded in the 2020/2021 for feasibility study of an alternative road between Machadodorp and Waterval Boven to relieve this communities. The work has been concluded and the feasibility study completed.

By and large, municipal roads which are essential in connecting towns and settlements within the area could be described as in a dire need of maintenance. In an attempt to stimulate the economy whilst addressing service delivery, the Council has since undertook to move away from tar to heavy duty paving in municipal roads which requires less maintenance. Furthermore, more and more efforts to progressively address the roads backlog is amongst one of the priorities of this new council.

In support of NDM through a programme called Road Asset Management System (RAMS) by National Department of Public Works and Transport, the municipality has developed Gravel Road Management System (GRMS). The developed system was based on an ESRI, ARC and GIS platform which provides for seamless integration of spatial and data entities, and ease of functionality, usability, portability and maintainability. A system which will effectively support management decision making towards roads infrastructure investment.

| Roads Policy Taken from IDP | | | | | | |
|--|--|--|----------------------------------|--|-----------------------------|--|
| Service Objectives | Service Indicator | Outline service targets | 2019/2020 | | 2020/2021 | |
| | | | Target | Actual | Target | Actual |
| To ensure provision of affordable and sustainable basic services | Number of potholes patched and / or repaired by 30 June 2021 | 900 potholes to be repaired | 400 potholes to be repaired | 600 potholes were repaired by June 2020 | 1200m of road rehabilitated | 1405m of road rehabilitated by June 2021 |
| | Number of storm water systems cleaned by 30 June 2019 | 20 storm water systems cleaned by 30 June 2019 | 20 storm water drainages cleaned | 20 storm water drainages were cleaned by June 2020 | 10 storm water | 17 storm water drainage |

2020/2021 FINANCIAL YEAR CAPITAL INFRASTRUCTURE PROJECTS

| No. | Capital Projects | Budget | Adjustment Budget | Actual Expenditure | Total Project Value |
|-----|---|----------------|-------------------|--------------------|---------------------|
| 1. | Construction of 230 m Internal street (Madiba Street) in Sakhelwe phase 2 | R2 676 772.64 | R2 676 772.64 | R2 676 772.64 | R2 676 772.64 |
| 2. | Construction of a 150m internal street (Sgwabula Access Road) in Emgwenya Township Ward 7 (AFA) | R 650 000 | R 650 000 | R 650 000 | R 650 000 |
| 3. | Construction of 450 Standini street in Emgwenya | R 4 800 000 | R 4 790 366,60 | R 4 790 366,60 | R 4 790 366,60 |
| 4. | Construction of 450 meter internal street (ZCC road in Siyathuthuka Ward 1) | R 2 378 467,21 | R 2 378 467,21 | R 2 378 467,21 | R 2 378 467,21 |

2020/2021 FINANCIAL YEAR CAPITAL INFRASTRUCTURE PROJECTS

| No. | Capital Projects | Budget | Adjustment Budget | Actual Expenditure | Total Project Value |
|-----|--|----------------|-------------------|--------------------|---------------------|
| 5. | Construction of 450 meters Internal Street (Simunye Street) in Siyathuthuka Ward 3 | R 4 782 963,31 | R 4 782 963,31 | R 4 782 835,69 | R 4 782 835,69 |
| 6. | Construction of a 700m Madala access road in Ward 8 phase 1 | R 5 266 687,32 | R 5 264 583,29 | R 5 264 583,29 | R 5 266 687,32 |

COMMENT ON THE OVERALL PERFORMANCE ON ROADS:

Emakhazeni municipality is confronted with serious and glaring challenges such as:

- In paving gravel roads in township and rural areas
- Rehabilitating the old infrastructure roads connector and main roads
- Developing the Road Master Plan and Maintenance plans
- Repairing of potholes.

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

Transportation, vehicle licensing and public bus operations are not municipal functions. Licensing function which was previously municipal function has since reverted back to the Province since 2016-17. There is no bus services provided by the Municipality.

3.9 STORMWATER DRAINAGE

Storm water drainage system is installed with every new road project that is constructed. The municipality is responsible for maintaining stormwater drainage in all of its units which is aimed at prolonging the lifespan of municipal roads also argument the surface runoff into the stream. Given the fact that the municipality has backlogs in its roads infrastrucuture the storm water control is equally affected.

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Storm water is a seasonal challenge which puts some stress on our road network and systems, the municipality is ensuring that storm water is channelled into the streams to control flooding and other associated damage. The municipality continues to engage stakeholders on new innovations and strategies to ensure effective management of storm water.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

Spatial transformation is seen as prerequisite for addressing the physical manifestations of the past administration. The Emakhazeni Local Municipality also embarked on a process to transform its spatial landscape as influenced by the winds of change sweeping through the country. The municipality has strived for the integration of all towns and the locations.

In terms of the Municipal Systems Act (Act No. 32 of 2000) Section 26(e), all municipalities are required to prepare an Integrated Development Plan (IDP) for their area of jurisdiction, which must include a Spatial Development Framework (SDF). The SDF should therefore also be reviewed in accordance with the annual review of the IDP. The review of the SDF will facilitate the implementation of the IDP spatially in terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

During 2013 the new Spatial Planning and Land Use Management Act (SPLUMA) was promulgated under the jurisdiction of the Department of Rural Development and Land Reform. The general principles endorsed by this Act is that spatial planning, land use management and land development must promote and enhance Spatial Justice, Spatial Sustainability; Efficiency; Spatial Resilience, and Good Administration . The short term spatial vision for the Emakhazeni Municipality which informed the ELM Development Framework revolves around the following key elements:

- a) the strengthening and enhanced branding of the area as a tourism destination;
- b) consolidation of the spatial structure of existing towns and settlements and the establishment of a nodal hierarchy in order to achieve physical, social and economic integration of communities and to enhance cost-efficient and sustainable service delivery;
- c) promoting agro-industry development along the N4 development corridor;
- d) making sufficient provision for upgrading of informal settlements and development of sustainable human settlements in general.

The major momentum for the SDF's completed up to 2012, was to comply with the legislative requirements presented by the Municipal Systems Act. Yet, to ensure that development does in actual fact take place in an integrated and sustainable manner, the Integrated Development Plans (IDP's) and Spatial Development Frameworks (SDF's) of local and district authorities now also have to be aligned with the goals and directives provided by the Spatial Planning and Land Use Management Act and new national and provincial policy documents. This implies that IDP's and SDF's need to be reviewed on a continual basis to ensure synergy between the three spheres of government – i.e. what happens on local level needs to “fit-in” and “contribute” to both provincial and national development goals and priorities.

In view of the above, the Emakhazeni Municipality in conjunction with the Nkangala District Municipality, commissioned the review of the Emakhazeni SDF to bring it in line with the SPLUMA requirements, it was adopted in the year of 2015. It is now due for a review in the financial year 2020/2021.

Section 24 of the Spatial Planning and Land Use Management Act of 2013 (SPLUMA) specifies that a municipality must, after public consultation, adopt and approve a single land use scheme (LUS) for its entire area within 5 years from the commencement of the act. The objectives of Schemes can be summarized as follows:

- To designate desirable land uses and provide clarity on what may or may not occur on a property, and what may be considered at the discretion of the municipality

- To promote the certainty of land use which protects property values and creates investor confidence
- To promote and protect the amenity within areas and neighbourhoods
- To resolve conflict between different land uses, and to control negative externalities
- To balance the interests of individuals with those of the public
- To enable the coordinated and efficient use of land
- To enable the efficient movement of persons and goods
- To promote the economy
- To protect natural resources (ecosystem services), including agricultural resources (high potential agricultural land)
- To protect unique areas or features
- To protect cultural resources and places of religious and cultural significance
- To manage land generally, including change of land use and building type
- To provide a statutory basis for public involvement. To provide a means of enforcement
- To ensure the retention of land for future uses, the need for location and extent of which is not presently certain

The Emakhazeni Local Municipality Land Use Scheme which was adopted in 2010 has been reviewed. The Nkangala District Municipality commissioned Gap Development Planners to review the Land Use Management Scheme (LUMS). The final document has been finalised and came into effect in the year 2020 June, is now called the Emakhazeni Local Municipality Land Use Management Scheme, 2020.

The following areas were identified for human settlement in terms of the principle of integration, Madala in Emakhazeni, Wonderfontein, Siyathuthuka Ext. 6, 7, 8, 9, 10, and Emakhazeni, Enkanini, Emthonjeni Ext 4, Sakhelwe Ext. 2 and Gugulethu in Emgwenya. The Municipality has embarked on a process to lure sector departments and private businesses to partner in bringing Infrastructure projects that will assist or unlock economic growth within the Emakhazeni Local Municipality's area of jurisdiction. With the direction provided in the SDF the municipality has received couple of proposals for the development of Malls in Emakhazeni which will boost the local economy. The area of Siyathuthuka Ext 12 has been earmarked for integrated human settlement to accommodate the demand of the middle class or those who want to construct their houses. There are three completed township establishments within the Municipality, i.e. Gugulethu Township, Wonderfontein and Emthonjeni Ext 5. We have also received a "Record of Decisions" (ROD) for Sakhelwe Ext 2 for 409 erven and currently waiting for a ROD for the township establishment in Dullstroom Ext 5 for 500 stands.

In the 2019/2020 the Municipality is currently surveying Portion 1 of the Farm Grootuikerboschkop 124 JT to be known as Sakhelwe Ext 3 of 409 Stands. Furthermore, the Municipality is amending the layout plan of Siyathuthuka Ext 12 to accommodate the members of the community who want to build for themselves.

| Type of Application | 2020/21 | | | |
|----------------------|----------|----------|--------------|------------------------|
| | Received | Approved | Not Approved | Incomplete Application |
| Emakhazeni LM | | | | |

| | | | | |
|----------------------------------|----|----------------------|---|---|
| Township Establishment | 0 | 0 | 0 | 0 |
| Rezoning | 10 | 8 and aligned to SDF | 1 | 1 |
| Removal of Restrictive Condition | 0 | 0 | 0 | 0 |

| Employees: Town Planning & Housing Administration | | | | | |
|---|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Jun-20 | Jun-21 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 4 - 6 | 1 | 1 | 0 | 1 | 100% |
| 7 - 9 | 2 | 3 | 2 | 1 | 33% |
| 10 - 12 | 1 | 3 | 1 | 2 | 67% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| Total | 5 | 8 | 4 | 4 | 50% |

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The municipality has been able to transform the development trajectory of the area in that business zones, agriculture, tourism and human settlement are clearly distinct. There is forward looking into new development and servicing of sites in preparation of future developments guided by the Spatial Development Framework. The newly development land use scheme 2020 will assist in appropriately categorizing of land use zoning and regulations for the entire municipal area, including areas not previously subjected to land use scheme. The Emakhazeni Local Municipality is in a process of reviewing the Spatial Development Framework 2015 with the assistant of DBSA.

The municipality is facing a challenge with the mushrooming of informal settlements due to the shortage of municipal owned land. However, the By-law on control and management of informal settlement has been adopted by council and the appoint of law enforcement officers will assist in curbing the land invasions.

The Municipality with the aid of DHS through a the National Upgrade Support programme has developed Informal Settlement Upgrading Plans for the six informal settlements at Emakhazeni Local Municipality.

The municipality is facing a challenge with the mushrooming of informal settlements due to the shortage of municipal owned land.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

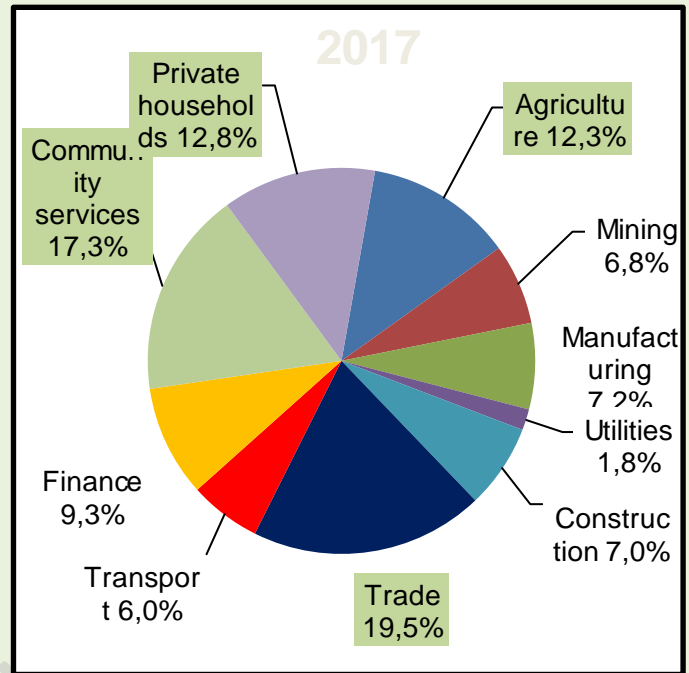
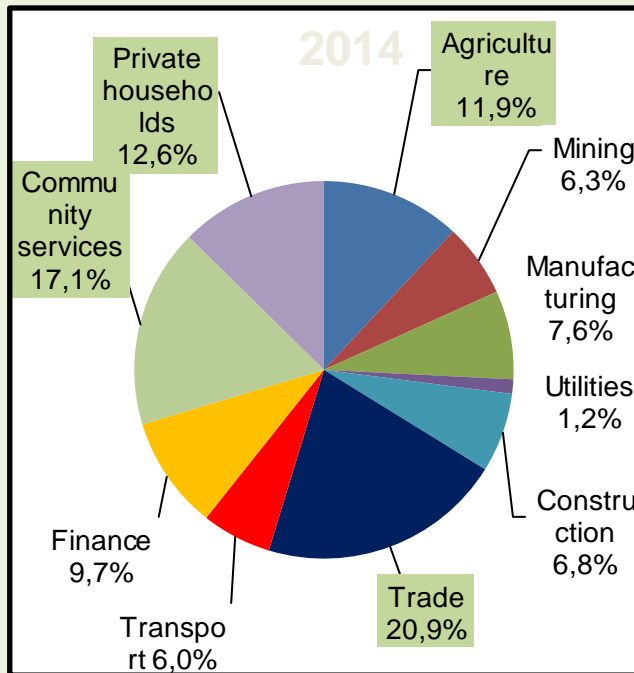
Local Economic Development (LED) is one of the objects of local government, as contemplated in section 152 of the South African constitution. In eMakhazeni, the municipality seeks to use LED as an approach towards developing the local economy by encouraging citizens to work together in ensuring sustainable economic growth thus yielding economic benefits and improving the quality of life locally. This approach seeks to address the impact of triple challenges, of unemployment, inequalities and poverty in the municipality. The municipality adopted a Local Economic Development (LED) Strategy for the area and key economic drivers identified to stimulate the local economy remains, Agriculture, Mining, Tourism, Manufacturing, Trade and Commerce, Information Communication and Technology (ICT) Poverty Reduction and Eradication Investment promotion Institutional Framework for LED. The municipality's LED strategy integrate the priorities of the National Development Plan, New Growth Path as well as the Mpumalanga Economic Growth Path.

The unemployment rate of eMakhazeni moved from 22,5% in 2014 and moved to 23.8% in 2017. eMakhazeni's unemployment rate was the fourth lowest among all the municipal areas of Mpumalanga. Unemployment rate for females 27.0% and that of males 19.2%. Youth unemployment rate according to the Census figures 34.2% - challenge with especially very high youth unemployment rate of females. The largest employing industries in eMakhazeni are trade (including tourism), community services, private households and agriculture – high labour intensity in industries such as agriculture. Concern about the high unemployed youth & especially females – relatively low level of education and inadequate skills impact negatively on their employability. Importance of quality and relevant education and training in line with the economic needs of the province – important role of the University of Mpumalanga & TVETs. Increase in employment level between 2014 and 2017, but at a slow rate. Only more or less 320 new employment opportunities per annum in the 3 year period.

It is interesting to note that the main and/or largest employing industries in the municipality are trade, community services, mining and private households. It must be noted that based on the above statistics and provincial directives on job creation, the municipality uses all capital projects, infrastructure projects, environmental and social partners projects for job creation within the municipality.

During the year in question, the LED Forum was functional and chaired by the Executive Mayor. Participation and attendance of strategic sectors assisted in closing information gap between the community , municipality and business.

The tables below indicates the employment figures in eMakhazeni per sector:



TOURISM AND INVESTMENT

Tourism continues to be one of the main economic drivers in the municipality but never the less remain distant in terms of benefiting previously disadvantaged communities except for labour. .

In responding to the triple challenges the municipality has improved the implementation of capital projects and utilized 30% of the capital projects and infrastructure investment towards Small Medium and Micro Enterprises development. The municipality has also broaden the scope of the implementation of the capital projects, by not only focusing on MIG budget but also implement WSIG and INEP projects, most of all the municipality has managed to implement its own internal capital projects. The approach improved the opportunities created for SMME development and job creation. Through the MIG, WSIG, INEP and Internal budgets, the municipality has been able to create 204 compared to 118 local employment in the previous year. The table below depicts the breakdown of the opportunities created:

SMME DEVELOPMENT

In the fight against poverty and unemployment the municipality, as in line with the provincial directive, is continuing to use infrastructure development to create job opportunities, build local economies, to create decent work and sustainable livelihoods. In responding to the triple challenges the municipality has improved the implementation of capital projects and utilized 30% of the capital projects and infrastructure investment towards Small Medium and Micro Enterprises development. The municipality has also broaden the scope of the

implementation of the capital projects, by not only focusing on MIG budget but also implement WSIG and INEP projects, most of all the municipality has managed to implement its own internal capital projects. The approach improved the opportunities created for SMME development and job creation. Through the MIG, WSIG, INEP and Internal budgets, the municipality has been able to create 204 compared to 118 local employment in the previous year. The table below depicts the breakdown of the opportunities created:

| PROJECT | AREA | JOBS CREATED |
|--|-----------------------------|--------------|
| Construction of internal streets and roads | Ward 1, 2, 4, 5, 6, 7 and 8 | 87 |
| Social Sector Projects in the Municipality | All Wards | 95 |
| eMthonjeni: Electrification of Extension 4 | Ward 5 | 10 |
| eMthonjeni: Provision of water reticulation for 800 stands | Ward 5 | 12 |
| I | Total | 204 |

In partnership with Exxaro NBC Coal, the eMakhazeni launched the Belfast Enterprise Development Centre (BEDC) Project which marked commitment from both institutions towards local economic development. The centre was constructed and commissioned to educate the youth and unemployed to start up enterprises. The centre provides Business skills development, Operational business support, Business specific mentoring and coaching and access to funding possibilities to any local enterprise. The agreement forged by the municipality with Exxaro towards the establishment of the Belfast Enterprise Development Centre, assisted in the empowerment and development of the SMMEs. The Belfast Enterprise Development Centre was incubating 17 SMMEs in the 2019/20 financial year. In the 2019/20 financial year the centre was mentoring and up skilling 17 SMMEs that were visiting the centre and providing additional support to SMMEs that were not part of the programme. The center continued in the 2020/21 financial year to be the focus for SMME development and accommodated all SMMEs.

CONTRACTOR DEVELOPMENT PROGRAMME

Through decisive leadership, the municipality initiated and participated in the Contractor Development Program. This Program led to the building of local contractors through placement under the main contractor for mentorship and support. 30% of the total MIG, WSIG, INEP and Internal budget was set aside for this program through which emerging contractors were upgraded, those subcontractors upgraded to CIDB grade 3 are then removed from the programme to allow them to venture into an avenue of being the main contractors.

During the financial year under review, 2020/21, the municipality managed to develop 14 Subcontractors. The municipality further opened the database for the registration of additional subcontractors.

During the 2019/20 and 2020/21 financial year the municipality had challenges holding the Mayoral Izimbizo due to the outbreak of COVID-19, equally the pandemic continued to gain momentum in the 2020/21 financial year thus the resultant Declaration by the Presidency of the lock down regulations.

The municipality did, however continue in the same trajectory as previous years in up skilling and ensuring skills transfer to local SMMEs. The process was realized by promoting 30% subcontracting to all Capital Projects implemented in the municipality. The EPWP programme assisted destitute and poor families by ensuring the

appointment of individuals from the destitute and poor families. The table below indicates the consistency of the municipality in the implementation of the EPWP Programme and job creating opportunities:

| Job creation through EPWP* projects | | |
|--|------------------------------------|---|
| Details | EPWP Projects No. | Jobs created through EPWP projects No. |
| 2020/21 | Infrastructure Capital Projects | 74 |
| | Internally funded Capital Projects | 25 |
| | Electrification Project | 10 |
| | eMakhazeni Security | 43 |
| | Youth on Waste and Fire Breaks | 43 |
| | Poultry and other projects | 9 |
| | Youth on waste & Fire breaks | 70 |
| 2019/20 | Poultry Project | 4 |
| | Cleaning Offices | 4 |
| | Finance Interns | 5 |
| | Infrastructure Capital Projects | 34 |
| | Data Capturer | 1 |
| 2018/2019 | Youth on Waste & Fire breaks | 64 |
| 2017/2018 | Youth on Waste & Fire breaks | 79 |
| 2016/2017 | Youth on Waste | 62 |
| 2015/2016 | Youth on Waste | 58 |
| 2014/2015 | Youth on waste | 80 |

| Local Economic Development Policy Objectives Taken From IDP | | | | | | | | | |
|---|---------------------------------|---------------------------------|------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Service Objectives | Outline Service Targets | 2018/19 | | 2019/20 | | | 2020/2021 | | |
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective: To promote local economic development | | | | | | | | | |
| To implement contractor Development Program | 65 subcontractors benefitted | 20 subcontracts to benefit | 15 subcontractors benefitted | 20 subcontractors to be benefitted | 21 subcontractors benefitted | 20 subcontractors to be benefitted | 20 subcontractors to be benefitted | 14 subcontractors benefitted | 15 subcontractors to be benefitted |
| To develop the LED strategy | Development of the LED strategy | Development of the LED strategy | LED Strategy developed | Development of the LED strategy | Implementation of the LED Strategy | Implementation of the LED Strategy | Implementation of the LED Strategy | Implementation of the LED Strategy | Implementation of the LED Strategy |
| Creation of jobs through infrastructure development | 600 jobs to be created | 600 jobs to be created | 927 jobs created | 550 jobs to be created | 132 jobs created | 100 jobs to be created | 118 jobs to be created | 204 jobs created | 100 jobs to be created |

COMMUNITY WORKS PROGRAMME

Emakhazeni municipality implemented the Community Works Programme which worked side by side with the municipal EPWP. The following number of jobs were created:

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Worth noting is that the average annual economic growth rate for Emakhazeni was 2% over a period of 1996-2015. The forecasted average annual GDP from 2015-2020 is around 1.1% which is a bit higher than the anticipated national growth rate. The municipality managed to ensure that the LED Forum remained sustainable for the last financial year. The forum was, however, reconfigured and is now chaired by the Executive Mayor and deputized by MMC: Finance & LED. This structure saw participation of key strategic partners and rigorous engagements on Social Labour Plans and agricultural matters. The positive contribution of Expanded Public Works Programme as important safety nets led to 132 job opportunities created for the poor.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Municipal Libraries

Municipal libraries contribute to the promotion of the culture of learning amongst our community members. They however, are enriched with the reading materials that are relevant for adults, since they are public libraries and not necessarily, school libraries. The advancement in technology has prompted Department of Culture, Sports and Recreation (DCSR) to install internet services in all libraries. Increase library users through marketing library facilities and provision of internet services.

Community Halls

Almost in all the Units of the municipality has community halls which are still in a good condition and are well maintained by the Internal staff. The halls are used for municipal meetings, events for the community benefits

Emakhazeni does not have Archives; Museums; Galleries and other facilities such as Theatres and Zoos.

COMMENT ON THE PERFORMANCE OF LIBRARIES AND COMMUNITY FACILITIES OVERALL:

Owing to the installation of Internet at the municipal libraries, usage of the facilities has improved as both school going learners and private individuals find the services pleasing.

3.13 CEMETORIES AND CREMATORIALS

Emakhazeni has a number of cemeteries across the area and provide burial services. This service includes, grave reservations, digging of graves and maintenance of graveyards. There are several memorial graves and monuments in the area and monuments that are protected such as Bergendal.

The non-availability of an alternative burial site in some towns continue to be a challenge and the lack of security fences to the old cemeteries which expose them to vandalism and have become grazing land for livestock. Shortage of employees also adds to the challenge of maintaining the sites to acceptable standards even though

the municipality tries within its means to render an effective service in that attempts are made to use temporary wires to close opened gaps in the some of the graveyards.

Most of the cemeteries are close to reaching capacity. The Siyathuthuka Cemetery is newly established, the establishment process for Dullstroom cemetery were never finalised. An application for cemetery establishment is still outstanding and it will be finalised in the 2020/21 financial year. The Entokozweni cemetery is also running close to capacity, fortunately an alternative site has been identified. At Emgwenya a site for a new cemetery has been identified as well.

For the 2019/2020 the Nkangala District Municipality is assisting the Municipality with carrying out studies for the extension of the Dullstroom Cemetery on the Remainder of Portion 1 of the Farm Groot-suikerboschkop 124 JT.

The municipality does not provide crematorium services.

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

There are 11 cemeteries throughout the municipality and six sites have reached its life span, no more in use but are maintained in different towns which are separated about 25 to 33 km each. Infrastructure, Planning and Social Development is the department dealing with the management and maintenance of cemeteries. The payments for burial grounds/ graves are made at the Finance department.

| Employees: Cemetery Services | | | | | |
|------------------------------|-----------|----------|-----------|----------------------------------|-----------------------------------|
| Job Level | Jun-20 | Jun-21 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0-3 | 3 | 6 | 2 | 4 | |
| Total | 3 | 6 | 2 | 4 | |

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OF OVERALL:

Provision of the service is greatly hampered by the unavailability of land in some areas like Emgwenya and constrained by the limited resources to maintain cemeteries at the required standard. The projects for cemetery establishment at Entokozweni (Portion 8 of the Farm Rietfontein 365 JT) and Erf 1836 Siyathuthuka have been completed. For the 2020/2021 the Nkangala District Municipality is assisting the Municipality with carrying out studies for the extension of the Dullstroom Cemetery on the Remainder of Portion 1 of the Farm Groot-suikerboschkop 124 JT.

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Child Care and Care for the Aged are not necessarily competencies of the municipality never the less, Emakhazeni continues to participate therein in support for work done by other Departments. There are Old Age homes and Children's home in the municipality which are regularly supported through subsidy by Social Development. In 2020/21 the municipality conducted the following programmes;

| PROGRAMME | TARGETED GROUP | INPUTS |
|-------------------------------|--------------------------------|---|
| HIV/AIDS awareness campaigns | Teenagers Youths and adults | Decrease the infection of HIV/AIDS and also teenage pregnancy |
| Disability awareness campaign | People with disabilities | Discrimination of people with |

| | | |
|---------------------------|-----------------------|--------------------------------|
| | | disabilities |
| Elderly people activities | Elderly people | Healthy living and dignity |
| Women empowerment | Young women and women | Skills transfer and upliftment |
| Moral Regeneration event | Communities members | Positive values |

| Employees: Child Care; Aged Care; Social Programmes | | | | | |
|---|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level | June 2020 | June 2021 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 10 – 12 | 1 | 1 | 1 | 0 | 0% |
| Total | 1 | 1 | 1 | 0 | 0% |

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

Although provision of Social Security through grants is benefitting more people, social ills such as drug abuse and increase in HIV prevalence are an indication that more still need to be done.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

All South Africans have a role to play in the national efforts to achieve a cleaner environment. In the process of transforming South African society, one of the undertakings made is that the government "must ensure that all South African citizens, present and future, have the right to a clean and healthy environment".

An important area of concern as regards impact on the biophysical and social environment is pollution and waste. The National Environmental Management Act, South Africa is party to a number of international treaties and conventions, some of which impact on pollution of the air, land and marine environment.

To mitigate against pollution regarding drinking water safety: Monthly water samples are taken at the four 4 water purification plant outlets, 7 reservoirs and 24 domestic taps for bacteriological as well as chemical safety. Emergency samples are also taken when complaints are received. Sampling programs are registered in the Blue Drop System and reported on a monthly basis.

Pollution control in terms of sewerage purification plants: The municipality has four (4) sewerage purification plants. The Emthonjeni-, Emgwenya and Emakhazeni (Belfast) sewerage purification plants is licensed and are monitored (sampled) in terms of the license conditions. The Dullstroom sewerage purification plant is monitored (sampled) in terms of the DWA General Conditions. Emgwenya, Emakhazeni and Dullstroom sewerage plants are sampled on a monthly basis and the Emthonjeni sewerage plant is sampled on a weekly basis. Upstream- and downstream samples are also taken at the Emakhazeni, Emthonjeni and Emgwenya sewerage plants.

Results are reported on the Green Drop System. All drinking water and sewerage water samples are taken to Regen Waters Laboratory for analysis. Emergency samples are taken from dams or rivers when complaints are received with regards to pollution.

Air pollution control: The municipality does not have a budget or equipment to conduct Air Quality monitoring. Complaints are investigated by the EHP's together with officials of DEA from Local government support.

ENVIRONMENTAL PROTECTION

Department of Environmental Affairs assisted with the development of an Environmental Management Framework for Emakhazeni Municipality which was adopted in 2009. The EMF is used as a tool to ensure that the environment is protected, especially in terms of development and mining applications. The Municipality with the assistance of the Department of Environmental Affairs are currently reviewing the Integrated Waste Environmental Plan. The integrated waste management by-law was reviewed during the 2020/2021 financial year and it is in the process of promulgation

Environmental Protection is rather about protection and promotion of a safe environment. Sewer spillages poses a huge risk to such efforts. Interventions to curb such spillages are immediately implemented as and when identified. Equally, Council demonstrated its commitment to proactively preserve the environment thereby allocating funding towards the refurbishment of Waste Water Treatment Works.

It is worth noting that sewer spillage hot spots such as in Dullstroom, Emgwenya and Belfast Testing station are continuously monitored.

In the 2020/21 financial year, the Municipality allocated a budget for the rehabilitation and construction of a new fully licensed landfill site in Siyathuthuka. The project is a multiyear project due to the costs and planned in three phases over a three year period which will be completed at the end of the financial year 2020/2021.

The Municipality is now responsible for the continuous maintenance of the land fill sites and the following licenses has been issued:

1. Siyathuthuka – rehabilitation and closure and construction and operation of a new fully compliant landfill site
2. Dullstroom – Operation License
3. Emthonjeni – rehabilitation and closure
4. Emgwenya – Operation License

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

The municipality appointed a Chief Environmental Management Officer who is responsible for waste and environmental issues. Environmental and cleaning campaigns are being conducted as well as environmental calendar days are honored. The budget for the fencing of the Dullstroom Landfill Site has been allocated, this will assist in managing access to the landfill site.

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections which are not the municipal role and responsibility.

3.16 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

This section of the profile highlights the current health infrastructure and human resource capacity in the public health sector and burden of disease in the municipal area.

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Emakhazeni Local Municipality was rendering municipal health services which are in terms of the Health Act a district function. The function was transferred as from the 01 November 2014 to the Nkangala District municipality. The two Environmental Health Practitioners are since then in the employ of the Nkangala District municipality rendering the municipal health services (MHS) functions. These MHS inspections are divided into three categories: Food Premises, Schools and Crèches and Institutional inspections. Food Premises includes all food selling or preparation premises. Institutional inspections include Old Age Homes, Clinics, Hospitals, Funeral Parlours, Children's Homes, Care Centres, etc. The function being with the District municipality no targets have been set by the local municipality on these services as from the 2014/15 financial year.

| Employees: Health Inspection and Etc | | | | | |
|--------------------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 10 – 12 | 1 | 1 | 1 | 0 | 0% |
| Total | 1 | 1 | 1 | 0 | 0% |

COMPONENT G: SECURITY AND SAFETY

3.17 TRAFFIC, SECURITY AND SAFETY

Security

The Section is involved with the identification and protection of Municipality's assets, – buildings, people, products, information and infrastructure . The section develops and the security policy of the Municipality and safeguards all assets. The section is responsible for managing the appointed security services provider, risk assessment, risk analysis and rating of all identified risks and exposure. The section is also responsible for identifying new technology and control systems that can assist to safeguard the Municipality's assets and information.

Projects;

1. Fencing of the Belfast Municipal Offices and,
2. Fencing of the West Sewer Pump Station @ R2 096 220.00 incl. VAT
3. Introducing advanced technology to safe guard and introduce secured control systems at the West Sewer Pump Station, server room, Pay point and Fire Station @ R445 970.00 excl. VAT.
4. Management of the security service provider.



Installation of an electric fence at West Pump Station & Installation of electronic security systems at West Pump Station



New methods will soon be used to understand what controls might be appropriate to protect assets include information classification, risk analysis, and the rating of system vulnerabilities. This is a new feature will be done with the assistance of the State Security Agency.

Enhanced Public Safety

In order to enhance Public Safety, the Municipality is part of all Community Safety Forums around Emakhazeni on an *ex officio* status. The Municipality is also part of the Mpumalanga Tourism Safety and strives to assist the Police's plan to achieve a zero crime towards tourists in our area.

Continuously the Section assists in monitoring Public Protests, liaise with Crime Intelligence, Public Order Policing and other related stakeholders to minimize damages that may be caused by protest actions. With the use of intel collection, improvements have been made to deal with illegal protest actions.

Traffic Law Enforcement



The municipality has a Traffic Law Enforcement section with ten Traffic Officers. This section aims to increasing public safety through enforcement of compliance to Road Traffic Regulation. The main function of Traffic Services is to make the roads safer and ensure the free flow of traffic at all times. The section is also part of the Road Incident Management System (RIMS) in the Province of Mpumalanga for the N4. In August 2020, the United Nation General Assembly adopted resolution 74/299 "Improving global road safety", proclaiming the Decade of Action for Road Safety **2021-2030**, with the ambitious target of preventing at least 50% of road traffic deaths and injuries by 2030. Since the adoption of the resolution by the Department of Transport, Emakhazeni Local Municipality subscribes to the resolution and intends to achieve the following:

1. Pedestrian Safety
2. Passenger Safety
3. Driver Safety

The section responds to accidents, conduct scene safety and incident Management with other stake holders.

School's Road Safety Awareness programs were conducted to assist Scholars with safe crossing to and from schools, road safety and general safety awareness. The program is done with the assistance of the Provincial Road Safety Officer. The program has assisted in the reduction of pedestrian accidents involving School children.

The Section will soon appoint a service Provider to assist with Speed Law Enforcement using advance Red Light camera surveillance, introducing the latest ANPR (Advanced Number Plate Recognition System) at roadblocks for speedy recovery of outstanding fines with easing congestions. This will provide an excellent revenue stream for the Municipality.



Arrive Alive/ rest stop – December 2020

| Employees: Traffic Services & By Law Enforcement | | | | | |
|--|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Jun-20 | Jun-21 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 3 | 9 | 3 | 6 | 66% |
| 4 - 6 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 13 | 14 | 13 | 1 | 7% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| Total | 18 | 25 | 18 | 7 | 28% |

COMMENT ON THE PERFORMANCE OF TRAFFIC

The following are the challenges faced by the Section:

1. Loss of revenue:

The contract between Emakhazeni Local Municipality and TMT Services and Supplies came to its natural end. This led to the section losing its main source of revenue.

2. Poor visibility of Officers in all units:

The shortage of Traffic Officers has always create da problem between the Municipality and the Community. Many Community members complain about the lack of visibility without understanding that the area is services by only ten Officers who are divided into two shifts.

Challenges In The Traffic Law Enforcement Section

The Following are the major challenges within the section:

1. Shortage of personnel. The impact is lack of visibility
2. Lack of supervision. The schedule is not closely monitored to ensure maximum performance.
3. Poor road infrastructure. This makes Law Enforcement difficult as traffic uses other roads/ streets that should not be used due to lack of alternative routes.

3.18 FIRE AND DISASTER MANAGEMENT

The municipality provides Fire and Rescue as well as Disaster Management services at its local satellite offices as well as head Office through the 11 personnel appointed. During the financial year 08 temporary staff was also recruited through the EPWP program to assist during fire season to cope with conducting fire break burns. The fire break burns were conducted successfully without any litigations. Although Belfast is the main Head Office, Fire and Rescue is decentralized to local offices with the view of improving our response time. The Entokozweni fire station has been completed. The Emgwenya Fire Station has also been replaced following its destruction by the community during 2015 protest.

| Municipal Fire Service data | | | | |
|------------------------------------|--|-------------|-------------|-------------|
| | Details | 2017/18 | 2018/19 | 2019/20 |
| | | Actual No. | Actual No. | Actual No. |
| 1 | Total fires attended in the year | 22 4 | 50 24 | 54 |
| 2 | Total of other incidents attended in the year | 87 | 98 3 | 97 |
| 3 | Average turnout time – urban areas | 15 min | 20 min | 20 min |
| 4 | Average turnout time – rural areas | 25 – 30 min | 25 – 30 min | 25 – 30 min |
| 5 | Fire fighters in post at year end | 11 | 11 | 11 |
| 6 | Total operational fire vehicles at year end | 6 | 6 | 6 |
| 7 | Average number of vehicles off the road during the year (not roadworthy) | 3 | 3 | 3 |

| Employees: Fire Services | | | | | |
|--------------------------|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level | June 2020 | June 2021 | | | |
| Fire Fighters | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| Administrators | No. | No. | No. | No. | % |
| 0 – 3 | 0 | 2 | 0 | 2 | 100% |
| 7 – 9 | 9 | 11 | 9 | 2 | 18% |
| 10 – 12 | 1 | 2 | 1 | 1 | 50% |
| 13 – 15 | 0 | 1 | 0 | 1 | 100% |
| Total | 10 | 16 | 10 | 6 | 37% |

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The number of runaway fires has been less dangerous as compared to the previous years. Fire break burns were done in more crucial areas to avoid dangerous fires. The section was unable to achieve all the fire awareness campaigns as per plan due to the lockdown regulations that did not allow gatherings. The section improvised by using the Municipality's SMS system to raise awareness our community members.

The performance of the Fire and Rescue Section is within average. The Section remains in need to have a 24 hour shift to improve the response time to all emergency incidents.

CHALLENGES REGARDING THE FIRE AND RESCUE AND DISASTER MANAGEMENT SECTION:

Considering the amount of work done by the Unit against the number of personnel and equipment available, such needs to be commended. The Unit has challenges in the following areas:

1. Shortage of personnel. This leads to poor response time.
2. Shortage of equipment and vehicles
3. Shortage of Disaster relief material and budget.
4. Ineffective communication channels between the members of the community and the Fire and rescue section in cases of incidents.

By- LAW ENFORCEMENT UNIT

The municipality established a Law Enforcement Unit which sought to assist with the enforcement of the Municipality's by-laws and further with the organizing of informal traders, process new and renewal of trading licenses, monitor and control informal settlements and control illegal squatting. The unit currently consists of a Superintendent and a Peace Officer. Nkangala District Municipality has undertaken to train the unit members however due to the non-responsive advert of a service provider, the District will re-advertise for a suitable provider. The staff will now be trained in the 2019/20 financial year and be appointed by the court as Peace Officers in order to enforce by-laws.

In the 2018/19 the section received 18 applications for a match and processed 17 of them. One was withdrawn by the applicants. The section has further took part in three joint operations in Emthonjeni and Entokozweni, Emgwenya and Siyathuthuka. The operations were mainly in business inspections. A further 67 business were inspected for licensing. This was an exercise to understand the number of business within the Emakhazeni jurisdiction in order to start with the licensing of them.

In order to learn best practice models, the By-Law Enforcement Unit visited Emalahleni Local Municipality to be work shopped on the following:

1. Street trading by-laws
2. How to establish a street trader/ hawkers committee
3. Identification and allocation of sites for street vendors
4. Business Licensing
5. Processing of applications for business permits
6. How to process applications for hawking on a temporary event.

The challenges faced by the section are as follows:

1. The Street trading By-Law needs amendments which will be made soon.
2. Shortage of personnel, equipment and vehicles
3. Training
4. By-Laws that are not enforceable because they do not have penalties.

The Public Safety section has further strengthened relations with stakeholders within the South African Police Service and other security agencies with an intend to create a safe environment within the Emakhazeni jurisdiction.

Impact of the Novel Corona Virus (Covid-19) (SARS-CoV-2)

Covid-19 caught the world by surprise and the Enforcement, Security and Public Safety Section of the Municipality was in the forefront of enforcing the amended lockdown regulations. The Executive Mayor of Emakhazeni Local Municipality as the Head of Disaster Management in the Municipality convened the local JOC and immediately converted it into a Local Command Council as directed by the Disaster Management Act as amended. The LCC was mandated to sit every week and subsequent to that it is currently sits every second week. The main purpose of the LCC is to monitor compliance to the Disaster Management Regulations and monitor the spread of the Corona Virus jointly with the Department of Health and other Departments including the South African Police Services.

The impact of the virus around Emakhazeni:

1. Economic – tourism, businesses,
2. Education – school interruption
3. Life – According to the Department of Health's system, 24 lives were lost around Emakhazeni due to the virus

The section will continue to work closely with sector Departments and ensure compliance to the Disaster regulations as amended.

COMPONENT H: SPORT AND RECREATION

3.19 SPORT AND RECREATION

Provision of Sports and Recreational facilities remains of the glaring legacies of the history of the country. The Municipality has tried to address the issue of underdevelopment in existing sports infrastructure by means of upgrading sports facilities in Siyathuthuka, Sakhelwe, Emgwenya and Emthonjeni in prior years. Priorities like the planting of new grass, installation of flood lights and fencing, and renovation of ablution blocks were completed. However, vandalism of sports facilities, particularly in Emgwenya and Siyathuthuka, remains a challenge. The lack of maintenance funds also leads to deterioration of such facilities.

The municipality has an official dedicated to Sports, Arts and Culture that co-ordinates activities with the Sports Council and the Heritage committee. Emakhazeni has a rich cultural historical endowments such that annual commemoration of the Train Disaster as well as KwaSimkhulu celebration are acknowledged. The municipality participate in these programmes.

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

This section has performed above the quarterly targets due to the partnerships that were forged in the year on sports and cultural initiatives. By their nature, sports and cultural events are generally hosted as partnership initiatives with respective departments and or stakeholders.

3.20 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Management Services rendered by the Municipality aim to attend to the human resources requirements of the various municipal directorates, establish and maintain a working environment that encourages personal growth, development, enrichment and job satisfaction, ensure that human resources policies and procedures are administered in such a way as to protect the interests of both the Municipality and its employees.

In order to accomplish this purpose, support services are rendered in respect of the recruitment and selection, personnel administration (administration of staff benefits and maintaining employee records), maintaining and monitoring Conditions of Service in terms of the applicable legislation, Bargaining Council agreements and Council policies, placement, staff movement and general administration.

| Employees: Human Resources Management | | | | | |
|---------------------------------------|-----------|-----------|-----------|----------------------------------|-----------------------------------|
| Job Level | June 2020 | June 2021 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 4-6 | 1 | 1 | 1 | 0 | 0% |

| | | | | | |
|---------|---|---|---|---|----|
| 10 - 12 | 1 | 1 | 1 | 0 | 0% |
| 13 – 15 | 1 | 1 | 1 | 0 | 0% |
| Total | 3 | 3 | 3 | 0 | 0% |

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

As at 30 June 2021, the post establishment structure had a total number of 487 positions with 381 employees appointed. This resulted to a vacancy rate of 21%.

For the financial year under review, the municipality managed to fill 42 positions and also reviewed its HR policies for implementation in the 2020/2021 financial year.

3.22 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The primary objectives of Information and Communication Technology (ICT) Services is

- Ensure continuity of network by reducing downtime to a minimum
- Ensure user data is back up regularly.
- Ensure that IT faults are addressed in a timely manner.
- Ensure effective and sustainable administrative operations

ICT continued to enhance communication and connectivity through SMS notifications and Internet Services. Account statements are dispatched electronically via email by finance department. A new Microsoft Exchange Email System (OUTLOOK) have been deployed, ensuring better email efficiency in the municipal data. FortiGate firewall have been configured and deployed onsite to assist with security of municipal data. Network upgrade (UTP cabling, Network Points installation, Fibber Installation) have started in the main office and will be continuing to satellite offices to minimize network downtime and improve speed and connectivity to ensure we improve service delivery and collection rate. ICT security is an important factor that ICT is taking serious action to avoid or minimize ransom ware attacks, security awareness is an ongoing feature with ICT and it is being done regularly.

A new domain was introduced in the 2020/21 financial year to easily manage users and computers, also to provide more security to users information by ensuring that all workstations are required to login to the domain, and it forces the users to change their passwords every 30 calendar days.

The ICT department in the 2020/21 financial year managed to procure MS office 365 to replace the old outdated. Microsoft office 2007, this will help the municipality keep up with international standard and produce quality documents, also have the ability to back up all information on the one drive which comes with the MS Office 365. There is also advantage of using MS TEAMS for meetings of council due to the covid-19 pandemic and to be in line with the forth industrial revolution.

During 2020/21, the number of domain network users were monitored and fluctuated due to termination and or addition of users.

| Employees: ICT Services | | | | | |
|-------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Jun-20 | Jun-21 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 10 – 12 | 2 | 3 | 2 | 1 | 33% |
| 13 – 15 | 1 | 1 | 1 | 0 | 0% |
| Total | 3 | 4 | 3 | 1 | 25% |

| ICT SERVICES OBJECTIVES AS TAKEN FROM IDP | | | | | | | | |
|--|---|--|----------|--|----------|--|----------|---|
| Objectives | Target | 2018/19 | | 2019/20 | | 2020/21 | | Comments |
| | | Performance | Target | Performance | Target | Performance | Target | |
| To have a reliable network with minimal interruptions | Supply of conspares to have stock | Stock of consumable spares to give continuity of service by quick turnaround of repairs is readily available | Achieved | Stock of consumable spares to give continuity of service by quick turnaround of repairs is readily available | Achieved | Stock of consumable spares to give continuity of service by quick turnaround of repairs is readily available | Achieved | Enough equipment and consumables are available to ensure quick recovery of network when it is down |
| To have a reliable Equipment coping with new technology & software | Upgrading of IT equipment To replace “end of Life” equipment with new and updated stock | Upgrading of IT equipment To replace “end of Life” equipment with new and updated stock | Achieved | Upgrading of IT equipment To replace “end of Life” equipment with new and updated stock | Achieved | Upgrading of IT equipment To replace “end of Life” equipment with new equipment and updated systems has been | Achieved | ICT Strategic. Plan and Road Map 2020/23 has been approved by council. Currently Purchases of ICT equipment are done as and when required and Upgrade on our network infrastructure is |

| | | | | | | | | |
|--|--|--|----------|--|----------|--|----------|---|
| | | | | | | perform ed | | be done regularly to enhance service delivery |
| To have faster data capturing and improved voice quality on VOIP telecommunication | To have faster data capturing and improved voice quality on VOIP telecommunication | Upgrading of telecommunications, from TDIS (Copper) to METRO (Fiber) | Achieved | Upgrading of telecommunications, from TDIS (Copper) to METRO (Fiber) | Achieved | METRO INTERNET has been upgraded to 100 megs | Achieved | VoIP is being monitored and the network is currently on 100 megs. Unlimited access to the internet. |

AUDITED ANNUAL REPORT

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

The municipality annually reviews its organizational structure to ensure alignment with the IDP and Budget in order to ensure efficient and effective organizational performance. Necessary policies, systems, procedures, and mechanisms are put in place to ensure organizational development. These include, but are not limited to, recruitment, selection, training, discipline, and the retention of staff. Employees are developed as far as possible to assist them to function effectively as human beings and to reach their full potential.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The table below provides a comparison in the number of staff employed:

| Employees | | | | | |
|---------------------------|------------|-----------------|------------|------------|------------|
| Description | June 2020 | June 2021 | | | |
| | Employee s | Approve d Posts | Employee s | Vacancie s | Vacancie s |
| | No. | No. | No. | No. | % |
| Water | | 23 | 21 | 2 | 8.7% |
| Waste Water (Sanitation) | | 38 | 35 | 3 | 7% |
| Electricity | | 8 | 7 | 1 | 12.5% |
| Solid Waste Management | | 55 | 53 | 2 | 3% |
| Housing | | 9 | 4 | 5 | 55% |
| Roads | | 5 | 4 | 1 | 20% |
| Planning and LED Services | | 2 | 2 | 0 | 0% |
| Library and Facilities | 12 | 51 | 45 | 6 | 11% |

| Employees | | | | | |
|--|---------------|--------------------|---------------|---------------|---------------|
| Description | June 2020 | June 2021 | | | |
| | Employee s | Approve d Posts | Employee s | Vacancie s | Vacancie s |
| | No. | No. | No. | No. | % |
| Cemetery | | 6 | 2 | 4 | 66% |
| Child Care, Aged Care, Social Programmes | | 2 | 2 | 0 | 0% |
| Health Services | | 1 | 1 | 0 | 0% |
| Traffic Services | 12 | 14 | 14 | 0 | 0% |
| Fire Services | 10 | 13 | 11 | 2 | 15% |
| Sport and Recreation | 1 | 0 | 0 | 0 | 0% |
| Executive & Council | 9 | 13 | 12 | 1 | 7% |
| Financial Services | 53 | 60 | 53 | 7 | 11% |
| Human Resources | 3 | 3 | 3 | 0 | 0% |
| ICT | 3 | 4 | 3 | 1 | 25% |
| Legal & Risk Management | 3 | 3 | 3 | 0 | 0% |
| Other Employees | 129 | 102 | 80 | 24 | 34% |
| Totals | 384 | 406 | 362 | 57 | 14% |

| Vacancy Rate: June 2021 | | | |
|---|-----------------------|---|--|
| Designations | *Total Approved Posts | *Vacancies (Total time that vacancies exist using fulltime equivalents) | *Vacancies (as a proportion of total posts in each category) |
| | No. | No. | % |
| Municipal Manager | 1 | 0 | 0,00 |
| CFO | 1 | 0 | 0,00 |
| Other S57 Managers (excluding Finance Posts) | 2 | 1 | 50,00 |
| Other S57 Managers (Finance posts) | 0 | 0 | 0,00 |
| Fire fighters | 15 | 5 | 33,33 |
| Senior management: Levels 13-15 (excluding Finance Posts) | 15 | 1 | 6,67 |
| Senior management: Levels 13-15 (Finance posts) | 6 | 0 | 0,00 |
| Highly skilled supervision: levels 9-12 (excluding Finance posts) | 57 | 6 | 10,53 |
| Highly skilled supervision: levels 9-12 (Finance posts) | 31 | 7 | 22,58 |
| Total | 128 | 20 | 15,63 |

| Turn-over Rate | | | |
|----------------|--|--|-----------------|
| Details | Total Appointments as of beginning of Financial Year | Terminations during the Financial Year | Turn-over Rate* |
| | No. | No. | |
| Jun-20 | 21 | 11 | 52% |
| Jun-21 | 42 | 16 | 38% |

COMMENT ON VACANCIES AND TURNOVER:

The municipality makes use of notice boards, website and local newspapers. Where it is anticipated that the recruitment and selection process might take longer and therefore have a negative impact on service delivery, acting appointments on certain positions are recommended for approval. The turnaround time if filling vacant posts is dependent on the availability of cashflow and skills in the labour market.

The turnover rate in the financial year was mainly due to resignations with the death of 4 employees. It should be further noted that no employees were dismissed in the financial year under review.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2. POLICIES

In order for the institution to function well, it needs to be guided by policies which will ensure consistency in dealing with matters. The following policies were adopted by Council during as guiding documents for 2020/21 Financial Year:

| HR POLICIES AND PLANS | | | | |
|-----------------------|--------------------------------------|----------|----------|------------------|
| No | NAME OF POLICY | Approved | Reviewed | Date of Approval |
| 1 | Cellphone Allowance | Yes | Yes | 28/05/2020 |
| 2 | Termination of Employment | Yes | Yes | 28/05/2020 |
| 3 | Subsistence & Travelling Allowance | Yes | Yes | 28/05/2020 |
| 4 | Standby Allowance | Yes | Yes | 28/05/2020 |
| 5 | Skills Retention | Yes | Yes | 28/05/2020 |
| 6. | Recruitment & Selection | Yes | Yes | 28/05/2020 |
| 7. | Performance Management | Yes | Yes | 28/05/2020 |
| 8 | Occupational Health & Safety | Yes | Yes | 28/05/2020 |
| 9 | Leave Management | Yes | Yes | 28/05/2020 |
| 10 | Employment Equity | Yes | Yes | 28/05/2020 |
| 11 | Promotion of Access | Yes | Yes | 28/05/2020 |
| 12 | Disclosure & Declaration of Interest | Yes | Yes | 28/05/2020 |
| 13 | Code of Conduct | Yes | Yes | 28/05/2020 |
| 14 | Human Resources Development | Yes | Yes | 28/05/2020 |
| 15 | Overtime Management | Yes | Yes | 28/05/2020 |
| 16 | Language | Yes | Yes | 28/05/2020 |

| | | | | |
|----|-------------------------|-----|-----|------------|
| 17 | Sexual Harassment | Yes | Yes | 28/05/2020 |
| 18 | Smoking | Yes | Yes | 28/05/2020 |
| 19 | HIV/AIDS | Yes | No | 28/05/2020 |
| 20 | Whistle Blowing | Yes | Yes | 28/05/2020 |
| 21 | Employment Equity Plan | Yes | No | 28/05/2020 |
| 22 | Service Level Standards | Yes | Yes | 28/05/2020 |
| 23 | Employment Incapacity | Yes | No | 28/05/2020 |

4.3 INJURIES, SICKNESSES AND SUSPENSIONS

INJURIES

Two employees were injured whilst on duty without any loss of life.

DISCIPLINARY MATTERS AND SUSPENSIONS

| Number and Period of Suspension | | | | |
|---------------------------------|--|--------------------|--|--|
| Position | Nature of Alleged Misconduct | Date of Suspension | Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized | Date Finalized |
| Bhuti Ncongwane | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Bhekisisa Mguisela | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Bafana Nkambule | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Lydia Maseko | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |

| | | | | |
|---|--|----------------------------|---|--|
| | President of South Africa. | | | |
| Xolile Hadebe | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Themba Sibiya | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Qondisile Maseko | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| John Khumalo | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Jimmy Hadebe | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Tsepo Makua | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Lovemore Thobela | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Lindiwe Sithole | Participating in an unprotected strike, disrupting the operation of the Municipality and intentionally damaged the photos of the President and the Deputy President of South Africa. | 13 March 2020 | Found guilty on two Charges and Final written warning was imposed | 17 February 2021, however Council took the matter for a review and outcome is still pending. |
| Ntokozo Sello (General worker) | Rude, abuse, insolence, provocative, intimidatory behavior, Disrupting the business of council | 8 October 2020 | Dismissed and appealed at SALGBC no date yet for arbitration. | Hearing held on the 28 April 2021 |
| Vusi Mabhena (Driver) | Rude, abuse, insolence, provocative, intimidatory behavior, Assault of Municipal Manager. | Employee was not suspended | Final written warning | Hearing held 22 February 2021 |
| V.N.B Lukhele (Cashier Emgwenya office) | Financial Misconduct | 6 May 2021 | Pending | To be Held |

| | | | | |
|---|---------------------|--------------|--|---|
| Mrs. T. Shoba (Manager Corporate services) | Dereliction of duty | 14 July 2020 | Final written Warning, however the employee is deceased. | Held during May 2021 and it was concluded |
| Mr. Thoka (CFO) | Dereliction of duty | 14 July 2020 | Resigned before the matter was concluded. | The employee resigned during the course of the disciplinary hearing. |

4.4 SKILLS DEVELOPMENT AND TRAINING

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Capacity development remains one of the priorities during the planning process of the Municipality. Financial resources were allocated for the implementation of most of the training programs. Apart from Council the National Treasury through FMG including LGSETA became supportive by allocating additional funding with sector departments also making a contribution.

Eight programs were implemented for the year under review the 2020/21 financial year and a total of sixty six Municipal officials and five financial interns became beneficiaries of these programs.

The table below reflects training programs that were undertaken by officials at different occupational categories of which some are on-going.

| TRAINING PROGRAM | NUMBER OF EMPLOYEES | SERVICE PROVIDER | PROGRESS STATUS |
|-----------------------------------|---------------------|----------------------------|-----------------|
| Advanced Driving | 2 | JOSMAP Institute | Completed |
| Basic Computer Course | 10 | Fachs Business Consultants | Completed |
| Leadership Development | 10 | Vumilia Africa | Completed |
| Fire and Rescue Training | 04 | IKhosith Training Academy | Completed |
| Safety Course | 10 | LNMR PTY LTD | Completed |
| Policy Development | 20 | Avenida Training Agency | Completed |
| Public Participation | 03 | Dijama Training Institute | Completed |
| Chairing of Disciplinary hearings | 10 | Vumilia Africa | Completed |
| INTERNSHIPS | | | |
| Financial Management | 6 | ELM | On going |

| Skills Matrix | | | | | | | | | | | | | | |
|---|--------|---|--|----------------------|------------------|---|----------------------|------------------|-------------------------|----------------------|------------------|----------------------|----------------------|------------------|
| Management level | Gender | Employees in post as at 30 June 2020 No. | Number of skilled employees required and actual as at 30 June 2021 | | | | | | | | | | | |
| | | | Learnerships | | | Skills programmes & other short courses | | | Other forms of training | | | Total | | |
| | | | Actual: 30 June 2020 | Actual: 30 June 2021 | 2019/2020 Target | Actual: 30 June 2020 | Actual: 30 June 2021 | 2020/2021 Target | Actual: 30 June 2020 | Actual: 30 June 2021 | 2020/2021 Target | Actual: 30 June 2020 | Actual: 30 June 2021 | 2019/2020 Target |
| MM and s57 | Female | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Councilors, senior officials and managers | Female | 10 | 0 | 0 | 0 | 06 | 05 | 0 | 0 | 01 | 0 | 0 | 0 | 0 |
| | Male | 18 | 0 | 0 | 0 | 06 | 05 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals* | Female | 76 | 0 | 0 | 0 | 01 | 04 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 198 | 0 | 0 | 0 | 04 | 10 | 0 | 0 | 0 | 0 | 04 | 10 | 0 |
| Professionals | Female | 10 | 0 | 0 | 0 | 3 | 05 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 10 | 0 | 0 | 0 | 12 | 10 | 0 | 0 | 0 | 0 | 11 | 13 | 0 |
| Sub total | Female | 97 | 25 | 06 | | 04 | 10 | | | | | | | |
| | Male | 218 | 13 | 03 | | 05 | 22 | | | | | | | |
| Total | | 315 | | | | | | | | | | | | |

4.5 EMPLOYEE EXPENDITURE

| Financial Competency Development: Progress Report* | | | | | | |
|--|---|---|--------------------------------|--|--|--|
| Description | A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) | Consolidated: Total of A and B | Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
| Financial Officials | | N/A | | | | |
| Accounting officer | 1 | N/A | 1 | N/A | 1 | 1 |
| Chief financial officer | 1 | N/A | 1 | N/A | 1 | 0 |
| Senior managers | 2 | N/A | 2 | N/A | 2 | 2 |

| | | | | | | |
|--|-----------|------------|-----------|------------|----------|-----------|
| <i>Any other financial officials</i> | 11 | N/A | 11 | N/A | - | 11 |
| Supply Chain Management Officials | 6 | N/A | 5 | N/A | - | 4 |
| <i>Heads of supply chain management units</i> | 0 | N/A | 0 | N/A | - | - |
| <i>Supply chain management senior managers</i> | 1 | N/A | 1 | N/A | - | 1 |
| TOTAL | 22 | | 21 | 0 | 4 | 19 |

| Skills Development Expenditure | | | | | | | | | | |
|--|--------|---|--|-----------------|---|--------------------|-------------------------|-----------------|----------|--------------------|
| Management level | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development 2017/2018 | | | | | | | |
| | | | Learnerships | | Skills programmes & other short courses | | Other forms of training | | Total | |
| | | | No. | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget |
| MM and S57 | F | 1 | 0 | 0 | R 0 | R0 | R0 | R0 | R 0 | R0 |
| | M | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legislators, senior officials and managers | F | 10 | 0 | 0 | R | R 48872.5 | R0 | R0 | R0 | R48872.5 |
| | M | 21 | 0 | 0 | R | R 73.221 | R0 | R0 | R0 | R73.221 |
| Professionals | F | 14 | 0 | 0 | R | R 38172 | 0 | 0 | R0 | R 73.221 |
| | M | 13 | 0 | 0 | 0 | R 107 399 | 0 | 0 | R0 | R 107 399 |
| Technicians and associate professionals | F | 23 | 0 | 0 | R | R | 0 | 0 | R0 | R0 |
| | M | 45 | 0 | 0 | R | R | 0 | 0 | | R |
| Clerks | F | 31 | 0 | 0 | R 0 | R 0 | 0 | 0 | R 0 | R 0 |
| | M | 4 | 0 | 0 | R0 | R0 | R | R | R0 | R0 |
| Service and sales workers | F | 4 | 0 | 0 | R 0 | R0 | 0 | 0 | | |
| | M | 3 | 0 | 0 | | R31242 | R | R | R | R31242 |
| Plant and machine operators and assemblers | F | 4 | 0 | 0 | R0 | R0 | 0 | 0 | R0 | R0 |
| | M | 63 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 60 | 0 | 0 | R0 | R 50 094 | 0 | 0 | R 0 | R 50 094 |
| | Male | 114 | 0 | 0 | R0 | R65608,65 | | | R 0 | R65608,650 |
| Sub total | Female | 146 | | | | R137138,5 | | | | R137138,5 |
| | Male | 260 | | | | R 277470,65 | | | | R 277470,65 |
| Total | | 0 | 0 | 0 | 0 | R 414609,15 | 0 | 0 | R | R 414609,15 |

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

Skills development and the funding thereof continue to play a pivotal role towards the development of the Municipality and its workforce. Through acquired skills the Municipal officials have displayed the desire to grow and a positive attitude as they execute their duties and this has led to improved service delivery. However, the implementation of acquired skills and knowledge should be constantly monitored for purposes of getting the desired results.

AUDITED ANNUAL REPORT

4.6 ANNUAL PERFORMANCE INFORMATION: 2020/21 FINANCIAL YEAR

INTRODUCTION

The purpose of this report is to give feedback on the annual performance of Emakhazeni Local Municipality as required by Section 46 of the Local Government Municipal System Act, Act no 32 of 2000. The report is compiled based on the Revised Service Delivery and Budget Implementation Plan (SDBIP) approved for 2020/21 financial year. The report includes the progress on the following Key Performance Areas stipulated in the Local Government: Municipal Performance Regulations for the Municipal Manager and Managers accountable to Municipal Manager; 2006:

- Basic Service Delivery
- Local Economic Development
- Financial viability
- Good Governance and Public Participation
- Municipal Institutional Development and Transformation
- Spatial Rationale

LEGAL REQUIREMENT

Chapter 6 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), requires local government to:

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP);
- Publish an annual report on performance management for the councillors, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government;
- Conduct an internal audit on performance before tabling the report;
- Have the annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance

Emakhazeni local municipality is pleased to present the 2020-21 Annual Performance Information report. This report is compiled in line with section 46 of the Municipal Systems Act, Act 32 of 2000. Prior to the start of the financial year, the municipality adopted its Integrated Development Plan which plan contained the Service Delivery and Budget Implementation Plan that outlines the target and desired level of performance. The Accounting Officer developed performance targets and signed performance contracts with the respective managers and further signed the SDBIP with the Executive Mayor.

A municipality must prepare for each financial year an annual report consisting of:

(a) a performance report reflecting

(i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;

(ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and

(iii) measures that were or are to be taken to improve performance;

This report therefore is in response to the above requirement. In line with the performance targets set, the municipality's performance can be summarised as follows:

PERFORMANCE SUMMARY PER KPA

| KPA | 2019/20 | | 2020/21 | | | | |
|---|---------------|------------|---------------|------------------|------------|----------------------|----------------|
| | TOTAL TARGETS | % ACHIEVED | TOTAL TARGETS | TARGETS ACHIEVED | % ACHIEVED | TARGETS NOT ACHIEVED | % NOT ACHIEVED |
| Service Delivery and Infrastructure Development | 25 | 80% | 20 | 17 | 85% | 3 | 15% |
| Local Economic Development | 7 | 71% | 7 | 6 | 86% | 1 | 14% |
| Financial Viability | 21 | 95% | 21 | 19 | 90% | 2 | 10% |
| Good Governance and Public Participation | 64 | 69% | 68 | 62 | 91% | 6 | 9% |
| Institutional Development And Transformation | 13 | 92% | 10 | 9 | 90% | 1 | 10% |

| KPA | 2019/20 | | 2020/21 | | | | |
|-------------------|---------------|------------|---------------|------------------|------------|----------------------|----------------|
| | TOTAL TARGETS | % ACHIEVED | TOTAL TARGETS | TARGETS ACHIEVED | % ACHIEVED | TARGETS NOT ACHIEVED | % NOT ACHIEVED |
| Spatial Rationale | 3 | 100% | 3 | 3 | 100% | 0 | 0% |
| Total | 133 | 78% | 129 | 116 | 90% | 13 | 10% |

AUDITED ANNUAL REPORT

As per the requirements of section 46 of the MFMA, herewith below is the detailed report:

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

| KEY PEROFMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | | | | |
|---|---|---|-----------------------|----------------------------|-------------------|--------|--|--|------------------------------------|---|---|-------------------|
| Strategic Objective: To ensure access for all, to equitable, affordable and sustainable basic services within a safe environment. | | | | | | | | | | | | |
| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
| Strategic Priority Area 1: Water and Sanitation | Provision of sustainable basic services by upgrading and providing new infrastructure | Number of stands provided with water reticulation in Emthonjeni Extension 4 and Enkanini Township phase 4 | Phase 3 completed | Phase 3 completed | Phase 3 completed | MIG | 46 x stands provided with water reticulation in Emthonjeni Extension 4 and Enkanini Township by 30 June 2021 | 46 x stands provided with water reticulation in Emthonjeni Extension 4 and Enkanini Township by 30 June 2021 | - | - | Appointment letters, Progress report & completion certificate | Municipal Manager |
| Strategic Priority Area 1: Water and Sanitation | Provision of sustainable basic services by upgrading and providing new infrastructure | Number of water treatment works upgraded in Machadodorp | New Target | New Target | New Target | WSIG | 1 x water treatment works upgraded in Machadodorp by 30 June 2021 | 0 x water treatment works upgraded in Machadodorp by 30 June 2021 | Late appointment of the contractor | Recovery plan developed. Project currently at 55% | Appointment letters, Progress report & completion certificate | Municipal Manager |
| Strategic Priority Area 1: Water and | Provision of sustainable basic services by upgrading | Number of sewer pump stations constructed in | New Target | New Target | New Target | WSIG | 1 x sewer pump stations constructed in Sakhelwe | 1 x sewer pump stations constructed in Sakhelwe | - | - | Appointment letters, Progress report & | Municipal Manager |

KEY PEROFMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective: To ensure access for all, to equitable, affordable and sustainable basic services within a safe environment.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|---|---|---|---|---|---------------------|--------|---|---|--------------------------------|---|--|-------------------|
| Sanitation | and providing new infrastructure | Sakhelwe Extension 2 | | | | | Extension 2 by 30 June 2021 | Extension 2 by 30 June 2021 | | | completion certificate | |
| Strategic Priority Area 1: Water and Sanitation | Provision of sustainable basic services by upgrading and providing new infrastructure | Number of reports on inspections of water losses and tempering of meters submitted to Council | 4 x Quarterly reports on inspections of water losses and tempering of meters submitted to Council | 4 x Quarterly reports on inspections of water losses and tempering of meters submitted to Council | 4 reports submitted | Opex | 4 x Quarterly reports on inspections of water losses and tempering of meters submitted to Council by 30 June 2021 | 4 x Quarterly reports on inspections of water losses and tempering of meters submitted to Council by 30 June 2021 | - | - | Quarterly Report & Council Resolution | Municipal Manager |
| Priority Area 2: Electricity Supply | Provision of sustainable basic services by upgrading and providing new infrastructure | Number of substations constructed in Paardeplats | New Target | New Target | New Target | INEP | 1 x substation constructed in Paardeplaats by 30 June 2021 | 0 x substation constructed in Paardeplaats by 30 June 2021 | Late appointment of contractor | Recovery plan developed. Project currently at 60% | Appointment letters, Progress reports & completion certificate | Municipal Manager |
| Priority Area 2: Electricity Supply | Provision of sustainable basic services by upgrading and providing new | Number of households supplied with electricity in Emthonjeni | New Target | New Target | New Target | INEP | 100 x households supplied with electricity in Emthonjeni by | 100 x households supplied with electricity in Emthonjeni by | - | - | Appointment letters, Progress reports & completion | Municipal Manager |

KEY PEROFMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective: To ensure access for all, to equitable, affordable and sustainable basic services within a safe environment.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|--|-----------------------|----------------------------|------------------|--------|---|---|----------------------|--------------------|--|-------------------|
| | infrastructure | | | | | | 30 June 2021 | 30 June 2021 | | | certificate | |
| Priority Area 2: Electricity Supply | Provision of sustainable basic services by upgrading and providing new infrastructure | Number of reports on inspections of electricity tempering submitted to Council | New Target | New Target | New Target | Opex | 1 x report on inspections of electricity tempering submitted to Council by 30 June 2021 | 1 x report on inspections of electricity tempering submitted to Council by 30 June 2021 | - | - | Report & Council resolution | Municipal Manager |
| Priority Area 3: Roads and Storm Water | Maintenance, reconstruction and upgrading of existing road network | Number of access roads paved in Madala | New Target | New Target | New Target | MIG | 1 x access road paved in Madala Phase 1 by 30 June 2021 | 1 x access road paved in Madala Phase 1 by 30 June 2021 | - | - | Appointment letter, Progress report & completion certificate | Municipal Manager |
| Priority Area 3: Roads and Storm Water | Maintenance, reconstruction and upgrading of existing road network | Number of internal streets paved in Siyathuthuka Ward 1 | New Target | New Target | New Target | MIG | 1 x internal street paved in Siyathuthuka Ward 1 by 30 June 2021 | 1 x internal street paved in Siyathuthuka Ward 1 by 30 June 2021 | - | - | Appointment letter, Progress report & completion certificate | Municipal Manager |

KEY PEROFMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective: To ensure access for all, to equitable, affordable and sustainable basic services within a safe environment.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|---|-----------------------|----------------------------|---------------------|--------|--|--|----------------------|--------------------|--|-------------------|
| Priority Area 3: Roads and Storm Water | Maintenance, reconstruction and upgrading of existing road network | Number of internal streets paved in Siyathuthuka Ward 3 | New Target | New Target | New Target | MIG | 1 x internal street paved in Siyathuthuka Ward 3 by 30 June 2021 | 1 x internal street paved in Siyathuthuka Ward 3 by 30 June 2021 | - | - | Appointment letter, Progress report & completion certificate | Municipal Manager |
| Priority Area 3: Roads and Storm Water | Maintenance, reconstruction and upgrading of existing road network | Number of streets paved in Emgwenya | New Target | New Target | New Target | MIG | 1 x Street paved in Emgwenya by 30 June 2021 | 1 x Street paved in Emgwenya by 30 June 2021 | - | - | Appointment letter, Progress report & completion certificate | Municipal Manager |
| Priority Area 3: Roads and Storm Water | Maintenance, reconstruction and upgrading of existing road network | Meters of roads rehabilitated around Emakhazeni | New Target | New Target | New target | Opex | 1200 x Meters of roads rehabilitated around Emakhazeni by 30 June 2021 | 1385 x Meters of roads rehabilitated around Emakhazeni by 30 June 2021 | - | - | Monthly reports and pictures | Municipal Manager |
| Priority Area 3: Roads and Storm Water | Maintenance, reconstruction and upgrading of existing road network | Number of roads regavelled | 30 x roads regavelled | 30 x roads regavelled | 30 roads regavelled | Opex | 30 x roads regavelled by 30 June 2021 | 35 x roads regavelled by 30 June 2021 | - | - | Monthly reports | Municipal Manager |

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective: To ensure access for all, to equitable, affordable and sustainable basic services within a safe environment.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|---|--|--|---|---|---|--------|---|---|---|--------------------|---|-------------------|
| Priority Area 4: Environmental and Waste Management | Procuring, maintaining and upgrading of infrastructure associated with waste management services | Number of illegal dumping sites cleaned | 4 x Illegal dumping sites cleaned | 16 x Illegal dumping sites cleaned | 16 sites cleaned illegal dumping sites | Opex | 4 x Illegal dumping sites cleaned by 30 June 2021 | 123 x Illegal dumping sites cleaned by 30 June 2021 | The unit was assisted by the Nkangala District Municipality and the Environmental affairs with the cleaning campaigns | - | Monthly Report | Municipal Manager |
| Priority Area 4: Environmental and Waste Management | Development of waste management, water quality monitoring and climate change response programmes | Number of water sample analysis reports submitted to Council | 12 water sample analysis reports submitted to Council | 12 water sample analysis reports submitted to Council | 12 water sample analysis reports submitted to Council | Opex | 12 x Sample analysis reports submitted to Council by 30 June 2021 | 12 x Sample analysis reports submitted to Council by 30 June 2021 | - | - | Monthly Reports and Council resolutions | Municipal Manager |

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective : To co-ordinate and facilitate public safety

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|---|---|--|---|---|---------------------------------------|--------|---|---|---|---|----------------------------------|-------------------|
| Priority Area 6: Emergency Services | By conducting fire inspections in compliance to OHS Act/Fire regulations | Number of fire inspections conducted | 260 x Fire inspections conducted | 255 x Fire inspections conducted | 255 inspections | Opex | 260 x Fire inspections conducted by 30 June 2021 | 356 x Fire inspections conducted by 30 June 2021 | - | - | Inspection sheets | Municipal Manager |
| Priority Area 6: Emergency Services | Educate the community about public safety by conducting fire awareness campaigns | Number of fire awareness campaigns conducted | 16 x Fire awareness campaigns conducted | 16 x Fire awareness campaigns conducted | 16 fire awareness campaigns conducted | Opex | 16 x Fire awareness campaigns conducted by 30 June 2021 | 12 x Fire awareness campaigns conducted by 30 June 2021 | Due to the Covid – 19 lockdown regulations, it restrictions were placed on gatherings. The SMS system was used to continue raising awareness. | Target to be adjusted in the new financial year | Pictures and Attendance Register | Municipal Manager |
| Priority Area 7: Traffic, Safety and Security | Ensuring that road traffic regulations are adhered to by increasing visibility of Traffic Officers. | Number of road blocks conducted | 12 x Road blocks conducted | 12 x Road blocks conducted | 12 road blocks conducted | Opex | 12 x Road blocks conducted by 30 June 2021 | 16 x Road blocks conducted by 30 June 2021 | - | - | Payment Report and Pictures | Municipal Manager |
| Priority Area 7: Traffic, Safety and | Ensuring that road traffic regulations are adhered to by | Number of road safety programmes | 6 x Road safety programmes | 4 x Road safety programmes conducted | 4 road safety programmes conducted | Opex | 6 x Road safety programmes conducted by | 27 x Road safety programmes conducted by 30 | - | - | Attendance register or photos | Municipal Manager |

KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic Objective : To co-ordinate and facilitate public safety

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|---|---|---------------------------------------|-----------------------|----------------------------|------------------|--------|---|---|----------------------|--------------------|----------------------------|-------------------|
| Security | increasing visibility of Traffic Officers. | conducted | conducted | | | | 30 June 2021 | June 2021 | | | | |
| Priority Area 7: Traffic, Safety and Security | Ensuring that road traffic regulations are adhered to by increasing visibility of Traffic Officers. | Number of Mayoral roadblock conducted | New Target | New Target | New Target | Opex | 1 x Mayoral roadblock conducted by 30 June 2021 | 1 x Mayoral roadblock conducted by 30 June 2021 | - | - | Photos & production report | Municipal Manager |

KEY PERFORMANCE AREA 2: LOCAL ECONOMIC DEVELOPMENT

KEY PERFORMANCE AREA: LOCAL ECONOMIC DEVELOPMENT

Strategic Objective : To promote social and economic development

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|--|-----------------------------------|-----------------------------------|--|--------|---|---|--|--|-------------------------------|-------------------|
| Priority Area 8: Economic Growth and Development | To reduce the unemployment rate within the municipality | Number of CWP LRC Forum Meetings held | New Target | New Target | New target | Opex | 4 x CWP LRC Forum Meetings held by 30 June 2021 | 2 X CWP LRC Forum Meetings held by 30 June 2021 | Technical Challenges For the Virtual Meeting Scheduled 23 rd June 2021, Second Quarter Meeting cancelled by COGTA directive due to Covid-19 | To convene 2 X LRC Meetings In July 2021 | Minutes & Attendance Register | Municipal Manager |
| Priority Area 8: Economic Growth and | To create job opportunities through EPWP & CWP | Reviewal of the Contractor Development | 1 X Contractor Development Policy | 1 X Contractor Development Policy | Reviewed Contractor Development Policy | Opex | 1 x Review of the Contractor Development Policy by 30 June 2021 | 1 x Review of the Contractor Development Policy by 30 June 2021 | - | - | Council resolution | Municipal Manager |

KEY PEROFMANCE AREA: LOCAL ECONOMIC DEVELOPMENT

Strategic Objective : To promote social and economic development

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|--|--|--|-------------------------------|------------|---|---|----------------------|--------------------|-----------------------------|-------------------|
| Development | programmes | Policy | reviewed | reviewed | | | | | | | | |
| Priority Area 8: Economic Growth and Development | To ensure functionality of the EPWP Forum programmes | Number of EPWP Forums meetings held | New Target | New Target | New Target | Opex | 4 x EPWP Forum Meetings held by 30 June 2021 | 4 x EPWP Forum Meetings held by 30 June 2021 | - | - | Minutes Attendance Register | Municipal Manager |
| Priority Area 8: Economic Growth and Development | To create job opportunities through EPWP & CWP programmes | Reviewal of the EPWP Policy | 1 X EPWP Policy reviewed | 1 X EPWP Policy reviewed | Reviewed EPWP Policy | Opex | 1 x Review of the EPWP Policy by 30 June 2021 | 1 x Review of the EPWP Policy by 30 June 2021 | - | - | Council resolution | Municipal Manager |
| Priority Area 8: Economic Growth and Development | To create job opportunities through EPWP & CWP programmes | Number of EPWP job opportunities created | 100 Number Of job opportunities created | 118 Number Of job opportunities created | 100 job opportunities created | R1 184 000 | 100 x Job opportunities created by 30 June 2021 | 182 x Job opportunities created by 30 June 2021 | - | - | Appointment letters | Municipal Manager |

KEY PERFORMANCE AREA: LOCAL ECONOMIC DEVELOPMENT

Strategic Objective : To promote social and economic development

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|--------------------------------------|---|---|------------------------------------|--------|--|--|----------------------|--------------------|--------------------------------|-------------------|
| ent | | | | | | | | | | | | |
| Priority Area 8: Economic Growth and Development | To create job opportunities through EPWP & CWP programmes | Number training / workshop conducted | 2 x training / workshops conducted | 2 x training / workshops conducted | 2 x training / workshops conducted | Opex | 2 x Training / workshops conducted by 30 June 2021 | 6 x Training / workshops conducted by 30 June 2021 | - | - | Attendance registers | Municipal Manager |
| Priority Area 8: Economic Growth and Development | Ensuring the functionality of the LED Forum and the creation of the annual calendar | Number of LED Forum meetings held | 4 x LED Forum meetings held by 30 June 2020 | 4 x LED Forum meetings held by 30 June 2020 | 4 LED Forums held | Opex | 4 x LED Forum meetings held by 30 June 2021 | 6 x LED Forum meetings held by 30 June 2021 | - | - | Attendance registers & Minutes | Municipal Manager |

KEY PERFORMANCE AREA 3: FINANCIAL VIABILITY

| KEY PERFORMANCE AREA: FINANCIAL VIABILITY | | | | | | | | | | | | |
|---|---|--|--|--|----------------------------------|--------|--|--|----------------------|--------------------|--|-------------------|
| Strategic Objective : To ensure sound and sustainable financial management, compliance and accountability | | | | | | | | | | | | |
| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
| Priority Area 9: Financial Viability | To provide timely and relevant financial management reports to all stakeholders | Number of quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter | 4 x quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter | 4 x quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter | 4 quarterly reports | Opex | 4 x quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter by 30 June 2021 | 4 x quarterly section 52(d) MFMA reports submitted to Executive Mayor within 30 days after the end of each quarter by 30 June 2021 | - | - | Acknowledgement of receipts by the Executive Mayor | Municipal Manager |
| Priority Area 9: Financial Viability | To provide timely and relevant financial management reports to | Number of monthly section 71 MFMA reports submitted to the Executive Mayor within 10 working days after end of | 12 x monthly S71 MFMA reports submitted to Executive Mayor within | 12 x monthly S71 MFMA reports submitted to Executive Mayor within | 12 monthly S71 reports submitted | Opex | 12 x monthly S71 MFMA reports submitted to Executive Mayor within 10 working days after the end of | 12 x monthly S71 MFMA reports submitted to Executive Mayor within 10 working days after the end of | - | - | Acknowledgement of receipts by the Executive Mayor | Municipal Manager |

KEY PERFORMANCE AREA: FINANCIAL VIABILITY

Strategic Objective : To ensure sound and sustainable financial management, compliance and accountability

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|--------------------------------------|---|--|--|--|---|--------|--|--|----------------------|--------------------|--|-------------------|
| | all stakeholders | each month | 10 working days after the end of each month | 10 working days after the end of each month | | | each month by 30 June 2021 | each month by 30 June 2021 | | | | |
| Priority Area 9: Financial Viability | To provide timely and relevant financial management reports to all stakeholders | Number of financial ratios submitted within 10 working days after end of each month. | New Target | New Target | New Target | Opex | 12 x monthly financial Ratios submitted to Executive Mayor within 10 working days after the. end of each month by 30 June 2021 | 12 x monthly financial Ratios submitted to Executive Mayor within 10 working days after the. end of each month by 30 June 2021 | - | - | Acknowledgement of receipts by the Executive Mayor | Municipal Manager |
| Priority Area 9: Financial Viability | To provide timely and relevant financial management reports to all stakeholders | Number of Section 72 (midyear) MFMA reports submitted to the Executive Mayor | 1 x Section 72 (midyear) MFMA reports submitted to the Executive Mayor | 1 x Section 72 (midyear) MFMA reports submitted to the Executive Mayor | 1 Section 72 Mid-Year Report for 2019/20 Financial year | Opex | 1 x Section 72 (midyear) MFMA reports submitted to the Executive Mayor by 30 June 2021 | 1 x Section 72 (midyear) MFMA reports submitted to the Executive Mayor by 30 June 2021 | - | - | Acknowledgement of receipts by the Executive Mayor | Municipal Manager |

KEY PEROFMANCE AREA: FINANCIAL VIABILITY

Strategic Objective : To ensure sound and sustainable financial management, compliance and accountability

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|--------------------------------------|---|---|---------------------------------------|---------------------------------------|--|--------|---|---|----------------------|--------------------|---|-------------------|
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Number of Final Budgets approved by Council | 1 x Final Budget approved by Council | 1 x Final Budget approved by Council | One approved budget was adopted by Council in May 2020 | Opex | 1 x Final Budget approved by Council by 30 June 2021 | 1 x Final Budget approved by Council by 30 June 2021 | - | - | Approved Budget & Council resolution | Municipal Manager |
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Percentage collection rate attained | 78% Collection rate attained | 78% Collection rate attained | 78% collection rate attained | Opex | 78% Collection rate attained by 30 June 2021 | 80% Collection rate attained by 30 June 2021 | - | - | Monthly revenue report indicating 78% collection rate | Municipal Manager |
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Number of Finance related policies reviewed | 9 x Finance related policies reviewed | 9 x Finance related policies reviewed | 9 finance related policies were approved | Opex | 9 x Finance related policies reviewed by 30 June 2021 | 9 x Finance related policies reviewed by 30 June 2021 | - | - | Approved finance policies & Council Resolution | Municipal Manager |

KEY PERFORMANCE AREA: FINANCIAL VIABILITY

Strategic Objective : To ensure sound and sustainable financial management, compliance and accountability

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|--------------------------------------|---|---|---|---|---|--------|---|---|----------------------|--------------------|---|-------------------|
| Priority Area 9: Financial Viability | To provide timely and relevant financial management reports to all stakeholders | Number of Interim financial statements prepared and submitted to Provincial Treasury | 1 x Interim financial statements prepared and submitted to Provincial Treasury | 1 x Interim financial statements prepared and submitted to Provincial Treasury | 2019/20 Interim financial statements were prepared and submitted to Provincial Treasury in March 2020 | Opex | 1 x Interim financial statements prepared and submitted to Provincial Treasury by 31 March 2021 | 1 x Interim financial statements prepared and submitted to Provincial Treasury by 31 March 2021 | - | - | Interim financial statements & acknowledgment of receipts | Municipal Manager |
| Priority Area 9: Financial Viability | To provide timely and relevant financial management reports to all stakeholders | Annual Financial Statements (AFS) submitted to Auditor General on or before the 31st August 2018 free from material misstatements | 1 x Annual Financial Statements (AFS) submitted to Auditor General on or before the 31st of August 2020 | 1 x Annual Financial Statements (AFS) submitted to Auditor General on or before the 31st of August 2020 | 2019/20 AFS were submitted to Auditor General on 31 st August 2019 | Opex | 1 x Annual Financial Statements (AFS) submitted to Auditor General on or before the 31st of August 2020 | 1 x Annual Financial Statements (AFS) submitted to Auditor General on or before the 31st of August 2020 | - | - | Annual financial statement & Acknowledgment of receipts | Municipal Manager |

KEY PERFORMANCE AREA: FINANCIAL VIABILITY

Strategic Objective : To ensure sound and sustainable financial management, compliance and accountability

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|--------------------------------------|---|---|---|---|---|--------|---|---|---|---|--|-------------------|
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Percentage progress towards resolving Audit findings listed on the action plan | 100% progress towards resolving Audit findings listed on the action plan | 100% progress towards resolving Audit findings listed on the action plan | Audit Action plan tabled to council in January 2020 | Opex | 100% progress towards resolving Audit findings listed on the action plan by 30 June 2021 | 60% progress towards resolving Audit findings listed on the action plan by 30 June 2021 | Audit was concluded on the 31 st of March 2021 hence delay in addressing audit findings. | Continue resolving the outstanding findings | Action Plan, progress report & AG management report | Municipal Manager |
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Procurement/demand management plan compiled and approved by the Accounting Officer | 1x procurement plan was developed and approved by Accounting Officer for the 2019/20 financial year | 1x procurement plan was developed and approved by Accounting Officer for the 2019/20 financial year | 1x procurement plan was developed and approved by Accounting Officer for the 2019/20 financial year | Opex | 1 x Procurement/demand management plan compiled and approved by Accounting Officer by 31 st May 2021 | 1 x Procurement/demand management plan compiled and approved by Accounting Officer by 31 st May 2021 | - | - | Procurement/demand management plan | Municipal Manager |
| Priority Area 9: Financial Viability | To provide timely and relevant financial management reports to | Number of quarterly progress reports on the implementation of SCM Policy submitted to the Executive Mayor | 4 x quarterly progress reports on the implementation of SCM Policy | 4 x quarterly progress reports on the implementation of SCM Policy | 4 x quarterly reports were submitted | Opex | 4 x quarterly progress reports on the implementation of SCM Policy submitted to the Executive Mayor | 4 x quarterly progress reports on the implementation of SCM Policy submitted to the Executive Mayor | - | - | Acknowledgment of quarterly SCM reports by the Executive Mayor | Municipal Manager |

KEY PERFORMANCE AREA: FINANCIAL VIABILITY

Strategic Objective : To ensure sound and sustainable financial management, compliance and accountability

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|--------------------------------------|---|---|--|--|---|--------|--|---|---|---|--|-------------------|
| | all stakeholders | within 30 days after the end of each quarter | submitted to the Executive Mayor within 30 days | submitted to the Executive Mayor within 30 days | | | within 30 days by 30 June 2021 | within 30 days by 30 June 2021 | | | | |
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Number of days taken to conclude and award tenders above R200 000 | Conclude and award tenders above R200 000 within 30 days | Conclude and award tenders above R200 000 within 30 days | 90 days after the closure of the tender | Opex | Conclude and award tenders above R200 000 within 30 days by 30 June 2021 | Concluded and awarded tenders above R200 000 within 30 days by 30 June 2021 | Resignation of SCM Manager and Senior Manager IPSD. | Adherence to procurement plan target dates. | Quarterly report from SCM | Municipal Manager |
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Number of asset verifications conducted | 4 x asset verifications conducted and submitted to Council | 2 x asset verifications conducted and submitted to Council | 2 Asset verification conducted | Opex | 4 x asset verifications conducted and submitted to Council by 30 June 2021 | 4 x asset verifications conducted and submitted to Council by 30 June 2021 | - | - | Quarterly Assets verification report Council Resolution | Municipal Manager |
| Priority Area 9: Financial Viability | To establish and implement effective financial | Number of budget consultative meetings held | 8 x budget consultative meetings | 8 x budget consultative meetings | 8 budget consultative held | Opex | 8 x budget consultative meetings held by 30 June 2021 | 8 x budget consultative meetings held by 30 June 2021 | - | - | Minutes and attendance registers | Municipal Manager |

KEY PEROFMANCE AREA: FINANCIAL VIABILITY

Strategic Objective : To ensure sound and sustainable financial management, compliance and accountability

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|--------------------------------------|---|--|---------------------------------------|---------------------------------------|----------------------------------|--------|---|---|----------------------|--------------------|-------------------------------------|-------------------|
| | management systems | | | | | | | | | | | |
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Number of budget Indaba's held | 1 x Budget Indaba held | 1 x Budget Indaba held | 1 budget Indaba was held | Opex | 1 x Budget Indaba held by 30 June 2021 | 1 x Budget Indaba held by 30 June 2021 | - | - | Report & attendance register | Municipal Manager |
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Number of monthly billing reports submitted to Council | New Target | New Target | New Target | Opex | 12 x monthly billing reports submitted to Council by 30 June 2021 | 12 x monthly billing reports submitted to Council by 30 June 2021 | - | - | Billing report & Council resolution | Municipal Manager |
| Priority Area 9: Financial Viability | To establish and implement effective financial | Number of supplementary valuation rolls developed | 1 x Supplementary Valuation developed | 1 x Supplementary Valuation developed | One supplementary valuation Roll | Opex | 1 x Supplementary Valuation developed by 30 June 2021 | 1 x Supplementary Valuation developed by 30 June 2021 | - | - | Supplementary Valuation Roll | Municipal Manager |

KEY PEROFMANCE AREA: FINANCIAL VIABILITY

Strategic Objective : To ensure sound and sustainable financial management, compliance and accountability

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|--------------------------------------|---|--|---|---|---|--------|---|---|----------------------|--------------------|--|-------------------|
| | management systems | | | | | | | | | | | |
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Number of Unauthorised, Irregular, Fruitless and wasteful expenditure Reports submitted to Council | 12 x Unauthorised, Irregular, Fruitless and wasteful expenditure reports submitted to Council | 12 x Unauthorised, Irregular, Fruitless and wasteful expenditure reports submitted to Council | 12 x Unauthorised, Irregular, Fruitless and wasteful expenditure reports submitted to Council | Opex | 12 x Unauthorised, Irregular, Fruitless and wasteful expenditure reports submitted to Council by 30 June 2021 | 12 x Unauthorised, Irregular, Fruitless and wasteful expenditure reports submitted to Council by 30 June 2021 | - | - | Unauthorised, Irregular, Fruitless and wasteful expenditure reports & Council resolution | Municipal Manager |
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | Number of indigent registers approved by Council | 1 x indigent register approved by Council | 1 x indigent register approved by Council | 1 indigent register approved | Opex | 1 x indigent register approved by Council by 30 June 2021 | 1 x indigent register approved by Council by 30 June 2021 | - | - | Indigent register & Council resolution | Municipal Manager |

KEY PERFORMANCE AREA: FINANCIAL VIABILITY

Strategic Objective : To ensure sound and sustainable financial management, compliance and accountability

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason for Deviation | Corrective Measure | Evidence | Accountability |
|--------------------------------------|---|----------------|-------------------------|----------------------------|------------------|--------|---|---|----------------------|--------------------|--------------------|-------------------|
| Priority Area 9: Financial Viability | To establish and implement effective financial management systems | % Spent on FMG | 100% expenditure on FMG | 100% expenditure on FMG | 100% Spending | Opex | 100% expenditure on FMG by 30 June 2021 | 100% expenditure on FMG by 30 June 2021 | - | - | Expenditure report | Municipal Manager |

KEY PERFORMANCE AREA 4: GOOD GOVERNANCE & PUBLIC PARTICIPATION

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organizations in the matters of local government. To encourage and ensure corporative government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-------------------------|----------|-----|-----------------------|----------------------------|------------------|--------|-----------------------|--------------------|----------------------|--------------------|----------|----------------|
|-------------------------|----------|-----|-----------------------|----------------------------|------------------|--------|-----------------------|--------------------|----------------------|--------------------|----------|----------------|

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organizations in the matters of local government. To encourage and ensure corporative government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-------------------------------------|--|--|---|--|--|--------|---|--|--|---|--|-------------------|
| Priority Area 11: Youth Development | Working together with Departments, NGOs and Social partners, to ensure access to quality education, skills development and fight social ills | Number of Career Expos held | 1 x Career expo held | 1 x Career expo held | 1 career expo held | Opex | 1 x Career expo held by 30 June 2021 | 0 x Career expo held by 30 June 2021 | Covid-19 regulations on restriction of gathering | Review target and make use of virtual platforms | Report with attendance register and photos | Municipal Manager |
| Priority Area 11: Youth Development | Working together with Departments | Number of Local youth entrepreneurship development workshop held | 1x local youth entrepreneurship development workshop held | 2 x local youth entrepreneurship development workshop held | 02 local youth entrepreneurship development workshop were held | Opex | 1x local youth entrepreneurship development workshop held by 30 June 2021 | 0 x local youth entrepreneurship development workshop held by 30 June 2021 | Covid-19 regulations on restriction of gathering | Review target and make use of virtual platforms | Report with attendance Register and photos | Municipal Manager |
| Priority Area 11: Youth Development | Working together with Departments | Number of Life skills workshops held | New Target | New Target | New Target | Opex | 1x life skills workshop held by 30 June 2021 | 2 x life skills workshop held by 30 June 2021 | - | - | Report with attendance Register and photos | Municipal Manager |
| Priority Area 11: Youth | Working together with | Number of youth football | New Target | New Target | New Target | Opex | 1 x Emakhazeni youth football | 1 x Emakhazeni youth football | - | - | Report with attendance | Municipal |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organizations in the matters of local government. To encourage and ensure corporative government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-------------------------|-------------|------------------|-----------------------|----------------------------|------------------|--------|--|--|----------------------|--------------------|---------------------|----------------|
| Development | Departments | tournaments held | | | | | tournament against drug and substance abuse held by 30 June 2021 | tournament against drug and substance abuse held by 30 June 2021 | | | Register and photos | Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organisations in the matters of local government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-------------------------|----------|-----|-----------------------|----------------------------|------------------|--------|-----------------------|--------------------|----------------------|--------------------|----------|----------------|
|-------------------------|----------|-----|-----------------------|----------------------------|------------------|--------|-----------------------|--------------------|----------------------|--------------------|----------|----------------|

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organisations in the matters of local government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|---|---------------------------------------|---------------------------------------|-----------------------------------|--------|---|--|----------------------|--------------------|--|-------------------|
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | Working in partnership with sector departments, social partners, NGO's and CBO's in the fight against HIV/AIDS and related diseases. | Number of Local AIDS Council meetings held | 4 x Local AIDS Council meetings held | 4 x Local AIDS Council meetings held | 4 LAC meeting held | Opex | 4 x Local AIDS Council meetings held by 30 June 2021 | 4 x Local AIDS Council meetings were held by 30 June 2021 | - | - | Minutes and attendance register | Municipal Manager |
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | Working in partnership with sector departments, social partners, NGO's and CBO's in the fight against HIV/AIDS and related diseases. | Number of HIV/AIDS awareness campaigns held | 4 x HIV/AIDS awareness campaigns held | 4 x HIV/AIDS awareness campaigns held | 04 health education held | Opex | 4 x HIV/AIDS awareness campaigns held by 30 June 2021 | 4 x HIV/AIDS awareness campaigns were held by 30 June 2021 | - | - | Awareness Campaign report & Council Resolution | Municipal Manager |
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | By bringing diverse sectors of the community together in building moral and positive | Number of disability Forum meetings held | 2 x Disability Forum meetings held | 2 x Disability Forum meetings held | 02 Disability forum meetings held | Opex | 2 x Disability Forum meetings held by 30 June 2021 | 2 x Disability Forum meetings were held by 30 June 2021 | - | - | Minutes and attendance register | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organisations in the matters of local government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|--|--|--|---|--------|--|---|-----------------------------|---|--|-------------------|
| | values to the community | | | | | | | | | | | |
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | By bringing diverse sectors of the community together in building moral and positive values to the community | Number of disability awareness campaigns conducted | 2 x Disability awareness campaigns conducted | 2 x Disability awareness campaigns conducted | 02 Disability awareness campaign was held | Opex | 2 x Disability awareness campaigns conducted by 30 June 2021 | 2 x Disability awareness campaigns were conducted by 30 June 2021 | - | - | Report, Council resolution & Attendance Register | Municipal Manager |
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | By bringing diverse sectors of theh community together in building moral and positive values to the community | Number of elderly Forum meetings held | 2 x Elderly Forum meetings | 2 x Elderly Forum meetings | 02 Elderly Forum Meeting held | Opex | 2 x Elderly Forum meetings held by 30 June 2021 | 2 x Elderly Forum meetings were held by 30 June 2021 | - | - | Minutes and Attendance Register | Municipal Manager |
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | By bringing diverse sectors of the community together in building moral and positive values to the | Number of Elderly activities conducted | 2 x Elderly activities conducted | 2 x Elderly activities conducted | 02 elderly activities conducted | Opex | 2 x Elderly activities conducted by 30 June 2021 | 1 x Elderly activity was conducted by 30 June 2021 | Due to COVID-19 REGULATIONS | Implement activity in the next financial year | Report, Council resolution and attendance register | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organisations in the matters of local government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|---|-----------------------------------|-----------------------------------|-----------------------------------|--------|--|--|-----------------------------|--------------------------------------|---|-------------------|
| | community | | | | | | | | | | | |
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | By bringing diverse sectors of the community together in building moral and positive values to the community | Number of children forum meetings held | 4 x Children forum meetings held | 4 x Children forum meetings held | 4 children forum meetings held | Opex | 4 x Children forum meetings held by 30 June 2021 | 4 x Children forum meetings were held by 30 June 2021 | - | - | Minutes & attendance register | Municipal Manager |
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | By bringing diverse sectors of the community together in building moral and positive values to the community | Number of women empowerment workshops conducted | New Target | New Target | New Target | Opex | 1 x Women empowerment workshop conducted by 30 June 2021 | 1 x Women empowerment workshop was conducted by 30 June 2021 | - | - | Report, Council resolution & Attendance Register | Municipal Manager |
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | By bringing diverse sectors of the community together in building moral and positive values to the | Number of Moral Regeneration events held | 1 x Moral Regeneration event held | 1 x Moral Regeneration event held | 1 x Moral Regeneration event held | Opex | 1 x Moral Regeneration event held by 30 June 2021 | 0 x Moral Regeneration event held by 30 June 2021 | Due to COVID-19 Regulations | Implement in the next financial year | Report on Moral Regeneration and Council Resolution | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organisations in the matters of local government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|---|-----------------------|----------------------------|------------------|--------|--|--|----------------------|--------------------|-------------------------------|-------------------|
| | community | | | | | | | | | | | |
| Priority Area 12: Health, HIV & AIDS, Transversal and Special Programmes | By bringing diverse sectors of the community together in building moral and positive values to the community | Number of empowerment workshops for men conducted | New Target | New Target | New Target | Opex | 1 x Empowerment workshop for men conducted by 30 June 2021 | 1 x Empowerment workshop for men conducted by 30 June 2021 | - | - | Report and Council Resolution | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage and ensure cooperative governance.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-------------------------|-------------------------------------|--------------------------------|-----------------------------------|----------------------------|-----------------------------------|--------|--|---|-------------------------------------|------------------------------------|-------------------------------------|-------------------|
| Priority Area 13: | By facilitating programmes aimed at | Number of schools motivational | 1 x School motivational programme | 1 x School motivational | 1 x School motivational programme | Opex | 1 x School motivational programme held | 0 x School motivational programme held by | Covid-19 regulations on restriction | Set target and make use of virtual | Report with attendance Register and | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage and ensure cooperative governance.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-----------------------------|---|--|---|--|--|--------|---|---|----------------------|--------------------|--|-------------------|
| Education | promoting education | programmes held | held | programme held | held | | by 30 June 2021 | 30 June 2021 | of gathering | platforms | photos | |
| Priority Area 13: Education | By facilitating programmes aimed at promoting education | Number of teenage pregnancy awareness conducted | 1x teenage pregnancy awareness campaign held | 1x teenage pregnancy awareness campaign held | 2 x Teenage pregnancy awareness campaign held on 01 April 2021 | Opex | 2 x teenage pregnancy awareness campaign held by 30 June 2021 | 2 x teenage pregnancy awareness campaign held by 30 June 2021 | - | - | Report with attendance Register and photos | Municipal Manager |
| Priority Area 13: Education | By facilitating programmes aimed at promoting education | Number of substance and drug abuse awareness conducted | 1x drug and substance abuse awareness campaign held | 2 x drug and substance abuse awareness campaign held | 2x substance and drug abuse awareness held | Opex | 2 x drug and substance abuse awareness campaign held by 30 June 2021 | 2 x drug and substance abuse awareness campaign held by 30 June 2021 | - | - | Report with attendance Register and photos | Municipal Manager |
| Priority Area 13: Education | By facilitating programmes aimed at promoting education | Number of reports on Emakhazeni local Municipality external bursary funding for registrations submitted to Council | New Target | New Target | New Target | Opex | 1 x Report on Emakhazeni local Municipality external bursary funding for registrations submitted to Council by 30 June 2021 | 1 x Report on Emakhazeni local Municipality external bursary funding for registrations submitted to Council by 30 June 2021 | - | - | Report with Registers | Municipal Manager |

DRAFTED REPORT

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage and ensure cooperative governance for the achievement of municipal objectives

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|---|--|--|--|--------|--|--|----------------------|--------------------|--|-------------------|
| Priority Area 14: Inter-governmental Relations | Establishing ward committees and overseeing their functionality | Number of reports on wards committee functionality submitted to Council | 4 x Reports on wards committee functionality | 4 x Reports on wards committee functionality | 4 x Reports on wards committee functionality | Opex | 4 x Reports on wards committee functionality by 30 June 2021 | 4 x Reports on wards committee functionality by 30 June 2021 | - | - | Quarterly Reports & Council Resolution | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage and ensure cooperative governance.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/2021 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|--|---|---|---|--------|---|---|----------------------|--------------------|--------------------|-------------------|
| Priority Area 16 : Information, Communication & Technology | Develop, review and implement ICT Governance Framework, policies, strategic plans, succession plan and User Access Control Management Standards & Procedures. | Number of reviews of the ICT Steering Committee Terms of Reference | 1 x Review of the ICT Steering Committee Terms of Reference | 1 x Review of the ICT Steering Committee Terms of Reference | Developed ICT Steering Committee Terms of Reference by 30 June 2020 | Opex | 1 x Review of the ICT Steering Committee Terms of Reference by 30 June 2021 | 1 x Review of the ICT Steering Committee Terms of Reference by 30 June 2021 | - | - | Council Resolution | Municipal Manager |
| Priority Area 16 : Information, Communication & Technology | Develop, review and implement ICT Governance Framework, policies, strategic plans, succession plan and User Access Control Management Standards & Procedures. | Number of reviews of the Disaster Recovery Plan | 1 x Review of the Disaster Recovery Plan | 1 x Review of the Disaster Recovery Plan | Reviewal of the Disaster Recovery Plan by 30 June 2020 | Opex | 1 x Review of the Disaster Recovery Plan by 30 June 2021 | 1 x Review of the Disaster Recovery Plan by 30 June 2021 | - | - | Council Resolution | Municipal Manager |
| Priority Area 16 : Information, Communication & Technology | Develop, review and implement ICT Governance Framework, policies, strategic plans, succession plan and User Access Control Management Standards & Procedures. | Number of reviews of the ICT Backup And Retention Strategy | 1 x review of the ICT Backup and Retention Strategy | 1 x review of the ICT Backup and Retention Strategy | Developed ICT Backup and Retention Strategy by 30 June 2020 | Opex | 1 x review of the ICT Backup and Retention Strategy by 30 June 2021 | 1 x review of the ICT Backup and Retention Strategy by 30 June 2021 | - | - | Council Resolution | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage and ensure cooperative governance.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/2021 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|---|--|--|--|--------|--|--|----------------------|--------------------|----------------------|-------------------|
| Priority Area 16 : Information, Communication & Technology | Develop, review and implement ICT Governance Framework, policies, strategic plans, succession plan and User Access Control Management Standards & Procedures. | Number of reviews of the ICT Steering Committee Charter | 1 x review of the ICT Steering Committee Charter | 1 x review of the ICT Steering Committee Charter | Developed ICT Steering Committee Charter by 30 June 2020 | Opex | 1 x review of the ICT Steering Committee Charter by 30 June 2021 | 1 x review of the ICT Steering Committee Charter by 30 June 2021 | - | - | Council Resolution | Municipal Manager |
| Priority Area 16: Information, Communication & Technology | Develop, review and implement ICT Governance Framework, policies, strategic plans, succession plan and User Access Control Management Standards & Procedures. | Number of ICT documents reviewed and /or developed | 13 x ICT documents reviewed and /or developed | 13 x ICT documents reviewed and /or developed | 13 ICT Policies were reviewed on the 25 th of June 2020 | Opex | 13 x ICT documents reviewed and /or developed by 30 June 2021 | 13 x ICT documents reviewed and /or developed by 30 June 2021 | - | - | Council Resolutions | Municipal Manager |
| Priority Area 16 : Information, Communication & | Convene ICT Steering Committee meetings | Number of ICT Steering Committee | 4 x ICT Steering Committee | 4 x ICT Steering Committee | ICT Steering Committee meetings held | Opex | 4 x ICT Steering Committee | 4 x ICT Steering Committee meetings held by | - | - | Minutes & Attendance | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage and ensure cooperative governance.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/2021 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-------------------------|----------|---------------|-----------------------|----------------------------|--------------------|--------|-------------------------------|--------------------|----------------------|--------------------|----------|----------------|
| Technology | | meetings held | meetings | meetings | by 30 June 2020 | | meetings held by 30 June 2021 | 30 June 2021 | | | Register | |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organizations in the matters of local government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-------------------------|----------|-----|-----------------------|----------------------------|------------------|--------|-----------------------|--------------------|----------------------|--------------------|----------|----------------|
|-------------------------|----------|-----|-----------------------|----------------------------|------------------|--------|-----------------------|--------------------|----------------------|--------------------|----------|----------------|

KEY PEROFMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organizations in the matters of local government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|---|---|---|-----------------------------------|--------|---|---|----------------------|--------------------|----------------------|-------------------|
| Priority Area 17: Community and Stakeholder Engagement | To solicit views and inputs of members of the public into the IDP | Number of IDP consultative meetings held | 14 x IDP consultative meetings held by 30 June 2020 | 28 x IDP consultative meetings held by 30 June 2020 | 14 IDP consultative meetings held | Opex | 14 x IDP consultative meetings held by 30 June 2021 | 14 x IDP consultative meetings held by 30 June 2021 | - | - | Minutes & Attendance | Municipal Manager |
| Priority Area 17: Community and Stakeholder Engagement | To comply with the Integrated Development as prescribed by legislation | Number of IDP Process Plans approved by Council | New Target | New Target | New Target | Opex | 1 x IDP Process Plan approved by Council by 30 June 2021 | 1 x IDP Process Plan approved by Council by 30 June 2021 | - | - | Council resolution | Municipal Manager |
| Priority Area 17: Community and Stakeholder Engagement | To comply with the Integrated Development as prescribed by legislation | Number of Draft 2021/22 IDP Approved by Council | New Target | New Target | New Target | Opex | 1 X Draft 2021/22 IDP Approved by Council by 30 June 2021 | 1 x Draft 2021/22 IDP Approved by Council by 30 June 2021 | - | - | Council resolution | Municipal Manager |
| Priority Area 17: Community and Stakeholder Engagement | To comply with the Integrated Development as prescribed by legislation | Number of Final 2021/22 IDP Approved by Council | New Target | New Target | New Target | Opex | 1 X Final 2021/22 IDP Approved by Council by 30 June 2021 | 1 x Final 2021/22 IDP Approved by Council by 30 June 2021 | - | - | Council resolution | Municipal Manager |
| Priority Area 17: Community and Stakeholder Engagement | To comply with the Integrated Development as prescribed by legislation | Number of Draft 21/22 IDP Publicised by | New Target | New Target | New Target | Opex | 1 X Draft 2021/22 IDP Publicised by 30 | 1 x Draft 2021/22 IDP Publicised by | - | - | Public Notice | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organizations in the matters of local government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|------------------------------------|-----------------------|----------------------------|------------------|--------|--|--|----------------------|--------------------|---------------------|-------------------|
| Engagement | prescribed by legislation | 30 June 2021 | | | | | June 2021 | 30 June 2021 | | | | |
| Priority Area 17: Community and Stakeholder Engagement | To comply with the Integrated Development as prescribed by legislation | Number of IDP / Budget Indaba held | New Target | New Target | New Target | Opex | 1 x IDP / Budget Indaba held by 30 June 2021 | 1 x IDP / Budget Indaba held by 30 June 2021 | - | - | Attendance Register | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To encourage the involvement of communities and community organizations in the matters of local government

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|---|---|---|-------------------------------------|--------|---|---|----------------------|--------------------|--|-------------------|
| Priority Area 17: Community and Stakeholder Engagement | Invite members of the public to ordinary Council sittings | Number of notices of ordinary Council sittings issued | 8 council sittings held | 6 x notices of ordinary council sittings issued by 30 June 2021 | 8 council sittings held | Opex | 6 x notices of ordinary council sittings issued by 30 June 2021 | 6 x notices of ordinary council sittings issued by 30 June 2021 | - | - | Notices issued & attendance register | Municipal Manager |
| Priority Area 17: Community and Stakeholder Engagement | To solicit views and inputs of members of the public into the IDP | Number of IDP consultative meeting notices issued | 14 IDP consultative meetings held | 14 x IDP consultative meeting notices issued by 30 June 2021 | 14 IDP consultative meetings held | Opex | 14 x IDP consultative meeting notices issued by 30 June 2021 | 14 x IDP consultative meeting notices issued by 30 June 2021 | - | - | Notices issued | Municipal Manager |
| Priority Area 17: Community and Stakeholder Engagement | To solicit views and inputs of members of the public into the Budget | Number of Budget consultative meeting notices issued | 8 Budget consultative meetings held | 8 x Budget consultative meeting notices issued by 30 June 2021 | 8 Budget consultative meetings held | Opex | 8 x Budget consultative meeting notices issued by 30 June 2021 | 8 x Budget consultative meeting notices issued by 30 June 2021 | - | - | Notices issued | Municipal Manager |
| Priority Area 17: Community and Stakeholder Engagement | Organise community capacity building workshops | Number of civic education workshops on good governance held | 4 civic awareness workshop held | 4 x Civic education workshops held by 30 June 2021 | 4 civic awareness workshop held | Opex | 4 x Civic education workshops held by 30 June 2021 | 4 x Civic education workshops held by 30 June 2021 | - | - | Report, Council resolution & Attendance Register | Municipal Manager |
| Priority Area 17: Community and Stakeholder Engagement | Ensure the functionality of the local council of stakeholders | Number of local council of stakeholders meetings held | 4 x Local Council of Stakeholders meetings held | 4 x Local Council of Stakeholders meetings held by 30 June 2021 | 4 x Local Council of Stakeholders | Opex | 4 x Local Council of Stakeholders meetings held by 30 June 2021 | 4 x Local Council of Stakeholders meetings held by 30 June 2021 | - | - | Minutes and Attendance Register | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives : To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|--|---|---|---|--------|---|---|----------------------|--------------------|--|-------------------|
| Priority Area 18: Performance Management | Review the Performance Management Framework | Reviewal of the Performance Management Policy | 1 x Reviewal of the Performance Management Policy | 1 x Reviewal of the Performance Management Policy | Performance Management Framework reviewed | Opex | 1 x Reviewal of the Performance Management Policy by 30 June 2021 | 1 x Reviewal of the Performance Management Policy by 30 June 2021 | - | - | Council resolution | Municipal Manager |
| Priority Area 18: Performance Management | Inculcate a culture of performance management in the institution | Number of Mid-Year Performance assessments conducted | 1 x Mid | Year Performance assessment conducted | 1 x Mid-Year performance assessments conducted | Opex | 1 x Mid-Year Performance assessment conducted by 30 June 2021 | 1 x Mid-Year Performance assessment conducted by 30 June 2021 | - | - | Mid-Year Performance assessment Report | Municipal Manager |
| Priority Area 18: Performance Management | Sign performance agreements in terms of section 57 of the MSA within prescribed timeframe | % of Performance Agreements signed | 100% Performance Agreements signed | 100% Performance Agreements signed | Performance Agreements for 2019/20 were signed | Opex | 100% Performance Agreements signed by 30 June 2021 | 100% Performance Agreements signed by 30 June 2021 | - | - | Signed Performance Agreements | Municipal Manager |
| Priority Area 18: Performance Management | Cascading of PMS to levels below senior managers | Number of Performance Scorecard signed with Managers | 14 x Performance Scorecards signed with Managers | 14 x Performance Scorecards signed with Managers | PMS cascaded to Deputy Managers and Strategic Units | Opex | 14 x Performance Scorecards signed with Managers by 30 June 2021 | 14 x Performance Scorecards signed with Managers by 30 June 2021 | - | - | Signed Performance Scorecards | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives : To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|--|---|---|--|--------|--|--|----------------------|--------------------|---|-------------------|
| Priority Area 18: Performance Management | Inculcate a culture of performance management in the institution | SDBIP approved by Executive Mayor within 28 days after approval of the Budget | 1 x SDBIP approved by Executive Mayor within 28 days after approval of the Budget | 1 x SDBIP approved by Executive Mayor within 28 days after approval of the Budget | 2019/20 SDBIP was approved | Opex | 1 x SDBIP approved by Executive Mayor within 28 days after approval of the Budget by 30 June 2021 | 1 x SDBIP approved by Executive Mayor within 28 days after approval of the Budget by 30 June 2021 | - | - | Approved 2020/21 SDBIP | Municipal Manager |
| Priority Area 18: Performance Management | Inculcate a culture of performance management in the institution | Number of performance reports submitted to Council not later than 30 days after the end of the quarter | 4 x performance reports submitted | 4 x performance reports submitted | 4 x performance reports submitted | Opex | 3 x Performance reports submitted to Council not later than 30 days after the end of the quarter by 30 June 2021 | 3 x Performance reports submitted to Council not later than 30 days after the end of the quarter by 30 June 2021 | - | - | 3 x 2020/21 Performance reports and Council Resolutions | Municipal Manager |
| Priority Area 18: Performance Management | Inculcate a culture of performance management in the institution | Number of MPAC meetings held | 12 x MPAC meetings held | 12 x MPAC meetings held | 12 x MPAC meetings held | Opex | 4 x MPAC meetings held by 30 June 2021 | 4 x MPAC meetings held by 30 June 2021 | - | - | Minutes and attendance registers | Municipal Manager |
| Priority Area 18: Performance Management | Inculcate a culture of performance management in the institution | Number of Oversight Reports approved | 1 x Oversight Report approved by Council | 1 x Oversight Report approved by Council | The Oversight Report was approved by Council in March 2020 | Opex | 1 x Oversight Report approved by Council by 30 June 2021 | 1 x Oversight Report approved by Council by 30 June 2021 | - | - | Oversight Report and Council Resolution | Municipal Manager |

KEY PEROFMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-----------------------------------|--|--|---------------------------------------|---------------------------------------|--|--------|---|---|----------------------|--------------------|--------------------|-------------------|
| Priority Area 19: Risk Management | To review the Risk Management Enabling Documents | Number of Risk Management Charter approved by Council | 1 x Risk Management Charter approved | 1 x Risk Management Charter approved | Risk management Charter 2019/20 was approved by Council | Opex | 1 x Risk Management Charter approved by 30 June 2021 | 1 x Risk Management Charter approved by 30 June 2021 | - | - | Council resolution | Municipal Manager |
| Priority Area 19: Risk Management | To review the Risk Management Enabling Documents | Number of Risk Management Policies approved by Council | 3 x Risk Management policies approved | 3 x Risk Management policies approved | The Risk management Policy, Whistle Blowing Policy Fraud and Prevention Policy for 2019/20 was approved by Council | Opex | 3 x Risk Management policies approved by 30 June 2021 | 3 x Risk Management policies approved by 30 June 2021 | - | - | Council resolution | Municipal Manager |
| Priority Area 19: Risk Management | To review the Risk Management Enabling Documents | Number of Risk Management Strategies approved by Council | 2 x Risk management Strategy approved | 2 x Risk management Strategy approved | Risk management Strategy, Fraud and Corruption Prevention Strategy for 2019/20 was approved by | Opex | 2 x Risk management Strategy approved by 30 June 2021 | 2 x Risk management Strategy approved by 30 June 2021 | - | - | Council resolution | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-----------------------------------|--|---|---|---|---|--------|---|---|----------------------|--------------------|---|-------------------|
| | | | | | Council | | | | | | | |
| Priority Area 19: Risk Management | To review the Risk Management Enabling Documents | Number of Risk Management Plans approved by Council | 2 x Risk management Plans approved | 2 x Risk management Plans approved | Risk Management Plan, Fraud Prevention Plan & Fraud Response Plan and Assurance Plan for 2019/20 was approved by Council | Opex | 2 x Risk management Plans approved by 30 June 2021 | 2 x Risk management Plans approved by 30 June 2021 | - | - | Council resolution | Municipal Manager |
| Priority Area 19: Risk Management | To conduct risk assessment workshops with the aim of minimizing organizational risks | Number of risk assessment workshops conducted | 6 x Risk assessment workshops conducted | 6 x Risk assessment workshops conducted | 5 Risk assessment workshops were conducted in 2019/20 | Opex | 6 x Risk assessment workshops conducted by 30 June 2021 | 7 x Risk assessment workshops conducted by 30 June 2021 | - | - | Risk Assessment Reports and attendance register | Municipal Manager |
| Priority Area 19: Risk Management | To review the Risk Management Enabling Documents | Number of Risk registers reviewed | 6 x Risk registers reviewed | 6 x Risk registers reviewed | 6 Risk Registers were reviewed in 2019/20 | Opex | 6 x Risk registers reviewed by 30 June 2021 | 7 x Risk registers reviewed by 30 June 2021 | - | - | Council resolutions | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-----------------------------------|--|--|---|---|--|--------|---|---|----------------------|--------------------|---|-------------------|
| Priority Area 19: Risk Management | Submission of quarterly progress reports to Risk Management Committee | Number of Risk Management, Anti-fraud and Anti- corruption Committee meetings held | 4 x RMAFACC meetings held | 4 x RMAFACC meetings held | 4 Risk Management Committee meetings held in 2019/20 | Opex | 4 x RMAFACC meetings held by 30 June 2021 | 5 x RMAFACC meetings held by 30 June 2021 | - | - | Minutes of meetings and attendance register | Municipal Manager |
| Priority Area 19: Risk Management | To conduct risk assessment workshops with the aim of minimizing organizational risks | Conduct Fraud and Corruption Awareness Workshops. | 1 x Fraud and Corruption Awareness Workshop conducted | 1 x Fraud and Corruption Awareness Workshop conducted | 1 Risk workshops were conducted in 2019/20 | Opex | 1 x Fraud and Corruption Awareness Workshop conducted by 30 June 2021 | 3 x Fraud and Corruption Awareness Workshop conducted by 30 June 2021 | - | - | Attendance register | Municipal Manager |
| Priority Area 19: Risk Management | To conduct risk assessment workshops with the aim of minimizing organizational risks | Conduct Whistle Blowing Awareness Campaign. | 1 x Whistle Blowing Awareness Campaign conducted | 1 x Whistle Blowing Awareness Campaign conducted | 1 Risk workshops were conducted in 2019/20 | Opex | 1 x Whistle Blowing Awareness Campaign conducted by 30 June 2021 | 1 x Whistle Blowing Awareness Campaign conducted by 30 June 2021 | - | - | SMS request | Municipal Manager |

KEY PEROFMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives: To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes.

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-----------------------------------|--|--|---|---|--|--------|---|---|----------------------|--------------------|--|-------------------|
| Priority Area 19: Risk Management | To conduct risk assessment workshops with the aim of minimizing organizational risks | Conduct Risk Management Awareness Workshops. | 1 x Risk Management Awareness Workshop | 1 x Risk Management Awareness Workshop | 1 Risk workshops were conducted in 2019/20 | Opex | 1 x Risk Management Awareness Workshop by 30 June 2021 | 1 x Risk Management Awareness Workshop by 30 June 2021 | - | - | Staff Email | Municipal Manager |
| Priority Area 19: Risk Management | To conduct risk assessment workshops with the aim of minimizing organizational risks | Number of Risk action plans implemented to address Identified Strategic and Operational Risk | 200 x Risk action plans resolved to address Strategic and Operational Risk Identified per quarter | 200 x Risk action plans resolved to address Strategic and Operational Risk Identified per quarter | mitigation measures were implemented for 2019/20 | Opex | 200 x Risk action plans resolved to address Strategic and Operational Risk Identified per quarter by 30 June 2021 | 200 x Risk action plans resolved to address Strategic and Operational Risk Identified per quarter by 30 June 2021 | - | - | Progress report on implemented mitigating measures | Municipal Manager |

KEY PEROFMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives : To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-----------------------------|---|--|--|--|---|--------|--|---|--|---|--|-------------------|
| Priority Area 20 : Auditing | Develop a risk based three year rolling plan and annual plan | Internal Audit Plan approved by the Audit Committee | 1 x Internal Audit Plan approved by 31 st of July 2019 | 1 X Internal Audit Plan was approved on the 13 August 2019 | An Internal Audit Plan was approved by the Audit Committee | Opex | 1 x Internal Audit Plan approved by 30 June 2021 | Internal Audit Plan was not approved by 30 June 2021 | Strategic Risk Report was approved on the 28 June 2021 | Internal Audit Plan will be approved by July 2021 | Audit Committee resolution | Municipal Manager |
| Priority Area 20 : Auditing | Review the Internal Audit Charter and Methodology | Internal Audit Charter and Methodology approved by the Audit Committee | 1 x Internal Audit Charter and Methodology approved by the 30 th of June 2020 | 1 x Internal Audit Charter and Methodology approved by the 30 th of June 2020 | Internal Audit Charter and Methodology were approved by the Audit Committee | Opex | 1 x Internal Audit Charter and Methodology approved by the 30 th of June 2021 | 1 x Internal Audit Charter and Methodology were approved by the 30 th of June 2021 | - | - | Audit Committee resolution | Municipal Manager |
| Priority Area 20 : Auditing | Implementation of the approved internal audit plan | Number of audits conducted and submitted to the Municipal Manager | 15 x Audits to be conducted by the 30 th of June 2020 | 16 x Audits were conducted by the 30 th of June 2020 | 15 audits conducted | Opex | 14 x Audits to be conducted by the 30 th of June 2021 | 16 x Audits were be conducted by the 30 th of June 2021 | - | - | Internal Audit Reports and proof of submission | Municipal Manager |
| Priority Area 20 : Auditing | Submission of quarterly progress reports to the Audit Committee | Number of Internal Audit quarterly progress reports submitted to the Audit Committee | 4 Internal Audit quarterly progress reports submitted by 30 th of June 2020 | 6 x Internal Audit quarterly progress reports submitted to the Audit Committee for the meeting that took place on the 13, 23 August 2019 and 21 October 13 November 2019, 21 February 2020 and 30 June | 4 progress reports were submitted to the Audit Committee | Opex | 4 x Internal Audit quarterly progress reports submitted by 30 th of June 2021 | 5 x Internal Audit quarterly progress reports were submitted by 30 th of June 2021 | - | - | Audit Committee minutes and Reports | Municipal Manager |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives : To add value to the operations of the municipality in relation to technological systems, internal control, risk management and governance processes

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-------------------------|----------|-----|-----------------------|----------------------------|------------------|--------|-----------------------|--------------------|----------------------|--------------------|----------|----------------|
| | | | | 2020 | | | | | | | | |

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives : To ensure adherence with legislation and implementation of systems that will result in service excellence

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|---|---------------------------------------|---|---|---|--|--------|--|--|----------------------|--------------------|----------------------------------|-------------------|
| Priority Area 21: Legal Services and Labour Relations | Convene Local Labour Forum | Number of LLF meetings held | 12 x LLF meetings held | 12 x LLF meetings held | 12 x LLF meetings held by 30 June 2020 | Opex | 12 x LLF meetings held by 30 June 2021 | 13 x LLF meetings held by 30 June 2021 | - | - | Minutes and attendance registers | Municipal Manager |
| Priority Area 21: Legal Services and Labour | Convene contract management committee | Number of Contract Management Committee | 4 x Contract Management Committee meetings held | 4 x Contract Management Committee meetings held | 4 x Contract Management Committee meetings held by | Opex | 4 x Contract Management Committee meetings held by | 4 x Contract Management Committee meetings held by | - | - | Minutes and attendance registers | Municipal Manager |

KEY PEROFMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives : To ensure adherence with legislation and implementation of systems that will result in service excellence

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|---|---|---|---|---|---|--------|---|---|----------------------|--------------------|---------------------------------|-------------------|
| Relations | meetings | meetings held | | | 30 June 2020 | | 30 June 2021 | 30 June 2021 | | | | |
| Priority Area 21: Legal Services and Labour Relations | Compile and submit the Workplace Skills Plan (WSP) and Report | Number of WSP compiled and report submitted to SETA | 1 x WSP report compiled and submitted to LGSETA | 1 x WSP report compiled and submitted to LGSETA | 1 x WSP report compiled and submitted to LGSETA by 30 June 2020 | Opex | 1 x WSP report compiled and submitted to LGSETA by 30 June 2021 | 1 x WSP report compiled and submitted to LGSETA by 30 June 2021 | - | - | Acknowledgment of receipt | Municipal Manager |
| Priority Area 21: Legal Services and Labour Relations | Compile and submit Employment Equity Plan to the Department of Labour | Number of Employment Equity Plans submitted | 1 x Submission of 1 Employment Equity Plans to the Department of Labour | 1 x Submission of 1 Employment Equity Plans to the Department of Labour | Submission of 1 Employment Equity Plans to the Department of Labour by 30 June 2020 | Opex | 1 x Submission of 1 Employment Equity Plans to the Department of Labour by 30 June 2021 | 1 x Submission of 1 Employment Equity Plans to the Department of Labour by 30 June 2021 | - | - | Acknowledgment of receipt | Municipal Manager |
| Priority Area 21: Legal Services and Labour Relations | Convene OHS meetings as required by the ACT and as per the calendar of events | Number of Safety meetings held | 4 x Safety meetings held | 4 x Safety meetings held | 4 x Safety meetings held by 30 June 2020 | Opex | 4 x Safety meetings held by 30 June 2021 | 7 x Safety meetings held by 30 June 2021 | - | - | Minutes and attendance register | Municipal Manager |
| Priority Area 21: Legal | Conduct safety inspections in all the workstations | Number of OHS inspections | 12 x OHS inspections | 12 x OHS inspections | 12 x OHS inspections conducted by 30 | Opex | 12 x OHS inspections conducted by 30 | 12 x OHS inspections conducted by 30 | - | - | 12 Inspection Reports | Municipal Manager |

KEY PEROFMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objectives : To ensure adherence with legislation and implementation of systems that will result in service excellence

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|---|--|--|--------------------------------------|--------------------------------------|--|--------|--|--|----------------------|--------------------|---|-------------------|
| Services and Labour Relations | in the four towns | conducted | conducted | conducted | June 2020 | | June 2021 | June 2021 | | | | |
| Priority Area 21: Legal Services and Labour Relations | Conduct employee medical check-ups on an annual basis | Number of medical check-ups conducted | 1 x Medical check-up conducted | 1 x Medical check-up conducted | 1 x Medical check-up conducted by 30 June 2020 | Opex | 1 x Medical check-up conducted by 30 June 2021 | 2 x Medical check-up conducted by 30 June 2021 | - | - | Medical check-up report and attendance register | Municipal Manager |
| Priority Area 21: Legal Services and Labour Relations | Training of municipal officials including Councillors and the unemployed | Number of training programmes conducted | 6 x training programmes conducted | 6 x training programmes conducted | training programmes conducted by 30 June 2020 | Opex | 6 x training programmes conducted by 30 June 2021 | 7 x training programmes conducted by 30 June 2021 | - | - | Training report & Attendance registers | Municipal Manager |
| | Convene Training Committee meetings | Number of Training Committee meetings held | 4 x training committee meetings held | 4 x training committee meetings held | 4 x training committee meetings held by 30 June 2020 | Opex | 4 x training committee meetings held by 30 June 2021 | 4 x training committee meetings held by 30 June 2021 | - | - | Minutes and attendance registers | Municipal Manager |

KEY PERFORMANCE AREA 5: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

KEY PEROFMANCE AREA: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Strategic Objectives : To ensure adherence with legislation and implementation of systems that will result in service excellence

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/2021 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|--|---|---|--|--------|---|---|----------------------|--------------------|----------------------------------|-------------------|
| Priority Area 22: Human Resource Management and Administration | Effective implementation of contract management | Number of RMAC meetings held | 4 x RMAC meetings held | 4 x RMAC meetings held | 6 x RMAC meetings held by 30 June 2020 | Opex | 4 x RMAC meetings held by 30 June 2021 | 4 x RMAC meetings held by 30 June 2021 | - | - | Minutes and attendance registers | Municipal Manager |
| Priority Area 22: Human Resource Management and Administration | Develop meeting agendas and arrange meetings of Council and its committees according to the Calendar of Events | Number of Disposal Committee meetings held | 4 x Disposal Committee meetings held | 4 x Disposal Committee meetings held | 4 x Disposal Committee meetings held by 30 June 2020 | Opex | 4 x Disposal Committee meetings held by 30 June 2021 | 4 x Disposal Committee meetings held by 30 June 2021 | - | - | Minutes and attendance registers | Municipal Manager |
| Priority Area 22: Human Resource Management and Administration | Develop meeting agendas and arrange meetings of Council and its committees according to the Calendar of Events | Number of Management Committee meetings held | 12 x Management Committee meetings held | 12 x Management Committee meetings held | 12 Management Committee meetings held by June 2021 | Opex | 12 x Management Committee meetings held by 30 June 2021 | 14 x Management Committee meetings held by 30 June 2021 | - | - | Minutes and attendance register | Municipal Manager |

KEY PEROFMANCE AREA: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Strategic Objectives : To ensure adherence with legislation and implementation of systems that will result in service excellence

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/2021 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|--|---|---|---|--------|---|---|----------------------|--------------------|---------------------------------|-------------------|
| Priority Area 22: Human Resource Management and Administration | Develop meeting agendas and arrange meetings of Council and its committees according to the calendar of events | Number of Section 80 committee meetings held | 33 x Section 80 Committee meetings held | 33 x Section 80 Committee meetings held | 33 x Section 80 Committee meetings held by 30 June 2021 | Opex | 33 x Section 80 Committee meetings held by 30 June 2021 | 33 x Section 80 Committee meetings held by 30 June 2021 | - | - | Acknowledgment of receipt | Municipal Manager |
| Priority Area 22: Human Resource Management and Administration | Develop meeting agendas and arrange meetings of Council and its committees according to the Calendar of Events | Number of Mayoral Committees meetings held | 11 x Mayoral Committees meetings held | 11 x Mayoral Committees meetings held | 11 x Mayoral Committees meetings by 30 June 2021 | Opex | 11 x Mayoral Committees meetings held by 30 June 2021 | 12 x Mayoral Committees meetings held by 30 June 2021 | - | - | Minutes and attendance register | Municipal Manager |
| Priority Area 22: Human Resource Management and Administration | Develop meeting agendas and arrange meetings of Council and its committees | Number of Council meetings held | 8 x Number of Council meetings held | 8 x Number of Council meetings held | 6 x Number of Council Meeting held by the 30 June 2020 | Opex | 8 x Council meetings held by 30 June 2021 | 15 x Council meetings held by 30 June 2021 | - | - | Minutes and attendance register | Municipal Manager |

KEY PERFORMANCE AREA: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Strategic Objectives : To ensure adherence with legislation and implementation of systems that will result in service excellence

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/2021 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|--|--|---|---|---|--------|---|---|----------------------|--------------------|---|-------------------|
| Priority Area 22: Human Resource Management and Administration | Develop meeting agendas and arrange meetings of Council and its committees according to the Calendar of Events | Number of Section 79 meetings held | 24 Section 79 Committee meetings held | 24 Section 79 Committee meetings held | Section 79 Committee meetings held by 30 June 2020 | Opex | 24 x Section 79 Committee meetings held by 30 June 2021 | 24 x Section 79 Committee meetings held by 30 June 2021 | - | - | Acknowledgement of receipt | Municipal Manager |
| Priority Area 22: Human Resource Management and Administration | Induction of employees (new and existing) on work policies | Number of inductions and re-inductions conducted | 11 x Inductions and re | inductions conducted | Inductions and re-inductions conducted by 30 June 2020 | Opex | 11 x Inductions and re-inductions conducted by 30 June 2021 | 3 x Inductions and re-inductions conducted by 30 June 2021 | - | - | Induction Report & Attendance register | Municipal Manager |
| Priority Area 22: Human Resource Management and Administration | Development and review of the Organizational Structure | Number of Organizational Structure reviews | 1 x review and submission of Organizational Structure (aligned to the IDP and Budget) to Council for approval | 1 x review and submission of Organizational Structure (aligned to the IDP and Budget) to Council for approval | 1 x review and submission of Organizational Structure (aligned to the IDP and Budget) to Council for approval by 30 June 2020 | Opex | 1 x review and submission of Organizational Structure (aligned to the IDP and Budget) to Council for approval by 30 June 2021 | 1 x review and submission of Organizational Structure (aligned to the IDP and Budget) to Council for approval by 30 June 2021 | - | - | Council resolution on the reviewed Organogram | Municipal Manager |

KEY PERFORMANCE AREA: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Strategic Objectives : To ensure adherence with legislation and implementation of systems that will result in service excellence

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/2020 Baseline | Budget | Annual Target 2020/2021 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|--|---|---|------------------------|----------------------------|--|--------|--|--|----------------------|--------------------|--|-------------------|
| Priority Area 22: Human Resource Management and Administration | Development and review of Human Resource policies | 14 Human Resource policies developed and reviewed On the 30 th of May 2019 | 14 x Policies Reviewed | 14 x Policies Reviewed | 14 x Policies Reviewed by 30 June 2020 | Opex | 14 x Policies Reviewed by 30 June 2021 | 14 x Policies Reviewed by 30 June 2021 | - | - | Council resolutions on the approved policies | Municipal Manager |

AUDITED ANNUAL REPORT

KEY PERFORMANCE AREA 6: SPATIAL RATIONALE

| KEY PEROFMANCE AREA: Spatial Rationale | | | | | | | | | | | | |
|--|--|--|--|--|--------------------------|--------|--|--|----------------------|--------------------|--|-------------------|
| Strategic Objective : To ensure sustainable rural and urban planning in order to meet the needs of the community | | | | | | | | | | | | |
| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
| Priority Area 24: Human Settlement and Property Development | Conduct inspections in all built environment within ELM in terms of NHBRC and NBR standards. | Number of reports on inspections of compliance with NHBRC & NBR standards submitted to Council | 4 x Quarterly reports on inspections of compliance with NHBRC & NBR standards submitted to Council | 4 x Quarterly reports on inspections of compliance with NHBRC & NBR standards submitted to Council | 4 reports submitted | Opex | 4 x Quarterly reports on inspections of compliance with NHBRC & NBR standards submitted to Council by 30 June 2021 | 4 x Quarterly reports on inspections of compliance with NHBRC & NBR standards submitted to Council by 30 June 2021 | - | - | Quarterly Inspection reports & Council resolution | Municipal Manager |
| Priority Area 24: Human Settlement and Property Development | Assessment of building plans | % of building plans received and assessed | 100% building plans received & assessed | 100% building plans received & assessed | 100% | Opex | 100% building plans received & assessed by 30 June 2021 | 100% building plans received & assessed by 30 June 2021 | - | - | Submission register, Proof of payment & approval letters | Municipal Manager |
| Priority Area 25: Land Use Management | To ensure sustainable urban and rural | Number of SPLUMA Certificates | 80 x SPLUMA certificates issued | 80 x SPLUMA certificates issued | 80 x SPLUMA certificates | Opex | 80 x SPLUMA certificates issued by 30 | 402 x SPLUMA certificates issued by 30 June 2021 | - | - | Copies of SPLUMA certificates | Municipal Manager |

KEY PEROFMANCE AREA: Spatial Rationale

Strategic Objective : To ensure sustainable rural and urban planning in order to meet the needs of the community

| Strategic Priority Area | Strategy | KPI | 2019/20 Annual Target | 2019/20 Actual Performance | 2019/20 Baseline | Budget | Annual Target 2020/21 | Actual Performance | Reason For Deviation | Corrective Measure | Evidence | Accountability |
|-------------------------|----------|--------|-----------------------|----------------------------|------------------|--------|-----------------------|--------------------|----------------------|--------------------|----------|----------------|
| | planning | issued | | | issued | | June 2021 | | | | issued | |

AUDITED ANNUAL REPORT

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Financial viability is one of the key performance area essential in assessing the long term prospects of the municipality. Emakhazeni operated in a constrained environment in so far a resources is concerned and despite this, the municipality was responsive to the needs of the public. In preparing its AFS, the municipality adopted a going concern assumption. Revenue and expenditure were accounted for on an accrual basis while also adopted the approved GRAP standard to record its financial transactions.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

AFS are presented to account for the municipal expenditure, revenue and grants allocated to the public. The below table provides a summary of the financial position of the municipality:

| Reconciliation of Table A1 Budget Summary | | | | | | | | | | | |
|---|-----------------|--------------------|--------------------------|---|---|--------------|----------------|--------------------------|----------|-------------------------------------|--|
| Description | 2020/2021 | | | | | | | | | | |
| R thousands | Original Budget | Budget Adjustments | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFM A) | Virement (i.t.o. Council approved policy) | Final Budget | Actual Outcome | Unauthorised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Financial Performance | | | | | | | | | | | |
| Property rates | 63 434 | 63 434 | 0 | – | 0 | 63 434 | 51 339 | | (12 095) | 81% | -19% |
| Service charges | 144 239 | 143 901 | 338 | – | – | 135 074 | 150 602 | | 15 528 | 111% | 11% |
| Investment revenue | 2 103 | 5 743 | (3 640) | – | – | 5 778 | 977 | | (4 802) | 17% | -228% |
| Transfers recognised - operational | 73 995 | 84 346 | (10 351) | – | – | 84 346 | 77 934 | | (6 412) | 92% | -9% |
| Other own revenue | 38 290 | 21 739 | 16 551 | – | – | 30 532 | 8 325 | | (22 206) | 27% | -58% |

| | | | | | | | | | | | |
|--|------------------|------------------|---------------|----------|---------------|------------------|------------------|----------|-----------------|---------------|---------------|
| Total Revenue (excluding capital transfers and contributions) | 322 062 | 319 164 | 2 898 | - | 0 | 319 164 | 289 178 | | (29 986) | 91% | -9% |
| Employee costs | (99 537) | (99 478) | (60) | - | 8 111 | (107 589) | (107 589) | - | - | 100% | 0% |
| Remuneration of councillors | (6 906) | (6 906) | - | - | 248 | (7 154) | (7 154) | - | - | 100% | 0% |
| Debt impairment | (65 845) | (65 845) | - | - | - | (58 864) | (15 818) | - | 43 046 | 27% | -65% |
| Depreciation & asset impairment | (49 683) | (49 683) | - | - | 8 359 | (49 683) | - | - | 49 683 | 0% | - |
| Finance charges | (4 080) | (3 000) | (1 080) | - | - | (3 000) | (1 027) | - | 1 973 | 34% | -48% |
| Bulk purchases: Electricity | (59 434) | (59 434) | - | - | 2 201 | (64 734) | (62 534) | - | 2 201 | 97% | -4% |
| Transfers and grants | | | - | - | - | | | | - | | |
| Other expenditure | (68 858) | (94 702) | 25 845 | - | 12 825 | (88 024) | (75 199) | - | 12 825 | 85% | -19% |
| Total Expenditure | (354 344) | (379 049) | 24 705 | - | 31 744 | (379 049) | (269 321) | - | 109 728 | 71% | -31% |
| Surplus/(Deficit) | (32 282) | (59 885) | 27 602 | - | 31 744 | (59 885) | 19 857 | | 79 742 | -33% | - 247% |
| Transfers recognised - capital | 64 782 | 57 232 | 7 550 | - | - | 65 009 | 59 153 | - | (5 856) | 91% | -9% |
| Contributions recognised - capital & contributed assets | | | - | - | - | | | - | - | 0% | 0% |
| Surplus/(Deficit) after capital transfers & contributions | 32 500 | 87 773 | 35 153 | - | 31 744 | 5 124 | 79 010 | | 73 886 | 1542 % | 227% |
| Share of surplus/(deficit) of associate | 386 844 | 376 396 | 10 448 | - | 0 | 384 173 | 348 331 | - | (35 842) | 0% | 0% |
| Surplus/(Deficit) for the year | 419 344 | 464 169 | 45 601 | - | 31 744 | 389 297 | 427 341 | | 38 043 | 110% | 9% |
| | | | | | | | | | - | | |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | |
| Transfers recognised - | | | | | | | | | | 80% | -20% |

| | | | | | | | | | | | |
|---|----------|-----------|----------|---|---|-----------|-----------|--|-----------|---------------------|-------|
| capital | 64 782 | 57 232 | 7 550 | | | 65 232 | 52 241 | | (12 991) | | |
| Public contributions & donations | | | | | | | | | - | 0% | 0% |
| Borrowing | | | | | | | | | - | 0% | 0% |
| Internally generated funds | 28 600 | 43 620 | (15 020) | - | | 43 620 | 28 190 | | (15 430) | 65% | -54% |
| Total sources of capital funds | 93 382 | 100 852 | (7 470) | - | - | 108 852 | 80 431 | | (28 422) | 74% | -30% |
| | 62 642 | 62 642 | | | | | | | - | | |
| Cash flows | | | | | | | | | | | |
| Net cash from (used) operating | 144 942 | 146 022 | (1 080) | - | - | 290 963 | 140 560 | | (150 403) | 48% | -104% |
| Net cash from (used) investing | (93 382) | (108 852) | 15 470 | - | - | (202 235) | (332 187) | | (129 952) | 0% | 0% |
| Net cash from (used) financing | - | - | - | - | - | - | | | - | 0% | 0% |
| Cash/cash equivalents at the month/year end | 70 607 | 56 216 | 14 390 | | | | | | | | |
| NET INCREASE/ (DECREASE) IN CASH HELD | 51 559 | 37 169 | 14 390 | - | - | 88 728 | (191 627) | | (280 355) | ##### ##### # | -544% |

5.2 GRANTS

The table below provides a breakdown of grants both conditional and otherwise that were received under the year in review. Equitable share was the highest grant received mainly to cater for free basic service as well as augment revenue deficit from the public.

| Grant Performance | | | | | | |
|--------------------------------|------------------|------------------|--------------------|--------------------|-----------|---------------------|
| R' 000 | | | | | | |
| Description | 2019/2020 | 2020/2021 | | | | |
| | | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) |
| Operating Transfers and Grants | | | | | | |
| National Government: | 67 251 000,00 | 67 585 000,00 | - 75 506 300,00 | - 69 094 463,22 | - 102% | 92% |
| Equitable share | 63 383 000,00 | 63 383 000,00 | - 79 199 996,00 | - 72 926 000,00 | - 115% | 92% |

| | | | | | | |
|---|---------------------------|---------------------------|----------------------------|----------------------------|------------|------------|
| Municipal Systems Improvement | | | | | | |
| Finance Management grant | 2 435 000,00 | 2 800 000,00 | 2 800 000,00 | 2 800 000,00 | 100% | 100% |
| Other transfers/grants [EPWP] | 1 182 000,00 | 1 151 000,00 | 1 151 000,00 | 1 151 000,00 | 100% | 100% |
| Other transfers | 251 000,00 | 251 000,00 | - 257 304,00 | - 119 463,22 | -48% | 46% |
| COVID 19: Disaster grant | 238 000,00 | | - | - | | |
| Other grant providers: | 86 105 000,54 | 63 932 000,00 | 65 009 052,00 | 59 079 139,28 | 92% | 91% |
| MIG | 29 235 000,00 | 17 232 000,00 | 25 009 052,00 | 24 989 295,78 | 145% | 100% |
| INEP | 10 000 000,00 | 16 700 000,00 | 10 000 000,00 | 5 693 823,43 | 34% | 57% |
| WSIG | 46 870 000,54 | 30 000 000,00 | 30 000 000,00 | 28 396 020,07 | 95% | 95% |
| Total Operating Transfers and Grants | 153 356 000,54 | 131 517 000,00 | - 10 497 248,00 | - 10 015 323,94 | -8% | 95% |

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Emakhazeni municipality is not a grant dependent municipality however so, grants plays a significant contribution to the overall budget of the organization. The municipality receives conditional grants in the form of MIG, INEP and WSIG to assist in infrastructure renewal as well as commissioning new infrastructure to enhance service delivery. A total of R137 667 836.00 was received for the year 2020/21. The municipality benefited greatly in its assets improvement related grants than ever before and this will assist in sustaining service delivery.

5.3 ASSET MANAGEMENT

Assets, is one of the components that led the municipality to obtain an adverse audit opinion in the 2019/20 financial year. With Municipal assets being valued over 1 billion rand, the need for asset management unit has been on the rise.

The development of asset management at Emakhazeni local municipality will ensure compliance with all the relevant legislation and compliance with the standards governing the local government. The municipality will ensure the effective and efficient control, utilization, safeguarding, maintenance and management of municipal assets. It is in this regard that council deemed it crucial to establish the asset management unit for accountability purposes, and have appointed Manager Assets. It is therefore noted with appreciation the growth of the municipality in handling assets related matters.

COMMENT ON ASSET MANAGEMENT:

Asset Management is an important tool because it helps municipalities maintain and operate infrastructure in the most effective way so that critical services can be provided to the community. Municipal assets are important and their optimum management is indicative of prudent financial management. The Municipality will continue to improve asset management, and strive to ensure effective and efficient control over asset management.

Repairs and maintenance budget is there to ensure adequate maintenance of Property Plant and Equipment to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services. Regrettably, the budget allocated remains below the 8% norm as per the National Treasury MFMA circular number 71.

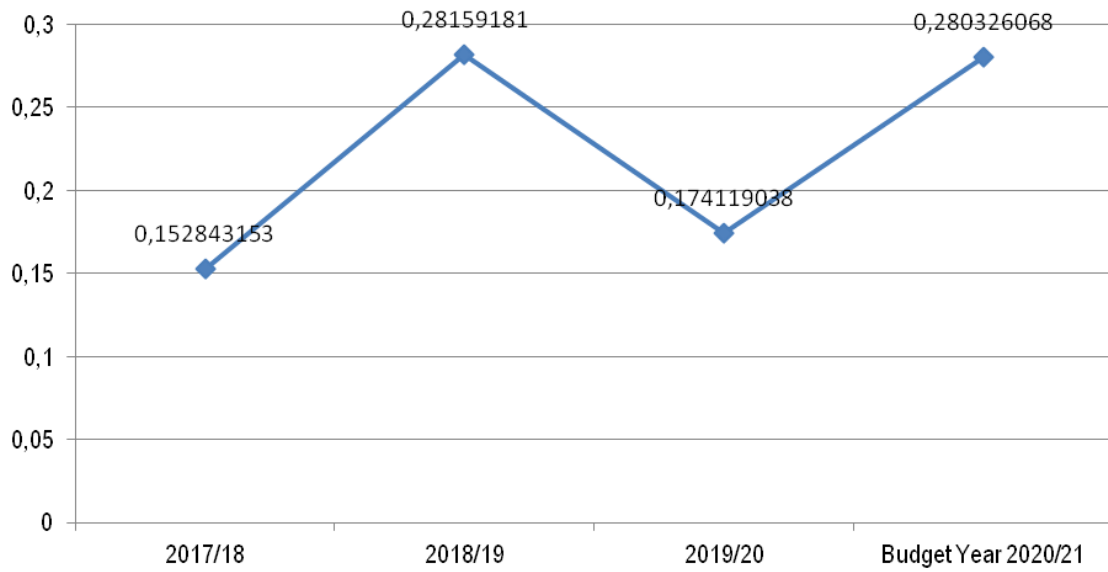
| Repair and Maintenance Expenditure: 2020/21 | | | | |
|---|-----------------|-------------------|------------|------|
| R' 000 | | | | |
| | Original Budget | Adjustment Budget | | |
| Repairs and Maintenance Expenditure | 12748536 | 21756108 | 19509836,3 | -53% |

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The municipality under spent on repairs and maintenance this due to cash flow constraints currently being experienced. Maintenance priority was given to service delivery oriented assets so as to ensure that service delivery is not compromised.

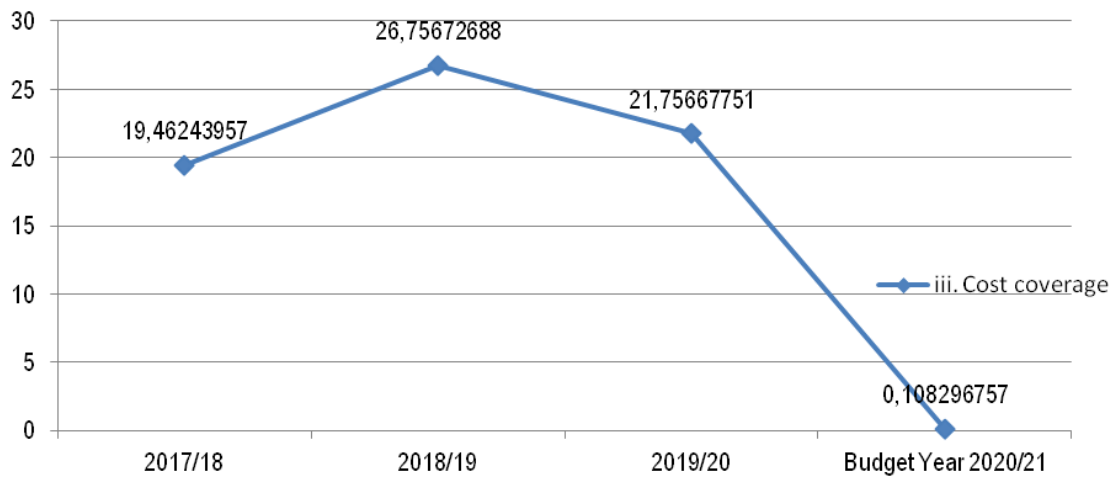
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity Ratio



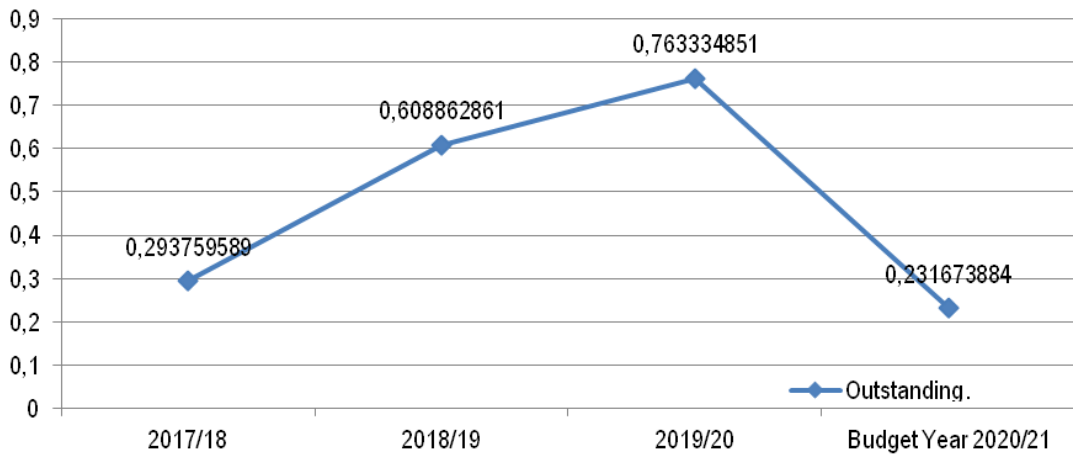
The above graph depicts an improved liquidity in the financial position of the municipality.

Cost Coverage



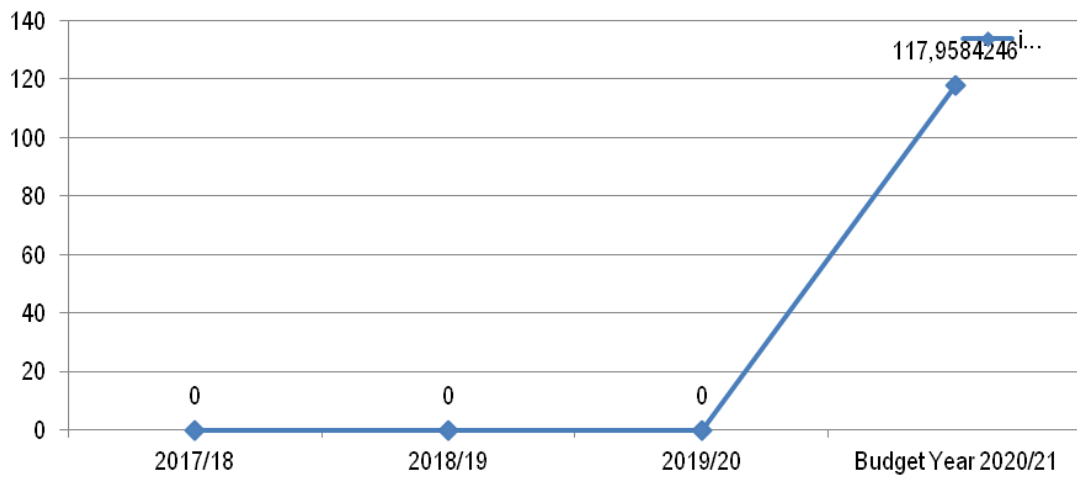
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Total Outstanding Service Debtors



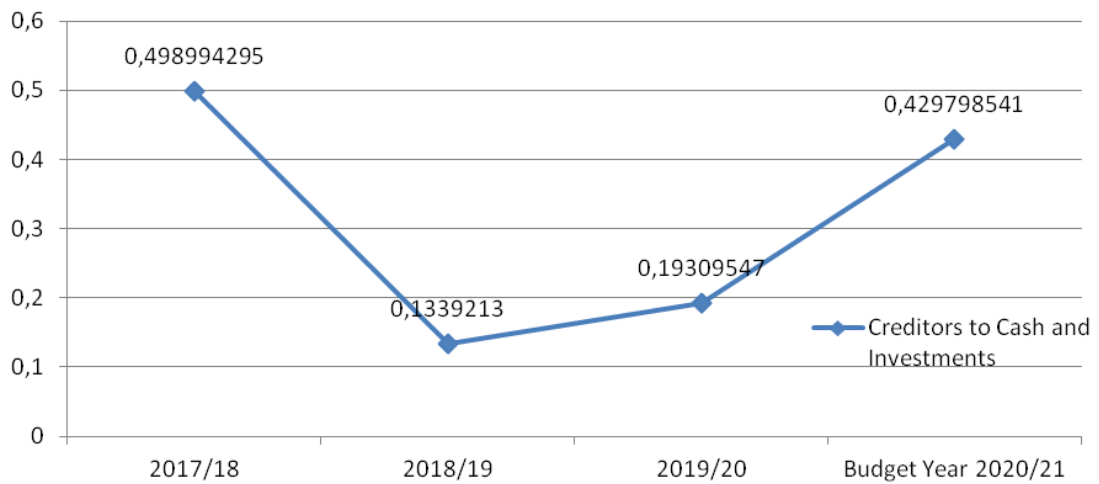
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue.

Debt Coverage



Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Chapter 4 of the MFMA provides that municipal budget should be funded from realistic anticipated revenue, prior years funds not committed and borrowings (only for capital budget). Emakhazeni Local Municipality capital expenditure budget is thus funded through conditional and through internal funding. Water Services Infrastructure Grant and Municipal Infrastructure Grant, as Integrated National Electrification Programme as required by the MFMA and DoRA.

The municipality achieved a 95% spending level on the capital budget.

5.5 CAPITAL EXPENDITURE

The municipality had various capital expenditure from different sources as outlined below:

| Grant Performance | | | | | | |
|-------------------------|-----------|--------|--------------------|--------|---------------------|------------------------|
| | | | | | | R' 000 |
| Description | 2019/2020 | | 2020/2021 | | | Adjustments Budget (%) |
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | |
| Operating Transfers and | | 12 | | | | |

| | | | | | | |
|---|---------------------------|---------------------------|----------------------------|----------------------------|------------|------------|
| Grants | | | | | | |
| National Government: | 67 251 000,00 | 67 585 000,00 | - 75 506 300,00 | - 69 094 463,22 | - 102% | 92% |
| Equitable share | 63 383 000,00 | 63 383 000,00 | - 79 199 996,00 | - 72 926 000,00 | - 115% | 92% |
| Municipal Systems Improvement | | | | | | |
| Finance Management grant | 2 435 000,00 | 2 800 000,00 | 2 800 000,00 | 2 800 000,00 | 100% | 100% |
| Other transfers/grants [EPWP] | 1 182 000,00 | 1 151 000,00 | 1 151 000,00 | 1 151 000,00 | 100% | 100% |
| Other transfers | 251 000,00 | 251 000,00 | - 257 304,00 | - 119 463,22 | -48% | 46% |
| COVID 19: Disaster grant | 238 000,00 | | - | - | | |
| Other grant providers: | 86 105 000,54 | 63 932 000,00 | 65 009 052,00 | 59 079 139,28 | 92% | 91% |
| MIG | 29 235 000,00 | 17 232 000,00 | 25 009 052,00 | 24 989 295,78 | 145% | 100% |
| INEP | 10 000 000,00 | 16 700 000,00 | 10 000 000,00 | 5 693 823,43 | 34% | 57% |
| WSIG | 46 870 000,54 | 30 000 000,00 | 30 000 000,00 | 28 396 020,07 | 95% | 95% |
| Total Operating Transfers and Grants | 153 356 000,54 | 131 517 000,00 | - 10 497 248,00 | - 10 015 323,94 | -8% | 95% |

5.6 SOURCES OF FINANCE

| Capital Expenditure Funding | | | | | | | |
|-----------------------------|---------|-----------------|-------------------|--------|-------------------------------|---------------------------|--|
| R' 000 | | | | | | | |
| Details | Year -1 | | | | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) | |
| Source of finance: | | 12 | | | | | |

| | | | | | | | |
|---------------------------|------------------------------------|------------------|-----------------|-----------------|--------------|-------------|-------------|
| Capital | | | | | | | |
| | External loans | 0 | | | | | |
| | Public contributions and donations | 0 | | | | | |
| | Grants and subsidies | 1533614 1 | 6478230 0 | -65009052 | 59079 139 | -200% | -9% |
| | Other | 305345 | | | | | |
| Total | | 1564148 6 | 6478230 0 | -65009052 | 59079 139 | -200% | -9% |
| Percentage of finance | | | | | | | |
| | External loans | 0 | 0 | 0 | #DIV/ 0! | | |
| | Public contributions and donations | 0 | 0 | 0 | #DIV/ 0! | | |
| | Grants and subsidies | 10,2240 94 | 37,9382 2985 | 53478855 3,3 | #DIV/ 0! | ##### ## | #DIV/ 0! |
| | Other | 0,20356 3333 | 0 | 0 | #DIV/ 0! | | |
| Capital expenditure | | | | | | | |
| | Water and sanitation | 0 | 5812695 9 | 58126959 | 37034 652 | 0% | -36% |
| | Electricity | 113240 | 1050000 1 | 10500001 | 90140 00 | 0% | -14% |
| | Housing | 0 | | | | | |
| | Roads and storm water | 28901 | 9646293 | 10436293 | 66317 63 | 8% | -31% |
| | Other | 1549934 5 | 1153100 3 | 12000998 | 74550 00 | 4% | -35% |
| Total | | 1564148 6 | 8980425 6 | 91064251 | 60135 415 | 12% | - 117% |
| Percentage of expenditure | | | | | | | |
| | Water and sanitation | 0 | 882% | ##### #### | #DIV/ 0! | #DIV/0 ! | #DIV/ 0! |
| | Electricity | 0,01415 49932 | 159% | - 49220096 | #DIV/ 0! | #DIV/0 ! | - |

| | | | | | | | |
|--|-----------------------|-----------------|------|----------------------|---------|---------|---------|
| | | | | 33% | | | |
| | Housing | 0 | 0% | 0% | #DIV/0! | #DIV/0! | #DIV/0! |
| | Roads and storm water | 0,00361 2623 | 146% | - 48921456 94% | #DIV/0! | #DIV/0! | #DIV/0! |
| | Other | 1,93741 7156 | 175% | - 56256211 56% | #DIV/0! | #DIV/0! | #DIV/0! |

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

The following were the top five capital spending for the financial year 2020-21.

| Capital Expenditure of 5 largest projects* | | | | | |
|--|-------------------------|-------------------|--------------------|----------------------------------|-------------------------|
| R' 000 | | | | | |
| Name of Project | Current: Year 2020/2021 | | | Variance: Current Year 2020/2021 | |
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance (%) | Adjustment variance (%) |
| Upgrading of Machadodorp water treatment works | 17 999 996,00 | 17 999 996,00 | | 100% | 0% |
| install 132/11kva substation | 15 000 000,00 | 15 000 000,00 | | 100% | 0% |
| Bhekumuzi Drive Road | 12 000 000,00 | 12 000 000,00 | | 100% | 0% |
| sewer pump station and rising main at Sakhel | 8 000 004,00 | 8 000 004,00 | | 100% | 0% |
| | | | | | |

COMMENT ON CAPITAL PROJECTS:

The municipality managed to spent 95% of the allocated Municipal Infrastructure Grant. Roll overs were applied for in relation to WSIG and INEP grant.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICES AND INFRASTRUCTURE BACKLOGS

Improving and extending service delivery to communities that were previously disadvantaged remains one of the core priorities of the municipality. Water and or sanitation provision was extended to farming communities, as well as communities in Madala and Emthonjeni. The municipality also improved the quality of water supply through elimination of interruptions in supply particularly in Waterval Boven. The financial injection through the WSIG saw Upgrading of Water Treatment Works being re-furbished.

| Services | Total No of HH | Households with access to service | % | Households without access to services |
|----------------|----------------|-----------------------------------|-------|---------------------------------------|
| Water | 15201 | 14 579 | 96% | 622 |
| Sanitation | 15201 | 12 689 | 83% | 2512 |
| Electricity | 15201 | 12 254 | 80.6% | 2 947 |
| Refuse Removal | 15201 | 12 254 | 80.6% | 2 947 |
| Roads | 2 617.36KM | 24.6KM | 0.94% | 2592.76KM |

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

One of the strategic objectives of Emakhazeni Local Municipality is to ensure efficient, effective cash flow management within the municipality. Cash flow is one of the most critical components of success of the municipality.

Currently the municipality is facing challenges in collecting receivables and in response to this challenge the municipality has implemented aggressive Revenue Enhancement measures. This has seen a great improvement in collection rate although the municipality is not at the desired level there has been great improvement.

| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
|-------------------------------------|-----------------|-------------------|------------------|------------------|
| R'000 | | | | |
| Description | 2020/2021 | | | Actual |
| | Audited Outcome | Original Budget | Adjusted Budget | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Property rates | | 63 433 823,92 | 63 433 823,92 | 51 339 248,21 |
| Service charges | 86734252,4 4 | 143 901 394,00 | ##### ## | ##### ## |
| Other revenue | 34350056,0 9 | 38 627 708,72 | 38 627 708,72 | 8 179 790,40 |
| Government - operating | 8515157,96 | 73 995 | 73 995 | 84 148 |

| | | | | |
|--|-------------------------|----------------------------|---------------------|----------------------------|
| | | 000,10 | 000,10 | 337,40 |
| Government - capital | 104459,03 | 64 839 000,00 | 64 839 000,00 | 65 232 051,00 |
| Interest | | 2 103 000,00 | 2 103 000,00 | 935 452,92 |
| Dividends | | | | |
| Suppliers and employees | - 178335506, 2 | - 237 878 360,22 | ##### ## | ##### ## |
| Finance charges | -41843 | - 4 080 000,00 | - 3 000 000,00 | - 937 348,85 |
| Transfers and Grants | -3362657 | | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 52036080,6 9 | 144 941 566,52 | ##### ## | 87 022 464,26 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Receipts | | | | |
| Proceeds on disposal of PPE | 0 | | | |
| Decrease (Increase) in non-current debtors | 0 | - | - | - |
| Decrease (increase) other non-current receivables | 0 | - | - | - |
| Decrease (increase) in non-current investments | 0 | - | - | - |
| Payments | | | | |
| Capital assets | -11858531 | - 93 382 300,00 | ##### ## | - 80 430 933,33 |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | -11858531 | - 93 382 300,00 | ##### # | - 80 430 933,33 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Receipts | | | | |
| Short term loans | 0 | - | - | - |
| Borrowing long term/refinancing | 0 | - | - | - |

| | | | | |
|--|----------------------|----------------------|----------------------|---------------------|
| Increase (decrease) in consumer deposits | | | | |
| Movement in long service awards | 2335000 | | | |
| Payments | | - | - | |
| Repayment of borrowing | -981039 | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | -981039 | - | - | - |
| | | | | |
| NET INCREASE/ (DECREASE) IN CASH HELD | - 64875650,69 | 51 559 266,52 | 37 169 119,52 | 6 591 530,93 |
| Cash/cash equivalents at the year begin: | -1152073 | 19 047 244,00 | 19 047 244,00 | 550 205,90 |
| Cash/cash equivalents at the year end: | 3025189 | 70 606 510,52 | 56 216 363,52 | 7 141 736,83 |

COMMENT ON CASH FLOW OUTCOMES:

Based on the draft cash flow presented above, it is evident that the municipality is operating under severe financial constraints

5.10 BORROWING AND INVESTMENTS

| MUNICIPAL INVESTMENTS | | | |
|--|------------------|------------------|------------------|
| | | | R' 000 |
| INVESTMENT TYPE | ACTUAL 2018/2019 | ACTUAL 2019/2020 | ACTUAL 2020/2021 |
| Municipality | | | |
| Securities - National Government | 0 | 0 | 0 |
| Listed Corporate Bonds | 0 | 0 | 0 |
| Deposits - Bank | 40394981,03 | 19258373,76 | 822340,9 |
| Deposits - Public Investment Commissioners | 0 | 0 | |
| Deposits - Corporation for Public Deposits | 0 | 0 | 0 |
| Bankers Acceptance Certificates | 0 | 0 | 0 |
| Negotiable Certificates of Deposit - Banks | 0 | 0 | 0 |
| Guaranteed Endowment Policies (sinking) | 0 | 0 | 0 |
| Repurchase Agreements - Banks | 0 | 0 | 0 |
| Municipal Bonds | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Municipality sub-total | 40394981,03 | 19258373,76 | 822340,9 |

COMMENT ON BORROWING AND INVESTMENTS:

The municipality had no short term borrowing in the financial year under review.

5.11 PUBLIC PRIVATE PARTNERSHIPS

No Public Private Partnerships were entered into during this year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

Council developed a Supply Chain Management (SCM) Policy and practices in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect from 1 March 2006. The new Preferential Procurement Regulations, 2017, which came into effect from 1 April 2017 was incorporated on the reviewed policy that was effected as at 1 April 2017 and adopted. The SCM Policy incorporating the abovementioned regulations, as well as all other relevant legislation, regulations and circulars and are annually reviewed with the budget process. In 2018/19 Council approved a Supply Chain Management Policy which included amendments that all construction projects should be sub-contracted to locals at **30%**.

The municipality's Supply Chain Management Unit had been successfully registered as a state organ under the Construction Industry Development Board iTender, National Treasury's eTender, as well as the Central Supplier Database portal, and tenders are being advertised through the same system to this end. It be noted that full implementation of the procurement of goods and services from the CSD tax compliant service providers still remains a challenge, since the financial accounting system (Munsoft) of the Municipality is not yet synchronized with the CSD portal, which propels the Municipality to verify and capture service providers' information manually each a procurement needs to be done.

A new standard on Infrastructure Procurement and Delivery Management had been introduced since National Treasury had issued a circular to that effect. It be noted that the Municipality had then developed and adopted Policy to that effect. Six (06) Municipal officials had been trained in order to understand how the standard would be implemented to that effect, which the training was conducted by Council for Engineering South Africa (CESA), as recommended by the National Treasury.

5.13 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to prepare their financial Statements. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The municipality is expected to fully comply with all GRAP standards.

MUNICIPAL STANDARD CHARTS OF ACCOUNTS

In terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003), the Minister of Finance acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs gazetted the Municipal Regulations on Standard Chart of Accounts (mSCOA) into effect on 22 April 2014. mSCOA provides a uniform and standardized financial transaction classification framework. Essentially this means that mSCOA prescribes the method (the how) and format (the look) that municipalities and their entities should use to record and classify all expenditure (capital¹² and operating), revenue, assets and liabilities, policy

outcomes and legislative reporting. This is done at transactional level and ensures that a municipality and its entities have minimum business processes in place. This will result in an improved understanding of the role of local government in the broader national policy framework and linkage to other government functions.

The Regulations apply to all municipalities and municipal entities and indicate its applicability and relevance to each specific municipal environment while accommodating organizational uniqueness and structural differences. The Regulation provides for a three year preparation and readiness window and all 278 municipalities must be compliant to the mSCOA classification framework by 1 July 2017.

The municipality is expected to fully comply with all mSCOA requirements when compiling the Annual Financial Statements.

AUDITED ANNUAL REPORT

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

It is the responsibility of Management to ensure that Annual Financial Statements of Emakhazeni Local Municipality fairly present financial position of the municipality. The presented Annual Financial Statements consist of the following:

1. Statement of Financial Position
2. Statements of Financial Performance
3. Statements of Changes in Net Assets
4. Cash Flow Statements
5. Statements of Comparison of Budget and Actual Amounts
6. Accounting policies
7. Notes to the Financial Statements.

The submission of the above Annual Financial Statements is in compliance with section 126 of Municipal Financial Management Act, Act No 56 of 2003.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2020/21

Report of the auditor-general to the Mpumalanga Provincial Legislature and council on the Emakhazeni local municipality

Report on the audit of the financial statements

Adverse opinion

1. I have audited the financial statements of the Emakhazeni local municipality set out on pages ... to which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget information with 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 Emakhazeni Local Municipality as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Basis for adverse opinion

Investment property

3. The municipality did not have the adequate system of records to account for investment properties required by GRAP 16, *Investment property*, as it recognised assets that were not under the control of the municipality. In addition, in the prior year, the municipality incorrectly classified community parks used for service delivery as investment property instead of property, plant and equipment. I was unable to determine the impact on investment property as it was impracticable to do so. Furthermore, not all disposal of investment properties were recorded, resulting in investment properties being overstated by R5 900 000 and receivable from exchange transaction being understated by the same amount. This also had an impact on the surplus and on the accumulated surplus for the period.
4. I was unable to obtain sufficient appropriate audit evidence that the municipality used appropriate data to determine the fair value of investment property as it could not be substantiated by supporting audit evidence. In addition, some of the investment properties selected from the asset register could not be physically verified and some investment properties selected from the valuation roll could not be traced to the asset register due to inadequate systems. Consequently, I was unable to determine whether any adjustment was necessary to fair value adjustments, stated at R1 690 000 (2019-20: R1 690 000) and investment property, stated at R252 840 035 (2019-20: R256 601 000) in note 3 to the financial statements.

COMMENTS ON AUDITOR-GENERAL'S OPINION 2020/21

The municipality has received an Adverse Audit Opinion, and we have already developed an action plan to deal with all the issues raised by the office of the Auditor General,. The municipality has established the clean audit committee to monitor the implementing of the action plan.

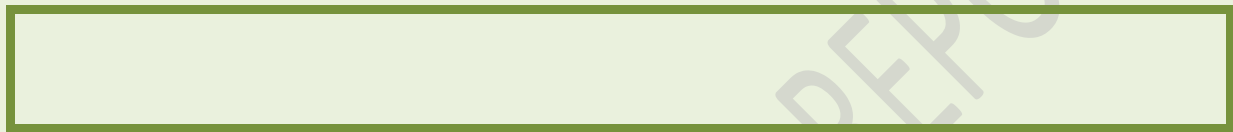
Signed (Acting Chief financial Officer).....

Dated.....

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

| Councillors, Committees Allocated and Council Attendance | | | | | |
|--|-----------------------|---|---------------------------------|--|---|
| Council Members | Full Time / Part Time | Committees Allocated | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage Apologies for non-attendance |
| | | | | % | % |
| Cllr TD Ngwenya | FT | Chairperson: Mayoral Committee | PR | 100% | 0% |
| Cllr NA Mashele | FT | Chairperson: Ethics & Rules | Ward 5 | 100% | 0% |
| Cllr M Kambula | FT | Member: Mayoral Committee | PR | 42% | 57% |
| Cllr TE Scheffers | FT | Member: Mayoral Committee | Ward 8 | 100% | 0% |
| Cllr SS Mthimunye | FT | Member: Mayoral Committee | Ward 4 | 71% | 14% |
| Cllr ES Radebe | PT | Member: Finance & Social Development Section 79 | Ward 3 | 100% | 0% |
| Cllr TC Ngomane | PT | Chairperson: Corporate Services Section 79 | Ward 1 | 93% | 7% |
| Cllr MP Ntuli | PT | Chairperson: MPAC | Ward 2 | 86% | 7% |
| Cllr R Ndlovu | PT | Member: Infrastructure, Planning and LED/IDP Section 79 | PR | 79% | 21% |
| Cllr JT Duma | PT | Chairperson: Finance & Social Dev. Section 79, Member: Corporate Services Section 79 | Ward 6 | 100% | 0% |
| Cllr TN Masha | PT | Chairperson: Infrastructure, Planning and LED/IDP Section 79 Member : Rules & Ethics Committee | Ward 7 | 79% | 9% |
| Cllr SS | PT | Member: Corporate | PR | 100% | 0% |

| | | | | | | |
|---------------|------|----|--|----|------|----|
| Tshabalala | | | Services Section 79 | | | |
| Cllr Botha | AA | PT | Member: Municipal Public Accounts Committee | PR | 93% | 7% |
| Cllr Skhosana | SI | PT | Member: Infrastructure, Planning and Social Development Section 79 | PR | 50% | 0% |
| Clr. Maida | A.N. | PT | Member: Finance & Social Development Section 79 | PR | 100% | 0% |



| Committees (other than Mayoral Committee/Executive Committee) and purposes of Committees | |
|--|---|
| Municipal Committees | Purpose of Committee |
| Section 80 Committees | To discuss and consider items submitted by Administration and Councillors and make recommendations to the Mayoral Committee |
| Section 79 Committees | To monitor and play an oversight role on the implementation of Council resolutions. |
| Municipal Public Accounts Committee | To play an oversight role as per the guideline for Municipal Public Accounts Committee |
| Rules and Ethics Committee | To investigate and report to Council any suspected breaches of Code of Conduct by Councillors |

APPENDIX C : THIRD TIER ADMINISTRATIVE STRUCTURE AS AT 30 JUNE 2019

| Third Tier Structure | | |
|---|---|--------------------|
| Directorate | Title | Name |
| Office of the Municipal Manager | Municipal Manager | Mr GC Mthimunye |
| | Manager LED/IDP | Mr TLO Sindane |
| | Manager Public Participation | Mr S Maseko |
| | Manager Office of the Executive Mayor | Mr KT Nkosi |
| | Senior Internal Auditor | Mrs. D.E. Ntshwane |
| | Risk Management Officer | Ms N Mokwana |
| | Performance Management Officer | Vacant |
| | Youth Manager | Mr NJ Mosotho |
| | Transversal Issues Co-ordinator | Ms ZS Mndawu |
| Corporate Services Department | Senior Manager Corporate Services | Mrs TJ Shoba |
| | Manager Legal Services | Mr MT Kutumela |
| | Manager: Labour Relations and Compliance | Mr. M.J. Sibanyoni |
| | Manager: HR, Records, Admin and Logistics | Mrs. S. Matsane |
| | Manager: ICT | Mr GG Madonsela |
| Financial Services Department | Chief Financial Officer | Mr. BJ Thoka |
| | Manager: Budget and Financial Reporting | Mr SP Leshage |
| | Manager: Expenditure | Ms B Mtshweni |
| | Manager: Income | Mr NS Mbethe |
| | Manager: Supply Chain Management | Mr JP Madiope |
| | Manager Asset Management | Mr MLL Mothoagae |
| Infrastructure, Planning and Social Development | Senior Manager : IPSD | Vacant |
| | Manager PMU | Mr WM Mtshweni |
| | Manager Water, Waste Water & Roads & Stormwater | Ms ED Kekana |
| | Manager Traffic Services | Mr VSH Mnisi |
| | Manager By Law Enforcement, Security and Emergency Services | Vacant |

APPENDIX D – FUNCTIONS OF MUNICIPALITY

| Municipal Functions | |
|--|-------------------|
| Constitution Schedule 4, Part B functions: | Applicable |
| Air pollution | Yes |
| Building regulations | Yes |
| Childcare facilities | Yes |
| Electricity and gas reticulation | Yes |
| Fire fighting services | Yes |
| Local tourism | Yes |
| Municipal airports | Yes |
| Municipal planning | Yes |
| Municipal health services | No |
| Municipal public transport | Yes |
| Storm water management systems in built-up areas | Yes |
| Trading regulations | Yes |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems | Yes |
| Beaches and amusement facilities | No |
| Billboards and the display of advertisements in public places | Yes |
| Cemeteries, funeral parlours and crematoria | Yes |
| Cleansing | Yes |
| Control of public nuisances | Yes |
| Control of undertakings that sell liquor to the public | Yes |
| Facilities for the accommodation, care and burial of animals | Yes |
| Fencing and fences | Yes |
| Licensing of dogs | Yes |
| Licensing and control of undertakings that sell food to the public | Yes |
| Local amenities | Yes |
| Local sport facilities | Yes |
| Markets | Yes |
| Municipal abattoirs | Yes |

| Municipal Functions | |
|---|-----|
| Municipal parks and recreation | Yes |
| Municipal roads | Yes |
| Noise pollution | Yes |
| Pounds | Yes |
| Public places | Yes |
| Waste removal, waste dumps and solid waste disposal | Yes |
| Street trading | Yes |
| Street lighting | Yes |
| Traffic and parking | Yes |

AUDITED ANNUAL REPORT

APPENDIX E : WARD REPORTING

| WARD COUNCILLOR | WARD | STATUS OF THE WARD COMMITTEE | CHALLENGES / ISSUES RAISED | PROGRESS REPORT TO THE ISSUES |
|------------------|------|------------------------------|--|--|
| Cllr. TC Ngomane | 01 | Functional | <ul style="list-style-type: none"> ▪ Graveling of roads in rural areas ▪ Inconsistence schedule in the delivery of water in rural areas ▪ There farms that are without electricity | <ul style="list-style-type: none"> ▪ The rural roads belong to Department of Public Works and constant engagement with the department is been made. ▪ The municipality had bought two 18000 litre water tankers to supply water in rural areas. ▪ Electricity in rural areas falls within the ambits of Eskom. Eskom has issued a budget for some farms that are in Emakhazeni Local Municipality to install electricity. |
| Cllr. MP Ntuli | 02 | -Functional | <ul style="list-style-type: none"> ▪ Graveling of roads in rural areas ▪ Inconsistence schedule in the delivery of water in rural areas ▪ There farms that are without electricity ▪ | <ul style="list-style-type: none"> ▪ The rural roads belong to Department of Public Works and constant engagement with the department is been made. ▪ The municipality had bought two 18000 litre water tankers to supply water in rural areas ▪ Electricity in rural areas falls within the ambits of Eskom. Eskom has issued a budget for some farms that are in Emakhazeni Local Municipality to install electricity. |

| WARD COUNCILLOR | WARD | STATUS OF THE WARD COMMITTEE | CHALLENGES / ISSUES RAISED | PROGRESS REPORT TO THE ISSUES |
|----------------------|------|------------------------------|--|---|
| Clr. E.S Radebe | 03 | Functional | <ul style="list-style-type: none"> ▪ Unemployment rate is too high. | <ul style="list-style-type: none"> ▪ The Municipality is in constant engagements with mines to prioritise local people in employment opportunities. ▪ |
| Cllr. SS Mthimunye | 04 | Functional | <ul style="list-style-type: none"> ▪ Graveling of roads in rural areas ▪ Inconsistence schedule in the delivery of water in rural areas ▪ Inconsistence schedule in the delivery of water in rural areas ▪ Inconsistence schedule in the delivery of water in rural areas ▪ There farms that are without electricity ▪ | <ul style="list-style-type: none"> ▪ The rural roads belong to Department of Public Works and constant engagement with the department is been made. ▪ The municipality had bought two 18000 litre water tankers to supply water in rural areas ▪ Electricity in rural areas falls within the ambits of Eskom. Eskom has issued a budget for some farms that are in Emakhazeni Local Municipality to install electricity. |
| Cllr. Nomhle Mashele | 05 | Functional | <ul style="list-style-type: none"> ▪ Graveling of roads in rural areas ▪ Inconsistence schedule in the delivery of water in rural areas ▪ There farms that are without electricity ▪ | <ul style="list-style-type: none"> ▪ The rural roads belong to Department of Public Works and constant engagement with the department is been made. ▪ The municipality had bought two 18000 litre water tankers to supply water in rural areas. ▪ Electricity in rural areas falls within |

| WARD COUNCILLOR | WARD | STATUS OF THE WARD COMMITTEE | CHALLENGES / ISSUES RAISED | PROGRESS REPORT TO THE ISSUES |
|--------------------|------|------------------------------|--|--|
| | | | | <p>the ambits of Eskom. Eskom has issued a budget for some farms that are in Emakhazeni Local Municipality to install electricity.</p> |
| Cllr. J. Duma | 06 | Functional | <ul style="list-style-type: none"> ▪ Graveling of roads in rural areas ▪ Inconsistence schedule in the delivery of water in rural areas ▪ There farms that are without electricity ▪ | <ul style="list-style-type: none"> ▪ The rural roads belong to Department of Public Works and constant engagement with the department is been made. ▪ The municipality had bought two 18000 litre water tankers to supply water in rural areas. ▪ Electricity in rural areas falls within the ambits of Eskom. Eskom has issued a budget for some farms that are in Emakhazeni Local Municipality to install electricity. |
| Cllr. T. Masha | 07 | Functional | <ul style="list-style-type: none"> ▪ There is a growing need for land to reside on in Waterfall Boven. ▪ There are a number of portholes in town. | <ul style="list-style-type: none"> ▪ The Municipality has serviced land in Gugulethu. ▪ The Municipality has started patching portholes in town. |
| Cllr. T. Scheffers | 08 | Non - Functional | <ul style="list-style-type: none"> ▪ Graveling of roads in rural areas ▪ Inconsistence schedule in the delivery of water in rural areas ▪ Inconsistence schedule in the delivery of water in | <ul style="list-style-type: none"> ▪ The rural roads belong to Department of Public Works and constant engagement with the department is been made. ▪ The municipality |

| WARD COUNCILLOR | WARD | STATUS OF THE WARD COMMITTEE | CHALLENGES / ISSUES RAISED | PROGRESS REPORT TO THE ISSUES |
|-----------------|------|------------------------------|--|---|
| | | | <ul style="list-style-type: none"> rural areas ▪ There farms that are without electricity ▪ | <p>had bought two 18000 litre water tankers to supply water in rural areas.</p> <ul style="list-style-type: none"> ▪ Electricity in rural areas falls within the ambits of Eskom. Eskom has issued a budget for some farms that are in Emakhazeni Local Municipality to install electricity. |

AUDITED ANNUAL REPORT

APPENDIX F : WARD INFORMATION

| WARD 1 | | | |
|------------------------------|---|--------------------------|-------------------|
| Name and Surname | Postal address | Contact details | Meetings attended |
| Mr Thamsanqa Cyprian Masina | P O. Box 67 Stand no 2575 Siyathuthuka 1102 | 0713627126 0729424846 | 0 |
| Mrs Nozizwe Prisca Nyauta | P.O. Box 67 Stand no 2255 Siyathuthuka 1102 | 0766498092 | 0 |
| Mr Simon Mahlangu | P.O. Box 317 Paardeplaas Belfast 1100 | 0768136657 | 0 |
| Miss Ester Molaleni Mahlangu | P.O. Box 63 Winterhoek Wonderfontein 1101 | 0711197307 | 0 |
| Ms Paulina Kori Monate | P.O. Box 552 Stand no 4130 Siyathuthuka 1102 | 0711936836 | 0 |
| Miss Busisiwe Jane Mhlabane | P.O. Box 550 Stand no 2083 Siyathuthuka 1102 | 0722779784 | 0 |
| Sophy Sangweni | P.O. Box 9 Blesboksrui Farm Wonderfontein 1101 | 0799543024 | 0 |
| Mr. Themba Arthur Tshabalala | P.O. Box Stand no 2304 Siyathuthuka 1102 | 0725790348 | 0 |
| Geelboy Fuile Sbaneoni | Po Box 15 Wonderfontein 1101 | 073 8471 886 | 0 |

| WARD 2 | | | |
|-----------------------------------|--|------------------------|--------------------------|
| Name and Surname | Postal address | Contact details | Meetings attended |
| Mrs Senzi Linah Mahlangu | Skiedpad Farm Stofberg 1056 | 0797090422 | 0 |
| Mr David July Matshika | P.O. Box 1730 Stofberg 1050 | 0826337092 | 0 |
| Ms Emma Nozipho Mahlangu | Deroodekop Farm Stofberg 1056 | 0791047699 | 0 |
| Mr. Bhekumuzi Quezee Sibanyoni | P.O. Box 19 Siyathuthuka 1102 | 0768317042 | 0 |
| Mr Vusumuzi Amos Mthombeni | P.O. Box 175 Siyathuthuka 1102 | 0799028652 | 0 |
| Ms Sarie Pauline Zimu | P.O. Box 139 Stand no 102 Siyathuthuka 1100 | 0827212463 | 0 |
| Mrs Paulina Maredi | P.O. Box 778 Siyathuthuka 1102 | 0786316475 | 0 |
| Joe Kabini | P.O BOX 10 Siyathuthuka 1102 | 0799864471 | 0 |
| Thembi Mdzipa | Sterkloop farm Stofberg 1050 | 0721104417 | 0 |

| WARD 3 | | | |
|--------------------------------|---|------------------------|--------------------------|
| Name and Surname | Postal address | Contact details | Meetings attended |
| Mrs Princess Nomsa Mahlangu | P.O. Box 573 Stand no 1603 Siyathuthuka 1102 | 0714721449 | 0 |
| Mr Mkhulu Peter Mapane | P O Box Stand 918 Siyathuthuka 1102 | 0834844594 | 0 |
| Mr Buti Bongani Maseko | Stand no 678 Siyathuthuka 1102 | 0763168698 | 0 |
| Mr Christian Mike Baloyi | P.O. Box 125 Siyathuthuka Stand No 1369 | 0721002892 | 0 |

| | | | |
|-----------------------|--|------------|---|
| | 1102 | | |
| Emily Mongwe | 885 Khayalami Street Siyathuthuka 1102 | 0732050185 | 0 |
| Nelly Maimela | 1626 Thula Street Belfast 1100 | 0726089517 | 0 |
| G.T Mazibuko | 641 Sakhile Street Siyathuthuka 1102 | 0796669617 | 0 |
| Victor Macdonald | P.O BOX 672 Belfast 1100 | 0711413253 | 0 |
| Mr Isaac Cyprian Zimu | P.O. Box 17 Belfast 1100 | 0726635858 | 0 |

| WARD 4 | | | |
|---------------------------------------|---|------------------------|--------------------------|
| Name and Surname | Postal address | Contact details | Meetings attended |
| Mr Vusi Mkhabela | P.O. Box 1146 Sakhelwe 1110 | 0734541281 | 0 |
| Mr Tsepo France Mthimunye | P.O. Box 1197 Sakhelwe 1110 | 0839434744 | 0 |
| Mr Simon Mosotho | Lunsklip Farm Santa Dullstroom 1110 | 0729392245 | 0 |
| Mr Dipuo Johannes Ntshwani | P.O. Box 61 Sakhelwe 1110 | 0725587540 | 0 |
| Berendina Dimakatso Young Mtshweni | P.O BOX 1217 Dullstroom 1110 | 07301583983 | 0 |
| Petros Mthimunye | 947 Sakhelwe Dullstroom 1110 | 06041739255 | 0 |
| Amos Mkhonto | P.O BOX 51 Dullstroom 1110 | 0839434744 | 0 |
| Mike Brett | NONE | 0824944099 | 0 |

| WARD 5 | | | |
|-------------------------|--|------------------------|--------------------------|
| Name and Surname | Postal address | Contact details | Meetings attended |
| Ms Mirriam Nkosi | P.O. Box 358 Stand no 867 Emthonjeni | 0728515466 | 0 |

| | | | |
|--------------------------------|---|------------|---|
| | 1170 | | |
| Ms Zanele Grace Moshabalo | P.O. Box 177 Stand no 647 Emthonjeni 1170 | 0782796862 | 0 |
| Miss Smangele Princess Duma | P.O. Box 496 Stand no 25 Emthonjeni 1170 | 0728592612 | |
| Ms Sonto Reginah Malaza | P.O. Box 434 Stand no 868 Emthonjeni 1170 | 0765060974 | 0 |
| Ms Danisile Christina Maseko | P.O. Box 31 Stand 758 Emthonjeni 1170 | 0728711131 | 0 |
| Ms Msesi Mary Takwende | Arle Farm Waterval Boven 1195 | 0717963203 | 0 |
| Ms Nonhlanhla Betty Nkosi | P.O. Box 330 Stand no 722 Emthionjeni 1170 | 0833718065 | 0 |
| Mr Daniel Skhumbuzo Qala | P.O. Box 388 Stand no 724 Emthonjeni 1170 | 0833335056 | 0 |
| Mr Wilkies Kleinbooi Shabalala | P.O. Box 555 Stand no 783 Emthonjeni 1170 | 0729796061 | 0 |

| WARD 6 | | | |
|--------------------------|---|------------------------|--------------------------|
| Name and Surname | Postal address | Contact details | Meetings attended |
| Mr. Babili Shongwe | P.O. Box 630 Stand no 1465 Emthonjeni 1170 | 0637805711 | 0 |
| Mr Fannie Sifiso Masuku | P.O. Box 586 Stand no 1275 Emthonjeni 1170 | 0769954862 | 0 |
| Mr Meshack Bheki Mavuso | P.O. Box 324 Stand no 1002 Emthonjeni 1170 | 0760634810 | 0 |
| Mrs Patience Myhome Duma | P.O. Box 644 21 Rivier Street Machadodorp | 0719392921 | 0 |

| | | | |
|---------------------------------|--|------------|---|
| | 1170 | | |
| Ms Veronica Nombango Ngwenya | P.O. Box 249 Stand no 1626 Emthonjeni 1170 | 0834254909 | 0 |
| Mrs Magareth Mhlatasi Nkosi | P.O. Box 340 Stand no 315 Emthonjeni 1170 | 0731413547 | 0 |
| Mr Lucas Sbusiso Sindane | P.O. Box 578 Winnarspoort Farm Machadodorp 1170 | 0832044753 | 0 |
| Vusi skhosana | P.O BOX 67 Emthonjeni 1170 | 0721790598 | 0 |
| Mr Lucas Andries Dladla | P.O. Box 1238 Palmer Farm Belfast 1100 | 0720642589 | 0 |

| WARD 7 | | | |
|---------------------------------|---|------------------------|--------------------------|
| Name and Surname | Postal address | Contact details | Meetings attended |
| Ms Monase Joanah Mbazima | P.O. Box 1095 Stand no 358 Waterval Boven 1195 | 0723159776 | 0 |
| Mr Jerry Fakude | P.O. Box 1328 Waterval Boven 1195 | 0728776977 | 0 |
| Mr Lindani Kenneth Mthimunye | P.O. Box 195 Stand no 130 Waterval Boven 1195 | 0721132334 | 0 |
| Amos Vuma | | 0723316933 | 0 |
| Joanah Mbazima | 358 Sgwabula Wateval Boven 1195 | 0723159776 | 0 |
| Jeaneth Nkosi | | 0765896508 | 0 |
| Ivy busisiwe Msimango | P.O BOX 1038 Waterval Boven 1195 | 0720810480 | 0 |
| Gert lombard | P.O BOX 52 Waterval Boven 1195 | 0827030616 | 0 |
| Mathebula Sunnyboy | NONE | 0827030616 | 0 |
| Moses Moya | P.O BOX 1325 Waterval Boven 1195 | 0726931750 | 0 |

| WARD 8 | | | |
|------------------------------------|---|------------------------|--------------------------|
| Name and Surname | Postal address | Contact details | Meetings attended |
| Mr Fananyana Johannes Mthimunye | Tweefontein Farm Belfast 1100 | 0722052518 | 0 |
| Mrs Thabisile Octavia Tshabalala | 62 Church Street Belfast 1100 | 0767764155 | 0 |
| Mr Sbusiso Patrick Masango | P.O. Box 871 Belfast 1100 | 0724477191 | 0 |
| Mr Daniel John Janse Van Resenburg | P.O. Box 506 51 Du Plooy Street Belfast 1100 | 0823379933 | 0 |
| Mr Daniel Foyoyo Maseko | 73 Mc Donald Street Belfast 1100 | 0723252934 | 0 |
| Gugu Mahlangu | P.O BOX 158 BELFAST 1100 | 0799761881 | 0 |
| Mr Gibson Violent Mtetwa | P.O. Box 45 Belfast 1100 | 0797523305 | 0 |
| Mr Siyaphi Mthimunye | P.O. Box 1214 Belfast 1100 | 0836568080 | 0 |

**APPENDIX G- RECOMMENDATIONS OF THE MUNICIPAL
AUDIT COMMITTEE 2020/2021**

| DISCUSSION ITEM | OBSERVATION | IMPLICATION | RECOMMENDATION |
|-----------------|--|--|---|
| Finance | Budget Performance Report | It can affect the audit opinion of the municipality | Management must ensure that the information provided on the Budget Performance report should include all the required information for the Committee to give input. |
| | Increased in the Debtors book | Audit Committee can't advise the municipality based on the information provided that is not credible | Management should split the revenue collection report to indicate current billing/payment and the collection from old debt. Follow up on the farms that are not billed. |
| | Creditors outstanding in excess of 30 days | It can affect the audit opinion of the municipality | Management should honor the Eskom account to avoid more interest being billed to the municipality, and also come up with strategies on how to collect revenue due to the municipality. The municipality should provide a separate report detailing what measure were taken to recover the overtime paid to the employees who do not qualify to claim overtime. Projects that were due for the quarter of which appointments |
| | | Non-compliance with | |

| DISCUSSION ITEM | OBSERVATION | IMPLICATION | RECOMMENDATION |
|-------------------|----------------|---|--|
| | | It can affect the audit opinion of the municipality | <p>Emakhazeni that are not paying for property rate, to start paying in order to enhance the revenue of the municipality.</p> <p>Management should split the revenue collection report to indicate current billing/payment and the collection from old debt.</p> <p>Follow up on the mines that do not have accounts</p> |
| Litigation report | Magoveni issue | Increase in legal fees | Detailed report on the Magoveni claim for R6.5 million to be submitted to the next audit committee for further evaluation and recommendations. AC is satisfied with the work done by the unit in dealing with legal matters. |
| Vacancy rate | | It will affect service delivery | <p>Corporate services should monitor overtime and the committee requested Management to submit the following reports:</p> <ul style="list-style-type: none"> • Disciplinary Action report • LLF report • Covid- 19 report • Municipal Unrest (Strike) report |

| DISCUSSION ITEM | OBSERVATION | IMPLICATION | RECOMMENDATION |
|------------------------------------|-------------------------------|---|--|
| ICT | Aging of ICT infrastructure | Affect business continuity | <p>1. Audit committee resolved that in the next meeting the following report should be presented:</p> <ul style="list-style-type: none"> • How the municipality is managing electronic documents and whether there were challenges. • In the previous financial year there were no AG findings. What are the measures put in place to make sure that IT department will remain with no AG findings • Specify if the audit file, policy and compliance for the current financial year are in place for AG. <p>The implemented resolutions of ICT steering committee.</p> |
| | No Disaster recovery site | Affect business continuity | <p>ICT department should engage with Nkangala District in order to be assisted with the municipal server and disaster recovery site.</p> |
| Internal Audit and Risk Management | Implementation of resolutions | Monitoring of recommendations and mitigation strategies | Audit Committee commended Management on the improvements on the implementation of Internal Audit recommendations and risk |

| DISCUSSION ITEM | OBSERVATION | IMPLICATION | RECOMMENDATION |
|--|---|-----------------------------------|--|
| | | | mitigation strategies; and recommended that Internal Audit and Risk reports be standing items in all Management meetings to monitor implementation. |
| Performance Management | Vacant position | Performance meetings not convened | Management should fast-track the appointment of the PMS Officer. |
| Corporate Services (Implementation of the Disaster Management Act 2002: Amendment of Regulations issued in terms of Section 27(2) adjusted alert Level 1 and 3) | Procurement of dust masks | Noncompliance with Regulations | Management should engage the Department of Health and seek advice on the use of dust masks. |
| Risk Management | Implementation of mitigation strategies | Mitigation strategies | Management should ensure all risk mitigation strategies are implemented. It is noted the regression of the mitigation strategies for the 2 nd quarter. |

APPENDIX H –SERVICE PROVIDER PERFORMANCE SCHEDULE

This section serves to evaluate the Service Provider’s performance in respect of provisions of the contract and the product that the Service Provider delivered for all aspects of the project scope. The Evaluation criteria are based on a scale of 1-5 and each of aspects measured relate to the successful completion of the project. The evaluation score guide on the performance of the service providers is as follows:

| | | |
|---|----------------------|--|
| 5 | Excellent | Performance far exceeds the standard expected of a service provider at this level. The review/assessment indicates that the Service Provider has achieved above fully effective results against all performance criteria and indicators as specified in the contract and scope of work and maintained this in all areas of responsibility throughout the term of contract. |
| 4 | Good | Performance is significantly higher than the standard expected in the job. The review/assessment indicates that the Service Provider has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the term of contract. |
| 3 | Average | Performance fully meets the standards expected in all areas of the job. The review/assessment indicates that the Service Provider has fully achieved effective results against all significant performance criteria and indicators as specified in the contract and scope of work. |
| 2 | Below Average | Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Service Provider has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the contract and scope of work. |
| 1 | Unacceptable | Performance does not meet the standard expected for the job. The review/assessment indicates that the Service Provider has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the contract and scope of work. The Service Provider has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement. |

FINANCE RELATED SERVICE PROVIDERS

| Appointed Service Provider | Services description | Appointment Date | Rating of Performance |
|----------------------------------|--|------------------|-----------------------|
| VIP Sage | Procurement of Software License for the Municipal Payroll | 30-Jun-05 | 4 |
| Maxprof consulting | Provision of the VAT consultation , submission of Vat returns and Vat reconciliation | | 5 |
| Cathu Consulting | Preparation of FAR | 12 April 2019 | 3 |
| Kunene Makopo Risk Solutions | Insurance Broker | 26 December 2019 | 4 |
| Njabulo Hlope Trading Enterprise | Stationary | 08 January 2021 | 4 |
| Mvubu and Co (PTY) LTD | Stationary | 08 January 2021 | 4 |

INFRASTRUCTURE, PLANNING AND SOCIAL DEVELOPMENT

| Appointed Service Provider | Services Description | Appointment Date | Rating Of Performance |
|--|-------------------------------|------------------|-----------------------|
| Blendtech (pty) Ltd | Water chemicals | 21-Oct-15 | 3 |
| Kgopadiro Trading and Projects (Pty) Ltd | Provision of PPE | 12-May-16 | 3 |
| Izew Engineering Investments and Angela Symons Trading Investment JV | Electrical services | 27-May-16 | 3 |
| Omphile Electrical and Construction | Electrical services | 27-May-16 | 4 |
| Chem-tec Chemicals Services Cc | Supply of Water Chemicals | 01-Apr-17 | 5 |
| Buang Smv Jv | Maintenance of Landfill sites | 06-Feb-17 | 4 |
| Kosher Investments Cc | Provision of PPE | 17-May-17 | 4 |
| BCSC Consulting Engineers and Project Managers | Consultant for landfill sites | 26/06/2017 | 4 |

| Appointed Service Provider | Services Description | Appointment Date | Rating Of Performance |
|--|--|------------------|-----------------------|
| Mphonyane Investment/ Constructibility 10 JV Zedek TRD | Contractor for the landfill site | 08-Nov-17 | 4 |
| Dinokong Supply and projects | Supply of Water in Rural areas Ward 1 and 4 | 17-May-19 | 1 |
| Mmakoto Construction | Supply of water in rural areas ward 2 | 17-May-19 | 3 |
| Creston Construction | Supply of water in rural areas ward 5 and 6 | 17-May-19 | 4 |
| Qubekela Phambili Construction | Supply of Water in Rural areas ward 8 | 17-May-19 | 4 |
| Bapedi Consulting Engineers | Rehabilitation of waste disposal site Phase 1 in Belfast (Phase 3) | 03 March 2019 | 2 |
| Mphonyane Investment JV Zedek | Rehabilitation of waste disposal site Phase 1 in Belfast (Phase 3) | 08-Nov-17 | 2 |
| ECA Consulting Engineers | Sakhelwe: Provision of waterborne sanitation in Extension 02 Phase 4 | 03-Jun-2019 | 4 |
| Magundwane Construction | Sakhelwe: Provision of waterborne sanitation in Extension 02 Phase 4 | 12-Oct-17 | 3 |
| Makone Consulting Engineers | Construction of internal street (Ekuphumuleni street) in Siyathuthuka | 03-Jun-2019 | 4 |
| Sinqobile Investment | Construction of internal street (Ekuphumuleni street) in Siyathuthuka | 27-Feb-18 | 4 |
| Servinet Consulting Engineers | Construction of Internal street (Sgwabula Access Road) in Emgwenya | 03-Jun-2019 | 2 |
| Sinqobile Investment | Construction of Internal street (Sgwabula Access Road) in Emgwenya | 27-Feb-18 | 4 |
| Tshatshu Consulting Engineers | Construction of Internal street (Madiba Street) in Sakhelwe | 03-Jun-2019 | 3 |
| Sinqobile Investment | Construction of Internal street (Madiba Street) in Sakhelwe | 27-Feb-18 | 4. |
| Dikgabo Consulting Engineers | Upgrading of Siyathuthuka Stadium (Ward 3) | 03-Jun-2019 | 3 |
| Sinqobile Investment | Upgrading of Siyathuthuka Stadium (Ward 3) | 08-Nov-2019 | 3 |
| Jusben Consulting Engineers | Installation and commissioning of a new 132/ 11kv 20MVA electricity substation and feeder lines in Emakhazeni Phase 3 | 26-Sep-19 | 4 |
| Izinyosi Engineering | Installation and commissioning of a new 132/ 11kv 20MVA electricity substation and feeder lines in Emakhazeni Phase 3 | 26-Sep-19 | 4 |

| Appointed Service Provider | Services Description | Appointment Date | Rating Of Performance |
|---|--|------------------|-----------------------|
| Monde Consulting Engineers | Upgrading of Machadodorp Waste Water Treatment works | 03-Jun-19 | 2 |
| Sinqobile Investment JV Mahlangu Mgabadeni. | Upgrading of Machadodorp Waste Water Treatment works | 26 Feb 20 | 4 |
| Marumo Consulting Engineers | Upgrading of Machadodorp WTW and Water Use License Application(Phase) 1 | 03-Jun-19 | 4 |
| Kumelcon Consulting Engineers | Installation of Sewer line in Sgwabula | 03-Jun-19 | 2 |
| Creston Construction | Installation of Sewer line in Sgwabula | 26-Feb-20 | 4 |
| MVE Consulting Engineers | Installation of Water Distribution Network Emgwenya Phase 2 and Upgrading of Madala Pump Station in Emakhazeni Belfast | 03-Jun-19 | 3 |
| Sibusisiwe Electrical Contractors | Installation of Water Distribution Network Emgwenya Phase 2 and Upgrading of Madala Pump Station in Emakhazeni Belfast | 29-Nov-19 | 3 |
| Madisha and Associates CC | Refurbishment of Watervalboven Boven WTW and replacement of AC pipelines Phase 3 | 03-Jun-19 | 2 |
| Sindane Mining Ventures | Refurbishment of Watervalboven Boven WTW and replacement of AC pipelines Phase 3 | 12-dec-2019 | 4 |
| Xilota Security Services | Provision of Security Services for Emakhazeni Local Municipality | 31 Jan 2020 | 3 |
| PP Technical Security | Provision of Security Services for Municipal flats | | 2 |

CORPORATE SERVICES

| Appointed Service Provider | Services description | Appointment Date | Rating of Performance |
|----------------------------|---|------------------|-----------------------|
| Kosher | Supply and delivery of employee protective clothing | 1 October 2018 | 3 |
| EduSolutions | Provision of photocopy machines | 1 November 2018 | 5 |
| NoMaswazi Attorneys | Represent the municipality on legal matters | 8 March 2018 | 4 |
| BV Mbungela Attorneys | Represent the municipality on legal matters | 17 March 2018 | 4 |

| Appointed Service Provider | Services description | Appointment Date | Rating of Performance |
|----------------------------|---|------------------|-----------------------|
| Mmakola Matsimela | Represent the municipality on legal matters | 8 March 2018 | 4 |
| Nkgadima | Represent the municipality on legal matters | 8 March 2018 | 3 |
| Raphela | Represent the municipality on legal matters | 8 March 2018 | 4 |

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APPENDIX J –DISCLOSURE OF FINANCIAL INTEREST (01 JULY 2020-30 JUNE 2021)

| Ref No | Name | Designation | Id. No | Name/Type Of Business, Work/Property/Business Interest | Shares/Value/ Amount |
|--------|----------------|--|---------------|--|---|
| 1. | T.D Ngwenya | Executive Mayor | 6807165491087 | Welkom yizani investment Phuthuma nathi Nkangala district Councillor Rep- Emakhazeni House 960 Siyathuthuka House 314 Siyathuthuka De Suikerboschkop farm 305h Belfast | 20% shares 20% shares R 800.00 R100 000.00 R 400 000.00 R 3 050 000.00 |
| 2. | N.A Mashele | Speaker | 7805110538084 | N/A | N/A |
| 3. | T.E Scheffers | MMC Corporate Services | 6410190442082 | Residential Residential | R 850 000.00 R 475 000.00 |
| 4. | M Kambula | MMC Infrastructure Planning and Social Development | 6910140826086 | Khangezuthando nenjabulo enhle Land and House- Leeufontein, | 100% Shares +-R9 000 000.0 |
| 5. | S.S Mthimunye | MMC Finance and Economic Affairs | 8405315382088 | N/A | N/A |
| 6. | J.T Duma | Councillor | 6405015572089 | N/A | N/A |
| 7. | T.C Ngomane | Councillor | 6605045350089 | Residential, Siyathuthuka | |
| 8. | D.M Scheffers | Councillor | 7611195187080 | N/A | N/A |
| 9. | S.S Tshabalala | Councillor | 6809075523082 | Siyathuthuka butchery& Shisanyama Siyathuthuka butchery& Shisanyama | 50% R 500 000.00 |
| 10. | A.A Botha | Councillor | 5603120075086 | Prospect Mpg Sanlam Aida Highlands 4 burg street 7 burg street | 5 % shares 4% shares 10% shares Commission R 1M R 800 000.00 |
| 11. | E.S Radebe | Councillor | 5705120873087 | House 2884 Belfast | R 500 000.00 |
| 12 | N.T Masha | Councillor | 8209166044080 | JV Bottlestore Nyameni Trading Nyameni Trading(self employment) | 20 000.00 R 50 000.00 |
| 13 | M.P Ntuli | Councillor | 7312045442086 | N/A | N/A |
| 14 | R Ndlovu | Councillor | 5707071042084 | N/A | N/A |
| 15 | S.I Skosana | Councillor | 8010035498089 | Themba Kandaba Trust- Board member | N/A |
| 16 | EK Tshabalala | Municipal manager | 7708290386086 | Evening star trading Sasol inzalo Shares Various residential and business Property | R0.00 R3000.00 +- R10 000 000 |
| 17 | B.J Thoka | Chief Financial Officer | | | |
| 18 | T.J Shoba | Manager Corporate services | 6811030422087 | House Emthonjeni Stand Entokozweni | R70 000.00 R90 000.00 |
| 19 | ML Mamaleka | Manager IPSD | | | |
| 20 | A.S Maliba | Meter reader | 6409115367085 | N/A | N/A |

| | | | | | |
|-----|--------------|--|---------------|---|--|
| 21 | M.I Abdullah | Office Manager: Emgwenya/Entokozweni | 6403015266083 | Alipo investments Erf 110\2 Emgwenya (Rental) Erf 110\4 Emgwenya Erf 110\2 Emgwenya Stand 1161 Belfast Erf Badplaas Erf Mbombela | 50% Shares R4 600.00 R650 000.00 R650 000.00 R900.000.00 R50 000.00 R50 000.00 |
| 22. | G.T Maripane | Snr. Admin officer: IDP/LED | 8207130494084 | Ikhwezi lokusa guest house Mekgopa Logistics- transport House 1216, Belfast Business- 06 Steven Masango Street, Belfast | R10 000.00 R1.2 M R1.1M |
| 23 | E.L Masuku | Internal Auditor | 8410220275088 | N/A | N/A |
| 24 | Z.G Nkambule | MPAC Researcher | 9003105473081 | N/A | N/A |
| 25 | N.M Mkwana | Risk Officer | 9201160497082 | Umlambo Business Consultants Nomakhwezi Properties Khwezelihle | R0.00 R0.00 R0.00 |
| 26 | N.P Monoge | Internal audit intern | 9105120372089 | N/A | N/A |
| 27 | S Matsane | Manager: HR, Records Admin | 8403040392084 | 28 Janson Street Machado 30 Tiger eye street Middelburg | R450 000.00 R1 120 000.00 |
| 28 | A.J Skosana | Snr. Admin Officer: HR | 7010050464082 | House Siyathuthuka | R110 000.00 |
| 29 | N.A Mahlangu | Personnel clerk | 8406280792087 | N/A | N/A |
| 30 | S.A Msiza | Snr. Admin Records | 8902160813084 | N/A | N/A |
| 31 | F Damane | Switchboard operator | 9009241033085 | N/A | N/A |
| 32 | Z.S Maluka | Records and Registry Administrator | 6205030377088 | 24 Buffalo Street Belfast | R690 000.00 |
| 33 | N.W Mkhonto | Legal Advisor | 8706235440082 | N/A | N/A |
| 34 | X. Makofane | Skills Development Facilitator | 7411185369081 | N/A | N/A |
| 35 | W.M Mtshweni | Manager PMU | 8707276559087 | House- Capstone Manor Units, Belfast Jacket from Sekunjalo Pipes Gucci Googles From China(unknown sender) | R350 000.00 |
| 36 | N.J Mahlangu | Labourer | 9611215845087 | N/A | N/A |
| 37 | M.D Lubisi | Labourer | 8305025394086 | Mafirifiri mechanical Engineering Stand No. 58 New Village | 100% Shares |
| 38 | G.I Mahlangu | Labourer | 7702105357085 | Jima Trading Pty. Ltd Jima trading Pty ltd (Cleaning) | 25% Shares +- R6000.00 |
| 39 | S.I Shakwane | Labourer | 8207200932088 | Khosimela Stand No. 1026 Dullstroom | R10 000.00 R40 000.00 |
| 40 | D.M Mahlangu | labour | 8209035548089 | AMROB Continental (PTY) Ltd (Waste management Company) | 50% shares |

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

| Vote Description | 2019/2020 | Current: 2020/2021 | | | Year 2020/21 Variance | |
|--|--------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| Vote 1 - EXECUTIVE AND COUNCIL | 120 487 | 81 271 | 94 339 | 107 086 | 24% | 114% |
| Vote 2 - FINANCE AND ADMIN | 66 213 | 86 289 | 82 800 | 96 767 | 11% | 117% |
| Vote 3 - PLANNING AND DEVELOPMENT | 1 902 | 6 512 | 6 539 | 2 622 | -148% | 40% |
| Vote 4 - HEALTH | - | - | - | | | |
| Vote 5 - COMMUNITY AND SOCIAL SERVICES | 897 | 85 | 85 | 56 | -51% | 66% |
| Vote 6 - PUBLIC SAFETY | - | 20 | 20 | | | 0% |
| Vote 7 - SPORTS AND RECREATION | 129 | 29 | 29 | 64 | 55% | 224% |
| Vote 8 - WASTE MANAGEMENT | 9 633 | 13 432 | 10 932 | 10 099 | -33% | 92% |
| Vote 9 - WASTE WATER MANAGEMENT | 12 132 | 13 733 | 12 533 | 12 670 | -8% | 101% |
| Vote 10 - ROAD TRANSPORT | 44 765 | 19 333 | 15 144 | 1 727 | - 1020% | 11% |
| Vote 11 - WATER | 76 100 | 51 348 | 49 348 | 48 142 | -7% | 98% |
| Vote 12 - ELECTRICITY | 77 019 | 114 792 | 104 626 | 98 552 | -16% | 94% |
| Vote 13 - OTHER | - | - | - | | | |
| Example 14 - Vote 14 | | | | | | |
| Example 15 - Vote 15 | | | | | | |
| Total Revenue by Vote | 409 277 | 386 844 | 376 396 | 377 785 | -2% | 100% |
| <i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i> | | | | | | TK.1 |

APPENDIX L – CAPITAL PROGRAMME BY PROJECT 2020-21

| ProjectShortDesc | ItemLongAccNo | Total Budget | Unspent Open Bal | Total Actual | Recon Total | vat | Total | Funding Source |
|--|--|---------------------------|------------------|------------------------|------------------------|--------------------|--------------------------|----------------|
| MV Substations:Installation of new 132/11kva 20 MVA substation in Emakhazeni | IA002015001003 00100200100200 0000000000 | 8 300 000 | | 3 537 175,0 0 | 3 537 175,0 0 | 530 576, 25 | 4 067 751, 25 | INEP |
| LV Networks:Electrification of household Emthonjeni | IA002015001003 00100700100200 0000000000 | 1 700 004 | | 1 459 689,7 3 | 1 416 261,5 1 | 212 439, 23 | 1 628 700, 74 | INEP |
| | | 10 000 004 | - | 4 996 865 | 4 953 437 | 743 015 | 5 696 452 | |
| Distribution:Water supply rural areas | IA002015001004 00400100200000 0000000000 | 1 897 716 | | 166 809,8 1 | 166 809,8 1 | 25 021, 47 | 191 831, 28 | MIG |
| Reticulation:Provision of waterborne sanitation to Emthonjeni & Enkanini | IA002015001005 00100200000000 0000000000 | 2 900 004 | | 1 957 719,6 3 | 1 957 719,6 3 | 293 657, 94 | 2 251 377, 57 | MIG |
| Roads:Siyathuthuka ward 1 Road | IA002015001015 00100200000000 0000000000 | 2 499 996 | | 2 061 195,0 6 | 2 061 195,0 6 | 309 179, 26 | 2 370 374, 32 | MIG |
| Roads:Bhekumuzi masango Drive | IA002015001015 00100200000000 0000000000 | 2 683 332 | | 2 327 628,5 0 | 2 327 628,5 0 | 349 144, 28 | 2 676 772, 78 | MIG |
| Roads:Bhekumuzi masango Drive | IA002015001015 00100200000000 0000000000 | 650 000 | | - | - | - | - | MIG |
| Roads:Madala access Road | IA002015001015 00100200000000 0000000000 | 5 001 008 | | 4 500 692,9 2 | 4 500 692,9 2 | 675 103, 94 | 5 175 796, 86 | MIG |
| Roads:Emgwenya ward 7 Road | IA002015001015 00100200000000 0000000000 | 4 799 | | 4 114 031,8 | 4 165 536,2 | 624 830, | 4 790 366, | MIG |

| | | | | | | | | |
|---|--|---------------------------------------|---|---------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|------|
| | | 996 | | 2 | 0 | 43 | 63 | |
| Roads:Siyathuthuka ward 3 Road | IA002015001015 00100200000000 0000000000 | 4 799 996 | | 4 085 031,5 4 | 4 085 031,5 4 | 612 754, 73 | 4 697 786, 27 | MIG |
| | | 25 232 048 | - | 19 213 109 | 19 264 614 | 2 889 692 | 22 154 306 | |
| Boreholes:Drilling and equipping boreholes 1 | IA002015001004 00100100200000 0000000000 | 2 500 000 | | 1 891 638,8 3 | 1 527 690,8 6 | 233 378, 81 | 1 789 237, 53 | WSIG |
| Distribution Points:Water Cart | IA002015001004 00400100200000 0000000000 | 1 500 000 | | 1 304 347,8 3 | 1 304 347,8 3 | 195 652, 17 | 1 500 000, 00 | WSIG |
| Water Treatment Works:Refurbish WTW and replace AC pipes in Waterval Boven | IA002015001004 00800100200000 0000000000 | 17 999 996 | | 8 827 221,3 6 | 8 641 073,7 2 | 1 296 161, 06 | 9 937 234, 78 | WSIG |
| Pump Station:Construction of sewer pump station and rising main at Sakhelwe Ext 2 | IA002015001005 00100200000000 0000000000 | 8 000 004 | | 6 593 441,4 9 | 6 593 441,4 9 | 989 016, 22 | 7 582 457, 71 | WSIG |
| Water Services Infrastructure Grant | | 30 000 000 | - | 10 616 650 | 18 066 554 | 2 714 208 | 20 808 930 | |
| Total | | 65 232 052 | - | 34 826 624 | 42 284 604 | 6 346 916 | 48 659 688 | |

APPENDIX L – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

| Service Backlogs: Schools and Clinics | | | | |
|--|-------|------------|-------------|------------------------|
| Establishments lacking basic services | Water | Sanitation | Electricity | Solid Waste Collection |
| Schools (NAMES, LOCATIONS) | | | | |
| Khayalami Secondary School (Siyathuthuka) | ✓ | ✓ | ✓ | ✓ |
| Belfast Academy (Emakhazeni) | ✓ | ✓ | ✓ | ✓ |
| Siyifunile Secondary School(Dullstroom) | ✓ | ✓ | ✓ | ✓ |
| Imemeza Secondary School (Emgwenya) | ✓ | ✓ | ✓ | ✓ |
| Sikhulile Secondary School (Entokozweni) | ✓ | ✓ | ✓ | ✓ |
| Mórelig Secondary School(Wondefontein) | x | x | x | x |
| Poolzee* Secondary School(Stofberg) relocated to the new boarding school | x | x | x | x |
| Tonteldoos* Secondary School(Tonteldoos) | x | x | x | x |
| Klipspruit* Secondary School(Badfontein) | x | x | x | x |
| Ukhwezi Primary School – Siyathuthuka | ✓ | ✓ | ✓ | ✓ |
| Belfast H.P – Siyathuthuka | ✓ | ✓ | ✓ | ✓ |
| Mpilonhle Primary School– Sakhelwe | ✓ | ✓ | ✓ | ✓ |
| Ebhudlweni Primary School – Emgwenya | ✓ | ✓ | ✓ | ✓ |
| Dumezizweni Primary School– Emthonjeni | ✓ | ✓ | ✓ | ✓ |
| Laerskool Machado Primary School - Entokozweni | ✓ | ✓ | ✓ | ✓ |
| Laerskool Oosterlijn - Emgwenya | ✓ | ✓ | ✓ | ✓ |
| Platorand – School for Learners with Special needs - Emakhazeni | ✓ | ✓ | ✓ | ✓ |
| Chuzon – Private School - Entokozweni | ✓ | ✓ | ✓ | ✓ |
| Emakhazeni Private School - Emakhazeni | ✓ | ✓ | ✓ | ✓ |
| Bitchcroft Private School - Dullstroom | ✓ | ✓ | ✓ | ✓ |
| Dullstroom Private School - Dullstroom | ✓ | ✓ | ✓ | ✓ |
| FET – Nkangala Campus - Emgwenya | ✓ | ✓ | ✓ | ✓ |
| Emakhazeni Boarding School - Entokozweni | ✓ | ✓ | ✓ | ✓ |
| Clinics (NAMES, LOCATIONS) | | | | |
| Belfast Gate Clinic | ✓ | ✓ | ✓ | ✓ |
| Siyathuhuka Clinic | ✓ | ✓ | ✓ | ✓ |
| Sakhelwe Clinic | ✓ | ✓ | ✓ | ✓ |
| Wonderfontein Clinic | x | x | x | x |
| Emthonjeni Clinic | ✓ | ✓ | ✓ | ✓ |
| Machadodorp Clinic | ✓ | ✓ | ✓ | ✓ |

Boven Gate Clinic

✓

✓

✓

✓

AUDITED ANNUAL REPORT

APPENDIX M – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

| Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis) | | |
|---|---|--|
| Services and Locations | Scale of backlogs | Impact of backlogs |
| Clinics: | Ward 1,2,4,5,6 and 8 requested clinics | People travel long distances to access health care |
| Housing: | Ward 1,2,3,4,5,6,7 and 8 requested RDP's | Increasing waiting list and demand for land |
| Licensing and Testing Centre: | Service provided by the municipality | Some roads exceeded their life span |
| Reservoirs | Service provided by the municipality | N/A |
| Schools (Primary and High): | Request for primary and High School in Ward 1, 2,3,5, 6,and 8 | |

VOLUME II: ANNUAL FINANCIAL STATEMENTS

AUDITED ANNUAL REPORT