

RAYMOND MHLABA LOCAL MUNICIPALITY



RAYMOND MHLABA MUNICIPALITY UMANYANO KUPHHLISO

DRAFT **ANNUAL REPORT** **2022/2023**

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CHAPTER 1: EXECUTIVE SUMMARY

1.1 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.1.1. INTRODUCTION TO BACKGROUND DATA

The Raymond Mhlaba municipality is situated along the southern slopes of the Winterberg Mountain range escarpment in the hinterland of the Eastern Cape, and is under the jurisdiction of the Amathole District municipality. The municipality was formally established in 2016, through the merger of the Nkonkobe and Nxuba Local Councils following the local government elections in that year. Alice town is a legislative seat and Fort Beaufort is the administrative head of the municipality. The municipal area covers approximately 6 474 km², with major towns being Alice, Adelaide, Bedford, Fort Beaufort and Middledrift. Smaller settlements include Hogsback, Seymour, Balfour, Blinkwater and Debenek.

Main access corridors are the R63 from King Williams Town through Alice and Fort Beaufort towards Adelaide and Bedford and the R67 from Grahamstown through Fort Beaufort, Blinkwater, Seymour towards Queenstown. Raymond Local Municipality is comprised of 23 wards with a total population of approximately 161 000 of which the majority about 72% resides in rural villages and farms.

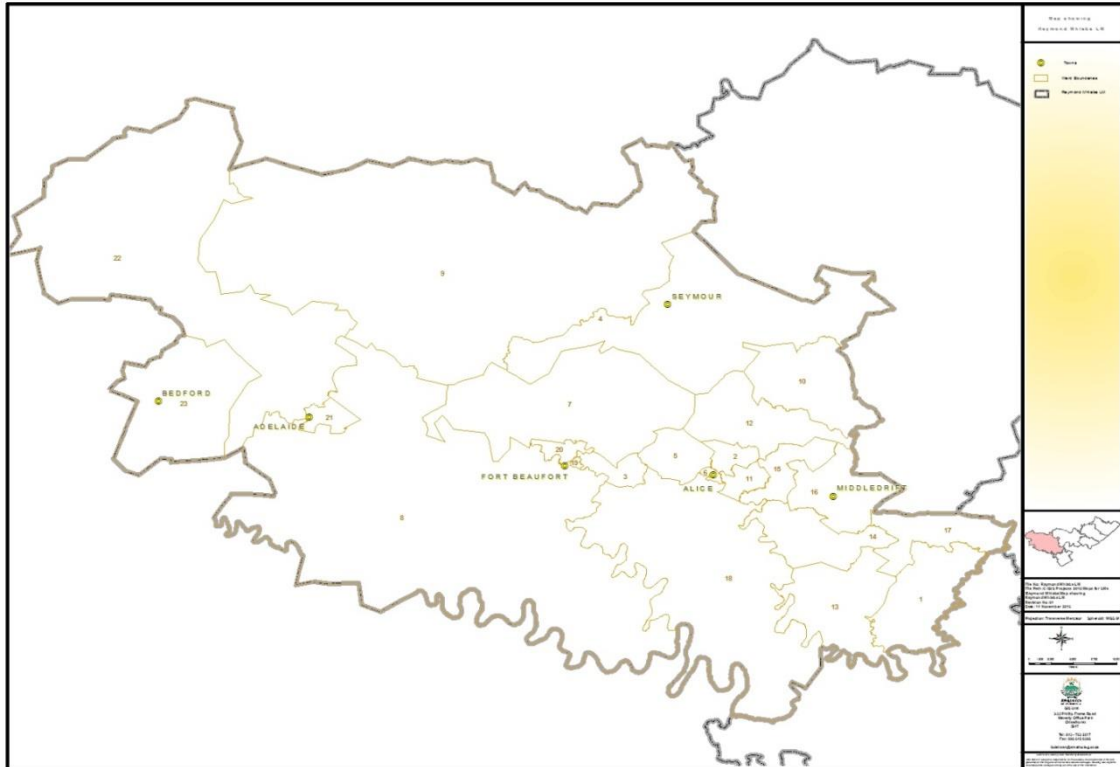
Urbanization is concentrated in Alice, Adelaide, Bedford and Fort Beaufort. The municipal area includes parts of the former Ciskei homeland and Cape Provincial Administration (CPA) areas, which means that it has a history of land expropriation and disposition in many parts due to the consolidation of land to create Ciskei in the 1960s. A distinct land tenure and land use system prevails with two distinctly different systems in the former Ciskei homeland and Cape Province areas.

Raymond Mhlaba is a rural municipality, and the economy is largely driven by the agricultural sector, which includes citrus, forestry, livestock and crop production. Raymond Mhlaba Local Municipality is well-known for its rich heritage and culture. The historic education institutions of Healdtown, Lovedale College and the University of Fort Hare – are important heritage sites in Raymond Mhlaba but as yet are underutilized as tourism or cultural sites. The tourism sector remains largely unsupported and underexploited in a municipality with iconic natural resources in the form of the Amathole Mountains and national significant heritage sites. Some of the major challenges facing Raymond Mhlaba LM include infrastructure challenges and high levels of unemployment and poverty.

The municipality is the second largest local municipality covering 6 474 km², of the surface area of the Amathole District Municipality. The municipality has the following satellite offices – Middledrift, Hogsback, Alice, Seymour, Adelaide and Bedford. The Raymond Mhlaba area is

neighbouring by the boundaries of Makana Local Municipality, Blue Crane Local Municipality, Amahlathi Local Municipality, Ngqushwa Local Municipality, Enoch Mgijima Local Municipality and the Buffalo City Metropolitan Municipality.

The following map represents the geographic location of Raymond Mhlaba Local Municipality



1.1.2 DEMOGRAPHIC INDICATORS

1.1.2.1 TOTAL POPULATION

The 2020 IHS Markit Regional eXplorer indicates that the total population in Raymond Mhlaba Municipality is 161 000. The municipality has 23 wards; and it is dominated by large populace which is indigent. The majority of the population of Raymond Mhlaba of just over 70% resides in both villages and farms, and minorities are located in urban dwellings. Urbanisation is mainly concentrated in Alice, Fort Beaufort, Adelaide and Bedford.

POPULATION PER WARD

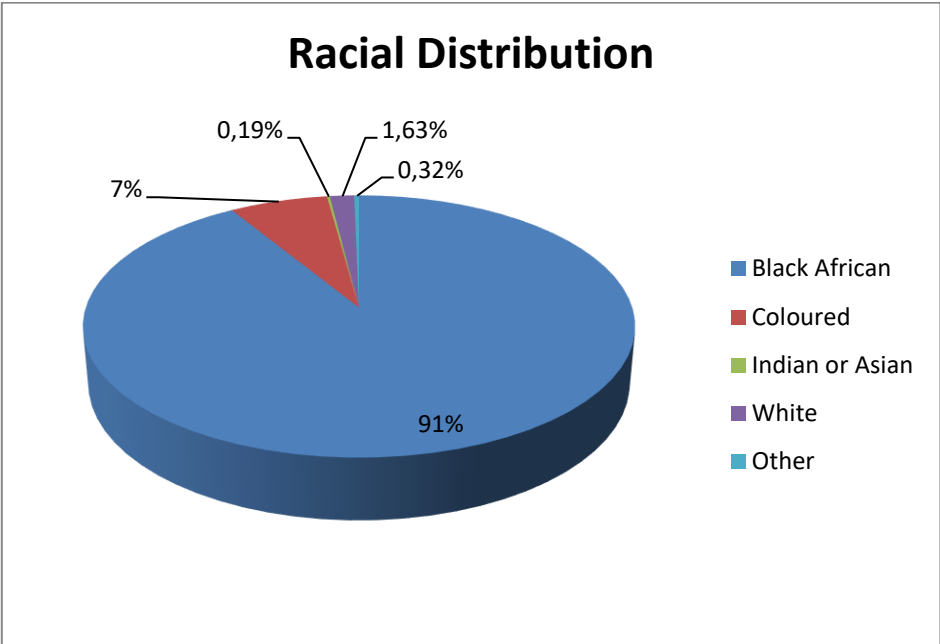
Ward	Area/Villages	Demographics
1	Qamdobowa, Zigodlo, Ndindwa, Mgxotyeni, Kulile, Mnqaba, Xhukwane, Sxekwen, Koloni	5148
2	Township, Ntsela, Upper & Lower Gqumashe, Skhutshwane	8076
3	Takalani, Kanana, Mpolo 1-2-3, Nkukwini, Tyoks Valley, Ntlekisa , Tambo Square	6938
4	Seymour, Katkat Valley, Lushington, Lundini/Elukhanysweni, Hogsbag, Hertzog/Tambuksvlei, Platform	6361
5	Ngobe, Ngwabeni, Gaga Sikolweni; Kwameva, Mgquba, Lenge, Nkobonkobo, Mavuso, Roxeni, Nomaqamba, Sgingqini, Lalini, Skolweni, Memela	5803
6	Tukulu Farm, Guburha, Golf Course, Happy Rest, Town Central, Hillcrest	6142
7	Rwantsane, Nobhanda, Mabheleni, Lamyeni, Ngwevu, Tyatyora, Luzini, Sikolweni, Mdeni, Cimezile, Tebha, Gontsana, Oakdene, Mankazana, Pikat, Ntilini	5538
8	Fort Beaufort Town, Newtown, Rietsfontein, Sparkington, Smithkraal, Wagondrift, Kluklu Farm	7201
9	Balfour, Buxton, Upper Blinkwater, Glenthon, Winterberg country club, Post Retief, Ekuphumleni, Massdor, Jurieshoek, Katberg, Readsdales, Blackwood, Philipton, Fairbain, Kolomani (Marais, Grafton, Ngqikane, Votywe, Phathikala, Edika, Dunedin, Cains, Diphala)	8110
10	Gomoro, Machibi, Mpundu, Gilton, Guquka, Sompondo, Khayaletu, Hala, Nothemba, Hopefield, Benfield, Gato, Mathole, Komkhulu, Ngwangwane, Mkhuthuleni, Mdeni, Esphingweni, Machibini, Mqayise, Ndlovurha, Zixinene, Chamama, Mdlankomo	6788
11	University of Fort Hare	3362

12	Msobomvu, Magala, Ngcothoyi, Bergplaas, Melani, Krwakrwa, Upper Ncera, Majwareni; Khwezana, Mazotweni, Macfalani, Wordon, Dish, Mkhobeni, Taylor	6405
13	Zalaze, Quthubeni, Fama, Ngcabasa, Ngqolowa, Qhomfo, Didikana, Phewuleni, Qhibira, Ndulwini	5305
14	Saki, Ngwenya, Njwaxa, Mbizana, Gxadushe, Debe Marele, Faki, Mxumbu	6451
15	Lower Ncera, Tyhali, Zibi, Mabhelani, Tyutyuza, Ngqele 1, Ngqele 2, Ncera Skweyiya, Dyamala	5451
16	Annshaw, Town/Gugulethu, Lower Regu, Mfiki, Cwaru, Qawukeni, Cilidara, Ngele, Nothenga, Gudwini	7601
17	Qanda, Trust 1&2, Koloni, Farm Bill, Thafeni, Nonaliti, Debenek, Zihlahleni, Mayiphase, Ntonga	6399
18	Joji, Loyd, Phumlani, Khayamnandi, Thembisa, Xolani, Gxwedera, Balura, Lalini, Eskolweni, Kwali, Mpozisa, Lower Sheshegu, Nofingxana, Nomtayi, Lokhwe, Jowu, Jimi, Korks Farm, Krwanyini, Kwezana West	6560
19	Gontsi, Dudu, Gommagomma, Zwelitsha, Nkukwini, Mike Valley, Kuwait, Group 5, Zwide, Daweti 1&2	7965
20	Hillside, Golf Course, Ndaba, Kwepile, Ntoleni, Mlalandle	7459
21	Red Location, Lingelethu, Adelaide Town, Mount Pleasant, Molweni Game Reserve, Mount Pleasant	5983
22	Bezville, New Area, Gelvandale, Springgrove, Elandsdrift, Red Location,	7082
23	Goodwin Park, Nonzwakazi, Bhongweni, Bedford Town, Phola Park, New Brighton, Khayelitsha, Ndlovini, Sizakhele and Tyoksville	9238

1.1.2.2 RACIAL DISTRIBUTION

The results from the pie chart foreshadowed (below) indicate that Black Africans form majority of the total population in Raymond Mhlaba Local Municipality, whereas there is small Coloured

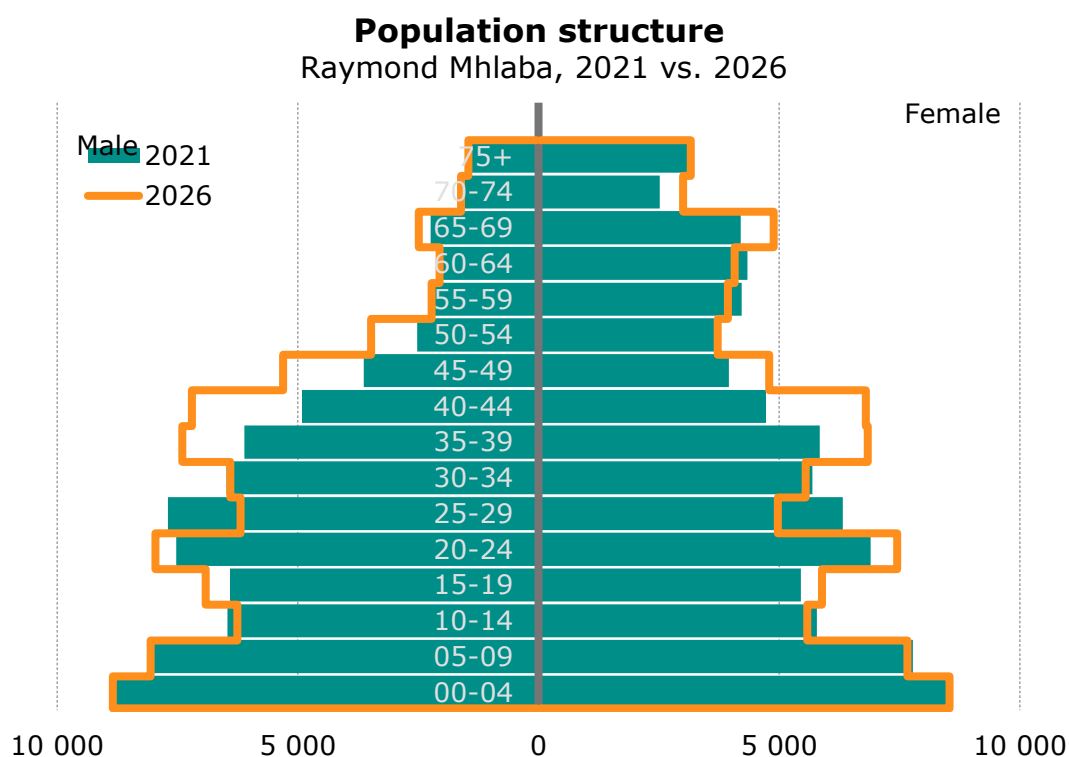
population sporadically populated around the municipal area and Indians/ Asians and Whites being the least represented population group.



Source: Community Survey, 2016

1.1.2.3 POPULATION GROWTH RATE

In 2021, Raymond Mhlaba’s population consisted of 91.20% African (147 000), 1.43% White (2 320), 7,07% Coloured (11 400), 0.30% Asian/Indian 0, 30 % (479) people. The largest share of population is within the young working age category (25-44 years) with a total number of 47 800 or 29.6% of the total population. The age category with the second largest number of people is babies and kids (0-14 years) with a total share of 28.1%, followed by the older working age (45-64 years) with 26 800 people. The age category with the least number of people is the retired / old age (65 years and older) with only 15 100 people. The population projection shows an estimated average annual growth rate of 1.1% between 2021 and 2026.



Source: IHS Markit Regional eXplorer version 2257

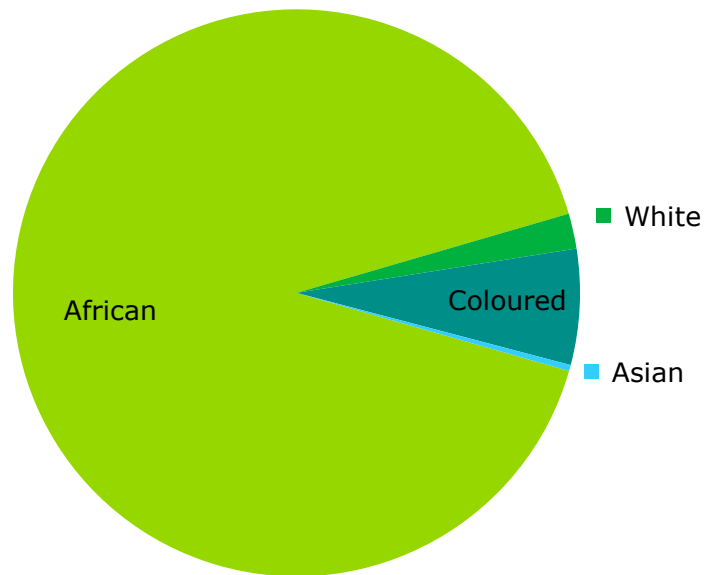
The population pyramid above, indicates that the population of Raymond Mhlaba Local Municipality is dominated by youth and women, ages from 25-44.

1.1.2.4 NUMBER OF HOUSEHOLDS

For the year under review, the municipality had 44 832 households. The composition of the households by population group consists of 91.4% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 6.2% (ranking second). The White population group had a total composition of 2.0% of the total households. The smallest population group by households is the Asian population group with only 0.4%. The growth in the number of African headed households between 2010 and 2019 was on average of 0.47% per annum, which translates in the number of households increasing by 1 820 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between

2010 and 2019 at 6.40%. The average annual growth rate in the number of households for all the other population groups has increased by 0.44%.

Number of Households by Population group
Raymond Mhlaba, 2021



Source: IHS Markit Regional eXplorer version 2257

Natural Resources	
Major Natural Resource	Relevance to Community
Fresh Water Systems	Mariculture and Aquaculture
Biodiversity and Natural Forest	Land based projects and environmental projects
National Heritage Sites	recreation and tourism, research, education and cultural values

1.2 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Raymond Mhlaba Local Municipality performs the following functions as embedded in the Constitution:

- Road Traffic Regulations;
- Vehicle Licensing;
- Municipal planning;
- Local tourism;
- Stormwater management systems;
- Cemeteries;
- Cleansing;
- Municipal Roads;
- Electricity;
- Municipal Parks and Recreations;
- Street Lighting;
- Public Spaces; and
- Refuse removal, refuse dumps and solid waste etc.

Basic service delivery and infrastructure development is one of the cornerstones for development and service delivery, as such; the municipality has invested in infrastructural development and to ensure that basic services are accessible by everyone within the municipal area.

The Amathole District Municipality is the Water Services Authority (WSA) and the Water Service Provider for the entire Raymond Mhlaba area. Water reticulation is provided by the WSP in the urban areas.

1.3 FINANCIAL OVERVIEW

1.4 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality takes a holistic approach to human resource management and development. Priority is given to skills and capacity development initiatives, change management, development and implementation of policies that support individual development while also striving to create an exciting workplace for full realization of everyone's potential in order to improve competencies and efficiencies. The ability to evolve and respond to individual employee needs is also a critical imperative for the Municipality.

In demonstrating a commitment “**To provide effective and efficient workforce by aligning institutional arrangements to the overall strategy in order to deliver quality services**” the municipality managed to achieve the following results:

- Providing trainings to Councillors and employees based on skills and capacity demands as captured in the Workplace Skills Plan.
- Conducted Councillor & Employee assistance programmes through the office of the EAP Practitioner
- Developed and submitted a Workplace Skills Plan to the Local Government SETA by April 2023.

Employee Assistance Programmes (EAP) and Occupational Health & Safety conducted as at June 2023.

1. Workplace Inspection (all satellites offices)
2. Functional OHS Committee
3. EAP Interventions for troubled Employees -one on one session in all Satellite Offices.
4. Financial Wellness
5. Exit Interviews to retired officials
6. Management of trauma debriefing sessions, internal counselling and external referrals to rehabilitation centres.
7. National Condom Week, Pregnancy awareness, STI and Prostate Cancer Awareness
8. TB Screening for vulnerable employees (all satellite offices)
9. Bereavement debriefing sessions
10. Ill health employees on-going active cases

1.5 AUDITOR GENERAL REPORT FOR 2022/2023

The Auditor’s General Report will be available once the audit has been concluded.

1.6 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft 2022/2023 Annual Report to Internal Audit and Audit Committee	August
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities	
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September – December
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
12	Municipalities receive and start to address the Auditor General's comments	
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	

1.7 COMMENTS ON THE ANNUAL REPORT PROCESS:

The 2022/2023 Annual Report reflects the performance of the Raymond Mhlaba Local Municipality as well as the achievement obtained and challenged encountered by the municipality during the year under review. This Annual Report provides a full reporting version as required by National Treasury's MFMA Annual Report Circular 63 and is structured as follows:

Chapter 1: Mayor's Foreword and Executive Summary

Chapter 2: Governance

Chapter 3: Service delivery performance

Chapter 4: Organizational development performance

Chapter 5: Financial performance

Chapter 6: Auditor-General Audit Findings

APPENDICES

CHAPTER 2 – GOVERNANCE

2.1 INTRODUCTION TO GOVERNANCE

This chapter integrates the municipality's overarching governance structures and decision making processes. There are several role players for corporate governance in the municipality. Good governance in the municipality embodies processes, structures and systems by the municipality is directed and held to account for. It is characterized by a dynamic interface between political office bearers, administration, public participation and corporate governance.

Raymond Municipality Local Municipality strives towards achieving the following characteristics of efficient government in both legs of governance (political and administrative):

- Participation;
- Transparency;
- Responsiveness;
- Consensus orientation;
- Equity;
- Effectiveness and efficiency;
- Accountability; and
- Strategic vision.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.2 INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Raymond Mhlaba Local Municipality has comprehensive, effective governance structures, both political and administrative, systems, policies and procedures underpinned by a sound set of values and ethics to support the municipality's growth and development. Furthermore, it has a fully representative and highly structured Council, compliant with legislative requirements. Council is led by the Mayor working collectively with the Executive committee (EXCO) and Councillors. Raymond Mhlaba Municipality has established committees to enhance its all governance structures. These committees function with clearly defined roles and responsibilities. For an example, the section 79 and 80 committees are set up to deal with oversight roles, and to provide advisory role to Raymond Mhlaba Municipality Council.

Raymond Mhlaba Municipality has a highly competitive and capable administrative leadership led by the Municipal Manager. The administrative arm of governance consists of the Municipal

Manager and 5 Directors which constitutes a Senior Management Committee (SMC) that is chaired by the Municipal Manager. The committee sits every first Tuesday of each month, (Monthly basis) to address both strategic and operational matters.

RMM has an active Inter-Governmental Relations function, which is shared across the entire institution. There are imminent engagements with all intra and inter-stakeholders, with a purpose to gather information and updates and to communicate such on continuous basis. External stakeholders include all spheres of government.

Corporate governance is one central focus that distinguishes RMM. The Municipality has established committees to encourage compliance with all legislations and enhance ethical consideration by all its employees and Councillors. The Risk Management Committee guides to identify all risk and oversee processes to managing such. All Supply Chain Management Bid Committees have been established and are operational, i.e. Specification Committee, Evaluation Committee and Adjudication Committee. An Audit Committee is operational and holds its meetings quarterly, and as and when the situation warrant. This committee of Council deals with all audits of the municipality, performance issues, risk management, and provide advice to and reports to RMM Council.

2.3 POLITICAL GOVERNANCE

2.3.1 INTRODUCTION TO POLITICAL GOVERNANCE

The political arm comprised of 45 Public elected representatives (Councillors). Twenty-three of fourth five are ward Councillors and the remaining twenty two are proportional representatives.

The elected public representatives represent the views of their political parties in Council. The Legislative Arm in Council is led by the Speaker of Council who presides as the Chair in Council Sittings. The Executive Arm in Council is led by the Mayor who presides as the Chair in the Executive Committee. Members of the Executive Committee are appointed by Council amongst Councillors elected to serve in the Raymond Mhlaba Municipal Council

MAYOR: NOMHLE SANGO

Councillor Nomhle Sango is the Mayor of Raymond Mhlaba Municipality and is discharged for presiding at meetings of the executive committee and performs the duties including any ceremonial functions, and exercise the powers delegated to the Mayor by the municipal council or the executive committee. In addition, the Mayor recommends to the Municipal Council strategies, programmes and services to address priorities needs through the IDP, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans.

SPEAKER OF COUNCIL: COUNCILLOR THOZAMA NGAYE

Councillor Ngaye is the Speaker of Council. The Speaker of Council is the Chairperson of Council, presiding over council meetings in accordance with council's Standing Rules and Orders of Raymond Mhlaba Municipal Council. The Speaker also advice on major legislative compliance matters. The Speaker also has a responsibility for Section 79 oversight committees and Councillor affairs to develop political governance capacity among Councillors. Over and above the Speaker is also the driving force of public participation, petitions and ward committees.

CHIEF WHIP OF COUNCIL: COUNCILLOR NONKAZIMLO MLAMLA-KLAAS

Councillor Mlamla is the Chief Whip of Council. The Chief Whip is an official office bearer, who is also the Chief Whip of the Majority Party. The Chief Whip ensures proportional distribution of Councillors to various Committees of Council. The Chief Whip maintains sound relations among the various political parties by attending to disputes among political parties.

POLITICAL STRUCTURE

MAYOR



CLLR NOMHLE SANGO

SPEAKER

Cllr Thozama Ngaye

CHIEF WHIP

Councillor Nonkazimlo Mlamla-Klaas

EXECUTIVE COMMITTEE:

Cllr Nomhle Sango (Mayor)
Cllr Bukelwa Tyali
Cllr Zingiswa Rasmeni
Cllr Portia Sabane
Cllr Elton Bantam
Cllr Sinethemba Mjakuca
Cllr Sithembela Zuka
Cllr Mhlangabazi Nombombo
Cllr Ernst Lombard

2.3.2 COUNCILLORS

The Raymond Mhlaba Council is composed of 45 councillors of which 23 are Ward Councillors and the remaining Councillors are Proportional Representatives Councillors (PR). Councillors of Raymond Mhlaba Municipality contribute to the strategic direction of the municipality through their participation in the development in the development and review of the Integrated Development Plan. Furthermore, Council received a Government Gazette appointing 2 traditional leaders to participate in the municipality in line with the provisions of section 83 of the Local Government Municipal Structures Act, 1998 as amended, read with Traditional Leadership and Governance Framework Act 2003. The traditional leaders participate in all council committees except the Executive Committee. Council adopted a schedule of meetings that provides for the meetings of Council to be convened at least 4 times a year, except where circumstances require the convening of a special meeting of Council.

2.3.3 COMMITTEES OF COUNCIL

The Municipality has functional section 79 and 80 committees of which section 80 committees are as follows; Engineering, Finance, Strategic Planning and Local Economic Development, Corporate Services, Community Services, Sport and Recreation Committee headed by Members of the Executive Committee. These Committees are set up to deal with oversight roles, support and performs an advisory role to the Mayor and Council.

The following Councillors are chairpersons of the above mentioned committees:

NO.	NAME	COMMITTEE
1.	Cllr B. Tyali	Corporate Services Committee
2.	Cllr S.Zuka	Engineering Services
3.	Cllr S. Mjakuca	Finance Committee

4.	Cllr E.Bantam	Community Services Committee
5.	Cllr Z.Rasmeni	Strategic Planning and LED Committee
6.	Cllr P.Sabane	Sports and recreation Committee

2.3.3.1 BELOW IS THE LIST OF SECTION 79/OVERSIGHT COMMITTEES:

1. Municipal Public Accounts Committee (MPAC)

The Municipal Public Accounts Committee is functional and exercise oversight responsibilities over the executive responsibilities of Council. It also assists Council to hold the executive and municipal entities to account, and to ensure the economic, efficient and effective use of municipal resources. By doing so the Committee helps to enhance the public awareness on financial and performance matters of Council and its entities, where applicable.

2. Petitions committee

The committee regularly or at intervals not exceeding six months submits to Council a report indicating all the petitions received, referred, resolved and a summary of the response to the petitioners or community.

3. Ethics Committee

The committee as mandated by Council in terms of delegated powers must ensure that issues of Councilor's ethical conduct and discipline become key fundamental values that will shape the future of the Council.

4. Rules Committee

The committee exists to create a clear road map in as far as the implementation of rules within the Raymond Mhlaba Municipality. To enforce compliance in all stings and official gatherings of the Council and also to put into place systems that will enhance the development of members of the council in terms of conducting fruitful gathering within council.

5. Women Caucus

The committee oversee/review the alignment, efficiency and effectiveness of gender policy, mainstreaming strategy to implementation, it also oversees and ensure that civic

education/awareness programmes, gender analysis and impact assessment are activated within the municipality.

2.3.3.2 Performance and Audit Committee

The Performance and Audit Committee is a Committee of Council and performs the statutory responsibilities assigned to it in terms of sections 165 and 166 of the MFMA. It is an independent advisory body that advises Council and is responsible for oversight over the following functions:

- Internal audits
- External audits
- Financial reporting
- Risk management
- Internal controls
- Information technology governance
- Performance management

COMPOSITION OF THE AUDIT & PERFORMANCE COMMITTEE AND ATTENDANCE OF MEETINGS

List of Members and meetings held during as end June 2023:

NO	Name of members	Meeting dates and Description of meeting	Attendance
1.	Mr Wayne Manthe (Chair): Chairperson of the Audit and Performance Committee	07/07/2023 = Special Meeting 23/08/2022= Ordinary Meeting 01/11/2022=Ordinary Meeting 14/03/2023 = Special Meeting	All members
2.	Mr Samkelo Mxunyelwa:		
3.	Ms Sisanda Lehlehla		
4.	Dr Ngwadi Mzamo		
5.	Mr Mxolisi Skosana		

2.3.4 POLITICAL DECISION-TAKING

Standing Committees sit monthly to discuss issues pertaining to their respective departments and make recommendations to Executive Committee. Executive Committee meeting is then convened to discuss reports and recommendations submitted by Portfolio Heads and agree on the matters to be referred to Council.

Troika, which consists of Speaker, Chief Whip and Mayor, convenes a meeting prior to the sitting of each Council meeting to discuss all issues to be tabled in the Council and as when need arise for them to meet. The Municipal Manager also attends the Troika meetings to provide guidance and advice when called to do so. Council sits quarterly and makes decisions on all matters pertaining to community development and service delivery. Council resolutions are taken on the basis of reports and recommendations made by the Committees.

2.4 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

2.4.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Administrative Arm of the municipality is led by the Municipal Manager: Ms U.T Malinzi as the Accounting Officer. The Municipal Manager is supported by a team of five (5) Directors. The municipal administration has the overall responsibility for management and strategic direction of the municipal business affairs. Other duties of the Municipal Administration include planning, reporting and accountability, enforcing internal controls revenue enhancement etc.

TOP ADMINISTRATIVE STRUCTURE

MUNICIPAL MANAGER

Ms Unathi Malinzi

DIRECTORS:

Acting Director Corporate Services

Dr. Lulamile Donacious Hanabe

Director Engineering Services

Mr Daluxolo Mlenzana

Acting Director Community Services

Ms Nosimphiwo Speelman

Chief Financial Officer

Mr Mveleli Ngxowa

Director Strategic Planning & LED

Dr. Lulamile Donacious Hanabe

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.5 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Raymond Mhlaba Local Municipality has fostered Intergovernmental Relations (IGR) to ensure the coordinated delivery of services to citizens. This aligns with the Intergovernmental Relations Framework Act, Act No 13 of 2005, which requires all spheres of Government to coordinate, communicate, align and integrate service delivery to ensure effective access to services. The IGR is a forum that is chaired by the Mayor, and includes Portfolio Heads, Senior Managers of departments in Raymond Mhlaba Municipality as well as Senior managers within the municipality. Government departments in this forum present their programmes within the municipal space for the year as well as programmes they want the municipality to be involved in.

2.5.1 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipal Manager seats in the provincial structure called the Ministers and Members of Executive Council meeting (MuNIMEC). This is where all Ministers, MECs, Municipal Managers, Mayors and Heads of Departments sit. In terms of the value obtained from the meetings; it is challenging to quantify it. There are thorny issues that the municipality has over the years raised in the local structures, and these have been escalated to both the DIMAFO (Mayor's forum) and the provincial IGR structure (MuNIMEC).

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.6 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipality has a long-standing culture of community and stakeholder engagement, which promotes transparency and accountability. These values are an integral part of any truly democratic society, and are enshrined in the Constitution.

The following consultations were facilitated, among others:

- IDP and Medium-term Revenue and Expenditure Framework (MTREF)
- Annual Report Roadshows

Chapter 4 of the Local Government Municipal Systems Act, 32 of 2000 encourages municipalities to create conditions for the local community to participate in the affairs of the municipality. In terms of strengthening public participation, a wide range of communication tools are used to communicate with the community and also to disseminate information. These include;

- Newspapers: Winterberg, Times Media, Dike lethu, Hogsback Times, Umhlali newsletter
- Imbizo's / Road shows,
- Loud hailing,
- Library;
- Notice boards
- Social Media Pages (Facebook, Twitter)
- Municipal Website
- Intergovernmental Relations (IGR)
- Meetings of ward committees
- Forte FM, Tru FM, Algoa FM, Umhlobo wenene FM

2.6.1 COMMENT ON SATISFACTION LEVELS

Raymond Mhlaba Local is committed to effective and efficient delivery of services. Accordingly, the municipality acknowledges that this can only be achieved by engaging residents so as to understand their concerns and priorities. Through the ongoing outreach processes, the municipality aims to build a collective and shared vision of the future of the entire Raymond Mhlaba jurisdiction. The processes enable stakeholders to express their interests, concerns, fears and aspirations for the future of Raymond Mhlaba.

2.7 WARD COMMITTEE MEMBERS

Municipal Structures Act provides forward committee members to be established with primary function to be a formal communication channel between the community and the municipal council. There are 23 wards that constitute Raymond Mhlaba Municipality and for each ward, ten (10) ward committee members were elected. Furthermore, an induction workshop was conducted to all ward committee members through the assistance of COGTA. Ward Committees are a true reflection of a geographical spread, as well as sectoral composition of each ward (where applicable). Ward Committees are playing a huge role in the municipality's IDP and budget processes including Community Based Plans. Ward committees support the ward councillor by providing reports on development, participate in development planning processes and facilitate wider community participation..

2.8 IDP PARTICIPATION AND ALIGNMENT

The Municipality's commitment regarding the promotion of public participation and consultation are based on constitutional and legal obligations including the governance model. Therefore the Municipality continues to promote participatory engagements with communities in all its processes, including the development of the IDP. Public participation is a critical part of democracy, as it affords members of the community and stakeholders an opportunity to inform the Municipality about their developmental needs. The process also gives community members a clear understanding of how the Municipality arranges for public participation.

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?	NO
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 fourth quarter aligned reports submitted within stipulated time frames?	YES

COMPONENT D: CORPORATE GOVERNANCE

2.9 RISK MANAGEMENT

The purpose of risk management is to identify potential problems before they occur that may affect the municipality, manage risks to be within its risk tolerance and to provide reasonable assurance regarding the achievement of municipality's objectives.

Section 62 of the Municipal Finance Management Act 56 of 2003 states that:

- The accounting officer of municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps.
- That the resources of the municipality are used effectively, efficiently and economically.
- That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.
- That the municipality has effective, efficient, and transparent systems.
- Of financial and risk management and internal control; and
- Of internal audit operating in accordance with any prescribed norms and standards

Risk Management Policy and Risk Management Strategy were developed and approved by the Council. Furthermore, a workshop on strategic risks and policy was conducted to Councillors and employees to promote a positive risk culture.

The strategic risk profile for 2022/23 had 20 risks which were monitored and managed on an ongoing basis through various risk governance structures. Operational risk profiles were also developed and monitored for all departments.

Below is the list for top 9 high strategic risks:

Number	STRETEGIC OBJECTIVE	RISK	ROOT CAUSES	CURRENT CONTROLS	RESIDUAL RISK ASSESSMENT			
					LIKELIHOOD	IMPACT	EXPOSURE	RESULTS
	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2027	1.Poor provision of electricity supply 2. Aging electricity infrastructure.	1. Poor maintenance of electricity infrastructure. 2. Inadequate network upgrade. 3. Lack of skills, qualified technicians and resources. 4.Lack of resources e.g. funds, external service provider.	1.Maintenance budget but not sufficient. 2. Reactive maintenance is done. 3. INEP projects are implemented according to needs analysis. A maintenance plan for 2021/2022 financial year has been drafted to be funded through own revenue 2.Making use of external service providers to assist in restoring power where no resources to do the work. 3.Use of split metering in some areas	5	5	25	High

				<p>4. Involved in executing Eskom Electrification program.</p> <p>5. NMD has been upgraded by Eskom</p> <p>6. Material monitoring controls in place.</p> <p>7. Laisse with Housing Department with regards to fencing of sub-stations</p>				
2	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2027	<p>1. Poor quality of workmanship by appointed service providers</p> <p>2. Delays in completion of projects.</p> <p>2. Delay in community development project through infrastructure</p>	<p>1. High infrastructure backlog</p> <p>2. Appointment of unqualified contractors and consultants</p> <p>3. Poor monitoring by consultants</p> <p>4. Inability to monitor projects by relevant stakeholders.</p>	<p>1. Have grant allocations as per Dora.</p> <p>2. Implementation of capital projects using available grant</p> <p>3. PMU Manager and technicians monitor service providers</p> <p>4. Performance of service providers is monitored and reported on a monthly basis to contract management.</p>	4	5	20	High
3	To ensure adequate, efficient, sustainable energy supply and infrastructure by 2027	<p>1. Low productivity.</p> <p>2. Poor quality of road network</p>	<p>1. Substance abuse, lack of material, absenteeism.</p> <p>2. Lack of skills</p> <p>3. Aging road network</p> <p>4. Lack of</p>	<p>1. Make use employee assistance wellness programme</p> <p>2. On job training</p> <p>3. Roads are</p>	5	4	20	High

			resources for road maintenance and stormwater services 5. Poor maintenance of roads. 5. Increase in traffic volume. 6. Global warming. 7. Shortage of staff 8. Poor condition of yellow plant and fleet vehicles used by Civil works	maintained in place 4. Upgrading of aging roads. 5. RAMS (road asset management system) has been conducted.				
4	To ensure effective and efficient workforce by aligning institutional arrangements to the overall strategy to deliver quality services by 2027	Increase employee cost in comparison to current budget	1. Amalgamation	1. Organogram in place	5	5	25	High
5	To ensure sustainable Local Economic Development by 2027.	1. Inability to facilitate programmes that may provide support to LED initiatives 2. Non-existence	1. Lack of resources (insufficient budget. 2. Non-prioritization and implementation of LED Projects. 3. Non-existence of business council. 4. Inactive LED	1. Development Agency. 2. Tourism master plan.	4	5	20	High

		of LED strategy.	structures .					
6	To ensure the financial sustainability in order to fulfil the statutory requirements by 2027	1.Unfunded budget.	1. Commitments are above available budget 2. Lack of sufficient revenue base.	1. Funding plan which is approved by Council with budget. 2. Implementation of revenue enhancement strategy for additional revenue sources. 3. Implementation of cost containment measures on high cost drivers.	4	5	20	High
7	To ensure the financial sustainability in order to fulfil the statutory requirements by 2027	1. Low revenue collection rate.	1. Increase of indigents impact revenue. 2. Rural state of municipality 3. Low revenue base 4. Municipality houses leased below market value.	1. Implementation of Credit Control and Debt Management Policy. 2. Implementation of revenue enhancement strategy. 3. Continue liaising with Provincial and National sphere of governance to collect debt.	5	4	20	High

8	To ensure proper governance and accountability by 2027	Non-cooperation of stakeholders in IGR structures. Non-integration of sector plans	Non-attendance of stakeholders in IGR structures. Non implementation of IGR resolutions. Working in silos	IGR Framework IGR Cluster Meetings IGR Forums DIMAFO and Munimec MoUs and SLA	5	4	20	High
9	To improve the municipal responsiveness to service delivery breakdowns by 2027.	1. Inability to respond to community complaints timeously. 2. Limited resources to respond to community complaints due network failure & loadshedding.	1. Lack of resources (telephone lines , bulk sms). 2. Customer Care is not embedded in the culture of the organization.	1. Customer care strategy, Customer policy, Customer care service charter. 2. Dedicated telephone lines and email and Facebook page.	5	5	25	High

2.10 SUPPLY CHAIN MANAGEMENT

Raymond Mhlaba implements a Supply Chain Management Policy that is aligned with MFMA and SCM regulations which includes all the elements of Supply Chain Management namely:

- Demand management,
- Acquisition management,
- Logistics management,

- Disposal management,
- Risk management and
- Performance management.

SCM policy has allocated 30% of procurement to be prioritized to local SMME's. The municipality has managed meet this target for this financial year. The municipality has also targeted that 70% of its procurement should be for vulnerable groups (e.g women, youth, disabled and military veterans) for threshold under R200 000.00. In the 2022/23 financial year the municipality has procured more than 71% from local SMME's.

There are three committees established in the bidding process namely:-

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

In order for the municipality to spend 100% on the Grant funded projects, its has resolved to implement its procurement plan. This has led to grant spending and also contributed to COGTA releasing additional funding so that the municipality could implement more on its projects. This was a great improvement.

The challenges faced by the municipality is that its local contractors are battling to comply with some of the requirements and as a result the municipality conducted a supplier day in order to capacitate them and listen to their challenges as well.

2.11 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Communication Technology section oversee the stability of business systems and network infrastructure within the organization, which require constant performance monitoring. Set institution-wide standards for software configurations and implementation guidelines in line with Policies and Procedure Manuals. Ensure maximized uptime, performance optimization, and full utilization of ICT resources and implementation of security measures & electronic data operations. Co-ordinates tasks/activities associated with the provision of End User support and analyses, diagnoses and resolves software/ hardware related problems ensuring optimum and uninterrupted functionality of operating systems and applications across the Municipality. Use system analysis techniques and procedures, including consulting with users, to determine hardware, software, or system specifications. Managing LAN\WAN infrastructure, making sure it's up, and running.

In ensuring that the above comes to realization, the ICT unit has installed a cloud-based backup system to ensure that all user files are kept safe and in an event of a disaster there will be business continuity. Daily user support is provided to ensure that the institution and its

workforce can perform their duties. Policies have been developed and approved for proper ICT Governance. Internet and Telephone system upgrades have been implemented for effective communication, transfer of data and seamless access to systems.

Capital Expenditure Year 2022/2023: ICT Services					
					R' 000
Capital Projects	Year 2022/2023				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Purchase of Microsoft Licences	R1,3 Million		R1,3 Million		
Telephone system upgrade	R368 316.00		R368 316.00		

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The municipal website was upgraded with continuous maintenance. An Internet service upgrade has been performed in all municipal offices including the previously disadvantaged sites i.e.Hogsback and Seymour. Continuous upgrade of wireless network Infrastructure in a phased approach is implemented. A functional ICT Steering Committee was established to enhance ICT monitoring and performance. The committee regularly sits on a quarterly basis.

2.12 CUSTOMER CARE

The institution receives complaints/ queries through a dedicate email (customercare@raymondmhlaba.gov.za) and communications Office landline. Once a complaint/ query has been received, officials from customer care acknowledge receipt of the query to the resident / rate payer, then its forwarded to departmental personnel, who investigates and resolves the query and forward update/ action to Customer Care Unit. The Customer Care contacts the resident/ rate payer and provides feedback and once the resident/ rate payer is satisfied with feedback and the query is resolved.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 INTRODUCTION

This chapter presents the performance of the Municipality over the 2022/2023 financial year. In the main, the focus is on performance against predetermined objectives as presented in the SDBIP scorecard approved by Council. The Municipality identified the following strategic pillars to anchor its development objectives and guide the implementation of programmes for effective service delivery:

- To ensure a safe, friendly and sustainable environment by 2027.
- To ensure adequate, efficient, sustainable energy supply and infrastructure by 2022

Over the financial year under review, the Municipality committed to improve effectiveness in the provision of basic services. The provision of roads and storm water networks, waste management, electricity, housing, disaster management, emergency services such as firefighting, social programmes for the elderly and other vulnerable groups were all identified as priority focus areas.

The Amathole District Municipality is the Water Service Authority (WSA) and the Water Service Provider for the entire Raymond Mhlaba area.

COMPONENT A: BASIC SERVICES

This component includes electricity; waste management; and housing services; and a summary of free basic services.

3.2 INTRODUCTION TO BASIC SERVICES

This key performance area (KPA) deals with the core functions of the Municipality by providing the provision of electricity, roads and stormwater, community facilities, and town planning services. The departments responsible for this KPA are Engineering and Community Services and they are entrusted with ensuring that services are delivered to the communities *i.e.* construction of community halls, day care facilities; construction or development or maintenance of gravel roads, paving of roads, installation of electricity, maintenance of municipal buildings and consideration of plans (building plans), zoning *etc.* Land and Human Settlements is also located in this department, registration for houses, rectification is referred to this department and channeled to the Provincial Department.

3.3 INTRODUCTION TO ELECTRICITY

The supply of electricity in Raymond Mhlaba Municipality is provided for by two suppliers, i.e. Eskom and the Local Municipality. The municipality has a NERSA license to provide electricity in Adelaide, Bedford and Fort Beaufort and the surrounding townships. Electricity in the other administrative areas namely; Alice, Middledrift, Hogsback, Seymour, farm areas and all rural villages is supplied by Eskom. The Municipality has a combined NMD of 14.4 MVA. The department executes the maintenance of the electrical infrastructure within the municipality area of supply, this includes maintenance of streetlights and highmast lights.

The top three indicators for the electricity are as follows;

1. To ensure all applications for new connections are achieved
2. Ensure electricity losses are minimised through conducting meter audits
3. Ensure continuity and quality of supply is maintained

The electricity section has been encountering recurring number of theft and vandalism and as a result that has impacted maintaining continuity of supply. A number of interventions have been put in place like installation of cable sleeves and replacing underground cables with overhead lines.

The table below shows the annual progress as at end June 2023;

Number of faults attended	Streetlights maintenance (Adelaide, Bedford, Fort Beaufort, Seymour, Alice and Middledrift)	Highmastlights maintenance (Adelaide, Bedford, Fort Beaufort, Seymour, Alice and Middledrift)
3231	274	25

Electricity Service Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year 2021/2022		Year 2022/2023			Year 2023/24	Year 2024/25	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Number of illegal connection audits conducted	illegal connection audits conducted	4	4	4	4	4	4	4	4
Percentage of new connections and reconnections completed	New connection completed within 21 days of application			100	100%	100%	100%	100%	100%
Percentage of INEP projects implemented	INEP projects implemented	no grant funding	no grant funding	no grant funding	100%	100%	100%	100%	100%
Percentage of reconnections completed within 7 days after settlement of municipal account	Reconnections completed within 7 days after settlement of municipal account	100%	100%	100%	100%	100%	100%	100%	100%

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The electricity section deals with day-to-day maintenance and repairs of the electrical infrastructure in Fort Beaufort, Adelaide and Bedford. These include, but not limited to, maintenance of highmast and streetlights, providing supply for new customers, maintaining/replacing faulty meters, attending to cable/line faults etc. Some parts of the electrical network are vulnerable and requires upgrade to mitigate power outages.

The electricity section implemented the electrification of the villages through INEP funding in Wurbun, Gilton and Bienfiled and 37 houses were connected. The Municipality has also bought new smart meters to ensure new customers are supplied with electricity and the consumption is monitored. Quarterly meter audits were also conducted in Fort Beaufort, Adelaide and Bedford towns to ensure that the illegal connections are reduced and

Three new highmast lights have been energized during the year under review; two in Fort Beaufort and one in Adelaide. The other 5 highmast light in Eskom area of supply is in the process of being energized by Eskom.

Some of the challenges hindering the continuity of electrical supply was the recurring theft of cables and vandalism of electrical assets. The ageing infrastructure also adds to the vulnerability of the network.

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

Waste Management is the primary function of the municipality as enshrined in the Constitution of RSA, 1996, Part B Schedule 5. The municipality collects refuse on a weekly basis in the following areas: Fort Beaufort, Alice, Middledrift, Hogsback, Seymour, Adelaide and Bedford. The service is rendered only in urban areas. Refuse in businesses and households is collected as per the municipal refuse schedule which is based on the volume of waste generated. Only a few number of business premises have proper refuse storage facilities and there have been campaigns made to encourage them to construct the said storage facilities. Businesses are also encouraged to call the municipality when they have consumed large volume of waste to avoid refuse being put in front of their shops, but that is still a challenge as some of the are still doing it. The waste that is collected is disposed off to the waste disposal sites namely; Alice, Middledrift and Bedford. All these disposal sites are permitted but need to be reconstructed in order to comply with the National Environmental Waste Act (NEMWA). However, there are

strides that are done by the municipality. The municipality also conducts environmental awareness campaigns quarterly and as when necessary. These campaigns are conducted in collaboration with Higher Institutions of Learning, schools, sector departments, CWP, EPWP, ADM, etc. During the year under Peace Officers have been able to enforce by-laws on problem areas identified within the central business and urban areas. The municipality has appointed a panel of service providers to assist with yellow plant to maintain the sites. The municipality has also entered District Greenest Municipality Awards which was awarded as number 2 in the entire District.

Recycling initiative

Four recycling initiatives have been operational in different towns namely; Bedford, Adelaide, Fort Beaufort and Alice. Business plan have been submitted to DEA and DEDEAT for funding. However, the process has been put on hold due to funding applications cycle that has passed. The municipality has also entered in a partnership with SPRUCE UP to assist in the recycling initiatives. The structure is complete within the Alice disposal site that will serve as an area where recycling will take place.

Projects funded by the Department of Forestry, Fisheries and Environment:

A total of 160 participants have been employed for a period of a year and half of the participants are assisting the municipality with the cleaning and mopping off the areas affected by recent floods. During 2022/23 , Raymond Mhlaba was amongst municipalities which were fortunate to receive a donation of a compactor truck from the Department of Forestry to improve refuse collection.

3.5 HOUSING

The municipality has a mandate to coordinate and ensure the vision of its inhabitants have access to adequate Human Settlements is realized. The municipality merely promotes the process of housing provision by registering applicants on the National Housing Needs Register database which offers households the opportunity to register their need for adequate housing by providing information about their current living conditions, household composition and to indicate the type of housing assistance they require from government.

The provincial government function is to create an enabling environment, meaning that it does everything in its power to facilitate the provision of adequate housing in the province within the framework of national housing policy.

The Housing unit renders support in housing provision through the following administrative functions;

1. Facilitate the transfer of the property ownership.
2. Registration of applicants on the National Housing Needs Register.
3. Facilitate and coordinate registration of beneficiary application forms for housing programs.
4. Liaise with the relevant stakeholders to facilitate housing projects .
5. Provide application outcome to beneficiaries.
6. Facilitate and coordinate the construction of low cost housing, as well as rental housing.

The municipality developed and approved a Housing Sector Plan (2017 – 2022) which aims to:

- a. Serves as a planning and measuring instrument for human settlements delivery.
 - b. Identify both overall quantity and quality of human settlements to be delivered and strategic priority.
 - c. Become need oriented and respond to the specific human settlements development challenges of the municipal area.
 - d. Co-ordinate and facilitate alignment between the district and provincial human settlements strategies, policies, delivery systems and other related initiatives.
 - e. Ensure effective allocation of limited resources to the large pool of potential development interventions.
 - f. Provide a formal and practical method of prioritizing housing projects and obtaining political consensus for the sequencing of their implementation.
 - g. Ensure more integrated development in partnership with relevant cross-sectoral role players to co-ordinate their development intervention into one plan.
 - h. Ensure that there is a definite human settlements focus for the IDP of Council and all other relevant sectoral plans, such as: Water Services, Disaster Management, etc.
 - i. Provide greater spatial linkages between the spatial development framework (SDF) and the physical
- b) implementation of projects on the ground.
- a. Provide a critical link between integrated development planning and human settlements projects delivery.
 - b. Align with the Eastern Cape Human Settlement Plan, policies as well the national legislation and policy framework to human settlements in the Republic of South Africa.
 - c. Ensure harmony between demand and supply – different state assisted human settlements typologies.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Raymond Mhlaba LM has a free basic services unit which is discharged at ensuring that all indigent households within the jurisdiction of the municipality receive free basic services. The municipality has an indigent policy in place, which was adopted in May 2023. The policy regulates the indigent beneficiary programme. A register of qualifying beneficiaries is updated monthly and only person(s) in the register gets the subsidy. As of June 2023 all qualifying indigent households who registered in the database of the municipality have received the indigent support. The services rendered under this programme are as follows;

1. Subsidised electricity
2. Subsidised refuse removal
3. Alternative energy i.e. paraffin (27 customers)
4. Subsidised property rates

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R4,200 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	%	Access	%	Access	%	Access	%	
	Access	%	Access	%	Access	%	Access	%		
Year 20/21	0	18 000	0	0%	0	0%	17 596	98%	5 625	31%
Year 21/22	0	18 500	0	0%	0	0%	17 596	95%	9 033	49%
Year 22/23	0	19 000	0	0%	0	0%	8 597	45%	2 230	12%

NB: Water and sanitation are the competency of the district municipality.

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Raymond Mhlaba LM has a free basic services unit which is dedicated at ensuring that all indigent households within the jurisdiction of the municipality receive free basic services. There is an indigent policy in place which regulates the whole indigent beneficiary programme.

COMPONENT B: ROADS AND STORMWATER

This component includes: roads and waste water (stormwater drainage).

3.7 INTRODUCTION TO ROADS

The role of the Municipality is to provide appropriate, cost effective and affordable roads, storm-water drainage, transport infrastructure and public services in-order to improve the quality of life of the communities. The main role players are the Municipality, Department of Roads and Public works, as well as SANRAL. The Department of Roads and Public Works and SANRAL are responsible for the construction and maintenance of National, Provincial Road networks whereas the Municipality is responsible for the access roads leading to villages and those in urban areas.

All the households have the access to gravel or surfaced roads. The gravel roads are maintained according to the work schedule of the Engineering Department and also immediately after rainstorms. The surfaced roads are maintained from the operating maintenance budget. The quality and standards of the roads are in a poor condition.

Stormwater drainage: 2022/2023			
Outcome Based Indicator	TARGET	ACTUAL PERFORMANCE	
Number of stormwater drainage maintained	100	898	

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

All the roads that fall under the jurisdiction of the Municipality are being attended by the Civil Works Unit according to their work schedule. The surface roads are repaired and cleaned after heavy rainfalls including storm-water channels

The storm-water management system is provided for the towns of Adelaide, Alice, Bedford, Fort Beaufort, Middledrift, and Seymour. The municipality has prioritised storm-water and storm-water management needs.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

3.8 INTRODUCTION TO PLANNING AND DEVELOPMENT

Spatial Planning is responsible for ensuring the management of the overall planning activities (Town planning and building control). These include planning, building of physically, socially and economically sustainable communities through spatial planning and development

frameworks, service standards and acquisition management of municipal property, planning and plans for approval in order to ensure priorities in the Integrated Development Plan are afforded the necessary attention.

Main objectives of the unit involve:

- ❖ Ensuring efficient and effective Spatial Planning and Land Use Management
- ❖ Managing Spatial Planning (SDFs and other development frameworks)
- ❖ Land Use Management (Development Applications: rezoning, subdivision etc.)
- ❖ Support Unit to Revenue, LED, Technical Services and IDP
- ❖ Ensuring building control and Management (Endorsing Building Plans and Inspections)
- ❖ Land Administration and land related issues.

In the municipalities efforts to ensure compliance with the Spatial Planning and Land Use Management Act 16 of 2013 it has since appointed an Authorised Official to approve all Category 2 land development applications as well as a registered Town Planner in terms of the Planning Professions Act 36 of 2002. The municipality has adopted a Wall-to-Wall Land Use Scheme and currently in the process of being Gazetted. Furthermore, council has approved and Gazetted SPLUMA By-laws that have been customized by Raymond Mhlaba Local Municipality.

3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

3.9.1 INTRODUCTION TO ECONOMIC DEVELOPMENT

Local economic development is designed to improve the socio-economic status of the local communities. At the heart of the local economic development is to encourage collective and inclusive partnership amongst the local communities in order to achieve the desired outcomes. It is for this reason that the Raymond Mhlaba Local Municipality regards LED as a cardinal strategy explored in order to address socio-economic problems such as poverty and unemployment facing local communities. In short, LED is a bottom-up socio-economic instrument, within a broader IDP, New Growth Path (NGP) to create conducive business environments to improve community's livelihood

The municipality has established a task team to drive the establishment of LED forum for all stakeholders to participate in local economic development issues within the area. The LED forum is composed of all major stakeholders within the locality inclusive of businesses,

economic, social and environmental sectors, sector departments, state institutions such as RMEDA, local businesses, NGOs and Labour. A long term and shared vision on how to develop and drive a robust and inclusive local economy with a view to create job opportunities and eradicate poverty should be realized by the LED forum.

Raymond Mhlaba Municipality in line with its Integrated Development Plan has identified Co-operative development as one of the economic drivers for Local Economic Development. Generally, cooperatives in Raymond Mhlaba are black owned, run by the elderly individuals who barely have any skill capacity, and the legacy still continues to exist and this leaves cooperatives unsustainable even if they are skilled, they suffer from natural attrition due to old age. The LED Unit continues to conduct outreach programs to encourage young people to form cooperatives and be part of cooperative movement. Most cooperatives and group enterprises are started with unemployed people, often with low technical skill capacity levels and no prior business experience in economically marginal areas; hence their chances of success is reduced to the absolute minimum. The Cooperative Act No.14 of 2005 spells out how cooperatives should operate and as such the Municipality has assisted local cooperatives in the form of training and legal registration. However there is new amendment Act No. 6 of 2013 which seeks to address the strengthening of Cooperative governess, adhering to cooperative regulations as per cooperative constitution and also to ensure the effective directorship, leadership and management of the cooperative.

Furthermore, to enhance the effectives and financial viability and stability, Department of Trade and Industry, Eastern Cape Development Corporation, SEDA and DEDEAT, DEFF has funding for SMME development and the municipality has explored these funding opportunities by assisting SMME in developing their business plans for funding. Auditing of SMME's is of essence to ensure that the municipality has statistical information of its SMME's. The municipality is working hand in hand with RMEDA for registration of new SMME's.

The Municipality has started the process of developing a Local Economic Development strategy in order to prioritize the allocation of resources, promote local ownership; community involvement and joint decision making, to date, the Municipality have a draft LED strategy.

Raymond Mhlaba Municipality has identified Tourism as one of the catalyst to drive economic growth and development. Tourism alone cannot be exclusively looked at without considering heritage given the historic endowment of the municipal area. The Tourism sector within Raymond Mhlaba Municipal area is clustered according to accommodation, game reserves, heritage and history, education, outdoor activities, cultural villages, craft and tour guiding. Many studies that have been undertaken in the Raymond Municipal area reveals that the Tourism sector is one of the sectors that seems to possess a strong potential to regenerate the economy of the Raymond Mhlaba Municipal area

In order to strengthen tourism development and marketing, Raymond Mhlaba Municipality is working in partnership with the Community Tourism Organization and Raymond Mhlaba Municipality Local Tourism Organization, the two structures plays a crucial role on driving tourism development. To explore hunting, game farming, eco-tourism and promote adventure tourism in Raymond Mhlaba Municipality. To leverage off existing and potential tourism products in area., Unit has developed a tourism Master plan, the plan will enable the tourism role players to develop a common vision for Raymond Mhlaba Municipality tourism future, enable the municipality to achieve its potential as unique and competitive destination within Amathole District Municipality

Through tourism master plan, the unit has developed and promoted tourism products to stimulate the local economy with a view of creating employment opportunities. The Tourism Unit in partnership with Raymond Mhlaba Crafters Association has converted and refurbished the Arts and Craft Shop in Alice Tourism Offices Complex whereby all the handmade arts and craft items produced in Raymond Mhlaba will be displayed and sold. Raymond Mhlaba Municipality in partnership with the Eastern Cape Parks and Tourism Agency has established a homestays project in Alice. Homestays refers to the experience of tourists or visitors living together with a selected host family while interacting and experiencing the day to day life of the family, including their cultural lifestyle. It is a private residence that accommodates paying guests who enjoys staying in the comfort and security of family home. The homestays are intended to provide visitors with accommodation, a taste of township, village and urban lifestyle attempting to provide authentic cross cultural experience. The tourism unit is supporting the emerging tourism entrepreneurs and facilitating the capacity building programmes in partnership with other relevant stakeholders.

LOCAL ECONOMIC DEVELOPMENT						
REF	PRIORITY AREA	STRATEGIC OBJECTIVE	Outcome Based Indicator	Baseline	2022 - 2023 Annual Target	2022/ 2023 Actual performance
LED 1	Unemployment	To ensure sustainable Local Economic Development by 2027	Number of jobs created through Capital Projects	200	100	507
LED 2		To ensure sustainable Local Economic Development by 2027	Number of jobs created through EPWP	New Indicator	100	1078

LED 3		To ensure sustainable Local Economic Development by 2027	Number of jobs created through LED initiatives	50	100
LED 4		To ensure sustainable Local Economic Development by 2027	Number of economic activities supported	10	193 economic activities supported
LED 5	SMMES	To ensure sustainable Local Economic Development by 2027	Number of SMMES supported by the Municipality	10	SMME's supported

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.10 INTRODUCTION TO COMMUNITY

A wide range of social services and amenities are provided to promote sustainable communities and ensure that the dignity of the people is restored. The aim is to achieve social empowerment and cohesion by promoting social development and strengthening communities, with a dedicated focus on poor, vulnerable and marginalised residents. The municipality's interventions include establishing and maintaining inclusive community amenities such as municipal halls, parks/ recreational facilities, sport grounds, markets and libraries. These play a critical role in the development of society and in enhancing social cohesion.

3.10.1 Cemeteries

Raymond Mhlaba Municipality has a total of eleven (11) cemeteries that are located in urban areas. All of the cemeteries are almost full to capacity as such the municipality has identified new sites through the assistance of the town planning section in all our towns and as such the Environmental Impact Assessment needs to be conducted in ensuring that the identified sites meets the required standards. The municipality continues to roll out the fencing of rural cemeteries. This is done in consultation with ward councillors. Their responsibility is to identify which cemetery to be fenced. The fence is procured and later erected per identified space making use of local youth. This is to ensure that the project is owned by the communities while the same youth receives income. The municipality continues to roll out the fencing of rural cemeteries, however during the year in question no rural fencing was done that due to financial constraints. Four urban cemeteries were maintained; Bedford, Adelaide, Fort Beaufort and Alice.

1.10.2 Community facilities

The municipality has 19 halls and 5 municipal parks under its jurisdiction which are rented out to communities as per approved municipal tariffs. All the municipal halls need major renovations and as such the office has been receiving numerous complaints about the conditions of such properties. During 2022/2023 financial year, the municipality managed to renovate the Old Age Hall in Fort Beaufort .

3.10.3 Libraries

Raymond Mhlaba Municipality has eight public libraries in the following areas; Bedford x 1, Adelaide x 2, Alice x 1, Fort Beaufort x 3 and Seymour which the municipality is rendering the service on behalf of the Department of Sport, Recreation, and Arts & Culture (DSRAC). On a yearly basis the municipality is requested to submit a business plan which outlines the activities that will be carried out within these libraries for DSRAC to fund those. The municipality is also required to enter into an MOA with Department which outlines the responsibilities of each party. Challenges relating to the arrangement is that the subsidy received to deliver this service does not cover 100% of the expenses of library services. This impact negatively on the rolling out of programmes of the library services to communities, however there are engagements with the Department and as such the municipality was requested to submit funding template as to how much will cost the municipality to render the service.

The Fort Beaufort Town Library has been renovated and completed. The project was funded by the Department of Public Works. Furthermore, the municipality is experiencing vandalism in these facilities due to the lack of security/caretakers. Continuous community awareness campaigns are conducted to encourage communities to look after municipal properties.

3.12 INTRODUCTION TO CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

The Department of Social Development is well positioned to empower the poor, as a crucial component of ensuring a sustainable solution to poverty and hunger in the long term. The Department's targeted interventions focus on poverty reduction, food security and developmental initiatives that enable self-sustainability and social inclusivity. These interventions further respond to the conditions of both individual and household poverty by providing a broad variety of programmes and support services. A critical enabling milestone in addressing the inter-generational poverty confronting many poor households is food and nutrition security. To this end the municipality supports small scale farmers so that they can contribute to the municipality food trade surplus.

This component includes: clinics and hospitals.

3.13 INTRODUCTION TO HEALTH

Department of Health is mandated to develop a high quality, efficient, equitable health system that is accessible to all Raymond Mhlaba Municipality's residents. The Department is responsible for the provision of primary health care services in the Raymond Mhlaba through its 38 clinics network. The municipality's clinics operate in conjunction with the six hospitals managed by the Eastern Cape Provincial Department of Health.

COMPONENT F: DISASTER AND SAFETY

This component includes: fire & disaster management services, Traffic, registration and licencing and control of animals.

3.14 FIRE SERVICES INTRODUCTION TO FIRE SERVICES

The Municipality is rendering the firefighting service full time and the main fire base is located in Fort Beaufort. The building does not have all necessary technological equipment / resources as to enable fire fighters to operate effectively and efficiently, however since December 2022, the section operates 24/7 (24hours) . Satellite bases have been established in Adelaide and Alice and are operational. Hogsback satellite has also been established but not yet operational.

PERFORMANCE IMPROVEMENT:

- i. Trained staff appointed
- ii. One Rapid Response Vehicle to attend to rescue related incidents,
- iii. One medium pumper with the capacity of 6 000 L of water
- iv. Main Fire base in Fort Beaufort operational,
- v. Adelaide satellite base opened and operational,
- vi. Alice satellite fire station established and operational.

Fire Service Data				
	Details	2021/ 2022	2022/ 2023	2023/2024

		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires <i>attended</i> in the year	80		127	
2	Total of other incidents attended in the year	50		48	
3	Average turnout time - urban areas	30 minutes		30 minutes	3min to 15 minutes
4	Average turnout time - rural areas	60 minutes		60 minutes	60 minutes
5	Fire fighters in post at year end	8		13	12
6	Total fire appliances at year end	2		2	2
7	Average number of appliance off the road during the year	2		1	3

After hours the crew is placed on stand by and responds from home, making turnout time very long. The time between the caller and the departure time from the base is extended by the fact that responders are to be fetched from home.

3.15 INTRODUCTION TO TRAFFIC SERVICE

Traffic services unit is responsible to carry the following functions;

- Deliver satisfied service to all citizens.
- Making appointments for learners licence.
- Renewal of driving licence.
- Conducting eye tests
- Renewal of professional driving permits.
- Conducting learners licence class.
- Testing for driving licence.
- Serving residents with queries on certain transactions.
- Registration and licensing of motor vehicles.
- To regulate and control traffic upon any public road within our area of jurisdiction.
- To attend to accidents.
- To do escorts.
- To serve warrants of arrest.
- To conduct external training at schools.
- To visit scholar patrols and conduct traffic safety talks.

Traffic Service Data			
Details	2020/ 21	2021/ 2022	2023/ 2024

		Actual No.	Estimate No.	Actual No.	Estimate No.
1.	Number of road traffic accidents during the year	109	200	100	120
2.	Number of by-law infringements attended	11	14	9	12
3.	Number of traffic officers in the field on an average day	9	9	9	9
4.	Number of traffic officers on duty on an average day	9	9	9	9

COMPONENT G: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls and stadiums.

3.16 INTRODUCTION TO SPORT AND RECREATION

Raymond Mhlaba Local Municipality provides access to facilities and encourages recreational activities and other healthy lifestyle activities. It strives for sporting excellence, encouraging the transformation of sporting codes and facilitates various initiatives that reinforce the national sport plan initiatives. The municipality has a total of 7 sports facilities in the following urban areas, Bedford x 3, Adelaide x 1, Fort Beaufort x 2, Alice x1 and Middledrift x1.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

The organization is the key transformation agent dealing with the structure of the Municipality to ensure that it remains aligned to its strategy, job evaluation process and change management philosophy. Organizational Development as a function is placed under Corporate service Department. The core functions of the department are as follows.

- i. Organizational design
- ii. Job analysis and evaluations
- iii. Employee assistance programme

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, Vacancies AND Turnover rate

Raymond Mhlaba Municipality currently employs 546 (full time =468, part time =74; Section 56 & 57=4) officials, who individually and collectively contribute to the achievement of municipality's objectives. The primary objective of the Human Resources Management is to render an innovative HR service that addresses both skills development and an administrative function. The Municipality is guided by policy and procedures of HR.

4.1.1 EMPLOYEE TOTALS

Description	2022/2023	2021/2022			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Municipal Manager Office	2	2	2	0	100%
Communications	3	4	3	1	25%
Internal Audit	3	4	3	1	25%
Office of the Speaker	7	9	7	2	22%
Office of the Mayor	4	4	4	4	0%
Strategic Planning and Local Economic Development	18	26	18	6	23%
Local Economic Development	15	20	15	5	25%
IDP & PMS	3	4	3	1	25%
Finance	2	2	2	0	0%
Budget	3	3	4	0	0%
Asset	3	3	3	0	0%
Revenue	29	34	29	5	11%
Expenditure	5	5	5	0	0%
Supply Chain	8	10	10	0	0%
Corporate Services Director & Secretary	0	2	0	2	100%
Council Support and Records Management	18	19	18	1	5.3%
ICT	4	5	4	1	20%
Administration	39	50	40	8	16%
Human Resources	13	14	13	1	7.6%
Fleet	18	36	21	18	20%
Community Services	1	2	2	2	0%
Waste and Social Needs	59	75	96	8	7.7%
Fire and Disaster Management	8	33	8	25	76%
Law Enforcement Manager	1	1	1	1	0%
Peace Officer	10	14	10	4	40%
Traffic & Admin	16	38	18	18	32%
Rangers	12	12	12	0	0%
Pound Master	4	4	4	4	0%
Security	39	43	39	5	11%
Engineering	1	2	2	2	0%
Housing and Landuse	21	38	22	16	42%
PMU	4	6	5	1	20%
Civil Works	31	37	37	6	16%

Roads and Storm water	39	55	53	2	3.6%
Electricity Services	25	40	25	15	32%
Totals	497	652	498	165	

4.1.2 VACANCY RATE

Vacancy Rate: 2022/2023			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	4	2	50%
Other S57 Managers (Finance posts)	0	0	0%
Security officers	44	5	8.8%
Fire fighters	33	25	13%
Senior management: Levels 13-15 (excluding Finance Posts)	21	5	26%
Senior management: Levels 13-15 (Finance posts)	0	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	86	2	43%
Highly skilled supervision: levels 9-12 (Finance posts)	18	7	38.8%
Total	208	46	

4.1.3 TURN-OVER RATE

Turn-over Rate

Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year 2021/22	9	11	
Year 2022/23	5	8	

COMMENT ON VACANCIES AND TURNOVER:

There is a moratorium on appointments and only critical positions have been advertised and filled. During 2022/2023 the following positions were filled; four Satellite Unit Managers, Asset Manager, Expenditure Manager, Electrical Manager, Housing Manager.

Officials who have reached their retirement age are terminated from the system and all other service termination types are implemented on the system guided by the processes and procedures.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Whistle Blowing	x	100%	22 May 2022
2	Internal Sport & Recreation	x	100%	22 May 2022
3	Housing & Rental for Staff	x	100%	22 May 2022
4	Imprisonment	x	100%	22 May 2022
5	Councillor Employee Assistant Programs	x	100%	22 May 2022
6	Records Management	x	100%	22 May 2022
7	S & T	x	100%	30 August 2021
8	Employee Assistance / Wellness	x	100%	30 August 2021

9	Employment Equity Plan	x	100%	30 August 2021
10	Exit Management	x	100%	30 August 2021
11	Grievance Procedures	x	100%	30 August 2021
11	HIV/Aids	x	100%	30 August 2021
12	Human Resource and Development	x	100%	30 August 2021
13	Information Technology	x	100%	30 August 2021
14	Job Evaluation	x	100%	30 August 2021
15	Leave	x	100%	30 August 2021
16	Occupational Health and Safety	x	100%	30 August 2021
17	Smoke	x	100%	30 August 2021
18	Substance Abuse	x	100%	30 August 2021
19	Attendance & Punctuality	x	100%	30 August 2021
20	ICT users access Management	x	100%	30 August 2021
21	ICT Security Management	x	100%	30 August 2021
22	ICT Email	x	100%	30 August 2021
23	Telephone	x	100%	30 August 2021
24	Recruitment & Selection	x	100%	30 August 2021
25	Dress code	x	100%	30 August 2021
26	Bursary	x	100%	30 August 2021
27	Sexual Harassment	x	100%	30 August 2021
28	Skills Development	x	100%	30 August 2021
29	Insurance	x	100%	30 August 2021
30	Succession	x	100%	30 August 2021
31	Exit Management	x	100%	30 August 2021
32	Danger Allowance	x	100%	30 August 2021
33	Performance Management and Development	x	100%	30 August 2021

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0%	0	00.00
Temporary total disablement	0	0	0%	0	
Permanent disablement	0	0	0%	0	
Fatal					

Total	0	0	0	0	00.00
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Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)	80	20%	45	173	2	
Highly skilled production (levels 6-8)	10	10%	25	198	1	
Highly skilled supervision (levels 9-12)	12	15%	5	99	1	
Senior management (Levels 13-15)	5	5%	0	21	0	
MM and S57	10	10%	1	4	1	
Total	117	60%	76	495	5	

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Payroll Officer	Financial misconduct	February-2020	The employee is yet to resume duties and is still on suspension.	Hearing held in December 2022 .
Payroll Clerk			The employee won on an unfair dismissal dispute and was re-instated in October 2022. The employer objected to quantum of compensation and took	30 September 2022

			that portion of the award on review in the Labour Court.	
HR Manager	Alleged misconduct- The employee is a HR Manager and was suspended in December 2021 and was affected in an ID scam.	15 December 2021	The investigation will resume after a long wait for a new Manager at Home Affairs and improvement on the rolling load shedding.	In progress

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Fleet Manager	Gross Negligence	The hearing was set for 9 June 2023 but postponed due to unforeseen commitment	A new date is being arranged with the chairperson
Electrician	Soliciting a bribe	Suspended	Date will be fixed as soon as the panel is constituted
Records clerk		He appeared before a disciplinary hearing on 2 December 2022 and the matter was adjourned as has no representative	

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

All the above suspensions are above four months as the cases are continuing and the extensions were done appropriately.

4.4 PERFORMANCE REWARDS

No performance rewards were paid under the period under review.

4.5 DISCLOSURES OF FINANCIAL INTERESTS

Councillors, Senior Management and all employees including those sitting in Bid committees have signed the declaration of interest forms.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The MSA states that a municipality must develop its workforce to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable manner. For this purpose, the HR Capacity of a municipality must comply with the Skills Development Act and Skills Development Levies Act.

One of the key programmes was the implementation of the Workplace Skills Plan wherein employees and previously disadvantaged persons were trained on acquire skills. A plan was developed and submitted to the LGSETA on time. In 2022/2023, employees were assisted with brick laying, plumbing and carpentry.

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June 2022/23											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s57	Female	1	0	1	1	1				0	1		1	2
	Male	3	1							1	2		1	2
Councillors, senior officials and managers	Female	25	0						19	3	3		3	3
	Male	40	0						28	4	4		4	4
Technicians and associate professionals *	Female	68	0							2	2		2	2
	Male	38	4							8	9		8	9
Professionals	Female	34	1	11	15					6	6		17	21
	Male	29	4	10	15					2	2		2	2
Sub total	Female	128	1	12	16					11	12		23	28
	Male	110	9	10	15					15	17		15	17
Total		238	10	44	62	0	0	0	47	52	58	0	76	90

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						
<i>Accounting officer</i>	1	0	1	0	0	1
<i>Chief financial officer</i>	1	0	1	0	0	1
<i>Senior managers</i>	4	0	4	0	0	4
<i>Any other financial officials</i>	8	0	8	0	0	8
Supply Chain Management Officials						
<i>Heads of supply chain</i>	1	0	1	0	0	1

<i>management units</i>						
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
TOTAL	15	0	15	0	0	15

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	50000	46000					50000	46000
	Male	3								
Legislators, senior officials and managers	Female	25								
	Male	40								
Professionals	Female	34	300000	252170					300000	252170
	Male	29	350000	717232					350000	717232
Technicians and associate professionals	Female	68								
	Male	38								
Clerks	Female	38								
	Male	32								
Service and sales workers	Female	17								
	Male	12								
Plant and machine operators	Female	0								
	Male	18								

and assemblers										
Elementary occupations	Female	41	100000	42888					100000	42888
	Male	11	100000						100000	
Sub total	Female	224	350000	298170					350000	298170
	Male	183	350000	717232					350000	717232
Total		407	700000	1015402	0	0	0	0	700000	1015402

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	3	50000	46000					50000	46000
	Male	3								
Legislators, senior officials and managers	Female	23								
	Male	52								
Professionals	Female	2	300000	252170					300000	252170
	Male	2	350000	717232					350000	717232
	Female	33								

Technicians and associate professionals	Male	83								
Clerks	Female	43								
	Male	34								
Service and sales workers	Female	38								
	Male	67								
Plant and machine operators and assemblers	Female	38								
	Male	75								
Elementary occupations	Female	96	100000	42888					100000	42888
	Male	116	100000						100000	
Sub total	Female	142	350000	298170					350000	298170
	Male	241	350000	717232					350000	717232
Total		383	700000	1015402	0	0	0	0	700000	1015402

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

Councillors and employees who registered or progressing with their studies were given the financial support. The municipality has ensured that the budget for training was put within affordability and prevented over commitment. This was done through ensuring that a plan is in place .

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality tried to ensure that the workforce expenditure is kept within the accepted proportion of the equitable share. This was affected by the absorption of more than 100 contract employees in the middle of the financial year. Nevertheless, the municipality did not tap into Grants meant for service delivery. Instead, it enhanced its human capital expenditure through own revenue source.

4.6 DISCLOSURES OF FINANCIAL INTERESTS

Councillors, Senior Management and employees including those sitting in Bid Committees have signed the declaration of interest forms for the year under review.

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The municipal revenue at year end including operating and capital grants at year end amounted to R 487 million and the total operating expenditure amounted to R 443 million; the net deficit for the year amounted to R44 million. The largest sources of revenue include grants, property rates, service charges and interest on outstanding debtors. The municipality developed a financial recovery plan. The liquidity ratio of 0,3 this is an indication that the municipality is unable to pay all its current or short term obligations, this is mainly due to the Eskom debt. In addressing the liabilities, the municipality has put in place the following measures:

- Payment arrangement entered into with Eskom
- Set-off arrangement to be entered into with Amatole District
- Revision of the existing payment arrangement plan with Auditor General.
- Payment arrangement to be entered into with SALGA

Raymond Mhlaba Local Municipality (Registration number EC129) Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	17	88 103 084	97 887 574
Rental of facilities and equipment	18	806 583	580 288
Interest received - receivables from exchange transactions		17 002 127	11 646 351
Licences and permits	19	2 119 200	4 744 713
Commissions received		4 667 674	5 009 032
Discount received		-	2 703 701
Other income	21	8 527 175	3 402 857
Interest received - investment	22	1 575 984	1 955 766
Total revenue from exchange transactions		122 801 807	127 930 282
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	23	109 612 788	97 168 485
Transfer revenue			
Government grants & subsidies	24	264 468 827	239 354 285
Public contributions and donations	25	5 275 754	-
Fines, Penalties and Forfeits	26	371 570	140 778
Interest - Property rates	27	20 925 300	25 901 792
Total revenue from non-exchange transactions		400 654 239	362 565 340
Total revenue	16	523 456 046	490 495 622
Expenditure			
Employee related costs	28	(205 650 708)	(204 341 167)
Remuneration of councillors	29	(18 842 244)	(18 311 510)
Depreciation and amortisation	30	(23 481 633)	(29 867 677)
Finance costs	31	(20 005 357)	(21 373 750)
Debt Impairment	32	(23 958 525)	(78 757 514)
Bulk purchases	33	(76 979 875)	(81 615 368)
Contracted services	34	(18 093 376)	(51 199 179)
Transfers and Subsidies	35	(9 819 873)	(9 371 999)
General Expenses	36	(51 378 024)	(46 660 894)
Total expenditure		(448 209 615)	(541 499 058)
Operating surplus (deficit)		75 246 431	(51 003 436)

Raymond Mhlaba Local Municipality
(Registration number EC129)
Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	85 008 000	9 618 000	94 626 000	88 103 084	(6 522 916)	
Rental of facilities and equipment	350 000	-	350 000	806 563	456 563	
Interest received (trading)	8 300 000	6 700 000	15 000 000	17 002 127	2 002 127	
Licences and permits	5 700 000	1 000 000	6 700 000	2 119 200	(4 580 800)	
Commissions received	-	-	-	4 667 674	4 667 674	
Sale of goods and and rendering of services	600 000	-	600 000	-	(600 000)	
Other income - (rollup)	2 380 000	16 200 000	18 580 000	8 527 175	(10 052 825)	
Interest received - investment	-	2 100 000	2 100 000	1 575 984	(524 016)	
Total revenue from exchange transactions	102 338 000	35 618 000	137 956 000	122 801 807	(15 154 193)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	116 761 000	(10 000 000)	106 761 000	109 612 788	2 851 788	
Transfer revenue						
Government grants & subsidies	258 290 850	11 363 000	269 653 850	264 468 827	(5 185 023)	
Public contributions and donations	-	-	-	5 275 754	5 275 754	
Fines, Penalties and Forfeits	180 000	-	180 000	371 570	191 570	
Interest - Transfer revenue	15 100 000	4 000 000	19 100 000	20 925 300	1 825 300	
Total revenue from non-exchange transactions	390 331 850	5 363 000	395 694 850	400 654 239	4 959 389	
Total revenue	492 669 850	40 981 000	533 650 850	523 456 046	(10 194 804)	
Expenditure						
Personnel						
Personnel	(192 002 284)	(14 000)	(192 016 284)	(205 650 708)	(13 634 424)	
Remuneration of councillors	(18 358 570)	(9 17 927)	(19 276 497)	(18 842 244)	434 253	
Depreciation and amortisation	(26 704 522)	(4 000 000)	(30 704 522)	(23 481 633)	7 222 889	
Finance costs	(5 420 000)	(18 000 000)	(23 420 000)	(20 005 357)	3 414 643	
Debt Impairment	(16 380 589)	(52 379 211)	(68 759 800)	(23 958 525)	44 801 275	
Bulk purchases	(80 000 000)	(3 000 000)	(83 000 000)	(76 979 875)	6 020 125	
Contracted Services	(18 960 000)	(10 102 563)	(29 062 563)	(18 093 376)	10 969 187	
Transfers and Subsidies	(2 500 000)	-	(2 500 000)	(9 819 873)	(7 319 873)	
General Expenses	(23 491 534)	(11 224 906)	(34 716 440)	(51 378 024)	(16 661 584)	
Total expenditure	(383 817 499)	(99 638 607)	(483 456 106)	(448 209 615)	35 246 491	
Operating surplus	108 852 351	(58 657 607)	50 194 744	75 246 431	25 051 687	

Original budget for opex was increased during the financial year, the actual spending amounted to R448 million. The adjustments are mainly due to employee related costs, depreciation, bulk purchases, debt impairment and other expenditure.

5.2 GRANTS

RAYMOND MHLABA LOCAL MUNICIPALITY							
	OPENING BALANCE	APPROVED ROLL-OVER	GRANTS RECEIVED	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	TRANSFERRED TO/FROM RECEIVABLES	CLOSING BALANCE
	R		R	R	R		R
NATIONAL GOVERNMENT							
Equitable Share	-	-	204 622 000	204 622 000	-	-	-
Municipal Finance Management Grant	-	-	2 850 000	2 850 000	-	-	-
Municipal Infrastructure Grant	-	-	54 003 000	2 045 742	51 957 258	-	-
Expanded Public Works Program	-	-	2 838 000	2 838 000	-	-	-
Integrated National Electrification Programme (INEP)	-	-	1 828 000	-	1 827 875	-	125
LG-SETA	-	-	225 270	225 270	-	-	-
Total National Government Grants	-	-	266 366 270	212 581 012	53 785 134	-	125
PROVINCIAL GOVERNMENT							
Housing Disaster Grant	9 474	-	-	-	-	-	9 474
Library Grant	-	-	1 650 000	1 650 000	-	-	-
OTP Alice Revitalisation	162	-	-	-	-	-	162
DDEAT - Mining Projects	77 000	-	-	-	-	-	77 000
ECDLGA - Greening and Beautification	707 664	-	-	-	-	-	707 664
LSDF - Middledrift Spatial Development	147 392	-	-	-	-	-	147 392
Alien plant removal - EPIWP	69 120	-	-	-	-	-	69 120
Quarry Mining Grant	102 563	-	-	-	-	-	102 563
Total Provincial Government Grants	1 113 375	-	1 650 000	1 650 000	-	-	1 113 375
ALL SPHERES GOVERNMENT	1 113 375	-	268 016 270	214 231 012	53 785 134	-	1 113 500

The grants and subsidies amounted to R268 million from National and Provincial government against the budgeted amount for grants of R 269 million. The variance is due to the National Treasury Audit fees grant, LG SETA and Department of Roads (purpose is to assist the municipality to upgrade roads). The municipality spent 100% of National allocations, unspent funds pertain to Provincial allocations.

5.2 ASSET MANAGEMENT

To report on the implementation of the Asset Management Policy by the Asset Management Unit as required by the MFMA, Section 63 for the quarter ending 30 June 2023 of the 2022/2023 financial year.

- 1.1.** Asset Management is the unit within the Budget and Treasury Department that is responsible for the co-ordination of asset management function throughout the municipality.
- 1.2.** To ensure that municipal assets are managed, controlled, safeguarded and utilized in an efficient and effective manner.

2. PROGRESS MADE ON THE FUNCTION/ KPI

2.1. Monthly Reconciliations.

- 2.1.1.** Monthly asset reconciliations have been performed for quarter 4.

2.2. Asset Verification.

- 2.2.1.** The physical verification of movable & immovable assets for the quarter has been finalised.

- 2.2.2.** The Inventory lists have been posted in all offices.

- 2.2.3.** There is a concerted effort to vandalize municipal infrastructure. A further concern is that there are no cases made with SAPS regarding the above matter. We are only discovering about vandalism when the verification is done and this will affect the final asset register as we will not be able to conduct impairment assessment and also the insurance claims will not be registered on time with insurance.

- 2.2.4.** We therefore recommend that the security personnel be deployed to look after Municipal Properties in those areas in order for Asset Management section to update Asset Register on quarterly bases on all cases reported and opened.

2.3. Asset Additions and bar coding.

- 2.3.1.** There were additions for movables assets to the value of R1,438 239.00

2.3.2. There were additions to Work in progress to the value of R15 988 311.42

2.3.3. Replacement of old bar codes with new bar codes (RMLM) has been done.

2.4. Written off of municipal assets

2.4.1. Assets with very poor condition and no longer usable were identified during the physical verification for quarter 4 and will be written off.

Insurance – Laptop was reported stolen (case no.48/1/2023) and claim was submitted to the insurance.

Repairs and Maintenance:

Maintenance of property, plant and equipment by nature and type of expenditure - 2023

Buildings	Direct Costs
Office equipment	Contracted
Infrastructure	services
	271 415
	31 542
	8 040 911
	<hr/>
	8 343 868

Maintenance of property, plant and equipment by nature and type of expenditure - 2022

Buildings	Direct Costs
Office equipment	Contracted
Infrastructure	services
	1 159 285
	1 807 272
	31 194 387
	<hr/>
	34 160 944

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

The repairs and maintenance ratio is 2% which is below the norm of 8 %,this indicates the insufficient funds being spent on repairs to the extent that it could increase impairment of useful assets. The budgeted repairs amounted to R8,5 million and actual spent R 8,3 million, variance amounts to R 0,2 million.

COMPONENT C : CASH FLOW MANAGEMENT AND INVESTMENT

Raymond Mhlaba Local Municipality

(Registration number EC129)

Annual Financial Statements for the year ended 30 June 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Taxation		117 918 586	87 252 494
Sale of goods and services		4 746 898	62 318 025
Grants		273 410 693	233 615 780
Interest income		1 575 984	1 955 766
Other receipts		16 492 182	1 955 766
		<u>414 144 343</u>	<u>387 097 831</u>
Payments			
Employee costs		(222 983 961)	(216 422 480)
Suppliers		(115 200 000)	(102 556 990)
Finance costs		(20 005 357)	(16 300 418)
Grants and subsidies		(9 820 555)	(9 371 999)
		<u>(368 009 873)</u>	<u>(344 651 887)</u>
Net cash flows from operating activities	57	46 134 470	42 445 944
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(53 780 794)	(45 340 439)
Proceeds from sale of property, plant and equipment	8	-	5 994 021
Net cash flows from investing activities		(53 780 794)	(39 346 418)
Cash flows from financing activities			
Proceeds from other financial liabilities		(444 517)	(4 957 964)
Repayment of other financial liabilities		444 517	4 957 964
Finance lease payments		(444 517)	(3 675 001)
Net cash flows from financing activities		(444 517)	(3 675 001)
Net increase/(decrease) in cash and cash equivalents		(8 090 841)	(575 475)
Cash and cash equivalents at the beginning of the year		16 087 714	16 663 189
Cash and cash equivalents at the end of the year	6	7 996 873	16 087 714

The accounting policies on pages 13 to 47 and the notes on pages 48 to 99 form an integral part of the annual financial statements.

Cash receipts for the year amounted R414 million and payments R368 excluding capital assets. The Cash and cash equivalents at the end of the year amounted to R7,9 million comprising of call deposits and bank accounts, mainly due call accounts that closed with balances at year end. There was a decrease of R 8 million in cash and cash equivalents from prior year due to paying of old creditors from the available cash resources.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

6.1 INTRODUCTION:

Section 188 (1) (b) of the Constitution states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The responsibility of the Auditor-General is to perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement and to express an opinion based on the audit conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA).

The Municipal System Act section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The reported performance against predetermined objectives is evaluated against the overall criteria of usefulness and reliability. The usefulness of information relates to whether the reported performance is consistent with the planned development priorities or objectives and if indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

**COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS
YEAR: 2022/2023**

Outstanding – will e incorporated when audit is finalised

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2021/2022

NUMBER	EXCEPTION TITLE	EXCEPTION DETAILS	MANAGEMENT ACTION
1.	COAF 1: IT Governance - Inadequate IT Governance controls	<p>a) IT spending for the year 2021/2022 information was not monitored to get assurance that the spending that took place in the year under review was in line with the IT strategy that was in place and within the IT budget for the year under review: at a minimum the following was to be accessed:</p> <ul style="list-style-type: none"> • Infrastructure: • Software Licences: • SITA services: • External service providers: • System development: • IT consultants: - IT Budget: - IT expenditure: - Over/Under: 	Management will ensure that the IT budget is aligned to the IT strategic plan and all IT projects are budgeted in line with the IT strategic plan.
2.	COAF 1: Security Management - Inadequate IT Security Management Controls	<p>Information Technology (IT) Management had not ensured that Security Management controls were adequately designed and implemented within the IT environment. As such the following control deficiencies had been identified:</p> <p>a) Assurance could not be provided that patches were installed on all the computers at the municipality.</p>	Management to ensure that that patches are installed on computers so that they are safe against security threats and also new features are installed to improve their functionality

3.	COAF 1: User Access Management - Inadequate User Access Management Controls – Active Directory, Sage and Contour	<p>Information Technology (IT) management had not ensured that user access management controls had been adequately designed and implemented within the IT environment. As a result, the following control deficiencies had been noted:</p> <p>a) System generated list of users who were on the systems could not be obtained to get assurances that users who were on the system were correct users, granted access to the systems and had appropriate access given to them. This affected the auditors ability to also confirm if formal access request documentation was being completed for:</p> <ul style="list-style-type: none"> - registering users, - changing access rights, - password resets and - termination of access on all financial <p>Unauthorized access to information systems might result in unauthorised request to effect changes/updates to information that could negatively impact data integrity of information systems.</p> <p>b) The review of user access rights to confirm whether the functions allocated to users are still in line with user's job function was not performed at the Municipality during the period under review.</p> <p>Lack of regular review of user access to information systems may result in users with inappropriate access to process unauthorised transactions that could negatively impact the integrity of data generated by these information systems.</p>	<p>a) IT Management will ensure that formal processes are in place to ensure that only authorised users have access to information systems.</p> <p>b) IT management will ensure that the system generates audit logs of dates when users are created, amending user functions/access, changing their password and terminating users profiles on the system. This is to allow those charged with oversight including auditors to monitors and asses the environment of risks that could affect the objectives of the municipality.</p> <p>b) IT management will ensure that access and privileges on all systems is periodically reviewed by the appropriate function, to confirm that such access and privileges are still commensurate with their job title responsibilities.</p> <p>c) IT management will ensure that system administrator activities are monitored on a regular basis and evidence thereof is maintained. At a minimum the following</p>
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		<p>c) The activities of the system administrator were not monitored during the period under review at the Municipality.</p> <p>Lack of monitoring of the activities of the system administrator has the potential of weakening internal controls and allowing the Municipality to be vulnerable to unauthorised access and unauthorised transaction being performed on the systems and the data stored wherein.</p> <p>d) Assurances could not be provided that users created on the municipality's systems that there were no generic users as the system generated list of users was not provided to the auditors for evaluation (Contour).</p> <p>Use of generic user accounts makes it impossible to apportion accountability in the event when unauthorised transactions are processed</p>	<p>will be looked at;</p> <ul style="list-style-type: none"> • User creation • User profile amendments • Termination • Dormant accounts • Generic accounts and • Logon violations. <p>d) IT management will ensure that user accounts are properly managed by disabling generic/default accounts to avoid unauthorised access.</p>
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4.	COAF 1: Program Change Management - Inadequate Program Change Management Controls	<p>a) System generated change control logs were not maintained; as a result, the auditors could not confirm if changes made to these applications were duly authorised. This resulted in the inability to conclude on the design, implementation, and operating effectiveness of controls:</p> <p>The following controls could not be verified:</p> <ul style="list-style-type: none"> • Authorisation of changes; • Testing of changes; • Go live approval; • Monitoring of changes; and • Segregation of duties. <p>Without an adequate change management process, unnecessary changes, and unauthorised changes, might be made, not all changes might be documented, approved and tested before being implemented.</p> <p>b) Assurance could not be provided that vendors have access to the production (live) environment and if they have access it is monitored as we were not provided with the system generated list of users of who has access to the systems.</p>	<p>a) IT Management will ensure that program change management policy is approved.</p> <p>b) Management will ensure that program changes to information systems are classified and appropriately documented to indicate the reasons for the change as well as who requested the change and is appropriately monitored by the designated official.</p>
5.	COAF 1: IT Service Continuity - Inadequate IT Service Continuity controls	<p>a) The municipality does not have a disaster recovery plan (DRP) that include all systems (network, financial and performance reporting systems) that should be backup and recovered and furthermore have the DRP tested for its effectiveness.</p> <p>If there is no disaster recovery plan in place that speaks directly to existing systems, the municipality may not be able to recover its information or data in the event of a disaster there may be</p>	<p>a) IT Management will ensure that disaster recovery plan is documented and in line with the municipality's current environment and cater for all the applications found in the Municipality. Additionally, Management will ensure that the plan is tested and that the test results</p>

		<p>lack of awareness of IT continuity plans for key individuals, furthermore weaknesses may not be addressed and the major changes made in the municipality may not be reflected on the plan, which could result in the plan becoming irrelevant.</p> <p>b) There was no assurance that backups were performed as the system generated backup logs for the application systems (Contour) were not maintained with backups performed, verified and checked for successful completion.</p> <p>- Furthermore for the SAGE application, backups were not maintained for the entire financial period under review.</p> <p>If backups are not performed and maintained, in the event of disaster there might be data loss, which would lead to the business not to be able to continue with their operations leading to service delivery delays, lost data, and increased costs to the municipality to recover its data.</p> <p>c) Assurance could not be provided that backups were stored at a secure offsite storage facility as the municipality could not prove and provide evidence that information or data stored in their system was adequately secured and stored at an off-site facility.</p>	<p>are updated on the DRP for the next test.</p> <p>b) IT management will ensure that backups for all their critical data and systems is performed regularly and as per their backup policy and that all backups are verified and checked for successful completion.</p> <p>c) IT management will ensure that all critical backup media, documentation and other IT resources necessary for IT recovery and business continuity plans are stored offsite.</p>
6.	COAF 7: Execution Bulk Purchases - Misstatement	While performing the test of detail for bulk purchases, the municipality could not confirm and provide us with evidence that payments for bulk purchases are made on receipt of actual goods, and that the quantity	1. Management to request TOU reports for bulk meter readings from Eskom for the periods for which the municipality is billed for

		that the municipality is charged for as per the invoice, is reasonable. As such we could not confirm the occurrence assertion of the bulk purchases.	bulk purchase. 2. The Municipality to further compare the consumption from the TOU report for each billing period to the consumption billed by ESKOM in their Invoices to confirm that the quantity we were billed for corresponds to the actual consumption as contained in the hourly TOU reports.
7.	COAF 8: Execution - Fuel & Oil- Classification	The Fuel and Oil account has been misallocated to vehicle rentals. The incorrect classification is reflected as per the description and reference of the Oil and Fuel from the general Ledger	1. Preparation and reviewal of Reconciliation on a monthly basis. 2. Budget section to ensure correct vote is used for every transaction incurred.
8.	COAF 9: Execution- Repairs & Maintenance- Authorisation	Upon journal testing, the journal entries submitted had no date for the signature request and authorization, therefore it cannot be ascertained whether the journals were authorized before or after year-end fir the following journals	Management will ensure that all journals are reviewed, signed and dated.
9.	COAF 11: Execution- Supply Chain Management: Bid invitations	During the audit of the below tenders it was noted that the Bid Adjudication Committee (BAC) decided to award a bid other than the one recommended by the Bid Evaluation Committee (BEC). The Accounting officer was not notified, and no reasonable reasons were provided by the BAC	1. BAC to refer back to BEC for Re-evaluation all projects with which they disagree with the recommendation with reasons for disagreement clearly stated. 2. In cases where the recommendation is different to that of BEC due to disagreement

			such will be clearly stated on the BAC report to be submitted to the accounting Officer.
10.	COAF 13: Execution- Employee Related Cost – No shift allowance policy	It was identified that there is no municipal policy on shift allowances. As there is no shift allowance policy for Raymond Mhlaba Local Municipality, there is thus no document or memo which states who is entitled to the shift allowance, as the circular does not state who is entitled to the allowance	1. Management to develop a shift allowance policy and present it to Council for Approval
11.	COAF 13: Execution – Employee Related Cost – Misclassification of Shift Allowance	When testing the Overtime under Employee related cost, it was identified that the shift allowance was not separately disclosed on the AFS or disclosed under other benefits and allowances but was included as part of Overtime. As shift allowance and overtime are not the same and have different characteristics it needs to be disclosed separately from overtime.	1. A breakdown between Overtime and shift allowance will be done when preparing the Interims and Annual Financial Statements. 2. Correct disclosure to be made on the Financial Statements
12.	COAF 13: Execution – Employee Related Cost – Accuracy and Occurrence of shift allowance and overtime could not be confirmed	1. During the audit of overtime and shift allowance differences were identified when recalculating the amount of overtime and shift allowance paid. 2. The timesheets or work attendance registers for some employees were not attached therefore evidence off actual overtime work attendance could not be confirmed	1. Management will review all supporting documents prior to making a payment and overtime or shift allowance amount will be matched with actual hours worked and where there's any differences a follow will be made. 2. Management will ensure that amount paid to employees is accompanied by accurate and complete supporting evidence.

13.	COAF 15: Other expenditure - Misclassification of discount allowed	While testing other expenses, it was noted that the sample included discounts which were granted to the University of Fortthare for early payment. This therefore is in contravention to the requirements of the reporting framework (GRAP), as well as the accounting policy of the Municipality.	Management to revisit all discounts allowed and ensure they have been correctly accounted for: a) Early settlement discounts to be debited against the Revenue. B) settlement discounts to be expensed in the year it is realised.
14.	COAF 15: Other expenses - Misclassification of employee related costs	While testing the other expenses component, it was noted that there were expense line items which related to salary payments of ward committee members, and therefore were misclassified as other expenses. This therefore is in contravention to the requirements of the reporting framework (GRAP). Per inspection of the Financial Statements, the following line item was noted and per our discussion with the Municipality, it relates to payment of EPWP employees. > Job creation projects R5,308,840.00	1. Management to align its budget to the nature of the expenditure to be incurred especially Grant funded expenditure (interns stipends and EPWP expenditures to be budgeted under the correct item being employee related costs)
15.	COAF 15: Other Expenses - Disagreement Misstatement (VAT)	While testing other expenses for accuracy, a difference of R57,449.17 was noted. This was due to the fact that the amount recorded in the general ledger was inclusive of VAT, which is incorrect.	1. Management to revisit all payment vouchers and ensure VAT has been appropriately accounted for. 2. Evidence of the exercise to be provided to CFO for Review. 3. Proper reviewal of payment vouchers to ensure correct treatment of VAT for all future payments to be done.

16.	COAF 17: Operating Expenditure- Professional & Consultancy Fees- Cut-off	Whilst performing the audit for the journal testing, an invoice worth R 2 350 000 which was incorrectly misallocated to audit fees and correctly reversed to professional and consultancy fees is dated 03 June 2021 which relates to the previous reporting period; thus, the cut-off assertion has been compromised	<ol style="list-style-type: none"> 1. Management to revisit all payment vouchers made in the 2021/22 and 2022/23 FY and ensure that payments were made in the correct FY. 2. Evidence of the exercise to be provided to CFO for Review. 3. Restatement file to be compiled where necessary with all the supporting information. 4. All the restatements to form part of the 3rd Quarter IFS.
17.	COAF 18: Execution - Prepaid electricity - Completeness	<p>During the audit for completeness of Service charges - Prepaid electricity it was noted that the Contour/Eskom statements do not agree with the amount presented in the current year AFS.</p> <ol style="list-style-type: none"> 1. Balance Per Prepaid Electricity Vote & AFS 42 051 274,00 2. Total Balance per the Eskom and Contour Reports 2021/22. 41 328 756,49 <p>During the audit of Service charges - prepaid electricity it was noted that the VAT amounts in the General ledger were not exclusive of VAT,</p>	<ol style="list-style-type: none"> 1. Management to prepare monthly reconciliations for all revenue streams to ensure correct allocation and recording of the revenue amounts. 2. Recons to be submitted to CFO monthly for review and sign-off.
18.	COAF 18: License & Permits - Cut off	The following transaction was recorded in the incorrect period as the disbursement report shows that the transaction belongs to the prior year.	<ol style="list-style-type: none"> 1. Management to prepare monthly reconciliations for all revenue streams to ensure correct allocation and recording of the revenue amounts. 2. Recons to be submitted to CFO

			monthly for review and sign-off.
19.	COAF 22: Execution - Remuneration of Section 57 Managers – Annual remuneration packages above upper limits determined through government gazette.	During the audit of remuneration of section 57 managers, it was identified that the section 57 managers are remunerated at amounts above the set upper limits as outlined in government gazette 46062 of 2022 read with government gazette 43122 of 2020 issued by the department of Corporative government thus resulting to irregular expenditure amounting to R1,419,061	Management to discuss the matter at senior level and resolve on the matter.
20.	COAF 23: Execution - Debtors in credit - Limitation misstatement	The following debtors in credit could not be traced to the valuation roll to confirm existence thereof. ERF numbers linking these accounts to properties were requested but were not obtained.	<ol style="list-style-type: none"> 1. Management to assess all debtors with credit balances and confirm existence thereof. 2. A journal be proposed to remove all invalid debtors. 3. All supporting information be submitted to CFO for reviewal. 4. AFS and IFS restated accordingly.

21.	COAF 24: Execution - Supply Chain Management - Contract Management	<p>The finding on Extension/ modification reports awarded for tenders are all Irregular because of the following: The director of Zamisanani Projects JV Dalukhanyo Trading is the employee of the municipality. Refer to issue COAF.32 - SCM - CAATS - Suppliers not declaring their interest. No supporting information in place for the variation order value of R28 823 399,65. These amount of variation orders are made up of various appointment letters that were issued as new appointments every time the contract expires. Therefore SCM processes were not followed.</p> <p>The extension of Siyanda Solutions is void as the supply chain management processes were not followed. Therefore this is a non-compliance with SCM regulations and it result to irregular expenditure amount to the value of R2 322 046,50 The contract of Siyanda Solutions was ending on 07 May 2022 and the municipality extended the contract on 28 April 2022, meaning the municipality knew the contract will end but did not plan for the next procurement of the contract through competitive bidding process and this results to a poor planning by the municipality. This contract should have went through competitive bidding process instead of the extension. The extension of this contract happened in May 2021 and May 2022 to August 2022, therefore the contract was extended for in two (2) consecutive years without proper planning.</p>	<ol style="list-style-type: none"> 1. Management to ensure all projects are awarded after all the SCM processes have been followed. 2. No extension of projects without reasonable reasons will be taken to the accounting officer for Approval. 3. No awards to be made to suppliers included in the related party register and to those previously picked by the AGSA
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22.	COAF 26: 2. Execution - Receivables from Exchange transactions and Non-Exchange Transactions are Incomplete	When performing the completeness testing for the receivables the following was performed: Per our understanding, every property on the valuation roll should be charged service receivables or rates. Therefore, a sample was selected from the valuation roll and traced the account to the debtors age analysis. It was noted that the following accounts on the valuation roll did not have a corresponding account in the debtors age analysis, therefore indicating that the age analysis is incomplete.	<ol style="list-style-type: none"> 1. Management to perform a reconciliation between the Valuation roll and the Billing data to ensure that all properties in the valuation roll are included for billing. 2. Management to ensure consistency in treating exempt accounts and accounts with Zero balances when producing the Age analyses.
23	COAF 28: Execution - Operating Expenditure- Professional & Consultancy Fees- Classification	As per the supporting documentation submitted the professional and consultancy fees have been classified incorrectly for the following transactions	<ol style="list-style-type: none"> 1. Management to identify all misallocations on a monthly basis and a correcting journal be prepared monthly. 2. Budget section to ensure that the correct budget is used during the requisition and order stage. 3. Monthly recons to be prepared and reclassification be corrected monthly or during Budget adjustment stage where there is insufficient budget.

24.	COAF 30: SCM - CAATS - Suppliers not declaring their interest	<p>The following employee of the municipality owns a company that is trading with the municipality, the company is doing work with services related to the employees work duties:</p> <p>Interest Auditee Name of person Position Section/ component Appointment date Supplier name Amount ONKE NELSON SOTYATO ARTISANPLUMBI Community Service 2014/09/01 DALUKHANYO TRADING 11 282 228,96</p> <p>Interest Family Name of person Position Name of spouse/ partner/ associate Relationship to person Supplier name Total rand-value of award (Payment) - current year 1 NZIMENI LOUIS ZWENI ENTERPRISEDEVO NTOMBIZONKE PATRONELA SPOUSE MISA SERVICES AND SUPPLIERS 826 807,34 400 125,67,00</p> <p>Other Interest 1 FUNDISIL</p>	<p>1. Management to compile a register/list whereby the exceptions on suppliers identified by the AGSA on an annual basis will be recorded and this list will be used whenever a supplier is considered to be used by the municipality.</p> <p>2. No contracts will be entered with the suppliers that appear on the records unless they bring sufficient and appropriate evidence to show that they are not connected to the persons or institutions on the records.</p> <p>3. A register of interest must be established and all employees and role players must be required to declare their personal financial interest and those of their close family members, partners and associates as and when it occurs.</p> <p>4. As part of consequence management, disciplinary action should be instituted against officials, suppliers and role players who have failed to comply with the policy of the municipality.</p> <p>These cases should be investigated for possible undue influence in the</p>
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			<p>process and appropriate action taken against the affected official or role player in accordance with the policies and procedures of the department.</p> <p>Other action may include cancelling the contract with the supplier if the official or role player committed a corrupt activity that benefited the supplier (TR16A9.1(f)(ii)).</p>
25.	COAF 31: Employee Benefits - Leave Provision and Leave pay - Accuracy	1. During the recalculation of leave provision, it was noted that the amount raised as a provision for the following employees does not agree with the recalculated provision amount.	<ol style="list-style-type: none"> 1. Management to update the Leave register on a monthly basis. 2. Leave forms to be captured on the system on a monthly basis and a report to be generated and submitted to the CFO for Leave provision calculation when preparing IFS. 3. The updated register to be forwarded to Director Corporate and CFO by the 15th of each month.
26.	COAF 32: Employee Related Cost – 3RD Party payments made per bank statement do not agree with payments per payroll report	During the audit of 3rd party payments, it was noted that payments made each month during the year under review per bank statement did not agree with the monthly payroll report	<ol style="list-style-type: none"> 1. Management to separately account for the commission received from 3rd parties on a monthly basis and provide the amount to BTO for recording on to the GL. 2. A breakdown of the amount deducted, the amount paid over and the commission amount

			to be provided and kept for Audit purposes.
27.	COAF 35: Receivables from Non-Exchange – Property Category and Tariff discrepancies.	<p>When performing the existence, accuracy, valuation and allocation of debtors for services rates testing for the receivables, the following was performed to calculate the expected value of the Rates: Obtained the property category per the valuation roll and used the property category to obtain the corresponding tariff per the approved tariffs listing.</p> <p>The following discrepancies were noted: - The property categories per the valuation roll are incorrect – See Annexure A (Tab A) - The approved tariff listing supplied is incomplete and does not include certain categories included in the valuation roll – See Annexure A (Tab B)</p>	<ol style="list-style-type: none"> 1. Ensure Finalization and Gazetting of the Supplementary Valuation Roll 2. Thorough review to ensure correct categorization of properties.
28.	COAF 38: Receivables from Non-Exchange transactions - Misstatement	<p>When performing the existence, accuracy, valuation and allocation of debtors for services rates testing for the receivables, the following was performed: Making use of the market Value of the property per the valuation roll, calculated the expected value of the Rates that should have been charged in the current year. Variances were identified when recalculating the Rates.</p>	<ol style="list-style-type: none"> 1. Ensure Finalization and Gazetting of the Supplementary Valuation Roll 2. Thorough review to ensure correct categorization of properties.

29.	COAF 39: Employee Benefits – Payments in Lieu of Leave - Accuracy	<p>During the audit of payments in lieu of leave made in the current year, the following misstatements were identified</p> <ol style="list-style-type: none"> 1. Employees paid leave pay beyond 48 cap. 2. Difference between the number of days actuals paid and the number of days remaining per leave schedules. 3. Employees who were paid leave pays more than once in one financial year. 	<ol style="list-style-type: none"> 1. Management to update the Leave register on a monthly basis. 2. Leave forms to be captured on the system on a monthly basis and a report to be generated and submitted to the CFO for Leave provision calculation when preparing IFS. 3. The updated register to be forwarded to Director Corporate and CFO by the 15th of each month. 4. Management to investigate the matter of employees paid leave more than once in one financial year.
30.	COAF39: Employee Related Cost: Payroll reconciliation.	during the reconciliation of payroll vs general ledger, it was noted that there was an unreconciled amount of R 174 126	<ol style="list-style-type: none"> 1. Ensure monthly payroll recons are prepared
31.	COAF 39: Planning: Employee Related Cost: Internal Control Deficiency – Lack of segregation of duties within the financial system	During the risk assessment and responses (Planning) of employee related cost looking specifically at 3rd party payments, it was identified that there is lack of segregation of duties when it comes to these payments. The person who does an update of details in the system carries this task as a preparer, verifier and an authorizer.	<ol style="list-style-type: none"> 1. Management should segregate duties within Payroll so that one official does not prepare, verify and authorize his/her own work. 2. SOP to be developed which will outline each individual duties. 3. The SOP should inform the process flow on the system.

32.	COAF 39: HR Compliance Management: No staff performance management tool in place.	During the audit of the employee related cost it was noted that the municipality did not develop and adopt appropriate systems and procedures to monitor, measure and evaluate performance of staff.	<ol style="list-style-type: none"> 1. Develop framework/policy for performance management of staff below Senior Managers 2. Cascade the performance management framework/policy to all employees by beginning of 2023/24 FY.
33.	COAF 41: Property plant and equipment - Evidence of Work in progress	<p>During the audit of property plant and equipment, the audit team could not verify the classification of the following assets as work in progress.</p> <p>Description Amount</p> <ol style="list-style-type: none"> 1. Supply & delivery of High mast lights R1 925 000 2. Supply & installation of meters R3 558 000 3. Supply & installation of meters R1 779 000 4. Installation of indoor transformer R870 000 5. High mast Lights in Mount Pleasant R497 179 6. Construction of overhead open wire mink R2 150 000 7. Supply & delivery of High mast lights R3 852 553 <p>Total R14 631 732</p>	<ol style="list-style-type: none"> 1. Engineering to provide BTO with Project status on a monthly basis on all WIP projects. 2. Engineering to provide BTO with Completion certificate on completion of each project. 3. BTO to update WIP register monthly. 4. Engineering and BTO to verify all completed projects for purposes componentising the project on capitalization.

34.	COAF 43: Expenditure management - Suppliers not paid within 30 days	The municipality failed to pay the suppliers within 30 days of receiving the invoice	<ol style="list-style-type: none"> 1. Management has entered in to payment arrangements with major Creditors including ESKOM and AGSA to avoid recurring interest and penalties. 2. Management to fastrack payment arrangement with Eskom for Adelaide debt and SALGA. 3. Management to ensure SARS is brought and kept up to date and Tax compliance is kept compliant to enable payments by all departments in order to improve cash flows and inable the municipal to meet its financial obligations. 4. Management to ensure that payment arrangements are adhered to.
35.	COAF 44: Differences between balance on AFS and FAR	During the audit of property plant and equipment, the audit team identified differences between the closing balance figure of work in progress as per the fixed asset register and the property plant and equipment note accompanying the annual financial statements as of 30 June 2022.	<ol style="list-style-type: none"> 1. Preparation of a GRAP compliant FAR and AFS timeously that is in line with the Accounting Policy 2. Review of FAR and AFS by third party before submission to AGSA

36.	COAF 45: Payables - Retentions not accounted for	During the audit it was noted that the municipality holds back 10% from certain capital project's payments as retentions but does not raise a liability at year end for amounts held back as retentions	<ol style="list-style-type: none"> 1. Management to maintain a retention register which will be updated with each payment. 2. The retentions to be raised on the system and reconciled to the register on a monthly basis. 3. Retentions to be recorded in the IFS and AFS
37.	COAF 49: Irregular Expenditure register - Incomplete	Through testing done in Expenditure and procurement management, it was noted that the municipality incurred irregular expenditure and has not been disclosed	<ol style="list-style-type: none"> 1. Management will go through all procurement contracts awarded during the year to identify and disclose all irregular expenditure noted.
38.	COAF 50: Sundry Payables - Uncleared salary control accounts	While testing the Sundry Payables account, it was noted that the following salary control accounts were not cleared at year-end:	<ol style="list-style-type: none"> 1. Management to inspect all control accounts prior to closing off the month and ensure that the control accounts have been cleared. 2. Where a control account is not cleared there should be documented reasons with supporting information, and these should be available for Audit.

39.	COAF 50: Sundry Payables - Unusual items noted and Unauthorised Debit Orders	<p>While testing the Sundry Payables account, it was noted that the unallocated deposits account, which is used to record all EFT payments which were not cleared at year-end, had transactions with descriptions which were outside the ordinary course of business of the Municipality. These transactions were specifically selected for testing, however, no supporting documentation was submitted for them. A limitation finding was raised for that; however, the following transactions are glaringly unusual and therefore should be investigated.</p> <ul style="list-style-type: none"> - Payments made to The Foschini Group (TFG):- This is a group of clothing retailers and therefore an expense which a Municipality could never incur in its own capacity - Payment to Cell C:- The Municipality confirmed that they had no contract with the mobile operator, yet there are debit orders coming out of the Municipality account paying off cell phone contracts of individuals. This was also picked up during the expenditure testing 	<ol style="list-style-type: none"> 1. Monthly Bank reconciliations to be prepared 2. Debit Order listing for all approved Debit orders must be maintained and reviewed monthly against the debit orders that have deducted. 3. Any unauthorised debit orders including those raised by the AGSA must be investigated and recovered.
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40.	COAF 50 and 51: Trade Payable sample - Disagreements and Unrecorded Liabilities	<p>While auditing a sample of trade payables, the following disagreements were noted:</p> <p>Differences in amounts between the statement and the creditors listing was noted.</p> <p>While testing trade payables for completeness; tracing transactions from the bank statements to the general ledger to confirm that all the liabilities which should have been raised in the current year under audit, were actually raised. The following unrecorded liabilities were noted</p>	<ol style="list-style-type: none"> 1. Management will prepare Monthly Creditors reconciliations 2. Invoices will be captured on the system upon receipt as opposed to when payment is made. 3. Invoice register will be maintained and compared monthly to the Creditors recon/Age Analyses to ensure completeness of Creditors. 4. Management will revisit all payments made in the current year and ensure that they all relate to the current financial year. 5. restatements should be proposed and effected in the 3rd Quarter IFS for all payments made in the incorrect financial year.
41.	COAF 52: Capital Commitments- Difference in amount disclosed	It was noted that amount disclosed for Capital Commitments is understated. It was further noted that the municipality paid expenditure above the contract amount	<ol style="list-style-type: none"> 1. Management to update the Contract register monthly and senior SCM official to review and sign off. 2. Budget and reporting office to payment schedule for each Infrastructure project to assist to monitor expenditure on each project. 3. The above payment schedule to be attached to each payment.

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2022/2023

APPENDIX A: COUNCILLORS, 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
	FT/PT			%	%
Cllr. NB. Sango	FT	Mayor	PR	75%	25%
Cllr. T. Ngaye	FT	Speaker	PR	100%	
Cllr. NP. Mlamla	FT	Chief Whip	PR	100%	
Cllr. S. Mjakuca	FT	Finance	PR	100%	
Clr. ZM. Rasmeni	FT	Strategic Planning & LED	PR	75%	25%
Cllr. BS. Tyhali	FT	Corporate Services	PR	87%	13%
Cllr, S. Zuka	FT	Engineering Services	PR	87%	13%
Cllr. E. Bantam	PT	Community Services	PR	100%	
Cllr. P. Sabane	PT	Sports, Arts & Culture	PR	50%	50%
Cllr. E.Lombard	PT	Engineering Services	PR	62%	38%
Cllr. M. Nombombo	PT	MPAC	PR	62%	38%
Cllr. Z. Tyali	FT	MPAC CHAIR	PR	87%	13%
Cllr. N. Qawu	PT	Women's Caucus	PR	100%	
Cllr. AW. Ntsangani	PT	Finance	PR	50%	37%
Cllr. T. Tingo	PT	Sports, Arts & Culture	PR	100%	
Cllr. L. Nqala	PT	Finance	Ward Cllr	100%	
Cllr. S. Magxwalisa	PT	Community Services	Ward Cllr	87%	13%
Cllr. M. Zamo	PT	Strategic Planning & LED	Ward Cllr	87%	13%
Cllr. LF. Matyolo	PT	Engineering Services	Ward Cllr	100%	
Cllr. SC. Tokwe	PT	MPAC	Ward Cllr	87%	13%
Cllr. S. Mashengqana	PT	Finance	Ward Cllr	87%	13%
Ilr. PN. Ruselo	PT	Community Services	Ward Cllr	50%	50%
Cllr. MJ. Tukani	PT	Community Services	Ward Cllr	100%	
Ilr. M. Tsotsa	PT	Sports, Arts & Culture	Ward Cllr	100%	
Cllr. NN. Yanta	PT	MPAC	Ward Cllr	87%	13%
Cllr. N. Quillie	PT	Engineering Services	Ward Cllr	62%	38%
Cllr. T. Mjo	PT	Strategic Planning & LED	Ward Cllr	87%	13%
Cllr. P. Ntengu	PT	Corporate Services	PR	87%	13%

Cllr. U. Ngcume	PT	Petitions Committee	Ward Cllr	100%	
Cllr. M. Mahleza	PT	Strategic Planning & LED	Ward Cllr	75%	25%
Cllr. S. Kley		Sports, Arts & Culture	Ward Cllr	87%	13%
Cllr. X. Dyantyi	PT	Corp Serv/Ethics	Ward Cllr	87%	13%
Cllr. EN. Zizi	PT	Corporate Services	Ward Cllr	100%	
Cllr. SJ. Xego	PT	Community Services	Ward Cllr	75%	25%
Cllr. N. Klaas	PT	Finance	Ward Cllr	87%	13%
Cllr. M. Matayo	PT	MPAC	Ward Cllr	87%	13%
Cllr. C. Auld	PT	Finance/Strategic	PR	50%	50%
Cllr. K. Baliso	PT	Corporate Services	PR	87%	13%
Cllr. XV. Vusani	PT	Strategic Planning & LED	PR	37%	63%
Cllr. TT. Tito	PT	Sports, Arts & Culture	PR	62%	38%
Cllr. K. Siduli	PT	Engineering Services	Ward Cllr	87%	13%
Cllr. ZN. Lento	PT	Engineering Services	Ward Cllr	87%	13%
Cllr M. Gqokro	PT	Sports, Arts & Culture	Ward Cllr	100%	
Cllr. LT. Ngetu	PT	Corporate Services	PR	100%	
Cllr. Dp. Mandeka	PT	Sports, Arts & Culture	PR	100%	
Cllr. NB. Hans	PT	Community Services	PR	87%	13%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	<p>Provide political guidance of the fiscal and financial affairs of the municipality, including the budget process and the priorities that must guide the preparation of the budget;</p> <p>Monitor and oversee the exercise of financial responsibilities assigned to the Accounting Officer and Chief Financial Officer in terms of the MFMA;</p> <p>Take reasonable steps to ensure the municipality performs its Constitutional and statutory functions within the limits to the municipality's approved budget;</p>
Strategic planning and Local Economic Development	<p>Identify the social and economic needs of the municipality;</p> <p>Review and evaluate those needs in order of priority;</p> <p>Recommend to Council strategies, programmes and services to address priority needs through the integrated development plan and the estimates of revenue and expenditure involved;</p> <p>Recommend to Council the best way to deliver those strategies, programmes and services to the maximum benefit of the municipality;</p> <p>Identify and develop criteria in terms of which progress in the implementation of the recommended strategies, programmes and services can be evaluated, including the key performance indicators;</p>
Community Services	<p>Oversee the provision of services to communities in a sustainable manner.</p> <p>Areas of Responsibility of the Committee:</p> <p>Solid waste disposal services;</p> <p>Traffic services;</p> <p>Fire Services;</p>
Sports , Arts and Culture	<p>Assist the Mayor to enhance unity in diversity through the provision of sport, arts and culture for sustainable development.</p>
Corporate Services	<p>Assist the Mayor to monitor the management of the municipality's administration in accordance with the directions of Council.</p> <p>Areas of responsibility of the Committee;</p> <p>Personnel Administration;</p> <p>Public Administration;</p> <p>Occupational Health and Safety in respect of Council officials;</p> <p>Conditions of Services and Staff Benefits;</p>
Engineering serves	<p>Oversee the provision of services to communities in a sustainable manner.</p> <p>Areas of Responsibility of the Committee:</p> <p>Electricity;</p>

	Projects Land and housing,
Whips Committee	To ensure adherence to all council programmes and quorums by all parties serving in council
Petition and Public Participation Committee	To consider every petition with a view to resolve matters, to the satisfactory of the petitioners
Ethics Committee	To ensure compliance with code of conduct as set out in schedule 1 of the Local Government System Act 32 of 2000
Rules Committee	To develop and maintain the implementation of the procedures and rules for the efficient functioning of the council and its committees
Municipal Public Accounts Committee	To exercise oversight over the executive obligations of Council. It also assists Council to hold the executive and municipal entities accountable.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
DIRECTORATE	Director (TITLE AND NAME)
Municipal Manager	Ms Unathi Malinzi
Budget and Treasury	Mr Mveleli Ngxowa
Community Services	Ms Nomha Speelman
Acting Director Corporate Services	Dr. Lulamile Donacious Hanabe
Director Engineering Services	Mr Daluxolo Mlenzana
Strategic Planning and LED	Dr. Lulamile Donacious Hanabe

APPENDIX D – FUNCTIONS OF THE MUNICIPALITY

The municipality is mandated to perform the following powers and functions as enshrined in the Constitution of the Republic of South Africa 1996. The functions and powers between Amathole District Municipality and Raymond Mhlaba Local Municipality are reflected hereunder.

SCHEDULE 4 B	Amathole DM	Raymond Mhlaba LM
Air Pollution		✓
Building Regulations		✓
Child Care Facility		✓
Electricity		✓
Fire Fighting Services		✓
Local Tourism		✓
Municipal Planning		✓
Stormwater management system		✓
Trading Regulations		✓
Water (potable)	✓	
Sanitation	✓	
SCHEDULE 5 B		
Billboards and display of advertisement in public places		✓
Cemeteries		✓
Cleansing		✓
Control of Public nuisance		✓
Control of undertaking that sells liquor to the public		✓
Fencing and Fences		✓
Local Amenities		✓
Local Sport Facilities		✓
Markets		✓

Municipal Parks and Recreation		✓
Municipal Roads		✓
Noise Pollution		✓
Pounds		✓
Licensing and control of undertakings that sell food to the public	✓	
Public Places		✓
Refuse Removal, Refuse Dumps, Solid waste disposal		✓
Street Trading		✓
Street lighting		✓
Traffic and Parking		✓

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr Primrose Ruselo	Yes	4		1
	Thandolwethu Primrose Jali				
	Weziwe Tabita Kapo				
	Wandiswa Ntanta				
	Monde Kondile				
	Joshua Mejane				
	Linda Ngwabane				
2	Cllr Mzimkhulu Mathayo	Yes	3		1
	Smiso B.S Booi				
	Zikhona Tembani				
	Michael Desewusi				
	Luphumlo Ningi				
	Bambelele Ntoni				
	Mphakamisi Plaatjie				
3	Cllr S. Kley	Yes	4		1
	Thulethu Dyantyi				
	Ayanda Mgoqi-Mthana				
	Thobani Gqoloshe				
	Luzuko Mtwebana				
	Anele Mgcuwe				
	Nontwazana Matina				
	Thandiwe Ndulula				
	Vukile Moxhango				
	Noronte Kayi				
	Bukiwe Joubert				

4	Cllr Xolani Dyantyi	Yes	3	1
	Andiswa Sihluku			
	Yandiswa Lonzi			
	Nosikhumbuzo Mbema			
	Xoliswa Nquma			
	Mzukisi Binqela			
	Vuyokazi Ngcokovane			
5	Cllr MasixoleTsotsa	Yes	4	1
6	Cllr Unathi Ngcume	Yes	3	1
7	Cllr Kwanele Sduli	Yes	3	1
	Lindisizwe Nikelo			
	Noluvuyi Ganyaza			
	Zuko Hampson Matsha			
	Nombulelo Resman			
	Elijah Manga			
	Yandiswa Yeko			
	Nomkita Madyo			
	Sifiso Fandesi			
	Lieselle			
	Nadipha Mvundlea			
8	Cllr Nompucuko Zizi	Yes	3	1
	Mongezi Kwayinto			
	Laurianne Arends			
	Patricia Ntombekhaya Mgwangqa			
	Monica Monelwa Mafestile			
	Thembeke Feyane			
	Azola Tabalaza			
	Chumani Langa			
	Thanduxolo Nggoba			
	Ntombozuko Tshikila			
	Willem Alton George Plaatjie			

9	Cllr Nkuthalo Quilie	Yes	4		1
	Ntombise Sylvia Ntsenge				
	Nceba Eric Mene				
	Lwandiso Matya				
	Caroline Nomsa Ndzube				
	Lizo Lovers Ndziweni				
	Zamuxolo Terrance Tyingwa				
	Dumisani Chita				
	Lizeka Gqobana				
	Gcobisa Higa				
10	Cllr Simon Xego	Yes	3		1
11	Cllr Luxolo Nqala	Yes	3		1
12	Cllr Mthetheleli Gqokro	Yes	4		1
	Nobesuthu Matha				
	Noluyolo Mtsiba				
	Nozicelo Gugwini				
	Khanyisa Delinah Mabandla				
	Msingathi Mtobi				
	Awonke Tshetshe				
13	Cllr Sindiswa Magxwalisa	Yes	4		1
	Nomaza Maluleke				
	Asanda Dayimani				
	Mzwandile Ndohlo				
	Neziswa Ntuli				
	Mrs Ngcivana				
	Noxolisile Nkulana				
	Nyombekhaya Thontsi				
	Mzolisi Meke				
	Hllolokomile Danyela				
	Andile Yoyo				
14	Cllr Songezo Mashenqana	Yes	3		1
	Xolelwa Vandala				

	Miranda Gosani				
	Bongiwe Tsomo				
	Siphosethu Balasana				
	Nonkosi Tyelo				
15	Cllr Ntombomzi Klaas				1
	Anelisa Tyolo				
	Thina Santi	Yes	4		
	Amanda Nangu				
	Luyolo Qogi				
	Bukelwa Dyakala				
	Zingisa Gxolo				
	Thobile Njamela				
	Thembile Njamela				
	Xoliswa Myoli				
	Mzila Masisi				
	Mozi Mana				
16	Cllr Monwabisi Zamo	Yes	3		1
	Siyabonga Mtima				
	Linda Oliphant				
	Zukile Washington Jende				
	Masibulele Ngwekazi				
	Mayizukiswe Mbila				
	Headman Mbeko Mayekiso				
	Tabisa Kewuti				
	Nwabisa Gila				
	Nomakhwezi Neku				
	Phumeza Maseti				
17	Cllr Liziwe Matyolo	Yes	3		
	Nomathemba Maneli				
	Ntombesipho Nyamezele				
	Phumlani Kilimani				
	Funeka Nkqayi				
	Andiswa Copiso				
	Vuyokazi Otola				
	Nolufefe Dyan				
	Nomawabo Nduku				

18	Cllr Thobeka Mjo	Yes	4	1
	Nomathemba Maneli			
	Ntombesipho Nyamezele			
	Phumlani Kilimani			
	Funeka Nkqayi			
	Andiswa Copiso			
	Vuyokazi Otolá			
	Nolufefe Dyan			
	Nomawabo Nduku			
19	Cllr Sindiswa Tokwe	Yes	4	1
	Khaya Baartman			
	Sibabalwe Nabo			
	Sibulele Mnyepa			
	Nomawethu Blou			
	Pjumezo Jack			
	Ntomboxolo Mateyisi			
	Nomphele Nkumanda			
	Themabazi Khonzani			
	Luyanda January			
20	Cllr Zikhona Lento	Yes	4	1
	Mkhululi Matanga			
	Nolusindiso Mexashe			
	Phumza Ndawo			
	Mzwandile W. Maziko			
	Sebenzile Bejile Marks			
	Mamkeli Goodman Yoli			
21	Cllr Masixole Tukani	Yes	3	1
	Xolani Nkohla			
	Mandlenkosi Mandlana			
	Simpiwe Mase			
	Sizakele Aubrey Ndyambo			
	Museleli Lamani			
	Benjamin Slatsha			
	Tozamile Haliphax Frans			
	Nomfundo A. Goba-Mhaga			

22	Cllr Nolizwi Yanta	Yes	3		1
23	Cllr Mpho Mahleza	Yes	3		1
	Thembinkosi Ngxelo				
	Pamela Lungelwa Nawule				
	Noluyolo Mfondini				
	Zoliswa Beauty Mboya				
	Andile Lawule				
	Morien Bouwer				
	Johny Rex				
	Nombulelo Kweta				
	Ntombizandile Lolwana				

**APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE
YEAR 2022/2023**

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 2022/2023	Recommendations adopted (enter Yes) If not adopted (provide explanation)
2022/07/07	1st Draft of AFS and Annual Report (RMM) to be submitted on the 15 August 2022 to IAU and Audit committee members.	Yes
2022/07/07	2nd Draft of AFS and Annual Report (RMM) to be submitted on the 22 August 2022 to IAU and Audit committee members.	Yes
2022/07/07	1st Draft of AFS and Annual Report (RMEDA) to be submitted on the 15 August 2022 to IAU and Audit committee members	Yes
2022/07/07	2nd Draft of AFS and Annual Report (RMEDA) to be submitted on the 22 August 2022 to IAU and Audit committee members.	Yes
2022/07/07	CEO should submit RMDA strategic plan.	Yes
2022/07/07	Evidence of the implementation of Financial Recovery plan to be submitted.	Yes
2022/07/07	Collection of University of Fort Hare debt.	Yes
2022/07/07	Feedback on AGSA debt repayment	Yes
2022/07/07	Submission of compliance register.	No- the municipality does not have compliance register
2022/07/07	MPAC Report (Action on Irregular Expenditure).	Yes
2022/07/07	Electricity Distribution Losses Report.	No- distribution losses are only performed at year end .
2022/07/07	Risk Register for 2022/2023.	Yes
2022/07/07	Review of AC TOR (Combine AC &PAC Meeting).	Yes
2022/07/07	IAU to review AFS, APR for the municipality & the entity.	Yes
2022/07/07	Detailed Contingent, Litigation, liabilities register.	Yes

23/08/2022	Audit file and 2020/2021 Audited AFS to be submitted next coming Monday to IAU.	Yes
2022/01/11	Review of AC TOR (Combine AC &PAC Meeting).	Yes
2022/01/11	Detailed Contingent, Litigation, liabilities register.	Yes
2022/11/01	Presentation of Draft Management Report .	Yes
2023/03/14	Debtors age analyses to be submitted to AC.	Yes
2023/03/14	LH to present the calculation score performance to the AC in the next coming meeting.	Yes
2023/03/14	Municipality should request CoGTA or treasury to assess the maturity of risk management functionality.	Yes
2023/03/14	Internal Audit tracking tool register to be submitted to AC.	Yes

APPENDIX G – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

Service Provider Performance Schedule						
Name of Entity & Purpose (i)	(a) Service Indicators	Year 2022/2023		Year 2023/2024		
	(b) Service Targets (ii)	Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
<i>Bontinite Construction/Kukho Engineers</i>	Construction of Nonaliti Community Hall	360m ²	100%	nill	nill	nill
<i>Hlakula Construction/MBSA</i>	Construction of Lenge Community Hall	360m ²	100%	nill	nill	nill
<i>Paylor and Yandy Construction/Imbawula</i>	Construction of Katvalley Community Hall	360m ²	100%	nil	nil	nil
<i>Ranoz Construction/Ibhotwe Lezizwe</i>	Construction of Mgxotyeni Day Care Centre	245m ²	100%	nill	nill	nill
Skeelo Investments/IX Engineers	Construction of Mbizana Day Care Centre	245m ²	100%	nill	nill	nill
Hlakula Construction	Construction of Funinyaniso Day Care Centre	245m ²	100%	nill	nill	nill
Chizama Trading/Leko	Construction of Ngqele Day Care Centre	245m ²	100%	nill	nill	nill

Nkonki Brands	Paving of Red Location	800m	800m	500m	0%	Planning
Altitudes Builders	Paving of Jampa Internal Streets Phase2	800m	1200m	nill	nill	nill
Nkonki Brands/Trivion	Paving of Jacaranda Internal Streets Phase1	800m	1370m	500m	0%	Planning
Indwenathi Construction	Paving of Gomma-goma, Mike Valley and Kuwait Internal Streets Phase 2	800m	1200m	nill	nill	nill
SSK Cleaning Services	Paving of Tyoks, Takalani and Mpolweni Internal Streets Phase 4	800m	1200m	nill	nill	nill
Ilitha Communications JV L Jacobs	Paving of Seymour Internal Streets Phase 3	800m	100%	1000m	0%	under construction
Rosebudd/Bulls and Kings	Paving of Newtown Internal Streets Phase 4	800m	100%	nill	nill	nill
Nkonki Brands	Supply and Installation of Highmast Lights	5	100%	Nill	Nill	Nill

APPENDIX H: DISCLOSURES OF FINANCIAL INTEREST

Disclosures of Financial Interests		
Period 1 July 2022 to 30 June 2023		
Position	Name	Description of Financial interests* (Nil / Or details)
Mayor/ Speaker		
Members of Exco	Cllr Sabane	Retirement pension
Councillor	Cllr Bantam	Directorship and partnership: Elten Agriculture /Auto Supplier, House in New Town, A plot in Fort Beaufort
	Cllr Mjo	Department of Higher Education : Centre Manager
	Cllr Mashengqana	Zizamele Agriculture Project
	Cllr Mfondini	Pension from ESKOM
	Cllr Sango	Site and House 1486 Maneli Street
	Cllr Auld	Homestead 1436 m2, Libert Life and Old Mutual Pensions
Municipal Manager	Ms U.T Malinzi	nil
Chief Financial Officer	Mr M.Ngxowa	nil
Deputy MM and (Executive) Directors		
Other S56 Officials		
	Mr D. Mlenzana	nil
	Dr L.Hanabe	nil

APPENDIX I: LONG TERM CONTRACTS

Long Term Contracts (20 Largest Contracts Entered into during Year 2022/2023)					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Bubede Multi-services t/a lightboxnet	Procurement of computers	10-Oct-22	22-Oct-24	Dr L Hanabe	Rates
FNB	Banking Services	31-May-23	30-Apr-23	M. Ngxowa	Rates

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