

2023/2024 FINAL ANNUAL REPORT



KANNALAND
MUNISIPALITEIT | MUNICIPALITY



#Calitzdorp #Zoar #Ladismith #VanWyksdorp
#SwarbergMountains #Amalienstein #Seweweekspoort
#Maatjiesvlei #PortCapital #Kannaland #KleinKaroo

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- VOLUME I: 2021/2022 AG REPORT
- VOLUME II: ANNUAL FINANCIAL STATEMENTS
- VOLUME III: 2021/2022 ANNUAL PERFORMANCE REPORT
- VOLUME IV: 2021/2022 DRAFT AUDIT ACTION PLAN



KANNALAND

MUNISIPALITEIT | MUNICIPALITY

VISION

The place of choice. To create the ideal environment in which the people of Kannaland would like to live and work.

MISSION

Sustainable growth
Sustainable Human Settlements
Healthy community
Infrastructure Investment
Opportunity driven
Compliance
Intergovernmental relations
Integrated Planning
Participation
Capacity
Maintenance
Disaster Management
Quality Services

VALUES

The Municipality's key values are:

- ✓ Dignity
- ✓ Respect
- ✓ Trust
- ✓ Integrity
- ✓ Honesty
- ✓ Diligence

DEVELOPMENT STRATEGY

To ensure a sustainable Kannaland, where all sectors is aligned for the betterment and benefit of the municipal area as a whole. To create an enabling environment for the inhabitants of Kannaland towards guaranteed job opportunities and thus a better livelihood and citizen satisfaction.

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CHAPTER 1- MAYORS FOREWORD

It is my absolute pleasure as Executive Mayor of Kannaland to introduce the Annual report for 2023/2024. In terms of Section 46 of the Local Government: Municipal Systems Act No 32 of 2000 and sections 121 and 127(2) of the Local Government: Municipal Finance Management Act, No 56 of 2003, the Municipality must prepare and Annual Report for each financial year, which must be tabled by the Executive Mayor within 7 months after the end of each financial year. The Annual Report reflects the Municipality's performance over the past financial year (1 July 2023 to 31 June 2024) in terms of meeting the objectives set out in our 5th Generation Integrated Development Plan (IDP) 2022 – 2027, which Council had adopted on 31 May 2023. It also highlights our challenges and explains how we are addressing them. In addition, the Report covers our contribution towards achieving the strategic priorities of the Western Cape Provincial Strategic Plan (VIP): 2019 – 2024, as well as the National Development Plan 2030.

Each of our seven strategic objectives and key performance indicators are aligned to these Plans. For us to turn the tide on the socio-economic challenges of Kannaland it requires a concerted effort from National, Provincial, District Municipality and Local Government as well as other critical role players like the Business Sector and Civil Society. We must and we can rebuild the Economy of Kannaland Municipality, and I believe that our current councillors together with the Municipal workforce as *well* as Administrative Leadership are absolutely committed, dedicated and driven in their collective effort, tasks and vision of improved and quality service delivery.

We know the needs are many and the challenges are huge but as the Executive Mayor, I can assure you of our dedication, commitment, resilience and absolute believe in the potential of this municipal area of ours. We will address every need that was identified, and we will overcome the challenges before us with the ongoing support, motivation and buy-in of all the sectors of society.

In conclusion, thank you to our residents, ward committees, partnering organisations and stakeholders, the Council, the Speaker, portfolio committee chairpersons, the executive management team and all the Municipal staff members for your participation and support during the 2023/2024 financial year. Together we WILL and CAN make it!

Your Servant in Local Government

Executive Mayor

JEFFREY DONSON

Municipal Manager's Overview

It is from a very optimistic point of view that I give my overview. Council is committed to create a new organizational structure as well as culture which will ultimately be more in line and suitable for our core functions and purpose. This new structure will enable the Municipality to be more effective and efficient in delivering services to the Community.

The Communities and people of Kannaland is its most important Asset and therefore we are always committed to deliver the most basic services to our communities.

The rural rustic untouched and naturally beautiful Kannaland municipal area, brother to six local municipalities residing in the Garden Route District Municipality is made up of the towns of Calitzdorp, Ladismith, Zoar and Van Wyksdorp. Kannaland was named after the kanna plant (*Sceletium tortuosum*), named as nature's Prozac. The kanna plant has been used by South Africans as a mood-altering substance since prehistoric times and it is legal. Evidence of early San and Khoi people in numerous rock paintings, majestic Seweweekspoort, fertile agricultural valleys and the spectacular aerodynamic interconnecting Route 62 traversing this fascinating land is famed as the longest wine route in the world.

In terms of Senior Management changes, I was appointed as the Municipal Manager during February 2024 to bring stability in the administration after the passing on of the former Municipal Manager. This position was vacant for some time, and is deemed as a critical position, the Municipality hence mobilised to fill the vacancy before the commencement of the 2023/2024 financial year.

Challenges, constraints and solutions:

Material prosperity is always a push factor, and this causes many of its inhabitants to leave in search of a better life. Sadly, Kannaland has not expanded to reach its full potential economically. Livelihoods in Calitzdorp and Ladismith are overly dependent on job opportunities presented through the cheese and wine industry as well as the tourism sector.

The effects of climate change have seen regional changes in precipitation, extreme weather events such as heat waves, and expansion of deserts. This threatens to diminish crop yields thereby harming food security leading to desertion of its citizens in search of this notion of material prosperity.

Response:

Kannaland seeks to adopt a policy approach that will not only focus on material prosperity, but also on personal empowerment, social solidarity and human capabilities of co-operation. Economic diversification shall become an economic policy area of focus, thereby creating an enabling environment for strengthening self-organisation of civil society through community work and member associations. To successfully combat climate change requires action across all economic and societal sectors and at all levels. The principle of the three R's: Reduce, Re-use Recycle will remain our response to climate change. Interesting is to note that the world is moving towards eating plants, not meat to improve climate change and improve human health. A Green finance

agenda – mobilising private capital for greener investments – will seek to access available funds set aside to support climate action and adaptation. This becomes crucial to mitigate the harmful effects caused by industrialised cities surrounding Kannaland thereby ensuring an alignment of climate change to the health and social agenda. A strategic foresight which is consistent with a pathway of transition to a decarbonised society through the introduction of appropriate technology innovation and initiated inter-governmental institutional processes will lead to an infrastructure investment rethink.

The municipality is currently under a Section 154 Support Plan.

As Municipal Manager in conclusion I would like to express my appreciation to all staff and councillors for their continued effort and support.

Adv Dillo Sereo

Municipal Manager

1.2 Municipal Overview:

This report offers an overview of the financial and non-financial performance of Kannaland Municipality for the 2023/24 financial year. Functions and powers of the municipality are implemented in relation to Section 155/156 of the Constitution and Chapter 3 of the Local Government Municipal Systems Act No. 32 of 2000.

The Municipality is structured in the following Departments.

1. Office of the Municipal Manager
2. Financial Services
3. Corporate and Community Services and,
4. Technical Services

1.2.1 DEMOGRAPHICS AND SOCIO-ECONOMIC OVERVIEW:

- The Kannaland Local Municipality is a Category B municipality situated within the Garden Route District in the Western Cape Province. The Municipal area covers approximately 4 758 km². The Municipality is situated in the western part of the Klein Karoo.
- The Municipality stretches from the Swartberg in the north, the Langeberg in the south and the Anysberg in the west to the Gamkaberg in the east. It is constituted of three towns Ladismith (the location of the municipal headquarters), Zoar and Calitzdorp.



The Western Cape Provincial Treasury produces an annual research publication named the Socio-Economic Profile, this profile is based per region and provides the Western Cape municipalities with data and information which may assist in planning, budgeting and the prioritization of municipal services. It is worth noting that municipalities have different capacities and therefore will utilise the information encapsulated in the publication to suit the needs and capacity of the organisation.

The profile uses data primarily sourced from Statistics South Africa, administrative data from Sector Departments, the Municipal Review and Outlook (MERO), *Global Insight Regional Explorer* and Quantec. The data sourced from Sector Departments are the most recent that is available. The

Statistics South Africa 2011 Census and 2016 Community Survey contains the latest survey data available at municipal level.

The socio-economic factors include factors such as income, education, employment, community safety, and social support. This social science and branch of economics focusses on the relationship between social behaviour and economics.

The most recent Socio-Economic Profile was produced for the 2022 calendar year, the data and information contained in this section is derived from the 2022 Socio-Economic Profile of the Prince Albert Municipality.

The table below provides a synopsis of the socio-economic profile of the Kannaland Municipality, as encapsulated in the 2022 Socio-Economic Profile:

In 2022, the Kannaland Municipality was home to 31 986 individuals, making it the least populated municipal area within the region, despite its landmass being 20.4 per cent of the GRD area. The Mid-year population estimates (MYPE) released by Stats SA in February 2023 reflects that the municipal population is anticipated to decline at an annual average rate of 1.5 per cent over the 2023 to 2027 period.

This demographic decline is potentially driven by semigration from this locale into more developed regions. The decline was primarily observed in urban areas but was counterbalanced by a slight increase in the rural population from 2001 to 2021.

Kannaland Municipality: At a Glance

Demographics

Population, 2022; Actual households, 2022



Population

31 986



Households

8 686

Education

2022



Matric Pass Rate **85.8%**
Learner Retention Rate **60.1%**
Learner-Teacher Ratio **31.2**

Poverty

2022



Gini Coefficient **0.58**
Poverty Head Count Ratio (UBPL) **62.0%**

Health

2022/23



Primary Health
Care Facilities
4
(excl. mobile/satellite
clinics)

Immunisation
Rate
97.9%

Maternal Mortality Ratio
(per 100 000 live births)
0

Teenage Pregnancies –
Delivery rate to women
U/19
11.7%

Safety and Security

Actual number of reported cases in 2022/23



Residential
Burglaries
163

DUI
55

Drug-related
Crimes
342

Murder
3

Sexual Offences
33

Access to Basic Service Delivery

Percentage of households with access to basic services, 2022

Water

86.3%



Refuse Removal

78.8%



Electricity

94.1%



Sanitation

86.9%



Formal Housing

95.2%



Road Safety

2021/22

Fatal Crashes **42**
Road User Fatalities **46**

Labour

2022

Unemployment Rate
(narrow definition)
11.4%



Socio-economic Risks

Risk 1 Poverty
Risk 2 Poor learner retention
Risk 3 Safety and security

Largest 3 Sectors

Contribution to GDP, 2021

Finance, insurance, real estate
and business services

21.1%



Agriculture, fishing and forestry

16.1%



Wholesale and retail trade,
catering and accommodation

18.3%



Table 1: Population of Kannaland WCPG MERO 2024

1.3 BASIC SERVICE DELIVERY OVERVIEW:

One of the cornerstone objects of Local Government is to ensure the provision of services to the community in a sustainable manner. The basic services rendered to the community of the Kannaland Municipal area includes electricity, water, sanitation, refuse removal. The other services rendered by the Municipality will be reported on later in the Annual Report.

1.3.1 The following table reflects the basic service delivery performance highlights for the reporting financial year.

HIGHLIGHTS	DESCRIPTION
Successful drought management	Continuous and additional measures were put in place to increase the efficiency of water supply.
Improvement of water security	Equipping of boreholes should be done to improve water security.
Drought relief measures implemented	Drilling of new boreholes should be tested.
Improved efficiency on refuse removal	Refuse removal are conducted once a week in the respective and designated areas.
Speed traffic camera	This is to ensure that road users adhere to speed limits.
Upgrading of stormwater network	The stormwater network should be upgraded in all four towns.
Improved efficiency of illegal dumping removal	A dedicated team should be tasked to address illegal dumping and signage should be erected in all four towns.
Water resilience	Projects in terms of water resilience should be rolled out in all four towns.
Maintenance of road infrastructure	The pothole repair programme is gradually implemented.

Table 1- Basic Service Delivery Highlights

1.3.2 BASIC SERVICES DELIVERY CHALLENGES

The following table reflects the basic service delivery challenges for the reporting financial year.

CHALLENGE	ACTIONS TO ADDRESS
Ageing municipal Fleet: Continuous breakdowns of operational vehicles needed for day-to-day basic service delivery	A fleet management replacement model should be considered and adopted by Council as a guideline to plan for the systematic replacement of ageing fleet.
Ensure quality water provision	<ul style="list-style-type: none">Continuous training should be conducted for the Water Process Controllers

CHALLENGE	ACTIONS TO ADDRESS
	<ul style="list-style-type: none"> • Appointment of additional Water Process Controllers for the Kannaland Municipal Area
Maintenance of road infrastructure	The pothole repair programme is implemented within budget the limitation. A substantial increase of the road maintenance budget is needed to eradicate the backlog of bad road surfaces in a planned and systematic way.
Improve and erect road signage and markings	Road markings and signage are attended to within the available budget.
Improve access control at landfill sites/ waste minimization	The Municipality places reliance on the EPWP Programme to fulfil key primary functions at the landfill sites. Due to the size and long-term financial sustainability of the organisation, the affordability rate of expanding the staff establishment is extremely challenging.
Upgrade electricity network	<p>Budget funding for the replacement of the old electricity network should be sourced to acquire professional expertise to do an analysis of the conditions of all critical assets needed for basic service delivery, and to further developed an asset maintenance and replacement plan.</p> <p>Budget provision should be made on an annual basis for the replacement and/or upgrading of assets in accordance with the asset maintenance and replacement plan.</p> <p>A substantial increase of the electricity budget is needed to improve the network in a planned and systematic way.</p>
Sewerage trucks not road worthy – high cost of service	<p>Purchasing of a new sewerage truck should be considered.</p> <p>Investigate the possibility of connecting the sewerage tanks to the sanitation network.</p>
Waste Management: Limited Lifespan of Kannaland Landfill Site	Recycling facility needed and improved law enforcement on littering.

CHALLENGE	ACTIONS TO ADDRESS
Waste Management: Management and Maintenance and Waste Transfer Stations in areas where illegal dumping occurs.	<p>The focus of the municipality and community should shift towards recycling. An action plan to institutionalise recycling should be developed and promoted. Community and private sector buy in is crucial for any recycling initiative to succeed.</p> <p>Law enforcement actions on littering and related by-laws should be intensified.</p>
Sewerage Network Reticulation / Frequent Sewage Blockages as a result of network capacity and vandalism. Discharge of foreign objects in sewerage system	Education of Community to limit acts of vandalism.
Water Network Reticulation / Ageing Asbestos Water Pipes / Water Pipe Burst	Huge Capital investment is needed to systematically replace asbestos water pipes and valves.

Table 2 – Basic Service Delivery Challenges

Amidst the challenges the Municipality is facing, the Municipality is committed to rendering services to the Kannaland Municipal Area.

1.4 FINANCIAL VIABILITY

The Kannaland Municipality reviews its financial sustainability, its financial position and Medium-Term Revenue and Expenditure Framework (MTREF) on an annual basis to enable the Municipality to deliver acceptable levels of services at affordable tariffs.

Council has embarked on a process to compile a long-term financial plan for the next ten (10) years, the plan will assist in identifying financial risks and determining and maximizing all possible revenue streams. The plan will assist in determining future operational and capital expenditure responsibilities and ultimately to determine the grant dependency and external borrowing of the Municipality.

The long-term financial plan is essential to ensure that the Kannaland Municipality can sustainably implement and execute its Constitutional competencies and mandate in an effective manner, without the risk to impair its capital base.

1.4.1 STATEMENT OF FINANCIAL PERFORMANCE OVERVIEW

The following table provides an overview of the financial performance for the reporting financial year.

2023/2024			
DETAILS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
	R'000		
INCOME			
Grants	64 252 000	71 715 000	90 795 929
Taxes, Levies and tariffs	144 303 223	144 303 223	159 617 003
Other	37 790 810	51 228 640	20 144 225
Sub Total	246 346 033	267 246 863	270 557 157
Less EXPENDITURE	(244 140 000)	(253 754 000)	(312 617 344)
Net surplus/(deficit)	2 206 033	13 492 863	(42 060 187)

Table 3: Financial Overview

1.4.2 FINANCIAL VIABILITY HIGHLIGHTS

The following table reflects the financial viability highlights for the reporting financial year.

HIGHLIGHT	DESCRIPTION
Transfer to Capital Replacement reserve	The municipality's available cash reserves were enough to enable a transfer to the CRR for the funding of capital projects and the co-funding of MIG projects.
Municipal tariffs the cheapest in the Western Cape	A provincial study found that Kannaland Municipality have the cheapest tariffs in the Western Cape. Measures are currently been taken to align tariffs to the norm in the Western Cape Province.
Generating projected Revenue Budget on Traffic Fines	The municipality do not optimally utilise the speed cameras resulting in not generating revenue.

Table 4 – Financial Viability Highlights

1.4.3 FINANCIAL VIABILITY CHALLENGES

The following table reflects the financial viability challenges for the reporting financial year.

CHALLENGE	ACTION TO ADDRESS
Capacity constraints	Multi skilling of staff; organogram to be reviewed to enable a split of oversight functions to improve control.
Debt collection – especially in Eskom areas	This will remain a challenge, as no measures have been implemented to improve debt collection in the ESKOM areas.

CHALLENGE	ACTION TO ADDRESS
Increase in bad debt provision due to increase in outstanding water debtors	Stringent compliance of debt collection policy and measures.
Tariffs not sustainable and not cost reflective	Review of electricity tariff structure was done internally. Cost of supply study will be done in future to determine the real cost of each service and determine the tariffs accordingly.
Financial Sustainability / Limited revenue streams	Explore possible options for additional revenue streams and the implementation of further cost containment.

Table 5 – Financial Viability Challenges

1.4.4 CAPITAL EXPENDITURE

The following table provides a total capital expenditure profile for the reporting financial year.

2023/2024			
DETAILS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
	R'000		
INCOME			
Grants	64 252 000	71 715 000	90 795 929
Taxes, Levies and tariffs	144 303 223	144 303 223	159 617 003
Other	37 790 810	51 228 640	20 144 225
Sub Total	246 346 033	267 246 863	270 557 157
Less EXPENDITURE	(244 140 000)	(253 754 000)	(312 617 344)
Net surplus/(deficit)	2 206 033	13 492 863	(42 060 187)

Table 6 – Total Capital Expenditure

The spending of the capital budget was delayed due to late appointment of service providers. The Municipality developed a project planning program to improve the monitoring and implementation of the capital expenditure in the Municipality.

The Municipality is able to meet its current commitments with a cash position measures favourably against best practice norms. Management is continuously implementing remedial actions to further enhance the cash flow position of the Municipality. The long-term financial plan is being monitored to ensure that financial targets are being met as anticipated in the annual approved budget.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The organisational structure was reviewed on 27 June 2023 and sent to the MEC for comments, no comments were received from the MEC. The Council approved the organisational structure on 13 December 2023

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

The following table provides an overview of the municipal transformation and organizational development highlights for the reporting year.

HIGHLIGHTS	DESCRIPTION
Critical appointments	<p>The following position were filled during the reporting financial year:</p> <ul style="list-style-type: none">• Municipal Manager.• Director: Technical Services. <p>The filling of these vacancies is deemed critical in strengthening the capacity and operations of the organisation.</p>
Workplace Skills Plan	<p>The Workplace Skills Plan was submitted to LGSETA on 30 April 2023.</p>
HR policies reviewed	<p>Several HR policies were reviewed during the reporting financial year.</p>
Organisational review	<p>The Micro Structure: Office of the Municipal Manager has been reviewed on 27 June 2023.</p>
Job Description Review	<p>The Municipality has commenced with the review of job descriptions in line with the Local Government: Municipal Staff Regulations for the purpose of task evaluation. This is an ongoing process.</p>
Training and Development	<p>No training was conducted during the year under review.</p>

Table 7 – Municipal Transformation and Organisational Development Highlights

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

The following table reflects the challenges pertaining the municipal transformation and organizational development for the reporting financial year.

DESCRIPTION	ACTIONS TO ADDRESS
Capacity constraints	<ul style="list-style-type: none"> • 43.88% vacancy rate in the organisation. • The Municipality do not have the required financial resources to fill vacancies. • The organisational structure has been revised and the municipality is currently busy with a placement process.
Limited skills base	Skills funding is limited to ensure the skills base are adequate and acceptable.
Challenges attracting and retaining staff	Remuneration packages are adversely affected by their low magnitude, and the geographic location poses challenges to the attraction and retention of personnel.
Individual Performance Management	<ul style="list-style-type: none"> • Capacity constraints are hampering the implementing performance management to lowest level. • The Municipality is in the process of procuring a web-based performance management system which will aid in the implementation of the individual performance management.
Service level standards	Establishing a culture of meeting service level standards according to Charter

Table 8 – Municipal Transformation and Organisational Development Challenges

Capacity constraints remain one of the core challenges for the Kannaland Municipality, the ability to budget for staff development to enhance and improve skills, are one of the critical risk factors worth noting. The Municipality is continuously researching and networking on funding sources for training and development initiatives.

1.5.3 MUNICIPAL MINIMUM COMPETENCY

For the reporting financial year, four (4) officials attended to obtaining their Municipal Minimum Competency Requirements. The table below provides a synopsis of the same:

DESCRIPTION	TOTAL NUMBER OF OFFICIALS
Chief Financial Officer	1
Any other Financial Officials	
TOTAL	1

Table 9 – Municipal Minimum Competency

The table below reflects the reporting total number of employees who complies with the minimum competency requirements:

DESCRIPTION	Total number of officials employed by municipality (Regulation 14(4)(a) and €)	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
FINANCIAL OFFICIALS				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior Managers	1	3		
Any other Financial Officials				10 (Awaiting final results)
SUPPLY CHAIN MANAGEMENT OFFICIALS				
Head of Supply Chain Management Unit	1			
Supply Chain Management Senior Managers	1			
TOTAL	5	5	2	12

Table 10 – Number of Employees who complies with minimum competency

The Municipality is not able to budget a minor portion in the training budget for addressing the municipal minimum competency requirements, coupled with other training and development needs. The Municipality is grant dependent to address interventions of this nature.

1.6 AUDITOR GENERAL REPORT

1.6.1 AUDITED OUTCOMES

The following table reflects the audited outcomes for the last four financial years.

YEAR		2020/2021	2021/2022	2022/2023	2023/2024
AUDIT RECEIVED	OPINION	Unqualified with findings	Disclaimer	Disclaimer	Disclaimer

Table 11 – Audit Outcomes

Based on the financial health, supply chain management, and root cause assessment conducted by the Auditor-General of South Africa for the 2023/2024 financial year, the assessment conducted resulted in the following:

- **Financial Health Indicator**
 - Matters were identified in terms of section 129(3) of the MFMA.
- **Supply Chain Management Findings**
 - No findings or matters were raised in terms of Supply Chain Management for the financial year.
- **Root Causes**
 - The Auditor-General indicated that the following were not regarded as root causes:
 - Vacancies.
 - Key officials lacking appropriate competencies.
 - Inadequate consequences.

Even though the audit outcome has regressed from the previous financial year, the Kannaland Municipality is committed to work towards receiving a Clean Audit opinion. The latter requires a collaborative approach between the Administration, Political Office Bearers, including the community of the greater Kannaland Municipal Area, as well as other relevant stakeholders. The development of a pre audit action plan is in process for improvement of the audit opinion during 2024/2025 financial year.

1.7 STATUTORY ANNUAL REPORT PROCESS

The statutory processes to follow to compile the Annual Report are depicted in the table below. The process ideally commences in July each year with the drafting of the Annual Report and continues until the end of March of the succeeding calendar year when the Council accepts the Annual Report, coupled with the Oversight Report on the Annual Report.

STATUTORY ANNUAL REPORT PROCESS		
REFERENCE	ACTIVITY	TIMEFRAME
1	Consideration of the 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 through the Service Delivery and Budget Implementation Plan)	July
3	Finalisation of the Fourth Quarter Financial and Non-Financial Performance Assessment Report as required by Section 52(d) of the Local Government: Municipal Finance Management Act, No. 56 of 2003.	July
4	Submission of the Draft Annual Financial Statements and Draft Annual Performance Report to the Auditor-General	August
5	Draft Annual Performance Report to be utilized as input to the Integrated Development Planning Analysis Phase	October
6	The Executive Mayor tables the Draft Annual Report and Audited Financial Statements and Annual Performance Report to Council, coupled with the Auditor-General's Draft Management Letter	January
7	The Draft Annual Report is publicised to invite the public to provide their inputs into the Annual Report and is submitted to the relevant Provincial Department	February
8	The Oversight Committee assesses the Draft Annual Report and develops an Oversight Report based on the Draft Annual Report containing the Council's comments	March
9	The Oversight Report is submitted to Council for consideration and adoption	March
10	The Oversight Report is submitted to the relevant Provincial Departments within seven days following the adoption of the Oversight Report by the Council	March
11	Commencement of the Draft Integrated Development Plan and Budget for the next financial year. The Annual Report and	March

STATUTORY ANNUAL REPORT PROCESS		
REFERENCE	ACTIVITY	TIMEFRAME
	Oversight Report may be used as input and baseline for the development of these two strategic instruments.	

Table 12 – Statutory Annual Report Process

CHAPTER 2 – GOVERNANCE: Political Governance Structure

In the quest to realise Kannaland Municipality's vision "*The Place of Choice*", it is of pivotal importance that the Municipality is governed in a way that promotes and enhances good governance, to both internal and external facets. Good Governance has eight (8) major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

2.1 GOOD GOVERNANCE AND PUBLIC PARTICIPATION HIGHLIGHTS

The table below provides an overview of the good governance and public participation highlights for the reporting financial year

HIGHLIGHT	DESCRIPTION
Ward Committees	The Ward Committees were established for the new office term and is deemed functional.
Ward Committee Summit	A Ward Committee Summit was hosted in the reporting financial year. All the relevant parties were represented well.
Community meetings	Community meetings have high attendance numbers.
Various communication platforms to keep community informed	Social media, e-mails and notices is used to keep community and other stakeholders abreast.
Stakeholder engagements	The Municipality sits on various stakeholder engagement forums and meetings to enhance and foster intergovernmental relations for the betterment of the organisation and the Greater Municipal Area.
Community partnerships	Municipality has two partnerships to deliver on social cohesion interventions and/or programmes with the Tourism Offices.

Table 13 – Good Governance and Public Participation Performance Highlights

2.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION CHALLENGES

The table below provides an overview of the good governance and public participation challenges for the reporting financial year

DESCRIPTION	ACTIONS TO ADDRESS
Not all ward committee members perform optimally	Training to be provided on the role of ward committees and municipal programmes.
Ward committee activities to be strengthened	Continuous Ward Committee summit and ad hoc engagements with ward committees on specific programmes to be hosted and facilitated.
Quarterly feedback in wards not compliant in regularity	Ward feedback meetings scheduled under chairmanship of ward councillors.
Meeting fatigue	Numerous meetings and engagements lead to meeting fatigue and disinterest within community
Political factions within community	<p>Political factions in the community undermines good governance by spreading misinformation, thus creating hostility and mistrust.</p> <p>The Municipality, in conjunction with the relevant stakeholders must ensure that the interest and participation of community and community organisations are fostered and nurtured to ensure that good governance and public participation is deemed successful in this regard.</p>

Table 14 – Good Governance and Public Participation Performance Challenges

2.3 POLITICAL GOVERNANCE

In compliance to Section 151(3) of the Constitution of the Republic of South Africa, 1996, Section 53 of the Local Government: Municipal Systems Act, No. 32 of 2000, and the Local Government: Municipal Structures Act, No. 117 of 1998, the Kannaland Municipality governs the local government affairs of the local community on its own initiative. The roles and responsibilities of each political structure and each political office bearer are defined and adhered to accordingly, within the ambit of the relevant laws and regulations.

2.3.1 POLITICAL OFFICE BEARERS

The primary role of Council is to govern the Municipality in a democratic and accountable manner, to perform legislative and executive functions, and generally fulfil its roles and responsibilities as encapsulated in the Constitution of the Republic of South Africa, 1996. Council focus is towards legislation, decision-making, oversight and participatory roles, and has delegated executive functions to the Executive Mayor, other office bearers, the Accounting Officer and other staff members, where applicable, within the ambit of the guiding principles. The number of Councillors in total thus equate to seven (7). The composition of Council as at end June 2024 are as follows:

Below is a table that categorise the councillors within the specific political parties and wards:

COUNCIL MEMBERS	CAPACITY	POLITICAL PARTY	WARD COUNCILLOR/ PROPORTIONAL
Jeffrey Donson	Mayor	ICOSA	Ward Cllr
Hyryn Ruiters	Deputy Mayor	ICOSA	Ward Cllr
Werner Meshoa	MPAC Chairperson	ICOSA	Ward Cllr
Peter-George Rooi	Speaker	Kannaland Independent Party	Proportional
Aletta Steenkamp	Councillor	DA	Ward Cllr
Leonie Stuurman	Councillor	ANC	Proportional
Nicky Valentyn	Councillor	ANC	Proportional

Table15 – Council Per Political Association

The table below provides an overview of the various Council meetings held for the reporting financial year, and the percentage of attendance and apologies tendered for the same by Councillors.

NUMBER	MEETING DATES	TYPE OF COUNCIL MEETING	COUNCIL MEETINGS ATTENDANCE	APOLOGIES FOR NON-ATTENDANCE
1	10 August 2023	Special	100%	0%
2	24 August 2024	Special	100%	0%
3	31 August 2024	Special	100%	0%
4	29 September 2024	Special	100%	0%
5	06 November 2024	General	86%	0%
6	13 November 2024	Special	86%	0%
7	13 December 2024	Special	100%	0%
8	25 January 2024	Special	100%	0%
9	13 February 2024	Special	100%	0%
10	28 February 2024	Special	100%	0%
-11	29 February 2024	Special	100%	0%
12	27 March 2024	Special	100%	0%
13	16 April 2024	Special	100%	0%
14	24 April 2024	Special	100%	0%
15	30 April 2024	Special	100%	0%
16	30 May 2024	General	100%	0%
17	28 June 2024	General	100%	0%

Table 16 - Council Meetings

2.3.2 EXECUTIVE MAYORAL COMMITTEE

The Kannaland Municipality has an Executive Mayor system.

2.3.3 PORTFOLIO COMMITTEES

Section 80 committees are permanent committees that specialize in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the Executive Mayor on policy matters and make recommendations to the Executive Mayor.

Section 79 committees are temporary and appointed by the council as needed. They are usually set up to investigate a particular issue and do not have any decision-making powers, except those delegated to them by Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded.

External experts, as well as Councillors can be included on Section 79 committees. The municipality do not have Section 80 committees in place for the year under review.

2.3.4 ADMINISTRATIVE GOVERNANCE STRUCTURE:

The Municipal Manager is the Accounting Officer of the Municipality. The Accounting Officer is the Head of the Administration and primarily has to serve as chief custodian of service delivery and implementation of Councils priorities. The Accounting Officer is assisted by the respective Directors within the employ of the Municipality.

The table below indicates the management structure of Kannaland Municipality.

NAME OF OFFICIAL	CAPACITY	PERFORMANCE AGREEMENT SIGNED
		(Yes/No)
Advocate Dillo Sereo (appointed in February 2024)	Acting Municipal Manager	Yes
Ms. Roslyn Saptoe (appointed in May 2023)	Chief Financial Officer	Yes
Mr. Hendrik Barnard (Appointed in June 2023)	Director: Corporate Services	Yes
Mr Justin Lesch (Appointed in 2023)	Director: Technical Services	Yes

TABLE 17 - ADMINISTRATIVE GOVERNANCE STRUCTURE

The table below reflects the strategic functions the various Departments are responsible for:

DIRECTORATE	STRATEGIC FUNCTIONS
Municipal Manager	<ul style="list-style-type: none"> • Internal Audit. • Risk Management. • Strategic Management. • Good Governance and Compliance. • Integrated Development Planning (IDP). • Communication Services
Corporate and Community Services	<ul style="list-style-type: none"> • Human Resources. • Traffic Law Enforcement. • Housing Administration. • Fire Services and Disaster Management. • Libraries. • Thusong.

DIRECTORATE	STRATEGIC FUNCTIONS
	<ul style="list-style-type: none"> • Community Liaison. • Parks and Recreation Facilities. • Contract Management. • Committee Services. • Administrative Support. • Integrated Development Planning. • Performance Management. • Town Planning. • Building Control. • Records Management. • Local Economic Development.
Financial Services	<ul style="list-style-type: none"> • Revenue Management and Collection, Valuation Roll. • Supply Chain Management and Asset Management. • Statutory Reporting. • Payroll, Budget Office and Finance Data processing. • Expenditure Management. • Management of the Municipal Investments and Insurance Portfolio. • Indigent Support. • Annual Financial Statements and all accounting facilities.
Technical Services	<ul style="list-style-type: none"> • Water and Sewerage Purification. • Water and Sewerage Reticulation. • Refuse Removal and Management of Landfill Sites. • Vehicle Maintenance. • Streets, Storm Water and Construction. • Roads and Pavements. • Infrastructure Projects. • EPWP Administration.

Table 18 - Strategic Functions

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3.5 INTERGOVERNMENTAL RELATIONS

South Africa has an intergovernmental system that is based on the principle of co-operation of AGSA between the three spheres of government – local, provincial and national. While responsibility for certain functions is allocated to a specific sphere, many other functions are shared among the three spheres.

Chapter 3 of the Constitution describes the three spheres as being 'distinctive, interdependent and interrelated' and enjoins them to 'cooperate with one another in mutual trust and good faith'. An important element of this cooperative relationship is that there needs to be a clear understanding of each sphere of government's powers and functions to ensure that a sphere of government or organ of state does not encroach on the geographical, functional or institutional integrity of government in another sphere.

2.3.6 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Provincial intergovernmental relations are mostly aimed at oversight and monitoring as set out in various pieces of legislation pertaining to local and provincial government. It does, however, take on a supporting role in the sharing of best-practices and knowledge sharing. Provincial intergovernmental structures include MINMAY (Western Cape Minister and Mayoral Committee) meetings, Provincial Task Groups and FORA such as the Provincial Public Participation Forum and SALGA Work Groups. Various Provincial FORA exist in every field of Local Government. The benefit of such FORA is a more integrated and coordinated planning process ensuring optimum use of available resources.

The Kannaland Municipality participate in the following intergovernmental forums:

- Municipal Managers Forum where Municipal Managers engage on municipal matters
- Back to Basics Forum, both locally and regionally, that focus on governmental support to improve service delivery in Kannaland
- Community Water Forum to raise awareness on water matters in the Kannaland catchment area.
- CFO Forums where the CFOs of municipality engage on financial matters.
- Garden Route District IDP Forum where municipalities in the Garden Route engage with each other on integrated development planning.
- Thusong Centre Provincial Forum where the Thusong Managers in the Province engage on shared service matters and programs.
- MIG Manager/Municipality Co-ordination Meetings – Western Cape Department of Local Government where municipalities and the Local Government engage on MIG spending and projects.
- Integrated Waste Management Forum – Western Cape Department of Environmental Affairs and Development Planning where the Department and municipality engage with each other on integrated waste matters.
- Western Cape Recycling Action Group – Western Cape Department of Environmental Affairs and Development Planning where municipalities and the department engage on recycling and raising awareness on such.
- SALGA Working Groups – SALGA where the municipalities in the Western Cape engage and workshop municipal infrastructure matters, Labour relations, local economic development etc.
- Working for Water: Implementing Agent Managers Forum – National Department of Environmental Affairs where the Department and municipalities on the work for water program.
- Provincial Communication Forum where all provincial municipalities and Province communicate on communication matters.

- Provincial Public Participation Forum where all provincial municipality engage on public participation matters.
- Provincial ICT Forum where municipalities and provincial departments engage on ICT matters.
- Provincial Air Quality Management Forum where municipalities and province engage on air quality management.
- Provincial Head Planning Forum where the Heads of Planning of the municipalities and Province engage with each other on planning matters.
- Garden Route District Disaster Management Forum where Municipalities in the Garden Route engage on Disaster Management Matters.
- E-Natis Provincial Task Team where E-Natis users engage with each other on E-Natis management

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

Public participation enables vigorous and constructive engagements with all stakeholders through their participation in ward committee meetings and community feedback sessions throughout the year on various issues including matters raised by members of the community. This is of particular importance, given the geographical size and nature of the municipal area within which community's needs vary from area to area.

The result of the municipal public participation processes is designed to allow Council and management to do better long-term planning and deliver, amongst other, a more credible IDP and Budget.

The complaints system was and is still being utilized to obtain the enquiries from the community.

No community satisfaction surveys have been conducted although the Municipality has high regard for the complaints system and all possible measures are taken to ensure that complaints

are attended to in the shortest possible time and that feedback is given to the complainant. Response times and attention to complaints will be considered as a KPI on the SDBIP.

The table below details public communication and participatory initiatives held by the municipality during the financial year under review:

2.5 WARD COMMITTEES

Kannaland Municipality elected its ward committee members after the Local Government Elections in November 2021. All four ward committees are functional. The first inductions session with the ward committees was held in February 2022.

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and should be representative. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the Council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

As some difficulties were experienced with the feedback from sector representatives to their respective sectors and general feedback to the community, the Municipality concluded that their ward committees were not functioning optimally. Council adopted the block based representative ward committee system. This meant that the sectors no longer had seats reserved for them on the ward committee, but they had to nominate someone living in a specific block to represent their interests. This new system operated on a combination of door-to-door visits, block meetings and ward committee meetings. Some wards functioned better than others. The ward committee members were trained on municipal policies and programmes. The ward committee meetings are open to the public and the community can attend said meetings and by arrangement with the ward councillor, provide input into meetings. Sectors can by prior arrangement, address ward committees with the approval of the ward councillor. The ward committee can also invite the sector to address them on a specific topic.

The changes made to the ward committee policy approved in November 2021 was tested during the reporting year and found to improve the functioning of the ward committee system. The ward committees undertook door-to-door visits in the first month, convene block meetings in the second and attend ward committee and ward feedback meetings in the third month. This assisted in improved mobilisation and information dissemination within the communities.

WARD COMMITTEE MEMBERS

The tables hereunder illustrate the details of the ward committee members serving Kannaland Municipality.

WARD 1 – WARD COMMITTEE MEMBERS (NISSENVILLE)

NAME	SURNAME	ORGANISATION	CONTACT DETAILS
EXECUTIVE MAYOR JEFFREY DONSON	CHAIRPERSON JEFFREY DONSON	KANNALAND MUNICIPALITY	083 256 0874
SUNELLE	CAROLUS	YOUTH	084 647 3512
JAN	CEDERAS	COMMUNITY SAFETY FORUM	071 604 8351
HENRY	MOSES	SPORT AND CULTURE	078 149 7473
GILLION	BOSMAN	YOUTH	071 877 3307
PETRONELLA	JULIES	COMMUNITY BASED ORGANISATIONS	073 519 2010
CAROLINE	MGANGANE	WOMAN	084 456 0532
RACHEL	JANUARIE	SENIOR CITIZENS	073 312 1165
MELANIE	AYSLIE	RELIGIOUS GROUPING	073 570 4578
ELLORINE	HESKWA	COMMUNITY	
PHILIP	RADEMEYER	HOUSING	082 547 3309

TABLE 19: WARD 1 – WARD COMMITTEE

WARD 2 – WARD COMMITTEE MEMBERS

Calitzdorp, Bergsig, Warm bad, and Kruisrivier, Gamka– East and West

NAME	SURNAME	ORGANISATION	CONTACT DETAILS
DEPUTY EXECUTIVE MAYOR WERNE MESHOA	MESHOA	KANNALAND MUNICIPALITY	060 582 4414
MARIA	HORN	COMMUNITY BASED ORGANISATIONS	062 046 1829

FRANSIENA	QUANTINI	COMMUNITY BASED ORGANISATIONS	083 821 7607
LEWONA	ANDRIES	COMMUNITY BASED ORGANISATIONS	076 669 3200
HANNA	KARELSE	HEALTH AND WELFARE	074 859 4862
EVA	KIEWIETS	SENIOR CITIZENS	074 385 8644
BETTIE	MCDILLON	RELIGIOUS GROUPS	078 565 6152
QUINTA	VALENTYN	BUSINESS	073 540 5145
MARSHELL	TARENTAAL	YOUTH	061 034 6086
SOPHIA	ROMAN	SENIOR CITIZENS	079 653 5642
-VACANT			

TABLE 20 WARD 2 – WARD COMMITTEE

WARD 3 – WARD COMMITTEE MEMBERS (ZOAR)

NAME	SURNAME	ORGANISATION	CONTACT DETAILS
CLLR HYRIN RUITERS	RUITERS	KANNALAND MUNICIPALITY	083 922 8282
SHERILENE	PRINS	HEALTH AND WELFARE	073 191 9218
CEDRIC	JOHANNES	COMMUNITY BASED ORGANISATIONS	061 247 9773
JAKOB	NKOKOU	AGRI-CULTURE	073 739 6021
GLADWIN	GELANDT	BUSINESS	073 725 4446
ZAYLENE	DANIELS	COMMUNITY SAFETY FORUM	078 746 1010
SUDENE	ARNOLDUS	TOURISM	
BERISSA	DANIELS	HEALTH AND WELFARE	071 027 8423
CHARNELL	ARENDSE	SPORT AND CULTURE	078 366 3967

ALETTA	JOON	SENIOR CITIZENS	071 855 8886
JOHN	NOVEMBER	TRADITIONAL LEADERS	

TABLE 21 WARD 3 – WARD COMMITTEE

WARD 4 – WARD COMMITTEE MEMBERS

Ladismith Town, Van Wyksdorp, Dankoord, Algernyskraal, Buffelsvlei, Hoeko

NAME	SURNAME	ORGANISATION	CONTACT DETAILS
CLLR ALLETTA STEENKAMP	STEENKAMP	KANNALAND MUNICIPALITY	072 425 5991
DOROTHEA	VAN ROOYEN	SENIOR CITIZENS	073 613 7906
EDWARD	ADCOCK	HEALTH	061 604 2429
MARTIN	HENDRICKS	COMMUNITY BASED ORGANISATIONS	076 517 8399
ESMERELDA	VAN STADEN	HEALTH AND WELFARE	065 255 8722
FELICIA	VERNIS	YOUTH	078 785 6701
PERCIVAL	APPOLLIS	RELIGIOUS GROUPS	074 711 3979
SURITA	JAFTHA	COMMUNITY BASED ORGANISATIONS	065 096 2720
GEORGE	LAUBSCHER	RATEPAYERS	082 595 5376
NERINA	LOCHNER	COMMUNITY BASED ORGANISATIONS	063 312 2480

TABLE 22 WARD 4 – WARD COMMITTEE

2.5.1 FUNCTIONALITY OF WARD COMMITTEES

Ward committee members are elected by the communities they serve. A ward committee may not have more than 10 members and women must be well represented. The ward councilor is the chairperson of the ward committee.

The main purpose of ward committees is to improve effective communication and participation of community members to inform council's decision-making on the opinion and needs of the communities, especially those affected by a decision. Ward committees have no formal powers, but they advise ward councilors who make specific submissions directly to the Administration/ Council and also assist the ward councilor with the following:

- Consultation and report-back to the community;
- Obtaining better participation from the community to inform council decisions, and
- Playing an important role in the annual revision of the Integrated Development Plan of the area.

The WCPG has developed functionality indicators to ascertain, monitor and support ward committee in local municipalities.

The undermentioned indicators are applied and reported on each quarter:

- Scheduled quarterly ward committee meetings
- Sector/Block meetings
- Ward Committee policies adopted by council
- Ward Councilor Report back meetings
- Ward Committee vacancies

2.5.2 WARD COMMITTEE MEETINGS

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees' function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities. In the following tables the respective ward committee meetings that were held during the reporting years are reflected.

WARD 1	WARD 2	WARD 3	WARD 4
<ul style="list-style-type: none"> • 12 June 2023, Ladismith Library Hall, 10h00 • 07 August 2023, Ladismith Library Hall, 10h00 • 09 October 2023, Ladismith Library Hall, 10h00 • 4 December 2023, Ladismith Library Hall, 10h00 • 05 February 2024, Ladismith Library Hall, 10h00 • 08 April 2024, Ladismith Library Hall, 10h00 • 10 June 2024, Ladismith Library Hall, 10h00 	<ul style="list-style-type: none"> • 15 June 2023, Municipal Offices, Calitzdorp 18h00 • 10 August 2023, Municipal Offices, Calitzdorp 18h00 • 12 October 2023, Municipal Offices, Calitzdorp 18h00 • 07 December 2023, Municipal Offices, Calitzdorp 18h00 • 08 February 2024, Municipal Offices, Calitzdorp 18h00 • 11 April 2024, Municipal Offices, Calitzdorp 18h00 • 13 June 2024, Municipal Offices, Calitzdorp 18h00. 	<ul style="list-style-type: none"> • 14 June 2023, Maxi's Hall, Zoar, 18h00 • 14 August 2023, Maxi's Hall, Zoar, 18h00 • 11 October 2023, Maxi's Hall, Zoar, 18h00 • 06 December 2023, Maxi's Hall, Zoar, 18h00 • 07 February 2024, Maxi's Hall, Zoar, 18h00 • 10 April 2024, Maxi's Hall, Zoar, 18h00 • 12 June 2024, Maxi's Hall, Zoar, 18h00 	<ul style="list-style-type: none"> • 13 June 2023, Library Hall, Ladismith, 17h00 • 08 August 2023, Library Hall, Ladismith, 17h00 • 10 October 2023, Library Hall, Ladismith, 17h00 • 05 December 2023, Library Hall, Ladismith, 17h00 • 06 February 2024, Library Hall, Ladismith, 17h00 • 09 April 2024, Library Hall, Ladismith, 17h00 • 11 June 2024, Library Hall, Ladismith, 17h00

Table 23 ward committee meetings

2.6 REPRESENTATIVE FORUMS

2.6.1 LOCAL LABOUR FORUM

The table below specifies the members of the Local Labour Forum for the reporting financial year

NAME REPRESENTATIVE	OF	CAPACITY	MEETING DATES
Councilor W Meshoa		Chairperson	01 August 2022 08 December 2022 01 February 2023 23 May 2023
Councilor P Rooi		Councilor	
Mr. H Barnard		Employer	
Ms. G Ngcobo		Employee	
Mr. X Stofile		SAMWU	
Mr. C Willemse		SAMWU	
Mr. N Paskwali		IMATU	
Mr. B Rooi		IMATU	

Table 24 - Local Labour Forum Composition

It is worth noting that the Kannaland Municipality has 89 SAMWU members. While IMATU remains the dominant union, The Municipality only hold Local Labour Forum meetings if there are agenda items to discuss as proposed either by unions or the Employer.

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.7 RISK MANAGEMENT

The direction and mandate of risk management for Kannaland Municipality is clearly set out in Section 62(1) of the MFMA that stipulates that the “Accounting Officer must take all reasonable steps to ensure that the Municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control” accompanied by the crucial motto of the public sector: “that the resources of the Municipality are used effectively, efficiently and economically”.

Enterprise Risk Management (ERM) is an essential function that must be performed by the Municipality in terms of the applicable local government legislation. Auditor-General reports in recent years have highlighted risks for the Municipality and findings indicated that ERM must be prioritized as this function has been neglected for years. The municipality is in the process of signing an MOU with Oudtshoorn Municipality to enter a shared service agreement.

2.7.1 RISK MANAGEMENT IN KANNALAND MUNICIPALITY

The Accounting Officer exercised his right in terms of the applicable Risk Management legislation to appoint a Risk Contract and legal manager in June 2019. The official was appointed based on his qualification, skills, expertise and the need for such appointment.

2.7.2 CHALLENGES IN RISK MANAGEMENT

1. The Municipality only has one permanent incumbent to fulfil, the Risk Contract and Legal services function.
2. The Municipality, due to cash constraints is unable to purchase a Risk and Contract electronic system, hence Business Plan in terms of the Financial Recovery Plan has been submitted to Provincial Government to secure funds, for this purpose.
3. Adoption of the Draft Risk Audit Report and appointment of Risk Champions to implement and mitigate risks identified in the Internal Audit Risk Register.

2.7.3 BENEFITS OF RISK MANAGEMENT

Kannaland Municipality will implement and maintain an effective, efficient and transparent system of risk management and internal control. Risk management will assist the municipality to achieve, among other things, the following outcomes needed to underpin and enhance performance:

- more sustainable and reliable delivery of services;
- informed decisions underpinned by appropriate rigor and analysis;
- achievement of strategic goals as set out in the Integrated Development Plan;
- reduced waste;
- prevention of fraud and corruption and better value for money through more efficient use of resources; and
- better outputs and outcomes through improved project and program management.

The table below details the Top 20 High Residual Risks (Risks above the Risk Appetite), identified during the Risk Assessment process conducted during February 2023. (From Highest Inherent Risk Rating). The risk ratings still need to be approved by the Fraud & Risk Management Committee and the Audit Committee:

2.7.4 TOP 10 2023/2024 STRATEGIC AND OPERATIONAL RISKS:

Nr	Risk Cause	Risk Description	Risk Consequences	Inherent Exposure	Inherent Rating	Section
1.	Inventory Shortages Wind Damage Tree Damage Ageing Infrastructure Lack of Load capacity No Alternative Energy Sources Staff Competency	Interrupted Power Supply	Delayed Service Delivery to Equipment Unhappy Community Lost opportunities (ED) Injuries (OHS) Fire Risk	25	25	Electricity
2.	Outdated SDF Non-existence/outdated infrastructure master plans	Noncompliance to core components of IDP	Community unhappiness No long-term goals MEC interventions Unfocussed Service Delivery	25	25	IDP/SDBIP/Performance
3.	Political Interference Management Override	Unfunded Budget	Unauthorized Expenditure Inability to pay creditors Fruitless and Wasteful Expenditure Reputational Damage	25	20	Revenue & Expenditure

Nr	Risk Cause	Risk Description	Risk Consequences	Inherent Exposure	Inherent Rating	Section
			AG Findings Funding Losses			
4.	Cash Flow shortages Unfunded/Unbalanced Budget Lack of Senior Direction (Constant Changes)	Unable to pay creditors	Inability to generate revenue Inability to collect debt	25	20	Revenue & expenditure
5.	Underspending by PMU Lack of Commitment Low staff morale	Lost Revenue	Poor Cash Flow	25	20	Revenue & expenditure
6.	Misaligned Budget / Over/Understated Budget	Budget inefficiencies	(Cash flow challenges, delays in service delivery)	25	20	BTO
7.	Poor Planning Delays in contractor appointments (SCM) / Delays in project start dates. Delays in approval of projects (Council) Insufficient Grant Funding Treasury allocation of funding Bid Committee processes	Inability to deliver on projects	Noncompliance with Dora Regulations (AG Findings) Not achieving expenditure Targets (Loss of grant funding, withholding retentions) Non implementation of projects (Service Delivery) Community unhappiness	25	20	Project management Unit
8.	Blocked system (Dumping) Roads and Stormwater Connections Ageing Infrastructure System design problems (Nissenville) Broken Equipment (Honeysuckle)	Sewerage Spillages (Unlicensed Discharges)	Health Issues Non-Compliance to laws and regulations Regulatory Fines Budgetary impacts (Spillage cleaning) Rehabilitation Costs	25	20	Sewerage
9.	Shortage of Staff Degrading Road Signage	Lawlessness on Roads	Accidents Loss of Life	25	20	Protection services

Nr	Risk Cause	Risk Description	Risk Consequences	Inherent Exposure	Inherent Rating	Section
10.	Shortage of Staff Manual Processes Management Override (mismanagement)	Excessive Overtime Payments/ Duplicate Payments (Standby and Overtime)/Sta ndby misuse	Financial Losses Regulatory issues AG Findings Shortage of Cash Flow	25	20	Overtime
11.	Lack of Opportunities Poverty Lack of Youth Centers	Increase in social ills (Mental Health issues)	Increased Suicides Increased Crime Migration Loss of tourism	25	12	LED
12.	Unstable council Changes in Priorities Public Participation meetings not taking place	Constant IDP adjustments/a mendments	Non-Compliance (unapproved adjustments) Poor Public perception Community unhappiness Lost Projects	20	20	IDP/SDBIP/Perfo ance
13.	Financial System Limitations (Lack of system integration)	Inaccurate Financial Reports/ Incomplete Financial Data	Misstatements in AFS, Non- compliance	20	16	Reporting
14.	Incorrect budgeting methods (lack of ownership)	Unauthorized Expenditure	(Non-compliance, expenditure not aligned to approved votes, Audit Finding)	20	16	BTO
15.	Poor Planning	Unspent Grants	Revoked funds	20	16	BTO
16.	Unauthorized access	Loss/theft of IT Assets	Financial loss, delays in service delivery	20	16	ICT

Nr	Risk Cause	Risk Description	Risk Consequences	Inherent Exposure	Inherent Rating	Section
17.	Poor planning Poor demand management Forced spending Ineffective CSD platform	Poor Quality Goods and Services Delays in delivery; Non-compliance Unauthorized Procurement Expenditure Disregard for market related prices(overpayment)	Poor service delivery Delays in service delivery Financial loss	20	16	SCM/Procurement Stores/ Inventory
18.	No proper store access controls No maintenance planning Items not part of inventory Manual processes/recorder levels	Inventory theft Obsolete Inventory Inaccurate inventory Inventory shortages	Financial loss Financial loss (Duplication, Audit Findings, Financial loss) Delays in service delivery	20	16	SCM/Procurement Stores/ Inventory
19.	Raw Water Capacity Plant Capacity Ageing Infrastructure Vandalism (Theft of fence) Pipe Bursts Leaking infrastructure	Intermittent Water Supply / Water Losses due to pipe bursts	Pressure Drops Poor Public Perception Negative Economic Development impact Monetary/Revenue Losses Loss of Life (Drowning) Insurance Claims - Pipe Bursts)	20	16	Water
20.	Deteriorating road conditions (Potholes)	Road Accidents	Insurance Claims Legal Proceedings (Civil Lawsuits) Loss of Life	20	16	Roads

2.8 INTERNAL AUDIT

An internal auditor was appointed in the 2021/22 financial year in July 2021, the position had to be re-advertised and an internal auditor was appointed effective October 2022. The Internal Audit Unit has been fully functional ever since, and will be throughout the 2023/24 financial year.

2.9 CONTRACT MANAGEMENT

In the absence of a proper functioning contract management function the municipality was unable to monitor, review and evaluate contracts that either came to an end or had to be reviewed for service delivery purposes.

The Auditor General has also pointed out the lack or weak management of contracts which does have a negative financial impact on the municipality. There were also a significant number of officials who did not have formal signed contracts that complied with the collective agreement and the basic conditions of employment.

The contract management function could have a significant positive impact on the financial recovery plan of the municipality particularly with regard to the selling or leasing of council assets, land and other facilities

Given the above, management has undertaken to do a full audit with regard to contractual arrangements particularly to ensure that the contracts are in place in the following areas:

- ☐ Current land leased (market related and MFMA compliance)
- ☐ Unleased land (land used by parties that do not have a lease agreement)
- ☐ Council facilities that are leased (market related and MFMA compliance)
- ☐ Unleased Council facilities (sports fields etc.)
- ☐ Employment contracts of staff (temporary staff, contract staff and permanent staff)
- ☐ SCM contracts (to ensure MFMA compliance and goods and services are delivered within agreed timeframes and in good quality).
- ☐ Government contracts for grant funding (MIG, FMG, MSIG, RBIG, etc., - to ensure funds are utilized for purposes for which it was allocated to the municipality)
- ☐ Municipal leases (e.g., office space, equipment, and cell phones,)
- ☐ ICT service provider contracts
- ☐ Water board contracts

2.10 ANTI-CORRUPTION AND ANTI-FRAUD

In terms of the regulatory frameworks governing anti-corruption and anti-fraud, Section 83(c) of the Local Government: Municipal Systems Act, No. 32 of 2000, refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

2.10.1 DEVELOPED STRATEGIES

NAME OF STRATEGY	DEVELOPED YES/NO	DATE ADOPTED/REVIEWED
Anti-corruption and Fraud Prevention strategy and Implementation plan	No	Reviewed in June 2018
Risk Management Policy	Yes	Reviewed in June 2020
Risk Management Strategy and Implementation Plan	Yes	Reviewed in June 2020

Table 26 – Strategies

2.11 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was reviewed with the Annual Budget. The tabling of the Supply Chain Management Policy is to improve operational efficiency and to align it to the applicable guidelines provided by National Treasury. Supply Chain Management Policy of Kannaland Municipality complies with the regulatory framework.

2.11.1 COMPETITIVE BIDS IN EXCESS OF R200, 000

BID NUMBER	TITLE OF BID	SUCCESSFUL BIDDER	VALUE OF BID AWARDED
KANNA 11/2023	Upgrading & Refurbishment of Ladismith Waste Water Treatment Works Phase 2	Imbriolo Construction	R 20 117 157.63
FQ 10/2024	Supply and Delivery of Server Infrastructure	ISM T/A Juvinon	R 299 100.00

Table 27 - BIDS in Excess of R200, 000

BID COMMITTEE MEETINGS

a) BID SPECIFICATION COMMITTEE

The attendance figures of members of the bid specification committee are as follows:

MEMBER	PERCENTAGE ATTENDANCE
Dalicia Booysen	100%
Reandro Meyers	100%
Jessica Fuller	100%

Mervian Scheffers	100%
--------------------------	------

Table 28 - BID Specification Meeting Attendance

b) BID EVALUATION COMMITTEE

The attendance figures of members of the bid evaluation committee are as follows:

MEMBER	PERCENTAGE ATTENDANCE
Mcgrandle Makier	100%
Xolile Stoffel	100%
Lesego Mokgoje	100%
Novellen Daries	100%
Amy Oktober	100%
Jerome Booysen	100%

Table 29 - BID Evaluation Meeting Attendance

c) BID ADJUDICATION COMMITTEE

The attendance figures of members of the bid adjudication committee are as follows:

MEMBER	PERCENTAGE ATTENDANCE
Justin Lesch	100%
Hendrik Barnard	100%
Naledi Nqeketo	100%
Reginald Timmie	100%
Roslyn Saptoe	100%,
Gersdwin Breda	100%

Table 30 - BID Adjudication Meeting Attendance

d) AWARDS MADE BY THE BID ADJUDICATION COMMITTEE

The ten highest bids awarded by the bid adjudication committee are as follows:

BID NUMBER	TITLE OF BID	SUCCESSFUL BIDDER	VALUE OF BID AWARDED
KANNA 11/2023	Upgrading & Refurbishment of Ladismith Waste Water Treatment Works Phase 2	Imbriolo Construction	R 20 117 157.63

Table 31 - Ten Highest Bids Awarded

e) AWARDS MADE BY THE ACCOUNTING OFFICER

No bids awarded by the Accounting Officer for the reporting period.

Table 32 - Awards made by the Accounting Officer

f) APPEALS LODGED BY AGGRIEVED BIDDERS

No appeals were received by the appealing authority for the reporting financial year.

Table 33 - Bidder Appeals

g) UNSOLICITED BIDS

No unsolicited bids were received or advertised by the Municipality for the reporting financial year.

Table 34 - Unsolicited Bids

2.11.2 DEVIATION FROM NORMAL PROCUREMENT PROCESSES

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

TYPE OF DEVIATION	NUMBER OF DEVIATIONS	VALUE OF DEVIATIONS	PERCENTAGE OF TOTAL DEVIATIONS VALUE
Sole suppliers	13	R 324 924.75	2%
Emergency	25	R 1 824 930.10	11.3%
Impractical	114	R 14 016 626.04	86.7%
TOTAL	14	R 16 166 480.89	100%

Table 35 - Summary of Deviations

2.13 BY-LAWS AND POLICIES

The following by-laws and policies were reviewed developed during the reported financial year

POLICIES DEVELOPED/ REVISED	DATE ADOPTED	PUBLIC PARTICIPATION CONDUCTED PRIOR TO ADOPTION OF POLICY YES/NO
Zoning Scheme By-Law	May 2023	No
Budget Policy	May 2024	Yes
Credit Control policy	May 2024	Yes
Asset Management policy	May 2024	Yes
Tariff Policy	May 2024	Yes
Rates Policy	May 2024	Yes
Indigent Policy	May 2024	Yes
Capital Contribution Policy	May 2024	Yes
Borrowings Policy	May 2024	Yes

2.14 WEBSITE

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Municipal Website: Content and Currency of Material	
Documents published on the Municipality 's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	YES
All current budget-related policies	YES
The previous annual report	YES
The annual report	YES
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act) and resulting scorecards	YES
All long-term borrowing contracts	YES
All supply chain management contracts above a prescribed value (give value) for Year	YES
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4)	YES
Contracts agreed in Year to which subsection (1) of section 33 apply, subject to subsection (3) of that section	YES
All quarterly reports tabled in the council in terms of section 52 (d) during Year	YES

2.15 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Kannaland Municipality has a complaints management system and all possible measures are taken to ensure that complaints are attended to in the shortest possible time and that feedback is provided to the complainant.

The Municipality has acquired the electronic Collaborator complaints system for improved monitoring of complaints. Members of the community are requested to log all their complaints to customercare@kannaland.gov.za or to call 082 907 7537. There are dedicated municipal officials attending to the customer care helpline. The logged calls are filtered through to the responsible officials.

The Municipality drafted and launched a Service Charter during the previous financial year, communicating set agreed service standards to be used to promote accountability and foster consequence management. This Charter is promoted at ward committee trainings and public meetings to build a culture of accountability.

The table below provides details regarding the municipality's use of various communication platforms

COMMUNICATION ACTIVITIES	YES/NO
Communication unit	No
Communication Strategy	Yes
Communication Policy	Yes
Customer satisfaction surveys	No
Website	Yes
Public meetings	Yes
Ward committee meetings	Yes
Interest Group Engagements	Yes
Bulk SMS messaging	No
Functional complaint management systems	Yes
Newsletters distributed electronically	No
Pamphlets	Yes
Thusong Outreaches	Yes
Facebook	Yes

2.16 MUNICIPAL OVERSIGHT COMMITTEES

2.16.1 AUDIT COMMITTEE

In compliance to Section 166(2) of the MFMA each Municipality must have an Audit Committee. The Audit Committee is defined as “an independent advisory body”. The role and responsibility of the Audit Committee is to:

- (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to –
 - i. internal financial control and internal audits;
 - ii. risk management;
 - iii. accounting policies;
 - iv. the adequacy, reliability and accuracy of financial reporting and information;
 - v. performance management;

- vi. effective governance;
 - vii. compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
 - viii. performance evaluation; and
 - ix. any other issues referred to it by the municipality or municipal entity;
- (b) review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- (c) respond to the council on any issues raised by the Auditor-General in the audit report;
- (d) carry out such investigations into the financial affairs of the municipality or municipal entity as the council of the municipality, or in the case of a municipal entity, the council of the parent municipality or the board of directors of the entity, may request; and
- (e) perform such other functions as may be prescribed

The Audit Committee is only able to fulfil their legislative obligations, as stipulated in the MFMA if they have access to the financial records and other relevant information of the Municipality or Municipal Entity. The Audit Committee must have unrestricted access to the Internal Audit Unit of the Municipality, and the person designated by the Auditor-General of South Africa (AGSA) to audit the financial statement of the Municipality or Municipal Entity.

2.16.2 ALL MUNICIPAL OVERSITE COMMITTEES

Oversite committees have been established, trained and have become more active in fulfilling the role of oversight during 2023/24 financial year. The Disciplinary Committee still however needs to be established. The Audit and Performance Audit Committee has been established and is functional.

The Risk Committee with risk champions need to be identified and the Local Labor Forum is functional.

MPAC has been revived and meets more regularly.

Oversight during 2023/2024 has shown considerable improvement with establishment of functionaries and regular meetings being convened.

The SDBIP was adjusted during year under review to monitor the activities undertaken by these functionaries.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

The fundamental basic services the Kannaland Municipality must provide to the community is water, electricity, refuse removal, and sanitation. The provision of these basic services forms an integral part of the planning and management facet of the organization.

COMPONANT A:

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services. Please note that the municipality is in process of comparing the municipal statistics to MERO and LGSEP statistics to ensure proper alignment.

3.1 WATER PROVISION

The table below indicates the access to water from 2022/23 to 2023/24 financial years.

Water Service Delivery Levels		
Households		
Description	2022/23	2023/24
Water: (above min level)		
Piped water inside dwelling	4690	4771
Piped water inside yard (but not in dwelling) (backyard dwellers)	11	11
Using public tap (within 200m from dwelling)	3 (communal points in Sakkiesbaai)	3
Other water supply (within 200m)		
Minimum Service Level and Above sub-total		
Minimum Service Level and Above Percentage		
Water: (below min level)		
Using public tap (more than 200m from dwelling)	199	244
Other water supply (more than 200m from dwelling)	3	3
No water supply	0	0

Below Minimum Service Level sub-total		
Below Minimum Service Level Percentage		
Total number of households*	4889(excl. informal settlements)	5015(excl. informal settlements)

TABLE 36: WATER SERVICE DELIVERY LEVELS – SOURCE: SAMRAS (MUNICIPAL STATISTICS)

LADISMITH

All households have access to basic water services which means that water is available within 200 meters from their dwellings/houses. All the houses in the urban areas of Kannaland Municipality are provided with individual water connections except for informal areas. Stand pipes are provided in the informal areas as a temporary emergency service.

The waterworks have been upgraded to provide better quality water. The Municipality received funding from Department of Local Government through the Drought Relief Grant to refurbish the existing borehole field and to drill and monitor for a deep borehole development.

The construction of a storage dam is urgently needed as the existing dams does not have the adequate storage capacity. The town has no water security for more than six months. Clean drinking water storage capacity is required therefore a new infrastructure network upgrade is required.

Due to budget constraints the Municipality applied for funding support to ensure water security projects could be enabled. The following measures were put in place for the different support:

- ☐ Additional boreholes drilling and equipping. It must be noted that operating boreholes is expensive because of the associated electricity cost;
- ☐ Upgrading and refurbishment of the Water Treatment Works

The water losses for the year under review are 11.24% and below are the reasons

- ☐ Faulty and/or by-passed water meters
- ☐ Leakages on existing pipelines and reservoirs
- ☐ Unaccounted water losses

VAN WYKSDORP

An application was submitted to upgrade the Water Treatment Works for the 2022/23 financial year. Van Wyksdorp still faces problems during the summer and peak season. Raw water storage should be increased to add additional water in the system. New funding applications should be submitted for the storage capacity and the upgrading of the water networks within the town.

New boreholes need to be exploited to assist in addressing the shortcomings. The pipeline network for the boreholes should also be upgraded and funding for these upgrades should still be sourced

The current water losses are 13.75% and below is the reasons and remedial actions to reduce the losses to the norm:

- ☐ Faulty and/or by-passed water meters
- ☐ Leakages on existing pipelines and reservoirs
- ☐ Unaccounted water losses

ZOAR

A new borehole was drilled and equip through MISA funding. This borehole is currently augmenting the water supply to the water treatment works, but we still face the challenge that we do not have enough raw water capacity. The challenges are the expansion of existing Tier Kloof Dam and development of new boreholes. Funds must be obtained from Province and National to minimize the challenges. Current situation is the lack of storage capacity for raw water and develop new boreholes to replenish raw water and then upgrade network along with build extra reservoirs for storage of treated water.

The Water treatment Works should also be upgraded further to ensure that water supply to the community is uninterrupted during peak seasons. Currently the water treatment works cannot treat the demand efficiently and therefore funding should be sourced to upgrade the works.

The water losses for the year under review are 19.99% and below is the reasons and remedial actions to reduce the losses to the norm:

- ☐ Faulty and/or by-passed water meters
- ☐ Leakages on existing pipelines and reservoirs
- ☐ Unaccounted water losses

CALITZDORP

A deep borehole was drilled to augment the water supply for the town. This borehole showed significant yields, but due to timeframes and limited funding this borehole could not be equipped. An application was submitted through the WSIG programme from the Department of Water and Sanitation to complete the Calitzdorp deep borehole development project.

Challenges are the replenishment of raw water through the development of new ~~boreholes~~ **boreholes**. Current raw water source comes from Nelsdam which belongs to the irrigation board and which we have to pay dearly for the consumption. Upgrading of existing waterworks is necessary. Current

situation is that if Nelsdam is low the municipality has no other sources of raw water. Boreholes must be developed to increase raw demand.

The water losses for the year under review are 22.89% and below is the reasons and remedial actions to reduce the losses to the norm:

- ☐ Faulty and/or by-passed water meters
- ☐ Leakages on existing pipelines and reservoirs
- Unaccounted water losses

WATER SERVICES

Total Use of Water by Sector 2022/23 and 2023/24				
Years	Commercial	Industrial	Domestic	Unaccountable water losses (R)
2022/23	156 985 KL	447 076 KL	766 655 KL	528 458 KL
2023/24	154 970 KL	535 439 KL	798 334 KL	272 789 KL

TABLE 37: TOTAL USE OF WATER BY SECTORS – SOURCE: SAMRAS (MUNICIPAL STATISTICS)

The tables below indicate the financial performance, capital expenditure and information (strategic objectives), for 2022/2023 and 2023/24 financial year:

The table below indicates the financial performance of water services for the year under review:

Financial Performance for the financial year 2022/23 to 2023/24: Financial Services

Description	2022/2023	2023/2024	Swimming pool
	Actual	Actual	Variance to Budget
	R'000		%
TOTAL OPERATIONAL REVENUE	R0.00	R46,094.00	0%
EXPENDITURE:			
Employees	R0.00	R8,584.73	0%
Materials	R0.00	R0.00	0%
Depreciation	R115,780.00	R198,679.71	58%
Bulk	R0.00	R0.00	0%

Other	R14,255.48	R20,164.37	71%
Total Operational Expenditure	R130,035.48	R227,428.81	57%
	-R130,035.48	-R181,334.81	72%

TABLE 38: FINANCIAL PERFORMANCE OF FINANCIAL SERVICES - 2023/24 - SOURCE: AFS

The table below indicated the capital expenditure for the year under review:

EXPENDITURE STATUS 2023/2024 FY						
Grant	Project No	Project Name	Original Budget	Adjustment Budget	Expenditure	variance from budget
MIG	458789	REFURBISHMENT OF VAN WYKSDORP WATER TREATMENT WORKS	R 443 753,20	R 424 753,20	R 407 758,03	R 16 995,17
MIG	458828	REFURBISHMENT OF VAN WYKSDORP WASTE WATER TREATMENT WORKS	R 2 196 660,71	R 2 156 661,39	R 2 471 153,62	-R 314 492,23
MIG		REFURBISH AND UPGRADE ZOAR SEWER PS		R 6 990 657,56	R 6 929 394,16	R 61 263,40
MIG	458834	REFURBISH AND UPGRADE ZOAR WASTE WATER TREATMENT WORKS	R 7 606 456,47	R 902 879,85	R 1 033 848,52	-R 130 968,67
WSIG		UPGRADE AND REFURBISH LADISMITH WASTE WATER TREATMENT WORKS PH2	R 5 000 000,00	R 4 500 000,00	R 4 074 912,65	R 425 087,35
Water Resilience Grant		Zoar Water Treatment Works Upgrade		R 1 440 000,00	R 485 024,00	R 954 976,00
Water Resilience Grant		New Booster Pump Station Karoolande Reservoir		R 1 000 000,00	R 451 162,25	R 548 837,75
Own Funds		Co-Funding for MIG Own Funds		R 759 891,00	R 759 891,00	R -
MIG		Yellow Fleet		R 1 368 398,00	R 1 299 589,71	R 68 808,29
	TOTALS		R 15 246 870,38	R 19 543 241,00	R 17 912 733,94	R 1 630 507,06

TABLE 39 CAPITAL PROJECTS FOR WATER SERVICES

The table below indicates the water services policy objectives taken from the SDBIP:

Water Service Policy Objectives Taken From IDP					
Service Objectives	2022/2023			2023/2024	
	Outline				
	Service	Target	Actual	Target	Actual
	Targets				
Number of formal residential properties that Receives piped water Connected to the Municipal water infrastructure network as at 30 June 2022	Number of Residential properties which are Billed for water services as at 30 June 2022	4665	4889		5015

TABLE 40: WATER SERVICE POLICY OBJECTIVES TAKEN FROM THE ANNUAL PERFORMANCE REPORT - 2021/22 –

SOURCE: SAMRAS (MUNICIPAL STATISTICS)

3.2 Waste Water (Sanitation) Provision



UPGRADING OF SEWAGE PLANT IN ZOAR.

15 MAY 2023



SANITATION:

The majority of households are connected to waterborne sanitation systems in the Kannaland area. The Municipality is intending to replace all bucket systems with water borne system, however funding needs to be sourced to implement this project.

LADISMITH

Currently, sanitation gravitates to the WWTW which comprises a primary settling tank, bio-filter, and humus settling tank and sludge facilities (anaerobic digester and sludge drying beds).

The Waste Water Treatment Works was refurbished and upgraded through the MIG programme. The following items was upgraded and refurbished:

- The Grit channel walkway
- Cleaning of the Humus tank
- Cleaning of the maturation ponds
- Refurbishment of the primary settling tank
- Replacing the Biofilter with plastic media
- Refurbishment of the humus tank

Upgrading existing sewerage works is urgent as it is over its capacity. No new houses can be built. Challenges are also the flushing of main sewer lines that are full of sediment.

An application was submitted through the WSIG programme to complete the project. Provision of sanitation services at informal housing required.

ZOAR

The majority of households are connected to waterborne sanitation systems in the Kannaland area. Ten households in Zoar still use the bucket system. This project is listed for future intervention, but the challenge we face is that these houses are opposite the river.

Challenges are that extra staff must be appointed for maintenance of works.

Current situation is that the sewers at dams need to be upgraded and pump stations upgraded. An application was submitted through the MIG programme to refurbish and upgrade the Waste water treatment works and Sewer Pumpstation.

CALITZDORP

The municipality is also planning to replace the septic and conservancy tanks in the coming years by linking those households to the bulk infrastructure network throughout the Calitzdorp area. This project is listed for future intervention.

Normal maintenance work was completed throughout the year under review. No upgrades were implemented for the Waste Water Treatment Works in Calitzdorp.

VANWYKSDORP

Ninety (90) households in Van Wyksdorp Greenhill's area are connected to a waterborne system which gravitates to a package plant for treatment. Provision of services at informal areas is still a challenge and remain a priority.

A new application was submitted through the MIG programme to upgrade the Waste Water Treatment Plant (Package Plant). No upgrades or refurbishments was done for the year under review except for normal maintenance and repairs throughout the year.

The table below indicates the sanitation service levels:

Sanitation Service Delivery Levels		
*Households		
Description	2022/23	2023/24
	Outcome	Outcome
	No.	No.
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	4075	4205
Flush toilet (with septic tank)	190	189
Chemical toilet	-	-
Pit toilet (ventilated)	-	-
Other toilet provisions (above mi. Service level)	-	-
Minimum Service Level and Above sub-total	-	-
Minimum Service Level and Above Percentage	-	-
Sanitation/sewerage: (below minimum level)	-	-
Bucket toilet	-	-
Other toilet provisions (below mi. Service level)	-	-
No toilet provisions	-	-
Below Minimum Service Level sub-total	-	-
Below Minimum Service Level Percentage	-	-
Total households	4265	4394

TABLE 41 - SANITATION SERVICE DELIVERY LEVELS 2022/23 AND 2023/24- SOURCE: SAMRAS (MUNICIPAL STATISTICS)

The tables below indicate the financial performance and capital expenditure for 2023/24 financial year:

The table below indicates the financial performance for the year under review:
SEWERAGE:

Description	2022/2023	2023/2024	Sewerage
	Actual	Actual	Variance to Budget
	R'000		%

TOTAL OPERATIONAL REVENUE	R10,774,234.79	R 11,946,236.00	90%
EXPENDITURE:			
Employees	R3,481,926.99	R 3,559,959.00	98%
Materials	R442,223.18	R 561,583.00	79%
Depreciation	R2,660,970.00	R 2,707,783.00	98%
Bulk	R -	R -	0%
Other	R1,267,951.15	R 4,859,094.00	26%
Total Operational Expenditure	R7,853,071.32	R 11,688,419.00	67%
	R2,921,163.47	R257,817.00	1133%

TABLE 42: FINANCIAL PERFORMANCE OF SANITATION SERVICES - 2023/24- SOURCE: AFS

The table below indicates the capital expenditure for the year under review:

EXPENDITURE STATUS 2023/2024 FY						
Grant	Project No	Project Name	Original Budget	Adjustment Budget	Expenditure	variance from budget
MIG	458789	REFURBISHMENT OF VAN WYKSDORP WATER TREATMENT WORKS	R 443 753,20	R 424 753,20	R 407 758,03	R 16 995,17
MIG	458828	REFURBISHMENT OF VAN WYKSDORP WASTE WATER TREATMENT WORKS	R 2 196 660,71	R 2 156 661,39	R 2 471 153,62	-R 314 492,23
MIG		REFURBISH AND UPGRADE ZOAR SEWER PS		R 6 990 657,56	R 6 929 394,16	R 61 263,40
MIG	458834	REFURBISH AND UPGRADE ZOAR WASTE WATER TREATMENT WORKS	R 7 606 456,47	R 902 879,85	R 1 033 848,52	-R 130 968,67
WSIG		UPGRADE AND REFURBISH LADISMITH WASTE WATER TREATMENT WORKS PH2	R 5 000 000,00	R 4 500 000,00	R 4 074 912,65	R 425 087,35
Water Resilience Grant		Zoar Water Treatment Works Upgrade		R 1 440 000,00	R 485 024,00	R 954 976,00
Water Resilience Grant		New Booster Pump Station Karoolande Reservoir		R 1 000 000,00	R 451 162,25	R 548 837,75
Own Funds		Co-Funding for MIG Own Funds		R 759 891,00	R 759 891,00	R -
MIG		Yellow Fleet		R 1 368 398,00	R 1 299 589,71	R 68 808,29
	TOTALS		R 15 246 870,38	R 19 543 241,00	R 17 912 733,94	R 1 630 507,06

TABLE 43: CAPITAL EXPENDITURE SANITATION 2023/2024 SOURCE AFS

Below are the policy objectives taken from the IDP for the financial year under review:

Sanitation Service Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	2022/23		2023/24	
		Target	Actual	Target	Actual
Provision of sanitation/sewerage services to formal residential account holders which are connected to the municipal waste water/sanitation/sewerage network and billed for services as at 30 June 2022	Number of formal residential properties which are billed for sewerage services in accordance with the SAMRAS financial system as at 30 June 2022	4247	4256	4250	4265

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TABLE 44: SANITATION SERVICE POLICY OBJECTIVES TAKEN FROM IDP/SDBIP

3.3 WASTE MANAGEMENT

KANNALAND WASTE PROFILE

Waste is collected on a weekly basis and each service point is supplied with black bags by the municipality.

Kannaland Municipality operates four licensed landfill sites. Operational sites are situated in Ladismith and Zoar. The landfill site in Calitzdorp is licensed for closure and therefore only organic waste and building rubble is accepted at this site. Household and business waste from Ladismith, Calitzdorp and Zoar are collected on a weekly basis and disposed at the Ladismith and Zoar Landfill sites. Kannaland has 3 waste removal vehicles: a UD compactor truck for daily collection of refuse, a small truck equipped, a 2.7l small truck equipped for household refuse. The Municipality struggles to control access to the landfill sites in spite of the deployment of Youth Jobs in Waste participants at the landfill sites. One of the biggest challenges facing the landfill sites are windblown litter. The Municipality will have to secure funding for the environmental and planning processes in the extension of the landfill sites or the identification of alternative sites, as well as the rehabilitation of the existing sites.

Household and business waste from Van Wyksdorp is collected every week and disposed of at the Ladismith landfill site. Factories, namely Ladismith Kaas and Parmalat dispose their waste, mostly commercial and industrial waste at the Ladismith Landfill site at a daily base. The Municipality does not provide waste collection services to farms, but farmers are encouraged to drop off their waste at the various landfill sites.

Ladismith and Zoar has operational licenses in and Calitzdorp and Van Wyksdorp has been licensed for closure.

The following illustrates all licensed landfill sites:

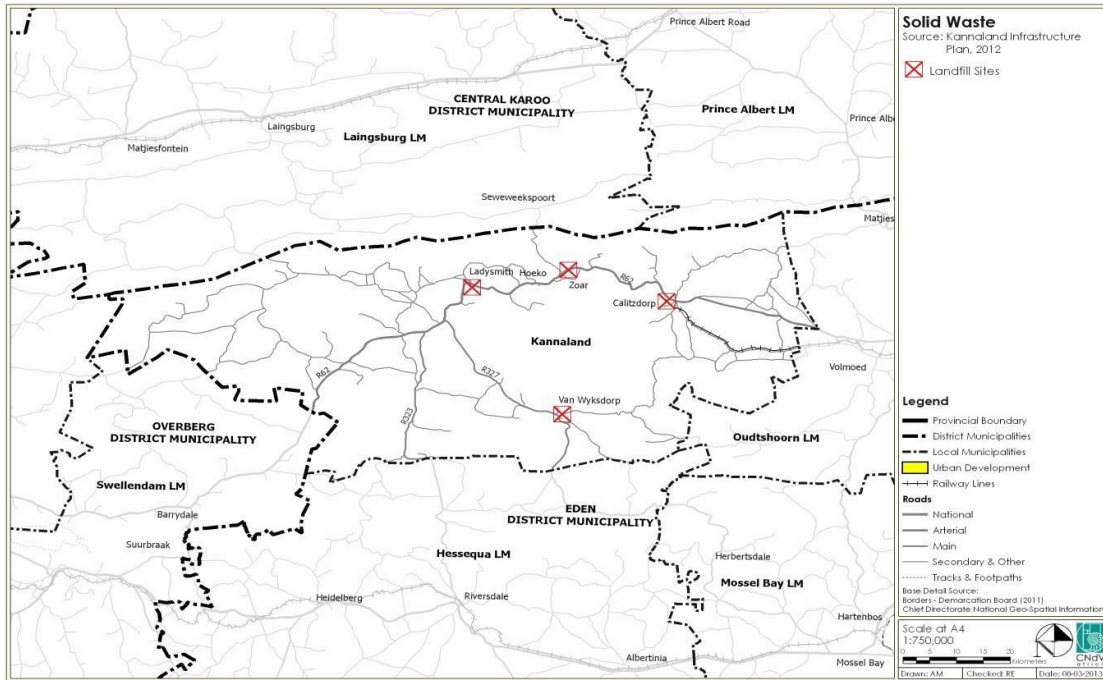


FIGURE 1: LANDFILL SITES – AS INDICATED IN SDF FIGURE 3.4.7.1

LANDFILL SITE: LADISMITH

The Ladismith landfill site is a licensed facility owned and operated by the KLM which only accepts general domestic, garden and construction and demolition (C&DW) waste. In September 2018 the KLM received a Waste Management Permit for the operation and further development of the Ladismith landfill site in terms of the Waste Act, 2008.

LANDFILL SITE: CALITZDORP

The Calitzdorp landfill site is a licensed facility owned and operated by the KLM which accepts garden and construction and demolition waste (C&DW). The site has been issued with a variation license for the operation and closure of the landfill for the period September 2018 to July 2020.

LANDFILL SITE: ZOAR

The Zoar landfill site is a licensed facility owned and operated by the KLM which accepts general domestic, garden and construction and demolition (C&DW) waste. In September 2018 the KLM received a Waste Management Permit for the operation and further development of the Zoar landfill site in terms of the Waste Act, 2008. The KLM can continue to use the Zoar landfill site until the airspace capacity is reached.

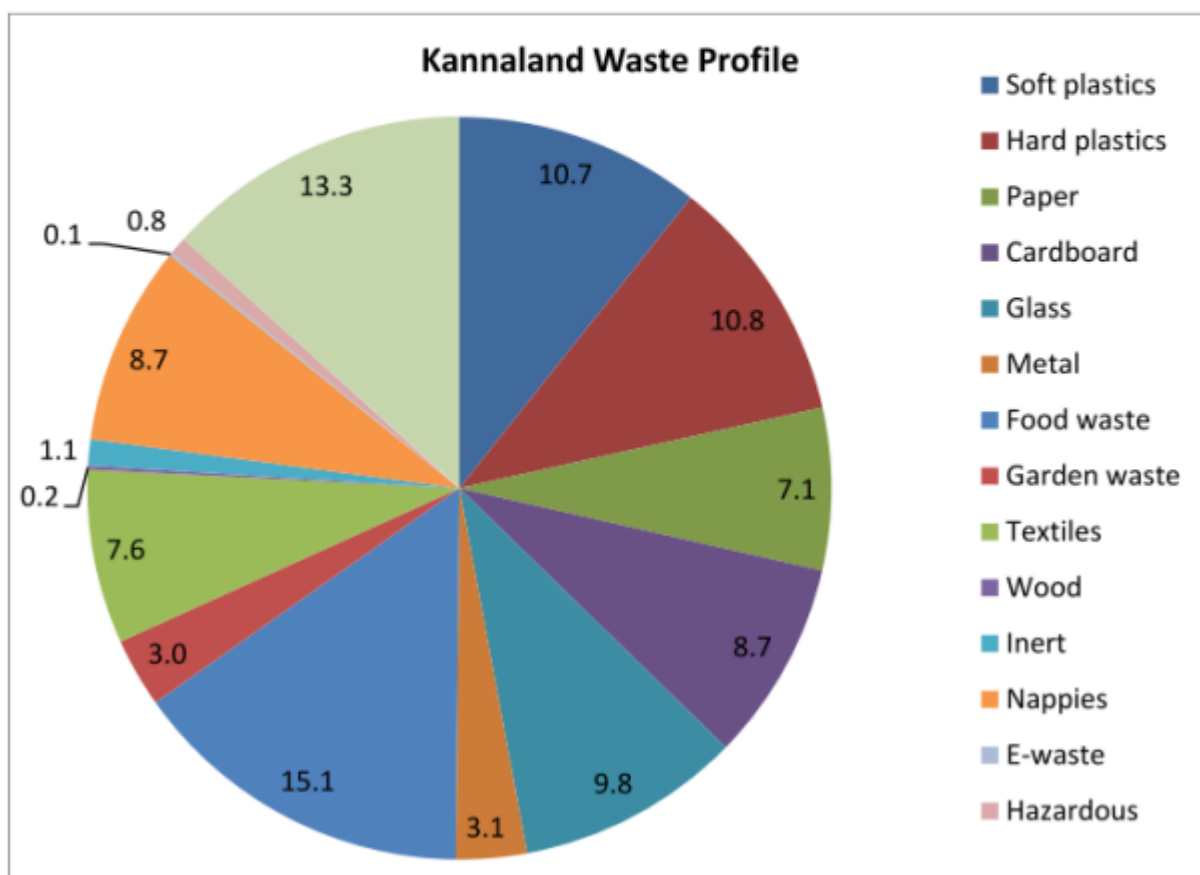
LANDFILL SITE: VAN WYKSDORP

The Van Wyksdorp landfill site is a licensed facility owned and operated by the KLM. The site has been issued with a variation license for decommissioning and closure for the period July 2018 to September 2029. Closure activities have commenced.

KANNALAND MUNICIPALITY WASTE COLLECTION SERVICE

All formal residential erven are receiving a weekly door-to-door waste collection service. Most healthcare risk wastes are managed by private contractors. No significant and formal waste reduction, minimization and avoidance are presently being done. The paid collection rates are as follows:

Service	No of households	% of households
Removed weekly	5186	81.9
Communal refuse dump	231	3.6
Own refuse dump	792	12.5
No refuse disposal	81	1.3
Other	42	0.7



2023/24 ACCELERATED SERVICE DELIVERY PROGRAM

CLEAN-UP IN ALL FOUR TOWNS

The municipality has embarked on an accelerated service delivery program which is rolled out in all four towns. The objective of the program is to fast-track service delivery, eradicate illegal dumping and provide quality services to the communities of Kannaland. Informal settlements are where the challenge for illegal dumping is a constant problem. Although waste is collected weekly, it still gets disposed of illegally. The purpose of this activity was to ensure that the community is being kept clean for the well-being of the residents, to minimize pollution and to maintain a clean environment. Education awareness programs of the benefits of living in a clean and healthy environment is ongoing.

The table below indicates the financial performance: for waste management services

Refuse					
Financial Performance for the financial year 2022/23 to 2023/24: Financial Services					
	2022/23	2022/23	2023/24	2023/24	
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R9 626 677,58	14 131	14 131	10 764	
Expenditure:					
Employees	R6 792 044,32	6 835	6 840	7 692	
Repairs and Maintenance	R539 636,74	-	-	-	
Other	R472 529,56				
Total Operational Expenditure	R7 804 210,62	9 891	10 250	5 279	
Net Operational Expenditure		(4 240)	(3 881)	(5 485)	

No capital expenditure was incurred on waste management services during 2022/2023

Capital Expenditure 2023/24: Waste Management Services					
					R' 000
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0		

TABLE 45: CAPITAL EXPENDITURE –WASTE MANAGEMENT SERVICES – SOURCE AFS

The table hereunder indicates the policy objectives for waste management services as extracted from the IDP and SDBIP.

Waste management Service Policy Objectives Taken From SDBIP/IDP					
Service Objectives	Outline Service Targets	2022/23		2023/24	
		Target	Actual	Target	Actual
Number of formal residential properties for which refuse is removed at least once per week and billed for the service as at 30 June 2022.	Number of formal residential properties which are billed for refuse removal services as at 30 June 2022	4546	4551	4550	4553

TABLE 46: WASTE MANAGEMENT SERVICES POLICY OBJECTIVES TAKEN FROM THE IDP – 2022/23 AND 2023/24

CAPACITY BUILDING

- Noise Basic Training
- Health Risk and Impact Assessment Training
- Emission Management Training
- System for National Atmospheric Emission Licensing (SNAEL) Training
- Tank Emission Modeling
- National Dust Control Regulation Implementation Training
- Collaborator Training
- Introduction to Air Quality Management

POLICY DOCUMENTS WERE UPDATED/DEVELOPED:

- 3rd Generation Integrated Waste Management Plan adopted by Council and integrated in the IDP
- Organic Waste Diversion Plan, integrated in the IDP
- Waste Minimization Strategy adopted by Council and integrated in the IDP
- Air Quality Management Plan, adopted by Council and integrated in the IDP
- Awareness Material for Waste Management, Recycling, Illegal dumping and Pollution control were developed

INTEGRATED WASTE MANAGEMENT IMPLEMENTATION PLAN

Much progress can be reported on in terms of waste management during 2023/2024. District support, Policy review, EPWP appointments in the Waste Management unit; inclusion of IWMP review as key performance indicator in 2023/2024 SDBIP; and dedicated staff all attribute to this improvement in performance.

This improvement will be intensified during 2025/26 through the identification of additional KPIs and targets relating to waste management, in particular with regards to:

- Development of an annual waste awareness calendar;
- Documentation of waste awareness campaigns and storing thereof in a central database;
- Intensify efforts on hazardous waste awareness campaigns;
- Intensify waste awareness campaigns at schools and informal settlements;
- Review organogram to ensure all waste management key positions are filled;
- Attendance of GRDM and Provincial IWM IGR Forums (Including JDMA engagements)
- Development of a training schedule for municipal employees and budgeting therefore; (R10 000 per employee)
- Reporting on clean-up of depot;
- Purchase of a waste compactor truck per annum (2023-2026)
- Purchase of a backup truck for refuse collection;
- Review of waste disposal tariffs;
- Finance department to review indigent register;
- GRAP assessments of landfill sites to be conducted annually;
- Annual budget allocation be ring fenced for rehabilitation and closure of landfill sites;
- Conducting annual surveys on remaining airspace available at Ladismith and Zoar landfill sites;
- Develop an organic waste diversion plan and submit to DEADP;
- Implement an in-house recycling programme;
- Roll out and pilot a home composting programme and develop small composting facilities;
- Review waste management by-laws and appoint a waste ranger/peace officer to enforce by-laws.
- Develop waste infrastructure master plans;
- Conduct internal and external audit of all landfill sites.

3.4 HOUSING

Kannaland Municipality appointed CHS Developments as Implementing Agent for the development and construction of low-cost houses and associated infrastructure for the Municipality in terms of Regulation 32 of the Municipal Supply Chain Regulations with effect from November 2019 for a three-year period. Applications were submitted during the course of 2019 to the Western Cape Provincial Department of Human Settlements for the following projects:

1. Parmalat site, Ladismith where 280 housing units will be developed;
2. Upgrading of Informal Settlement (UISP) in Zoar for 65 serviced sites, where an informal settlement will be after completion of the project residents of the informal settlement will have access to basic services. At the moment residents of the informal settlement do limited access to basic services.
3. Zoar Maxi's site, where 100 housing units will be constructed. Some of our less fortunate experiences were the fact that the Municipality could not deliver basic services to informal settlements to a certain extent. A challenge which we are facing is the fact that bulk services cannot be delivered in informal settlements because plots in these areas which cannot be formalized. We currently have 328 informal dwellings spread over 12 informal settlements in the municipal area.

A constraint which hampers service delivery in the informal settlements is the absence of bulk basic services which cannot be delivered to some of these settlements. Environmental Impact Assessments have to be conducted to ascertain whether these areas occupied to erect informal settlements are conducive for occupancy. Applications to deliver bulk basic services in informal settlements were submitted to Municipal Infrastructure Grant (MIG) through Technical Services Department in March 2018.

The application was however declined because the plots were not registered. The provision of affordable housing is a high priority for the Municipality. Challenges do exist with regards to the capacity of bulk infrastructure services with specific reference to waste-water treatment works, water storage and water works. This has delayed the delivery of housing projects over the past few years which has resulted in the significant increase on the housing demand. -

The Municipality developed a Human Settlement Allocation Policy which regulates the housing demand and the allocation of housing opportunities to the different categories on our Housing Demand Database. A Human Settlements Sector Plan was adopted by council on 23 August 2023. This plan is valid for a period of 3 years. Asla started with the construction of 155 integrated reconstruction and development programme (IRDP) houses in Calitzdorp on 18 September 2023 and will complete the project by 31 May 2024. A total number of between 20 - 30 houses will be handed over to approved beneficiaries during December 2023. Thereafter batches of between 20 - 30 houses will be handed over approved beneficiaries until the end of the project. Kannaland Municipality appointed CHS Developments as Implementing Agent for the development and construction of low-cost houses and associated infrastructure for the Municipality in terms of Regulation 32 of the Municipal Supply Chain Regulations with effect from October 2019 for a three-year period.

The tables below indicate the financial performance and capital expenditure for 2021/22 – 2022/23 financial year:

Housing					
Financial Performance for the financial year 2021/22 to 2022/23: Financial Services					
	2021/22	2022/23	2022/23	2022/23	
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget

Total Operational Revenue	R531 804,50	1 800	–	–	
Expenditure:					
Employees	R966 037,21	1 006	1 009	51	1
Repairs and Maintenance	R0,00	-	-	-	
Other	R547 488,83	-	-	-	
Total Operational Expenditure	R1 513 526,04				

TABLE 47: FINANCIAL PERFORMANCES OF HOUSING SERVICES - SOURCE: AFS

No capital expenditure incurred for housing development for the year under review.

3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic municipal services are rendered to all urban areas and some rural areas within the municipal boundaries. The objective of Kannaland Municipality is to ensure that the procedures and guidelines, regarding indigent household subsidies, are known to all.

This action is usually done through public participation meetings, ward committee meetings and council feedback meetings. Applications for a subsidy can be made with the assistance of a person in charge of permanent offices in the areas.

Special drives are also performed in the different wards where the community is invited to come and apply for a subsidy at a hall nearby or municipal offices and where they are also assisted with the completion of the applications.

The tables below indicate the households that received free basic services:

Free Basic Services to Low Income Households								
	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
	Access	%	Access	%	Access	%	Access	%
2020/21	2479	100%	2479	100%	2479	100%	2479	100%
2021/22	2279	89%	2279	89%	2279	89%	2279	89%
2022/23	2290	49%	2290	49%	2290	49%	2290	49%
2023/24	2381	50.09	2381	50.09	2381	50.09	2381	50.09

TABLE 48: FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS - SOURCE: SAMRAS (MUNICIPAL STATISTICS)

COMPONENT B: ROAD TRANSPORT

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

3.6 ROADS AND STORM WATER

MUNICIPAL ROADS

The Municipality is responsible for the maintenance of roads within the four (4) towns (Ladismith, Calitzdorp, Zoar and Van Wyksdorp).

The Municipality is aware of the challenges with regard to road maintenance in Ladismith and is planning to upgrade all the streets and pavements in Ladismith in the next few financial years. Pot hole repairs and road maintenance was ongoing during 2023/24.

Storm water systems exist in most of the residential areas. In informal and low-cost housing areas. Daily maintenance consists of opening and cleaning catch pits, manholes, side drains and open channels.

No capital expenditure incurred for the year under review. Challenges in funding projects remain unchanged, however it should be taken into consideration that business plans have been submitted to address the road and storm water backlogs as outlined in the IDP.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

3.7 PLANNING

3.7.1 INTEGRATED DEVELOPMENT PLANNING AND DEVELOPMENT

The critical vacancy in the position of Manager: IDP, LED and PMS was filled on 1 July 2021 following the resignation of the Manager: IDP and PMS during March 2021. The undermentioned integrated development planning and public participation engagements were undertaken during 2021/2022:

3.7.2 IDP PUBLIC PARTICIPATION STAKEHOLDER ENGAGEMENTS

The table below indicates the community engagement sessions with the stakeholders in the four wards: Please note this table indicates only the final phase of the public participation:

Project/Programme	Public participation activity undertaken	Venue / Ward	Dates
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Nissenville community Hall, Ladismith - Ward 1	09 October 2023
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Town Hall, Calitzdorp - Ward 2	12 October 2023
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Maxi's Hall, Zoar - Ward 3	11 October 2023
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Town Hall, Ladismith Town - Ward 4	10 October 2023
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	VDI Community Hall, Van Wyksdorp - Ward 4	16 October 2023

Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Nissenville community Hall, Ladismith - Ward 1	13 May 2024
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Town Hall, Calitzdorp - Ward 2	16 April 2024
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Maxi's Hall, Zoar - Ward 3	17 April 2024
Kannaland IDP/PMS and Budget Public participation Stakeholder engagement	Discussion workshop on Draft with Predecessor IDP amendments	Town Hall, Ladismith Town - Ward 4	14 May 2024
GRDM IDP Rep Forum	Inputs into Final Predecessor IDP with amendments	Outeniqua Committee Room	08 August 2023
GRDM IDP Rep Forum	Inputs into Final Predecessor IDP with amendments	ZOOM	16 November 2023
GRDM IDP Rep Forum	Inputs into Final Predecessor IDP with amendments	JOC	12 February 2024

3.8 ELECTRICITY

ENERGY SECURITY

Electricity is the main energy source of households. The Kannaland Municipality is responsible for the provision of electricity to Ladismith and Calitzdorp, whilst Zoar and Van Wyksdorp are supplied by ESKOM.

Kannaland infrastructure is outdated and in need of urgent upgrade. The Municipality has over the past four years invested in new infrastructure to ensure secured electricity distribution to businesses and the community. The current substation in Calitzdorp has an electricity usage capacity of 1.7 MVA and the availability of electricity is 1.2 MVA.

No major infrastructure projects were completed, it must be taken into account that the Municipality rendered services to the community of Kannaland.

It is imperative that the electricity infrastructure be maintained at all times in order to identify where upgrading on aged infrastructure is needed. Upgrading and refurbishment of infrastructure will result in a secure revenue stream as well as quality services delivered to the residents of Kannaland. The capital expenditure is a roll over project from the prior year.

The undermentioned close out report from the Manager: Electrical and Mechanical Services provides valuable information of progress made in relation to the unit before his resignation.

It is imperative that the electricity infrastructure be maintained at all times in order to identify where upgrading on aged infrastructure is needed. Upgrading and refurbishment of infrastructure will result in a secure revenue stream as well as quality services delivered to the residents of Kannaland.

MAINTENANCE

Refurbished 10 pumps and 7 delivered by 29th October 2021. 3x48kw Zoar delivered during November 2021. Chemical procured to dissolve the solids in sewage stations as this burns out the pumps. Rhenda has confirmed availability of the chemical. Pole replacement for Ladismith town, Nissenvile and some parts of Calitzdorp as some poles are rusty and ageing – MDL to give quote. Maintenance of switchgears for Ladismith and Calitzdorp to be prioritized as maintenance was not done in the past 5 years. Vegetation management required attention with the electrical team cutting trees during power shut down on 28th October 2021.

BUDGET

Budget needs to be split as two sections mechanical and electrical are continually breaking down. Material and supply budget is close to depletion as more meters and other material are needed. The budget of the municipality must also accommodate appointment of securities at the boreholes as theft and vandalism is now rampant

TRAINING AND DEVELOPMENT

Two employees in the unit have been trained assessed and found competent for ORHVS and will undergo practical authorization with two Eskom officials mentoring them towards obtaining their practical authorization. Two officials identified to undergo a trade test and ORHVS for backup of switching off HV& MV lines. Staff be identified to undergo Cherry picker certification as Kannaland Municipality does not have a certified Cherry picker operator. Staff also be identified to obtain Wireman license for municipality to have people for COC.

RECRUITMENT

Memorandums prepared for appointment of electrician in Calitzdorp area. Appointment of staff to be prioritized particularly funded posts in Electrical & Mechanical experiences critical vacancies. Only one municipal official standby in mechanical unit throughout the month and doing electricity complaints. This is a huge risk.

AESTHETICS

We also need to focus on the aesthetics of VWD. If we want to live and work in an ideal environment, we need to pay attention to dilapidated houses in the Centre of town. Owners of said houses should be held accountable. An attractive environment attracts visitors and potential buyers that stimulates the economy significantly. A few examples are Greyton, Graaff- Reinette, Stellenboch, Franschhoek, etc. A suggestion is that an official in the Municipality should be allocated to manage aesthetic matters and co-ordinate with Aesthetic committees in the different towns.

The table below indicates all highlights, challenges and interventions incurred by themunicipality:

HIGHLIGHTS	CHALLENGES	INTERVENTIONS
Completion of the upgrade of the Ladismith electricity main sub station	Significant financial constraints:	Council to review tariff structure
Appointment of qualified Manager: Electrical and Mechanical Services	Lack of and high staff turnover/training	Council to look at wayleave by law for the municipality
Training, Eskom mentoring and certification of staff	Fleet, Tools, equipment and materials	SSEG bylaw and tariff to be drafted.
	Safety and security	Appointment of securities at borehole sites
	Load shedding	Application submission for upgrade from 100kva to 200kva and the estimated quote is R265 810.
	Need for generating alternative energy supply	WCPG to assist with review of Energy Master plan
	Resignation of Manager: Electrical and Mechanical Services	Commission a qualified Electrical Engineer to assess the Ladismith Power Network and to compile a Network Distribution Upgrade Plan to be completed in a 4-year timeframe.
	Lack of coordination of departments.	Upgrade the overhead electricity cables that dates from the 1970's to modern below ground cables and distribution transformers in line with current best practices and standards. (This trenching can be done in conjunction with the laying of Fiber optic cables)
	No application form for commercial customer	Upgrade transformers for distribution.
	Vehicle shortages on electricity & Mechanical	Implement 'n standardized maintenance plan to continuously upgrade and maintain the power network.
	Staff shortage	Implement the Western Cape Provincial Government plan for small scale, grid tie, home electricity generation.
	Collaborator to be modified to send out reference numbers to customers logging fault.	Pilot alternative energy generation sources (Solar and nuclear power stations)
	Funding for infrastructure of Ladismith & Calitzdorp is too old and unreliable.	
	Faulty meters and availability of staff to issue tokens after hours.	

TABLE 49: ELECTRICITY HIGHLIGHTS, CHALLENGES AND INTERVENTIONS

Despite the challenges listed, the municipality provide adequate services to their community and businesses.

ELECTRICITY SERVICE DELIVERY LEVELS

Electricity Service Delivery Levels		
Households		
Description	2022/23	2023/24
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity – Conventional	223	210
Electricity – prepaid	3642	3590
Minimum Service Level and Above sub-total	3865	3800
Minimum Service Level and Above Percentage		
Energy: (below minimum level)		
Electricity (< min. service level)		
Below Minimum Service Level sub-total		
Below Minimum Service Level Percentage		
Total number of households	3865	3800

TABLE 50 - ELECTRICITY SERVICE DELIVERY LEVELS 2022-2023 AND 2023/24- SOURCE: SAMRAS (MUNICIPAL STATISTICS)

The tables below indicate financial performance and capital expenditure for 2023/24 financial year:

Description	2022/2023	2023/2024	Energy Sources
	Actual	Actual	Variance to Budget
	R'000		%
TOTAL OPERATIONAL REVENUE	R65,267,777.00	R 73,634,990.00	89%
EXPENDITURE:			
Employees	3528660	R 3,865,599.00	91%
Materials	319,880	R 539,328.00	59%
Depreciation	2,183,555	R 2,128,062.00	103%
Bulk	55,312,841	R 60,101,142.00	92%

Other	2,971,795	R 1,634,753.00	182%
Total Operational Expenditure	64316731	R 68,268,884.00	94%
	R951,046.00	R 5,366,106.00	18%

TABLE 51: FINANCIAL PERFORMANCE PER ELECTRICITY SERVICES - SOURCE: AFS

The table below indicates capital expenditure for the year under review:

Capital Expenditure: 2023/24		R15 815 520,38	R19 543 241,00	R18 481 383,94	94,6%
Department		Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Electricity Services	INEP - MINATENANCE OF ELECTRICITY NETWORK	R 556 787	R 556 787	0	0

TABLE 52: CAPITAL EXPENDITURE PER ELECTRICITY SERVICES 2023/24 - SOURCE: AFS

The table below indicates the policy objectives as extracted from the IDP and SDBIP.

Electricity Service Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	2022/23		2023/24	
		Target	Actual	Target	Actual
Provision of electricity to formal residential account holders connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering. Number of formal residential properties connected to the municipal electrical infrastructure network (excluding Eskom areas) as at 30 June 2024	Number of formal residential properties which are billed for electricity/have pre-paid electricity (excluding Eskom areas) as at 30 June 2024	3400	3711	3797	3800

TABLE : ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP – 2022/23 AND 2023/2

Despite the challenges listed, the municipality provide adequate services to their community and businesses.

ELECTRICITY SERVICE DELIVERY LEVELS

Electricity Service Delivery Levels		
Households		
Description	2022/23	2023/24
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity – Conventional	223	210
Electricity – prepaid	3642	3590
Minimum Service Level and Above sub-total	3865	3800
Minimum Service Level and Above Percentage		
Energy: (below minimum level)		
Electricity (< min. service level)		
Below Minimum Service Level sub-total		
Below Minimum Service Level Percentage		
Total number of households	3865	3800

TABLE 53 - ELECTRICITY SERVICE DELIVERY LEVELS 2022-2023 AND 2023/24- SOURCE: SAMRAS (MUNICIPAL STATISTICS)

The tables below indicate financial performance and capital expenditure for 2023/24 financial year:

Description	2022/2023	2023/2024	Energy Sources
	Actual	Actual	Variance to Budget
	R'000		%
TOTAL OPERATIONAL REVENUE	R65,267,777.00	R 73,634,990.00	89%
EXPENDITURE:			

Employees	3528660	R 3,865,599.00	91%
Materials	319,880	R 539,328.00	59%
Depreciation	2,183,555	R 2,128,062.00	103%
Bulk	55,312,841	R 60,101,142.00	92%
Other	2,971,795	R 1,634,753.00	182%
Total Operational Expenditure	64316731	R 68,268,884.00	94%
	R951,046.00	R 5,366,106.00	18%

TABLE 54: FINANCIAL PERFORMANCE PER ELECTRICITY SERVICES - SOURCE: AFS

The table below indicates capital expenditure for the year under review:

Capital Expenditure: 2023/24		R15 815 520,38	R19 543 241,00	R18 481 383,94	94,6%
Department		Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Electricity Services	INEP - MINATENANCE OF ELECTRICITY NETWORK	R 556 787	R 556 787	0	0

TABLE 55: CAPITAL EXPENDITURE PER ELECTRICITY SERVICES 2023/24 - SOURCE: AFS

The table below indicates the policy objectives as extracted from the IDP and SDBIP.

Electricity Service Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	2022/23		2023/24	
		Target	Actual	Target	Actual
Provision of electricity to formal residential account holders connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering. Number of formal residential properties connected to the municipal electrical	Number of formal residential properties which are billed for electricity/have pre-paid electricity (excluding Eskom areas) as at 30 June 2024	3400	3711	3797	3800

infrastructure network (excluding Eskom areas) as at 30 June 2024					
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TABLE 56: ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM THE IDP – 2022/23 AND 2023/24

3.9 BUILDING CONTROL

Introduction:

Spatial Planning and Land Use saw significant changes due to the development of the Land Use Planning Act and the Spatial Planning Land Use Act. These legislative changes required the Municipality to draft a by law on land use planning. Legislative disputes on a national and provincial level resulted in a lengthy consultation process that in the end saw Council Adopting a Planning By-Law in June 2015.

The Municipality provides a full spectrum of town planning and building control services within the administrative area. The Division Town Planning and Building Control also includes a compliance component which is responsible for the enforcement of the regulations relating to municipal planning and building control, as well as environmental issues – this must be enforced by a bylaw which the Municipality does not consist of yet.

In terms of spatial planning, there is no capacity within the municipality to assist in running the process. The Spatial Development Framework is outdated and do not comply with SPLUMA regulations. The Department of Rural Development is assisting the municipality with the compilation of a new SPLUMA compliant SDF. Municipal Infrastructure Support Agency (MISA) is assisting the municipality with capacity and a Young Graduate is deployed to the Municipality to assist with the compiling of the SDF process. For the 2023-2024 financial year 50 building plans have been approved and implemented.

3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)

The LED and Tourism Strategy were updated during 2021/2022 and incorporated into the Predecessor 2022-2027 IDP with amendments.

A platform has been developed for continuous interaction between business sectors, political leadership, the administration and community to build a common understanding on Local Economic Development objectives and outcomes linked to the IDP. Kannaland Business Chambers are regularly engaged on developmental issues and their inputs into the process has been incorporated into the IDP which is reported on at the community stakeholder participation engagements bi annually.

The objective of the EPWP Phase 4 program is to provide work opportunities and income support to poor and unemployed people through labor intensive work. Various projects have been approved by Council for implementation and the Municipality managed to achieve the target as set out.

GARDEN ROUTE SKILLS MECCA

Kannaland Municipality actively participates in the Garden Route Skills Mecca Program which is aimed at accessing funding to initiate training programs throughout the district. Kannaland Municipality has identified youth from the community to successfully participate in training programs relating to Home Based Care and Law Enforcement during 2022/23. The training program includes a combination of theoretical learning and experiential training where learners are placed at various organizations (public or private) for practical experience.

It is important to note that in between quarterly Task Team and Forum meetings ongoing interactions will take place between the GRSM Team and the stakeholders in each local municipal area to assist with determining skills needs and the development of capacity to prepare proposals and implement – projects and programmes aligned to the GRDM Growth and Development Strategy.

The tables below will show the jobs created through EPWP programmed during the year under review:

3.11 JOB CREATION

EPWP PROJECTS

EPWP PROJECTS 2023/2024	NO OF JOBS CREATED
IG Security Services and Peace Officers	14
IG Kannaland Fire and Rescue Trainees	8
IG Cleaning of Kannaland Stormwater Channels	40
IG Cleaning of Kannaland Towns	60
IG Water and Waste Water Plant Access Control	18
IG Anti Bullying Controlling Officers	9
IG Kannaland Youth Holiday Program	36

TABLE 57: JOBS CREATED THROUGH EPWP
(2023/2024)

OTHER GRANT FUNDED PROJECTS	NO OF JOBS CREATED
MIG Refurbishment & Upgrade of Zoar WWTW	5
MIG Refurbishment & Upgrade of VWD WTW	6
MIG Upgrade of Greenhill's VWD WWTW	7
WSIG UPGRADE LADISMITH WASTE WATER TREATMENT WORKS	10

TABLE 58: JOBS CREATED THROUGH OTHER GRANT FUNDED PROJECTS (2023/2024)

3.12 TOURISM

Kannaland Municipality has entered into a three-year (2022-2025) Memorandum of Agreement (MOA) with both the Calitzdorp and Ladismith Tourism Bureaus. The Kannaland Local Tourism

Offices remains committed to support and promote their stakeholders being the Kannaland Municipality and Members (paid up business members in Kannaland). As such the mission is to support the plans and initiatives of the Kannaland Municipality and through various activities promote the municipal area as a tourism destination of choice, to promote the growth of current business's, encourage the initiation of new businesses with the goal of maximizing opportunities for employment.

TOURISM OBJECTIVE:

Develop and implement a tourism strategy to attract more visitors and produce economic benefits for community at large.

Promote Kannaland as a "destination area" via tourism events and multi-media marketing and by ensuring continuation of the excellent coverage received from organizations such as MNET (Kyknet, Fiesta), SABC, printed media and radio.

Promote and enable local produce to be more accessible to tourists.

Mobilize support from role-players and stakeholders to ensure a clean, safe and attractive town.

Participate actively in tourism awareness campaigns to unlock and harness the tourism potential of the area, particularly indigenous knowledge and culture amongst local inhabitants and the unique flora (Succulents) of the area.

Mobilize the support of stakeholders and role-players to build a tourist-friendly region

Research and promote tourism opportunities that can benefit historically disadvantaged communities in the region

The regional film industry

Foster an integrated approach to tourism development through engagement with various government departments viz Dept of forestry and fisheries, SAPS, Social Development; Dept of Economic Development, etc.

FINANCIAL IMPLICATIONS

To facilitate such transfers, the Municipality has entered into a Memorandum of Agreement (MOA) with each of the two Tourism Offices in accordance with Section 67 of the Local Government: Municipal Finance Management Act No 56 of 2003, substantially in the form of the agreements which were drafted with business plans for each of the respective Tourism Bureaus. Kannaland Municipality has made available R40 000 to both Calitzdorp and Ladismith Tourism Bureaus at the end of every three (3) months (per quarter). Both concerns have been externally audited and are considered going concerns. The intention is to adopt an integrated development approach to tourism promotion through the involvement of all sectors. The bureaus have been actively involved in clean-up projects, restoration of heritage sites (Stanley se Liggie) and hiking trails, youth development, promoting safety and security for tourists and community; skills mecca participation. website and face book social media marketing of the area, social initiatives relating to the street children social programme. Products of local entrepreneurs are marketed and events and festivals organized and supported.

KANNALAND TOURISM STRATEGY

The IDP recognizes tourism as one of the key economic sectors in the municipality, calling for redevelopment of a tourism master plan or a municipal wide tourism strategy. Council adopted the LED and Tourism Strategy on 30 June 2022. Both strategies were developed

in house. The local tourism offices need urgent support from the government department to assist in either funding of programs or the development of each town.

The tourism sector can contribute significantly to the reduction of unemployment. Kannaland's economy is built on the opportunities created by tourists visiting the area. It is essential that the tourism industry be further developed and investment into this industry be promoted to ensure continuous growth. The aim is that each town should have a tourism satellite office which will reside under the Kannaland Tourism umbrella.

Declaration of Loans and Grants made by the municipality: Year 0					
All Organization or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 2022/2023 R' 000	Value Year 2023/2024 R' 000	Total Amount committed 2023/2024
Calitzdorp Tourism Bureau	Promoting and marketing tourism in Calitzdorp	Business and action plan	R160 000	R160 000	R200 000
Ladismith Tourism Bureau	Promoting and marketing of Tourism in Ladismith	Business and action plans	R160 000	R160 000	R200 000

TABLE 59: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY:

3.13 Libraries

- Promote Lifelong learning
- Reflect and serve communities according to their needs.
- Help with research and data collection
- Places and spaces for community programmes and community involvement.
- Libraries provide a place to find the resources to learn new skills.
- Libraries provide an opportunity to fight unemployment, illiteracy and digital illiteracy.
- Libraries connect people, up-skill them, enable creative learning and build communities.

The municipality renders the library service on an agency basis for the Provincial Government which is funded 100% through grants (Municipal Replacement fund and Conditional Grant) The municipality views the libraries as key to developing the human capital, encouraging people to equip themselves with knowledge and skills in order to lead quality lives.

Kannaland Library Services

Kannaland Library Service has six Libraries.

- Bergsig Library
- Calitzdorp Library

- Hoeko Library
- Ladismith Library
- Van Wyksdorp Library
- Zoar Library

Our Goal

- Enhance the ability of Library Services to serve the communities of Kannaland.
- Increase the visibility of Library Services.
- Re-energize the connection existing amongst the established customers
- Open up possibilities that allows Libraries to expand on current services offered with the collaboration of partners.
- Facilitating access to resources that Kannaland libraries are not able to provide and expanding on the reach to new audiences (Inter library loans)

Ladismith Public Library

Ladismith Library is currently operating at its full capacity. An electronic lending system SLIMS has been introduced successfully since September 2011. The circulation with reference to the number of registered users remains high. The RLCP Program has been successfully introduced. The library still struggles to render a service which fills the void created by weak school libraries. Staff in the Ladismith Library attend to the information needs of learners. The library is in need of additional space for individual learners and those working in groups and transport the visit remote farm communities.

The library provides free internet access to users for which the demand is high and increasing due to the effective management of the service.

Calitzdorp Library

Calitzdorp Library is currently operating at its full capacity. The library has three computers with internet access for users and the general public.

Zoar Library:

Zoar library is currently operating at its full capacity. The SLIMS' electronic lending system has been introduced in March 2019 the library has three computers with internet access for users. With an upgrade of 4 new computers in 2020. The library has lots of outreach and literacy programs for young children. This includes a newly established reading club for young adults during the winter periods.

Van Wyksdorp Library

The operating hours were extended. Morning hours were minimized to five hours (8:00 – 13:00) Mondays to Fridays. Extension of the afternoon hours (13:30-16:00) to benefit learners and premises occupied presently are in the process of being reviewed. Van Wyksdorp Library since the resignation of the permanent staff member are not fully functioning on the SLIMS lending system for libraries and has three computers with internet access for the public and learners.

Hoeko Library

The Hoeko valley are located 13 KM outside of Ladismith with a population of round about 600 people living there and a well-known for its seasonal fruits. Kannaland Library Service has a long and fruit full history with the people of Hoeko out of this relationship were and by working closely with the Department of Education came this idea to light to open a satellite library for the people of Hoeko. A manual system is still used at the Hoeko Library.

Bergsig Library

Bergsig library is currently operating at its full capacity. With 2 computers internet access for the public and learners.

Library Outreach Programs and Displays

- Libraries facilitate outreach programs and market library material and services available through the following programs.
 - School Holiday Programs
 - After school Programmes
 - Literacy Programmes
 - Book Clubs
 - Service to old age homes
 - National days
 - Library week programmes
 - Library orientation and book education (Grade R and new library patrons)
 - Educational Programmes for the community.
 - Arts and Craft workshops
 - Library Displays are used to market national day, library Collections and various community related matters.

Library outreach programs have been conducted to raise educational awareness amongst scholars and adult users. Kannaland library service has been liaising with various stakeholders to ensure that outreach programs are successful and that it reaches the bulk of Kannaland communities.

Service delivery Levels

The table below specifies the service delivery levels.

Type of Service	2023/2024
Library Membership (Active user only)	1189 (Bergsig, Hoeko, Van Wyksdorp not active on SLIMS)
Book Circulation	39920 (Bergsig, Hoeko, Van Wyksdorp not active on SLIMS)
Library Displays	36
Outreach Programmes	12
School Visits	5

The tables below illustrate the highlights and challenges experienced by Library Services.

LIBRARY SERVICES HIGHLIGHTS AND CHALLENGES

HIGHLIGHTS

HIGHLIGHT	HIGHLIGHT DESCRIPTION
World read a-loud day	Kannaland Libraries pledge to read to more than 500 children aloud. We reached over 670 Children.
LIBBY	Kannaland Library users were introduced to LIBBY in the course of 2023 (LIBBY is an only reading app available to all library users.)

CHALLENGES

CHALLENGES	DESCRIPTION
Power Outages / Loadshedding	During Feb 2024 Ladismith experienced a 15-day long power outage and in October again (3 days)

Burglaries	Equipment to the value of R120 000,00 were lost in 2 Burglaries at the Ladismith and Bergsig Libraries with minimal damages to the buildings.
SLIMS library system (SLIMS were offline since 15 November 2022)	<p>The provincial Library Service did everything in their power to ensure that ensure that all public libraries get to go live in August of 2023.</p> <p>Kannaland Libraries only went live in Oct/ Nov 2023. During this period library experienced major stock losses.</p>
Book detection Systems & People Counters.	<p>Book detection systems are currently not functional.</p> <p>Tagtron who installed the book detection systems and people counter were liquidated in 2020.</p>

3.14 CEMETRIES AND CREMATORIUMS

The Municipality has identified the need to develop new cemeteries due to capacity restrictions and the remaining utilization expectancy of the current cemeteries. Land for the new cemetery in Zoar has been identified and the re-zoning approved. The Environmental Impact Assessment was conducted.

The Ladismith cemetery has nearly reached its capacity but sufficient adjacent land is available to accommodate extension in terms of the Environmental Impact Assessment (EIA) Legislation. A formal process has been initiated to seek suitable alternative land.

The Bergsig and Calitzdorp town cemeteries have also reached full capacity. The Bloekomlaan cemetery will be utilized as an alternative cemetery site for the Bergsig and Calitzdorp town communities. This will be formally communicated through public participation processes. In addition, a further utilization expectancy study will be conducted.

The Van Wyksdorp cemetery has nearly reached its capacity and the consulting engineers have been instructed to seek suitable alternative land to establish a new cemetery for Van Wyksdorp. The Municipality is successful in maintaining the cemeteries to a high standard even though vandalism and theft of property are problematic and on the increase.

It should be noted that the planning for cemetery projects has been shifting to the outer financial years due to prioritization on water and sanitation projects.

NAME OF MUNICIPALITY	NAME OF CEMETERY	NO OF GRAVE SITES AVAILABLE AS AT 30 JUNE 2024
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KANNALAND MUNICIPALITY	Calitzdorp/Bergsig	16 graves left
	Calitzdorp: Bloekom Laan	150 graves left
	Ladismith	60 graves left
	Van Wyksdorp	98 graves left
	Zoar	500 graves left

TABLE 60: CARRYING CAPACITY KANNALAND CEMETERIES

The table below depicts financial performance of Cemeteries for 2023/24

Description	2022/2023	2023/2024	Cemeteries
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R27 559,00	R41 464 144,30	0,1%
EXPENDITURE:			
Employees	R56 735,66	R30 623,60	54%
Materials	R0,00	R0,00	0%
Depreciation	R19 380,00	R87 334,68	22%
Bulk	R0,00	R0,00	0%
Other	R28 145,76	R5 870,53	21%
Total Operational Expenditure	R104 261,42	R123 828,81	84%
	-R76 702,42	-R93 205,21	82%
Variances are calculated by dividing the difference between the actual's			

Table 61: Financial Performance of Cemeteries

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 Pollution Control

Urban expansion and farming in marginal areas to meet the demand of an increasing population, are leading to a loss of land and productivity. Secondary pressures, such as climate change, desertification and alien plant invasion, are further contributing factors.

Humans influence land degradation in three principal ways:

- The use of land resources for productive purposes: for agriculture, the collection of wood for fuel and building materials, as well as water abstraction and mineral extraction.
- The use of land resources for space needs, for example, settlement, infrastructure and recreational purposes.
- A tertiary set of influences comprises the incidental and often remote impacts of economic activity on land resources: for example, pollution of (sub) surface and atmospheric water resources by industry, alien plant invasion and climate change.

Agriculture has transformed much of Kannaland's natural landscape to cultivated lands. The Little Karoo, in general, which is under extensive agriculture, game farming and conservation land uses, falls within the category "Succulent Karoo /Spek boom/ Fynbos".

Land degradation manifests itself in the soil and in the veld. Sheet erosion is the most common form of soil degradation, with some rill and gully erosion in Kannaland. The Combined Land Degradation Index (CDI) indicates that the most degraded areas within.

Kannaland are situated around Ladismith and Calitzdorp because of overgrazing. The rest of Eden is only lightly affected by soil and veld degradation issues.

- To monitor land degradation in Kannaland, the following indicators need to be identified:
- Area of land under formal conservation protection;
- Landscape change;
- Number of agricultural subdivisions; and
- Combined Land Degradation Index.

Six impact groups associated with land degradation drivers in Kannaland are:

- Farming in marginal areas, which leads to loss of ecosystem integrity, loss of natural habitats and which exerts stresses on the natural resource base, for instance on water through irrigation of crops.
- Subdivision of agricultural land into uneconomically viable units and urban sprawl lead to diminishing agricultural returns.

- Urban expansion triggered by population growth and a better standard of living leads to the loss of agriculturally productive land and other land conflicts (e.g., conservation vs. urban development).
- Alien plant invasions cause veld degradation, a reduction on the quality and quantity of water and hence the loss of biodiversity resources.
- Climate change (global warming) brings an increase in the frequency of extreme weather events (droughts/ flooding), change in rainfall patterns and in extreme cases desertification. Loss of biodiversity is strongly associated with these phenomena.

3.16 WATER

Kannaland falls largely within the Gouritz Water Management Area, a grouping of primary water catchments, which are diverse in nature, evaporation exceeds rainfall in the northern catchments meaning that these are water stressed areas. In contrast, rainfall generally matches evaporation in the southern catchments meaning that these are generally moister environments. In the Gouritz River catchment the development of surface water resources has reached its full potential and all the water is fully utilized.

The inland water resources are under severe pressure through urban population increased. In concert with population growth Kannaland has experienced expansion in the provision of water services. In addition, low-cost housing projects emerging from the National Reconstruction and Development Programme (RDP), together with the National Water and Sanitation Programme which has contributed to water demand. A further pressure on the water resource is the influx of tourism over the holiday season, introducing a spike in water demand. Economic growth and consumer and export demand has led to an increase in agricultural production, which in turn has placed greater pressure on water resources through greatest abstraction for irrigation.

Alien invasive plant and animal species, introduced by human actions either accidentally or for commercial purposes, are proving a major threat to the quality and quantity water, as well as to the biodiversity of freshwater systems. Climate change is expected to lead to slightly reduced rainfall over the Kannaland region, increased variability of rainfall, fewer but heavier precipitation events and increased temperatures and evaporation. These effects could work together to increase flooding, but could also reduce base-flow (long term low flow).

3.17 BIODIVERSITY

Owing to its broad range of climatic conditions, geology, soils and landscapes, Kannaland has a very substantial share of global biodiversity within its borders. Kannaland's biological heritage is important in many ways – providing ecosystem services like clean water,

contributing directly to the economy through industries like fishing and tourism, supporting livelihoods by providing food, medicines and building materials and generally improving health and well-being. Through habitat destruction and ill-conceived developments biodiversity is under threat world-wide.

To counteract this threat Kannaland should protect representatives of as many types of community and ecosystem as possible. By conserving suitable habitat, we are also improving the survival chances of the species and populations contained therein. Living landscapes preserve the option value of biodiversity – the potential to provide benefits in the future.

Important driving forces putting pressure on the biodiversity resources of Kannaland are:

- ☐ Population growth;
- ☐ The demand for economic growth to provide wealth and job creation;
- ☐ Demand for housing and associated services for historically disadvantaged people;
- ☐ Unsustainable extraction of natural resources as a result of poverty or greed;
- ☐ Poor land use practices promoting soil erosion and infestation by invasive alien plants;
- ☐ Poor waste and pollution management;
- ☐ Climate change; and
- ☐ Lack of understanding

In terms of appropriate responses, the mainstreaming biodiversity consideration into socio-economic agendas holds most promise to turn the situation around. It is necessary to:

- ☐ Integrate the protection and management of biodiversity resources with all human development by means of regional and national conservation initiatives;
- ☐ Build capacity in the areas of conservation assessment, taxonomy, green technology and knowledge transfer;
- ☐ Increase capacity in environmental law enforcement, management and education;
- ☐ Strengthen existing biodiversity conservation programmes to identify ecosystems, species and genetic resources that are at imminent risk of extinction;
- ☐ Implement strong counter measures to slow down the speed with which the loss of biodiversity occurs; and
- ☐ Link biodiversity protection and economic upliftment, as biodiversity protection provides an opportunity for less formal, nature-based community initiatives to act as economic engines and job creators.

3.18 CLIMATE

There is general scientific agreement that the world is now warmer than at any time in the last 1000 years, and that the cause for this warming is due to human activities. Kannaland is at risk from projected changes in rainfall pattern and warming induced by changes in the global energy balance and atmospheric water balance.

However, the average for the five-year reporting period may be useful for simple comparative purposes against the long-term average. Once a continuous ambient air quality sampling programme is in place, quarterly air quality reports which will provide useful state of environment data.

Increased drying and changes to the seasonal nature of precipitation will bring an increase in irrigation requirements which are likely to desiccate wetlands and threaten seasonal ecosystem interactions within the wetland. Such impacts are likely to further threaten the biodiversity of freshwater resources, which in turn will impair the environmental services they provide. The impact caused by climate change in terrestrial ecosystems include the detrimental effects associated with wildfires due to increased berg-wind conditions, and the possibility of changes in the distribution of alien invasive species, apart from changes in indigenous species distribution and interactions.

Numerous economic sectors could be affected by changes in temperature and precipitation patterns. The impact is likely to be felt in agriculture, fisheries, forestry, the manufacturing industry, tourism, finance and investment, transport, communication and trade, and construction. Climate change is likely to impact water services in terms of diminishing reserves on the one hand, and damage to infrastructure due to heavier precipitation events on the other.

3.19 KANNALAND FLORA

The Cape Floral Kingdom is characterized by its exceptional richness in plant species. More than 8 700 species are known to exist, with more than 68% of these being endemic. The Cape Floral Kingdom, thus, compares with some of the richest floras worldwide. It is the smallest of the Floral Kingdoms and covers a mere 0.06% of the earth's surface, and is the only Floral Kingdom contained in its entirety within a single country.

Kannaland is a region of extensive plains, arid foothills and rugged rocky ridges and includes a wide range of microhabitats with extreme seasonal and diurnal temperature fluctuations. There are 1325 plant species in this area, including 182 Succulent Karoo endemics and 92 Red List species (www.skep.org.za). While unique and rare species are found throughout the landscape, many of the endemics are concentrated along veins of weathered quartz, where patches of white pebbles provide camouflage and moderate the temperature for "stone plants"

COMPONENT G: SAFETY AND SECURITY

3.20 TRAFFIC SERVICES

Safety and security are the responsibility of the Protection Services Department of the Community Services Directorate. The Department is committed to provide a high-quality community-oriented service to meet the safety and security needs of a diverse community. The Division strives to constantly improve its standing within the community it serves and the profession itself. Several awareness campaigns regarding road safety and fire protection are conducted throughout the year.

The traffic services unit consist of a chief traffic officer, two traffic officers, motor registration clerks, chief clerks and 2 motor registration clerks, administration clerk.

Awareness on road safety was implemented and conducted at schools whereby the school busses were inspected i.t.o road worthy and to adhere to the road transportation act.

Road markings were painted to ensure visibility and to encourage motorist to adhere road traffic act.

Because of the high demand of testing of driver licensing it was planned to construct a K53 Testing Centre. The project was not completed due to funding constraints. Pre planning were done on the course of where it will be situated and looks like.

It will generate revenue for the municipality and enable a service to the local community in terms of affordability for each.

The Kannaland Municipality is eager to ensure a safe environment for the public, personnel and councilors. The Municipality therefore makes use of private security firms to ensure the safety of the personnel and councilors, as well as members of the public that visit municipal offices. Bylaws still needs to be reviewed approved by council in order to carry out the relevant law enforcement in areas.

The updating of by-laws becomes important for ensuring the enforcement of municipal laws. The WCPG has been approached to assist with updating Kannaland Municipality By-Laws and also to develop a Community Safety Plan.

3.21 DISASTER MANAGEMENT AND FIRE SERVICES

The Municipality has a Disaster Management Plan (DMP) which is an integral part of the IDP. The DMP was reviewed during 2021/222 and is included as a key performance indicator on the SDBIP for annual review. The DMP was included in the 2022-2027 Draft and Final Predecessor IDP with amendments.

The establishment of a Disaster Management Centre has also been identified in terms of the Municipality's Disaster Management planning; however, the Municipality does not have

a functional disaster management ICT, GIS and early warning system. The Municipality is currently making use of the Disaster Management DS Tool of the Western Cape Disaster Management Centre to assist the Municipality in making informed decisions relating to Disaster Management.

As throughout the IDP is identified that water storage capacity is the main problem and has therefor prioritized the water and sanitation needs as a high and urgent matter to be attend to.

In accordance with the applicable legislation and with the desire to provide for the well-being of its citizens, the Kannaland Municipality has adopted a Disaster Management Plan in 2021/22 to ensure preparedness and effective response by the Municipality and its citizens in the event of a disaster. The Disaster Management Plan will assist Kannaland Municipality to be better prepared to support the local communities in dealing with disasters and to speed up the recovery process. It is crucial to have effective and efficient disaster risk reduction management measures in order to save lives, prevent escalation of emergencies and incidents as well as to relieve suffering. The implementation of this Disaster Management Plan will assist the municipality in clarifying roles and responsibilities with different stakeholders who are essential for disaster management. The purpose of the disaster plan is not only a legislative requirement, but enhances community safety through, planning, mitigation, response and recovery.

As defined in the prescriptions of the Act, the Municipal Manager is the Head of Disaster Management with the delegation of assistance through to the Senior Manager: Community Services.

The municipality adopted the Disaster Management Plan and recently a Disaster Management Centre has been established in terms of the municipality's disaster management planning. The municipality utilizes the following systems:

- ☐ Ventusky (weather predictions);
- ☐ Afis (active fires in the area);
- ☐ Functional disaster management ICT, GIS and early warning system.

3.22 OTHER RISK REDUCTION MEASURES

No other risk reduction measures are in place other than proactive measures during early warnings and forecasts or progression of incidents. Preventive measures are relocating or evacuating members of communities and providing support at a local level or as assisted through the district.

A number of effective programmes have been implemented to mitigate the, which include:

- ☐ Awareness programmes to protect citizens from fires and floods;
- ☐ Regular cleaning of the storm water channels;

- ☐ Clean-up programmes of rivers and streams;
- ☐ The Fire and Rescue Services do regular awareness programmes in the communities and schools.
- ☐ Water restrictions in place

The impact prioritization for the most important risks (in order of priority) is as follows:

- ☐ Floods
- ☐ Plantation and vegetation fires
- ☐ Agricultural epidemics
- ☐ Hazardous materials transport
- ☐ Drought

Preparedness measures

- ☐ Disaster Management Advisory Forum has been established.
- ☐ Meetings/ forums / workshops (newly established Disaster Management

Forum) The fire services function is managed by the Garden Route District Municipality.

Some of the achievements were:

- ☐ Members were identified who worked at working on fire (WOF) has been selected to undergo training to become qualified fire fighters. They received a high level of technical and administrative training to enhance their knowledge, skill and experience which will be beneficial for the community at large.
- ☐ The Fire Service embarked on a community educational drive within the informal settlement areas as well to schools to educate residents and scholars of the dangers associated with fires as well as preventative measures that could be used to prevent

The outbreak of fires. Department of Local Government has donated a fully equipped fire truck, uniforms were received from City of Cape Town, Knysna and George Municipality.

- ☐ Fire detectors were installed in municipal areas – process continuous
- ☐ Fire Safety awareness at schools
- ☐ Capacity building through training to the officials
- ☐ Maintenance of Fire Hydrants
- ☐ Water Delivery during the drought
- ☐ Disaster Management plan currently being implemented

It should be noted that the Kannaland Municipality is in process to review all its bylaws in order to improve enforcement in the area.

Fire flood kits were received from Province

The table below indicate the financial performance for fire services:

Description	2022/2023	2023/2024	Fire Variance to Actual
	Actual	Actual	
	R'000		%
TOTAL OPERATIONAL REVENUE	R293,48	R110,43	38%
EXPENDITURE:			
Employees	R1 483 762,56	R971 477,49	65%
Materials	R19 117,82	R22 294,25	86%
Depreciation	R0,00	R0,00	0%
Bulk	R0,00	R171 036,00	0%
Other	R186 070,81	R283 544,05	66%
Total Operational Expenditure	R1 688 951,19	R1 448 351,79	86%
	-R1 688 657,71	-R476 874,30	28%
Variances are calculated by dividing the difference between the actual's			

TABLE 62: FINANCIAL Performance FOR FIRE SERVICES 2021/22 - SOURCE AFS

COMPONENT H: SPORT AND RECREATION

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

3.23 SPORT AND RECREATION

In terms of our mandate, we make facilities, such as sport fields, available to the broader community. The Municipality is responsible for development of the facilities and the upgrading thereof whilst the sport clubs lease the facilities and as agreed upon, must maintain it.

The Municipality develops and maintains community parks, halls, camp sites and the caravanpark. This service places an enormous financial burden on the Municipality, with its limited staff capacity and finances. The vastness of the municipal footprint demands a duplication of all services throughout the area and poses to be a well-oiled machine due to strict adherence to planning and implementation schedules.

The Sport section performed their duties excellently taking into consideration the challenges and demands they face on a continuous basis. There is a need for additional facilities but the availability of land is problematic, as well as the funds needed to develop the facilities.

3.24 PROJECT MANAGEMENT UNIT

3.24.1 MUNICIPAL INFRASTRUCTURE GRANT – MIG

The purpose of the grant is to provide capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprise and social institutions servicing poor communities.

The outputs of the programs in infrastructure for: -

- ☐ basic water and sanitation
- ☐ central collection points for refuse, transfer stations, recycling facilities and solid wastedisposal sites
- ☐ sport and recreation facilities, street and community lighting and public facilities
- ☐ Number of kilometers of municipal roads developed, upgraded and maintained.
- ☐ Number of work opportunities and full-time equivalents (FTE's) created using theExpanded Public Works (EPWP) guidelines for the above outputs.

ALLOCATION FOR THE PAST 3 YEARS

The MIG allocations to Kannaland Municipality for the past three financial years is indicated in table below:

	2021/2022	2022/2023	2023/2024
Original allocation (R')	R 10 594 000	R 11 083 000	R 12 412 000
Roll over approved	R 2 0	R 0	R 0
Additional allocation	R 0	R 0	R 0
Stopped allocation	R 0	R 1 920 000	R 0
Final allocation	R 10 594 000	R 9 163 000	R 12 412 000
Amount spent	R 10 415 525.46	R 8 498 172.85	R 12 339 524.04
Amount not spent	R 3 015 411	R 178 575.54	R 72 475.96

TABLE 63: MIG ALLOCATIONS

Progress and expenditure on the projects for the 2023/2024 financial year was on track and completed in time.

KEY CHALLENGES SINCE ONSET (ESTABLISHMENT OF THE PROGRAMME)

Committing the projects for a specific year result in extra prioritization as the allocation for the year is not enough to implement all urgent projects.

The table provides summary of progress in relation to projects implemented during the 2023/24 financial year.

Project ID	Project Name	MIG approved budget (R')	Exp. in previous FY (R')	Balance (R')	2023/2024 budget (R')	2023/2024 exp. (R')	Physical progress (%)
458834	Zoar: Upgrade and Refurbishment of WWTW	R12 950 875.51	R3 730 243.10	R8 184 561.90	R7 893 537.41	R7 890 242.68	100%
458828	Van Wyksdorp: Upgrade and Refurbishment of WWTW	R4 020 110.71	R1 806 242.91	R2 213 868.09	R2 156 661.39	R2 156 661.39	100%
458789	Van Wyksdorp: Upgrade and Refurbishment of WTW	R2 627 187.58	R1 603 441.86	R1 023 745.72	R424 380.27	424 380.26	100%
524242	Kannaland: Purchasing of Specialised Vehicles for Waste Management (Yellow Fleet)	R 4 657 502.47	R 0	R4 657 502.47	R 1 368 398.00	R 1 299 589.71	28%
	PMU	R 568 650	R 0	R0	568 650	568 650	100%
				Total	12 412 000	12 339 524.04	

TABLE 64: SUMMARY OF IMPLEMENTATION OF PROJECTS

Detailed progress on projects implemented over the 2023/24 financial year are reflected in the tables below:

PROJECT #1: ZOAR REFURBISH AND UPGRADE WWTW

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 458834
Project approved budget (R')		R12 950 875.51

	MIG approved budget (R')	R11 914 805.47
	Co-Funding required	R1 036 070.04
	2022/2023 DPIP budget (R')	R4 308 349.00
	2023/2024 DPIP budget (R')	R7 893 537.41
	2024/2025 DPIP budget (R')	R0.00
	Current year expenditure	R7 890 242.68
2	Scope of work	<p>Zoar Oxidation Ponds</p> <ul style="list-style-type: none"> • Refurbish the sludge pump station and replace pumps to allow for proper sludge management to occur. • Replacement of the missing pipe segment connecting to the anaerobic tank. • Reline of eight (8) facultative ponds to their former potential. • Refurbish and lining of emergency containment dam. • Refurbish the raw sewage pump station to enable proper functioning • Removal of debris from the site. • Fencing the entire site <p>The Zoar Raw Water Sewage Pump Station refurbishment scope is as follows to enable proper functioning</p> <ul style="list-style-type: none"> • Cleaning of sump. • Replace of Immersible pumps. • Replace screens and ancillary equipment • Modify screening channel in order to install a hand raked screen parallel to mechanical screen as standby, including isolating penstocks • Line Overflow Pond with HDPE Liner. • Replace MCC and all related controls and instrumentation • Replace and improve on Valves and pipework in the valve chamber • Test and reinstate of magnetic flow meter at the pumps station • Recommission Telemetry Alarm System • Supply and Install an Emergency Backup Generator • Replace final effluent pumps and related equipment at WWTW • Repair/replacement of the 15mm Mechanical screen situated in the pump sump • Replace of current 20mm bar screen at the sewer outlet with 25mm or 30mm coarse screen • Repair and/or replace Fencing to pump station • Construct a small operator office and toilet facility at the pump station
3	Construction period (Months)	4.00
4	Consultant	SMEC / Neil Lyners
5	Contractor	Imbriolo (Pty) Ltd / Hidrotech Systems
6	Tender Closing date:	09-Mar-23
Implementation Plan	Tender award date:	04-Apr-23
	Contract amount	Imbriolo (Pty) Ltd: R5 977 173.70 / Hidrotech Systems: R6 967 000
	Contract start date:	25-Apr-23 / 03-Jun-23
	Practical completion:	30-Aug-23 / 16-Feb-23
	Completion / Handover:	30-Sep-23 / 16-Mar-24
	Defects liability period:	16-Mar-25 / 16-Mar-25

7	Progress	Zoar Oxidation Ponds <ul style="list-style-type: none"> • Refurbish the sludge pump station • Removal of debris from the site. • Fencing the entire site • Replacement of the missing pipe segment connecting to the anaerobic tank. • Reline of eight (8) facultative ponds to their former potential. • Refurbish and lining of emergency containment dam. • Refurbish the raw sewage pump station to enable proper functioning • Cleaning of sump. • Replace of Immersible pumps. • Replace screens and ancillary equipment • Modify screening channel in order to install a hand raked screen parallel to mechanical screen as standby, including isolating penstocks • Line Overflow Pond with HDPE Liner. • Replace MCC and all related controls and instrumentation • Replace and improve on Valves and pipework in the valve chamber • Test and reinstate of magnetic flow meter at the pumps station • Recommission Telemetry Alarm System • Supply and Install an Emergency Backup Generator • Replace final effluent pumps and related equipment at WWTW • Repair/replacement of the 15mm Mechanical screen situated in the pump sump • Replace of current 20mm bar screen at the sewer outlet with 25mm or 30mm coarse screen • Repair and/or replace Fencing to pump station • Construct a small operator office and toilet facility at the pump station
8	Major / key challenges (if delayed)	Increased rainfall days

PROJECT #2: VAN WYKSDORP REFURBISH AND UPGRADE WWTW (GREENHILLS)

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 458828
Project Data	Project approved budget (R')	R4 020 110.71
	MIG approved budget (R')	R4 020 110.71
	Co-Funding required	R0.00
	2022/2023 DPIP budget (R')	R1 823 450.00
	2023/2024 DPIP budget (R')	R2 156 661.39
	2024/2025 DPIP budget (R')	R0.00
	Current year expenditure	R2 229 137.34
2	Scope of work	<ul style="list-style-type: none"> • Replace new flow meters at the Greenhills WWTW inlet and outlet. • Construct an adequately sized and designed overflow system

		<ul style="list-style-type: none"> Construct a bypass weir next to inlet channel to divert flows exceeding PDWF to the overflow system to avoid overtopping of the inlet channel Install additional train/module, inclusive of septic tank, bio reactor, clarifier/humus tanks and disinfection tanks to accommodate projected flows. Inspect and replace missing fittings for all tanks Install pipes for emptying bioreactor (Tank E) to prevent bulging Install two new pumps to pump wastewater from the septic tank to the bio-reactor tanks Replace the faulty generator at the plant Install roofing above the tanks to protect them from sunlight Install Lights around the WWTW site
3	Construction period (Months)	5.00
4	Consultant	SMEC
5	Contractor	Urhwebo e-Transand
6	Tender Closing date:	21-Mar-23
Implementation Plan	Tender award date:	04-April-23
	Contract amount	R6 967 000
	Contract start date:	28-Feb-23
	Practical completion:	31-Oct-23
	Completion / Handover:	30-Nov-23
	Defects liability period:	30-Nov-24
7	Progress	<ul style="list-style-type: none"> Construct a bypass weir next to inlet channel to divert flows exceeding PDWF to the overflow system to avoid overtopping of the inlet channel Inspect and replace missing fittings for all tanks Install pipes for emptying bioreactor (Tank E) to prevent bulging Install two new pumps to pump wastewater from the septic tank to the bio-reactor tanks Replace new flow meters at the Greenhills WWTW inlet and outlet. Construct an adequately sized and designed overflow system Install additional train/module, inclusive of septic tank, bio reactor, clarifier/humus tanks and disinfection tanks to accommodate projected flows. Replace the faulty generator at the plant Install roofing above the tanks to protect them from sunlight Install Lights around the WWTW site
8	Major / key challenges (if delayed)	Increased rainfall days

PROJECT #3: VAN WYKSDORP REFURBISH AND UPGRADE WTW

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 458789
Project Data	Project approved budget (R')	R2 627 187.58
	MIG approved budget (R')	R2 075 478.20

	Co-Funding required	R551 709.38
	2022/2023 DPIP budget (R')	R1 631 725.00
	2023/2024 DPIP budget (R')	R424 380.27
	2024/2025 DPIP budget (R')	R0.00
	Current year expenditure	R424 380.26
2	Scope of work	<ul style="list-style-type: none"> • Replace pump for borehole 1. • Replace reservoir level meter. • Refurbish pump pumping raw water from the reservoir into WTW (Pump 1) • Refurbish valve 1, between borehole 1 and main reservoir. • Replace valve 5 between the bypass pipeline from the main reservoir and pump 1. • Refurbish valve 7 between tank 7 and pump 3. • Refurbish the three backwash valves for sand filters. • Refurbish chlorination system • Extension of the roof to cover uPVC pipes and final water tank. • Replace booster pump • Refurbish electrical switches on site • Replace pipe fittings for the third reservoir in town • Replace door for limestone pebble storage room • Install chlorine leakage alarm in the chlorine storage room • Install signage and name boards around the site • Upgrade 75mm @ pipe to 160mm diameter raw water main from the raw water reservoir to the Main reservoir
3	Construction period (Months)	5.70
4	Consultant	SMEC
5	Contractor	Phambili Civils
6	Tender Closing date:	09-Mar-23
Implementation Plan	Tender award date:	17-Apr-23
	Contract amount	R3 707 512.60
	Contract start date:	05-May-23
	Practical completion:	02-Oct-23
	Completion / Handover:	02-Nov-23
	Defects liability period:	30-Nov-24
7	Progress	<ul style="list-style-type: none"> • Replace door for limestone pebble storage room • Install signage and name boards around the site • Upgrade 75mm @ pipe to 160mm diameter raw water main from the raw water reservoir to the Main reservoir • Replace pump for borehole 1. • Replace reservoir level meter. • Refurbish pump pumping raw water from the reservoir into WTW (Pump 1) • Refurbish valve 1, between borehole 1 and main reservoir. • Replace valve 5 between the bypass pipeline from the main reservoir and pump 1. • Refurbish valve 7 between tank 7 and pump 3. • Refurbish the three backwash valves for sand filters. • Refurbish chlorination system • Extension of the roof to cover uPVC pipes and final water tank. • Replace booster pump • Refurbish electrical switches on site • Replace pipe fittings for the third reservoir in town • Install chlorine leakage alarm in the chlorine storage room

8	Major / key challenges (if delayed)	Increased rainfall days
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PROJECT #4: PURCHASING OF SPECIALISED VEHICLES FOR WASTE MANAGEMENT (YELLOW FLEET)

Item No.	Item Description	Detail information
1	Project Description	DPIP ID: 524252
Project Data	Project approved budget (R')	R4 657 502.47
	MIG approved budget (R')	R3 793 070.01
	Co-Funding required	R864 432.46
	2022/2023 DPIP budget (R')	R0
	2023/2024 DPIP budget (R')	R1 299 589.71
	2024/2025 DPIP budget (R')	R2 457 699.00
	Current year expenditure	R1 368 398.00
2	Scope of work	Buying of the necessary fleet to effectively render waste collection services as well as maintained the operational landfill sites according to license conditions. Acquiring yellow fleet will also assist the municipality addressing illegal dumping as illegal dumpsites can then be cleared, once again creating jobs and also ensuring a clean environment and uplifting the livelihood of those currently living near illegal dumpsites.
3	Construction period (Months)	12
4	Consultant	N/A
5	Contractor	KEY SPIRIT SUPPLIERS
6	Tender Closing date:	N/A
Implementation Plan	Tender award date:	N/A
	Contract amount	R1 299 589.71
	Contract start date:	19-Jun-24
	Practical completion:	30-June-24
	Completion / Handover:	30-June-24
	Defects liability period:	N/A
7	Progress	Purchased of a 4x4 TLB (Tractor-Loader-Backhoe) with operating mass of not less than 7800kg, equipped with a backhoe bucket with a capacity of not less than 0.18m ³ (SAE) and loader bucket capacity of not less than 0.9m ³ (SAE). Fitted with a diesel engine, developing not less than 68kw power, BULL-HD76GP
8	Major / key challenges (if delayed)	N/A

TABLE 65 PROJECT IMPLEMENTATION PLAN STATUS REPORT

MONITORING

- Both Financial and Technical departments monitor the MIG expenditure separately. The two departments are trying to implement the once per month meeting to discuss and monitor

expenditure to avoid the difference in reporting. These two departments also reconcile their expenditure claims to have an accurate report at the end of the financial year.

- MIG related issues and progress are discussed on the monthly LGTAS meetings where all stakeholders are present. Kannaland also arrange infrastructure meetings where MIG items are discussed with stakeholders and service providers.
- Projects are closely monitored so that action can be taken as soon as possible if any risks appear. Monthly and technical meetings are held for each project to monitor risks and discuss solutions.
- Data is collected as and when it's required. All labor-data is obtained from the contractor, either through the Community Liaison Officer or the consulting engineers. The Finance department within the municipality provide data regarding expenditure, available funds, etc. Monitoring is mainly done by the technical department.
- The PMU manager and project administrator are responsible for monitoring and reporting which gets quality checked by the Director Infrastructure Services.
- Data is submitted in the prescribed format (e.g., DWS's technical report format), but not analyzed in more detail as such within the Municipality. The KPI report is utilized for data analysis.

THE 2023/2024 SERVICE DELIVERY PERFORMANCE:

Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for:

- ✓ All households provided with basic service water services
- ✓ All households provided with basic sanitation services, except part of Van Wyksdorp town area with the bucket system.
- ✓ Most households provided with street lighting and community lighting
- ✓ Number of infrastructures constructed (new infrastructure, upgraded or renewed):
- ✓ No central collection points for refuse developed
- ✓ No refuse transfer stations developed
- ✓ No solid waste disposal sites developed
- ✓ No sports and recreation facilities developed
- ✓ One public facility developed (please ensure that those developed are specifically mentioned, e.g., community hall, ECD centers, etc.)
- ✓ No kilometers of municipal roads developed.
- ✓ 286 job opportunities and 44 FTEs created using EPWP guidelines

KEY CHALLENGES

The following challenges are currently being experienced in the management of the programme which often result in delaying progress and low expenditure:

External factors

- ✓ Delaying in design and tendering process

Internal factors

- ✓ Slow SCM procurement processes
- ✓ Unavailability of counter funding
- ✓ Change in leadership

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive Office (Mayor; councilors; and Municipal Manager).

The Council consists of seven (7) councilors, including the Executive Mayor, Deputy Executive Mayor and Speaker as determined by the MEC for Local Government in the Western Cape.

3.25 FINANCIAL SERVICES

Sound financial management practices are essential for municipalities. The major challenge for municipalities is long term financial sustainability. The MFMA aims at directing municipalities in a sustainable financial environment and to modernize financial management practices.

The act places municipalities on a financially sustainable footing and supports co-operative government between all spheres of government. Successful implementation of the provisions of the act will maximize the capacity of municipalities to deliver services to their residents, users and customers.

It is critical for the Municipality to review how we conduct our business to ensure that value for money is obtained in all our expenditures, that revenue administration systems are operating effectively, and that creditors (including bulk service providers) continue to be paid timeously and in full.

Chief Financial Services					
Financial Performance for the financial year 2022/23 to 2023/24: Financial Services					
	2022/23	2022/23	2023/24	2023/24	
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R4 864 160,63	347 4	5 397	5 862	
Expenditure:					
Employees	R16 943,78	16 435	16 731	15 268	
Repairs and Maintenance	R0,00				
Other	R13 632,80	14 199	15 266	17 742	
Total Operational Expenditure	R30 576,58	30 634	31 997	33 010	
Net Operational Expenditure		26 287	26 600	27 148	

TABLE 66: FINANCIAL PERFORMANCE 2021/22: FINANCIAL SERVICES SOURCE AFS

3. 26 HUMAN RESOURCES SERVICES

The broader objectives of the Human Resource Services division of the Municipality are to ensure that:

- The appropriate staff members are recruited and appointed;
- Staff members are optimally placed in relation to the needs of the organization;
- An environment is created conducive of staff performing their functions in line with their knowledge, experience and skills;
- Staff members are adequately compensated and that their vested interests and benefits are professionally administered;
- Staff members are allowed the opportunity to develop and be promoted in a physical environment that is free from safety, health and psychological hazards;
- An organizational design is implemented that promotes productivity and sustains high levels of morale and ethical behavior;
- A culture of discipline, equality, transparency and fairness are promoted in the workplace;
- The organization is free from all forms of discrimination and prejudice.

In order to achieve these broader objectives, the Human Resource Services is organized in a manner to respond to the following functions:

- Organizational efficiency and improvement
- Staffing in relation to recruitment, selection and appointments
- Administration of employee benefits
- Skills development and training
- Occupational health and safety
- Labor relations
- Employee wellness (EAP)
- Performance management
- Employment equity
- Change Management
- Statistics and Reporting

ORGANISATIONAL PERFORMANCE: 2023-2024

The organizational structure of Kannaland Municipality for the Municipal Manager and three directorates namely, Corporate Services (Administration and Community Services), Finance and Infrastructure Services.

The organizational structure is currently being reviewed. The outcome of this project will result in establishment of individual performance which will be aligned to the job descriptions. The organizational structure is currently being revised for the best service delivery at the lowest cost to the Municipality. Job descriptions are being reviewed based on job content and volume in the attempt to form specialist units.

The vacancy rate of the municipality was 44.88% for the year under review. The ideal is to decrease the rate below 20% in order to achieve the goals as mentioned above.

4.1 LEGISLATIVE REQUIREMENTS

The Local Government: Municipal Systems Act 32 of 2000 (MSA) Chapter 6, requires a municipality to establish a performance management system. The MSA read together with The Local Government: Municipal Finance Management Act 56 of 2003 (MFMA), requires the municipal budget to be aligned with Integrated Development Plan (IDP) and create a mechanism for the implementation of the budget against the IDP by using the Service Delivery and Budget Implementation Plan (SDBIP).

In terms of Section 46 of the MSA, it states that:

- (1) *"A municipality must prepare for each financial year an annual report consisting of*
 - (a) *a performance report reflecting—*
 - (i) *the municipalities, and any service provider's, performance during that and with performance financial year, also in comparison with targets of in the previous financial year;*
 - (ii) *the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and*
 - (iii) *measures that were or are to be taken to improve performance"*

4.2 ORGANIZATIONAL PERFORMANCE OVERVIEW

2023/24 implementation of the Service Delivery and Budget Implementation Plan was not achieved as planned and thus, the performance is not satisfactory. Council's decision to appoint a substantive Municipal Manager during the financial year under review came with accountability and assurance that remedial action on target not met by the municipality is implemented in the 2024/25 Financial year. For the year under review, the municipality had 59 Key Performance Indicators (KPIs) and 29 were achieved whereas 30 was not achieved.

4.3 INTRODUCTION

Kannaland Municipality's 2023/24 Annual Performance Report is compiled in terms of Section 46 of the Local Municipal Systems Act, No. 32 of 2000. The report is also part of the Draft 2023/24 Annual report in terms of Chapter 12 of the Local Government: Municipal Finance Management Act 56 of 2003. The 2023/24 Annual Performance Report covers the performance information from 1 July 2023 to 30 June 2024 and focuses on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP), that is aligned with the Integrated Development Plan (IDP) objectives as amended.

4.4 LEGISLATIVE REQUIREMENTS

The Local Government: Municipal Systems Act 32 of 2000 (MSA) Chapter 6, requires a municipality to establish a performance management system. The MSA read together with The Local Government: Municipal Finance Management Act 56 of 2003 (MFMA), requires the municipal budget to be aligned with Integrated Development Plan (IDP) and create a mechanism for the implementation of the budget against the IDP by using the Service Delivery and Budget Implementation Plan (SDBIP).

In terms of Section 46 of the MSA, it states that:

- (2) *"A municipality must prepare for each financial year an annual report consisting of*
- (b) a performance report reflecting—*
- (i) the municipalities, and any service provider's, performance during that and with performance financial year, also in comparison with targets of in the previous financial year;*
- (ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and*
- (iii) measures that were or are to be taken to improve performance"*

4.5 ORGANIZATIONAL PERFORMANCE OVERVIEW

2023/24 implementation of the Service Delivery and Budget Implementation Plan was not achieved as planned and thus, the performance is not satisfactory. Council's decision to appoint a substantive Municipal Manager during the financial year under review came with accountability and assurance that remedial action on target not met by the municipality is implemented in the 2024/25 Financial year. For the year under review, the municipality had 59 Key Performance Indicators (KPIs) and 29 were achieved whereas 30 was not achieved.

4.6 Performance Review Per PDO

- 4.6.1 PDO 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
4	1	3	Change in Management regarding personal appointed to act in the position of Director Infrastructure Services which remained vacant during the financial year under review.

4.6.2 PDO 2: To Provide Adequate Service and Improve our Public Relations

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
12	9	3	Ensure that systems that will detect our water and electricity losses.

4.6.3 PDO 3: To Strive Towards a Safe Community in Kannaland Through the Proactive Management of Traffic, Environmental Health, Fire and Disaster Risks

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
4	3	1	Lack of human capacity to assist in drafting the compliance strategies, plans and policies. Management planned to advise council on the importance of reviewing the structure to align with the powers and functions of the municipality

4.6.4 PDO 4: To Facilitate Economic Growth and Social Community Development

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
5	1	4	Lack of human capacity to assist in drafting the compliance strategies, plans and policies. Management planned to advise council on the importance of reviewing the structure to align with the

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
			powers and functions of the municipality

4.6.5 PDO 5: To Promote Efficient and Effective Governance with High Levels of Stakeholder participation

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
18	10	8	Lack of human capacity to assist in drafting the compliance strategies, plans and policies. Management planned to advise council on the importance of reviewing the structure to align with the powers and functions of the municipality

4.6.6 PDO 6: To Provide an Efficient Workforce by Aligning our Institutional Arrangement to our Overall Strategy

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
8	2	6	Lack of human capacity to assist in drafting the compliance strategies, plans and policies. Management planned to advise council on the importance of reviewing the structure to align with the powers and functions of the municipality

4.6.7 PDO 7: To Strive Towards a Financial Sustainable Municipality

Total Number of KPIs	KPIs Achieved	KPIs Not Achieved	Overall Management Comment
8	3	5	Management has draft Revenue Enhancement strategy to ensure that the performance in terms of the Cost Coverage Ratio and Outstanding Service Debtors to Revenue Ratio is at an acceptable norm

5 2022/23 AND 2023/24 ANNUAL PERFORMANCE COMPARISON

	2022/23	2023/24
	July 2022 – June 2023	July 2023 – June 2024
The total number of KPIs	34	59
KPIs met / Achieved	17	31
KPIs not met / Not Achieved	17	28
OVERALL PERFORMANCE ACHIVEMENT	50%	52%

The table above outlines the overall performance of the institution in implementing the 2023/2024 Approved Adjusted SDBIP. The Annual performance of the municipality has increased by 2% as compared to the previous financial year.

Table 67: 2023/24 CAPITAL WORKS PROJECTS STATUS

No	Grant	Project No	Project Name	Original Budget	Adjustment Budget	Expenditure	Still to spend/ Overspent	% Spent
1	MIG	458789	Refurbishment & Upgrade of Van Wyksdorp WTW	R 443 753,20	R 424 753,20	R 407 758,03	R 16 995,17	96%
2	MIG	458828	Refurbishment & Upgrade of Van Wyksdorp Greenhill's WWTW	R 2 196 660,71	R 2 156 661,39	R 2 471 153,62	(R 314 492,23)	115%
			Refurbishment & Upgrade of Zoar Sewer PS		R 6 990 657,56	R 6929 394,16	R 61 263,40	
3	MIG	458834	Refurbishment & Upgrade of Zoar WTW	7 606 456,47	R 902 879,85	R 1 033 848,52	(R 130 968,67)	115%
4	WSIG		Refurbishment & Upgrading of Ladismith Wastewater Treatment Works	R 5 000 000,00	R 4 500 000,00	R 4 074 912,65	R 425 087,35	91%
5	Water Resilienc e Grant		Zoar Water Treatment Works upgrade		R 1440 000,00	R 485 024,00	R 954 976,00	34%
6	Water Resilienc e Grant		New booster pump station Karoolande Reservoir		R 1 000 000,00	R 451 162,25	R 548 837,75	45%
7	Own Funds		Co-funding for MIG Own Funds		R 759 891,00	R 759 891,00	R 0	100%
8	MIG	PMU/041	PMU 2022/23	R 568 650,00		R 568 650,00		100%

No	Grant	Project No	Project Name	Original Budget	Adjustment Budget	Expenditure	Still spend/ to Overspent	% Spent
		Yellow Fleet			R 1 368 398,00	R 1 299 589,71	R 68 808,29	95%
				15 815 520,38	R 19 543 241,00	R 18 481 383,94	R 1 630 507,06	94.6%

6 DETAILED 2023/2024 ANNUAL PERFORMANCE REPORT

IDP REF	IDP KPA	District Output	PSP: VIP	National Output	Department	Indicator description	How indicator is measured	Prior year's performance 2022/2023		Annual Target	Annual Performance	Status	Portfolio of evidence/ Management comment / Corrective measures	Annual Target Date
IDP Reference	KPA	District Objective	Provincial Outcome	National Outcome	Department	Indicator	Unit measurement	Annual Target	Annual Actual	Annual Target	Annual Performance	Status	Portfolio of evidence/ Management comment / Corrective measures	Annual Target Date
PDO 1: To Provide Access to Reliable Infrastructure that will Contribute to a Higher Quality of Life for Kannaland Citizens														
KPI.1	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	7 An inclusive district economy	Growth and jobs	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Achieve 100% of all MIG expenditure to the stage where MIG Infrastructure projects are issued with Practical Completion certificates	Percentage spent of MIG projects measured as Total MIG expenditure/Total MIG budget allocated to MIG projects X 100.	98%	92,7%	100%	108%	KPI Met	MIG Report	2024-06-30
KPI.2	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	7 An inclusive district economy	Growth and jobs	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Achieve 100% of WSIG (Drought Relief) expenditure to the stage where WSIG (Drought Relief) projects are issued with Practical Completion certificates	Percentage spent of WSIG (Drought Relief) projects measured as Total WSIG (Drought Relief) expenditure/Total WSIG (Drought Relief) budget allocated to WSIG (Drought Relief) projects X 100	95%	92,7%	100%	90.55%	KPI Not Met	Delays in SCM Process. Management to ensure that the SCM Manager is appointed	2024-06-30

KPI 3	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	7 An inclusive district economy	Growth and jobs	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Review the Integrated Water Services Development Plan by 30 June 2024	Number of Integrated Water Services Development Plan by 30 June 2024	0	0	1	0	KPI Not Met	To be addressed as part of the section 154 support plan in the new financial year	2024-06-30
KPI 4	KPA 1: To Provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	7 An inclusive district economy	Growth and jobs	Outcome 6: Efficient, competitive and responsive economic infrastructure network	Infrastructure Services	Draft and Integrated Infrastructure Master Plan by 30 June 2024	Number of Infrastructure Master Plans adopted by Council by 30 June 2024.	N/A	N/A	1	0	KPI Not Met	To be addressed as part of the section 154 support plan in the new financial year	2024-06-30
PDO 2: To Provide Adequate Services and Improve our Public Relations														
KPI.5	KPA 2: To Provide adequate Services and improve our public relations	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Infrastructure Services	Limit total of electricity losses in distribution network to less than 12% accumulated over the financial year until 30 June 2024	Percentage (%) of electricity losses calculated in distribution network on a twelve-month rolling period as kWh sold/kWh purchased	Less than 12%	12.50%	Less than 12%	15.28 %	KPI Not Met	To conduct electricity meter audit in the next financial year	2024-06-30
KPI.6	KPA 2: To Provide adequate Services and improve our public relations	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Infrastructure Services	75% of water samples comply with SANS-241 micro biological indicators {(Number of water samples that comply with SANS-241 indicators/Number of water samples	% Of water samples that complies wh SANS-241 standards calculated as no of water samples that complies with	75%	75%	75%	51.2%	KPI Not Met	Quarter 4 Results to be issued by the district	2024-06-30

						tested) x100}	san code 241/total number of water samples tested X 100								
KPI.7	KPA 2: To Provide adequate Services and improve our public relations	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Infrastructure Services	Limit accumulated unaccounted for water to less than 30% annually until 30 June 2024	% Of water losses in distribution networks in all of Kannaland towns	30%	28%	Less than 30%	15%	KPI Met	Report on water losses in distribution networks	2024-06-30	
NKPI 1	KPA 2: To Provide adequate Services and improve our public relations	3 Bulk Infrastructure Co- ordination	Innovation and culture 10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Number of formal residential properties that receive piped water connected to the municipal water infrastructure network annually as at 30 June 2024	Number of formal residential properties which are billed for water services as at 30 June 2024	4665	4690	4665	4771	KPI Met	Report on number on formal residential properties which are billed for water services f	2024-06-30	
NKPI 2	KPA 2: To Provide adequate Services and improve our public relations	3 Bulk Infrastructure Co- ordination	Innovation and culture 10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Provision of electricity to formal residential account holders connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering. Number of formal residential properties connected to the municipal electrical infrastructure network (excluding Eskom areas) annually as at 30 June 2024	Number of formal residential properties which are billed for electricity/have pre-paid electricity (excluding Eskom areas) as at 30 June 2024	3400	3865	3541	3797	KPI Met	Report on number of formal residential properties which are billed for electricity/have pre-paid electricity	2024-06-30	

NKPI 3	KPA 2: To Provide adequate Services and improve our public relations	3 Bulk Infrastructure Co-ordination	Innovation and culture 10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Provision of sanitation/sewerage services to formal residential account holders which are connected to the municipal waste water/sanitation/sewerage network and billed for services annually as at 30 June 2024	Number of formal residential properties which are billed for sewerage services in accordance with the SAMRAS financial system as at 30 June 2024	4250	4265	4350	4646	KPI Met	Report on number of formal residential properties which are billed for sewerage services in accordance with the SAMRAS financial system	2024-06-30
NKPI 4	KPA 2: To Provide adequate Services and improve our public relations	3 Bulk Infrastructure Co-ordination	Innovation and culture 10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Number of formal residential properties for which refuse is removed at least once per week and billed for the service annually as at 30 June 2024	Number of formal residential properties which are billed for refuse removal services as at 30 June 2024	4550	4553	4550	4887	KPI Met	Report on formal residential properties which are billed for refuse removal services	2024-06-30
NKPI 5	KPA 2: To Provide adequate Services and improve our public relations	3 Bulk Infrastructure Co-ordination	Innovation and culture 10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Provision of electricity to informal residential account holders in the designated informal areas which are connected to the municipal electrical infrastructure network for prepaid electrical metering annually as at 30 June 2024	Number of residential pre-paid meters registered on the Syntell/ Utilities World Financial system in the designated informal areas	175	199	200	107	KPI Not met	To do more campaigning by announcing the program during community consultation platforms	2024-06-30
NKPI 6	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	Innovation and culture 10. Integrating service delivery for maximum impact	Outcome 8: Sustainable human settlements and improved quality of household live.	Financial Services	Number of Households with access to free basic services (as per Indigent Register annually) by 30 June 2024.	Number of Households with access to free basic services (as per Indigent Register)	N/A	N/A	2252	2381	KPI Met	Indigent register	2024-06-30

NKPI 7	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	Innovation and culture 10. Integrating service delivery for maximum impact	8: Outcome Sustainable human settlements and improved quality of household live.	Financial Services	Provision of free basic electricity to indigent account holders connected to the municipal electrical infrastructure network annually as at 30 June 2024	Number of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	1600	1606	1650	1800	KPI Met	Indigent register	2024-06-30
NKPI 8	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	Innovation and culture 10. Integrating service delivery for maximum impact	8: Outcome Sustainable human settlements and improved quality of household live.	Financial Services	Provision of free basic sanitation services to indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) annually as at 30 June 2024	Number of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	2200	2290	2250	2381	KPI MET	Indigent register	2024-06-30
NKPI 9	KPA 2: To Provide adequate Services and improve our Public relations	3 Bulk Infrastructure Co-ordination	Innovation and culture 10. Integrating service delivery for maximum impact	8: Outcome Sustainable human settlements and improved quality of household live.	Financial Services	Provision of clean piped water to indigent account holders which are connected to the municipal water infrastructure network annually as at 30 June 2024	Number of indigent account holders receiving free basic water.	2200	2290	2250	2381	KPI Met	Indigent register	2024-06-30
PDO 3: To Strive Towards a Safe Community in Kannaland Through the Proactive Management of Traffic, Environmental Health, Fire and Disaster Risks														

KPI.8	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	4. Environmental management and public safety	Safe and Cohesive Communities	Outcome 9: A responsive and accountable, effective and efficient local government system	Community Services	Review of the disaster management plan by 31 March 2024	Number of plans reviewed and submitted to council by 31 March 2024	2	2	1	1	KPI Met	Disaster Management Plan	2024-06-30
KPI 9	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	4. Environmental management and public safety	Safe and Cohesive Communities	Outcome 9: A responsive and accountable, effective and efficient local government system	Community Services	Review Integrated Waste Management Implementation plan by 30 June 2024	Number of IWMIP reviewed	1	0	1	0	KPI Met	To be addressed as part of the section 154 support plan in the new financial year	2024-06-30
NEW KPI 12	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	4. Environmental management and public safety	Safe and Cohesive Communities	Outcome 9: A responsive and accountable, effective and efficient local government system	Community Services	Conduct one quarterly clean-up campaign in all 4 wards Kannaland up until 30 June 2024	No of quarterly clean up campaigns held in Kannaland by 30 June 2024	8	8	8	8	KPI Met	Report on clean up campaigns held in	2024-06-30

NEW KPI 14	KPA 3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	4. Environmental management and public safety	Mobility and spatial transformation 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Community Services	Submission of a quarterly progress report to council of the 179 Calitzdorp housing implementation project by 30 June 2024.	No of quarterly progress reports submitted to council of the 179 Calitzdorp housing implementation project by 30 June 2024.	N/A	N/A	2	2	KPI Met	quarterly progress report submitted to council of the 179 Calitzdorp housing implementation project	2024-06-30
PDO 4: To Facilitate Economic Growth and Social and Community Development														
NEW KPI 15	KPA 4: To Facilitate Economic Growth and Social and Community development	7 An inclusive district economy	Growth and jobs Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Financial Services	Report to council on the annual Review of Supply Chain Management Policy by 31 March 2024.	Number of SCM Policy reviews conducted and submitted to council by 31 March each year.	N/A	N/A	1	0	KPI Not Met	Policy to be revised immediately after the appointment of the SCM Manager	2024-06-30
NEW KPI 16	KPA 4: To Facilitate Economic Growth and Social and Community development	7 An inclusive district economy	Growth and jobs 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Review a LED/Tourism implementation strategy for the Kannaland Municipality by June 2024	Number of Implementation strategies reviewed	N/A	N/A	1	0	KPI Not Met	Currently working in collaboration with the district To be finalized in the 2024/25 financial year	2024-06-30
NEW KPI 17	KPA 4: To Facilitate Economic Growth and Social and Community development	7 An inclusive district economy	Growth and jobs 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Establish an LED Steering Committee by 30 June 2024	No of LED Steering Committees established by June 2024	N/A	N/A	1	0	KPI not met	Due to limited number of human capacities, the LED Steering Committee will be established in the new financial year to align it with the LED Strategy	2024-06-30

													that will also be reviewed	
NEW KPI 18	KPA 4: To Facilitate Economic Growth and Social and Community development	7. An inclusive district economy	Growth and jobs 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Report to council quarterly on implementation of catalytic projects	No of quarterly reports submitted to council on implementation of catalytic projects	N/A	N/A	2	0	KPI Met	Lack of financial resources for the municipality to implement	2024-06-30
NKPI.10	KPA 4: To Facilitate Economic Growth and Social and Community development	7. An inclusive district economy	Growth and Jobs	Outcome 5: A skilled and capable workforce to support inclusive growth	Infrastructure Services	Create job opportunities through the Expanded Public Works Programme (EPWP) until 30 June 2024	Number of job opportunities created	184	310	184	203	KPI Met	EPWP Report	2024-06-30
PDO 5: To Promote Efficient and Effective Governance with High Levels of Stakeholder Participation														
NEW KPI 19	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	Empowering people/ Innovation and culture/ 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Office of the Municipal Manager	The Top Layer SDBIP is approved by the mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	N/A	N/A	1	1	KPI Met	Signed off 2024/25 SDBIP	2024-06-30
NEW KPI 20	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	Innovation and culture/ Empowering people 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Report to council on the review of the Performance Management Policy Frameworks by 30 June 2024.	Number of Performance Management Policy Frameworks reviewed and submitted to council by 30 June 2024.	N/A	N/A	1	1	KPI Met	Performance Management Policy Framework	2024-06-30

KPI.10	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	Empowering people 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Office of the Municipal Manager	Ensuring performance by the timeous development and signing of the Section 57 performance agreements in adherence to the Performance Framework by 1 July 2024	Percentage (%) of signed performance agreements of Section 57 managers within 14 days of approval of the SDBIP or appointment in the case of vacancies	100%	67%	100%	100%	KPI Met	signed performance agreements of Section 57 managers	2024-06-30
KPI.11	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	Empowering people/innovation and culture 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Corporate Services	(Minimum number of Ordinary General Council meetings to be held per annum)	(Number of Ordinary General Council meeting agendas submitted for sign off by Speaker within 7 days before the ordinary council meeting)	4	3	4	2	KPI Not Met	Schedule of meetings developed and approved during the 4 th quarter of 2023/24 financial year. To be implemented as planned in the new financial year	2024-06-30
NEW KPI 21	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	Empowering people/innovation and culture 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Corporate Services	Review Council's Rules of Order by 30 June 2024.	No of Council Rules of Order reviewed and submitted to Council by 30 June 2024.	N/A	N/A	1	0	KPI Not Met	To be finalized by 2024/25 financial year	2024-06-30
NEW KPI 22	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	Empowering people/innovation and culture 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Corporate Services	Review the Delegation Register by 30 June 2024.	No of Delegation Registers reviewed and submitted to Council by 30 June 2024.	N/A	N/A	1	0	KPI Not Met	To be finalized by 2024/25 financial year	2024-06-30

	participation		government in theworld												
NEW KPI 23	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	Empowering people/innovation and culture 12. Building the best-run regional government in theworld	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Corporate Services	Review and submit the Policy Register by 30 June 2024	Number of Policy registers reviewed and submitted to Council by 30 June 2024.	N/A	N/A	1	0	KPI Not Met	The register was not submitted but rather Policies reviewed and submitted to council for approval during the financial year under review	2024-06-30	
NEW KPI 24	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	Empowering people/innovation and culture 12. Building the best-run regional government in theworld	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Corporate Services	Review and submit the Record Management Policy by 30 June 2024	Number of Record Management Policy reviewed by Council by 30 June 2024	N/A	N/A	1	1	KPI Met	Record Management Policy Council Resolution	2024-06-30	
KPI.13	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	Empowering people/innovation and culture 12. Building the best-run regional government in theworld	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Conduct an Annual Strategic risk Assessment by 30 June 2024	Number of risk assessments conducted through the reviewed risk register compiled.	N/A	N/A	1	0	KPI Not Met	Risk register is currently being undertaken though risk management shared services.	2024-06-30	
KPI 25	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6 Good Governance	Empowering people/innovation and culture 12. Building the best-run regional government in	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Office of Municipal Manager/	Risk based audit plan reviewed by Audit Committee by 31 March 2024 for subsequent adoption by council.	No of risk-based audit plans approved by audit committee by 31 March 2024.	1	0	1	1	KPI Met	Risk Based Audit Plans	2024-06-30	

			theworld												
NEW KPI 39	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	Empowering people/innovation and culture 12. Building the best-run regional government in theworld	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Office of Municipal Manager/	Ensure compliance with S166(2)(v) MFMA, through the conduct of quarterly audit and performance audit committee meetings by 30 June 2024.	Number of audit and performance audit committee meetings conducted by 30 June 2024	N/A	N/A	2	2	KPI Met	Minutes of audit and performance audit committee meetings. Furthermore, KPI will be adjusted for MFMA compliance to have.	2024-06-30	
NEW KPI 40	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	Empowering people/innovation and culture/growth and jobs/ALL 12. Building the best-run regional government in theworld	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Office of Municipal Manager/	Annual Review/Amendment of Draft and Final IDP by 31 March 2024 and 31 May 2024 respectively	Number of annual review/amendments of Draft and Final IDP and submitted to council by 31 March 2024 (Draft IDP) and 31 May 2024 (Final IDP)	N/A	N/A	1	1	KPI Met	reviewed/amended Draft and Final IDP Approved IDP	2024-06-30	
NEW KPI 41	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	Innovation and culture 12. Building the best-run regional government in theworld	Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Office of Municipal Manager/	Review the Communication Strategy by 30 June 2024	Number of Communication Strategies reviewed and submitted to council by 30 June 2024	N/A	N/A	1	0	KPI Not Met	To be revised and finalized in 2024/25	2024-06-30	
NEW KPI 42	KPA 5: To Promote efficient and effective Governance	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Financial Services	Conduct an SCM Policy workshop with council by 30 June 2024.	Number of SCM Policy workshops conducted with council by the end of June	N/A	N/A	1	0	KPI Not Met	To be finalized during the second phase of council Policy workshop in	2024-06-30	

	with high levels of stakeholder participation						2024.						2024/25 Financial Year	
NEW KPI 43	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	7 An inclusive district economy	Innovation and culture	Outcome 10: Protection and enhancement of environmental assets and natural resources	Financial Services	Conduct two SCM Open day CSD/municipal database registration training sessions with SMMEs by 30 June 2024.	Number of SCM Open day CSD/municipal database registration training sessions with SMMEs by 30 June 2022	N/A	N/A	2	2	KPI Met	Report on SMMEs training	2024-06-30
KPI.26	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	Innovation and culture/ Empowering people 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Office of the Municipal Manager	Quarterly Ward Committee meetings with consolidated quarterly reports to council until 30 June 2024	Number of ward committee meetings convened	16	15	16	16	KPI Met	Minutes of ward committee meetings	2024-06-30
KPI.29	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	Innovation and culture 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Financial Services	100% Reporting compliance by submitting s71, s72 and s52d reports within legislated timeframes until 30 June 2024.	% Of reporting on all compliance documents	100%	100%	100%	100%	KPI Met	s71, s72 and s52d reports	2024-06-30
KPI 30	KPA 5: To Promote efficient and effective Governance with high levels of stakeholder participation	6. Good Governance	Empowering people/ Innovation and culture 12. Building the best-run regional government in the world	Outcome 9: A responsive and, accountable, effective and efficient local government system	Community Services	Promote library services to community through outreach and awareness in each of the six libraries in Kannaland by 30 June 2024	Two quarterly community outreach engagements conducted in each of the six libraries in Kannaland by 30 June 2024	24	20	24	29	KPI Not Met	Due to limited number of human capacities, Community outreach engagement conducted but not in all wards.	2024-06-30

PDO 6: To Provide an Efficient Workforce by Aligning our Institutional Arrangement to our Overall Strategy														
KPI.31	KPA 6: To Provide efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimizing resource-use efficiency	Empowering people Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Vacancy rate of the entire approved staff establishment by 30 June 2024	% Of vacancy rate to be not more than 20% as calculated at 30 June 2023 calculated as Number of current vacant posts/ Number of current posts	Less than 20%	31%	Less than 20%	46%	KPI Not Met	Proposed to revise the structure on the new financial year	2024-06-30
NEW KPI 44	KPA 6: To Provide efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimizing resource-use efficiency	Empowering people Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Review the Human Resources Strategy by 30 June 2024	Report to council on the review of the Human Resource Strategies by 30 June 2024.	N/A	N/A	1	0	KPI Not Met	To be finalized in the new financial year Furthermore HR strategy will commence with the appointment of a permanent Human Resource manager.	2024-06-30
NEW KPI 45	KPA 6: To Provide efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimizing resource-use efficiency	Empowering people Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Review organizational staff establishment structure by 31 March 2024	Report to council on the review of the organizational staff establishment structures by 31 March 2024	N/A	N/A	1	1	KPI Not Met	Reviewed of the organizational staff establishment structure	2024-06-30
NEW KPI 46	KPA 6: To Provide efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimizing resource-use efficiency	Empowering people Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Conduct monthly meetings with Local Labor Forum.	No of Local Labor Forum meetings held by 30 June 2024.	N/A	N/A	6	1	KPI Not Met	Target to be revised to align with the LLF schedule	2024-06-30

	strategy															
NEW KPI 47	KPA 6: To Provide efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimizing resource-use efficiency	Empowering people Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Conduct bi annual staff induction training workshops by 30 June 2024	No of staff induction training workshops conducted by 30 June 2024	N/A	N/A	2	1		KPI Not Met	To be conducted in the new financial year		2024-06-30
NEW KPI 27	KPA 6: To Provide efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimizing resource-use efficiency	Empowering people Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Review the Employment Equity Plan by 30 June 2024.	No of employment equity plans reviewed by council	N/A	N/A	1	0		KPI Not Met	To be reviewed in the new financial year		2024-06-30
NEW KPI 28	KPA 6: To Provide efficient workforce by aligning our institutional arrangements to our overall strategy	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimizing resource-use efficiency	Empowering people/Growth and jobs Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Ensure the implementation of the Local Government: Municipal Staff Regulations by reporting to Council on the progress and actions taken to ensure adherence to the Staff Regulation by 30 June 2024.	Number of progress reports on critical vacancies posts advertised and or filled and submitted to Council by 30 June 2024	N/A	N/A	1	1		KPI Met	Council Resolution on Appointment of the MM		2024-06-30
NEW KPI 32	KPA 6: To Provide efficient workforce by aligning our institutional	2 A skilled workforce and communities	7. Mainstreaming sustainability and optimizing resource-use efficiency	Empowering people Outcome 5: A skilled and capable workforce to support inclusive growth	Corporate Services	Ensure compliance with and implementation of S83(1) MFMA.	Report to council on opportunities for the training of professional financial officials referred to in	N/A	N/A	100%	0%		KPI Not Met	FMG Grant Report		2024-06-30

	arrangements to our overall strategy						S83(1) MFMA to meet the prescribed competency levels by 30 June 2024.								
PDO 7: To Strive Towards a Financial Sustainable Municipality															
KPI.34	KPA 7: To Strive towards financially sustainable municipality	6 Good Governance	10. Integrating service delivery for maximum impact	Innovation and culture Outcome 6: Efficient, competitive and responsive economic infrastructure network	Financial Services	Budget for 2024/2025 financial year approved by Council by 31 May 2024	Number of budgets approved	1	1	1	1		KPI Met	Budget and council resolution	2024-06-30
KPI.35	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	10. Integrating service delivery for maximum impact	Innovation and culture Outcome 6: Efficient, competitive and responsive economic infrastructure network	Financial Services	Achieve 80% year to date collection rate of revenue billed by 30 June 2023 (Total revenue collected / total billed) x100	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	80%	75.12%	80%	76%		KPI Not Met	To implement credit control measures	2024-06-30
NKPI.11	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	1. Creating opportunities for growth and job	Innovation and culture Outcome 4: Decent employment through inclusive growth	Financial Services	Financial Viability measured in terms of Cost coverage ratio by 30 June 2024	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortization, and Provision for	1/3 months	0.48:3	1:3 months	1:0.30		KPI Not Met	To strictly enforce cost containment measures	2024-06-30

							Bad Debts, Impairment and Loss on Disposal of Assets)).							
NKPI.12	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	7. Mainstreaming sustainability and optimizing resource-use efficiency	Innovation and culture Outcome 5: A skilled and capable workforce to support inclusive growth	Financial Services	Financial Viability measured in terms of debt coverage ratio for the 2023/2024 financial year.	Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant	45%	0%	45%	49%	KPI Met	Develop and implement revenue enhancement strategy	2024-06-30
KPI.36	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	12. Building the best-run regional government in the world	Innovation and culture Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Financial Services	Conduct monthly reconciliation of the bank account within 10 working days and signed by CFO	Number of reconciliations completed and signed by CFO	12	12	12	12	KPI Met	Bank reconciliation monthly reports.	2024-06-30
KPI.37	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	12. Building the best-run regional government in the world	Innovation and culture Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Financial Services	Financial Statements submitted to the Auditor-General by 31 August 2023.	Number of completed annual financial statements submitted to the Auditor-General by 31 August 2023	1	1	1	0	KPI Not Met	Due to change in management the AFS could not be submitted timeously and will be rectified in the new financial year	2024-06-30
KPI.38	KPA 7: To Strive towards financially sustainable municipality	5 Financial Viability	12. Building the best-run regional government in the world	Innovation and culture Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Financial Services	Submit an adjustment budget to Council for approval by 28 February 2024	Number of adjustment budget approved	1	1	1	1	KPI Met	Council resolution Adjustment budget	2024-06-30

NEW KPI 33	KPA 7: To Strive towards financially sustainable municipality	5 a Viability	Financial	12. Building the best-run regional government in the world	Innovation and culture Outcome 9: A responsive and, accountable, effective and efficient local governmentsystem	Financial Services	The % of the Municipality's capital budget spent on capital projects identified in the IDP, measured as the Total actual Year to Date (YTD) Capital Expenditure/ Total Approved Capital Budget x 100	The percentage (%) of a municipality's capital budget spent on capital projects identified in the IDP for the 2023/24 financial year	N/A	N/A	90%	94.6%	KPI Met	CAPEX Report	2024-06-30
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COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 INTRODUCTION

The Kannaland Municipality currently employs 152 (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. Tables below includes 95 permanent employees, 12 contract workers, 5 financial interns and 4 water meter readers.

4.1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The table below categorizes the number of employees by race within the occupational levels:

The table below categorizes the number of employees by race within the occupational levels:

OCCUPATIONAL	MALE				FEMALE				TOTAL
LEVELS	A	C	I	W	A	C	I	W	
Top Management	2	1	0		0	0	0	0	3
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	3	0	0	1	0	0	1	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	3	0	0	0	0	0	1	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total permanent	2	73	0	2	2	57	0	3	139
Non-permanent employees	2	117	0	0	2	32	0	0	153
Grand total	2	51	0	3	1	28	0	2	87

Table 68 - Occupational Levels

The table below reflects permanent staff. It must be noted that staff employed on contract include two persons from the target groups on the three highest levels of management, comprising of five staff members.

The following table categorizes the number of employees by race within the different departments:

DEPARTMENT	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Office of the	0	0	0	0	0	1	0	1	2
Strategic Services	0	0	0	0	0	1	0	0	1
Technical and	0	11	0	0	0	0	0	0	11
Financial Services	0	11	0	2	2	15	0	2	32
Total permanent	1	37	0	2	1	22	0	1	46
Non- permanent									
Grand total	1	59	0	4	3	29	0	2	92

Table 69 - Department Race

4.1.2 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) confirms affirmative action as measures designed to ensure that suitable qualified people from designated groups enjoys equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. An Employment Equity Plan was drafted in the reporting year and submitted to the Department of Labour. The Department was also approached for assistance in implementing the policy.

The table below indicates the number of employees by race within the specific occupational categories:

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Legislators, senior	1	5	0	1	0	0	0	0	7
Professionals	0	1	0	0	1	0	0	1	3
Technicians and	1	4	0	0	0	3	0	0	8
Clerks	0	23	0	0	0	21	0	1	45
Service and sales	0	0	0	0	0	0	0	0	0
Craft and related	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	9	0	1	0	0	0	0	10
Elementary	0	9	0	1	0	4	0	0	14
Total permanent	1	37	0	2	1	22	0	1	66
Non-permanent	1	14	0	1	0	6	0	1	21
Grand total	2	51	0	3	1	28	0	2	87

Table 70 - Occupational Categories

4.1.3 VACANCY RATE

The approved organogram for the municipality reflected 146 posts for the 2021/22 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 59 Posts were vacant at the end 2022/23 resulting in a vacancy rate of 40,41%.

Below is a table that indicates the vacancies within the municipality: Table 57 – Vacancy Rate per Post

PER TASK LEVEL		
TASK LEVEL	FILLED	VACANT
MM & MSA section 57 &	2	2
Middle management	4	1
Admin Officers (T4-T13)	63	30
General Workers (T3)	17	27
Grant remuneration outside TASK level	0	0
TOTAL	87	59
PER FUNCTIONAL LEVEL		
FUNCTIONAL AREA	FILLED	VACANT
Office of the Municipal Manager	4	4
Corporate & Community Services	66	65
Technical and Electrical Services	27	70
Financial Services	24	14
Appointments from	0	0
Total	121	153

4.1.4 TURNOVER RATE

Small, rural municipalities find it difficult to attract and retain skilled staff as they cannot compete with bigger municipalities in terms of salary, skills transfer and opportunities. This results in a high turn-over of staff. A high turnover rate for staff member's impacts negatively on a municipality as it may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate is estimated at 30.23% and is mainly due to contracts that have expired, retirement and financial interns that resign after they are trained to seek opportunities elsewhere. This high turnover rate show case the need for staff retention and the challenges faced by isolated rural municipalities.

The table below indicates the turn-over rate over the last two years:

FINANCIAL YEAR	TOTAL NO APPOINTMENTS AT THE END OF EACH FINANCIAL YEAR	NEW APPOINTMENTS	NO OF TERMINATIONS DURING THE YEAR	TURN- OVER RATE
2022/2023		4	2	30,23
2023/2024		14	14	5,75

Table 71 - Turnover Rate

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 INTRODUCTION

The municipal workforce forms the foundation of service delivery and the effective management of the municipal workforce will be paramount.

4.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and an equitable, fair and open approach to the managing of staff.

The table below reflects the HR policies and plans that are in operation within the Municipality and that must be reviewed annually.

APPROVED POLICIES	
NAME OF POLICY	DATE APPROVED/REVISED
HR Strategy	2 March 2023
Performance Rewards and Recognition Policy	31 Aug 2022
Performance Management Policy	31 August 2022
Acting Allowance and Additional Responsibilities Policy	28 February 2022
Bursary Policy External Students	28 February 2022
Employee Study Aid Policy	28 February 2022; revised 2 March 2023
Overtime Policy	28 February 2022
Private Work Policy	28 February 2022
Records Management Policy	18 January 2023
Registry Procedure Manual Policy	18 January 2023
Cell Phone policy	2018
Employment Equity	2018
Substance Abuse	2018
Smoking Policy	2018

Table 72 HR Policies and Plans

The ongoing efforts to update our HR policies represent a strategic investment in the organization's overall effectiveness, compliance, and employee satisfaction. By aligning with the Council's objectives and adhering to the latest legislative standards, we aim to foster a workplace environment that reflects our commitment to excellence and ethical business practices and good governance.

As indicated above most of the HR policies are outdated and must be reviewed within the next financial year to ensure that they are relevant and address the needs of management and the staff component.

4.4 INJURIES, SICKNESS AND SUSPENSIONS

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

Chapter 5 provides information on the financial performance of the Municipality for the 2023/2024 financial year.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

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

5.1.1 FINANCIAL SUMMARY

Description	2022/2023	2023/2024		
	Actual	Original Budget	Adjustments Budget	Actual
	R'000			
Operating Transfers and Grants				
National Government:	37 808 337	40 200 650	40 200 650	40 068 583
Local Government Equitable Share	33 259 620	35 348 000	35 348 000	35 348 000
Local Government Financial Management Grant	2 920 840	2 932 000	2 932 000	2 932 361
Expanded Public Works Programme	1 073 727	1 220 000	1 220 000	1 219 572
Municipal Infrastructure Grant	554 150	568 560	568 560	568 560
Provincial Government:	8 224 166	24 140 000	29 816 000	30 082 761
Library Grant	3 019 535	3 607 000	3 607 000	3 020 121
Community Development Workers	112 000	113 000	113 000	103 640
Capacity Building	-	-	-	-
Road Maintenance	-	50 000	50 000	-
Human Settlements Development Grant	5 092 631	20 370 000	26 046 000	26 959 000
Total Operating Transfers and Grants	46 032 503	64 340 650	70 016 650	70 153 344

5.1.2 The table below indicates the summary of the financial performance for the 2023/2024 financial year:

Statement of Financial Performance				
Figures in Rand		Note(s)	2024	2023
Revenue				
Revenue	from			
Sale of goods and Rendering of Services	exchange	transactions		
		18	437 347	427 565
Service charges		19	124 860 943	101 853 175
Rental from Fixed Assets		20	669 706	611 426
Interest, Dividends and Rent on Land Earned		21	10 255 061	7 995 789
Income from Agency Services		22	1 208 355	1 215 427
Licenses and permits		23	201 969	171 119
Operational Revenue		24	487 428	1 211 375
Other income 2			6 031 622	-
Gain on disposal of assets and liabilities			3 062 828	2 985 411
Actuarial gains			-	295 000
Total revenue from exchange transactions			147 215 259	116 766 287
Revenue	from			
Property rates	non-exchange	transactions		
		29	28 008 147	25 562 408
Licenses and permits		26	111	366
Interest, Dividends and Rent on Land		28	3 208 419	2 561 209
Transfers and subsidies		31	90 795 929	54 629 842
Service Charges		32	716 291	667 083
Fines, Penalties and Forfeits		25	921 263	1 525 463
Interest - Transfer revenue		21	130 649	24 937
Transfers and Subsidies Paid			(438 911)	-
Total revenue from non-exchange transactions			123 341 898	84 971 308
			147 215 259	116 766 287
			123 341 898	84 971 308
Total revenue			270 557 157	201 737 595

Expenditure			
Employee related costs	33	97 286 000	78 942 571
Remuneration of councilors	34	3 955 803	3 273 323
Depreciation and amortization	35	16 112 945	12 076 508
Impairment losses	36	66 741 124	32 125 975
Finance costs	37	4 185 487	7 063 776
Operating leases	27	855 724	877 156
Bulk purchases	40	60 101 142	51 963 634
Contracted services	41	35 829 427	19 895 921
Transfers and Subsidies	30	395 769	255 000
Inventory Consumed		5 318 450	2 906 729
Operational Costs	39	21 835 473	20 917 467
Total expenditure		312 617 344	230 298 060
Total revenue		-	-
Total expenditure		270 557 157	201 737 595
Operating surplus/deficit		(312 617 344)	(230 298 060)
Deficit before taxation		-	-
Taxation		(42 060 187)	(28 560 465)
Deficit for the year		(42 060 187)	(28 560 465)

Statement of Financial Position

Budget on Cash Basis	Approved budget	Adjustments on comparable basis	Final Budget	Actuals	Difference between final budget and actual
Current Assets					
Inventories	(17 331 800)	9 506 200	(7 825 600)	1 973 876	9 799 476
Statutory Receivables from Non-Exchange Transactions	(2 261 488)	1 130 744	(1 130 744)	1 971 200	3 101 944
Receivables from non-exchange transactions	(9 704 986)	4 852 493	(4 852 493)	2 182 196	7 034 689
VAT receivable	-	-	-	64 234 121	64 234 121
Employee benefit asset	-	-	-	1 296 408	1 296 408
Consumer debtors	(9 246 226)	4 623 113	(4 623 113)	12 538 242	17 161 355
Cash and cash equivalents	(24 185 632)	19 703 381	(4 482 251)	9 612 246	14 094 497
	(62 730 132)	39 815 931	(22 914 201)	93 808 289	116 722 490
Non-Current Assets					
Investment property	-	-	-	1 064 175	1 064 175
Property, plant and equipment	7 507 575	1 564 596	9 072 171	303 421 652	294 349 481
	7 507 575	1 564 596	9 072 171	304 485 827	295 413 656
Non-Current Assets	7 507 575	1 564 596	9 072 171	304 485 827	295 413 656
Current Assets	(62 730 132)	39 815 931	(22 914 201)	93 808 289	116 722 490
Total Assets	(55 222 557)	41 380 527	(13 842 030)	398 294 116	412 136 146
Liabilities					

Current Liabilities					
Payables from exchange transactions	(16 989 238)	22 023 338	5 034 100	89 806 056	84 771 956
Taxes and transfers payable (non-exchange)	-	-	-	274 709	274 709
VAT payable	(24 808 662)	9 710 796	(15 097 866)	70 477 259	85 575 125
Consumer deposits	-	-	-	1 445 851	1 445 851
Employee benefit obligation	-	-	-	5 144 620	5 144 620
Unspent conditional grants and receipts Provisions	-	(600 000)	(600 000)	14 443 036	15 043 036
	-	-	-	16 583 611	16 583 611
	(41 797 900)	31 134 134	(10 663 766)	198 175 142	208 838 908
Non-Current Liabilities					
Employee benefit obligation Provisions	-	-	-	14 671 000	14 671 000
	-	-	-	17 222 491	17 222 491
	-	-	-	31 893 491	31 893 491
	(41 797 900)	31 134 134	(10 663 766)	198 175 142	208 838 908
	-	-	-	31 893 491	
	-	-	-	-	31 893 491
Total Liabilities	(41 797 900)	31 134 134	- (10 663 766)	230 068 633	- 240 732 399
Assets	(55 222 557)	41 380 527	(13 842 030)	398 294 116	412 136 146
Liabilities	41 797 900	(31 134 134)	10 663 766	(230 068 633)	(240 732 399)
Net Assets	(13 424 657)	10 246 393	(3 178 264)	168 225 483	171 403 747

Statement of Changes in Net Assets		Revaluation reserve	Accumulated Surplus/Deficit	Total net Assets
Balance at 01 July 2022	Changes in net assets Another 1	-	209 749 083	209 749 083
	-		13 800 857	13 800 857
Net income (losses) recognized directly in net assets	-		13 800 857	13 800 857
Surplus for the year	-		(28 560 465)	(28 560 465)
Total recognized income and expenses for the year	-		(14 759 608)	(14 759 608)
Total changes	-		(14 759 608)	(14 759 608)
Balance at 01 July 2023	Changes in net assets financial assets	-	194 981 489	194 981 489
	-		12 107 365	12 107 365
Net income (losses) recognized directly in net assets	-		12 107 365	12 107 365
Surplus for the year	-		(42 060 187)	(42 060 187)
Total recognized income and expenses for the year	-		(29 952 822)	(29 952 822)
Total changes	-		(29 952 822)	(29 952 822)
Balance at 30 June 2024	-		165 028 667	165 028 667

Table 1 - Financial Summary

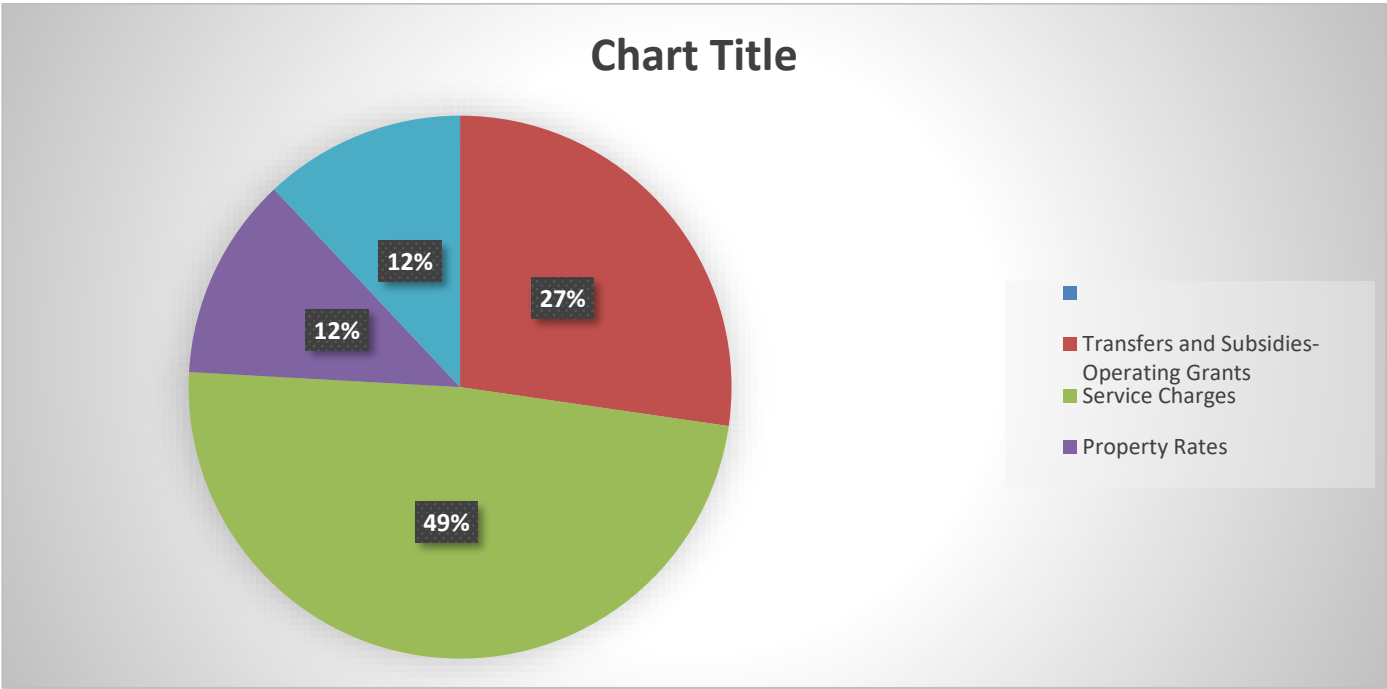
The table below shows a summary of performance against budgets:

FINANCIAL	REVENUE				OPERATING EXPENDITURE			
Year	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2022/23	203 311	201 738	-1 573	99%	195 121	230 298	35 177	85%
2023/24	267 247	270 557	3 310	99%	253 754	312 617	58 863	81%

Table 2 - Performance against Budget

The following graph indicates the various types of revenue items in the municipal budget for 2023/2024:

Revenue by Source:



The table below indicates the revenue collection performance by VOTE for the 2023/2024 financial year:

Vote Description	2022/2023	2023/2024			2023/2024 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
1.1 - MUNICIPAL MANAGER	24 540	0	300	0	0%	0%
1.2 - COUNCIL GENERAL EXPENSES	2 455	12961	12 961	35 452	37%	37%
2.1 - FINANCIAL SERVICES	7 668	5 033	6 333	13 770	37%	46%
2.2 - PROPERTY RATES	4 380	2 972	2 972	31 217	10%	10%
3.1- CEMETRIES	21	35 250	41 964	41 464	84%	99%
3.2- LIBRARY	2 163	3 556	3 608	3 020	99%	84%
3.3 - COMMUNITY HALLS	270	80	80	3	100%	4%
4.1 - ELECTRICITY SERVICES	19 297	81 032	81 103	73 635	99,91%	91%
4.2 - WATER SERVICES	16 898	37 355	39 374	41 889	89%	94%
4.3 - SEWERAGE	4 349	16 612	16 612	11 946	100%	72%
4.4 - REFUSE	2 239	15 769	15 769	11 586	100%	73%
4.5 - PUBLIC WORKS	1 815	569	869	569	65%	65%
Total Revenue by Vote	95 473	211 189	221 945	264 551	80%	84%

Table 3 - Performance by VOTE

5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational Services performance for the 2023/2024 financial year:

Statement of Financial Performance						
Budget on Cash Basis		Approved Budget	Adjustments Actual on comparable basis	Final Budget amounts Final Budget	Actuals	Difference between final budget and actual
Revenue from exchange transactions		396 000				
Sale of goods			-	396 000	437 347	41 347
Service charges		117 388 310	-	117 388 310	124 860 943	7 472 633
Rental of facilities and equipment		1 098 000	-	1 098 000	669 706	(428 294)
Dividends received (trading)		4 500 800		4 500 800		
			-		10 255 061	5 754 261
Agency services		1 350 000	-	1 350 000	1 208 355	(141 645)
Licenses and permits		159 000	-	159 000	201 969	42 969
Other income 1		66 200	(20)	66 180	487 428	421 248
Other income 2		0	(20)	(20)	6 031 622	6 031 642
Total revenue from exchange transactions		124958310	(40)	124 958 270	144 152 431	19 194 161
Revenue from non-exchange transactions						
Taxation revenue						
Property rates		26 914 913	-	26 914 913	28 008 147	1 093 234
Licenses and Permits (Non-exchange)		30 000	-	30 000	111	(29 889)
Interest, Dividends and Rent on Land		5 140 000	-	5 140 000	3 208 419	(1 931 581)
Transfer revenue						
Government grants & subsidies		64 252 000	7 463 000	71 715 000	90 795 929	19 080 929
Levies		0	-	-	716 291	716 291
Fines, Penalties and Forfeits		2 501 000	-	2 501 000	921 263	(1 579 737)
Interest - Transfer revenue		50 000	-	50 000	130 649	80 649
Other transfer revenue 1		22 499 810	13 437 870	35 937 680	(438 911)	(36 376 591)
Total revenue from non- exchange transactions		121387723	20 900 870	142 288 593	123 341 898	(18 946 695)
Total revenue from exchange transactions'		124958310	(40)	124 958 270	144 152 431	19 194 161
'Total revenue from non-exchange transactions'		121387723	20 900 870	142 288 593	123 341 898	(18 946 695)
Total revenue		246346033	20 900 830	267 246 863	267 494 329	247 466

Expenditure					
Personnel	-79933000	(12 532 000)	(92 465 000)	(97 286 000)	(4 821 000)
Remuneration of councilors	-3273000	(3 000)	(3 276 000)	(3 955 803)	(679 803)
Administration	-95000	190 000	95 000	-	(95 000)
Depreciation and amortization	-11762000	(123 000)	(11 885 000)	(16 112 945)	(4 227 945)
Impairment loss/ Reversal of impairments	-16691000	-	(16 691 000)	(66 741 124)	(50 050 124)
Finance costs	-8000000	6 900 000	(1 100 000)	(4 185 487)	(3 085 487)
Lease rentals on operating lease	-2592000	1 605 000	(987 000)	(855 724)	131 276
Bulk purchases	-56045000	-	(56 045 000)	(60 101 142)	(4 056 142)
Contracted Services	-33727000	(6 504 000)	(40 231 000)	(35 829 427)	4 401 573
Transfers and Subsidies	-920000	520 000	(400 000)	(395 769)	4 231
Sale of goods/Inventory	(8 946 000)	550 000	(8 396 000)	(5 318 450)	3 077 550
Operational costs	(22 156 000)	(217 000)	(22 373 000)	(21 835 473)	537 527
Total expenditure	(244 140 000)	(9 614 000)	(253 754 000)	(312 617 344)	(58 863 344)
	246 346 033	20 900 830	267 246 863	267 494 329	247 466
	(244 140 000)	(9 614 000)	(253 754 000)	(312 617 344)	(58 863 344)
	2 206 033	11 286 830	13 492 863	(45 123 015)	(58 615 878)
Operating deficit	(1 300 000)	1 400 000	100 000	3 062 828	2 962 828
Gain on disposal of assets and liabilities	2 206 033	11 286 830	13 492 863	(45 123 015)	(58 615 878)
Deficit before taxation	(1 300 000)	1 400 000	100 000	3 062 828	2 962 828
Surplus before taxation	906 033	12 686 830	13 592 863	(42 060 187)	(55 653 050)
Taxation	906 033	12 686 830	13 592 863	(42 060 187)	(55 653 050)
	-	-	-	-	-
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement Reconciliation					
	906 033	12 686 830	13 592 863	(42 060 187)	(55 653 050)

Table 4 - Financial Performance of Operational Services

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.2.1 WATER MANAGEMENT

Description	2022/2023	2023/2024	Water Services
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R11 179 165,00	R 41 888 122,00	27%
EXPENDITURE:			
Employees	R7 691 663,00	R 6 020 223,00	78%
Materials	R416 126,00	R 2 387 523,00	17%
Depreciation	R33 718,00	R 4 145 737,00	1%
Other	R3 872 766,00	R 11 019 811,00	35%
Total Operational Expenditure	R12 014 273,00	R 23 573 294,00	51%
	-R835 108	R 18 314 828,00	-5%

Table 5 - Financial Performance per Municipal Function: Water Management

5.2.2 WASTEWATER MANAGEMENT

Description	2022/2023	2023/2024	Sewerage Variance to Actual %
	Actual	Actual	
	R'000		
TOTAL OPERATIONAL REVENUE	R10 774 234,79	R 11 946 236,00	90%
EXPENDITURE:			
Employees	R3 481 926,99	R 3 559 959,00	98%
Materials	R442 223,18	R 561 583,00	79%
Depreciation	R2 660 970,00	R 2 707 783,00	98%
Bulk	R0,00	R0,00	0%
Other	R1 267 951,15	R 4 859 094,00	26%
Total Operational Expenditure	R7 853 071,32	R 11 688 419,00	67%
	R2 921 163,47	R257 817,00	9%
Variances are calculated by dividing the difference between the actual's			

Table 6 - Financial Performance per Municipal Function: Wastewater Management

5.2.3 ENERGY SOURCES

Description	2022/2023	2023/2024	Energy Sources Variance to Actual %
	Actual	Actual	
	R'000		
TOTAL OPERATIONAL REVENUE	R65 267 777,00	R 73 634 990,00	89%
EXPENDITURE:			
Employees	R3 528 660,00	R 3 865 599,00	91%
Materials	R319 880,00	R 539 328,00	59%
Depreciation	R2 183 555,00	R 2 128 062,00	97%
Bulk	R55 312 841,00	R 60 101 142,00	92%
Other	R2 971 795,00	R 1 634 753,00	55%
Total Operational Expenditure	R64 316 731,00	R 68 268 884,00	94%
	R951 046,00	R 5 366 106,00	18%

Table 7 - Financial Performance per Municipal Function: Energy Sources

5.2.4 WASTE MANAGEMENT

Description	2022/2023	2023/2024	Refuse
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R10 763 794,59	R 11 585 678,00	93%
EXPENDITURE:			
Employees	R7 691 662,91	R 8 009 996,00	96%
Materials	R416 126,15	R 530 928,00	78%
Depreciation	R21 630,00	R 956 483,00	2%
Bulk	R0,00	R0,00	0%
Other	R562 175,31	R 519 762,00	92%
Total Operational Expenditure	R8 691 594,37	R 10 017 169,00	87%
	R2 072 200,22	R1 568 509,00	76%

Table 8 - Financial Performance per Municipal Function: Waste Management

5.2.5 ROAD TRANSPORT

Description	2022/2023	2023/2024	Road Transport
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R2 238 555,00	R 568 649,00	25%
EXPENDITURE:			
Employees	R7 401 266,00	R 5 819 042,00	79%
Materials	R253 159,00	R 465 566,00	54%
Depreciation	R3 175 737,00	R 3 561 807,00	89%
Bulk	R0,00	R0,00	0%
Other	R5 294 870,00	R 474 932,00	9%
Total Operational Expenditure	R16 125 032,00	R 10 321 347,00	156%
	-R13 886 477,00	-R9 752 698,00	142%

Table 9 - Financial Performance per Municipal Function: Road Transport

5.2.6 PUBLIC SAFETY

Description	2022/2023	2023/2024	Public Safety
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R109 540,00	R 2 328 667,09	5%
EXPENDITURE:			
Employees	R1 307 654,00	R 5 921 065,85	22%
Materials	R0,00	R 64 150,41	0%
Depreciation	R0,00	R 468 450,83	0%
Bulk	R0,00	R0,00	0%
Other	R34 047,00	R 88 086,71	39%
Total Operational Expenditure	R1 341 701,00	R 6 541 753,80	21%
	-R1 232 161,00	-R4 213 086,71	29%

Table 10 - Financial Performance per Municipal Function: Public Safety

5.2.7 SPORT AND RECREATION

Description	2022/2023	2023/2024	Sport and Recreation
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R370,00	R0,00	0%
EXPENDITURE:			
Employees	R781 083,00	R423 029,00	54%
Materials	R2 039,00	R0,00	0%
Depreciation	R134 044,00	R31 044,96	23%
Bulk	R0,00	R0,00	0%
Other	R178 564,00	R249 754,66	71%
Total Operational Expenditure	1 095 730	R703 828,62	64%
	-R1 095 360,00	-R280 799,62	26%

Variances are calculated by dividing the difference between the actual's

Table 11 - Financial Performance per Municipal Function: Sport and Recreation

5.2.8 EXECUTIVE AND COUNCIL

Description	2022/2023	2023/2024	Executive Council
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R33 573 017,00	R 35 451 639,00	95%
EXPENDITURE:			
Employees	R15 621 053,00	R 19 641 908,00	80%
Materials	R107 636,00	R 57 718,00	54%
Depreciation	R298 740,00	R 324 967,00	92%
Bulk	R0,00	R0,00	0%
Other	R5 643 076,00	R 4 653 740,00	82%
Total Operational Expenditure	R21 670 505,00	R 24 678 333,00	88%
	R11 902 512,00	R10 773 306,00	91%

Table 12 - Financial Performance per Municipal Function: Executive and Council

5.2.9 FINANCE AND ADMINISTRATION

Description	2022/2023	2023/2024	Finance and Administration
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R34 786 429,00	R 44 119 401,00	79%
EXPENDITURE:			
Employees	R31 023 213,00	R 43 057 553,00	72%
Materials	R329 901,00	R 498 633,00	66%
Depreciation	R988 381,00	R 611 077,00	62%
Bulk	R0,00	R0,00	0%
Other	R25 787 247,00	R 22 112 746,00	86%
Total Operational Expenditure	58 128 742	R 66 280 009,00	88%
	-R23 342 313,00	-R22 160 608,00	95%

Table 13 - Financial Performance per Municipal Function: Finance and Administration

5.2.10 MUNICIPAL MANAGER (MM)

Description	2022/2023	2023/2024	Municipal Manager Variance to Actual %
	Actual	Actual	
	R'000		
TOTAL OPERATIONAL REVENUE	R0,00	R 300 000,00	0%
EXPENDITURE:			
Employees	R6 861 540,57	R 8 063 505,00	85%
Materials	R24 927,66	R19 982,76	80%
Depreciation	R284 830,00	R 324 967,44	88%
Bulk	R0,00	R0,00	0%
Other	R3 054 881,62	R 3 467 896,00	88%
Total Operational Expenditure	R10 226 179,85	R 11 876 351,20	86%
	-R10 226 179,85	-R3 812 846,20	37%

Table 14 - Financial Performance per Municipal Function: Municipal Manager (MM)

5.2.10 COMMUNITY AND SOCIAL SERVICES

Description	2022/2023	2023/2024	Community and Social Services
	Actual	Actual	Variance to Actual
	R'000		%
TOTAL OPERATIONAL REVENUE	R11 666 472,00	R 46 201 128,00	25%
EXPENDITURE:			
Employees	R5 427 579,00	R 12 501 554,00	43%
Materials	R156 643,00	R 75 138,00	48%
Depreciation	R780 016,00	R 1 424 763,00	55%
Bulk	R0,00	R0,00	0%
Other	R3 838 834,00	R 27 060 435,00	14%
Total Operational Expenditure	R10 203 072,00	R 41 061 890,00	25%
	R1 463 400,00	R5 139 238,00	28%

Table 15 - Financial Performance per Municipal Function: Community and Social Services

5.2.11 OPERATING TRANSFERS AND GRANTS

Description	2022/2023	2023/2024		
	Actual	Original Budget	Adjustments Budget	Actual
	R'000			
Operating Transfers and Grants				
National Government:	37 737	37 737	40 069	40 069
Local Government Equitable Share	33 259	33 259	35 348	35 348
Local Government Financial Management Grant	2 893	2 893	2 932	2 932
Expanded Public Works Programme	1 031	1 031	1 220	1 220
Municipal Infrastructure Grant	554	554	569	569
Provincial Government:	0	24 040	29 764	30 079
Library Grant		3 507	3 555	3 016
Community Development Workers		113	113	104
Capacity Building	0			
Road Maintenance	–	50	50	0
Human Settlements Development Grant	0	20 370	26 046	26 959
Total Operating Transfers and Grants	37 737	61 777	69 833	70 148

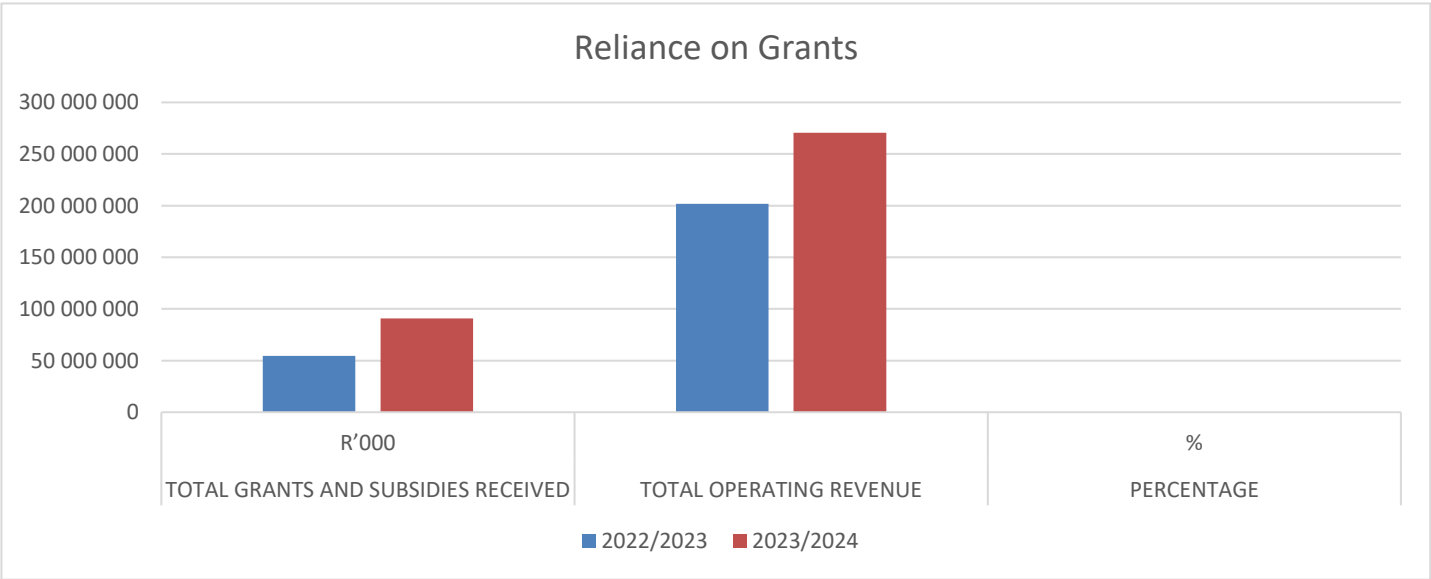
Table 16 - Operating Transfers and Grants

5.2.12 RELIANCE ON GRANTS

FINANCIAL YEAR	TOTAL GRANTS AND SUBSIDIES RECEIVED	TOTAL OPERATING REVENUE	PERCENTAGE
	R'000		%
2022/2023	54 629	201 738	27,08%
2023/2024	90 795	270 557	33,56%

Table 17 - Reliance on Grants

The following graph indicates the municipality's reliance on grants as percentage for the last two financial years



5.3 ASSET MANAGEMENT

The objectives of the Asset Management within the Kannaland Municipality are to assist officials in understanding their legal and managerial responsibilities concerning assets and to ensure the effective and efficient control of the municipality's assets through:

- proper recording of assets from authorization to acquisition and to subsequent disposal;
- providing for safeguarding procedures;
- setting proper guidelines as to authorized utilization and;
- prescribing for proper maintenance.

The key elements of the Asset Management Policy represent:

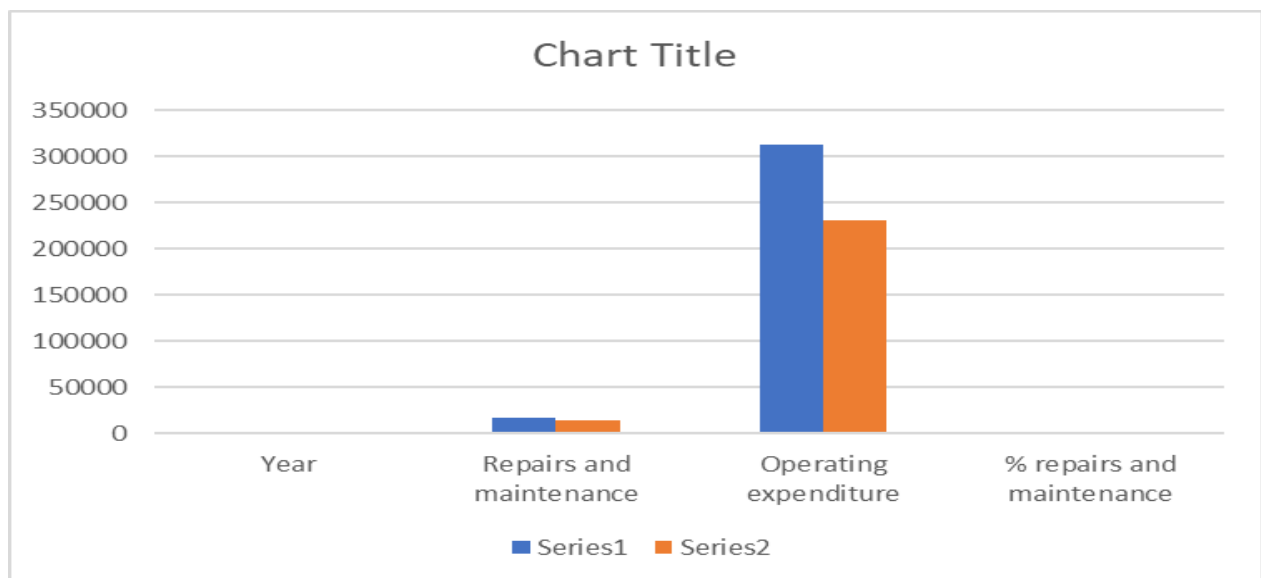
- Statutory and Regulatory Framework / Responsibilities and Accountabilities
- Financial Management / Internal Controls / Management of Control Items
- Management and Operation of Assets / Classification & Components
- Accounting for Assets / Financial Disclosure
- Regular Asset counts are conducted in accordance with the prescriptions of the Asset Management Policy. Information regarding Asset Register updates in respect of disposals, adjustments, review of useful life etc. is based on submissions by user departments in accordance with the procedures in place.

5.3.1 REPAIRS AND MAINTENANCE

Description	2022/2023	2023/24	
	Actual	Actual	Variance to Actual
Total operating expenditure	230 298	312 617	73,67%
Repairs and Maintenance	14 773	16 818	87,84%
% Of total OPEX	6,41%	5,38%	
Repairs & Maintenance as % of total Operating Expenditure. The following graph indicates the percentage of the budget that was spent on Repairs & Maintenance in relation to the operational expenditure:			

Table 18 - Asset Management: Repairs and Maintenance

The following graph indicates the percentage of the budget that was spent on Repairs & Maintenance in relation to the operational expenditure:



5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.4.1 FINANCIAL VIABILITY INDICATORS

5.4.1.1 LIQUIDITY RATIO

Description	Basis of calculation	2022/2023	2023/2024
		Audited outcome	Audited outcome
Current Ratio	Current Assets / Current Liabilities	2,61	2,08
Current Ratio adjusted for aged debtors	Current Assets less debtors > 90 days / Current Liabilities	4,39	4,53
Liquidity Ratio	Monetary Assets / Current Liabilities	2	1,6

Table 19 - Financial Viability Indicators: Liquidity Ratio

5.4.1.2 FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2022/2023	2023/2024
		Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments – Unspent Grants)/monthly fixed operational expenditure	4,1	4,5
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0,04	0,13
Debt Coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) X 365	3448,66	4332,27

Table 20 - Financial Viability Indicators

5.4.1.3 EMPLOYEE COSTS

Description	Basis of calculation	2022/2023	2023/2024
		Audited outcome	Audited outcome
Employee costs	Employee costs / (Total Expenditure)	34%	31%

Table 21 - Employee Costs

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 SOURCES OF FINANCE

Source of Finance	2022/2023	2023/2024
Total Revenue	201 737 595	270 557 157
Government Grants and Subsidies - Operating	46 203 829	73 722 439
Investment Revenue	1 844 554	1 762 316
Other Own Revenue	17 847 616	25 129 822
Property Rates	25 562 408	28 008 147
Services Charges	101 853 175	124 860 943

Table 22 - Source of Finance

The total revenue for the 2023/24 financial year equates to R 270 557 157 in comparison to the 2022/23 financial year which reflects an amount of 201 737 595.

5.6 CAPITAL SPENDING ON THREE LARGEST PROJECTS

Projects with the highest capital expenditure in 2023/24:

Name of Project	2023/2024		
	Original Budget	Adjustment Budget	Actual Expenditure
Municipal Infrastructure Grant	10 247	10 475	10 842
Water Service Infrastructure Grant	5 000	4 500	4075
Municipal Water Resilience Grant	1 440	1 440	485

Table 23 - Capital Spending on Three Largest Projects

5.7 BASIC SERVICE AND INFRASTRUCTURE

5.7.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro-enterprises and social institutions servicing poor communities.

No.	Grant	Project No	Project Name	Original Budget	Adjustment Budget	Expenditure	Still to spend	% Spend
1	MIG	458789	REFURBISHMENT OF VAN WYKSDORP WATER TREATMENT WORKS	R 443 753,20	R 424 753,20	R 407 767,03	R 16 986,17	96%
2	MIG	458828	REFURBISHMENT OF VAN WYKSDORP WASTE WATER TREATMENT WORKS	R 2 196 660,71	R 2 156 661,39	R 2 471 153,62	-R 314 492,23	115%
3	MIG		REFURBISH AND UPGRADE ZOAR SEWER PS		R 6 990 657,56	R 6 929 394,16	R 61 263,40	
4	MIG	458834	REFURBISH AND UPGRADE ZOAR WASTE WATER TREATMENT WORKS	R 7 606 456,47	R 902 879,85	R 1 033 848,52	-R 130 968,67	115%

Municipal Infrastructure Grant (MIG)* Expenditure 2023/24 on Service backlogs

Details	Budget	Adjustment Budget	Actual
	R'000		
Infrastructure - Water	444	425	408
<i>Water Treatment Works</i>	444	425	408
Infrastructure - Sanitation	9 803	10 050	10 043
<i>Waste Water Treatment Works</i>	9 803	10 050	10 043
Total	10 247	10 475	10 842

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 24 - Municipal Infrastructure Grant Expenditure on Service Backlogs

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organization to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.8 CASH FLOW

Cash Flow Statement	2024	2023
Cash flows from operating activities		
Receipts		
Property Rates	28 657 255	25 664 844
Transfers and Subsidies	91 224 250	54 431 205
Service Charges	116 990 632	101 259 759
External Interest Received	-	1 936 338
Other Receipts	10 385 710	20 511 363
VAT Refund	-	2 756 404
Other debtors' movement	-	689 584
	247 257 847	207 249 497
Payments		
Employee costs	(97 286 000)	(80 193 613)
Suppliers	(145 786 360)	(116 643 041)
Finance costs	(4 185 487)	(7 063 776)
VAT Paid	-	105 541
	(247 257 847)	(203 794 889)
Total receipts	247 257 847	207 249 497
Total payments	(247 257 847)	(203 794 889)
Net cash flows from operating activities	(27 410 871)	(3 454 608)
	-	
Cash flows from investing activities		
Purchase of property, plant and equipment	(120 431 000)	(11 402 870)
Proceeds from sale of property, plant and equipment	-	813 000
Net cash flows from investing activities	(120 431 000)	(12 526 208)
Cash flows from financing activities		
Finance lease payments	(3 685 235)	1
Net increase/(decrease) in cash and cash equivalents	(124 116 235)	(12 526 207)
Cash and cash equivalents at the beginning of the year	20 635 589	30 934 238
Cash and cash equivalents at the end of the year	(103 480 646)	18 408 031

Table 25 - Cash Flow

5.9 GROSS OUTSTANDING DEBTORS PER SERVICE

4. Receivables from Exchange Transactions		
Gross balances		
Electricity	4 018 176	2 910 241
Water	59 201 221	34 081 954
Sewerage	29 638 914	22 322 271
Refuse	33 794 915	25 280 859
Sundry	(138 011)	692 470
	126 515 215	85 287 795
Less: Allowance for impairment		
Electricity	(1 785 130)	(2 212 877)
Water	(51 129 239)	(32 513 467)
Sewerage	(28 574 868)	(21 553 231)
Refuse	(32 056 482)	(24 530 599)
Sundry	(431 254)	(1 125 865)
	(113 976 973)	(81 936 039)
Net balance		
Electricity	2 233 046	697 364
Water	8 071 982	1 568 487
Sewerage	1 064 046	769 040
Refuse	1 738 433	1 350 144
Sundry	(569 265)	(433 395)
	12 538 242	3 951 640

Table 26 - Gross Outstanding Debtors per Service

5.10 TOTAL DEBTORS AGE ANALYSIS

4. Receivables from Exchange Transactions		
Water	7 634 242	1 117 452
Current 0 -30 days		
31 - 60 days	900 606	805 861
61 - 90 days	4 275 884	897 464
91 + days	36 431 423	31 353 045
Provision for Impairment	(41 170 173)	(32 605 335)
	8 071 982	1 568 487
Sewerage		
Current 0 -30 days		
31 - 60 days	814 025	767 669
61 - 90 days	615 115	528 688
91 + days	589 253	487 954
Provision for Impairment	24 747 230	20 549 735
	(25 701 577)	(21 565 006)
	1 064 046	769 040
Refuse		
Current 0 -30 days		
31 - 60 days	807 270	781 184
61 - 90 days	626 865	597 759
91 + days	602 758	554 851
Provision of Impairment	27 627 231	23 347 065
	(27 925 691)	(23 930 715)
	1 738 433	1 350 144
Sundry		
Current 0 -30 days		
31 - 60 days	70 656	70 495
61 - 90 days	63 393	20 757
91 + days	39 231	17 003
Provision for Impairment	851 782	1 243 931
	(1 594 327)	(1 785 581)
	(569 265)	(433 395)
Balance at beginning of the year	(81 936 039)	(57 063 962)
Impairment Losses recognized	(32 040 934)	(24 872 077)
	(113 976 973)	(81 936 039)

Charges

Table 27 - Total Debtors Age Analysis

5.11 BORROWING AND INVESTMENTS

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.11.1 ACTUAL BORROWINGS

Instrument	2022/2023	2023/2024
Finance Leases	0	3 685

Table 28 - Actual Borrowings

5.11.2 MUNICIPAL INVESTMENTS

Instrument	2022/2023	2023/2024
Cash on Hand	5	8
Deposits - Bank	2 018	1 910
Deposits Short term	20 636	9 612

Table 29 - Municipal Investments

5.12 OTHER FINANCIAL MATTERS

5.12.1 GRAP COMPLIANCE

GRAP and GAMAP are accounting practices that Municipalities need to abide by. The Public Finance Management Act, 1999 and the MFMA prescribes the standards of Generally Accepted Municipal Accounting Practice (GAMAP). The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act (PFMA) and the MFMA to determine generally recognized accounting practice referred to as Standards of Generally Recognized Accounting Practice (**GRAP**). The Board must determine **GRAP** for: departments (national and provincial);

- public entities;
- constitutional institutions;
- IT
- municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- Parliament and the provincial legislatures.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities. GAMAP is an interim solution until such time as it is replaced by a Standard. IMQS understands that the minimum compliance requirement as this point in time is a GIS enabled GRAP compliant Asset Register.

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Kannaland Municipality.**Report on the audit of the financial statements****Disclaimer of opinion**

1. I was engaged to audit the financial statements of Kannaland Municipality set out on pages 5 to 98, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion**Property, plant and equipment**

3. I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment due to the status of the accounting records. I was unable to confirm that property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R303 421 652 disclosed in note 9 to the financial statements. In addition, I was unable to obtain sufficient appropriate audit evidence for the restated corresponding figures of property, plant and equipment, as the supporting information was not provided. I was unable to confirm the restated corresponding figures by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to the property, plant and equipment corresponding figures stated at R316 194 367 in the financial statements.
4. I was unable to obtain sufficient appropriate audit evidence for expenditure incurred for repairs and maintenance to property, plant and equipment disclosed in note 9 to the financial statements, as the municipality did not have adequate systems to maintain records. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the expenditure incurred for repairs and maintenance of property, plant and equipment stated at R16 817 921 (2023: R14 773 410) in note 9 to the financial statements.
5. The municipality did not correctly disclose the cost and accumulated depreciation of property plant and equipment in note 9 to the financial statements as required by GRAP 17, *Property, Plant and Equipment*. Consequently, the cost of property, plant and equipment is

understated by R75 252 941 (2023: R80 441 723) and the accumulated depreciation is understated by R70 216 458 (2023: R87 704 497) in note 9 to the financial statements.

6. The municipality did not disclose the reconciliation of the carrying amount at the beginning and end of the period for property, plant and equipment in note 9 to the financial statements as required by GRAP 17, *Property, Plant and Equipment*. Consequently, the disclosure of the reconciliation is understated as follows: opening balance by R308 931 592, additions by R16 650 022, disposals by R1 271 931, impairment by R213 551, depreciation by R16 065 099 and the closing balance by R308 458 135 in note 9 to the financial statements.
7. The municipality did not correctly disclose the reconciliation of the carrying amount at the beginning and end of the period for the comparative figures for property, plant and equipment in note 9 to the financial statements as required by GRAP 17, *Property, Plant and Equipment*. Consequently, the disclosure of the reconciliation for the comparative figures of the opening balance and disposals are understated by R126 102 694 and R34 174 814 respectively, additions are overstated by R109 345 832, impairment is overstated by R3 450 097, depreciation is overstated by R54 688, and the closing balance is overstated by R7 262 774 in note 9 to the financial statements.
8. The municipality did not disclose the reconciliation of work-in-progress in note 9 to the financial statements as required by GRAP 17, *Property, Plant and Equipment*. Consequently, the disclosure of the reconciliation of work-in-progress is understated by R4 673 310 (2023: R6 524 445) in note 9 to the financial statements.
9. The municipality did not disclose the following as required by GRAP 17, *Property, Plant and Equipment* in note 9 to the financial statements: The amount of contractual commitments for the acquisition of property, plant and equipment per class of asset, and the amount of compensation from third parties for items of property, plant and equipment that contributed to the gain on disposal of assets of R3 062 828 (2023: R2 985 411).
10. During 2023 the municipality incorrectly recognised items of property, plant and equipment in accordance with GRAP 17, *Property, Plant and Equipment* that do not meet the recognition criteria. Consequently, property, plant and equipment included in note 9 to the financial statements was overstated by R8 038 812. Additionally, there was an impact on the accumulated surplus.
11. The municipality incorrectly recognised items of property, plant and equipment in the comparative figure in accordance with GRAP 17, *Property, plant and equipment* that do not meeting the recognition criteria. Consequently, property, plant and equipment included in note 9 to the financial statements was understated by R3 026 638. Additionally, there was an impact on the accumulated surplus and comparative depreciation.

Receivables from exchange transactions

12. I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions gross balance and allowance for impairment due to the status of the accounting records and non-submission of supporting information. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to receivables from exchange

transactions gross balance stated at R126 515 215 and related allowance for impairment stated at R113 976 973 in note 4 to the financial statements.

13. The municipality did not disclose the following as required by GRAP 104, *Financial Instruments*:
- The carrying amount of receivables from exchange transactions which the municipality has pledged as collateral for liabilities or contingent liabilities and the terms and conditions relating to the pledge.
 - Information about the credit quality of the receivables from exchange transactions that are neither past due nor impaired.
 - The carrying amount of receivables from exchange transactions that would otherwise be past due or impaired whose terms have been renegotiated.
 - An analysis of the age of receivables from exchange transactions that is past due at the end of the reporting period but not impaired.

I have not included the omitted information in this auditor's report as it was impracticable to do so.

14. The municipality did not correctly disclose the ageing of receivables from exchange transactions gross balance and allowance for impairment in note 4 to the financial statements as required by GRAP 104, *Financial Instruments*. Consequently, the ageing of the gross balance is understated and the allowance for impairment understated by R14 116 454 in note 4 to the financial statements due to the cumulative effect of the following individual misstatements:
- Ageing of the water receivables gross balance stated at R49 242 155 was understated by R9 959 066 and allowance for impairment stated at R41 170 173 was understated by R9 959 066.
 - Ageing of the sundry receivables gross balance stated at R1 025 062 was overstated by R1 163 073 and allowance for impairment stated at R1 594 327 was overstated by R1 163 073.
 - Ageing of electricity receivables gross balance stated at R5 701 797 was overstated by R1 683 621 and allowance for impairment stated at R3 468 751 was overstated by R1 683 621.
 - Ageing of sewerage receivables gross balance stated at R26 765 623 was understated by R2 873 291 and allowance for impairment stated at R25 701 577 was understated by R2 873 291.
 - Ageing of refuse receivables gross balance stated at R29 664 124 was understated by R4 130 791 and allowance for impairment stated at R27 925 691 is understated by R4 130 791.
15. The municipality incorrectly disclosed the reconciliation of allowance for impairment in note 4 to the financial statements for both the current and comparative figures stated at R105 168 164 (2023: R81 392 993) as the disclosure was duplicated.
16. The municipality did not correctly recognise receivables from exchange transactions in the comparative figures as required by GRAP 104, *Financial Instruments*. Consequently, the comparative receivables from exchange transactions is understated by R3 729 761.

Statutory receivables from non-exchange transactions

17. I was unable to obtain sufficient appropriate audit evidence for statutory receivables from non-exchange transactions – property rates gross balance and allowance for impairment due to the status of the accounting records and non-submission of supporting information. I was unable to confirm the statutory receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to statutory receivables from non-exchange transactions – property rates gross balance stated at R47 564 724 and related allowance for impairment stated at R45 877 928 in note 3 to the financial statements.
18. I was unable to obtain sufficient appropriate audit evidence for statutory receivables from non-exchange transactions – fines gross balance and allowance for impairment due to the status of the accounting records and non-submission of supporting information. I was unable to confirm the statutory receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to statutory receivables from non-exchange transactions – fines gross balance stated at R6 211 818 (2023: R1 329 260) and related allowance for impairment stated at R5 927 414 (2023: R1 144 557) in note 3 to the financial statements.
19. The municipality did not disclose the following as required by GRAP 108, *Statutory Receivables*:
- Description of how the property rates receivable arises, with specific reference to the applicable legislation and/or supporting regulations, description of how the property rates transaction amount is determined and description of the interest levied, including the basis and rate used.
 - Description of the basis used to assess and test whether the statutory receivables are impaired; description of the discount rate applied to the estimated future cash flows and how it was determined; the main events and circumstances that led to the recognition of significant impairment losses and information about the key indicators and assumptions used to assess and calculate the impairment of statutory receivables.
 - An analysis of property rates and fines receivables that are past due at the reporting date and which have been impaired, and an analysis of property rates and fines receivables that are past due that have not been impaired.
- I have not included the omitted information in this auditor's report as it was impracticable to do so.
20. The municipality did not correctly disclose the ageing of statutory receivables from non-exchange transactions – property rates gross balance and allowance for impairment in note 3 to the financial statements as required by GRAP 108, *Statutory Receivables*. Consequently, the ageing of the property rates gross balance is understated by R4 053 413 and the allowance for impairment understated by R4 053 413 in note 3 to the financial statements.

21. The municipality did not correctly disclose the ageing of statutory receivables from non-exchange transactions – fines gross balance and allowance for impairment in note 3 to the financial statements as required by GRAP 108, *Statutory Receivables*. Consequently, the ageing of the fines gross balance is understated by R4 246 108 and the allowance for impairment understated by R5 391 762 in note 3 to the financial statements.
22. The municipality did not correctly disclose the ageing of statutory receivables from non-exchange transactions comparative figures for fines gross balance and allowance for impairment in note 3 to the financial statements as required by GRAP 108, *Statutory Receivables*. Consequently, the ageing of the comparative gross balance and allowance for impairment for fines is overstated by R8 587 116 in note 3 to the financial statements.
23. The municipality did not correctly disclose the reconciliation of the provision for impairment in note 3 to the financial statements as required by GRAP 108, *Statutory Receivables*. Consequently, the reconciliation of the provision for impairment is understated by R5 391 762 in note 3 to the financial statements.

Receivables from non-exchange transactions

24. I was unable to obtain sufficient appropriate audit evidence for receivables from non-exchange transactions due to the status of the accounting records and non-submission of supporting documentation. I was unable to confirm the receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to receivables from non-exchange transactions stated at R2 182 196 in note 5 to the financial statements.

VAT receivable

25. During 2023 the municipality did not correctly disclose the VAT receivable as a statutory receivable from non-exchange transactions as required by GRAP 108, *Statutory Receivables*. Consequently, the VAT receivable disclosed in note 6 to the financial statements is overstated and statutory receivables from non-exchange transactions is understated by R2 026 993.

Payables from exchange transactions

26. I was unable to obtain sufficient appropriate audit evidence for payables from exchange transactions due to the status of the accounting records and the non-submission of supporting documentation. I was unable to confirm the payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to payables from exchange transactions stated at R89 806 056 (2023: R88 691 289) in note 11 to the financial statements.

VAT payable

27. I was unable to obtain sufficient appropriate audit evidence for the VAT payable due to the status of the accounting records and the non-submission of supporting documentation. I was unable to confirm that VAT payable by alternative means. Consequently, I was unable to determine whether any adjustments relating to the VAT payable stated at R6 243 138 in note 13 to the financial statements, were necessary.

Employee benefit obligation

28. I was unable to obtain sufficient appropriate audit evidence for employee benefit obligations due to the status of the accounting records. I was unable to confirm the employee benefit obligations by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to non-current employee benefit obligations stated at R14 671 000 (2023: R13 212 308) in note 15 to the financial statements.
29. The municipality did not disclose the following as required by GRAP 25, *Employee Benefits*:
- Information that explains the characteristics of the defined benefit plans and risk associated with them, information that describes how the defined benefit plans may affect the amount, timing and uncertainty of the municipality's future cash flows and a description of the regulatory framework in which the plan operates.
 - A description of any other entity's responsibilities for the governance of the plan, a description of the risks to which the plan exposes the entity and a description of any plan amendments, curtailments and settlements.
 - The actuarial assumptions movement has not been split between demographic and financial assumptions.
 - A sensitivity analysis for each significant actuarial assumption, the methods and assumptions used in preparing the sensitivity analysis and changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analysis, and the reasons for such changes.
 - A description of any funding arrangements and funding policy that affect future contributions.
 - Information about the maturity profile of the defined benefit obligations which includes the weighted average duration of the defined benefit obligation and the maturity analysis of the benefit payments.

I have not included the omitted information in this auditor's report as it was impracticable to do so.

Provisions

30. I was unable to obtain sufficient appropriate audit evidence for provisions due to the status of the accounting records and non-submission of supporting documentation. I was unable to confirm the provisions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to non-current and current provisions stated at R17 222 491 and R16 583 611 respectively in note 17 to the financial statements.
31. The municipality did not disclose the following as required by GRAP 19, *Provisions, Contingent Liabilities and Contingent Assets*:
- A brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits or service potential and an indication of the uncertainties about the amount or timing of those outflows.
 - The amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.

32. The municipality did not correctly disclose the narrative information relating to the licencing and rehabilitation costs to restore the sites at the end of their useful lives. Consequently, the disclosure of the narrative information relating to the licencing and rehabilitation costs to restore the sites at the end of their useful lives is understated by R5 276 524 in note 17 to the financial statements.

Revenue from exchange transactions

33. Revenue from exchange transactions were materially misstated by R3 836 989 due to the cumulative effect of individually immaterial uncorrected misstatements in the revenue from exchange transactions:
- Service charges stated at R124 860 943 was overstated by R710 591.
 - Interest, dividends, and rent on land earned stated at R10 255 061 was overstated by R86 954.

In addition, I was unable to obtain sufficient appropriate audit evidence to confirm revenue from exchange transactions by alternative means:

- Service charges of R93 795 as included in the amount of R124 860 943.
- Interest, dividends and rent on land earned of R334 607 included in the amount of R10 255 061.
- Rental from fixed assets of R217 428 included in the amount of R669 706.
- Gain on disposal of R3 062 828.

Consequently, I was unable to determine whether any further adjustments were necessary to revenue from exchange transactions.

34. Revenue from exchange transactions were materially misstated by R3 121 262 due to the cumulative effect of individually immaterial uncorrected misstatements in the revenue from exchange transactions comparative figure:
- Revenue from exchange transactions stated at R116 766 287 was overstated by R1 102 543.
 - Gain on disposal of assets and liabilities stated at R2 985 411 was overstated by R609 198.

In addition, I was unable to obtain sufficient appropriate audit evidence to confirm revenue from exchange transactions by alternative means:

- Revenue from exchange transactions of R198 140 as included in the amount of R116 766 287.
- Licences and permits of R1 040 255 included in the amount of R171 119.
- Operational revenue of R609 197 included in the amount of R1 211 375.
- Gain on disposal of R2 985 411.

Consequently, I was unable to determine whether any further adjustments were necessary to revenue from exchange transactions.

35. The municipality did not account for other income from exchange transactions in accordance with GRAP 9, *Revenue from exchange transactions*. Consequently, the other income from exchange transactions is overstated and VAT payable is understated by R6 031 622.

Revenue from non-exchange transactions – Transfers and subsidies

36. I was unable to obtain sufficient appropriate audit evidence for revenue from non-exchange transactions – transfers and subsidies due to the status of the accounting records and non-submission of supporting documentation. I was unable to confirm the revenue from non-exchange transactions – transfers and subsidies by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue from non-exchange transactions – transfers and subsidies stated at R90 795 929 in note 31 to the financial statements.
37. The municipality did not correctly disclose the current year receipts in note 31 to the financial statements as it does not agree to the additions during the year disclosed in note 16 to the financial statements. Consequently, the disclosure of the current year receipts in note 31 to the financial statements is understated by R30 999 439.
38. The municipality did not correctly disclose the amount for conditions met – transferred to revenue in note 31 to the financial statements as it does not agree to the income recognised during the year disclosed in note 16 to the financial statements. Consequently, the disclosure of the amount for conditions met – transferred to revenue in note 31 to the financial statements is understated by R28 491 866.
39. The municipality did not correctly disclose the comparative rejected rollovers in note 16 to the financial statements as it does not agree to the comparative rejected rollovers disclosed in note 31 to the financial statements. Consequently, the disclosure of the comparative rejected rollovers in note 16 to the financial statements to the financial statements is overstated by R5 199 296.
40. The municipality did not correctly disclose the comparative amount repaid to National Revenue Fund in note 16 to the financial statements as it does not agree to the comparative amount repaid to National Revenue Fund disclosed in note 31 to the financial statements. Consequently, the disclosure of the amount repaid to National Revenue Fund in note 16 to the financial statements is understated by R5 199 255.
41. The municipality did not correctly disclose the movement during the year in note 35.39 to the financial statements as it does not agree to note 16 to the financial statements. Consequently, the movement during the year disclosed in note 35.39 to the financial statements is understated by R148 217 due to the cumulative effect of the following individual misstatements:
- Balance at the beginning of the year stated at R12 516 606 (2023: R19 488 791) is understated by R1 275 524 (2023: overstated by R35 127).
 - Additions during the year stated at R53 436 250 is understated by R37 788 000.
 - Rejected rollovers stated at R0 (2023: R0) is understated by R2 334 882 (2023: R6 036 620).

- Income recognised during the year stated at R51 658 037 (2023: R52 606 741) is understated by R36 580 425 (2023: overstated by R7 264 904)
42. The municipality did not correctly disclose the revenue recognised in note 35.1 to 35.38 to the financial statements as it does not agree to the revenue recognised that is disclosed in note 31 to the financial statements. Consequently, the disclosure of the revenue recognised in note 35.1 – 35.38 to the financial statements is understated by R31 049 333 (2023: R8 059 721).
 43. The municipality did not disclose the following grants in note 31 to the financial statements, as required by GRAP 23, Revenue from non-exchange transactions: HR communications, Municipal service delivery and capacity building grant, Western Cape financial recovery services, Human settlement, Municipal water resilience grant and the Water resilience grant. Consequently, the disclosure of the current year receipts is understated R30 999 440, and conditions met – transferred to revenue is understated by R28 495 626.
 44. During 2023 the municipality did not account for transfers and subsidies in accordance with GRAP 23, *Revenue from non-exchange transactions*. The amounts recognised did not agree to the supporting schedules and underlying supporting documents. Consequently, the transfers and subsidies included in note 301 to the financial statements is overstated by R5 118 185, the unspent conditional grants and receipts included in note 16 to the financial statements is understated by R5 123 418 and the accumulated surplus is overstated by R5 233.

Revenue from non-exchange transactions – Property taxes

45. During 2023 the valuation date was incorrectly stated as 1 July 2021 instead of 1 July 2022, the general rates disclosed did not agreed to the council approved rates for the 2022-23 financial year and total assessment value per category and in total as incorrectly disclosed in note 29 to the financial statements. Consequently, the note is misstated due to these incorrect disclosures and the total assessment rates is understated by R51 175 000.
46. During 2023 not all revenue from non-exchange transactions for property rates were recorded as required by GRAP 23, Revenue from Non-exchange Transactions. Consequently, the revenue and receivables from non-exchange transactions from property rates are understated by R2 245 246.

Employee relates costs

47. I was unable to obtain sufficient appropriate audit evidence for employee related costs due to employment contracts, appointment letters and various other supporting documents not being provided. I was unable to confirm the employee related costs by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to employee related costs stated at R97 286 000 (2023: R78 942 571) in note 33 to the financial statements.

48. The municipality did not correctly record the employee related costs transactions. Consequently, employee related costs included in note 33 to the financial statements is overstated by R7 985 210 and receivables from non-exchange transactions included in note 5 is understated by R7 985 210.

Expenditure – Impairment losses

49. I was unable to obtain sufficient appropriate audit evidence for impairment losses due to the status of the accounting records and non-submission of supporting documentation. I was unable to confirm the impairment losses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to impairment losses stated at R66 741 124 in note 36 to the financial statements.

Expenditure – Operational costs

50. I was unable to obtain sufficient appropriate audit evidence for expenditure – operational costs due to the status of the accounting records and the non-submission of supporting documentation. I was unable to confirm expenditure – operational costs by alternative means. Consequently, I was unable to determine whether any adjustments relating to expenditure – operational costs, stated at R21 835 473 (2023: R20 917 467) in note 39 to the financial statements, were necessary.

Expenditure

51. Expenditure transactions were materially misstated by R7 712 318 due to the cumulative effect of individually immaterial uncorrected misstatements in expenditure:
- Bulk purchases stated at R60 101 142 is understated by R216 670.
 - Contracted services stated at R35 829 427 is overstated by R443 427.
 - Depreciation and amortisation stated at R16 112 945 is overstated by R90 586.
 - Finance costs stated at R4 185 487 is overstated by R303 352

In addition, I was unable to obtain sufficient appropriate audit evidence to confirm expenditure by alternative means:

- Inventory consumed of R136 880 as included in the amount of R5 318 450.
- Bulk purchases of R2 628 097 included in the amount of R60 101 142.
- Contracted services of R2 426 959 included in the amount of R35 829 427.
- Depreciation and amortisation of R1 899 687 included in the amount of R16 112 945

Consequently, I was unable to determine whether any further adjustments were necessary to expenditure.

52. Expenditure transactions were materially misstated by R5 571 154 due to the cumulative effect of individually immaterial uncorrected misstatements in the expenditure comparative figure:

- Inventory consumed stated at R2 906 729 is understated by R1 720 513.
- Bulk purchases stated at R51 963 634 is overstated by R2 120 243.
- Contracted services stated at R19 895 921 is understated by R753 509.
- Impairment losses stated at R32 125 975 is understated by R1 094 263.
- Depreciation and amortisation stated at R12 076 508 is understated by R356 989.
- Finance costs stated at R7 063 776 is understated by R996 615.
- Remuneration of councillors stated at R3 273 323 is understated by R115 711.

In addition, I was unable to obtain sufficient appropriate audit evidence to confirm expenditure by alternative means:

- Inventory consumed of R165 038 as included in the amount of R2 906 729.
- Impairment losses of R1 651 904 included in the amount of R32 125 975.
- Depreciation and amortisation of R1 880 909 included in the amount of R12 076 508

Consequently, I was unable to determine whether any further adjustments were necessary to expenditure.

Other misstatements

53. We identified additional misstatements with regards to receivables from exchange transactions, receivables from non-exchange transactions, statutory receivables from non-exchange transactions, property, plant and equipment, payables from exchange transactions, VAT payable, provisions, accumulated surplus, transfers and subsidies, operational cost and employee related costs. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Statement of changes in net assets

54. I was unable to obtain sufficient appropriate audit evidence for the other transfers of R13 800 857 and financial assets of R12 107 365 as included in the statement of changes in net assets due to the status of the accounting records. I was unable to confirm the disclosure of these amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the total net assets as stated at R165 028 667 in the statement of changes in net assets.

55. The municipality did not correctly disclose the opening balance at 1 July 2022 in the statement of changes in net assets as it does not agree to the balance previously reported on 1 July 2022 before correction of errors. Consequently, the opening balance at 1 July 2022 in the statement of changes in net assets is understated by R21 093 738.

Cash flow statement

56. I was unable to obtain sufficient appropriate audit evidence on the cash flow statement due to the various misstatements included in the cash flow statement. I was unable to confirm the cash flows by alternative means. I was unable to determine whether any adjustments were necessary to the net cash flows from operating activities stated at R27 410 871 (2023: R3 454 608), net cash flows from investing activities stated at R120 431 000 (2023: R12 526 208) and net cash flows from financing activities stated at R3 685 235.
57. The municipality did not disclose the amount of significant cash and cash equivalent balances held by the municipality that are not available for use by the municipality for the current and prior year as required by GRAP 2, *Cash Flow Statement*. I have not included the omitted information in this auditor's report as it was impracticable to do so.

Statement of comparison of budget and actual amounts

58. The municipality did not appropriately present the statement of comparison of budget and actual amounts as required by GRAP 24, *Presentation of Budget Information in Financial Statements*, as various misstatements were identified that do not provide a fair presentation which will assist users in understanding the material departures from the approved budget. I was unable to determine the full extent of the omitted disclosure as it was impracticable to do so.

Going concern

59. The municipality did not disclose the material uncertainties related to events or conditions that may cast significant doubt upon the municipality's ability to continue as a going concern as required by GRAP 1, *Presentation of Financial Statements*. I have not included the omitted information in the auditor's report as it was impracticable to do so.

Accounting policies

60. The municipality did not appropriately present the accounting policies as required by GRAP 1, *Presentation of Financial Statements*, as various misstatements were identified that do not provide a fair presentation of the accounting policies that are relevant to an understanding of the financial statements. I was unable to determine the full extent of the omitted disclosure as it was impracticable to do so.

Prior year adjustments

61. I was unable to obtain sufficient appropriate audit evidence for the correction of errors disclosed in note 48 due to the status of the accounting records. I was unable to confirm the disclosure of these adjustments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the correction of errors disclosed in note 48 to the financial statements.
62. The municipality did not disclose the nature of the correction of errors in note 48 to the financial statements as required by GRAP 3, *Accounting policies, Changes in accounting estimates and Errors*. I have not included the omitted information in the auditor's report as it was impracticable to do so.

63. The municipality did not correctly disclose the restated amounts in note 48 to the financial statements as it does not agree to the comparative amounts disclosed in the statement of financial position and the statement of financial performance. Consequently, the restated amounts disclosed in note 48 to the financial statements is overstated by R10 414 183 due to the cumulative effect of the following individual misstatements:

- Reserves is understated by R6 986.
- Accumulated surplus / (deficit) is overstated by R3 440 368.
- Fines, penalties and forfeits is overstated by R9 000.
- Interest – Transfer revenue is understated by R24 937.
- Licences and permits are overstated by R1 040 255.
- Gain on disposal of assets and liabilities is understated by R2 985 411.
- Actuarial gains are understated by R295 000.
- Operational costs are overstated by R16 103 658.

64. The municipality did not correctly disclose the restated amounts in note 48 to the financial statements as it does not agree to the comparative amounts disclosed in the cash flow statement. Consequently, the restated amounts disclosed in note 48 to the financial statements is overstated by R2 650 931 due to the cumulative effect of the following individual misstatements:

- Remuneration of councillors is understated by R3 273 324.
- External interest paid is understated by R994 603.
- Suppliers paid is overstated by R40 073 767.
- Other payments are understated by R36 800 443.
- VAT paid is understated by R211 082.
- Proceeds on disposal of intangible assets are understated by R292 280.
- Decrease in borrowings (Loans redeemed) is overstated by R633 869.
- Increase / (decrease) in consumer deposits is overstated by R3 515 027.

Irregular expenditure

65. I was unable to obtain sufficient appropriate audit evidence for the irregular expenditure incurred during the year and the opening balance of irregular expenditure, as disclosed in note 51 to the financial statements, due to the status of the accounting records. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to irregular expenditure stated at R144 256 547 in the financial statements.

66. The current year irregular expenditure disclosed in note 51 to the financial statements was incorrectly disclosed. Consequently, the irregular expenditure current year is overstated by R16 732 145.

67. The municipality did not include all the irregular expenditure incurred during the current year in note 51 to the financial statements. Consequently, the irregular expenditure in the current year is understated by R5 014 456 (2023: R10 717 920).

68. The municipality incorrectly disclosed irregular expenditure as deviations from the procurement process in note 51 to the financial statements. Consequently, irregular expenditure current year is understated by R8 890 348 and deviations from the procurement process are overstated by R9 373 782.

Fruitless and wasteful expenditure

69. Fruitless and wasteful expenditure identified were not disclosed in the financial statements. Due to the status of the accounting records, I was unable to determine the full extent of the understatement of fruitless and wasteful expenditure in the financial statements, as it was impracticable to do so.

Unauthorised expenditure

70. I was unable to obtain sufficient appropriate audit evidence for the unauthorised expenditure incurred during the year and the opening balance of unauthorised expenditure, as disclosed in note 50 to the financial statements, due to the status of the accounting records. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to unauthorised expenditure stated at R68 713 280 in the financial statements.

Financial instruments

71. The municipality did not disclose the carrying amounts of each of the categories of financial instruments and a description of how the municipality manages the liquidity risk in note 49 to the financial statements as required by GRAP 104, *Financial Instruments*. I have not included the omitted information in the auditor's report as it was impracticable to do so.
72. The municipality did not correctly disclose the comparative financial liabilities for liquidity risk in note 49 to the financial statements as required by GRAP 104, *Financial Instruments*. Consequently, the comparative financial liabilities for liquidity risk disclosed in note 49 to the financial statements are overstated by R4 616 207.
73. The municipality did not correctly disclose the receivables from exchange transactions for credit risk in note 49 to the financial statements as required by GRAP 104, *Financial Instruments*. Consequently, receivables from exchange transactions for credit risk disclosed in note 49 to the financial statements is overstated by R113 976 976 (2023: R81 336 155).
74. The municipality did not correctly disclose the receivables from non-exchange transactions for credit risk in note 49 to the financial statements as required by GRAP 104, *Financial Instruments*. Consequently, receivables from non-exchange transactions for credit risk disclosed in note 49 to the financial statements is overstated by R47 606 370 (2023: R38 864 361).

Segment information

75. I was unable to obtain sufficient appropriate audit evidence for the comparative segment information disclosed in note 55 due to the status of the accounting records. I was unable to confirm the disclosure of the comparative segment information by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the segment information disclosed in note 55 to the financial statements.
76. The municipality did not disclose the following as required by GRAP 18, *Segment reporting*:
- Factors used to identify the municipality's reportable segments, including the basis of organisation; whether segments have been aggregated and the basis of the aggregation; types of goods and/or services delivered by each segment; the amounts of additions to non-current assets and segment liabilities.
 - Whether segment surplus/deficit, assets or liabilities are measured in accordance with the relevant principles of GRAP in terms of paragraph 25 of GRAP 18.
 - The geographical areas in which the municipality operates that are relevant for decision-making purposes; external revenue from non-exchange transactions and external revenues from exchange transactions attributed to the geographical areas in which the municipality operates; total expenditure attributed to the geographical areas and the non-current assets for the geographical areas.
77. The municipality did not disclose the reconciliation of the total of the reportable segments' revenues to the municipality's revenue in note 55 to the financial statements as required by GRAP 18, *Segment information*. I have not included the omitted information in the auditor's report as it was impracticable to do so.
78. The municipality incorrectly disclosed the municipality's revenue in note 55 to the financial statements as it does not agree to the revenue as per the statement of financial performance. Consequently, revenue disclosed in note 55 to the financial statements is understated by R5 106 362.
79. The municipality did not disclose the reconciliation of the total of the reportable segments' expenditure to the municipality's expenditure in note 55 to the financial statements as required by GRAP 18, *Segment information*. I have not included the omitted information in the auditor's report as it was impracticable to do so.
80. The municipality did not disclose the reconciliation of the total of the reportable segments' assets to the municipality's assets in note 55 to the financial statements as required by GRAP 18, *Segment information*. I have not included the omitted information in the auditor's report as it was impracticable to do so.
81. The municipality incorrectly disclosed the municipality's assets in note 55 to the financial statements as it does not agree to the assets as per the statement of financial position. Consequently, assets disclosed in note 55 to the financial statements is understated by R191 187 057.

Commitments

82. Commitments identified were not disclosed in the financial statements. Due to the status of the accounting records, I was unable to determine the full extent of the understatement of commitments in the financial statements, as it was impracticable to do so.

Accounting by principal and agents

83. The municipality did not disclose a description of any resources that are held on behalf of the principal, but recognised in the agent's own financial statements, and a reconciliation of the carrying amount of the receivables or the payable at the beginning and end of the period showing the revenue that the principal is entitled to, the cash repaid to the principal and the income from agency services as required by GRAP 109, *Accounting by Principals and Agents*. I have not included the omitted information in the auditor's report as it was impracticable to do so.
84. The municipality did not assess the nature of and disclose its arrangements entered into with service providers where they provide services to the public on behalf of the municipality and why the transactions with these service providers are not considered to be those within the scope of GRAP 109, *Accounting by Principals and Agents*. I have not included the omitted information in the auditor's report as it was impracticable to do so.

Additional disclosures in terms of applicable legislation

85. I was unable to obtain sufficient appropriate audit evidence for electricity losses as disclosed in note 40 to the financial statements due to the status of the accounting records. I was unable to confirm the electricity losses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the electricity losses stated at R8 874 785 in note 40 to the financial statements.
86. During 2023 I was unable to obtain sufficient appropriate audit evidence for the disclosure of PAYE and UIF in note 53 to the financial statements as the municipality did not have adequate systems to maintain records. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the balance disclosed for PAYE and UIF stated at R974 133 in note 53 to the financial statements.
87. The municipality did not disclose the following note 53 to the financial statements:
- The particulars of non-compliance with the MFMA and a statement by the accounting officer whether or not the salaries of political office-bearers and councillors of the municipality is within the upper limits of the framework.
 - Any arrears owed by individual councillors to the municipality for rates and services and which at any time during the relevant financial year were outstanding for more than 90 days, including the names of those councillors.
 - The total amount of taxes (VAT) paid and whether any amounts were outstanding as at the end of the financial year.

88. The municipality incorrectly disclosed the comparative audit fees paid in note 53 to the financial statements. Consequently, the comparative amount disclosed in note 53 to the financial statements for the amount paid – current year is overstated by R5 321 554 and the amount paid – previous years is understated by R5 321 554.
89. The municipality incorrectly disclosed the PAYE, skills development levy and UIF in note 53 to the financial statements. Consequently, the amount disclosed in note 53 to the financial statements for the opening balance is understated by R10 805 021, the amount paid – current year is understated by R12 918 035, the amount paid – previous years is overstated by R12 918 035 (2023: R11 714 552) and the balance unpaid is understated by R11 498 588 (2023: R10 805 021).

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

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

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

94. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for audit opinion on these financial statements
95. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code), as well as the other ethical

Report on the annual performance report

96. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
97. I selected the following material performance indicators related to *KPA 2 – To provide adequate services and improve our public relations* presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
- KPI 6: 75% of water samples comply with SANS-241 micro biological indicators $\{(\text{Number of water samples that comply with SANS-241 indicators} / \text{Number of water samples tested}) \times 100\}$
 - NKPI 1: Number of formal residential properties that receive piped water connected to the municipal water infrastructure network annually as at 30 June 2024
 - NKPI 2: Provision of electricity to formal residential account holders connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering. Number of formal residential properties connected to the municipal electrical infrastructure network (excluding Eskom areas) annually as at 30 June 2024
 - NKPI 3: Provision of sanitation/sewerage services to formal residential account holders which are connected to the municipal wastewater/sanitation/sewerage network and billed for services annually as at 30 June 2024
 - NKPI 4: Number of formal residential properties for which refuse is removed at least once per week and billed for the service annually as at 30 June 2024
 - NKPI 5: Provision of electricity to informal residential account holders in the designated informal areas which are connected to the municipal infrastructure network for prepaid electrical metering annually as at 30 June 2024
 - NKPI 6: Number of households with access to free basic services (as per indigent register annually) by 30 June 2024
 - NKPI 7: Provision of free basic electricity to indigent account holders connected to the municipal electrical infrastructure network annually as at 30 June 2024
 - NKPI 8: Provision of free basic sanitation services to indigent account holders which are connected to the municipal wastewater (sanitation/sewerage) network and are billed for sewerage service, irrespective of the number of water closets (toilets) annually as at 30 June 2024

- NKPI 9: Provision of clean piped water to indigent account holders which are connected to the municipal water infrastructure network annually as at 30 June 2024
98. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
99. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.
100. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

101. The material findings on the reported performance information for the selected material indicators are as follows:

Various indicators

102. Based on the audit evidence, the actual achievements for three (3) indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently, the targets were not achieved, the under achievements on the targets were more than reported and the achievements against the targets were lower than reported.

Indicator	Target	Reported achievement
NKPI 2: Provision of electricity to formal residential account holders connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering. Number of formal residential properties connected to the municipal electrical infrastructure network (excluding Eskom areas) annually as at 30 June 2024	3 541	3 797
NKPI 3: Provision of sanitation/sewerage services to formal residential account holders which are connected to the municipal wastewater/sanitation/sewerage network and billed for services annually at 30 June 2024	4 350	4 646
NKPI 4: Number of formal residential properties for which refuse is removed at least once per week and billed for the service annually as at 30 June 2024	4 550	4 887

NKPI 5: Provision of electricity to informal residential account holders in the designated informal areas which are connected to the municipal infrastructure network for prepaid electrical metering annually as at 30 June 2024

103. An achievement of 107 was reported against a target of 200. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

KPI 6: 75% of water samples comply with SANS-241 micro biological indicators {(Number of water samples that comply with SANS-241 indicators/Number of water samples tested) x 100}

104. An achievement of 51.2% was reported against a target of 75%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

105. Measures taken to improve performance against the underachieved target of 75% were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

Other matters

106. I draw attention to the matters below.

Achievement of planned targets

107. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.
108. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 6 to 7.

KPA 2: To provide adequate services and improve our public relations

<i>Targets achieved: 75%</i> <i>Budget spent: 100%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
KPI 5 – Limit total electricity losses in distribution network to less than 12% accumulated over the financial year until 30 June 2024	Less than 12%	15.28%
KPI 6 – 75% of water samples comply with SANS-241 micro biological indicators {(Number of water samples that comply with SANS-241 indicators/Number of water samples tested) x 100}	75%	51.2%
NKPI 5 – Provision of electricity to informal residential account holders in the designated informal areas which are connected to the municipal electrical infrastructure network for prepaid electrical metering annually as at 30 June 2024	200	107

Material misstatements

109. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for KPA 2 – To provide adequate services and improve our public relations. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

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

Annual financial statements, performance and annual reports

114. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.
115. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer audit opinion.
116. The 2022-23 annual report was not made public after being tabled in the council, as required by section 127(5)(a)(i) of the MFMA.
117. The local community was not invited to submit representations in connection with the 2022-23 annual report, as required by section 127(5)(a)(ii) of the MFMA.
118. The council failed to adopt an oversight report containing the council's comments on the 2022-23 annual report, as required by section 129(1) of the MFMA.
119. The oversight report adopted by the council on the 2022-23 annual report was not made public, as required by section 129(3) of the MFMA.

Asset management

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

Consequence management

121. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
122. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
123. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Expenditure management

124. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
125. Payments were made from the municipality's bank accounts without the approval of a properly authorised official, as required by section 11(1) of the MFMA.
126. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval of funds, as required by section 65(2)(a) of the MFMA.
127. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred and accounted for creditors, as required by section 65(2)(b) of the MFMA.
128. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for disclaimer paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with the municipality's supply chain management policy.
129. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the fruitless and wasteful expenditure could not be quantified as indicated in the basis for disclaimer paragraph.
130. Reasonable steps were not taken to prevent unauthorised expenditure as required by section 62(1)(d) of the MFMA. The full extent of the unauthorised expenditure could not be quantified as indicated in the basis for disclaimer paragraph.

Human resource management

- 131. Job descriptions were not established for all posts in which appointments were made, as required by section 66(1)(b) of the MSA and regulation 7(1) of Municipal Staff Regulations.
- 132. The municipal manager did not develop the staff establishment and did not submit it to the municipal council for approval as required by section 66(1)(a) of the MSA.
- 133. The senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.

Procurement and contract management

- 134. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtain the required price quotations, in contravention of SCM Regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.
- 135. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). Similar non-compliance was also reported in the prior year.
- 136. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c).
- 137. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43.
- 138. Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB Regulations 17 and 25(7A).
- 139. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.
- 140. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.

Revenue management

- 141. An effective management, accounting and information system which accounts for revenue / debtors was not in place, as required by section 64(2)(e) of the MFMA.
- 142. An effective system of internal control for debtors / revenue was not in place, as required by section 64(2)(f) of the MFMA.

Strategic planning and performance management

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

Internal control deficiencies

144. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
145. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.
146. The municipality has been faced with political instability over the past few years which has resulted in an absence of vision, direction and an effective leadership tone which ultimately contributes to the lack of transparency, accountability and effective consequence management. Leadership of the municipality, including council and their committees, did not adequately exercise their mandated responsibility and oversight over financial and performance reporting, compliance with applicable legislation and related internal control processes. This has also negatively impacted the stability at administrative and operational leadership levels within the municipality further weakening the internal control environment. The culture of accountability needs to be built on clear and open communication and expectations.
147. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is available and accessible to support financial reporting. There continues to be skill shortages within the finance function and lack of accountability to implement and monitor adherence to processes to ensure that the financial statements are supported by valid, accurate and complete supporting information.
148. The design and implementation of controls are inadequate to ensure compliance with laws and regulations, resulting in non-compliance with sections of the MFMA and its regulations as well as the Municipal Systems Act 32 of 2000 and its regulations that has resulted in the continued incurrence of unauthorised, irregular and fruitless and wasteful expenditure. The municipality does not have the capacity and skills necessary to ensure that processes are implemented effectively to facilitate a culture of compliance with prescribed legislation.
149. Processes have not been implemented to ensure regular reporting on performance information as part of management's processes. The review of the documentation supporting the actual achievements reported in the annual performance report was not adequate to ensure that it is valid, accurate and complete and that it supports the actual performance reported.

Material irregularities

150. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities in progress

151. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2), but the process of evaluating the appropriateness of the accounting officer's actions was not yet complete by the date of the auditor's report.

Auditor General

Cape Town
30 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

